Sustainability Report 2023

Landis+Gyr

Contents

Message from the CEO

Dear Stakeholders,

As we reflect on Landis+Gyr's sustainability journey in the past year, I am filled with pride for our achievements and unwavering commitment to our sustainability goals. At the heart of our sustainability strategy lies a commitment to pioneering solutions that not only address environmental challenges and advance decarbonization but also empower communities and drive positive societal change. Through continuous innovation and collaboration, we aim to set new standards for responsible business practices, leading the way toward a more sustainable future for all.

Our dedication to sustainability is evident in the strides we have made, particularly in reducing carbon emissions and advancing sustainable practices across our operations and products. A highlight of FY 2023 was the validation of our Science-Based Targets (SBTs). We are proud to report a 48% decrease in Scope 1+2 emissions over the past year, firmly placing us on track to achieve our target. Meanwhile, our sourcing of renewable electricity has reached an all-time high of 79%, prompting us to set an internal target to achieve 100% by FY 2025 – five years ahead of our SBTi commitment. Scope 3 emissions, on the other hand, have increased in absolute terms compared to the 2021 baseline. Yet, a 9% decrease of Scope 3 emissions per 100 USD of turnover signals a positive trend and motivates us to intensify our internal efforts and collaboration with our value chain partners to reduce these emissions. We remain fully committed to achieving our Science Based Targets.

In our quest for sustainability, we recognize the pivotal role our products and solutions play in reducing energy consumption and associated carbon emissions, thereby supporting the decarbonization of the grid. In FY 2023, our installed smart metering base enabled the avoidance of 8.9 million tons of CO_2, while the percentage of products shipped that met our Eco-Portfolio criteria increased to 84% (up from 78% in FY 2022). Moreover, our acquisitions, including Etrel and Thundergrid, further underscore our commitment to advancing decarbonization efforts, particularly in facilitating the world's transition to electric vehicles.

Beyond our efforts to reduce emissions, we have achieved significant milestones to help us mitigate our climate impact. Most notably, we conducted our first analysis in alignment with the 'Task Force for Climate-related Financial Disclosures' (TCFD) framework to enhance transparency and disclosure regarding climate-related risks and opportunities, thereby fostering greater investor confidence and informed decision-making.

In line with the newly introduced provisions of the Swiss Code of Obligations (Art. 964), we are reinforcing ethical practices within our business processes, ensuring a due diligence-based approach.

We are deeply committed to cultivating a safer, more engaging, and more inclusive work environment for our employees. To this end, we provide training to empower our employees to recognize and report hazardous work conditions, while also investing in learning and development initiatives to nurture their professional growth. As evidence of these efforts, this year we have achieved a 20% reduction in Lost-Time Incident Frequency Rate, and our employees now average over 23 hours of learning per year.

In addition, our customers' ambitious decarbonization targets inspire us every day to continue to innovate leading technology. It fills us with immense pride that we are able to play a vital role in enabling the energy transition and the decarbonization of the grid. Our innovative solutions empower customers and end consumers to reduce emissions and manage resources better every day. Together, we partner to deliver a more sustainable tomorrow.

Our hard work and dedication have not gone unnoticed, as evidenced by the recognition we have received by esteemed institutions and rating agencies. We are honored to have received the highest score for sustainability reporting from the University of Zurich, in their annual evaluation of Swiss companies' annual reports. Additionally, our positive evaluations by ESG rating agencies affirm we are on the right trajectory and inspire us to continue making progress in our sustainability endeavors.

As we look ahead, we remain steadfast in our commitment to sustainability and innovation. With the support of our stakeholders, we are confident in our ability to drive positive sustainable impact and shape a brighter future for generations to come.

Thank you for your continued partnership and support.

Sincerely,

Werner Lieberherr
Chief Executive Officer

Introduction

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About Landis+Gyr

A Global Industry Leader

Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. Having avoided around 8.9 million tons of CO_2 in FY 2023, Landis+Gyr manages energy better – since 1896. With sales of USD 2.0 billion in FY 2023, Landis+Gyr employs around 6,900 talented people across five continents.

Our Mission

At Landis+Gyr, we create a greener tomorrow through leading smart metering, grid edge intelligence, and smart infrastructure technology.

As partners, we empower customers and consumers to utilize resources in a more informed and sustainable way.

Together, we manage energy better.

Our Values

Customer Intimacy
We are a trusted partner and deliver on our commitments.

Uncompromising Performance
We strive to deliver high quality on time every time.

Innovative Technology
We passionately innovate true differentiators for our customers.

Entrepreneurial Spirit
We empower teams to drive results with a can-do attitude.

Sustainable Impact
We manage energy better for a more sustainable world.

At a Glance

At Landis+Gyr, sustainability is deeply rooted in our heritage, shaping our mindset and guiding our actions towards a greener tomorrow. With a rich legacy spanning over 125 years, we understand the lasting impact of our decisions on the planet and future generations.

In this year's report, we showcase our efforts to integrate sustainability across our operations, highlighting key achievements, initiatives, and milestones. Recognizing the significance of managing and disclosing financial and non-financial impacts holistically, we are on a journey towards more integrated reporting. To facilitate this, we deliberately maintain a lean 'Environmental, Social, and Governance' (ESG) team, aiming to cultivate ESG expertise within each function and business. Our ultimate goal is to weave sustainability deeply into the fabric of the entire organization.

Among the highlights of FY 2023 is the validation of our SBTs. We are pleased to report a 48% reduction in our greenhouse gas (GHG) emissions for Scopes 1 and 2, putting us well on track to meet our targets. While reducing the emissions from our operations remains crucial, we are also actively addressing emissions throughout our value chain. Despite an absolute increase in Scope 3 emissions in FY 2023 compared to FY 2021, we achieved a 9% decrease relative to every 100 USD of turnover over the same period, indicating a positive trend. Additionally, our products contributed to significant carbon savings globally, amounting to 8.9 million tons of CO_2 in 2023 alone. Our investments in EV-charging and the upcoming integration of hydrogen measurement solutions into our gas metering portfolio further underscore our commitment to supporting sustainable energy solutions and meeting evolving customer needs.

Positive outcomes were also achieved in water and electricity consumption, with water withdrawals decreasing by 24% and electricity consumption declining by 8%, driven by enhanced efficiency measures and the closure of a manufacturing site in Kolkata. Our renewable electricity consumption reached a record high level of 79%. However, we encountered challenges in waste management, as the total amount of waste generated in our operations increased by 3%. Additionally, there was a slight uptick in the percentage of waste sent to landfill this year, deviating from our ambitious target of 1% by FY 2025. While the increase in total waste generation was influenced by one-off factors such as refurbishment work and office relocation, it is the proportion of waste sent to landfill that demands close attention. We are assessing the situation to define appropriate corrective measures. Similarly, regarding 'Community Engagement', we have chosen to reassess certain global coordination activities to better align with our business priorities within the next ESG strategic cycle.

Other notable achievements include the completion of our first Scope 3 accounting report, aiding us in measuring and managing these emissions more efficiently. Moreover, we conducted our first analysis based on the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework ahead of Swiss legal requirements, demonstrating our commitment to transparently disclosing climate-related risks and opportunities. We also established two dedicated committees focused on Human Rights and Supply Chain due diligence, reinforcing our dedication to ethical practices across our operations and supply chain.

Looking ahead, we will continue to monitor the regulatory landscape and prepare to meet new requirements, including those stemming from the EU Corporate Sustainability Reporting Directive (CSRD) / European Sustainability Reporting Standards (ESRS). We acknowledge the challenges and opportunities that lie ahead, and we embrace them with unwavering optimism and genuine dedication to continuously improve, collaborate, and drive positive change for the benefit of all stakeholders.
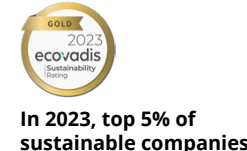
Direct CO_2 emissions avoided

8.9 million tons
through Landis+Gyr's installed Smart Metering Base in 2023[1]

Direct CO_2 emissions from Landis+Gyr operations

0.3 kg CO_2 per USD 100 turnover[2]

Change of Landis+Gyr indicators in FY 2023 compared to FY 2022

Water withdrawal	Electricity consumption
−24%	**−8%**
Waste generated	CO_2e emissions[2]
+3%	**−48%**

1 Calculated with the new model bult in collaboration with The Carbon Trust. In FY 2022, carbon emissions avoided amounted to 8.4 million tons (using the new model)
2 CO_2e emissions include Scope 1+2. In FY 2022, CO_2 per USD 100 turnover amounted to 0.7 kg.

WE SUPPORT UN GLOBAL COMPACT
Joined in January 2020

GRI
Reporting according to GRI since 2020

SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION — BUSINESS AMBITION FOR 1.5°C
Targets validated by SBTi in 2023

MSCI ESG RATINGS — CCC B BB BBB A AA AAA
AA-rated since 2018

Corporate ESG Performance RATED BY ISS ESG▷ Prime
Prime status (top decile) since 2022

GOLD 2023 ecovadis Sustainability Rating
In 2023, top 5% of sustainable companies

Rated MORNINGSTAR SUSTAINALYTICS
ESG Risk Rating of 7.4 (Negligible Risk) in 2023

inrate
Company grade of "B+" since 2022"

Customers

Landis+Gyr serves electricity, gas, and water utilities as well as other companies in the energy generation, distribution, and management sectors. Our diverse clientele encompasses public, private, and non-profit organizations of different sizes, ranging from investor-owned utilities to municipalities and cooperatives. In the EV space, we support a diverse ecosystem of customers, including Charging Point Operators. We specialize in providing tailored solutions to meet the unique needs of our customers across different scales.

Landis+Gyr supports its customers in their journey to a smarter, cleaner, and more reliable grid and efficient use of resources. With a market presence in over 100 countries and an operational footprint in approximately 30 countries, we have established ourselves as a global leader in the industry.

To date, Landis+Gyr has served over 3,500 customers worldwide, delivering a comprehensive range of products, solutions, software, and services, with offerings spanning across Smart Metering (electricity, gas, water/heat), Grid Edge Intelligence (monitor, detect, manage) and Smart Infrastructure (EV charging and its management, analytics platform).

Product Groups

Hardware:
Intelligent endpoints (Electricity, Gas, and Heat and Cooling Meters (Pre- and Post-Pay)), Communication, Modules (wired and wireless), Data Loggers and Data Concentrators (including Volume Correctors), Handheld Terminals, Load Management Receivers (one-way and two-way), Street Light Controllers, Line Sensors and Thermostats, Gas Quality Analyzer Controller, Distributed, Automation Devices and Systems, Meter Test Equipment, EV-Chargers.

Software:
Smart Metering Management, Analytics, Field Operation Manager, Network Monitor, Substation Platform, SCADA Center Enterprise Information, System, SAP Utility Adapter, Grid Management and Consumer Engagement App Platform, Applications (Field Operation Manager, Operational Data Panel, Grid Flex Control), Cybersecurity solution, EV Charging Solutions, and Flexibility Management.

Services:
IoT Connectivity as a Service (cooperation with Vodafone), Software as a Service, Metering as a Service, Infrastructure as a Service (Solution Consulting, Cloud Service, Deployment and Project Delivery Services, Managed Services, Operational Support Services, Smart Grid Services, Support Service) and Training.

Landis+Gyr does not sell any products or services which are banned. A significant portion of our products requires regulatory approval to be installed in the marketplace. For further details on Landis+Gyr's products, please visit our website.

Revelo® – an industry game changer

The E360 – a smart residential meter for the IoT world

Sustainability at Landis+Gyr

Strategy

Picturing the Future:
Our Vision for Sustainability

At Landis+Gyr, we strive to forge a greener tomorrow, where environmental stewardship, social justice, good governance, and economic prosperity become the norm. At the heart of our sustainability strategy lies a commitment to pioneering solutions that not only mitigate environmental impact and contribute to decarbonization but also empower entire communities and drive positive societal change. Through relentless innovation and collaboration, we aim to set new standards for responsible business practices, leading the way toward a more sustainable and equitable future for generations to come.

Enabling Sustainability:
Our Innovative Products and Solutions

Since its foundation in 1896, Landis+Gyr has witnessed a world of transformation, yet our core purpose has remained unchanged: to manage energy better. This mission resonates even more profoundly today as the world transitions from fossil fuels to sustainable energy sources.

Our innovative product portfolio is at the forefront of empowering people and organizations to conserve resources and drive the decarbonization of the grid, fostering a sustainable and equitable future:

– Our Smart Electricity Metering solutions are revolutionizing energy management. They enable utilities and end-users to gain deeper insights and control over their energy usage, leading to substantial financial savings, optimized energy resource utilization, and significantly reduced emissions.
– Our Smart Water Metering solutions are key in conserving vital water resources. By detecting and addressing leaks, they ensure the sustainability and affordability of this precious resource, while supporting reliable utility services.

– Grid Edge Intelligence services are transforming how utilities modernize and decarbonize the grid. These services enhance energy efficiency, facilitate the integration of renewable energy sources, and manage the complexities of decentralized generation. They are pivotal in balancing peak demands, maintaining grid reliability, and seamlessly integrating new loads such as electric vehicles and energy storage systems.
– Our Smart Infrastructure solutions are laying the groundwork for the smart cities of tomorrow. From advancing EV charging infrastructure to enabling safe digital transformations, we are paving the way for a more connected, efficient, and sustainable future.

Upholding Sustainable Business Practices:
Our Commitments

As a company, we take pride in our products and solutions and the positive impact they have both on people and the planet. We firmly believe that how this positive impact is achieved is just as important as the impact itself. For this reason, Landis+Gyr has established the following fundamental commitments along four critical dimensions to guide the company and its employees toward a sustainable business approach:

	Products & Solutions	**We develop and deliver innovative products and solutions that enable a more efficient and flexible use of resources and contribute to decarbonize the grid.**
	Climate & Environment	**We protect the climate and the environment, and make our best efforts to avoid or minimize negative environmental impacts through our operations, value chain and products. We use resources efficiently and responsibly.**
	People & Well-being	**We care for our employees' health and well-being and promote diversity, inclusion and equal opportunity in the workplace. We are partners to the local communities where we operate and are active players in supporting their development.**
	Business Ecosystem	**We conduct our business with integrity, adhering to the highest ethical standards of honesty, fairness, and respect for everyone's rights. We strive to cultivate trust and respect within our business ecosystem.**

Public Commitments and Pledges

The following public commitments and pledges lie at the core of Landis+Gyr's sustainability agenda:

United Nations Global Compact (UNGC)

Landis+Gyr joined the UNGC in 2020. The company aligns its policies and operations to the ten universal principles related to human rights, labor, environment, and anti-corruption. Furthermore, Landis+Gyr continues to demonstrate its enduring commitment to driving progress in support of the UN Sustainable Development Goals.

United Nations Sustainable Development Goals (UN SDGs)

Landis+Gyr actively contributes to the achievement of the UN SDGs. Our range of products and solutions play a significant role in delivering SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Change) by enabling efficient resource management and facilitating the integration of renewable energy sources into the grids. Additionally, our efforts support SDG 6 (Clean Water and Sanitation), albeit to a lesser extent.

Moreover, our pre-payment solutions empower customers to manage their energy consumption according to their specific needs and financial capabilities, thereby contributing to SDG 1 (No Poverty). While we also engage in initiatives that support other SDGs, our impact is limited to smaller groups, such as the company's own employees (SDG 3, 4, 5 and 8), and the business ecosystems within which we operate (SDG 9, 12 and 16).

As a leader delivering innovative energy management solutions, Landis+Gyr allocates a significant portion of its annual turnover to research and development initiatives. Many of our innovations often contribute to the advancement of the UN SDGs.

### Science Based Targets Initiative (SBTi):

Landis+Gyr joined the SBTi in 2022 and subsequently had its targets validated in 2023. The SBTi stands as the world's leading corporate initiative catalyzing climate action within the private sector. It supports companies in setting and disclosing emission reduction and net-zero targets in alignment with the latest science on climate change. Our adherence to the SBTi reflects our deep commitment to decarbonization and positions us as a proactive participant in the global movement toward a sustainable future. For more details on our SBTi journey, please refer to the 'Energy Efficiency & Climate Protection' section.

In addition, the company is committed to complying with the following frameworks and international standards:
– the Universal Declaration of Human Rights;
– the Declaration on the Fundamental Principles and Rights at Work of the International Labour Organization (ILO);
– the Global Reporting Initiative (GRI); and
– the Task Force on Climate-related Financial Disclosures (TCFD)
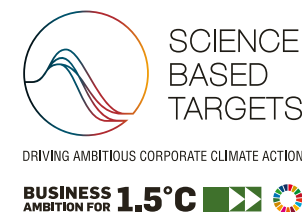
Targets

Relying on our materiality assessment, Landis+Gyr has identified ten material topics and categorized them under four dimensions. The illustration below shows how these topics and dimensions relate to the UN SDGs.

Products & Solutions

- **Product Social Impact**
- **Resource Efficiency, including:**
  - **Waste**

Climate & Environment

- **Energy Efficiency & Climate Protection, including:**
  - **GHG emissions**
  - **Water**

People & Well–being

- **Occupational Health & Safety**
- **Fair Labor Practices**
- **Employee Engagement**
- **Community Engagement**

Business Ecosystem

- **Business Integrity and Fair Taxes**
- **Strategic Responsible Sourcing**
- **Security & Data Privacy**

As per our last materiality assessment performed in FY 2021. The next materiality assessment is to be performed in the course of FY 2024.

The company has defined long-term ambitions, targets, KPIs and actions to drive progress in all four dimensions:

Dimensions	Ambitions	KPIs	FY 2021	FY 2022[a]	FY 2023[b]	Target 2025[d]
Environment	– Attain carbon neutrality in Landis+Gyr's operations (Scope 1+2) by 2030 – Achieve SBTi targets – Minimize the impact of our operations	1. Share of renewable electricity 2. CO_2e per 100 USD turnover 3. Water per employee 4. Waste to landfill	64% 0.7 kg 13.4 m³ 7.0 %	59% 0.7 kg 12.4 m³ 6.2 %	**79%** **0.3 kg** **10.6 m³** **6.3 %**	100% 0.45 kg 12 m³ 1%
Social	– Nourish a global safety culture – Be recognized as an employer of choice – Nurture and sustain a culture of diversity, equity, and inclusion – Be recognized as an industry leader in responsible sourcing	5. Lost Time Incident Frequency Rate 6. Average hours of employee learning 7. Share of suppliers who adhere to our 'Supplier Code of Conduct' (SCoC) 8. Share of suppliers assessed for ESG risks 9. Share of audited 'at-risk' suppliers 10. Share of female employees in senior roles	0.74 16.5 h 85% n/a n/a n/a	1.42 16.8 h 88% Process definition Process definition 17.2%	**1.14** **23.7 h** **89.5%** **Process defined** **Process defined[c]** **17.4%**	0.60 N/A[e] 90% 100% 100% 20%
Governance	– Maintain an undisputed reputation as a trusted and reliable partner with the highest integrity standards	11. Share of employees trained on business ethics 12. Annual year-over-year increase in the combined level of security compliance with pertinent frameworks	100% n/a	98.3% + 15%	**93.7%** **+10%**	100% +5% per year
Portfolio Impact	– Deliver solutions that empower customers and consumers to achieve their financial and environmental targets	13. Share of products in Eco-Portfolio	74%	78%	**84%**	90%

Description of KPIs
1. Proportion of electricity sourced from renewable energy, expressed as a percentage of total electricity consumed
2. CO_2e emissions (Scope 1+2) produced per 100 USD of revenue generated by the company
3. Water consumption per company employee (in m³)
4. Proportion of waste generated that is sent to landfill sites for disposal, expressed as a percentage of total waste produced
5. Number of work-related incidents resulting in lost time per million hours worked
6. Average of hours of learning completed per employee

7. Percentage of direct material suppliers (based on spend) who have signed Landis+Gyr's 'Supplier Code of Conduct' (SCoC) or equivalent
8. Percentage of direct material suppliers (based on number of suppliers) who have been assessed to determine their ESG risk profile
9. Percentage of suppliers flagged as 'at-risk' who were audited
10. Percentage of female employees holding leadership positions within the organization's hierarchy
11. Percentage of employees who have undergone training on business ethics

12. Combined result of annual security assessments performed following different frameworks (e.g., BSIMM)
13. Percentage of products shipped that satisfied Landis+Gyr's Eco-Portfolio criteria (for a detailed description of 'Eco-Portfolio,' see section 'Resource Efficiency')

a) FY 2022 metrics 6, 7 and 12 do not include Luna and Etrel.
b) For discussion on metrics and FY 2023 performance, see 'Performance/ Statistics' section'.
c) 86.2% of spend with direct material suppliers underwent an ESG audit as of the end of FY 2023.
d) All FY 2025 targets include Luna and Etrel.
e) FY 2025 target to be defined as part of the new 3-year ESG cycle.

Value Chain

Upstream Transport
Priority: Reduce GHG emissions and optimize loads

Use Phase
Priority: Deliver customer value while enhancing products' positive environmental and social impact

Downstream Transport
Priority: Reduce GHG emissions and optimize packaging

Purchased Goods and Services
Priority: Maintain a sustainable and ethical supply chain

End of Life
Priority: Keep resources in cycle as long as possible

Business Activities incl. Production
Priority: Optimize resource and energy use in business activities
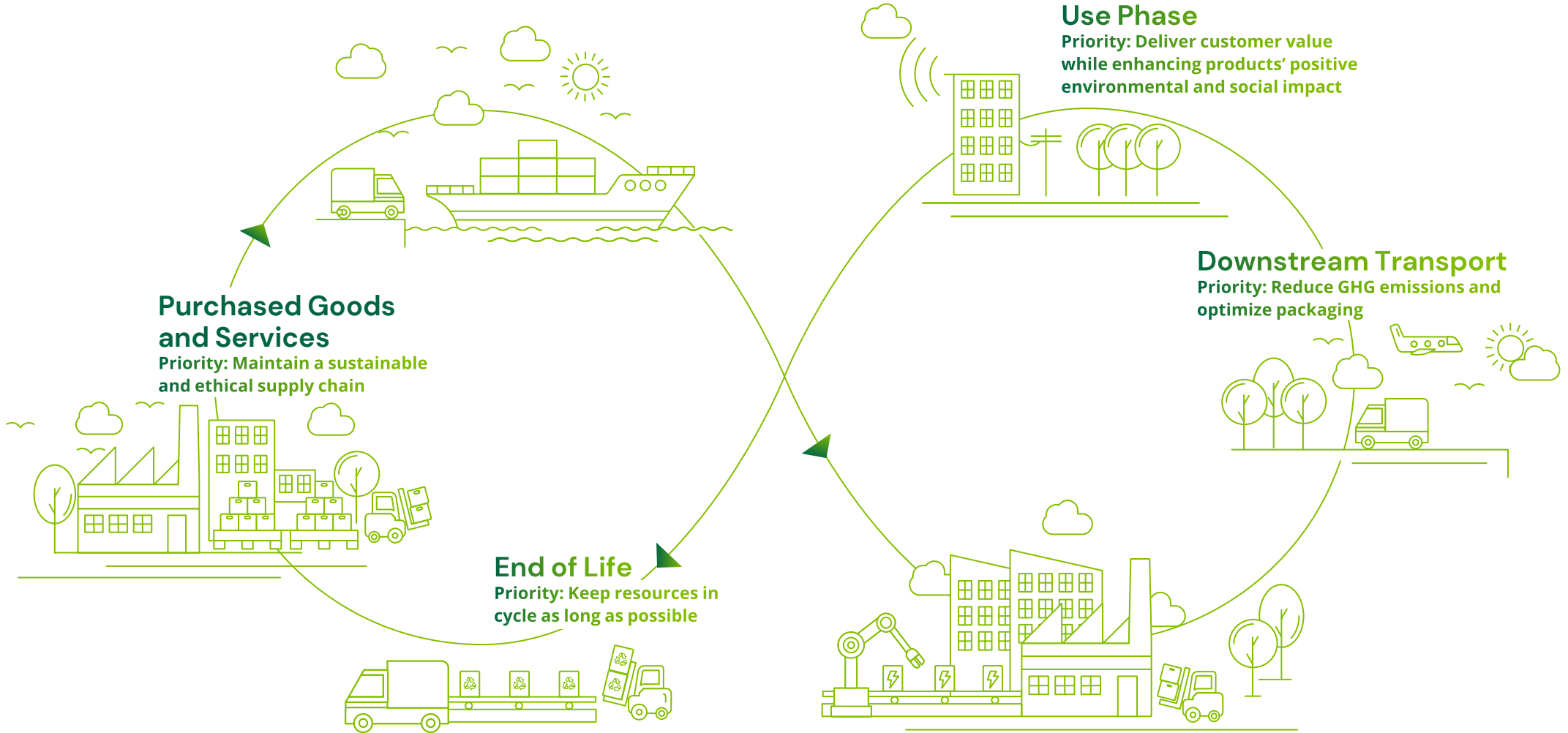
Landis+Gyr's impact on the economy, environment, and people along its value chain.

Design	Raw material	Components and Semi-finished products	Production
Landis+Gyr's influence **High** Landis+Gyr's impact **High**	Landis+Gyr's influence **Low** Landis+Gyr's impact **Low**	Landis+Gyr's influence **Medium** Landis+Gyr's impact **Medium**	Landis+Gyr's influence **High** Landis+Gyr's impact **Low**

Impact

Design	Raw material	Components and Semi-finished products	Production
During product design, critical decisions are made regarding the use of materials and the potential for reuse and recycling. Therefore, product design has a great impact on the environment, but also on the users and the company's financial performance. During the design stage, Landis+Gyr considers the entire lifecycle (incl. end-of-life aspects) and applies circular economy principles. Specific design guidelines are in place and our engineers undergo training to ensure adherence to these principles.	Landis+Gyr utilizes a variety of raw materials in its product manufacturing processes. The use of critical raw materials (e.g., gold) is limited. Wherever possible Landis+Gyr prioritizes the use of recycled materials over virgin resources. Landis+Gyr monitors, in collaboration with its suppliers, the use of materials that could potentially originate from conflict zones.	Our suppliers provide crucial components and semi-finished products for our offerings. We maintain close collaboration with them to ensure adherence to our environmental and social requirements. 89.5% of our suppliers have signed our 'Supplier Code of Conduct' and 'Green Procurement Requirements' (or equivalent). In addition, we conduct risk-based assessments and supplier audits to evaluate ESG risks within our supply chain and implement necessary measures accordingly.	Our manufacturing processes require the use of water, chemicals and raw materials, which leads to the generation of waste. However, our operations predominantly comprise light industrial processes, thereby minimizing adverse environmental impacts. We actively mitigate these impacts by providing ongoing employee training, and implementing initiatives aimed at promoting efficient and responsible resource utilization, reducing waste and water withdrawals, and limiting the use of harmful chemicals. Our occupational health and safety measures ensure a safe and secure working environment for all our employees.

Relevant facts and KPIs

Design	Raw material	Components and Semi-finished products	Production
– 9% turnover spent on R&D – 84.3% of products part of our Eco-Portfolio	– 153 'Conflict Mineral Reporting Templates' (CMRT) collected from suppliers – 48 ESG audits performed – All new suppliers are evaluated for their social (e.g., child labor) and environmental impact	– Tons of materials used: 25,174 – 89.5% of suppliers* have confirmed adherence to Landis+Gyr's 'Supplier Code of Conduct' and 'Green Procurement Requirements'. – % out of total GHG emissions related to 'Purchased Goods and Services' (Scope 3, Cat. 1): 28%	– Lost Time Injury Frequency Rate (LTIFR) 1.14 – Global compliance with RoHS and REACH – Global ISO 14001 certification – % of Scope 1+2 GHG emissions out of total GHG emissions: <1%

Transport (& packaging) up- and downstream	Installation	Use phase	End of use
Landis+Gyr's influence **Medium** Landis+Gyr's impact **Medium**	Landis+Gyr's influence **Medium** Landis+Gyr's impact **Medium**	Landis+Gyr's influence **High** Landis+Gyr's impact **Medium**	Landis+Gyr's influence **Medium** Landis+Gyr's impact **Medium**

Impact

The transportation of components, semi-finished and final products by our transportation partners generates GHG emissions. Landis+Gyr's influence over transport is limited unless the company directly covers freight costs. However, when we have control over freight decisions, we actively mitigate our impact by optimizing container loads and considering the environmental effects of various transportation methods.
Packaging plays a crucial role in protecting our products during transit. To minimize waste and foster resource efficiency, we use recycled, returnable, reusable, and recyclable packaging materials from renewable sources whenever possible. Additionally, we work closely with our partners to reduce packaging materials and promote adopting circular practices.

Landis+Gyr's devices are installed by our customers or dedicated service partners.
We offer installation training and provide manuals to both customers and partners, ensuring the safe handling of the devices.

Our metering infrastructure and smart grid technologies empower our customers globally to optimize their operations, safeguard their assets, and reduce operating costs while improving efficiency and conserving resources. A significant portion of our product portfolio enables utilities and energy consumers to reduce their CO_2 emissions. However, our products require electricity to operate, resulting in the indirect generation of CO_2 emissions for the company.

Landis+Gyr's products are thoughtfully designed with end-of-life recyclability and reusability as core considerations. Committed to responsible product end-of-life management, we strive for all products to be part of a take-back scheme. Additionally, we are exploring circular economy principles to reintroduce components into our value chain, thereby enhancing resource efficiency and sustainability.

Relevant facts and KPIs

– % out of total GHG emissions related to transportation: 1.6%
– As result of package/ transport optimization initiatives, not only were we able to reduce the number of containers transported but we also reduced the need for new pallets.

– % out of total GHG emissions related to product installation: <1%
– Products shipped: ~20 million units
– >150 employees of our customers trained in EMEA alone

– % out of total GHG emissions related to 'Use of Sold Products' (Scope 3, Cat. 11): 69%

– % out of total GHG emissions related to 'End-of-life Treatment of Sold Products' (Scope 3, Cat. 12): <1%

Governance

Organization and Responsibilities

The Board of Directors (BoD) at Landis+Gyr plays a pivotal role in integrating sustainability into our core strategy and corporate philosophy. The BoD has established three committees: the Nomination, Governance and Sustainability Committee (NGSC); the Audit, Finance and Risk Committee (AFRC); and the Remuneration Committee (RemCo). The NGSC is responsible for sustainability matters (including environmental, social and governance ("ESG") matters), practices and procedures of the company and the Group including review of the Sustainability Report, setting of and monitoring compliance with the company's ESG targets and sustainability goals. ESG discussions are a staple in every NGSC meeting. The AFRC is tasked with reviewing risks, including those related to ESG, and ensuring the effectiveness of our risk management and business continuity systems. The RemCo is instrumental in aligning ESG targets with employee incentive programs, embedding sustainability into the fabric of our organizational culture.

The Board of Directors further determines the sustainability strategy of the company and the Group, promotes a culture that encourages entrepreneurship and that is characterized by integrity, long-term thinking and responsibility. In June 2023, the BoD received training on various ESG-related topics such as regulations, reporting, and emerging trends. To ensure continued proficiency in these areas, the BoD has opted to conduct refresher training in FY 2024. More information regarding the involvement of the BoD and its committees in ESG matters can be found in Landis+Gyr's 'Corporate Governance Report'.

At the company level, the ESG Steering Committee (ESG SteerCo) is charged with overseeing and advising on the definition and implementation of our 3-year ESG roadmap. Members of this committee report directly to the Group's CEO, emphasizing the strategic importance of ESG within our leadership structure. Additionally, a global ESG function has been established to coordinate and

Sustainability Governance

Board Committees (engaged in Sustainability)
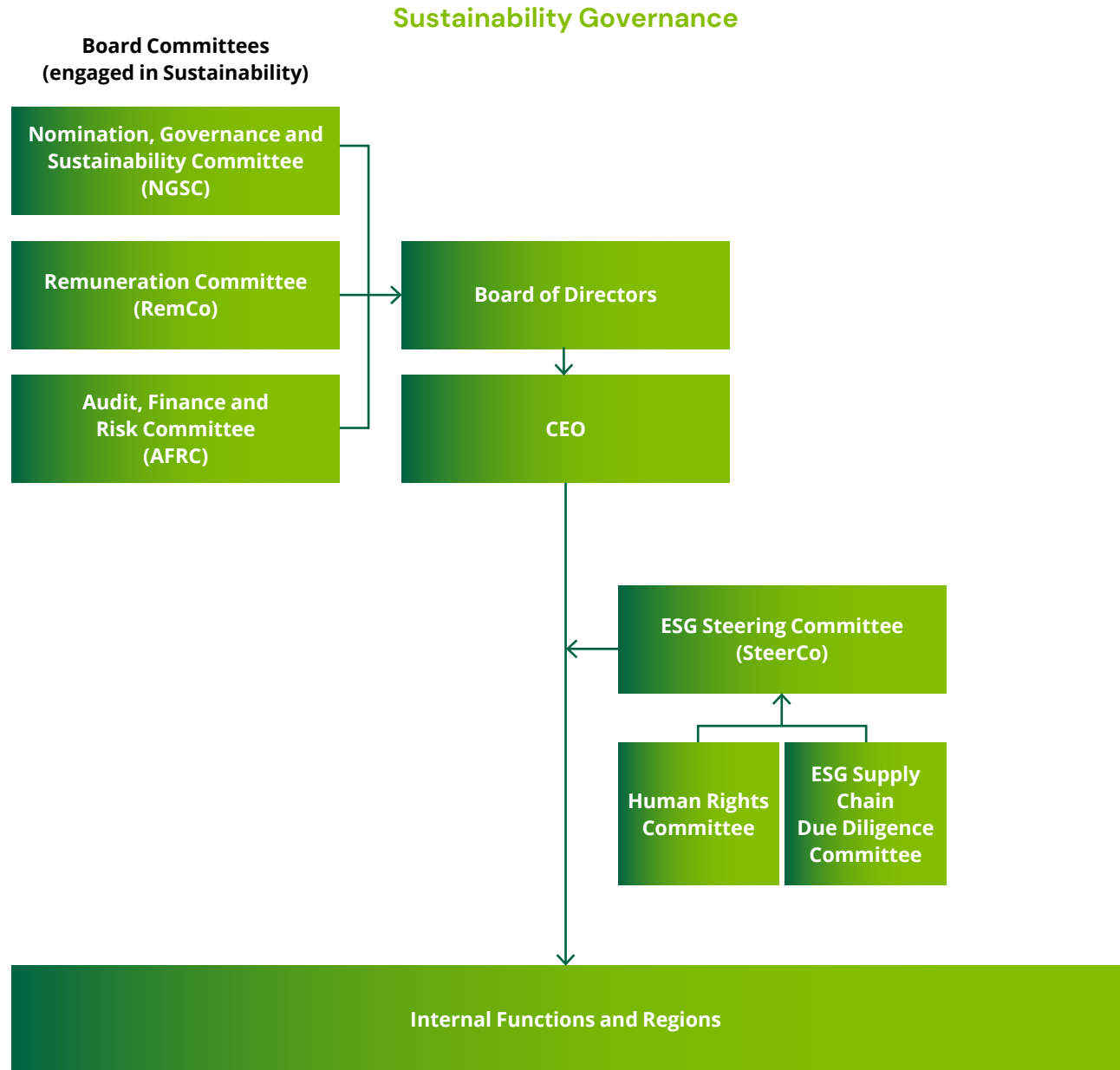
monitor the implementation of our ESG roadmaps and to drive the execution of strategic ESG initiatives. Our global ESG function is deliberately kept lean to foster a culture where ESG mindset, ownership and responsibility is distributed and embedded throughout the organization. In addition, dedicated committees are established to address critical issues such as Human Rights and ESG Supply Chain Due Diligence. Leveraging insights and expertise from various functions, these groups ensure that topics are managed to meet stakeholder expectations, company commitments and legal/regulatory requirements.

Core Policies and Documents

Code of Business Ethics and Conduct, Grievance Mechanism and Remediation
The ethical compass for all principles, integrity standards and norms of behavior at Landis+Gyr is the 'Code of Business Ethics and Conduct'. Applicable to all directors, officers and employees, this code also extends to third-party partners acting on behalf of the company, such as agents and distributors. Our policy commitments concerning suppliers are outlined in a separate 'Supplier Code of Conduct'. Both documents undergo regular review and are updated as needed to ensure their continued relevance and effectiveness.

The 'Code of Business Ethics and Conduct' is generally provided to employees and partners prior to establishing a contractual relationship, as applicable. Compliance with the outlined principles constitutes a contractual obligation for both employees and third-party partners. Both the 'Code of Business Ethics and Conduct' and the 'Supplier Code of Conduct' are publicly accessible on our website, providing transparency and clarity on the principles guiding our internal and external operations. Both codes are supplemented by additional policies.

Any significant amendments to the 'Code of Business Ethics and Conduct' require approval from our Board of Directors. The Legal and Compliance team oversees adherence to the Code, with regular audits conducted by the Group Internal Audit Team. Regular training sessions ensure employees' understanding of the Code and their compliance with it.

Landis+Gyr empowers every employee to report any suspected violations of laws, regulations, or our internal policies. This can be accomplished through direct communication with supervisors, Compliance Officers, or anonymously via our Speak-Up tool or Ombudsperson. These reporting channels are accessible to all stakeholders in multiple languages via our website and telephone. We are committed to addressing any substantiated grievances with appropriate remediation actions, which may include disciplinary measures, procedural adjustments, or policy revisions, ensuring a culture of integrity and accountability.

ESG Directive
The 'ESG Directive' outlines Landis+Gyr's deep-rooted commitment to sustainability, covering a large spectrum of areas. This includes our dedication to environmental stewardship, upholding fundamental human and labor rights within our operations and across our value chain, and fostering a healthy, safe, and inclusive workplace. These commitments align with the principles in our 'Code of Business Ethics and Conduct'. The Directive undergoes a comprehensive review and update every three years, incorporating insights from various ESG topic experts within our organization as well as taking into consideration feedback from stakeholders.

Materiality Assessment
Our materiality assessment plays a critical role in identifying key ESG focus areas based on their relevance and impact to the company and its stakeholders. This assessment, refreshed every three years, guides our strategic focus on sustainability. For more detailed insights, the section 'Stakeholder Engagement & Materiality Assessment' offers an in-depth view.

ESG Roadmaps
The findings from our materiality assessment are transformed into specific ESG roadmaps. These roadmaps outline targeted actions, responsible individuals, deadlines, and Key Performance Indicators (KPIs) for a three-year period. Our ESG function collaborates with various internal departments to drive and monitor the implementation of the activities included in the roadmaps. Progress is reviewed quarterly, reported to the ESG Steering Committee, the Landis+Gyr Board of Directors, and its committees. After each update of our materiality assessment, we revise our ESG roadmaps accordingly.

ESG Management Process

Landis+Gyr's ESG management process is depicted in the illustration below.
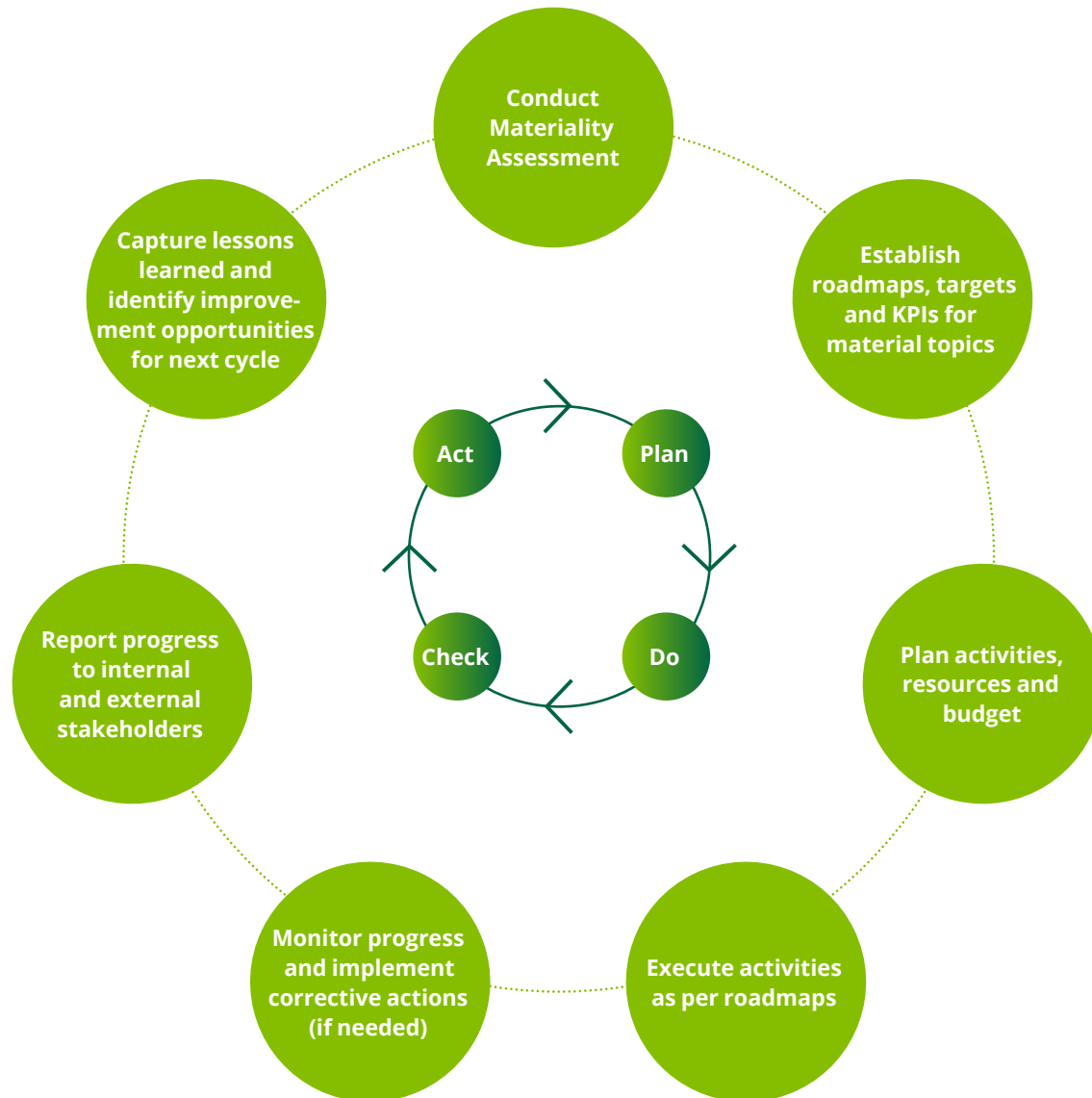
ESG Risk Management

At Landis+Gyr, we prioritize robust risk management to safeguard our operations and ensure sustainable business practices. We employ a holistic approach, integrating both bottom-up and top-down methodologies to assess macro trends and specific factors impacting our business. For further insights into our group risk management process and findings, please refer to our 'Corporate Governance Report'.

ESG Risk Management Governance

Group risk management falls under the purview of the Corporate Strategy Office function. Close collaboration between the ESG and Strategy functions is maintained to identify, assess, mitigate, and monitor ESG risks comprehensively. We report proactively to our company's Management and Board of Directors on signficant risks and corresponding mitigation measures.

ESG Risks Identification and Assessment

Our ESG risk identification and assessment process operates as a funnel, starting with focused analyses designed to pinpoint and evaluate a range of ESG risks. By assessing the likelihood and potential impact of these risks, we prioritize those that would have significant impact on both our business and stakeholders. In line with our sustainability commitment and to fulfil our due diligence obligations, we conduct detailed risk assessments in the areas of human rights and supply chain. Additionally, we perform a dedicated climate risk assessment in line with the recommendations of the TCFD framework. For further information, see section 'Task Force on Climate-related Financial Disclosures (TCFD) Report'.
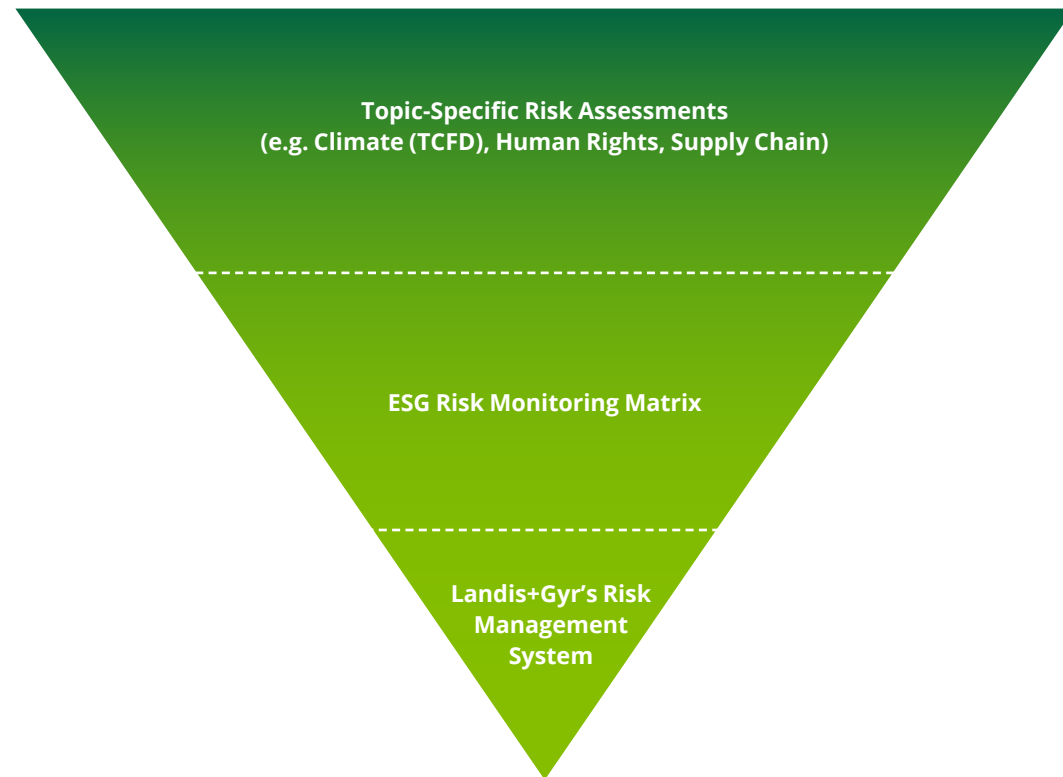
Upon completion of our detailed risk assessments, the resulting insights are condensed and transferred into an ESG risk monitoring matrix. This matrix provides us with a holistic view of the key ESG risks identified across various areas, facilitating effective communication and proactive management of these risks.

Finally, the risks identified in this monitoring matrix as having the highest impact are selected for integration into the company's risk management system. This integration ensures that ESG risks are systematically addressed and included in the annual Group Risk Management evaluation process.

ESG Risk Management and Monitoring
Management is responsible for the definition, implementation, monitoring and reporting of risk mitigation measures. A risk owner at the senior management level is assigned to each material risk identified and tasked with executing appropriate mitigation measures. This individual or team ensures the establishment of relevant controls, policies or procedures to manage and reduce exposure to these risks effectively. The Strategy function supports the ongoing monitoring to ensure the effectiveness of risk mitigation measures and verify they remain relevant and adequate. Updates on significant risks and the corresponding mitigation measures are regularly provided to the company's Management and Board of Directors.

Landis+Gyr's ESG Risk Identification and Assessment Process

Topic-Specific Risk Assessments
(e.g. Climate (TCFD), Human Rights, Supply Chain)

ESG Risk Monitoring Matrix

Landis+Gyr's Risk Management System

Landis+Gyr ESG Risk Monitoring Matrix

Stakeholders | **Landis+Gyr**

	Employees	Customers & Users	Suppliers (incl. workers)	Contractors	Communities	Authorities & Regulators	Investors	Company (Landis+Gyr)	Own Manufacturing	Own Products
Environmental										
Physical risks	Medium		Medium					Low	Medium	Medium
Energy cost			Medium					Medium	Medium	
GHG emissions		Low			Low			Medium	Medium	Medium
Resource efficiency					Low			Medium	Medium	Medium
Sustainable commodity sourcing			Low		Low			Low	Low	
Biodiversity					Low					
Water					Low			Low	Low	
Waste/ Recycling		Medium						Low		Low
Supply chain disruption		Medium	Medium					Medium	High	
Social										
Labor conditions	Low		Low	Low	Low			Low		
Freedom of association	Low							Low		
Non-Discrimination	Low							Low		
Child labor/ Forced labor			Low							
Health & Safety	Low			Low				Low	Low	
Human rights at large	Low		Medium					Low	Low	
Product safety		Low								Low
Employer attractiveness								Medium		
Governance										
Compliance with laws, regulations and standards	Medium	Medium	Low	Low	Low	Low	Low	Medium	Low	Low
Ethics and integrity	Medium	Low						Medium	Low	Low
Fair market competition		Low				Low		Low		
Compliance with global company standards and practices	Low	Medium	Low					Low	Medium	Medium
Business continuity plans					Low		Medium	Medium	Low	
Governance/control in our supply chain			Medium					Medium		
Controls, mitigation, remediation mechanism	Low	Low		Low	Low			Medium		
Security (incl. data security)		Medium					Low	Medium	Medium	Medium
Data privacy	Medium	Medium					Low	Medium		

■ Very high   ■ High   ■ Medium   ■ Low

Stakeholder Engagement & Materiality Assessment

Stakeholder Engagement & Materiality Assessment

Stakeholder Engagement

The company engages with a wide range of stakeholders, including customers and product users, suppliers, employees, government entities, NGOs, local communities, shareholders/investors, business partners, and a diverse group of internal subject matter experts. The insights gained from these interactions are critical in shaping our sustainability goals and ensuring our strategies align with stakeholders' expectations regarding the company's sustainability performance. Integral to this process is the involvement of the Board and its committees, as they provide guidance and oversight for the selection of topics and validation of the stakeholder group.

In anticipation of the 2024 update of our materiality assessment, Landis+Gyr is revisiting the list of relevant stakeholders with whom we intend to engage for our analysis. This step is crucial to develop a comprehensive sustainability strategy that reflects the perspectives of the diverse group of stakeholders relevant to our business. In doing so, we aim to enhance transparency, accountability, and trust within our stakeholder community.
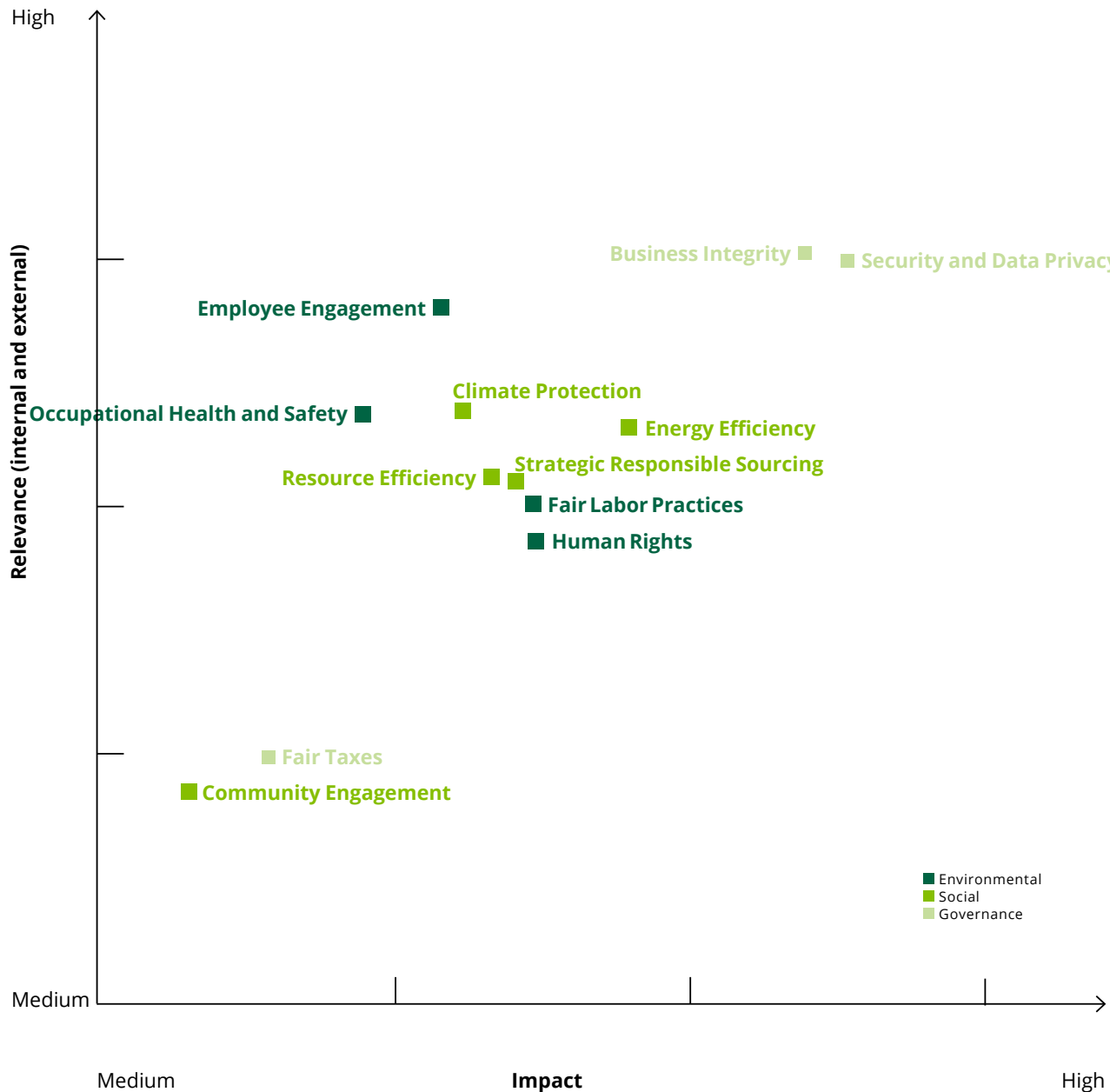
Materiality Assessment

In the summer of 2024, the company will conduct its third materiality assessment, embracing a comprehensive approach based on the concept of double materiality. This assessment will serve as the foundation for developing our 3-year ESG roadmaps, spanning the period from FY 2025 to FY 2027. As done with our previous assessment, we will compile a list of potential material topics, drawing from relevant sector-specific considerations, discussions with internal and external specialists and stakeholders, and analysis of risks and opportunities. Furthermore, we plan to evaluate the potential topics along three dimensions: 'Relevance' (how important the topic is), 'Impact' (how significant the topic's consequences are) and 'Trend' (how the topic is evolving), to determine the final list of material topics.

In preparation for this assessment, we are actively engaging with both internal and external stakeholders, incorporating their perspectives along with the latest research and frameworks. Regular discussions and reviews involving our CEO, leadership team, Board of Directors, and external specialists will ensure a dynamic and inclusive approach aligned with global sustainability trends and best practices.

Dedicated Annual Exchange Days with Landis+Gyr's Customers

3 DAYS

70+ HOURS OF CONTENT

126 UTILITIES

496 ATTENDEES

111 LANDIS+GYR EMPLOYEES

63 BREAKOUT SESSIONS

4 GENERAL SESSIONS

Material Topics (ESG Cycle FY 2022 – 2024)

Relevance (internal and external)

High

Business Integrity   Security and Data Privacy

Employee Engagement

Climate Protection

Occupational Health and Safety   Energy Efficiency

Strategic Responsible Sourcing

Resource Efficiency   Fair Labor Practices

Human Rights

Fair Taxes
Community Engagement

■ Environmental
■ Social
■ Governance

Medium

Medium   Impact   High

To facilitate the management of the topics identified in our materiality matrix (see illustration on the left), the company decided the following:

– 'Energy Efficiency' and 'Climate Protection' to be merged into one topic and managed jointly.
– 'Fair Taxes' to be merged with 'Business Integrity' given most stakeholders considered the former to be part of the latter.
– Various aspects of 'Human Rights' to be merged under 'Business Integrity', 'Fair Labor Practices' and 'Strategic Responsible Sourcing'.

Compared to the materiality assessment in FY 2018, 'Product Social Impact' has been introduced as a new focus area, reflecting the heightened interest in Landis+Gyr's products among users. Additionally, 'Fair Taxes' has been explicitly incorporated alongside 'Business Integrity'. This move aims to underscore the company's commitment to this issue, particularly given its headquarters in the low-tax Swiss canton of Zug, and to highlight compliance with relevant tax laws and regulations across all applicable jurisdictions. Moreover, the scope of 'Security' has been broadened from its previous narrow interpretation focusing only IT/data.

Final List of Material Topics:

1) Product Social Impact
2) Resource Efficiency
3) Energy Efficiency and Climate Protection
4) Employee Engagement
5) Fair Labor Practices
6) Occupational Health and Safety
7) Community Engagement
8) Strategic Responsible Sourcing
9) Security and Data Privacy
10) Business Integrity and Fair Taxes

For more details about the materiality assessment process, the stakeholders involved, and their interests, see Landis+Gyr's Sustainability Report FY 2021 (P. 9 ff).

Material Topics

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Products & Solutions

We develop and deliver innovative products and solutions that enable a more efficient and flexible use of resources and contribute to decarbonize of the grid.

Product Social Impact

'Product Social Impact' concerns the actual or potential impacts that Landis+Gyr's products and solutions have on the environment, people, and the economy. This area encompasses the interactions of our products with each of these dimensions, and their potential to alleviate or exacerbate social, environmental, and economic challenges.

Company's Stand

Landis+Gyr acknowledges the critical role that businesses play in addressing global social and environmental challenges. We are committed to delivering cutting-edge products and solutions to tackle pressing social and environmental issues, such as enhancing energy affordability, preserving scarce resources, and fostering transparency in business transactions. We continuously explore innovative ways to ensure that our products not only meet the needs of our customers but also contribute positively to the prosperity of both people and the planet.

Company's Impact

Economic Impacts

Our products and solutions benefit our economy in multiple ways. Smart meters eliminate estimation errors in billing. They facilitate fair economic transactions between utilities and end-consumers, enhance transparency, and offer valuable insights empowering users to align their energy consumption to their actual needs, budget and environmental targets.

Social Impacts

Our smart meters offer numerous social benefits. For instance, our pay-as-you-go solutions enable consumers to manage their consumption within their financial budget. Additionally, access to real-time energy usage data fosters awareness and encourages conservation efforts. However, the data handling and processing performed by smart meters raises concerns about IT security and personal data privacy. We prioritize data security and respect for the privacy rights of our customers and stakeholders, mitigating risks for unauthorized data access, disclosure or misuse and preventing detrimental impacts to society.

Environmental Impacts

Our product portfolio generates significant environmental benefits. With a diverse portfolio including smart meters, EV charging infrastructure, and grid edge solutions, we enable efficient and flexible energy management, thus advancing decarbonization efforts. Moreover, our water metering solutions play a critical role in conserving water in arid regions and sustaining ecosystem health. Similarly, our streetlight management solutions reduce light pollution, benefiting nocturnal wildlife. Nevertheless, our products require resources for manufacturing and consume energy during their operations, resulting in rising pressure on natural resources and environmental degradation, including climate change. We implement various measures to mitigate our environmental impact throughout our operations and the lifecycle of our products.

Health and Safety Impacts

Our products adhere to stringent health standards, effectively addressing concerns surrounding smart meter technologies, such as radio frequency waves. We also prioritize the safe handling and installation of our products to prevent potential risks for installers.

Policies, Organization, Key Processes & Actions, Metrics

Policies

Landis+Gyr has developed a comprehensive framework to guide and manage the impact of our products on both people and the planet. A selection of such papers is presented below:

– ESG Directive: This directive articulates the company's commitment to sustainable practices and its dedication to supporting Goal 7 of the SDGs (ensuring access to affordable, reliable, sustainable, and modern energy) and Goal 12 (ensuring sustainable consumption and production patterns) by delivering innovative and high-quality solutions.
– Product Environmental (Sustainability) Policy: This policy establishes the environmental requirements our products must adhere to throughout the various stages of the product life cycle. These requirements often surpass existing standards and regulations, reflecting our dedication to sustainability.
– Guideline on Hazards, Risks & Controls – Electricity Meters: This document lists known hazards and risks faced by electricity meters, which are not covered by existing safety standards. It includes recommended controls designed to effectively mitigate these hazards and associated risks, ensuring the safety and reliability of our products.

This topic is primarily managed by our Product Management and R&D teams.

Key Processes & Actions

To actively manage the impacts of its products, Landis+Gyr has implemented comprehensive processes throughout the product lifecycle, including development, manufacturing & production, installation, operations, and end-of-life treatment.

During the product conception and development phases, we focus on enhancing security, safety, and installer health. The end-of-life handling of our products is also considered at this early stage.

In the production phase, every product is manufactured per our Occupational Health & Safety requirements to ensure strict adherence to safety measures. Our company systematically assesses and mitigates work-related risks while monitoring performance through leading and lagging indicators. Our product packaging has been designed not only to ensure the safety of our products but also to protect the safety of those involved in their handling.

Landis+Gyr's products operate autonomously and primarily interact with other devices, minimizing the need for direct human interaction. Where physical interaction is required, individuals handling the product are given proper instruction and training. Our informational leaflets and guidelines address health and safety aspects for those handling Landis+Gyr's products.

Landis+Gyr's products exceed regulation and industry standards such as IEC, CENELEC, ETSI, and RED*. Internally, we uphold standards that are either more stringent than industry norms or cover aspects not currently regulated. Our devices undergo rigorous internal and external testing, with many requiring certifications from state bodies prior to installation in the field.

We ensure that all Landis+Gyr products comply with environmental directives and regulations such as 'Registration, Evaluation, Authorisation and Restriction of Chemicals' (REACH) and 'Restriction of Hazardous Substances' (RoHS), as well as other regulations, including 'Toxic Substances Control Act' (TSCA) and the Stockholm Convention on 'Persistent Organic Pollutants' (POP), where applicable. For the end-of-life treatment of our products, we comply with the Waste from Electrical and Electronic Equipment' (WEEE) Directive, where applicable. In regions where this directive does not apply, we strive to establish local take-back schemes to ensure that Landis+Gyr's products or parts are re-used or recycled, wherever possible. The company also provides 'Product Environmental Profiles,' including end-of-life instructions.

In case of issues, Landis+Gyr collaborates with customers to promptly mitigate and remediate any incidents. The company has established well-defined processes and escalation protocols to deal with such situations.

*IEC: International Electrotechnical Commission, CENELEC: European Committee for Electrotechnical Standardization, ETSI: European Telecommunications Standards Institute, RED: Radio Equipment Directive.

Resource Efficiency

'Resource Efficiency' refers to the management of resources throughout the entire lifecycle of the company's products. The topic also encompasses the management of hazardous materials and waste in our operations. Other aspects concerning the environmental impact of the company's operations, such as GHG emissions and water consumption, are addressed under the section 'Climate & Environment'.

Company's Stand

Landis+Gyr acknowledges the finite nature of our planet's resources and the alarming pace at which current consumption rates are depleting them. In light of this pressing reality, we recognize the urgent need to shift away from a linear 'take-make-use-waste' model and embrace the principles of a circular economy. Therefore, we are committed to optimizing the use of resources in both our operations and products. By maximizing the value extracted from each resource and extending their lifespan as much as possible, we aim to minimize waste generation and reduce our overall environmental footprint. In doing so, we play our part in safeguarding natural resources and preserving the integrity of our environment for future generations.

Company's Impact

Our smart products play a pivotal role in preserving energy resources, resulting in a net positive environmental impact. By providing customers with detailed insights into their energy consumption, our meters empower them to optimize their energy usage, leading to reduced energy consumption and lower carbon emissions ("Scope 4" or Products' Carbon Handprint), thereby benefiting the environment.

Simultaneously, we acknowledge that our products employ natural resources and energy throughout their lifecycle, placing pressure on the environment. To mitigate this impact, Landis+Gyr prioritizes sustainability in our design and production processes, actively integrating circular economy principles into our products. Moreover, we foster partnerships across the value chain, collaborating with suppliers, customers, universities, and industry associations. Through these collaborations, we exchange best practices and explore innovative solutions, promoting the more efficient use of resources. Our approach recognizes the importance of integrated processes and partnerships both upstream and downstream in the value chain, which are essential for the successful deployment of deep circularity interventions.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The company's approach to resource efficiency is shaped by the following policies and guidelines:
– Green Design Manual: This document sets forth requirements and practical recommendations for integrating eco-friendly principles into our product design. It focuses on minimizing material usage, adopting sustainable materials, reducing waste, decreasing energy self-consumption, and designing for end of life.
– Eco-Portfolio Guidelines: These guidelines describe the requirements Landis+Gyr's products must meet to be included in our "green" product portfolio (i.e., Eco-Portfolio).
– Product Environmental (Sustainability) Policy: This policy establishes the environmental requirements for the design, sourcing, and end-of-life management of Landis+Gyr products. It is complemented by the 'Global Product Environmental (Sustainability) Compliance Procedure', which describes how to comply with such requirements.
– Packaging Requirements and Guidelines: This document sets the global requirements and guidelines with respect to packaging, including criteria for the selection of environmental packaging and restrictions on hazardous substances in packaging materials.
– End-of-life Disposal Instructions: These instructions assist recyclers in optimizing the percentage of material that can be recovered when the product has reached its end of life.

These documents undergo periodic reviews and updates to reflect the latest development in sustainable practices and regulatory requirements. Training is conducted for all relevant staff to ensure a thorough understanding and successful implementation of the policies and guidelines.

Organization
Ensuring the efficient and responsible use of resources is a collaborative endeavor spanning various departments, including ESG, Procurement, Product Management, Environmental Product Compliance, Research & Development, Quality, and Supply-Chain Management. Representatives from these functions convene regularly to discuss and advance the initiatives defined in the three-year Resource Efficiency roadmap.

Key Processes & Actions
Green Design
We are committed to minimizing the environmental impact of our products across their entire lifecycle. At the core of our approach lies the implementation of four fundamental design principles:

1. Adopting more sustainable materials
We strive to incorporate the use of recyclable and recycled materials into our product designs, thereby reducing our reliance on virgin resources and mitigating the environmental impact associated with resource depletion. In addition, we actively avoid the use of hazardous substances and chemicals and ensure our products comply with all applicable environmental regulations. Through these efforts, we contribute to conserving energy, water, and resources while safeguarding our environment for future generations.

2. Reducing material usage
We actively seek opportunities to minimize material consumption without compromising the quality or performance of our products. This can be achieved by optimizing product design and manufacturing processes or selecting innovative material alternatives.

3. Designing for end of life
We meticulously consider minimizing the recovery of embodied resources at the end of their lifecycle. By emphasizing modularity and recyclability, we enable efficient resource reuse. In addition, we actively seek to eliminate irrecoverable resources from our products. To achieve this, we analyze each component to identify materials hindering recycling or reuse, ensuring our products' end-of-life processes are environmentally responsible.

4. Managing our products' energy self-consumption
We continually enhance our products' design and technology to improve energy efficiency and minimize environmental impact. Our ambitious targets for the energy consumption of our electricity meters surpass industry standards. Our goal is to reduce our products' energy self-consumption by at least 10% with each generation. This involves optimizing the collaboration of various building blocks within our devices, ensuring they work efficiently together to achieve optimal performance while minimizing energy usage.

Circularity Training
To foster expertise in circularity and bolster our ongoing efforts in this area, we partner with specialized educational institutions to provide training to key functions such as Product Management, Supply Chain Management, and Quality. In FY 2023, the first selected staff underwent training on circularity principles and their practical application.

Sustainable Packaging
Our packaging guidelines establish requirements for using recycled, returnable, reusable, and recyclable packaging materials. Throughout the year, we have implemented various initiatives to limit packaging waste and reduce the need for new pallet purchases. For instance, we have incorporated recycled packaging materials and introduced reusable pallet systems. Through our close collaboration with suppliers, we have implemented a system where they ship goods in packages and pallets specifically designed for reuse in downstream transportation. This approach has yielded a remarkable result at our Corinth plant, reducing new pallet usage by over 50%. As we continue to fully implement this process, we anticipate reducing the requirement for new pallets to less than a quarter compared to previous levels.

Responsible End of Life
Achieving improved resource efficiency requires collaboration across our value chain. We collaborate both with customers and recycling partners to manage the end-of-life of our products effectively. Our take-back schemes ensure that products are recycled or kept in the system, maximizing their value for as long as possible. Our end-of-life treatment instructions support recyclers in optimizing their processes and maximizing the extraction of materials suitable for reuse or recycling. Notably, a recent assessment conducted by a specialized recycling firm confirmed that over 98% of a typical Landis+Gyr product can be recycled.

We adhere to the EU's WEEE Directive where applicable, in addition to complying with national legislative requirements. In regions where this directive does not apply, we take measures to ensure the reuse or recycling of our products or their components whenever feasible.

Environmental Product Declarations
To support our customers in managing their environmental footprint, we provide Environmental Product Declarations (EPDs) containing comprehensive information on the environmental impact of our metering products. Our EPDs feature detailed information on a product's Life Cycle Analysis (LCA), including Global Warming Potential values. Developed in accordance with ISO 14040/44 and EN 50693 guidelines, our EPDs ensure transparency and adherence to industry standards.

Furthermore, all Landis+Gyr products comply with REACH regulation and RoHS directive (including products sold outside of Europe), as well as other regulations such as TSCA and POPs, where applicable.

Metrics

To evaluate our effectiveness in implementing resource efficiency improvements within our product portfolio, we have devised a metric known as the 'Eco-Portfolio.' This metric serves as a tool for ongoing monitoring and facilitates the transformation of our portfolio into a more environmentally sustainable one. To calculate this metric, we assess the products along three dimensions (product's environmental impact, integration of eco-design principles, product's lifetime) and twenty-four criteria.

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.
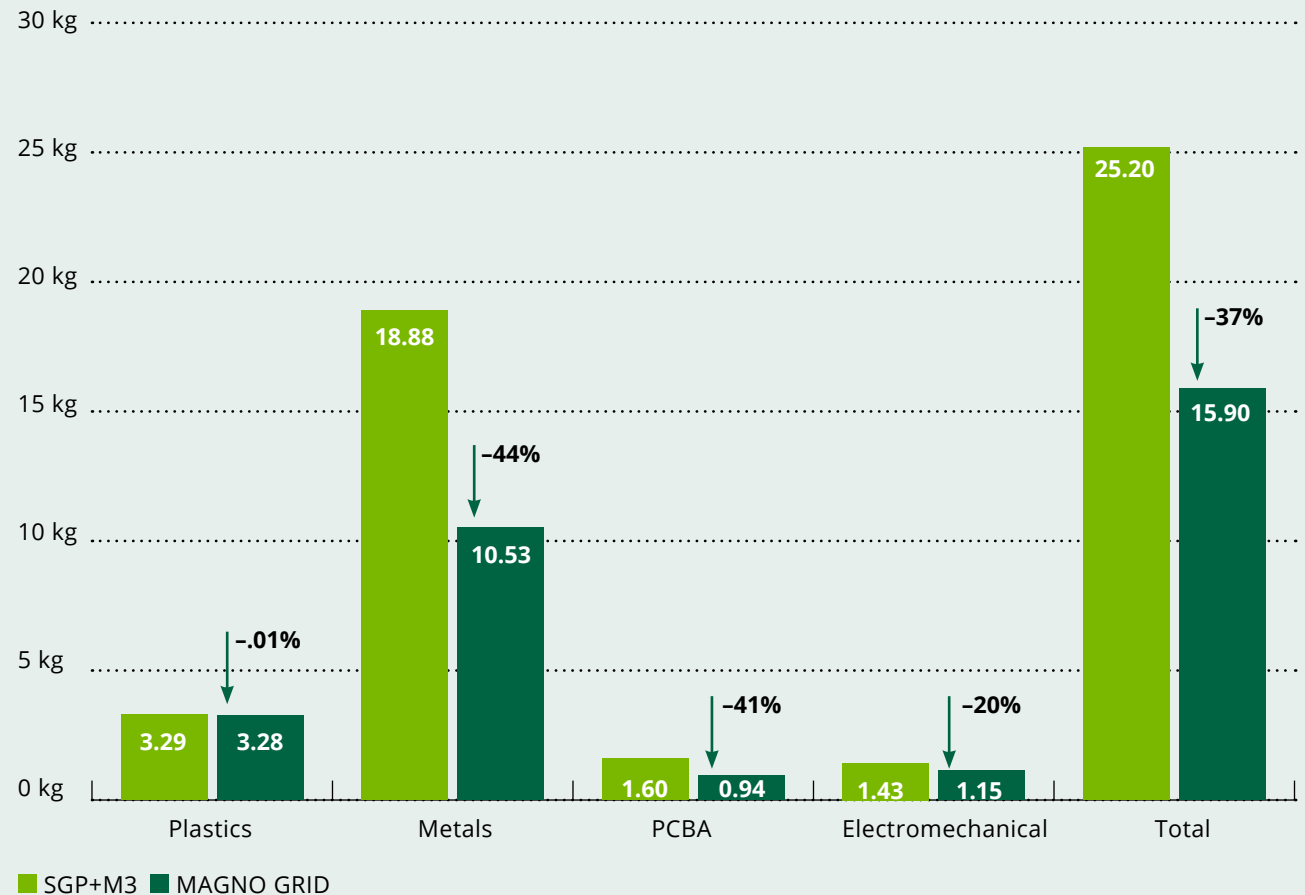
Maximizing Materials Efficiency in Product Design

One of the most important approaches to materials efficiency is to design products that use minimal raw materials in their production. This can be achieved by optimizing product design and manufacturing processes, reducing the thickness of the material used, or selecting alternative materials (e.g., materials with higher strength-to-weight ratios), all while ensuring the quality or performance of our products remain uncompromised. Additionally, products can be designed to be easily disassembled and reused, or repurposed at the end of their life cycle, which also helps reduce the need for new raw materials.

The chart on the right exemplifies how the new generation cabinet meter, Magno, has achieved significant material usage reduction compared to the previous generation SGP+M3.

Materials efficiency and material usage reduction are essential for the sustainability of product development. By optimizing the use of materials and reducing waste, we can optimize costs, minimize their impact on the environment and contribute to a more sustainable future.

MAGNO vs. SGP+M3 Materials Weight Distribution

	Plastics	Metals	PCBA	Electromechanical	Total
SGP+M3	3.29	18.88	1.60	1.43	25.20
MAGNO GRID	3.28	10.53	0.94	1.15	15.90
Change	–.01%	–44%	–41%	–20%	–37%

■ SGP+M3 ■ MAGNO GRID

Waste Management

Efficient resource management stands as a cornerstone of our approach at Landis+Gyr, leading to minimized waste, reduced pollution, and diminished pressure on natural resource extraction. Embracing the 'Reduce – Reuse – Recycle' ethos, we strive to minimize waste in every facet of our operations. Our offices and production sites are key areas where we actively manage waste, with the latter being our primary source.

Acknowledging the detrimental impacts of waste, we implement various strategies to address this challenge. In product design, we favor recycled materials and maintain service and repair processes to extend product lifespans wherever feasible, in line with our 'Green Design Manual'. Additionally, we actively strive to reduce packaging and adopt multi-use of pallets and packaging materials to decrease waste volume. Furthermore, we prioritize waste segregation and recycling efforts to limit landfill contributions. By recycling or selling waste to certified third parties, we further extend the life cycle of valuable resources. Additional initiatives include the reutilization of scrap material and reintegration of left-over materials into our production processes.

Our Integrated Management System (IMS) sets and tracks global and site-level waste management targets, with progress regularly documented.

Statement on Hazardous Materials

Landis+Gyr is committed to eliminating hazardous substances from our products and processes, safeguarding health, and the environment. Our approach encompasses reducing raw material volumes, reusing materials until the end of their life, and recycling potentially dangerous waste.

At each location, Quality, Environment, and Health & Safety (QEHS) teams, supported by local management, have established guidelines for the handling of hazardous substances (where applicable). These guidelines include ensuring proper labeling of containers, maintaining up-to-date Safety Data Sheets (SDS) for all chemicals, providing training on chemical hazards and conducting initial inventory of chemicals used. Furthermore, we must ensure that employees can easily access SDS information, receive proper briefings, and follow SDS instructions and information when in contact with a chemical.

Statement on Hazardous Waste Management

Landis+Gyr prioritizes the use of non-hazardous materials in our products and embeds recycling into our design process. Our goal is to reduce hazardous material use across the entire product life cycle. Landis+Gyr strictly complies with statutory provisions and local regulations governing waste and hazardous waste disposal, including special treatment requirements. We collaborate only with certified companies that can confirm proper hazardous waste handling, whereby recycling is the preferred approach.

Additionally, we have engaged external partners to ensure supplier compliance with various environmental regulations such as EU REACH, RoHS, US California Proposition 65, the Stockholm Convention on POPs, and TSCA.

Metrics

To measure the effectiveness of our waste management initiatives, we track the proportion of waste sent to landfill. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Sustainable Success: Achieving Zero–Waste to Landfill Certification

In FY 2023, our Curitiba plant once again achieved 'zero-waste to landfill' status by implementing various waste reduction measures, including the reuse of packaging materials and the return of unused packaging. These efforts were bolstered by enhanced employee awareness. As a result, only incineration ashes, amounting to a mere 0.09% of waste, were disposed of in landfills. Our accomplishment was externally verified by Intertek. Moving forward, we plan to consolidate the lessons learned during this process and disseminate best practices to other manufacturing locations. By doing so, we aim to empower them to progressively reduce waste generation and minimize landfill disposal.

Reducing Waste and Improving Efficiency

At our Curitiba site, we have made significant strides in reducing waste and improving operational efficiency. By introducing automatic palletizing equipment, platform lifts and sustainable packaging materials, we have optimized our processes and minimized environmental impact. As part of this initiative, we adopted automated stretch film equipment and replaced traditional wooden pallet corners with lightweight, recyclable cardboard alternatives, further minimizing waste generation and boosting recyclability potential. These changes have led to a remarkable 30% reduction in waste weight, with more waste being directed towards recycling. Additionally, this initiative has contributed to improved ergonomics for our workforce. Our project was evaluated by the Federation of Industries of Paraná, which awarded it the SESI ODS SEAL for contributing to Sustainable Development Goal 12.

Climate & Environment

We protect the climate and the environment, and make our best efforts to avoid or minimize negative environmental impacts through our operations, value chain and products. We use resources efficiently and responsibly.

Energy Efficiency and Climate Protection

'Energy Efficiency and Climate Protection' encompasses the use of energy across Landis+Gyr's operations, products, and supply chain, along with the resulting greenhouse gas (GHG) emissions. Overall, the topic is concerned with the positive and negative impact of Landis+Gyr's business activities and products on climate change, as well as the implications of climate change on the business itself.

Company's Stand

Landis+Gyr acknowledges the critical importance of addressing climate change, recognizing that urgent action is necessary to mitigate its devastating impacts. We also acknowledge our contribution to this problem, as our operations and products generate greenhouse gas emissions. Therefore, we are committed to being part of the solution. Demonstrating our firm dedication to this issue, the company joined the Science Based Targets initiative (SBTi) in 2022, achieving validation for its near-term and net-zero targets in July 2023. Furthermore, we have pledged to achieve carbon neutrality in Scopes 1+2 by 2030. However, our determination to make a difference does not stop there, we are committed to enable decarbonization by providing innovative products and solutions designed to conserve energy resources, accelerate the integration of renewable energy sources, and ultimately reduce the amount of GHG emissions released into the atmosphere.

Company's Impact

Our operations and products consume energy, leading to both direct and indirect GHG emissions that contribute to climate change. Nevertheless, our products also play a crucial role in reducing carbon emissions by enabling more efficient energy management. This underscores the importance of our mission to enhance energy efficiency and climate protection through our business activities and product offerings.

Scope 1 and 2 Emissions

Landis+Gyr has been diligently monitoring and reporting its Scope 1+2 emissions since 2007. Our analysis indicates that within Scope 1, fugitive emissions from air conditioning systems and GHG emissions from our vehicle fleet are the most relevant contributors. Meanwhile, in Scope 2, the primary driver of emissions is the electricity we procure for our operations. Addressing these areas is a priority and will entail transitioning to greener alternatives for our company vehicles, enhancing the energy efficiency of our facilities, optimizing the efficiency of our HVAC equipment, and continuously increasing the proportion of electricity sourced from renewable energy.
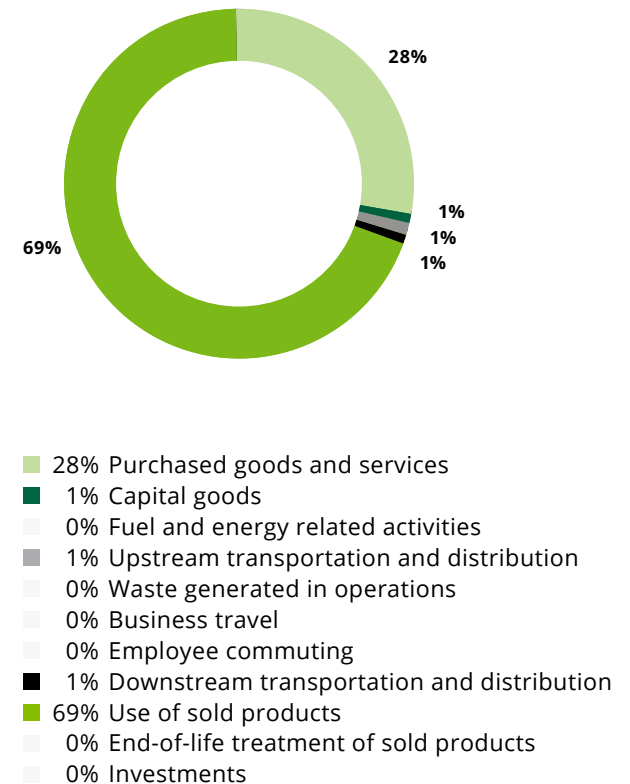
Scope 3 Emissions

In our comprehensive inventory of FY 2021 Scope 3 emissions, we identified several categories of indirect emissions pertinent to our operations. These encompass several areas, from the procurement of goods and services to the end-of-life treatment of our products. As we continue our journey towards decarbonization, addressing these categories will be crucial in delivering our carbon reduction targets. The following categories have been identified as relevant for Landis+Gyr:
– Category 1: Purchased goods and services
– Category 2: Capital goods
– Category 3: Fuel and energy-related activities
– Category 4: Upstream transportation and distribution
– Category 5: Waste generated in operations
– Category 6: Business travel
– Category 7: Employee commuting
– Category 9: Downstream transportation and distribution
– Category 11: Use of sold products
– Category 12: End-of-life treatment of sold products

The chart shows the breakdown of Scope 3 emissions by category as per FY 2023:

Breakdown of FY 2023 Scope 3 Emissions

- 28% Purchased goods and services
- 1% Capital goods
- 0% Fuel and energy related activities
- 1% Upstream transportation and distribution
- 0% Waste generated in operations
- 0% Business travel
- 0% Employee commuting
- 1% Downstream transportation and distribution
- 69% Use of sold products
- 0% End-of-life treatment of sold products
- 0% Investments

Breakdown of FY 2023 Scope 3 Emissions

The analysis of Scope 3 emissions revealed that 'Use of Sold Products' (Scope 3 – Category 11) and 'Purchased Goods and Services' (Scope 3 – Category 1) together form the lion's share of our indirect emissions. Our key focus areas for reducing GHG emissions include addressing the energy consumption of our long-lifespan products and the sourcing of raw materials such as assembled Printed Circuit Boards (PCBAs) and plastics. We are examining these categories and implementing measures to significantly reduce our emissions in line with our commitments.

"Scope 4" Emissions – Enabling Decarbonization

Landis+Gyr is at the forefront of offering innovative products and solutions that significantly enhance energy management and reduce carbon emissions. Our range of smart electricity metering solutions empowers utilities and consumers to have greater awareness and control over their energy usage. This not only leads to financial savings but also promotes the efficient use of energy resources and lowers emissions.

Key to understanding the positive impact of our products is the quantification of CO_2 savings enabled by our smart meter devices, for which we have established a Key Performance Indicator (KPI). To ensure the robust measurement of this KPI, in 2018 we developed a model to calculate the GHG emission savings enabled by our installed base of smart meters. In 2022, we collaborated with The Carbon Trust to enhance this model, incorporating the latest scientific findings and emission factors. The revised model now includes CO_2 savings from our smart gas metering portfolio. Looking ahead, Landis+Gyr plans to utilize the new model to report the GHG emission savings facilitated by our products and solutions. For more details on the model and its methodology, please refer to the white paper published on this subject.

In 2023 based on this new model Landis+Gyr's smart products enabled the saving of 8.9 million tons CO_2.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The company's approach to energy efficiency and climate protection is shaped by the following policies and documents:

– 'ESG Directive': This directive outlines Landis+Gyr's commitment to energy efficiency and climate action, reflecting our dedication to environmental stewardship and alignment to the Science-Based Targets initiative.
– 'Supplier Code of Conduct' (incl. 'Green Procurement Requirements' Annex): This document highlights Landis+Gyr's commitment to managing GHG emissions and outlines the company's expectation for suppliers to provide GHG emissions information.

These documents undergo periodic reviews and updates to reflect the latest development in sustainable practices and our commitments. Training is conducted for all relevant resources to ensure thorough understanding and successful implementation of the policies and relevant documents.

Organization

Several functions contribute to our initiatives concerning this material topic, including ESG, Supply Chain Management, R&D and Product Management. For example, the ESG function assists in defining our overall approach to the topic and in establishing, monitoring, and reporting related targets. Within the Supply Chain Management function, our local Operations teams are responsible for managing energy consumption levels, greening electricity usage and implementing energy efficiency measures, in line with the targets established by the company. Moreover, the R&D and Product Management functions focus on improving the environmental footprint of our products by designing and implementing energy- and climate-related impact reduction measures.

Key Processes & Actions

Setting our Carbon Reduction Targets

In July 2023, Landis+Gyr's Science-Based Targets were validated by the SBTi. Our approved targets are aligned with the highest ambition level of limiting global warming to 1.5 °C, as recommended by the Paris Climate Accord.

Our validated targets are outlined below:
Near-term:
– Reduce absolute Scope 1 and 2 GHG emissions 42% by FY 2030 from a FY 2021 base year
– Increase annual sourcing of renewable electricity from 55% in FY 2021 to 100% by FY 2030
– Reduce absolute Scope 3 emissions 42% by FY 2030 from a FY 2021 base year

Net-zero:
– Reduce absolute Scope 1, 2 & 3 emissions 90% by FY 2050, from FY 2021 base year

Managing our GHG Emissions

Our efforts to decarbonize our business are multifaceted, encompassing initiatives such as increasing our use of renewable electricity, transitioning to LED lighting including motion and intensity sensors, and monitoring and optimizing machinery and HVAC systems to enhance energy efficiency. On the product side, we are continuously working on reducing the self-consumption of our products. In FY 2023, we reduced our greenhouse gas emissions related to Scope 1+2. The reduction in fugitive emissions notably contributed to the improvement in Scope 1 emissions, while our increased utilization of renewable energy sources led to a reduction of Scope 2 emissions.

Furthermore, we are investing in fostering a culture of environmental consciousness among our staff through education on climate change and sustainable practices. For example, in FY 2023 we reached nearly 4,000 of our employees through an e-learning training session, providing insights into climate change, carbon footprinting, and the importance of achieving our Science-Based Targets. Employees gained a deeper

understanding of the science behind climate change, the key drivers of our carbon emissions and the collective efforts needed to achieve our SBTs. We also promote energy-saving behaviors among employees, such as switching off lights and appliances when not in use and encouraging the use of stairs over elevators. These efforts have earned us accolades like the "Selo Clima Paraná" award in Brazil, inspiring us to push forward.

Defining our Decarbonization Roadmap

Our validated Science-Based Targets are the basis for our carbon reduction roadmap spanning to 2030. At the core of our decarbonization roadmap lies the identification and assessment of measures aimed at reducing GHG emissions throughout our entire value chain. Each identified measure undergoes thorough evaluation by topic owners and specialists to assess its impact over time, ensuring our efforts are both feasible and effective. Additionally, we have strengthened our carbon accounting capabilities by enhancing our GHG data capturing tool to encompass all relevant Scope 3 categories – a major upgrade from solely measuring business travel in the past. The data captured now also includes our recent business acquisitions, Luna and Etrel, which were only partially covered in last year's report. Measured results are then compared to the planned impacts stated in the decarbonization roadmap.
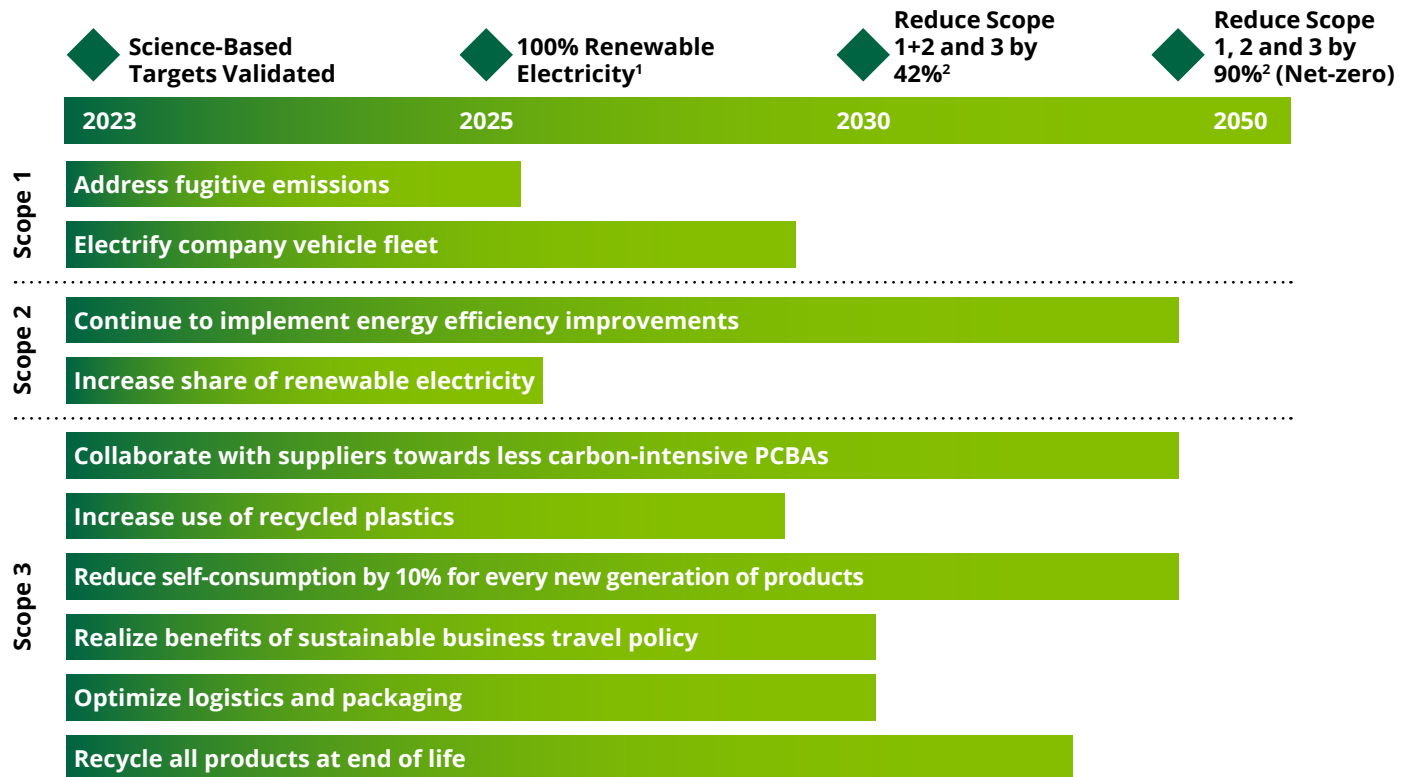
Collaborating to Reduce GHG Emissions

Understanding the magnitude of climate change and its challenges, Landis+Gyr embraces a collaborative approach, engaging with various stakeholders to forge a practical path toward decarbonization. Internally, cross-functional teams comprised of members from Supply Chain, Operations, Procurement, R&D, and Human Resources come together to collectively identify environmental challenges, brainstorm solutions, set ambitious targets, and spearhead the implementation of sustainability measures. Externally, our collaborative efforts extend to partners in the supply chain, always with the aim to reduce carbon emissions and further enhance the environmental impact of our products and solutions.

Metrics

To measure the effectiveness of our initiatives, we track and manage the following indicators:
– GHG emissions relative to company's turnover
– Share of renewable electricity used
– GHG emission savings enabled through our installed base of smart meter devices

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

◆ **Science-Based Targets Validated**   ◆ **100% Renewable Electricity[1]**   ◆ **Reduce Scope 1+2 and 3 by 42%[2]**   ◆ **Reduce Scope 1, 2 and 3 by 90%[2] (Net-zero)**

2023   **2025**   **2030**   **2050**

Scope 1
- Address fugitive emissions
- Electrify company vehicle fleet

Scope 2
- Continue to implement energy efficiency improvements
- Increase share of renewable electricity

Scope 3
- Collaborate with suppliers towards less carbon-intensive PCBAs
- Increase use of recycled plastics
- Reduce self-consumption by 10% for every new generation of products
- Realize benefits of sustainable business travel policy
- Optimize logistics and packaging
- Recycle all products at end of life

[1] Landis+Gyr's Science-Based Targets (SBT) require us to transition to renewable electricity by 2030. However, encouraged by our progress in this area, we have committed to achieve this target by FY 2025, i.e. five years ahead of our SBT commitment.
[2] Compared to baseline FY 2025.

Celebrating Excellence: Paraná Climate Seal Award (2023)

In 2023, our Landis+Gyr site in Curitiba was honored with the 'Paraná Climate Seal' (Selo Clima Paraná) award. This recognition is bestowed upon companies located in the Brazilian state of Paraná that demonstrate exemplary practices in greenhouse gas (GHG) emissions management. Notably, our Curitiba site had previously received this accolade in 2016 and has since elevated its performance, achieving the highest score for the program: level A. Our efforts were acknowledged with a Gold Seal for publishing our comprehensive GHG emissions inventory in the Brazilian Program for GHG Protocol. This initiative, aimed at fostering voluntary GHG management in Brazil, develops technical and institutional capacity for GHG accounting and reporting at the organizational level.

Empowering Change: Landis+Gyr's Decarbonization Journey Training

This year, Landis+Gyr intensified its commitment to combatting climate change by introducing a global training program named 'Landis+Gyr's Decarbonization Journey'. This initiative aimed to augment employee awareness on this critical issue. The training session covered fundamental aspects of climate change, carbon accounting and foot-printing, as well as the company's carbon reduction targets under the Science-Based Target initiative.
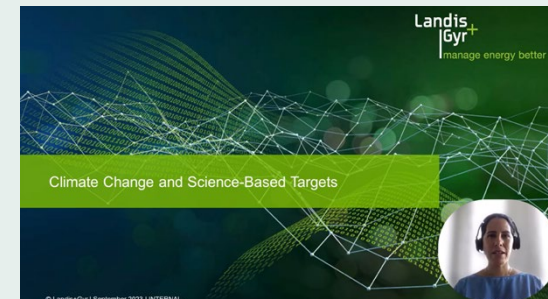
Water Management

Water Conservation Commitment

Water is vital to both Landis+Gyr's operations and the communities we serve. Recognizing the escalating concern of water scarcity, our commitment goes beyond mere efficient usage; it encompasses stewardship and proactive management. We ensure that all Landis+Gyr's sites adhere to local regulations regarding water use and discharge.

Furthermore, our dedication to responsible water management is reflected in the development of our own products. Our smart water meters detect leaks, preventing water loss and network damage while also supporting predictive maintenance of water infrastructure.

Water Scarcity and Business Impacts

Although our business activities are not water-intensive, our overall water usage still contributes to diminished water availability in the locations where we operate. Therefore, we prioritize disclosing information on water usage and management to ensure transparency regarding our impacts on stakeholders, including local communities and ecosystems.

Our offices and manufacturing plants use water conscientiously for various daily operations, from culinary preparations in our canteens to essential cooling processes in production. We not only consume water responsibly but also implement water reuse/recycle practices wherever feasible. In locations such as Curitiba or Noida, we treat and repurpose rain and wastewater for uses like irrigation or exterior cleaning. At our Reynosa site, the byproduct water from air conditioning is not wasted but used for plant watering. While most sites discharge water through public sewage systems, some have on-site water treatment facilities. Storage is not a significant component of our water management, except for rainwater tanks at some sites. Additionally, certain sites, like Pequot Lakes and Corinth, rely on well water, which reduces our dependence on tap water. Wells are maintained and water quality tests are regularly conducted. The water from the wells is used according to the water quality of the respective well (e.g. its use is limited to irrigation/ cleaning).

In regions experiencing increasing water scarcity, potential threats to business emerge. The risks include exposure to water shortages, lower water quality, and water price volatility. Landis+Gyr sites in Corinth, Melbourne/ Laverton, Nuremberg, Reynosa, Gauteng, and Izmir operate in regions identified as water-stressed according to the World Resource Institute's (WRI) Aqueduct Water Risk Atlas. In these areas, in particular, heightened awareness and a dedicated commitment to water conservation guide Landis+Gyr's operations.

The following sites are based in areas of water stress:

Site	Water withdrawal in megaliters FY 2023
Corinth (GR)	15.9
Melbourne/ Laverton (AUS)	0.6
Nuremberg (DE)	0.7
Reynosa (MX)	8.0
Gauteng (RSA)	2.2
Izmir (TK)	14.4

The data shown above has been collected by the local sites and recorded in Landis+Gyr's ESG reporting tool. While most data are supported by evidence such as measurements or water invoices from local utilities, estimates have been utilized for a few smaller sites where data is unavailable (e.g., no information on water consumption provided by the landlord).

Metrics

To measure the effectiveness of our initiatives, we track and manage water withdrawal per employee. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Biodiversity

Company's Stand

Landis+Gyr is committed to biodiversity conservation and ecosystem protection, avoiding adverse impacts on the natural environment, particularly on critical habitats, protected areas, and Key Biodiversity Areas (KBAs), as well as on threatened species, as defined in the 'International Union for Conservation of Nature' (IUCN) Red List.

The company is aware of the newly created Task Force on Nature-related Financial Disclosures (TNFD). It is considering disclosing its impacts following the disclosure proposed by the TNFD in future reports. Furthermore, the topic of biodiversity will be included in the discussions with our stakeholders as part of the update to our materiality assessment and set-up of our upcoming three-year ESG cycle.

Commitments, Policies, and Actions

We are committed to ensuring that our operations uphold environmental integrity, with respect for biodiversity being integrated in both Landis+Gyr's Code of Conduct and the company's Supplier Code of Conduct. Utilizing tools such as the 'Exploring Natural Capital Opportunities, Risks and Exposure' (ENCORE) by the United Nations Environment Program (UNEP)-World Conservation Monitoring Center (WCMC), and the Risk Filter by the World Wide Fund for Nature (WWF), we assess biodiversity impacts and dependencies at our manufacturing sites, monitor relevant indicators, and devise mitigation actions as needed.

Our production sites are predominantly located in industrialized areas, a deliberate choice aimed at minimizing our impacts on regions with high biodiversity sensitivity. While none of our facilities are in areas classified as very high risk for biodiversity exposure, some sites face medium risks, mainly related to pollution. These locations include:

Site	Main biodiversity issue FY 2023
Reynosa (MX)	pollution
Corinth (GR)	pollution
Curitiba (BR)	pollution
Melbourne (AU)	pollution and tree cover loss
Izmir (TK)	pollution

Currently, the company does not foresee expanding its physical operations to areas where biodiversity would be a concern. Future construction and projects will be evaluated for their biodiversity impact.

Certain Landis+Gyr's products and solutions contribute positively to biodiversity. For instance, solutions for water leakage detection and irrigation management, particularly relevant in water-stressed areas, minimize the depletion of natural water sources. By efficiently managing water usage, these solutions help maintain habitats where diverse plants and animal species can thrive. Additionally, the company's street light control products aid in reducing unnecessary light pollution, preserving the natural behavior and habitats of various species. This fosters biodiversity and improves the overall vitality of ecosystems.

Landis+Gyr Brazil contributes to the pollination of its neighborhood with a beehive of "Mandaçaia" bees.

Raising Environmental Awareness: SEMEA Environment Week

For the second year, our sites in Brazil organized an engaging environment week under the name of 'SEMEA'. The initiative was centered around advocating the importance of sustainable practices and amplifying awareness on the theme of this year's 'World Environment Day,' which emphasized combatting plastic pollution. Under this initiative, each staff member was gifted with a bamboo fiber mug, promoting its daily use as a sustainable alternative to reduce plastic waste.

People & Well-being

We care for our employees' health and well-being and promote diversity, inclusion, and equal opportunity in the workplace. We are partners to the local communities where we operate and are active players in supporting their development.

Employee Engagement

'Employee Engagement' pertains to the quality of the relationship between Landis+Gyr and its employees, whereby the enthusiasm and dedication of employees are influenced by the depth of their mental and emotional connections to their work, teams and the organization. It encompasses the company's policies and measures to foster a positive work environment where employees feel engaged, empowered, connected, and energized.

Company's Stand

At Landis+Gyr, we firmly believe in the transformative power of employee engagement, recognizing it as a cornerstone for achieving sustainable organizational success and delivering high-quality products and solutions. Engaged employees demonstrate a higher level of productivity, quality, and performance. As such, we are committed to establishing and fostering an organizational culture where employees feel valued, respected, motivated, and engaged. Our commitment to enhancing and sustaining a high level of employee engagement is realized through best-in-class people practices and frameworks deployed across our local, regional, and global operations.

Company's Impact

A positive work environment contributes significantly to higher levels of employee engagement and leads to higher productivity and a better quality of work. By actively fostering an engaged workforce, Landis+Gyr prevents and mitigates potential disadvantages associated with a lack of employee engagement, such as low morale, lower productivity, increased regrettable turnover, increased recruitment, onboarding and training costs, and customer dissatisfaction.

Employees who are actively engaged are more committed, collaborate better, provide stronger customer support, and are healthier. These factors not only contribute to the employees' personal well-being and the prosperity of our business but also positively affect society.

Policies, Organization, Key Processes & Actions, Metrics

Policies

At the core of our 'Employee Engagement' initiatives are strong global, regional, and local policies. These policies provide a solid foundation, ensuring that our efforts are consistent and well-integrated across the organization. Examples of global policies fostering Employee Engagement are:

– Code of Business Ethics & Conduct: Our company's Code of Business Ethics and Conduct plays a crucial role in promoting employee engagement, particularly through its two integral chapters: 'Respect One Another' and 'Equal Employment Opportunity.' These chapters underscore our commitment to cultivating a workplace environment founded on mutual respect and ensuring equal opportunities for all employees.
– ESG Directive: Our Environmental Social and Governance Directive promotes employee engagement by prioritizing a workplace culture that values its employees' well-being, safety, and ethical treatment. The company fosters a supportive and inclusive environment through policies such as fair compensation practices and adherence to global working standards.
– Global Talent Acquisition Guideline: Our Global Talent Acquisition Guideline, encompassing its philosophy, guiding principles, and process, serves as a foundation for identifying, selecting, and hiring talent. By ensuring a systematic and transparent approach to talent acquisition, this guideline helps build a skilled workforce. It supports employee engagement by aligning individual skills and aspirations with organizational needs, fostering a sense of purpose and fulfillment among the workforce.
– Global Learning & Development Policy: Our Global Learning & Development Policy outlines opportunities for skill enhancement and career growth while also actively supporting employee engagement by cultivating a culture of continuous learning. By providing universal learning access and creating a dynamic environment that aligns individual development with organizational goals, the policy empowers employees to invest in their professional growth, fostering a sense of purpose, motivation, and commitment.
– Global Talent Management Guidelines: Our Global Talent Management Guidelines contribute to employee engagement by empowering managers and Human Resources staff to recognize and nurture leadership potential. By offering training, support, and development opportunities, the guidelines not only cultivate a qualified talent pool for senior roles but also inspire a sense of value and investment in the growth and success of each employee.

Organization

Employee engagement is a shared responsibility that involves various stakeholders across our organization. While the Human Resources department plays a significant role, responsibility is distributed among senior leadership, managers, and individual employees. Senior leadership sets the tone and fosters a positive organizational culture, managers directly influence team engagement, and individual employees contribute through their active participation and commitment to their work. Ultimately, a collaborative effort involving all levels of the organization is essential to create and sustain a culture of employee engagement.

Key Processes & Actions

Employee Skills Development

Recognizing the dynamic nature of the energy sector, Landis+Gyr invests substantially in our workforce's continuous training and skill development. Our employees benefit from extensive learning resources, including leading platforms like LinkedIn Learning, Coursera, Pluralsight, and A Cloud Guru. In partnership with Google, Landis+Gyr provides an extensive cloud transformation training program, ensuring its workforce is well-prepared for the dynamic challenges in the industry. The Google Cloud Platform (GCP) Training Program focuses on upskilling and developing teams involved in Landis+Gyr's Cloud transformation projects across various regions. The program offers diverse learning paths, enabling participants to gain knowledge and practical experience, culminating in a Google Cloud certification.

Another important learning initiative is Landis+Gyr's Learning Weeks. These annual events, sponsored by members of the Executive Management Team (EMT), play a key role in fostering a culture of continuous learning within the company. In FY 2023, three Learning Weeks were organized, all offering live events that provided valuable insights into our business, our technologies, and the latest initiatives to address current challenges and industry trends.

Strengthening our Leadership Capabilities

At Landis+Gyr, we prioritize leadership development to equip our leaders with the adaptive thinking needed to navigate our strategic transformation and effectively address the evolving needs resulting from rapid change and emerging challenges. We implement a range of initiatives spanning various locations and organizations worldwide. The core focus of these initiatives and programs lies in fostering people-centric leadership, empowering teams to navigate change and attain sustainable competitive advantage.

Town Hall Meetings and Company Events

Our CEO conducts monthly global town hall meetings, hosting multiple sessions to accommodate various global time zones, thereby ensuring every employee has the opportunity to participate and be heard. These town hall meetings serve as a platform for educating, informing, listening to, engaging, and recognizing employees. Additionally, separate sessions are led by regional and functional heads, focusing on addressing their specific regions and functions. Furthermore, we actively host, participate in, and sponsor company-wide events designed to attract, retain, inspire, and motivate our diverse teams for effective collaboration and communication in the office.

Employee Share Purchase Plan

Landis+Gyr's Employee Share Purchase Plan (ESPP), offers employees an opportunity to invest in Landis+Gyr, further deepening their connection with the company. This program reflects our belief in the value of employee ownership and aligns employee interests with the long-term success of Landis+Gyr. Further details on the ESPP can be found in the company's Remuneration Report.

Employment Security and Responsible Workforce Restructuring

Employment security and responsible workforce restructuring are also central to our strategy. We are convinced that stable and consistent employment increases loyalty to the company, attracts top talent, and creates a sense of belonging and appreciation among our employees. Our approach to employment security is based on the following principles:

– Minimize external human capital: Contingent workers and service providers are only approved for specific tasks or limited projects that cannot be completed by internal Landis+Gyr employees. They are used as short-term staffing solutions to supplement, not replace, the workforce during extended employee absences or work peaks or for strategic outsourcing.
– Promote internal job advertisements: Vacancies are advertised internally to encourage the development of internal talent and organizational growth.
– Promote learning and development: Employees are encouraged to undertake training to improve their knowledge and skills. Proactive skill enhancement and acquiring new skills through training, upskilling, and lifelong learning will enable employees to adapt to the changing economy and improve their employability.

We acknowledge the challenges and disruptions that restructuring initiatives may pose to our workforce. While we endeavor to avoid such projects whenever possible, in certain circumstances, we may need to implement such measures to safeguard the long-term health and sustainability of the business. In such situations, we commit to conducting workforce restructuring in a responsible manner. Throughout the restructuring process, we prioritize

open communication with employees, unions, works councils, authorities, and local representatives. We emphasize transparency and empathy in our interactions with our employees to ensure their well-being and foster a culture of trust and collaboration throughout the transition. Displaced workers are provided with transition programs as part of social plans or customized individual agreements, taking into account the specific nuances of local employment conditions.

Restructuring Project 'Horizon'

In FY 2023, Landis+Gyr implemented a restructuring project known as "Horizon". The project was aimed at streamlining the organization and optimizing the indirect labor cost structure. As part of this effort, the company reduced approximately 200 positions, equating to less than 3% of the global workforce. In line with our commitment to being a responsible employer, departing employees were provided with outplacement support. Additionally, individuals with longer tenures received financial assistance to aid in their transition.

Metrics

To evaluate the effectiveness of our actions, particularly in regard to learning and development, we track and manage hours of employee training. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Spotlight on Excellence: Employee Recognition Programs

At various Landis+Gyr sites, employees are rewarded for their exceptional work performance and exemplary demonstration of our company values. In Prague, for example, the company has established a program called 'Spot on', where every year nominations are submitted, assessed by a committee and published/announced.

Inspiring the Next Generation

Landis+Gyr organized activities across four sites to immerse children in our work environment and inspire the next generation. In the UK, Bring-your-child-to-work Day featured STEM activities tailored to different age groups, offering insight into their parents' jobs. In Switzerland, National Future Day allowed young learners to explore professions and engage in smart metering activities. In Finland, Children's Day at Work aimed to familiarize children with workplaces and various professions, fostering curiosity and understanding about the professional world. In the US, each department organized activities, such as hands-on demonstrations, educational workshops, office tours, and career exploration sessions. These events fostered a sense of pride and connection among employees as they shared their work environment with their children and colleagues.
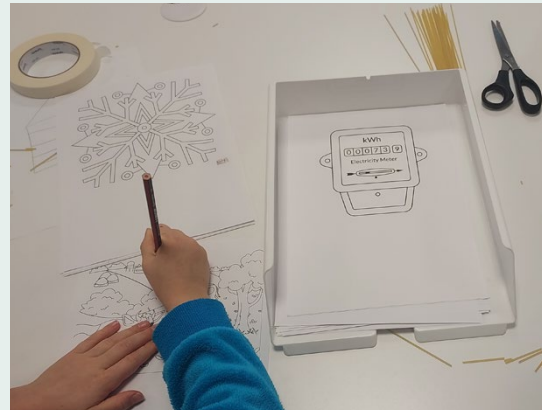
Empowering Employees' Financial Health

During Financial Wellness Month, a month-long initiative aimed at promoting financial well-being among employees in the US, Landis+Gyr organized a series of activities. These included hosting financial literacy workshops, providing resources on budgeting, saving, and investing, offering one-on-one financial counseling sessions, and organizing wellness challenges or competitions related to financial goals. To further support employees, external financial counselors attended onsite workshops, providing expert guidance and assistance.

Fair Labor Practices

'Fair Labor Practices' encompasses the ethical treatment of workers, emphasizing fairness, dignity, and respect, both within Landis+Gyr's operations and throughout our supply chain. Central to this commitment is the protection of universally acknowledged human and labor rights, along with our dedication to promoting diversity, equity, and inclusion (DEI).

Company's Stand

At Landis+Gyr, our commitment to fair labor practices is deeply woven into our corporate philosophy. We firmly believe in treating every individual with fairness, dignity, and respect, extending this commitment beyond our own operations into our global supply chain. As a signatory to the UN Global Compact, we advocate for universal human and labor rights protection, aligning with internationally recognized principles. Recognizing our people as our greatest asset, we are dedicated to providing opportunities that enable them to reach their full potential. We wholeheartedly embrace and actively foster diversity, equity, and inclusion within our workforce, mirroring the global organization we are and the values we uphold.

Company's Impact

As an employer and actor in the global electronics supply chain, Landis+Gyr's labor practices have profound impacts across various levels of society. At an individual level, workers experience improved well-being as they are treated with fairness, dignity, and respect. Fair compensation and equal opportunities contribute to personal economic stability and professional growth. At the company level, adhering to fair labor practices fosters a positive and inclusive workplace culture, leading to increased efficiency and innovation. At the community level, fair labor practices contribute to economic stability and social empowerment, resulting in increased employment opportunities and improved living standards. On a broader societal scale, fair labor practices promote social cohesion, equality, and sustainable economic growth, fostering a more just and resilient society.

Embracing fair labor practices helps the company prevent or mitigate potential negative impacts, including human rights violations, workforce disengagement, reduced productivity, mental health issues, reduced incomes, underrepresentation of certain employee groups or minorities in leadership, increased attrition, low employee morale, and innovation constraints, among others.

Policies, Organization, Key Processes & Actions, Metrics
Policies
The following policies serve as the foundational framework for fair labor practices by setting clear guidelines and principles to ensure proper business conduct towards workers:

- Code of Business Ethics and Conduct: The Code establishes Landis+Gyr's commitment to operate under the highest ethical standards, including the responsibility to treat employees with fairness, dignity and respect. This aligns with both local legal requirements and global standards, including the United Nations Universal Declaration of Human Rights and the Declaration on the Fundamental Principles and Rights at Work by the International Labor Organization.
- Supplier Code of Conduct (SCoC): This document communicates ESG requirements to suppliers, including fundamental human rights and labor standards. It encompasses critical aspects such as the prohibition of forced and child labor, the provision of safe working conditions, the right to freedom of association, non-discrimination, and the assurance of fair compensation and equal opportunities.
- Global Talent Acquisition Guideline: The guideline provides a framework to ensure equal access and equal opportunity for all job seekers, both internal and external. It aims to streamline the recruitment process, promote fairness and transparency, and acquire the best talent to meet our business needs worldwide.
- Global Performance Review Policy: This policy ensures a transparent performance review process with criteria that foster trust between management and employees, and create a safe space to discuss performance, achievements, and ambitions.

- Global Salary Review Guidelines: These guidelines outline the annual salary review process, emphasizing our commitment to fair and equal conditions for all employees. Across all countries, job level and pay grade structures are established to maintain internal equity and ensure consistent determination of pay by job level.

Organization
The management of this topic falls under the purview of our Human Resources function, which collaborates with a team of regional and group-level leaders spanning the globe. Together, they ensure that every worker is treated with fairness, dignity, and respect throughout our operations. The Human Resources team is responsible for developing, implementing, and refining policies, processes, and procedures aimed at fostering a workplace environment that upholds these fundamental values. This includes initiatives to promote diversity, equity and inclusion.

In addition, our 'ESG Supply Chain Due Diligence Committee' works to extend these principles to our supply chain. By rigorously assessing and monitoring our suppliers, we ensure that labor standards are upheld across our entire value chain, reinforcing our commitment to fairness and respect for workers worldwide.

Key Processes & Actions
Awareness & Sensitivity Training
At Landis+Gyr, we prioritize comprehensive training for both management and employees to uphold the principles outlined in our Code of Business Ethics and Conduct. This code serves as a foundation for a fair and ethical workplace, prohibiting practices such as child labor, modern slavery, threats of violence, and harassment. Through rigorous training initiatives, we ensure a deep understanding and consistent application of these fundamental principles across our organization.

Fair and Ethical Working Conditions
Landis+Gyr adheres to fair compensation practices, complying with minimum wage laws and other mandated benefits, and ensuring transparency in job advertisements. Regular benchmarking against external market data is conducted to ensure that compensation is equitable and aligned with industry and geographical standards.

The company strictly prohibits any form of discrimination, such as race, color, age, gender, sexual orientation, gender identity, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status, in all employment aspects.

Furthermore, Landis+Gyr upholds workers' rights to freely associate, join workers' organizations, and engage in collective bargaining or peaceful assembly in accordance with applicable laws and regulations. The company ensures that workers can participate in such activities without fear of discrimination, reprisal, intimidation, or harassment. Our management and human resources teams collaborate with union officials to foster a rewarding and productive environment for all employees, regardless of representation.

Diversity, Equity, and Inclusion (DEI)
Actively supporting DEI not only aligns with Landis+Gyr's ethical principles, but also positions the company strategically for success. By embracing diverse perspectives, experiences, and backgrounds, we enrich our talent pool and enhance our ability to tackle complex business challenges. Our commitment to fostering a diverse, equitable, and inclusive workplace is grounded in the following key principles:
– Ensuring fair treatment of all people regardless of gender identity, nationality, ethnicity, age, disability, sexual orientation, religion, socio-economic background, or any other personal characteristic,
– Promoting representation of diversity at all levels within the organization, and
– Providing equal access to opportunities for everyone.

Promoting Gender Balance and Equity
We implement a range of initiatives to foster gender diversity and equity within our organization. These efforts include celebrating events such as the 'International Day of Women and Girls in Science' and actively supporting the participation of female employees in company leadership roles. In several countries, we conduct regular analysis and reporting on gender pay equity to ensure fairness in compensation. In addition, in all countries where the company has a significant presence, job level and pay grade structures have been designed to promote balanced and equitable compensation.

Flexible Working Hours and Remote Work
We recognize the importance of adapting to the changing demands of work-life balance. To accommodate diverse needs and preferences, we provide flexible working solutions. This includes opportunities for part-time employment, hybrid work schedules, and a 'Connected Work Program' specifically designed to facilitate remote work arrangements. By offering these flexible options, we empower our employees to manage their work commitments in a way that best suits their individual circumstances, ultimately fostering a more productive and fulfilling work environment.

Parental Leave and Family-friendly Accommodations
We acknowledge the significance of supporting our employees in balancing their professional and personal lives, particularly when it comes to family responsibilities. For this reason, we tailor our parental leave policies to align with the cultural norms and legal requirements of each location where we operate. By doing so, we foster a supportive and family-friendly work environment.

Moreover, through initiatives such as 'Bring Your Child to Work' days and wellness programs, we actively promote a culture that embraces and supports family life, reaffirming our commitment to the well-being of our employees and their families.

Metrics
We hold ourselves accountable by regularly monitoring KPIs leading to the implementation of defined targets. Tracked metrics include:
– % of female employees
– % of female employees in senior roles
– % of employees who received annual performance/ career development review

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

United Against Breast Cancer: Landis+Gyr's Awareness Initiative

Our teams in Reynosa and Curitiba launched an awareness program to address the prevalent issue of breast cancer. The initiative aimed to combat delayed diagnoses stemming from lack of awareness and limited healthcare access. The comprehensive program included educational workshops, informational materials, a helpline, and on-site screenings in collaboration with local healthcare providers. The outcome was highly positive, with significant participation, increased early detection, and active helpline use.

Empowering Women in Science: International Day of Women and Girls in Science

Landis+Gyr and WIN (Women Invincible Forum) organized a panel discussion to celebrate and acknowledge the achievements of women colleagues in the science field. This event featured a diverse group of panelists who shared their personal journeys, providing insights into their experiences and challenges in the scientific community. This initiative not only highlighted the significant contributions of women in science but also fostered an environment of inclusivity and inspiration.

Celebrating Women in the Workplace

International Women's Day is a global tribute to the remarkable achievements of women across all spheres of life. At Landis+Gyr, this day is commemorated with a diverse array of events and initiatives designed to empower and celebrate women in the workplace. In addition to honoring International Women's Day, the company also observes Women's History Month throughout March. This month-long celebration pays tribute to the historical contributions of women and their ongoing impact on society. Our commemoration includes a series of activities such as guest speaker presentations, panel discussions, workshops, and art exhibits highlighting the accomplishments of women in various fields.

Embracing Diversity: Celebrating Cultural Legacies

This year, our company commemorated significant cultural observances with impactful initiatives. We created a commemorative brochure for Martin Luther King Jr. Day, highlighting his legacy and the importance of diversity, equity, and inclusion in the workplace and society. Additionally, we honored Black History Month and Asian American Heritage Month by celebrating the accomplishments and contributions of Black and Asian American individuals, accompanied by educational materials distributed to our US employees. These efforts reflect our commitment to fostering an inclusive workplace where every individual's heritage is respected and celebrated.

Fostering Inclusivity: Disability Awareness Month

Throughout National Disability Awareness Month, our company focused on increasing awareness of disability issues and promoting inclusivity through educational initiatives. We hosted various events and activities aimed at educating employees on disability rights, accommodations, and accessibility. Additionally, educational brochures were distributed to all US employees to further support understanding and awareness.

Occupational Health and Safety

'Occupational Health and Safety' (OH&S) entails the measures taken to ensure the physical and mental health, safety and well-being of employees and other relevant stakeholders, such as contractors and subcontractors. It encompasses identifying, assessing, and managing risks to prevent accidents, injuries, and illnesses associated with work activities.

Company's Stand

At Landis+Gyr, we advocate the fundamental human right to a healthy and safe workplace. Our approach extends beyond mere regulatory compliance, underscoring our obligation not only towards our employees but also towards contractors, visitors and partners in our value chain. We are committed to ensuring safety and well-being by emphasizing prevention and awareness culture with the support of our OH&S management system. Our vision is to prevent any work-related injuries or illnesses, fostering a safety culture where all individuals take responsibility for health and safety.

Company's Impact

Prioritizing safety and well-being in our work environment is critical to our operational success. By effectively managing OH&S, we substantially mitigate the risks of work-related injuries or illnesses. This approach yields positive impacts by ensuring employee well-being, reducing absenteeism, and enhancing operational efficiency. However, negative impacts may arise from incidents affecting worker health and safety. These incidents have the potential to result in injuries and, in severe cases, fatalities. Such outcomes not only endanger the well-being of our employees but can also lead to significant reputational damage and financial losses for the company. When workers are harmed due to workplace accidents, this can erode trust with stakeholders, including customers, investors, and the broader community.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The foundation of our OH&S efforts is built upon the following policies and certifications:
– Code of Business Ethics and Conduct: The Code underscores the importance of workplace safety and requires employees to refrain from working in unsafe conditions, promoting the reporting of such instances through the 'near-miss' reporting process.
– Global Occupational Health & Safety Directive: It establishes standardized OH&S roles and processes across Landis+Gyr, ensuring a consistent and effective approach to safety management, regulatory compliance, and continuous improvement.
– ISO 45001 'Occupational Health and Safety Management Systems' certification: This certification guides our approach to the systematic identification, assessment and mitigation of occupational health and safety risks, ensuring a comprehensive framework for safeguarding our workforce. It provides the basis for standardized OH&S processes and procedures, ensuring a uniform approach is followed across all our sites. For further information on the company's ISO certifications, see section 'Locations'.

This combined framework does not only ensure our compliance with national and international regulations and standards, but also actively engages employees in upholding a safe workplace.

Organization

OH&S is integrated into the Quality organization, with representatives in key locations, conducting hazard identification and risk assessments through various means, including Gemba walks and facility safety audits. The organization emphasizes a culture of communication, allowing employees to reach OH&S representatives via multiple channels to report any kind of hazard at the workplace.

Key Processes & Actions

Landis+Gyr has developed and implemented robust processes aimed at identifying, assessing, reporting, and investigating potential hazards, fostering a proactive safety culture across our organization.

Risk Identification and Assessment

Certified according to ISO 45001, Landis+Gyr's global sites conduct routine and non-routine activity risk assessments, utilizing the Hazard Identification and Risk Assessment (HIRA) method as the primary mechanism. Identified risk exposures are meticulously documented in the HIRA register, facilitating the definition of robust risk controls. Mitigation actions are then promptly implemented. Regular post-implementation assessments are conducted to ensure continuous improvement. The effectiveness of these measures is periodically evaluated through management reviews and audits, ensuring the ongoing quality and refinement of our risk management processes.

Reporting and Investigation

Landis+Gyr's Global OH&S system ensures the effective reporting and investigation of accidents, incidents, and near misses. These are regularly included in risk reporting to the Board of Directors. via the AFRC. All employees, including permanent, contracted, and support staff, can and are encouraged to report work-related hazards or concerns through the company's system, email, or phone. To further facilitate reporting, emergency contact numbers are prominently displayed at our sites. Scheduled site inspections aid in proactively identifying potential hazards or concerns. An anonymous reporting option through the Speak-Up platform further supports this culture of transparency, in alignment with our 'Code of Business Ethics and Conduct'. This fosters an environment where reporting is encouraged without fear of discrimination or reprisal.

In the event of an occupational injury or illness, we conduct a thorough investigation to identify the incident's root cause. Corrective actions are promptly implemented to prevent future occurrences, ensuring the ongoing safety and well-being of our workforce across all locations.

Training

Landis+Gyr's global Integrated Management System (IMS) Awareness Training extends to all white-collar employees in the company, offering a comprehensive overview of OH&S topics. The training modules encompass hazard identification and reporting, emphasizing the importance of refraining from unsafe work practices and assuring that such reporting will not result in reprisals. Additionally, all employees, including blue-collar workers, undergo location-specific OH&S training to enhance employee preparedness and mitigate risks effectively. Further job-specific health and safety training is provided as necessary, tailored to the specific work activities, associated hazards, and control measures.

Metrics

Every year, annual OH&S targets are established globally to facilitate monitoring and continuous improvement towards our mid and long-term objectives. We have established both leading and lagging performance indicators to measure the effectiveness of our actions. Tracked KPIs include:

– Loss Time Frequency Rate (LTFR)
– Preventive Risk Identification Reports (PRIRs) and Near-Miss Reports
– Preventive Index (PI)
– OH&S training completion rate
– Gemba walks performed by top management
– Supplier OH&S audits performed

We are actively working to enhance our safety performance by identifying and implementing additional measures across our various sites. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Implementing Noise Reduction Measures

At Landis+Gyr's Montluçon facility, we have taken pro-active steps to create a more comfortable and produc-tive work environment by implementing noise reduc-tion measures in our production area. Exceeding regulatory requirements, we have installed innovative anti-noise boxes and walls, based on employee feed-back. As a result, our workforce has noticed a signifi-cant reduction in noise levels, leading to a quieter and more conducive workspace.

Driving Improvement: Our Employee Feedback Program

At Landis+Gyr, fostering continuous improvement is a collective effort. Through our 'Employee Feedback Pro-gram', we empower every team member to contribute ideas aimed at refining production processes and en-hancing working conditions. A committee evaluates these suggestions, determining actionable steps for implementation. We prioritize transparency and ac-countability, ensuring that the employee who proposed the idea remains informed and actively involved in the final implementation process.
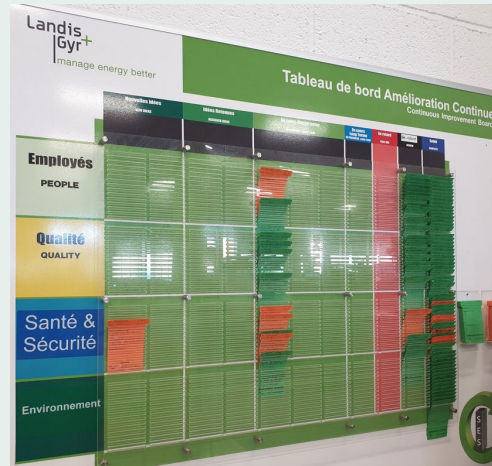
Reinforcing Safety Awareness: Internal Week of Health and Accident Prevention at Work

At our Curitiba site, we conducted the 33rd edition of our Internal Week of Health and Accident Prevention at Work. This week full of activities, demonstrates our firm commitment to safety and accident prevention at our manufacturing sites. From lectures to exhibitions, our employees participated in a variety of events aimed at promoting a culture of 'Zero Incidents at the Workplace.' These events culminated in the 'Landis+Gyr Circuit,' an obstacle course which had over 160 participants.

Safety Milestones in Brazil

We celebrated one year without accidents in our Curitiba and five years in Rio de Janeiro sites, reflecting our unwavering commitment to safety. Through rigorous protocols and dedicated teamwork, we prioritize the well-being of our employees.
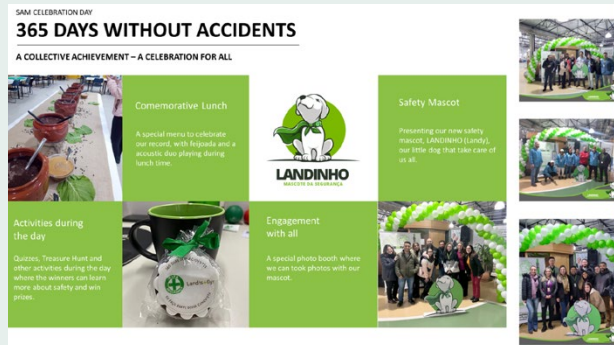
Cultivating Mental Wellness: Mental Health Awareness Month

In May, Mental Health Awareness Month is observed across all US locations to raise awareness and prioritize well-being in our workplace. Our company provides comprehensive support, including educational seminars, stress management workshops, resilience training, mindfulness sessions, and confidential counseling with mental health professionals through our benefits vendors. These resources reinforce our commitment to nurturing mental wellness and fostering a supportive environment for all employees.

Supporting Each Other: 'R U OK? I'm here to hear'

Once again, we led the 'R U OK?' campaign across our Asia Pacific locations this year. Our goal is to foster a workplace culture where staying connected and asking "Are you OK?" becomes a natural part of everyday interactions. The theme of this year's initiative, 'R U OK? – I'm here to hear', emphasized the importance of actively listening and providing support to those in need. Employees were encouraged to initiate genuine conversations and lend an open ear, helping others feel valued and connected.

Promoting Health and Wellness

Landis+Gyr conducted health campaigns in multiple locations, providing flu shots, health screenings, nutrition information, ergonomics consultations, fitness demonstrations, and wellness resources. Employees learned about health-related topics, receiving preventive care services, and engaged in activities aimed at improving their overall well-being. In certain locations, such as our Prague office, we expanded the availability of healthier snacks and beverages, featuring locally sourced options with fair trade labels.
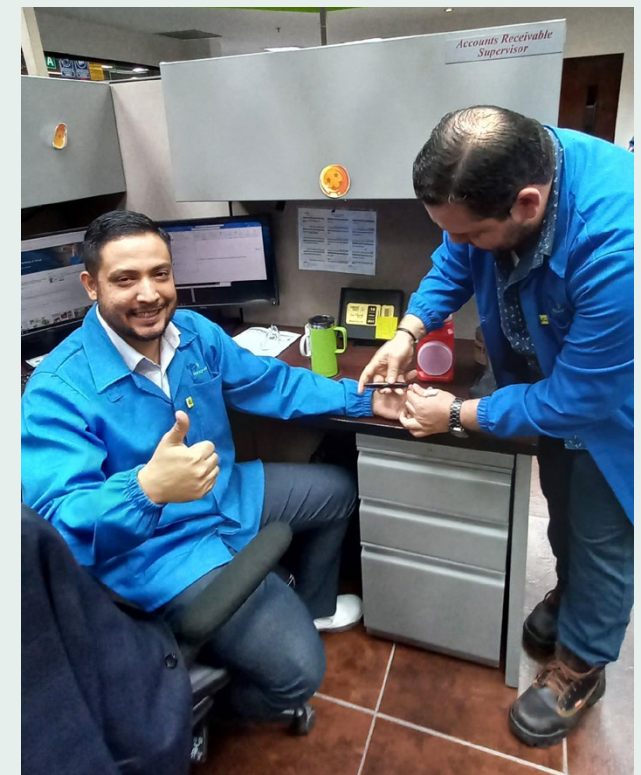
Community Engagement

'Community engagement' encompasses Landis+Gyr's interactions with the local communities where our operations are located, and our management of the impacts we generate on these communities. This involves our collaborative efforts with local groups and associations to address key issues that directly affect the well-being of local communities.

Company's Stand

At Landis+Gyr's we deeply value the collaborative partnership between our business and local communities. This commitment guides us to proactively mitigate negative impacts, enhance positive effects, and actively contribute to sustainable community development. We recognize that the success of our business is intricately intertwined with the well-being and prosperity of the communities surrounding us. Therefore, we are dedicated to nurturing this interdependent relationship through our actions and initiatives.

Company's Impact

We recognize our operations' profound impact on local communities, particularly in the ~30 countries where we maintain a presence and employ approximately 6,900 individuals. Our operations support the socio-economic development of local communities through various means, including promoting local employment opportunities, fostering skill development, engaging in local procurement, and generating tax revenue. Furthermore, we actively participate in community support activities, including employee volunteering and fundraising, to enhance the well-being and resilience of local communities.

Landis+Gyr's operations predominantly involve light industrial processes, resulting in limited adverse environmental impact on local communities. Our impact primarily stems from local resource usage (e.g. water) and greenhouse gas emissions. To mitigate these impacts, we have implemented measures to enhance resource and energy efficiency across our operations. More information on these efforts can be found in the 'Water Management' and 'Energy Efficiency and Climate Protection' sections of this report.

While we are not aware of any significant human rights impacts on our local communities resulting from our operations, Landis+Gyr remains vigilant. We are actively working to strengthen our human rights due diligence process to ensure any impacts are effectively managed in line with best practice.

Policies, Organization, Key Processes & Actions, Metrics:

Policies

Community engagement initiatives are governed by Landis+Gyr's 'Community Engagement Directive,' which outlines the scope, focus areas, and roles and responsibilities of our activities. These initiatives are identified and executed locally to ensure maximum effectiveness. Each initiative is tailored to meet the specific needs of the community, reflecting our deep commitment to fostering sustainable and thriving local environments.

The oversight of the three-year Community Engagement roadmap is managed by the ESG Steering Committee, ensuring alignment with the ESG strategy and priorities set by the Executive Management Team and the Board of Directors.

Organization

Community engagement activities are primarily managed at the local level, with coordination and reporting exchanges with the global ESG team as needed to ensure alignment and effectiveness of efforts.

Key Processes & Actions

To foster trust and cultivate positive relationships with local communities, we employ a range of tools and channels designed to facilitate our engagement with local stakeholders. These include the development of stakeholder engagement plans, participation in local community consultation committees, the establishment of worker representation bodies, and the implementation of local community grievance processes. By leveraging these instruments, we strive to establish open channels of communication and promote transparency in our operations. For more information, please refer to the GRI Index (GRI 413: Local Communities).

Our company has a long-standing tradition of actively supporting the well-being and resilience of our local communities through volunteering and fundraising. Our approach is collaborative, involving both internal and external stakeholders (e.g. local associations and NGOs) to ensure the success and sustainability of our initiatives.

Following approval from the ESG Steering Committee, we decided to pause several activities included in the Community Engagement FY 2022 – FY 2024 roadmap. The initiatives concerned were related to the global co-ordination of community engagement activities. It was collectively agreed to reassess the ambition level of this roadmap during the set-up of the next three-year ESG strategic cycle to better align it with our business priorities. Nevertheless, throughout FY 2023, the implementation of community engagement activities continued without interruption at the local level.

In the following pages, we present selected initiatives undertaken by Landis+Gyr across various locations during FY 2023 to support our local communities. These initiatives reflect our commitment to nurturing positive relationships and delivering a meaningful impact in the locations where we operate.

United States

North Fulton Community Charities (NFCC) Donations and Events (Alpharetta) Spreading Joy to Families in Need: Holiday Toy Drive

Employees donated toys to support families in need during the holiday season. The company organized a collection drive and coordinated with NFCC, a local charity, to distribute the donated toys to children in the community. Following the donations, employees volunteered to organize and sort toys for the local charity.

Caring for our Community: Thanksgiving Food Donation

Employees donated non-perishable food items to support families in need during the Thanksgiving holiday. The company organized a food drive to collect canned goods, boxed meals, and other food items, which were then donated to local food banks or charities, such as the NFCC. Following the donations, employees volunteered to organize and sort food items for the local charity.

Providing Warmth in Winter: Coat Drive

Employees donated gently used jackets, scarves, and gloves to support families in need during the holiday season. The company organized a coat drive, collecting these items to donate to the local charity.

Joining Forces for Heart Health: Heart Walk (Texas)

The Heart Walk is the American Heart Association's premier event, dedicated to raising funds to combat the nation's leading causes of death – heart disease and stroke. Our dedicated employees volunteered their time to actively promote awareness and contribute to the critical mission of saving lives.

Empowering Local Communities: United Way Donations (St. Louis)

United Way mobilizes communities around the world to close gaps and open opportunities so everyone can thrive. They connect partners, donors, volunteers, and community leaders to tackle the root causes of the world's most complex challenges while making a positive impact in the lives of millions of people. Their focus areas are health, education, and economic mobility. Employees in the St. Louis office made donations to this cause.

Standing Together with Hawaii: Red Cross Hawaii Wildfires Relief Fund (All US sites)

Landis+Gyr partnered with the American Red Cross to help provide disaster relief to those impacted by the Hawaii wildfires. Employees made donations to the Red Cross to support families affected by the Hawaii wildfires.

Empowering Future Engineers: Safety Awareness

Landis+Gyr collaborated with Purdue University's freshman engineering cohort, presenting an engaging session on "Safety in Engineering." This effort highlights our commitment to nurturing safety culture and educational initiatives among aspiring engineers.

Mexico

Supporting Healthcare:
Our Contribution to the Local Hospital

Landis+Gyr demonstrated its commitment to community well-being through meal and furniture donations. Employees generously provided meals to individuals waiting in the emergency area of the city's largest public hospital, ensuring that 100 people received nourishment during their time of need. Additionally, Landis+Gyr donated four unused workstations to the hospital, enhancing its capacity to deliver essential services to the people of Reynosa. These initiatives not only support individuals in immediate crisis but also contribute to improving overall healthcare access and quality in the local community.

Aiding Vulnerable Migrants

In Reynosa, a city situated near the US-Mexico border, the influx of migrants passing through has steadily increased over the years. Recognizing the challenges faced by this vulnerable population, Landis+Gyr extended its support to the community of Reynosa, Mexico. Through the donation of 50 blankets and food provisions to a migrant shelter, we aimed to alleviate some of the hardships faced by the individuals seeking refuge in the city. With a total of 150 people residing in the shelter, hailing from various countries, our contribution aimed to provide warmth and sustenance to those in need during their stay in Reynosa.

Brazil

Spreading Joy: Solidarity Christmas Campaign

During our holiday festivities, Landis+Gyr sponsored 50 children from the charity organization 'União Solidária' by participating in a heartwarming tradition. Our Christmas tree was decorated with "Letters to Santa Claus" written by the children supported by the organization. Employees had the opportunity to select a letter and make a child's wish come true by donating a toy.

Volunteering for Vulnerable Children

Employees volunteered to aid the charity organization 'União Solidária', which aids vulnerable children battling cancer or rare diseases. Two events were coordinated with the institution: one involved gathering supplies for the Christmas baskets distributed to the families supported by the institution. The other event focused on painting, furniture maintenance, material clean-up, and recycling efforts, ensuring an optimal environment for the children under their care.

Assisting the Elderly: Winter Campaign

Forty-eight of our employees contributed funds to purchase blankets and geriatric diapers to address the needs of our partner institutions (Associação Amigos do HC, União Solidária and Lar Iracy). This donation supported the most vulnerable members of our community, ensuring their comfort and well-being.

South Africa

Empowering South African Communities:
Our Charitable Donations

Landis+Gyr remains committed to uplifting the lives of South Africans in need by supporting various charitable organizations. Our partnership with 'Understand, Hope and Care Centre' provided essential resources to over 70 disadvantaged orphans in Khayelitsha, enhancing their mental and physical development through new learning materials and educational outings. Additionally, our contribution to Down Syndrome South Africa initiated the Access to Justice project, addressing gender-based violence. We also supported Regional Educare Council in training 33 women and youths in Early Childhood Development, facilitating employment opportunities. Furthermore, our donation to The Khulisani Foundation and The Love Trust enabled the development of educational programs, fostering holistic growth and transformation within local communities.

Slovenia

Sowing Hope and Rejuvenating Forests
Employees participated in the nationwide volunteer tree-planting event, "Let's Rejuvenate the Forests 2023," organized by SiDG (Slovenian State Forestry Company) in various national forest locations across Slovenia. Our involvement aimed to promote sustainable forest development and raise public awareness about forest preservation for future generations. As campaign supporters, we aided in the Goriška Karst region, heavily impacted by the country's largest fire in 2022. Through the purchase of seedlings and participation in tree planting, we contributed to the restoration efforts.

Solidarity in Action: Floods 2023
In response to the August 2023 floods in Slovenia, we organized two volunteer actions in affected areas and facilitated donations of essential materials, including tools and sanitary products, from our employees. Additionally, we established a collective financial account through the Slovenian Association of Friends of Youth, allowing contributions from our employees and others. In the municipality of Gornji Grad, the INCH Duo charging station, owned by the municipality and operated by our partner Porsche Slovenia, was damaged as a result of the flood. To assist, we donated one INCH Duo station, while Porsche Slovenia covered the cost of dismantling the faulty unit and installing the new charger.

Greece

Supporting Local Children Charities
Landis+Gyr provided financial and in-kind contributions to 'Efthimeio Center of Corinth', 'Smile of the child', 'Make a wish' and 'Special Elementary School of Corinth'. Through these organizations the company supported the needs of children facing adversity or living with disabilities. Every year, we host Christmas and Easter Bazaars at our premises, with proceeds benefiting the 'Efthimeio Center of Corinth' and 'Smile of the child'.

Germany

Combatting Food Insecurity: Donation to Nürnberger Tafel
This year Landis+Gyr chose to forego traditional Christmas gifts for our business partners. Instead, we allocated a generous donation of 5,000€ to support the voluntary organization "Nürnberger Tafel". Dedicated to collecting donated food and distributing it to those in need, the Nürnberger Tafel has witnessed a growing demand for its services in recent years. Our contribution aimed to bolster their efforts in addressing food insecurity and supporting vulnerable individuals within our community.

Czech Republic

Dressing Families in Need: Clothes Drive
Landis+Gyr partnered with non-profit organization 'Oděvní banka', dedicated to assisting single-parent families. Employees collected clothing items and sent them to the charity organization for sorting, cleaning and distribution in time for the Christmas holidays.

Spreading Love to Local Charities: Saint Valentine's Day Donation
In celebration of Saint Valentine's Day, the company hosted a breakfast for all staff members to participate in and vote for local charity organizations to support. As a result, the company made a financial contribution to two associations: Rosa Centrum, dedicated to assisting women affected by domestic violence, and a local animal shelter, committed to caring for abandoned dogs.

India

With the support of two NGOs "Pehchaan – The Street School-Trust" (Noida Sector 35) & Goonj (Sarita Vihar), Landis+Gyr's employees undertook a clothing collection and distribution initiative for those in need. A distribution event was organized, with several volunteers extending their generosity by providing biscuits, chocolates, and stationery for the children. Witnessing the excitement and energy of the kids sparked a deep sense of fulfillment among our team, fostering unity and a shared commitment to community service.

Business Ecosystem

We conduct our business with integrity, adhering to the highest ethical standards of honesty, fairness, and respect for everyone's rights. We strive to cultivate trust and respect within our business ecosystem.

Strategic Responsible Sourcing

'Strategic Responsible Sourcing' focuses on Landis+Gyr's efforts to cultivate sustainable environmental, social, and governance practices throughout our supply chain. It centers on our active collaboration with suppliers and the integration of sustainability principles into our procurement practices.

Company's Stand

At Landis+Gyr, our core values guide us to prioritize the respect for universal human and workers' rights, operate in alignment with fundamental environmental and health and safety standards, and actively embed sustainability in all aspects of our operations. As a company, we hold ourselves accountable for our supply chain and are committed to ensuring that the stringent ESG standards we uphold internally are also applied to our partners in the supply chain. We firmly believe that promoting our values and requirements leads to the overall economic, technological, environmental, and social development of our supply chain and its communities.

Company's Impact

Our sourcing activities create significant positive impacts by generating employment opportunities, bolstering local economies, and fostering positive socio-economic effects. Furthermore, Landis+Gyr collaborates with suppliers to enhance their capabilities and competitiveness in areas such as cost, quality and technology. This mutually beneficial approach ensures shared growth and advantages for both Landis+Gyr and its suppliers.

However, irresponsible sourcing practices can lead to negative impacts such as environmental degradation through resource depletion and pollution. Another potential source of negative impacts in the electronics supply chain is linked to the sourcing of parts containing minerals such as gold, which exposes us indirectly to risks associated with human rights violations in conflict areas. Landis+Gyr has implemented processes to mitigate these risks, in line with our commitment to responsible sourcing and sustainability. See also the 'Human Rights and Child Labor' section.

Policies, Organization, Key Processes & Actions, Metrics

Policies

The following policies lay the groundwork for sustainable sourcing, underlining our commitment to ethical, social, and environmental excellence:

– ESG Directive: This directive defines our commitment to upholding responsible environmental, social and governance practices in our supply chain. It describes our supplier ESG due diligence process.
– Global Procurement Directive: This directive sets the basis for the implementation of the 'Supplier Code of Conduct' and 'Green Procurement Requirements'.
– Supplier Code of Conduct (including 'Green Procurement Requirements') (SCoC): The Code establishes supplier requirements with regards to employment practices (including the prohibition of child labor and modern slavery), health and safety standards, environmental practices, ethical conduct, information security practices and corporate governance. Our SCoC is modeled after the Responsible Business Alliance's (RBA) Code of Conduct template. Suppliers must confirm their adherence to these standards by signing our Supplier Code of Conduct, or an equivalent document.

Organization

Ensuring a sustainable supply chain is a multidisciplinary effort involving leadership from the ESG, Procurement, Quality, Supply Chain, Product Management, Compliance, Global Practice Team and IT functions of Landis+Gyr. This has led to robust processes, policies and actions as described in this section. The involvement of the above-listed parties has not been one-off, but rather is continuous in various forms including participation in review groups, project teams, and regular reporting efforts. The ESG supplier due diligence efforts are overseen by a committee composed of members of several of the functions mentioned above, who meet regularly to discuss findings and decide on related measures.

Key Processes & Actions
Supplier ESG Due Diligence

In FY 2023, Landis+Gyr conducted a comprehensive review of its existing supplier due diligence process, with the aim of strengthening and streamlining it. We are currently engaged in implementing our revised approach, which comprises the following four steps:

1. Supplier ESG risk assessment: Leveraging an external supply chain monitoring platform, we conduct a thorough screening of all relevant suppliers for ESG aspects, considering factors such as geography and industry. Suppliers are required to complete a self-assessment covering specific areas such as anti-bribery and corruption; human rights and labor; environmental protection, and health and safety. If the self-assessment reveals areas of concern, suppliers are directed to undergo an ESG audit.

2. Supplier ESG audits: Suppliers with identified risk concerns undergo audits to ensure compliance with the requirements outlined in our SCoC. If any non-conformance is identified, we collaborate with the supplier to establish a corrective action plan.

3. Supplier development: Audit findings and corrective action plans are integrated into our Supplier Development Program, facilitating collaboration with related suppliers to foster mutually beneficial improvements. Should the collaboration not lead to the envisaged/agreed upon outcome, we will consider additional measures including termination of the relationship with the supplier.

4. Supplier monitoring: We conduct ongoing monitoring of public information sources to proactively identify potential supplier risks, including ESG concerns.

Our updated supplier ESG due diligence process focuses on Tier 1 suppliers initially, with plans to expand the scope to include strategic Tier 2 suppliers as we progress on this journey.

Green Supply Chain

To minimize adverse impacts on the environment, Landis+Gyr strives to increase the sourcing of "green" materials, i.e. materials with a lower environmental footprint. Our Green Procurement Requirements (annex to the Supplier Code of Conduct) define materials to avoid, or which are banned or restricted, and encourages suppliers to use environmentally friendly materials. Internally, Landis+Gyr also strives to make its supply chain greener through initiatives such as incorporating recycled materials in our packaging and optimizing transport logistics.

Ethical Material Sourcing

Landis+Gyr is committed to the ethical and sustainable sourcing of materials. Our 'Supplier Code of Conduct' emphasizes respect for human rights, while our ESG audits carefully assess our suppliers' health, safety and labor conditions.

Certain products in our portfolio require components containing limited quantities of minerals and metals, some of which may originate from mines located in conflict areas. To address this potential risk, we have implemented processes aligned with international guidelines and regulations on this matter, including the 'OECD Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas', the 'SEC rule under section 1502 of the Dodd-Frank Act' (applicable in the US) and the EU Regulation 2017/821 (applicable in the EU). To ensure compliance and trace the origin of minerals, we utilize tools such as the reporting templates developed by the 'Responsible Mineral Initiative' (RMI). This diligent approach underscores our commitment to regulatory compliance and our active contribution to eradicating human rights abuses within our supply chain.

Conflict Minerals Due Diligence

Recognizing the challenges and responsibilities of ethically sourcing materials in today's complex and interconnected global supply chain, we have implemented a comprehensive supply chain due diligence process. Our approach encompasses the monitoring of various ESG aspects in our supply chain, including the sourcing of components containing minerals or metals that may originate from conflict areas. Through the 'Conflict Minerals Reporting Template', we collect information from our Tier 1 suppliers regarding the country of origin of minerals, and the smelters and refiners they use. This enables us to determine if any materials are sourced from conflict-affected regions and take appropriate actions.

Furthermore, we conduct supplier assessments leveraging our external supply chain monitoring platform. This allows us to proactively identify and mitigate risks associated with conflict mineral sourcing, ensuring alignment with international standards like the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In response to the new requirements established by the provisions of the amended Swiss Code of Obligations (Art. 964j–l CO) and the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict Affected Areas and Child Labour (DDTrO), we have conducted an assessment of our risk exposure. Our findings and conclusion are as follows:
– Landis+Gyr does not import minerals or metals in raw or semi-finished form. The company imports components that may contain minimal amounts of such minerals or metals.
– The quantities of minerals and metals subject to the aforementioned regulations, which were included in the components Landis+Gyr imported into Switzerland in 2023, are significantly below the applicable thresholds.
– Landis+Gyr is exempt from specific due diligence and reporting obligations concerning conflict minerals under the provisions of the amended Swiss Code of Obligations and the DDTrO, respectively.

Employee Training

Landis+Gyr is engaged in raising awareness about ESG issues affecting our supply chain. In collaborative sessions involving colleagues from various functions including Quality, Legal Compliance, ESG, R&D, and Procurement, we discuss the progress of implementing Landis+Gyr's ESG targets with respect to our supply chain and address related challenges. Furthermore, we offer specialized training sessions, featuring experts who delve into topics ranging from modern slavery to climate change. This proactive approach aims to enhance sustainability competencies among our employees, facilitating the integration of these considerations into our business practices.

Metrics

We have established annual ESG targets and corresponding KPIs to drive adherence to our ESG standards across our supply chain. Currently tracked KPIs include:
– % direct material spend covered by ESG audits
– % of new tier 1 suppliers assessed for environmental and social Impacts
– % of direct material spend covered by a signed Supplier Code of Conduct

As we review our supplier due diligence process, we are considering adopting additional KPIs to support our shift to a risk-based approach. For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Security and Data Privacy

'Security and Data Privacy' encompasses the company's approach to safeguarding sensitive information and personal data linked to its employees, customers, and suppliers, as well as protecting physical assets. This includes the collection and processing of sensitive information and personal data, along with the implementation of systems and controls to prevent unauthorized third-party access and malicious attacks. Additionally, it involves our compliance with applicable laws and regulations globally, wherever Landis+Gyr operates.

Company's Stand

Connected to utilities' systems and platforms, our smart meters collect, analyze, and deliver data to facilitate informed decision-making for both energy utilities and consumers. Recognizing the critical importance of data in our business, we are dedicated to implementing and maintaining processes and systems that prioritize data security. This includes applying the principles of privacy by design and by default, as well as security by design, while also ensuring the protection of privacy rights for our customers and other stakeholders. Our commitment to security and data protection extends beyond the realm of IT to encompass the security of both physical premises and people. By prioritizing data security and privacy, we aim to instill trust and confidence in our stakeholders while maintaining the integrity of our operations.

Company's Impact

Landis+Gyr's products and solutions transform raw data into useful information, ensuring a more stable, efficient, and reliable energy grid. Moreover, they empower consumers by providing them with valuable information and insights, enabling them to exercise greater control and awareness over their energy consumption.

However, while digital technologies offer substantial benefits for grid efficiency and reliability, they may present data privacy and security risks, especially in the event of a data breach. These risks may potentially result in reputational damage and financial losses for Landis+Gyr

and data leaks for its customers. Recognizing the severity of these risks, the company is committed to mitigating them through the implementation of a robust Information Security Management System (ISMS), as well as an effective global data privacy governance program.

In FY 2023, no substantiated complaints concerning breaches of customer privacy and losses of customer data were experienced (Note: 'Substantiated complaints' are to be understood as defined in GRI 418)

Policies, Organization, Key Processes & Actions, Metrics

Policies

Landis+Gyr continuously enhances its information security and data privacy measures to offer secure products and services, satisfy or surpass regulatory requirements, and combat escalating security threats.

The company's approach to security and data privacy is shaped by the following policies and certifications:
– Global Information Security Policy: This policy describes the critical need to secure all information managed within Landis+Gyr, as well as information shared with partners and suppliers. It serves as the foundation for establishing a comprehensive framework for activities related to information security.
– Global Privacy (GDPR) Policy: This policy establishes the company's standards for the collection and processing of personal data in compliance with the 'General Data Protection Regulation' (GDPR) and other applicable privacy regulations.
– Employee Privacy Policy: This policy defines how the company collects and processes employee data, as well as the responsibility of Landis+Gyr's employees when handling personal data.
– ISO 27001 Certification: This certification demonstrates the company's commitment to implementing an ISMS aligned with international standards, ensuring robust information security practices. It also provides assurance to our stakeholders that Landis+Gyr follows best practices for information security and adheres to internationally recognized standards.

Landis+Gyr's ISMS is based on several security standards, including ISO/IEC 27001, NIST, and SSAE 18. Similarly, our Privacy Policy is based on several privacy standards, including the General Data Protection Regulation (GDPR).

Organization

The Executive Management Team (EMT) is fully committed to resourcing and supporting the ISMS across our entire business. The Global Information Security team establishes policies and processes to ensure the security of all types of information, including files, directories, papers and drawings. Additionally, they implement rules and guidelines to safeguard the IT systems used by IT, R&D, and Manufacturing, as well as the supporting processes involved in storing, transmitting, and utilizing information.

Regarding data privacy, the company has established a comprehensive data privacy governance program with a global footprint, having designated 'Data Protection Officers' in all the relevant jurisdictions where the company operates and maintaining a network of 'Privacy Champions' in key jurisdictions. The company has also adopted best-in-class tools to manage data subject access requests and maintain a data registry of processing operations. In addition to its global privacy training program, the Privacy Team regularly conducts data protection impact assessments to ensure that new tools and processes integrate privacy by design and by default at the early stage of the product development lifecycle. Anyone finding a vulnerability related to Landis+Gyr, can reach out to Landis+Gyr via the dedicated button "Report a Security Issue" (being located at the bottom of the main Landis+Gyr Internet page) and report an incident.

Key Processes & Actions

This material topic has several focus areas, such as building and enhancing the infrastructure and processes, addressing internal improvements, or improving how Landis+Gyr's products and solutions respond to rising security and privacy requirements. Key workstreams include:

– Secure Development Practices: Implement the requirements of our Secure Software Development Life Cycle (S-SDLC) Policy in all new software and firmware products.
– Certifications: Achieve a global multi-site ISO 27001 Information Security covering key sites and SSAE18 SOC 2 for key solutions. Note: Several Landis+Gyr sites are already 27001 certified.
– Security Assessments: Undergo Cybersecurity Capability Maturity Model (C2M2) assessment by a third party.
– Security Culture: Promote a culture of security through enhanced awareness programs, specific training, and testing.
– Privacy Reviews: Standardize reviews during product development to comply with data protection regulations and protect data subjects' privacy rights.
– Security Requirements in Manufacturing: Standardize and increase security requirements in Landis+Gyr's manufacturing sites.

Mitigation Measures

In the event of a security or data privacy-related incident, Landis+Gyr has implemented a comprehensive set of measures to mitigate negative impacts. Some examples include:

– Providing channels for stakeholders to effectively communicate any issues or concerns directly to the company.
– Conducting annual compulsory training sessions aimed at refreshing and enhancing the security and privacy knowledge base of Landis+Gyr's personnel.
– Exchanging information and aligning solutions with all involved stakeholders in the event of an issue.
– Proactively reaching out to Supervisory Authorities when needed, effectively leveraging the Data Protection Officer communications channel with regulators.

– Responding promptly to external inquiries pertaining to known or suspected security breaches, including breaches of personal data.
– Communicating regularly, fostering transparency, and building confidence with stakeholders regarding the effective management of the issue.

Ongoing Review and Improvement

Landis+Gyr consistently reviews and updates its security policies to guarantee alignment with the highest business standards, pertinent security and data privacy regulations, and to incorporate ongoing process improvements.

– The Information Security department plays a pivotal role in this endeavor, conducting regular reviews of security requirements embedded in Landis+Gyr's customer contracts.
– The Legal & Compliance department is instrumental in safeguarding the company against potential data protection risks. This entails the regular identification and assessment of risks, followed by the development of corresponding mitigation measures. Every year, risks undergo systematic reassessment, evaluating the effectiveness of prior mitigation actions and determining the need for additional measures.
– We actively engage customers and other key stakeholders via surveys aimed at gathering their insights on this topic. Their valuable input guides the company in identifying and implementing further actions, ensuring a continuous enhancement of policies and processes to meet the evolving needs of our stakeholders.

Metrics

To advance our commitment to providing products and solutions that prioritize data security and respect the privacy rights of our customers and stakeholders, Landis+Gyr has established targets and associated Key Performance Indicators (KPIs). These are regularly tracked and reported, focusing on the following areas:

– Performance on annual security assessments, including the Building Security In Maturity Model (BSIMM). BSIMM is a framework that aids organizations to assess and enhance their software security initiatives. It provides a set of best practices derived from real-world data across various industries, enabling companies to improve their security posture systematically. These assessments serve as a baseline for Landis+Gyr's software security initiatives, allowing the company to continually refine and optimize its security practices. The insights gained from these assessments are invaluable in strengthening our digital defenses.
– Number of breaches or complaints related to customer data privacy and loss of customer data.
– Cyber Security Incident Funnel provides an overview of the current risk situation. We continuously monitor cybersecurity events.

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Business Integrity and Fair Taxes

'Business Integrity and Fair Taxes' encompasses compliance with socioeconomic laws and regulations, including international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations. Business integrity can relate to issues such as accounting and tax fraud, corruption, bribery, unfair competition, or the provision of products and services.

Company's Stand

Landis+Gyr operates globally in a variety of regulatory environments, regularly engaging with government-owned or highly regulated customers. In this diverse landscape, a firm commitment to business integrity, including tax transparency, is paramount. Our stance is clear: every individual representing Landis+Gyr, whether an employee, agent, contractor, or intermediary, is expected to uphold the highest standards of integrity. Adhering to laws, regulations, and fair market practices is not just about legal compliance; it is about maintaining the trust and respect that form the foundation of our company culture and reputation.

Company's Impact

The implications of business integrity extend far beyond our corporate boundaries. Unethical practices like corruption, bribery and unfair competition can alter markets, limit consumer choice, and undermine economic trust. The use of tax havens and aggressive tax avoidance schemes have detrimental impacts on both a company's reputation and the broader economy, eroding trust in corporate responsibility and contributing to economic inequalities by depriving governments of essential revenue for public services and infrastructure. On the other hand, ethical business practices build a foundation of trust, fostering long-term relationships and contributing to a fair and prosperous society. At Landis+Gyr, we proudly uphold these values, as evidenced by our record of zero integrity-related incidents in the recent reporting period.

Policies, Organization, Key Processes & Actions, Metrics

Policies

Landis+Gyr is committed to being a trusted and ethical business partner. The company has established global policies to support this objective:
– Code of Business Ethics and Conduct: The Code outlines responsibilities and expected professional behavior of Landis+Gyr and all its employees.
– Supplier Code of Conduct: This document governs relationships with suppliers concerning ESG requirements, including business conduct and ethics.
– Anti-Corruption Policy: This policy reinforces the Code of Business Ethics and Conduct with additional guidance on anti-bribery and anti-corruption laws.
– Unfair Competition and Antitrust Policy: This policy establishes requirements regarding anti-competition and antitrust laws and regulations.
– Speak-Up System Process and Policy: This document provides guidance on reporting known or suspected violations of our 'Code of Business Ethics and Conduct'.

Organization

Landis+Gyr has implemented a robust compliance organization. The Chief Compliance Officer ensures that compliance policies and processes are implemented at all levels of the organization and advises internal stakeholders regarding compliance topics.

Key Processes & Actions

Employee Training

All Landis+Gyr employees must adhere to the 'Code of Business Ethics and Conduct.' All new employees must complete training upon joining the organization. All employees undergo annual training on the Code's content. Additionally, employees must undergo specialized compliance training annually. These sessions cover various aspects, including business ethics, conduct, bribery, corruption, anti-competitive practices, sexual harassment, data privacy, and other pertinent compliance risks.

Reporting Channels

We have established global reporting channels for suspected or known violations of the 'Code of Business Ethics and Conduct,' internal policies, or the law. This includes a confidential 24-hour hotline and a web portal for employee complaints. Concerns can also be reported via email to a manager, HR Business Partner, the Chief Compliance Officer, or to an external Ombudsperson. A case management system is in place to record and monitor complaints and their resolutions.

Third-party Due Diligence

Landis+Gyr has implemented a third-party due diligence process, requiring a mandatory check before appointing any third-party intermediary. This examination is conducted independently or with the assistance of a third-party provider. It involves scanning potential intermediaries against blacklists, sanction lists, adverse media, and other databases to identify signs of lacking business integrity. The company consistently reviews and updates this process, ensuring thorough screening and vetting of all relevant parties before initiating business engagements. Ongoing due diligence is undertaken with selected existing partners, including on-site audits carried out to ensure ongoing alignment with agreed and documented business practices.

Metrics

To evaluate our effectiveness in implementing business integrity measures, we track the following metrics:
– % of employees trained on business ethics in the reporting year
– Number of integrity-related incidents

For metric performance, see the sections 'Targets' and 'Performance / Statistics' in this report.

Tax

Policies

The following policies guide our approach to tax transparency:

– Tax Policy: This policy guarantees compliance with tax laws and regulations, while ensuring accuracy, predictability, and transparency in all tax-related issues. Detailed documentation accompanies all matters concerning Landis+Gyr's tax obligations, reflecting a commitment to fiscal responsibility and legal compliance.
– Transfer Pricing Policy: This policy ensures that all intercompany transactions adhere to the arm's length principle. In alignment with the OECD Guidelines, it seeks consistency in intercompany pricing methodologies across different markets and strives for a balanced transfer pricing position across the Group.

Our company has been headquartered in Canton Zug (Switzerland) since 1896, predating the introduction of the region's policy on low corporate taxes. Our long-standing presence in Zug reflects a deep-rooted commitment to the community, emphasizing historical connections that extend beyond tax-related considerations.

Organization

Responsibility for implementing and overseeing the Tax Governance Model rests with the Group Head of Tax, under the review and approval of the Group CFO and the Audit, Finance and Risk Committee of the Board of Directors. Landis+Gyr adheres to all tax regulations and disclosure requirements across the countries it operates in. This compliance extends to processes managed by shared service centers, ensuring that both the center and the Group companies adhere to the principle of comprehensive tax compliance.

Key Processes & Actions

Tax Risk and Planning

The Group Tax function is tasked with identifying, assessing, and managing tax risks arising from commercial transactions. Landis+Gyr is committed to ethical tax practices, avoiding the use of Special Purpose Vehicles, shell companies, or tax havens for non-commercial purposes, except in cases of dormant companies due to restructuring or legal liquidation. Adherence to the OECD's definition of 'tax havens' guides decisions on establishing a presence in such locations, always backed by a thorough risk assessment and a focus on transparency and compliance.

Interaction with Authorities

In its dealings with tax authorities, Landis+Gyr maintains a stance of full transparency and cooperation. This approach facilitates open and honest dialogue with local tax bodies, ensuring that all tax matters are handled with the utmost integrity and in compliance with local regulations.

International Developments

The Organization for Economic Cooperation and Development (OECD) guidance under the Base Erosion and Profit Shifting (BEPS) initiative aims to minimize perceived tax abuses and modernize global tax policy, including the implementation of a global minimum effective tax rate of 15%. In December 2022, the Council of the European Union adopted OECD Pillar 2 for implementation by European Union member states by December 31, 2023. Switzerland has enacted its Pillar 2 legislation per December 2023. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation will be effective for the Group's financial year beginning April 1, 2024. The Group is in scope of the enacted or substantively enacted legislation and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. The assessment of the potential exposure to Pillar Two income taxes is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbor relief does not apply and the Pillar Two effective tax rate is close to 15%. Depending on the geographical spread of the Group Earnings Before Taxes (EBT), the Group expects a limited exposure to Pillar Two income taxes in those jurisdictions.

The company files a yearly Country-by-Country Report (CBCR) and would be in scope for Public CBCR. The company actively monitors the developments around public CBCR to assure full compliance in this matter.

Effectiveness of Actions and Measures Taken

Every three years, Landis+Gyr reassesses its ESG material topics and develops topic-specific roadmaps that include targets and detailed actions to address all relevant ESG impacts. To oversee the implementation of actions and the achievement of targets, the company defines related Key Performance Indicators (KPIs) for all relevant material topics. The ESG Steering Committee plays a crucial role in this process, conducting quarterly progress reviews on the ESG roadmaps and related KPIs.

The effectiveness of the actions and measures implemented is evaluated through the KPIs defined to measure progress towards the envisaged targets. These KPIs are reported either under the different topic-related standards or in the related data tables in the section 'Performance / Statistics'. The disclosures made in this report, including achieved results, have undergone an independent assurance process by DQS (see section 'External Assurance'). Additionally, aspects of the disclosures included in this report have also been audited as part of our ISO certification audits. For further details, refer to the section 'Locations', which illustrates the Landis+Gyr's sites and their corresponding ISO certificates.

To ensure compliance with our 'Code of Business Ethics and Conduct', Landis+Gyr has established various mechanisms for reporting grievances or concerns. This includes a confidential 24-hour hotline and a web portal accessible to employees, contractors, and external stakeholders such as the public or affected communities. Issues reported through these grievance channels are also used to assess the implementation of measures taken and/or to define new measures to address potential gaps.

Human Rights and Child Labor

Human Rights and Child Labor

As a signatory to the UN Global Compact, Landis+Gyr is firmly committed to upholding internationally recognized human rights and labor standards, both within our operations and across our supply chain. This commitment is deeply ingrained in how we conduct business, enshrined within our 'Code of Business Ethics and Conduct' and 'Supplier Code of Conduct', and reflected in our organizational values. We believe in leading by example, embedding these principles into our leadership, culture, policies, processes, and training initiatives.

Our commitment to human rights is grounded in the 'International Bill of Human Rights' and the International Labour Organization (ILO) 'Declaration on Fundamental Principles and Rights at Work'. We align our processes with international best practice, including the 'OECD Guidelines for Multinational Enterprises' and the 'United Nations Guiding Principles on Business and Human Rights'. Furthermore, we strive to comply with applicable local laws and regulations concerning human rights and labor standards, including the provisions of the 'Swiss Code of Obligations' (Art. 964 j-l CO) and the 'Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict Affected Areas and Child Labor'. In locations such as Australia and the UK, we issue dedicated statements outlining the steps we take to combat modern slavery and human trafficking in our own operations and supply chain.

To further reinforce our commitment to human rights, in FY 2023 Landis+Gyr established a cross-functional 'Human Rights Committee.' Comprised of representatives from diverse business units and functions including Legal & Compliance, ESG, Supplier Quality, Procurement, Internal Audit, HR, and Communications, this committee was formed with a multifaceted mission. It serves as a nexus for integrating human rights respon-

Communication and Training
– Regularly conduct Human Rights awareness and training for employees
– Policy and commitment communication to internal and external stakeholders
– Ensure acceptance and positioning with third-parties (obtain buy-in)

Policy and Commitment
– Align with international standards
– Cover both internal and external stakeholders on policy deliverables
– Address relevant Human Rights issues

Human Rights Due Diligence
– Create and implement a risk assessment process
– Identify and assess actual Human Rights landscape in Landis+Gyr and with third-parties

Monitoring and Tracking
– Set target and key performance indicators
– Measure actuals against KPIs
– Report on Human Rights risk and impact assessment results annually

Remediation and Grievance Mechanisms
– Plan and implement appropriate remediation process
– Define grievance mechanisms for Human Rights
– Human rights incident recording

Human Rights Framework

sibilities across all business functions, ensuring compliance with evolving legal and regulatory landscapes, identifying and mitigating risks within our operations and supply chain, and fostering continuous learning and capacity building within our organization.

As illustrated above, the committee will work to further expand and implement a comprehensive human rights due diligence framework in our business.

The committee focuses on five critical workstreams:
1. Developing a global Landis+Gyr Human Rights Policy;
2. Assessing the suitability of our existing grievance mechanism and develop remediation processes;
3. Addressing third-party obligations within the supply chain;
4. Conducting a human rights impact assessment; and
5. Spearheading communications and awareness campaigns.

Human Rights Due Diligence in Our Supply Chain

Our commitment to human rights is integral to every step of our interaction with supply chain partners, starting from partner selection and continuing throughout our ongoing collaboration. This commitment extends beyond our relationship with direct suppliers to encompass all business partners, including agents, resellers, and distributors. We communicate our ESG requirements unequivocally, screening suppliers and business partners continuously for any violations.

In FY 2023, we strengthened our ESG supplier due diligence process, which includes supplier ESG risk assessment, auditing, supplier development and ongoing monitoring of ESG risks, notably human rights and child labor. This approach allows us to identify and mitigate human rights risks effectively. Existing Tier 1 suppliers representing over 86% of the company's direct material spend underwent an ESG audit to verify compliance with the requirements of our Supplier Code of Conduct. Following the due diligence process and review by the Compliance and Procurement functions, no suppliers in these target groups were identified as having a significant risk of child labor or young workers exposed to hazardous work. If a significant risk is identified during the due diligence process in our supply chain, corrective actions are initiated immediately with the related party, followed up by a supplier development program.

To combat potential abuses stemming from conflict mineral sourcing, Landis+Gyr collects and analyzes Conflict Minerals Reporting Templates (CMRT) and Extended Minerals Reporting Templates (EMRT), developed by the Responsible Minerals Initiative (RMI). This allows us to monitor our supply chain for the risk of conflict minerals, thus ensuring our suppliers adhere to ethical sourcing standards. For further details, see the 'Strategic Responsible Sourcing' section.

Human Rights Due Diligence in Our Operations

Within our operations, Landis+Gyr maintains a strong commitment to upholding human rights principles. Our employees undergo regular training on our 'Code of Business Ethics and Conduct,' which explicitly prohibits forced, slave, compulsory, or child labor, underscores the importance of freedom of association, prohibits all forms of discrimination, and ensures fair compensation and equal opportunities for all.

Furthermore, we have implemented a robust Speak-Up system, empowering employees to voice grievances, including those related to human rights. This system underscores our commitment to fostering a culture of transparency and accountability.

Performance / Statistics

Energy

Energy consumption in Megajoules (MJ)	2021	2022	**2023**	Change 22–23
Electricity consumption	68,869,226	88,865,737	81,764,273	–8%
Steam (district heating)	6,997,273	6,279,242	6,349,954	1%
Diesel and Gasoline	19,569,008	25,144,396	26,561,283	6%
Natural Gas	14,958,434	14,709,718	10,789,533	–27%
Total	**110,393,943**	**134,999,093**	**125,465,042**	**–7%**
	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	Conversion factors liters to MJ Diesel 30 Gasoline 35	

Electricity consumption in MWh	2021	2022	**2023**	Change 22–23
National grid mix	6,962	10,116	4,767	–53%
Renewable sources	12,168	14,529	17,920	23%
Total	**19,130**	**24,645**	**22,688**	**–8%**

	2021	2022	**2023**	Change 22–23
District heating in MWh	**1,944**	**1,744**	**1,763**	**1%**

Fuel consumption in Megajoules (MJ)	2021	2022	**2023**	Change 22–23
Natural Gas	14,958,434	14,709,718	10,789,533	–27%
Diesel and Gasoline	19,569,008	25,144,396	26,561,283	6%

Energy intensity ratios	2021	2022	**2023**	Change 22–23
Total energy ratio in MJ per 100 USD turnover	7.5	8.0	6.4	–20%
Total energy ratio per employee in MJ	20,458	17,419	18,252	5%
Total energy per 10 m^2 floor area in MJ	72	66	76	14%

Notes:
Between FY 2022 and FY023, notable shifts in energy efficiency ratios were observed:
– The energy per 100 USD turnover ratio decreased, attributed to lower energy consumption coupled with higher revenue.
– Conversely, the energy per employee ratio increased, despite lower energy consumption, reflecting a reduction in the number of employees.
– Similarly, the energy per 10 m^2 floor area ratio grew, despite lower energy use, due to a reduction in the number of m^2 used (closing of facility in Kolkata).

Etrel and Luna included as of FY 2022.

GHG

CO₂e Emissions (in tons)	Scope 1			Scope 2			Scope 3		Total Scope 1+2			Total Scope 1+2+3	
	2021	2022	**2023**	2021	2022	**2023**	2021	**2023**	2021	2022	**2023**	2021	**2023**
Americas	1,286	1,904	1,664	1,509	848	139			2,794	2,752	1,802		
APAC	99	598	202	3,500	2,584	345			3,599	3,181	547		
EMEA	861	1,690	1,170	1,546	3,527	2,304			2,407	5,216	3,474		
Total	**2,245**	**4,192**	**3,036**	**6,555**	**6,958**	**2,788**	**1,075,054**	**1,311,093**	**8,800**	**11,150**	**5,824**	**1,083,854**	**1,316,917**
Change FY 2022–2023			–28%			–60%					–48%		
Change FY 2021–2023			35%			–57%		22%			–34%		22%

Intensity Ratios (Scope 1 and 2)	Scope 1+2			Scope 1+2+3
	2021	2022	**2023**	**2023**
kg CO₂e per product	0.6	0.5	0.3	66
t CO₂e per employee	1.8	1.4	0.8	192
t CO₂e per 10 m² floor area	0.6	0.6	0.4	80
kg CO₂e per USD 100 turnover	0.7	0.7	0.3	67

	2021	2022	**2023**
Methane (CH4) in t	1.2	1.7	1.5

Scope 3		
CO₂e Emissions (in tons)	2021	**2023**
Cat. 1: Purchased goods and services	276,261	361,090
Cat. 2: Capital goods	13,084	6,909
Cat. 3: Fuel and energy-related activities	2,756	1,600
Cat. 4: Upstream transportation and distribution	10,361	12,414
Cat. 5: Waste generated in operations	487	265
Cat. 6: Business travel	4,152	4,350
Cat. 7: Employee commuting	12,645	3,234
Cat. 9: Downstream transportation and distribution	0	8,761
Cat. 11: Use of sold products	738,394	907,311
Cat. 12: End-of-life treatment of sold products	16,914	5,158
Total	**1,075,054**	**1,311,093**
Scope 3 per 100 USD Turnover	73.4	66.8

Notes:

Intensity ratios for Scope 1+2 declined between FY 2022 and FY 2023:
- On a product basis, the kg CO_2 per product decreased due to the reduction in Scope 1+2 emissions and the higher number of units sold in 2023.
- On an employee basis, the tons of CO_2 per employee decreased, despite the lower number of employees, driven by the significant reduction in Scope 1+2 emissions.
- On a floor area basis, the tons of CO_2 per 10 m² of floor area decreased, despite the lower number of m² used (closing of facilitiy in Kolkata), driven by the significant reduction in Scope 1+2 emissions.
- On a turnover basis, the kg of CO_2 per 100 USD turnover decreased due to the reduction in Scope 1+2 emissions and the company's higher revenue in 2023.

Driven by the company's sales growth in FY 2023, Scope 3 emissions have also risen, while the impact of carbon abatement measures is just beginning to emerge. However, it is worth to point out that Scope 3 emissions relative to 100 USD turnover have decreased by 9% during this time, indicating a positive trend.

From 2007 untill 2021, Landis+Gyr applied the same emission factors (2007) in its GHG calculations. From 2022 onwards, the emission factors are updated every year.
Etrel and Luna included as of FY 2022.

Notes:

Scope 3: It is disused in the section Energy Efficiency and Climate Protection. In FY 2022, Landis+Gyr completed its first full Scope 3 assessment, utilizing FY 2021 data, in preparation for submitting our Science-Based Targets to the SBTi. No Scope 3 emissions inventory was performed for FY 2022. In FY 2023, we performed a full Scope 3 calculation for the current reporting period, using our SoFi data capturing tool. Going forward, we intend to continue this practice annually, focusing on continuously enhancing the completeness and quality of the data, as well as the methodology applied to make this calculation.

The emission factors used for converting data inputs into CO_2 figures are the most current available. Conversion factors used are disclosed in the chapter "About this Report".

GHG calculation
Gases included in the calculation:
All (relevant: CO_2, CH_4, N^2O)
Biogenic CO_2 emissions in metric tons of CO_2 equivalent: None

Base year for the calculation
Scope 1: Since 2007, the first year Landis+Gyr calculated its GHG emissions, the company has continuously established year-over-year targets to reduce its CO_2 emissions. From base year FY 2021 to 2023 Scope 1 increased by 11%, while it decreased by 23% from FY 2022 to FY 2023. FY 2023 emissions are calculated using the most current emission conversion factors.

During the assessment to generate the dataset for SBTi we became aware that our dataset omitted fugitive emissions. Hence, we added GHG emissions to Scope 1, accounting for the impact of fugitive emissions, for the first time last year. Similar adjustments would need to be made to our calculations from previous years. The steep increase in Scope 1 emissions from FY 2021 to FY 2022 is mainly explained by the inclusion of fugitive emissions. Fugitive emissions have been incorporated in this year's data capturing exercise and are thus included in our Scope 1 reporting.

Scope 2: In FY 2021, Scope 2 emissions amounted to 6,958 tons CO_2e. The change is –57% for the period FY 2021 – FY 2023 and –60% for the period FY 2022 – FY 2023. The increased use of renewable energy (59% in FY 2022 to 79% in FY 2023) has led to a significant reduction of Scope 2 emissions over time.

Market-based and location-based data consolidation: Data is captured using the location-based approach, with the exception of green energy purchases which are set to zero CO_2 emissions.

The reduction of GHG emissions is calculated in comparison to the previous year (year-over-year). Company GHG reduction goals have been set on a year-over-year basis which led to reduced GHG emissions of –34% (Scope 1+2) since the base year FY 2021.

The company has made a commitment to achieving carbon neutrality for Scope 1+2 by 2030. Additionally, the company had its carbon reduction targets validated by the SBTi in July 2023.

Significant air emissions: Methane (CH_4): 1.5 t.

Scope 3: It has been calculated using our standard reporting tool by Sphera in 2023. Compared to the calculation performed for the year 2021, Scope 3 emissions grew by 22%. However, in relation to 100 USD turnover, a decrease by 9% was achieved.

Water

Water Withdrawal by Region (in m³)	2021	2022	2023	Change 22–23
Americas	27,699	25,878	21,683	–16%
APAC	24,571	32,775	10,856	–67%
EMEA	20,191	37,184	40,614	9%
Total	**72,461**	**95,836**	**73,152**	**–24%**

Water Withdrawal by Source (in m³)	2021	2022	2023	Change 22–23
Water withdrawal from public water supply system (municipal water)	45,557	62,503	57,192	–8%
Industrial water	–	–	–	
Water from wells (groundwater)	23,482	32,636	14,512	–56%
Other water withdrawals (e.g., rainwater)	3,422	697	1,449	108%
Total	**72,461**	**95,836**	**73,152**	**–25%**

Waste Water (in m³)	2021	2022	2023	Change 22–23
Direct drain to public waters or ground	16,513	17,375	16,051	–8%
Water to public sewage system (drain discharge)	45,762	68,921	48,785	–29%
Total	**62,275**	**86,296**	**64,836**	**–25%**

Water Reused / Recycled (in m³)	2021	2022	2023	Change 22–23
Water reused/recycled	5,683	7,099	5,932	–16%

Water per Employee (in m³)	2021	2022	2023	Change 22–23
Water per Employee (in m³)	**13.4**	**12.4**	**10.6**	**–14%**

Notes:

The reduction in water withdrawal in APAC is mainly attributed to the closure of our Kolkata site. Conversely, the increase in the 'Water other' category (Water withdrawal by source) is a result of greater rainwater collection in Curitiba and Gauteng.

Waste

Total Waste Generation (in tons)	2021	2022	2023
Paper (recycled)	1002	1,613	1,571
Metal scrap	561	792	770
Plastic waste	338	451	634
General waste	240	301	458
Electrical and electronic waste	161	193	151
Wood scrap	189	168	138
Food leftover	0	138	13
Other waste	108	73	76
Sludge	51	23	13
Hazardous waste	74	21	51
Debris	22	19	40
Oil waste	4	11	0
Glass and ceramic waste	3	6	3
Medical waste	3	1	1
Mining waste	0	0	0
Cinder	0	–	0
Alkali waste	0	–	0
Rubber waste	0	–	0
Soot & dust	0	–	0
Textile waste	0	–	0
Acid waste	0	–	0
Total	**2,757**	**3,809**	**3,919**

* Etrel and Luna included as of FY 2022.

Waste by Region (in tons)	2021	2022	2023	Change 22–23
Americas	1,177	1,235	1,415	15%
APAC	254	358	131	–63%
EMEA	1,326	2,216	2,373	7%
Total	**2,757**	**3,809**	**3,919**	**3%**

Treatment of Waste (in tons)	2021	2022	2023	Change 22–23
Recycled waste	1,108	1,656	1,476	–11%
Sold waste	1,442	1,895	2,089	10%
Incinerated waste	30	22	112	405%
Landfilled waste	194	235	247	5%
Total	**2,775**	**3,808**	**3,924**	

* The landfilled waste figure represents the total amount of waste sent to landfill, including a portion of ashes generated from the incineration process.

In FY 2023, a total amount of 39.9 tons of hazardous waste were handled as follows:

Hazardous Waste (in tons)	2021	2022	2023	Change 22–23
Recycled waste	18.4	16.5	37.0	125%
Sold waste	0.7	0.0	0.0	0%
Incinerated waste	2.7	1.9	1.7	–13%
Landfilled waste	0.1	0.8	1.2	48%
Total	**22.0**	**19.2**	**39.9**	**108%**

In FY 2023, a total amount of 3,885 tons of non-hazardous waste were handled as follows:

Non-Hazardous Waste (in tons)	2021	2022	2023	Change 22–23
Recycled waste	1,090	1,639	1,439	–12%
Sold waste	1,441	1,895	2,089	10%
Incinerated waste	28	20	110	445%
Landfilled waste	194	234	246	5%
Total	**2,753**	**3,789**	**3,885**	**3%**
% of Waste sent to landfill	7.0%	6.2%	6.3%	2%

Notes:

Overall waste generation increased due to the relocation of a larger site. In APAC, waste levels dropped significantly due to the closure of our Kolkata facility. Regarding waste treatment, the increase in 'landfilled waste' is attributed to refurbishment works at a large site. The increase in 'incinerated waste' resulted from waste incorrectly reported as recycled instead of incinerated at one of our sites in FY 2022. This figure has not been restated.

In 2022, Landis+Gyr established a target to reduce waste sent to landfill to 1% by FY 2025. However, in FY 2023, the percentage of waste sent to landfill reached 6.3%, significantly above the set target. Management is actively investigating this issue to identify necessary corrective actions.

Etrel and Luna included as of FY 2022.

Chemicals

Use of Chemicals (in kg)	2021	2022	2023
Acrylic acid 2-hydroxyethyl	–	–	–
3-Isocyanatomethyl–3,5,5-trimethylcyclohexyl isocyanate	–	–	–
Ethylbenzene	–	–	–
Xylene	–	–	–
Silver and its water-soluble compounds	–	5,400	8,580
1,2-Dichloroethane	–	–	–
Dichloromethane (methylene chloride)	260	261	131
Tetrachloroethylene	–	–	–
Tetrahydromethylphthalic anhydride	–	–	–
Toluene	–	120	1,020
Lead	–	–	–
Bis(2-ethylhexyl) phthalate	–	–	–
n-Hexane	256	270	180
Manganese and its compounds	–	–	–
Acetone	–	–	–
Isobutane	–	6	–
Isobutyl alcohol	–	–	–
Isopropanol	4,321	3,226	3,347
Ethyl alcohol	144	68	1,154
Ethylene glycol	–	–	–
N-methyl –2-pyrrolidone	–	–	–
Hydrogen chloride	–	–	–
Chlorine	604	–	–
N-butyl-acetate	–	6	–
Paraffinic hydro-carbon	–	–	–
Cyclohexane	–	5	14.72
Tetrahydrofuran	680	574	–
n-Butane	–	0	–
Propylene glycol monomethyl ether	–	–	–
Propylene glycol monomethyl ether acetate	–	–	–
Methyl Alcohol	–	–	–
Methyl isobutyl ketone	–	–	–
Methyl ethyl ketone	12	11	12
Methylcyclohexane	–	–	–
Sulfuric acid	–	–	–
Total	**6,277**	**9,947**	**14,438**

Chemicals by Region (in tons)	2021	2022	**2023**	Change 22–23
Americas	5.3	3.5	3.5	0%
APAC	0.7	0.6	0.0	–99%
EMEA	0.3	5.8	11.0	87%
Total	**6.3**	**9.9**	**14.4**	**45%**

Notes:

APAC's reduction in chemical usage primarily stems from the closure of our Kolkata facility. Meanwhile, the increase in EMEA can be attributed to the improved maturity of data capturing processes in a few sites.

Materials

Total weight of materials used to produce and package Landis+Gyr's primary products

Non-renewable Materials (in tons)	2021	2022	**2023**
Plastics	9,210	10,921	9,909
Metals	6,752	7,725	6,307
Printed Circuit Boards and electromechanical parts	3,986	4,661	4,079

Renewable Materials (in tons)	2021	2022	**2023**
Cardboard and Wood	4,317	4,733	4,878

Etrel and Luna included as of FY 2022.

People (Employees / Workers)

Number of Employees	2021	2022	2023
Americas	1,954	2,629	2,458
APAC	1,425	1,494	1,286
EMEA	2,121	3,627	3,130
Total	**5,500**	**7,750**	**6,874**

	Identify as Male			Identify as Female			Other/Not Declared		
Employees by Gender	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Americas	64.4%	58.8%	60.8%	36.6%	41.0%	38.8%	0.1%	0.2%	0.4%
APAC	75.1%	74.8%	73.3%	18.7%	25.2%	26.7%	0.0%	0.0%	0.0%
EMEA	60.0%	56.3%	56.6%	44.7%	43.7%	43.4%	0.0%	0.0%	0.0%
Total	**65.5%**	**60.7%**	**61.2%**	**35.5%**	**39.2%**	**38.6%**	**0.0%**	**0.1%**	**0.2%**
BoD	75.0%	71.5%	62.5%	25.0%	28.5%	37.5%	0.0%	0.0%	0.0%
GEM	75.0%	75.0%	75.0%	25.0%	25.0%	25.0%	0.0%	0.0%	0.0%

	Permanent			Temporary			Full Time (>=80%)			Part Time (<80%)		
Employees by Type of Contract	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Americas	1,952	2,578	2,444	2	19	14	1,949	2,589	2,453	5	8	5
APAC	1,325	1,414	1,232	100	80	54	1,424	1,493	1,286	1	1	–
EMEA	1,741	2,148	2,681	380	580	449	2,074	2,689	3,093	47	39	37
Total	**5,018**	**6,140**	**6,357**	**482**	**679**	**517**	**5,447**	**6,771**	**6,832**	**53**	**48**	**42**

*FY 2022 does not include Luna's blue collar employees

	Under 30			30–50			50+		
Employees by Age	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Americas	18.5%	26.9%	8.5%	56.3%	51.5%	18.8%	25.2%	21.6%	8.4%
APAC	24.4%	26.2%	5.5%	59.5%	58.6%	11.6%	16.1%	15.1%	1.6%
EMEA	9.3%	15.1%	8.0%	57.5%	56.9%	26.3%	33.2%	28.0%	11.2%
Total	**16.0%**	**22.0%**	**22.0%**	**58.0%**	**55.2%**	**57.0%**	**26.0%**	**22.8%**	**21.0%**
BoD	–	–	0.0%			0.0%			100.0%
GEM	–	–	0.0%	25.0%	25.0%	25.0%	75.0%	75.0%	75.0%

Etrel and Luna included as of FY 2022. However, in FY 2022, 'employees by type of contract' included only a portion of the newly acquired companies.

Training	Management			Employees			Full Time (>=80%)			Part Time (<80%)			Male			Female			Other/not declared		
	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Average training hours*	17.6	14.7	**22.7**	16.2	17.3	23.7	16.7	16.9	**23.6**	8.1	8.0	**14.1**	16.8	16.7	**24.0**	15.6	17.3	**22.4**	7.0	11.0	**19.9**
Anti-corruption Training completion in % of total target population**	100%	98.7%	**99.6%**	100.0%	98.3%	**99.0%**	n/a	98.7%	**99.1%**	n/a	72.0%	**100%**	n/a	98.7%	**99.5%**	n/a	97.6%	**98.0%**	n/a	100%	**100%**

*Includes all type of training hours performed by Landis+Gyr employees and recorded in our Internal Management System (including compulsory training).
** Includes white-collar employees who are in close contact with customers, agents, distributors, vendors and competitors; all employees with a management role; and all employees Sales, Finance, and Procurement.

Performance review	Management			Employees			Full Time (>=80%)			Part Time (<80%)			Male			Female			Other/not declared		
	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**	2021	2022	**2023**
Received annual performance / career development review in %	95%	97%	**n/a**	57%	54%	**n/a**	62%	59%	**n/a**	53%	61%	**n/a**	73%	72%	**n/a**	41%	37%	**n/a**	–	60%	**n/a**

Overall percentage includes blue-collar employees.

Notes:

All reported numbers represent headcount. All numbers are reported as of the end of the reporting period.

We define temporary employees as internal employees engaged in an employment relationship for a fixed period. These employees may be engaged to cover for another employee on leave, handle work during peak periods, or complete specific projects.

We define part-time employees as internal employees who work fewer hours than the standard weekly working hours applicable in their respective location, as stated in their employment contract. This entails reduced working hours compared to full-time employees. Reasons for part-time employment include, but are not limited to:
– roles not allowing a full-time schedule or requiring a job-sharing scheme
– employee with family or other personal responsibilities
– employee pursuing other aspirations, e.g., extracurricular education or training

Landis+Gyr uses additional external human resources as needed and on a temporary basis. However, this does not represent a significant portion of the workforce. Landis+Gyr's external resources can be divided into two categories: contingent workers and services procurement.

Contingent workers are individuals engaged by Landis+Gyr for role- or project-based work, but not as traditional employees. Contingent workers are recruited to temporarily augment the regular workforce, replace an employee on leave, fill in staffing vacancies, or bring specialized skills to projects.

Services procurement companies, or specifically service providers, are companies that provide people-based services to Landis+Gyr with an agreed-upon scope and deliverables. This entails the strategic outsourcing of labor to an organization for a specific purpose. In FY 2024, Landis+Gyr plans to implement an external workforce management system to enhance visibility of these resources.

In FY 2023, Landis+Gyr made significant changes to its employee performance review system. Management proposed discontinuing annual performance evaluations in favor of implementing a top-down cascading of company priorities, along with efforts to foster a culture of continuous feedback within the organization. The new formal approach will be implemented in the next few months.

Occupational Health & Safety (OH&S)

During the current reporting period, there have been no fatalities resulting from work-related injuries. Accidents are classified into three categories:

– Lost Time Incidents (LTI): Incidents that caused lost time from work;
– Medical Treatment Incidents (MTI): Incidents that did not cause lost time from work but required medical treatment beyond basic first aid; and
– Minor Accidents: Incidents that only required first aid and resulted in no lost time from work.

All lost time incidents are reported to Group OH&S. In the past financial year, Landis+Gyr recorded 18* Lost Time Incidents at a Lost Time Incident Frequency Rate of 1.14. (LTIs x 1,000,000)/exposure hours). The number of exposure hours in the reporting period was 15,824,424. The rates are based on 1,000,000 hours worked.

Landis+Gyr requires that every lost time incident undergo investigation, and a corrective action plan be implemented to establish the root cause of the incident and address the issues.

Breakdown of LTIs in FY 2023

7 = Slip, Trip, Fall – on the same level
5 = Contact with a sharp object
3 = Contact with machinery
2 = Struck by falling object
1= Manual Handling: Lifting & Handling

Supply chain

	2021	2022	2023
% of new suppliers screened for ESG risks	89%	100%	100%

The Landis+Gyr 'Supplier Code of Conduct' including the 'Green Procurement Requirements Annex' was distributed to 739 suppliers. To date, 662 of these suppliers, representing 89.5% of the company's spend on direct materials, have signed this document. As we rise our spend coverage, an increasingly high number of suppliers will be required to confirm adherence with our Supplier Code of Conduct.

All new suppliers received the company's 'Green Procurement Requirements' as part of the mandatory supplier onboarding documentation (Non-Disclosure Agreement, General Supply Agreement, Supplier Quality Assurance Manual, Code of Conduct, Green Procurement Requirements). Furthermore, a system to collect and monitor suppliers' 'Conflict Minerals Reporting Template' (CMRT) and 'Extended Minerals Reporting Template' (EMRT) is in place.

In FY 2023, 100% of new direct suppliers (Tier 1) were screened for environmental and social Impact (Scope limited to direct materials, and suppliers with (expected) spend above 10k USD).

Landis+Gyr plans to include critical Tier 2 suppliers in this assessment in FY 2024.

Compliance

	2021	2022	2023
Numbers of complaints received regarding customer privacy breaches	0	0	0
Number of identified leaks, thefts or customer data losses	0	1*	0

* none of which posed any risk or harm to any organization or individual as no sensitive data was compromised

About this Report

About this Report

Landis+Gyr adheres to the international standards outlined by the 'Global Reporting Initiative' (GRI) to report on its non-financial and sustainability-related matters. Additionally, for the first time, the company has included disclosures in accordance with the 'Task Force on Climate-related Financial Disclosures' (TCFD) framework as specified in the related standard. We proactively monitor the sustainability regulatory landscape for new developments and requirements, such as the EU CSRD/ESRS and the US SEC climate disclosure rules, and prepare to comply as needed in the future.

This report has been prepared by and covers Landis+Gyr Group AG, Cham, Switzerland, a publicly-listed joint-stock company on the SIX Swiss Exchange (ISIN: CH0371153492, ticker symbol: LAND, valor number: 37115349). The reporting period spans the financial year (FY) 2023, from 1 April 2023 to 31 March 2024. Landis+Gyr reports on its sustainability matters annually. The sustainability report is published as part of the annual report and covers the same timeframe as all other parts of the annual report. It includes the company's disclosures of non-financial matters required by the Swiss Code of Obligations (CO 964).

Swiss Code of Obligations Mapping Table	Section in Landis+Gyr's Sustainability Report FY 2023
Art – 964 A-C Transparency on non-financial matters	
Description of the business model	Sustainability at Landis+Gyr
Description of the main risks in relation to the non-financial matters	Sustainability at Landis+Gyr Stakeholder Engagement & Materiality Assessment Material Topics Task Force on Climate-Related Financial Disclosures (TCFD) Report
Environmental matters	
Policies	Climate and Environment
Measures including evaluation of their effectiveness	Climate and Environment
Performance indicators	Climate and Environment Performance / Statistics GRI Content Index
CO_2 goals	Sustainability at Landis+Gyr Climate and Environment
Social matters	
Policies	Product Social Impact Strategic Responsible Sourcing Community Engagement
Measures including evaluation of their effectiveness	Product Social Impact Strategic Responsible Sourcing
Performance indicators	Sustainability at Landis+Gyr Strategic Responsible Sourcing Performance / Statistics
Employee-related matters	
Policies	People & Well-being Employee Engagement
Measures including evaluation of their effectiveness	Employee Engagement
Performance indicators	Performance / Statistics GRI Content Index
Human rights matters	
Policies	Human Rights and Child Labor Fair Labor Practices
Measures including evaluation of their effectiveness	Human Rights and Child Labor Strategic Responsible Sourcing
Performance indicators	Human Rights and Child Labor GRI Content Index
Anti-corruption	
Measures including evaluation of their effectiveness	Business Integrity and Fair Taxes
Performance indicators	Performance / Statistics GRI Content Index

Art. 964 J-L – Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor	
Conflict minerals	Strategic Responsible Sourcing
Child labor	Human Rights and Child Labor Fair Labor Practices GRI Content Index

Entities included in the sustainability report are identical to the entities included in the annual report and are listed in section 1.1.3 of the company's 'Corporate Governance Report'. Companies in which Landis+Gyr holds a minority interest are not included in this sustainability report. Mergers, acquisitions, and disposal of entities or parts of entities are covered in Note 11 of the financial report. Information of recently acquired entities is often not covered with the same granularity.

Landis+Gyr reports information about its impact on the economy, environment, and people, including impact on human rights. The material topics addressed in this report have been identified based on stakeholder engagement. For further details, see section 'Stakeholder Engagement & Materiality Assessment'.

The company reassesses its ESG strategic direction and reevaluates its material topics every three years. Targets are established to monitor and manage progress towards the company's ambitions. These targets are aligned with the UN SDGs and the ten principles of the UNGC. Carbon emission reduction targets are also in line with the Paris Agreement and the SBTi. KPIs are utilized to monitor and manage planned actions and evaluate the progress towards set targets. The ESG Steering Committee oversees the implementation of the sustainability roadmap and the related KPIs on a quarterly basis. The KPIs are reported either under the different topic standards or in the related data tables.

In October 2023, Landis+Gyr announced the acquisition of Thundergrid, a smart charging and flexibility management company based in New Zealand. No information about the company and its activities has been included in this report. Etrel and Luna, our recent acquisitions (2021 and 2022, respectively), have been fully integrated into this report.

Data Collection and Reporting Methodologies

Sustainability Performance Indicators disclosed in the Landis+Gyr Sustainability Report 2023 are based on the following:

- Social, Environmental, and Health and Safety (EHS) data are collected through the Landis+Gyr corporate reporting and BI system. Environmental (GHG emissions, Energy, Water, Waste, Chemicals and Materials) indicators are reported at site level on a monthly (level 1 sites), quarterly (level 2 sites), annually (level 3 sites) basis via our Sphera (SoFi) data capturing tool. Training hours are reported at company level monthly via SAP Success Factors.
- Community Engagement indicators are captured at local and company level.
- The acquisition that occurred in 2023 did not lead to a restatement of the indicators and is not included in the report.
- Landis+Gyr's corporate carbon accounting (Scopes 1, 2, and 3) follows the reporting guidelines of the GHGP Corporate Accounting and Reporting Standard. According to the same guidelines, CO_2 equivalent (CO_2e) is defined as the universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.

Overview of Emission Factors per Scope Section in Landis+Gyr's Sustainability Report FY 2023

GHG emissions	Source
Scope 1 GHG Emissions	
Fugitive emissions	EPA v5.0
Direct Energy	GHG Protocol v19; SCCS MLC Standard v15.1
Scope 2 GHG emissions	
Electricity (direct)	SCCS MLC Standard v15.1; GaBi v15
Electricity (indirect)	SCCS MLC Standard v15.1; GaBi v15
Scope 3 GHG emissions	
Category 1 – Purchased goods and services	SCCS: MLC Standard v15.1
Category 2 – Capital goods	NAICS 6
Category 4 – Upstream transportation and distribution	Defra v12
Category 5 – Waste generated in operations	SCCS MLC Standard v15.1
Category 6 – Business travel	Gabi DB version 2023.2
	Performance / Statistics GRI Content Index
Category 7 – Employee commuting	Gabi DB version 2023.2
Category 9 – Downstream transportation and distribution	Defra v12
Category 11 – Use of sold products	SCCS MLC Standard v15.1
Category 12 – End-of-life treatment of sold products	SCCS: MLC Standard v15.1

The methodological note shall be read in conjunction with the footnotes described in all sections of the Sustainability Report 2023 for dedicated indicators and KPIs.

External Assurance

External Assurance

At the request of its Board of Directors (BoD), Landis+Gyr engaged DQS to provide independent assurance on its Sustainability Report. Landis+Gyr has no other ties with DQS. For details on scope and level of assurance, see DQS' assurance statement.

Additionally, some of the reported aspects have been audited as part of the ISO certification audits. See Landis+Gyr sites with related ISO certificates in the section 'Locations'.

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Independent Assurance Statement

To the Management and Stakeholders of Landis+Gyr AG

DQS has been engaged by Landis+Gyr AG to provide independent assurance over the Landis+Gyr Sustainability Report 2023-2024, which is published as a dedicated chapter of the Landis+Gyr Annual Report 2023-2024. The engagement took place in February, March and April 2024 and was concluded on April 19, 2023.

Objectives

The objective of this assurance engagement was to independently express conclusions on underlying reporting processes and validate qualitative and quantitative claims, so as to limit misinterpretation by stakeholders and increase the overall credibility of the reported information and data.

Scope of assurance

The assurance encompassed the entire sustainability chapter of the annual report and focused on all figures, statements and claims related to sustainability during the reporting period April 2023 to March 2024. More specifically, this included:

- Statements, information and performance data contained within the sustainability report;
- Landis+Gyr's management approach of material issues; and
- Landis+Gyr's reported data and information as per the requirements of the Global Reporting Initiative Standards.
- Verification of ESG performance targets as part of the Short-Term Incentive Plan

The assurance engagement was performed in accordance with a Type 2 assurance of the AA1000 Assurance Standard (AA1000AS v3), which consists of:

- Evaluating the company's sustainability framework and processes using the inclusivity, materiality, responsiveness and impact criteria of the AA1000 AccountAbility Principles (AA1000APS 2018), and
- Evaluating the quality of the reported sustainability performance information.

The report has been self-declared to be in accordance with the requirements of the GRI Standards.

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dqs

Additional on-site assessments

The evaluation of the non-financial performance indicators is safeguarded by additional site-specific assessments. In addition to the headquarters in Cham, Switzerland, the following sites have been assessed by DQS in 2024 as part of the assurance engagement:

- Landis+Gyr GmbH Altmansdorfer Straße 76 1120 Wien – Austria
- Landis+Gyr Equipamentos Medicao LTDA, Rua Hasdrubl Bellegard 400 Cic Curibitiba, PR 81460120 - Brasil
- Luna Smart A.O.S.B. 10039 Sokak No: 23 35620 Çiğli/İzmir - Turkey
- Landis+Gyr S.A, 78TH KM Old National Road Athens – Corinth, Corinth, 20100 - Greece

Level of assurance and limitations

A moderate level of assurance under AA1000AS was provided for this engagement. Information and performance data subject to assurance is limited to the content of the sustainability report and the Short-Term Incentive Plan.

The assurance did not cover financial data, technical descriptions of buildings, equipment and production processes or other information not related to sustainability.

The assurance engagement is not a compliance audit and does not assess or evaluate compliance with applicable laws and regulations.

Independence and Competences of the Assurance Provider

The DQS Group is an independent professional services firm that provides assurance on sustainability disclosures under the Global Reporting Initiative (GRI), CDP and other specialized management and reporting mechanisms. Independent verifiers have not been involved in the development of the report nor have they been associated with Landis+Gyr's sustainability program, data collection or strategic processes.

DQS Group ensures that the assurance team possesses the required competencies, maintained neutrality and performed ethically throughout the engagement. Further information, including a statement of impartiality, can be found at: www.dqsglobal.com.

The management of Landis+Gyr was responsible for the preparation of the sustainability part of the Annual Report and all statements and figures contained within it.

Assurance Methodology

The assurance procedures and principles used for this engagement were drawn from the International Standard AA1000 and methodology developed by DQS, which consists of the following steps:

1. Identifying statements and data sets, which are classified according to the relevant data owners and the type of evidence required for the verification process.

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2. Reviewing the Sustainability Report to determine whether the material topics identified during our procedures have been adequately disclosed.
3. Carrying out interviews with key functional managers and data owners at Landis+Gyr office in Cham (Switzerland) as well as verification of data through a sampling procedure.
4. Assessing the collected information and provide recommendations for immediate correction where required or for future improvement of the report content.

Evaluation of the adherence to AA1000 AccountAbility Principles

Inclusivity - How the organization engages with stakeholders and enables their participation in identifying issues and finding solutions.

The stakeholder identification and engagement process is well documented and implemented through the Landis+Gyr ESG program and the report brings out key stakeholder concerns as material aspects of significant stakeholders.

Materiality - How the organization recognizes issues that are relevant and significant to itself and its stakeholders.

The report addresses the range of environmental, social and economic issues that Landis+Gyr and its stakeholders have identified as being of material importance. The new report enhanced language on Biodiversity. The Report fairly brings out aspects and topics and its respective boundaries for the diverse operations of Landis+Gyr. Reliable and clear qualitative description of the impacts of products

Responsiveness - How the organization responds to stakeholder issues and feedback through decisions, actions, performance and communication.

Landis+Gyr is responding to those issues that it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. High level of alignment between strategy, policies, management approaches and targets. The organization and its stakeholders can use the reported information as a reasonable basis for their opinions and decision-making.

Impact - How the organization monitors, measures and ensures accountability for how its actions affect their broader ecosystems.

Landis+Gyr has implemented systems to monitor and measure its economic, environmental and social impacts. Identified impacts are incorporated into both stakeholder engagement as well as the periodic materiality assessment process. Landis+Gyr has made significant strides to introduce innovative product solutions toward mitigating negative impacts and fostering positive impacts.

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Conclusion

On the basis of a moderate assurance engagement according to the above-listed criteria, nothing has come to our attention that causes us to believe that the sustainability-related strategies of Landis+Gyr and its sustainability-related key performance indicators defined in the 2023-2024 Sustainability Report are materially misstated.

The Landis+Gyr Sustainability Report 2023-2024 is in line with the GRI Standards. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's reporting principles.

On behalf of the assurance team

April 30, 2024

Frankfurt, Germany

Guido Eggers

Managing Director
DQS CFS GmbH

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Annexes

Annex A – Short Term Incentive Plan Results 2023-2024

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GRI Content Index

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GRI Content Index

Statement of use	**Landis+Gyr Group AG has reported in accordance with the GRI Standards for the period 01.04.2023 – 31.03.2024.**
GRI used	**GRI 1: Foundation 2021**
Applicable GRI Sector Standard(s)	**None**

GRI Standard		Response/ Location/ Omission
GRI 2: General Disclosures 2021	2 – 1 Organizational details	See sections 'About this Report' and 'Locations'.
	2 – 2 Entities included in the organization's sustainability reporting	See section 'About this Report'.
	2 – 3 Reporting period, frequency and contact point	a. 01.04.2023–31.03.2024, throughout the report referred to as FY 2023. Landis+Gyr issues annual reports covering the reporting period from the beginning of April to the end of March. This is the second report of the three-year ESG cycle from FY 2022 to FY 2024. b. Financial reporting and sustainability reporting are aligned. c. 30.05.2023. d. See section 'Imprint and Contacts'.
	2 – 4 Restatements of information	Where evidence of diverting facts compared to what had been published earlier emerges, the fact and its impact is disclosed where relevant. See section "About this Report"
	2 – 5 External assurance	See section 'External Assurance'.
	2 – 6 Activities, value chain and other business relationships	The company is active in the following sectors: ELECTRONIC EQUIPMENT, INSTRUMENTS & COMPONENTS (GICS®) Landis+Gyr is a leading global provider of integrated energy management solutions. We measure and analyze energy utilization to generate empowering analytics for smart grid and infrastructure management, enabling utilities and consumers to reduce energy consumption. Our innovative and proven portfolio of software, services and intelligent sensor technology is a key driver to decarbonize the grid. We supported avoidance of 8.9 million tons of CO_2e in FY 2023 and are committed to achieve net zero by 2050. We have pledged to reduce our Scope 1 and 2 emissions 42% by 2030, from base year 2021. Additionally, we have committed to lowering our Scope 3 emissions 42% by 2030, from base year 2021. Landis+Gyr's mission is to manage energy better. The shipment of more than 20 million devices, software installed, and service offered resulted in sales of 1.96 USD billion in FY 2023. The company employs around 6,900 talented people across five continents. **Products:** Intelligent endpoints (Electricity, Gas, and Heat and Cooling Meters (Pre- and Post-Pay); Communication Modules (wired and wireless), Data Loggers and Data Concentrators (including Volume Correctors), Handheld Terminals; Load Management Receivers (one-way and two-ways), Street Light Controllers, Sensors and Thermostats; Gas Quality Analyzer Controller; Distributed Automation Devices and Systems; Meter Test Equipment; EV-Vehicle charging stations and Load Guard sensors Software (Smart Metering Management, Analytics, Field Operation Manager, Network Monitor, Substation Platform, SCADA Center Enterprise Information System, SAP Utility Adapter, Grid Management and Consumer Engagement App Platform), Applications (Field Operation Manager, Operational Data Panel, Grid Flex Control); Cybersecurity solution (OT/IoT Monitoring Software), EV solutions (EV charging point and energy management software, Smart Charging app and Flexibility management platform). **Services:** IoT Connectivity as a Service (cooperation with Vodafone), SaaS, Metering as a Service, Infrastructure as a Service (Solution Consulting, Cloud Service, Deployment and Project Delivery Services, Managed Services, Operational Support Services, Smart Grid Services, Support Service, Managed Detection and Response services), Training. None of Landis+Gyr's products or services have been banned. A large portion of our products need approval before being installed in the field. Landis+Gyr maintains an embargo control list mandating additional due diligence and approvals for group entities before engaging in business activities with counterparts located in the countries specified in the list. Such approvals are only granted when applicable laws and sanctions permit.

GRI Standard		Response/ Location/ Omission
	2 – 6 Activities, value chain and other business relationships	**Markets:** Landis+Gyr Americas serves the following regions: North America, Central America, South America, Japan, and certain other markets that adopt US standards. Main countries: USA, Canada, Brazil, Japan. Landis+Gyr APAC serves all Asian Pacific countries, mainly Australia, New Zealand, China/ Hong Kong, Bangladesh, Malaysia, Philippines, Indonesia, Vietnam, and Thailand. Landis+Gyr serves its customers in the EMEA region through sales offices in Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, The Netherlands, Poland, Slovakia, Slovenia, Spain, Sweden, Switzerland, South Africa, Turkey, and United Kingdom. Further EMEA markets (e.g., Middle East) are served via distributors and agents. Landis+Gyr's supply chain encompasses manufacturing sites, procurement, logistics, and quality functions. The company operates ten major manufacturing sites across the globe and has outsourcing partnerships with strategic suppliers in Eastern Europe and Southeast Asia. Our supply chain relies on four key pillars, which are (i) mechanical parts, (ii) Assembly of Printed Circuit Boards (PCBAs) with all electronics, (iii) meter assembly, and (iv) final integration with calibration, customization, sealing, and packaging. We produce high-precision measuring devices and have a modular and flexible supply chain that enables outsourcing at any stage of the production flow. For software and service products, Landis+Gyr relies mainly on internal resources (R&D team). When necessary, Landis+Gyr engages external companies to install its products in customer fields. The company cooperates with communication partners such as Vodafone to offer communication services. Landis+Gyr's overall global supplier footprint remained largely unchanged during FY 2023. The graph below shows the solutions set-up, including the relevant partners involved in installation companies to install its products in the customer fields. The company cooperates with communication partners such as Vodafone to offer communication services. The structure and ownership of the company has remained the same during the current reporting year. In FY 2023, Landis+Gyr acquired Thundergrid, an EV charging specialist, with a team of approximately 15 individuals based in New Zealand. See also sections 'About Landis+Gyr' and 'Value Chain'.
	2 – 7 Employees	See section 'Performance / Statistics'.
	2 – 8 Workers who are not employees	See section 'Performance / Statistics'.
	2 – 9 Governance structure and composition	See the company's 'Corporate Governance Report'.
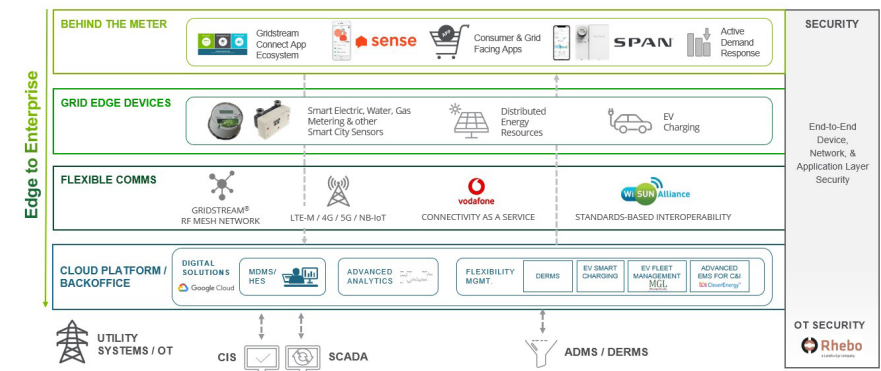
GRI Standard		Response/ Location/ Omission
	2 – 10 Nomination and selection of the highest governance body	The 'Nomination, Governance and Sustainability Committee' ("NGSC") holds the responsibility for various tasks, including the nomination of (new) members of the Board (and the Group Executive Management). This includes evaluating their potential qualification to become members of the Board committees. To fulfill this responsibility, the NGSC follows and maintains a process for vetting and selecting new Board or committee members, as outlined in the Charter and further defined by the NGSC. The selected candidate is (i) as a Board member or a member of the Remuneration Committee ("RemCo"), appointed or rejected by the General Assembly of the Company, or (ii) as a member of the NGSC or the Audit, Finance and Risk Committee, appointed or rejected by the Board.
	2 – 11 Chair of the highest governance body	See the company's 'Corporate Governance Report'.
	2 – 12 Role of the highest governance body in overseeing the management of impacts	The NGSC shall, to the extent not in the functional competence of other committees of the Board, be responsible for the company's sustainability matters (including ESG matters) and determine its long-term ambitions. In particular, the NGSC shall have the following responsibilities: i. address all relevant and material sustainability matters affecting the company and the Group as well as the impact the company may have on other stakeholders that come to the attention of the NGSC; ii. develop and make recommendations to the Board regarding sustainability matters, practices, and procedures; iii. review and recommend to the Board the Sustainability Report of the company for publication as well as review and approve any other written public disclosures of the company on sustainability matters; iv. establish, regularly review, and monitor compliance with the company's ESG targets; v. Support the RemCo in target setting for variable compensation purposes; and vi. review and recommend to the Board about potential or actual conflicts of the company's or the Group's conduct of business and the company's and the Group's sustainability goals. See also the section "Governance".
	2 – 13 Delegation of responsibility for managing impacts	See the company's 'Corporate Governance Report'. At the management level, the implementation of the ESG targets is overseen by the ESG Steering Committee. This committee consists of managers reporting directly to the CEO, with one exception. The responsibility for management of the company's impacts on the economy, environment, and people has been delegated to the Senior Vice-President responsible for Business Transformation. Within his organization, the ESG function is tasked with overseeing the implementation of the different targets and roadmaps, which have been translated into workstreams and delegated to topic-specific working groups within the organization. At the Board level, the NGSC reviews the management of the ESG topics regularly in every meeting and subsequently reports to the full Board. Any urgent or critical matters can be addressed on an ad hoc basis.
	2 – 14 Role of the highest governance body in sustainability reporting	The NGSC and subsequently the full Board reviews and approves the Sustainability Report which includes disclosures on Landis+Gyr's ESG material topics. This year, for the first time, the report is submitted to the General Assembly for approval.
	2 – 15 Conflicts of interest	Landis+Gyr's shareholder structure is disclosed under 'Note 12' of the company's 'Financial Report'. 'Related parties' are discussed in the company's 'Financial Report' and 'Remuneration Report'. See 'Organization Regulations' and the company's 'Corporate Governance Report'.
	2 – 16 Communication of critical concerns	The company's senior management, including the Chief Compliance Officer, regularly reports to the Board of Directors and/ or its committees. This allows the possibility of communicating any type of concerns, including those of a critical nature. In FY 2023, no critical concerns were reported to the Board of Directors by the Chief Compliance Officer.

GRI Standard		Response/ Location/ Omission
	2–17 Collective knowledge of the highest governance body	Knowledge of the highest governance body, including knowledge related to ESG matters, is disclosed in section 3 of the 'Corporate Governance Report.'
	2–18 Evaluation of the performance of the highest governance body	See section 3.1.2. in the company's 'Corporate Governance Report'.
	2–19 Remuneration policies	a. See the company's 'Remuneration Report'. i. See the section 'Remuneration System' in the company's 'Remuneration Report'. ii. Not applicable. Only replacement awards may be granted to senior executives to compensate for remuneration forfeited at the previous employer as a result of joining Landis+Gyr. iii. Not applicable. See "Employment conditions" in the 'Remuneration Report.' iv. Clawback provisions exist for performance-based cash and equity. See "Clawback of variable remuneration" in the company's 'Remuneration Report'. v. See "Pension benefits" section in the company's 'Remuneration Report.' b. To ensure the Board's independence in fulfilling its supervisory duties, the remuneration of the Board is fixed and does not contain any variable component. The Short-Term Incentive (STI) plan contains an ESG component that was weighted at 20% for FY 2023. This component is measured against specific targets reflecting material topics within Landis+Gyr's ESG strategy. This applies to senior executives and all other employees eligible for the STI plan.
	2–20 Process to determine remuneration	a. i. See 'Governance on remuneration matters' section in the company's 'Remuneration Report.' ii. See 'Shareholder engagement' section in the company's 'Remuneration Report.' Landis+Gyr conducts binding shareholder votes on the maximum aggregate remuneration granted to the Board of Directors for the next term of office and the maximum aggregate remuneration for the senior executives for the following financial year. In addition, the 'Remuneration Report' is submitted to shareholders annually for a consultative vote. The Board of Directors also regularly engages in dialogue with stakeholders, including shareholders, to discuss Landis+Gyr's remuneration principles and systems. iii. See 'Governance on remuneration matters' section in the company's 'Remuneration Report'. b. See voting results in the minutes of the annual shareholder meeting on remuneration.
	2–21 Annual total compensation ratio	In FY 2023, the ratio of the annual total compensation for the organization's highest-paid individual (CEO) to the median annual total compensation for all employees (excluding the highest paid) was 62.7. The pay components included in the analysis are annual base salary, target short-term incentive, and cash benefits for the financial year measured as of March 31, 2024. These pay components were not increased for the CEO during FY 2023, whereas the company conducted its regular annual salary review cycle for all employees with increases applied in accordance with the company's remuneration policies as well as local practices and legal requirements.
	2–22 Statement on sustainable development strategy	See 'Letter to the shareholders' at the beginning of the annual report and 'Sustainability at Landis+Gyr' sections of this Sustainability Report.
	2–23 Policy commitments	Stakeholders are discussed in the section 'Stakeholder Engagement & Materiality Assessment'. Landis+Gyr's 'Code of Business Ethics and Conduct' is based on the ten principles of the UN Global Compact. The Code drives the company's daily operations. Due diligence is used throughout the value chain covering our own organization as well as suppliers and partners. Human rights, including child labor, are critical aspect of our assessment. Any findings that emerge from this process are translated into improvement plans. Please also consult the section on 'Human Rights and Child Labor'. Landis+Gyr's commitments and governance documents can be found here https://www.landisgyr.eu/about/corporate-social-responsibility/ (under 'Corporate Governance Documents').
	2–24 Embedding policy commitments	See sections 'Sustainability at Landis+Gyr' and 'Governance'.
	2–25 Processes to remediate negative impacts	See sub-section 'Code of Business Ethics and Conduct, Grievance Mechanism and Remediation' under the 'Governance' section in this report.

GRI Standard		Response/ Location/ Omission
	2 – 26 Mechanisms for seeking advice and raising concerns	In addition to the Speak-Up line, available to third parties on its corporate website, the company relies on its Internal Audit function to identify potential concerns. Any identified concerns must be addressed by either the Chief Compliance Officer or the relevant business functions. See also the sub-section 'Code of Business Ethics and Conduct, Grievance Mechanism and Remediation' under the 'Governance' section in this report.
	2 – 27 Compliance with laws and regulations	Compliance with laws and regulations is continuously monitored by the respective business units across our global organization, with guidance and advice provided by the global Legal & Compliance team. In FY 2023, Landis+Gyr did not encounter any significant instances of non-compliance with laws and regulations (i.e. this includes cases that might result in administrative or judicial sanctions and fines, or any cases being appealed during the reporting period). Additionally, the company did not receive any fines or non-monetary sanctions during this time. The scope of laws and regulations encompasses those issued by local, regional, and national governments, regulatory authorities and public agencies.
	2 – 28 Membership associations	Landis+Gyr is a member of the following associations: UCA International User Group, ZigBee Alliance, WiSUN Alliance, PRIME Association, G3 Association, Smart Electric Power Alliance (SEPA), Gridwise Alliance Thread Group, IDIS Association, Fair Standards Alliance, Eurelectric, ESMIG, DLMS, USB Forum, MultiSpeak, Echonet Alliance, metering standard associations in several countries, BEAMA, Acqua, Swissmem, IG exact, Electrosuisse, Verband Schweizerischer Elektrizitätsunternehmen (VSE), swissmig, and several chambers of commerce. Furthermore, we are represented on international / national standardization bodies, such as TC13, TC57, TC 47, SC77A (IEC), ANSI C12, EL – 11, BIS. These memberships are highly relevant to Landis+Gyr. Special attention is given to our involvement in standardization bodies and industry alliances and associations.
	2 – 29 Approach to stakeholder engagement	Stakeholder engagement is a key aspect of Landis+Gyr's ESG approach. The company maintains an ongoing dialogue with stakeholders to understand their perspectives on the evolving ESG landscape. This dialogue helps Landis+Gyr identify and address the issues most relevant to its business and stakeholders. Stakeholders are identified based on their relevance to Landis+Gyr and the impact the company's activities have on them. The company has identified several stakeholder groups, including customers (and their customers, or "end-consumers"), suppliers, employees, government authorities and regulators, associations and NGOs, local communities, shareholders and investors (represented by the Board of Directors), and business partners. Before initiating a new ESG cycle, Landis+Gyr consults stakeholders to gather their views on the company's impact on material issues, as well as their relevance. This materiality assessment process identifies key topics, including potential risks and opportunities, and sheds light on stakeholder perceptions and expectations regarding issue management. The outcome of this exercise is a materiality matrix, which serves as the basis to set the company's ESG ambitions, targets, and roadmaps. The frequency and nature of interactions with stakeholders vary depending on the stakeholder type. While we maintain ongoing exchanges with certain stakeholders, such as employees, suppliers, partners, and customers, our interactions with others, such as regulators and shareholders/investors are more sporadic or tied to specific events, such as the establishment of a new 3-year ESG cycle. Stakeholder engagement with local communities and associations/ NGOs is similarly event-specific. As a publicly listed company, Landis+Gyr fulfills stakeholder engagement obligations in accordance with legal requirements & standard business practices, including regular shareholder dialogue. For additional information, see the section 'Stakeholder Engagement and Materiality Assessment'.

GRI Standard		Response/ Location/ Omission
	2–30 Collective bargaining agreements	34% of Landis+Gyr employees are covered by a collective bargaining agreement.
		For employees not covered by such an agreement, the company maintains direct employer-employee relationships. These relationships are guided by applicable laws and regulations, as well as policies and guidelines relating to terms and conditions of employment, which allow for a standardized approach across many areas.
Economic performance		
GRI 201: Economic Performance 2016	201–2 Financial implications and other risks and opportunities due to climate change	This year, we conducted a TCFD analysis, which involved assessing the climate resilience of our business strategy and evaluating our climate-related risks and opportunities. The results of this analysis are disclosed in the TCFD section of the report. In FY 2024, we will refine our assessments and focus deeper on the financial implications of climate change. See section 'Task Force on Climate-Related Financial Disclosure s (TCFD) Report'.

Material Topics

GRI Standard		Response/ Location/ Omission
GRI 3: Material Topics 2021	3 – 1 Process to determine material topics	See section 'Stakeholder Engagement & Materiality Assessment'.
	3 – 2 List of material topics	See section 'Stakeholder Engagement & Materiality Assessment'.
Business Integrity and Fair Taxes		
GRI 3: Material Topics 2021	3 – 3 Management of business integrity and Fair Taxes	See section 'Business integrity and fair taxes'.
GRI 205: Anti-corruption 2016	205 – 2 Communication and training about anti-corruption policies and procedures	As of the date of writing this report, Landis+Gyr's operating governance body members – the extended Executive Management Team – consisted of 14 members, distributed geographically as follows: 4 in the Americas, 1 in APAC, and 9 in EMEA. All of them are informed, updated, and trained regularly on Landis+Gyr's 'Code of Business Ethics and Conduct', which also covers the topic of corruption prevention.
		All Landis+Gyr employees are required to abide by the Landis+Gyr 'Code of Business Ethics and Conduct'. All employees are trained in the content of the 'Code of Business Ethics and Conduct' on a yearly basis. Furthermore, the company offers specialized training sessions on the most relevant compliance risks. Training sessions focused on anticorruption and competition law are completed on a yearly basis by employees who are in close contact with customers, agents, distributors, vendors, and competitors, as well as anyone who has a management role. For details, see the employee tables in the section 'Performance / Statistics'. In addition, ad hoc training courses by the Chief Compliance Officer or members of the Legal & Compliance team take place on demand or when traveling to Landis+Gyr's locations globally.
		Landis+Gyr has implemented a third-party due diligence process, requiring mandatory checks prior to the appointment of a third-party business partner (e.g., agents, distributors, resellers, and suppliers). These checks, conducted by or with the assistance of an independent third party, screen potential partners against blacklists, sanctions lists, adverse media, and other databases to ensure business integrity.
		The company's third-party due diligence process is regularly re-evaluated and updated to ensure third parties are properly screened and vetted before business engagements are initiated. All Landis+Gyr applicable policies, including the 'Code of Business Ethics and Conduct' and 'Anti-Corruption Policy', are routinely communicated to the company's business partners during onboarding. Furthermore, these policies are also communicated upon request to Landis+Gyr's customers during the tender phase. With regard to suppliers, the same principles are communicated to them through the Landis+Gyr 'Supplier Code of Conduct'. Suppliers are required to confirm adherence to this document.
		93.7% of Landis+Gyr's employees active as of March 2024, completed the e-learning session for the Landis+Gyr 'Code of Business Ethics and Conduct'. New employees are required to complete the same e-learning session within 7 days of joining Landis+Gyr. Completion of the course, which requires passing a test with a score of 80% or above, is tracked locally as part of the onboarding process. The e-learning session focuses on a variety of compliance risks, including prevention of bribery and corruption. Lastly, 98.9% of Landis+Gyr's employees who are in contact with customers, agents, distributors, vendors and competitors; all employees with a management role; and all employees in sales, finance and procurement completed the 'Preventing Bribery and Corruption' e-learning session.
Materials (Resource Efficiency)		
GRI 3: Material Topics 2021	3 – 3 Management of Resource Efficiency	See section 'Resource Efficiency'.
GRI 301: Materials 2016	301 – 1 Materials used by weight or volume	Measures taken: – Volumetrics and palletizing techniques are used to minimize waste and maximize recyclability. – Where possible, inbound packaging is reused for outbound shipments. For materials used, see also section 'Performance / Statistics'.

Energy Efficiency and Climate Protection

GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Energy Efficiency and Climate Protection'
GRI 302: Energy 2016	302 – 1 Energy consumption within the organization	See section 'Performance / Statistics'.
	302 – 3 Energy intensity	In FY 2023, the total energy intensity ratio for the organization was 6.4 (MJ per 100 USD of turnover) compared to 8.0 in the previous year, which represents a decrease of 20%. Relevant types of energy included in the calculation are: electricity, fuel, heating, and steam. For energy consumption, see section 'Performance / Statistics'.
	302 – 4 Reduction of energy consumption	In FY 2023, our energy usage across all sites totaled 125,465,042 MJ, marking a 7% decrease compared to the previous year's level. To achieve this, Landis+Gyr has undertaken significant measures to boost energy efficiency and promote sustainability. Key actions include optimizing machinery for energy efficiency, introducing HVAC controls (including transitioning to more efficient equipment) to prevent fugitive emissions, enforcing a policy to power off unused electronics, and deploying motion and intensity sensors and LED lighting to reduce energy consumption. At certain production sites, process steps are being examined to identify opportunities to optimize energy management and reduce energy consumption. For instance, SmartL Factory in Izmir goes beyond simple energy measurement. The infrastructure meticulously measures and analyzes the energy consumption of all production units. Additionally, they have planned to replace five compressors with two more efficient ones. At our Reynosa facility, the roof features an elastomeric roof cover, which reduces the roof's temperature from 58°C to 29°C, leading to reduced HVAC consumption and higher efficiency. Our Corinth site is pursuing ISO 50001 Energy Management certification. We also promote energy-saving behaviors among employees, such as switching off lights and appliances when not in use and encouraging the use of stairs over elevators. These efforts have earned us accolades like the "Selo Clima Paraná" award in Brazil, inspiring us to push forward. The Kangas site in Finland is pursuing GOLD-level of an international LEED Core & Shell v4 environmental certification, exemplifying our commitment to sustainable infrastructure. For further data on energy consumption, see section 'Performance / Statistics'. Additionally, we are continuously working on reducing the electricity self-consumption of our electricity meters. See further information under our 'Resource Efficiency' section.
GRI 3: Material Topics 2021	3 – 3 Management of material topics	See section 'Water Management'.
GRI 303: Water and Effluents 2018	303 – 1 Interactions with water as a shared resource	See section 'Water Management'.
	303 – 2 Management of water discharge-related impacts	See section 'Water Management'.
	303 – 5 Water consumption	See section 'Performance / Statistics'.
GRI 304: Biodiversity 2016	304 – 1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	See disclosures in the 'Biodiversity' section.
GRI 3: Material Topics 2021	3 – 3 Management of material topics	Management of Energy Efficiency and Climate Protection
GRI 305: Emissions 2016	305 – 1 Direct (Scope 1) GHG emissions	Since 2007, the first year Landis+Gyr calculated its GHG emissions, the company has continuously established year-over-year targets to reduce its CO_2 emissions. Landis+Gyr's Science Based Targets were validated by the SBTi in July 2023. These targets guide the company on its path to further reduce its GHG emissions. See section 'Performance / Statistics'.
	305 – 2 Energy indirect (Scope 2) GHG emissions	See section 'Performance / Statistics'.
	305 – 3 Other indirect (Scope 3) GHG emissions	See section 'Performance / Statistics'. Having set the Scope 3 baseline in 2022 using 2021 data, this year we calculated our Scope 3 emissions using our standard environmental data capturing tool SoFi by Sphera. In FY 2023, our Scope 3 emissions amounted to 1.3 million tons of CO_2e.

	305–4 GHG emissions intensity	In FY 2023, GHG emissions intensity ratio (for Scope 1+2) equaled 0.3 kg CO_2e per 100 USD turnover. For Scope 1, 2 and 3, the metric equaled 67 kg CO_2e per 100 USD turnover. Refer to the 'Performance / Statistics' section for further details.
	305–5 Reduction of GHG emissions	GHG emissions (Scope 1+2) decreased by 48% to 5,824 t from 11,150 t in the previous year. Landis+Gyr increased the share of renewable power purchased from 59% in FY 2022 to 79% in FY 2023. Additionally, energy-saving initiatives continue to be implemented with a special focus on the largest company sites.
		Landis+Gyr did not use any carbon offsets. For sites that do not have access to green electricity tariffs, Landis+Gyr purchased Renewable Energy Certificates (RECs), Guarantees of Origin (GOs) or similar instruments to "green" their electricity consumption. For detailed data, see the section 'Performance / Statistics'.
	305–7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Methane (CH_4): 1.54 t. No other emissions were generated. See section 'Performance / Statistics'.
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Waste Management'.
	GRI 306: Waste 2020 306–1 Waste generation and significant waste-related impacts	See section 'Waste Management'.
GRI 306: Waste 2020	306–2 Management of significant waste-related impacts	See section 'Waste Management'.
	306–3 Waste generated	See section 'Performance / Statistics'.
	306–4 Waste diverted from disposal	See section 'Performance / Statistics'.
	306–5 Waste directed to disposal	See section 'Performance / Statistics'.
Supplier assessment (Strategic Responsable Procurement)		
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Strategic Responsible Sourcing'.
GRI 308: Supplier Environmental Assessment 2016	308–1 New suppliers that were screened using environmental criteria	100% of new direct suppliers (Tier 1) were screened for environmental and social Impact (scope limited to direct materials, and suppliers with (expected) spend above 10k USD). Landis+Gyr plans to include critical Tier 2 suppliers in this assessment in FY 2024. See section 'Strategic Responsible Sourcing'
	308–2 Negative environmental impacts in the supply chain and actions taken	The Landis+Gyr 'Supplier Code of Conduct' and 'Green Procurement Requirements' were distributed to 739 suppliers. To date, 662 suppliers have signed these documents. Through this effort, Landis+Gyr has ensured comprehensive adherence to ethical and sustainable practices across 89.5% of its direct material spending.
		Our supplier due diligence approach relies on risk-based assessment (based on social and environmental criteria) and subsequent auditing of the suppliers at risk. This year the company performed 48 ESG audits.
		Landis+Gyr is collaborating with a third-party provider to evaluate risks amongst our suppliers. This process is being strengthened, with tasks assigned across the organization to engage all relevant suppliers. As indicated in last year's sustainability report, these efforts enhance the existing process.
		During the reporting period, Landis+Gyr identified one supplier that did not meet our ESG standards. Unfortunately, despite discussions with the supplier to address the issues, the desired outcome was not achieved. Consequently, Landis+Gyr decided to phase out the business relationship with this supplier.
		Regarding conflict minerals, the company collected the 'Conflict Mineral Reporting Templates' (CMRTs) of 153 suppliers out of the 376 suppliers invited to provide the documentation. See section 'Strategic Responsible Sourcing'.
Occupational health and safety		
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Occupational Health and Safety'.
GRI 403: Occupational Health and Safety 2018	403–1 Occupational health and safety management system	See section 'Occupational Health and Safety'.

	403–2 Hazard identification, risk assessment, and incident investigation	Risk assessments are the primary mechanism for identifying and categorizing hazards and risks. Each location must identify specific local hazards based on their activities and undertake site-specific risk assessments. Preventive risk identification and related actions to eliminate hazards and minimize risks are managed through the Integrated Management System (IMS) for Quality, Environment, Occupational Health and Safety, and Business Continuity. During their daily activities, employees and managers conduct job observations and review preventive maintenance activities to identify potential workplace hazards and risks. Hazard and risk elimination actions are also identified during each location's Annual IMS Management Review and Annual Internal IMS Audit program. An overall IMS Management Review is undertaken at the executive level annually. Emergency response plans are in place for all sites. The process for managing QEOHS-critical activities at Landis+Gyr includes identifying related improvement activities, designating local responsible managers, conducting hazard assessments for personal protective equipment, and performing preventive maintenance on equipment, tools, devices, and vehicles. The onboarding process for QEOHS is standardized, and initial and recurring training is provided. The definition of incidents used includes minor (up to one day absence) and lost time (more than one day absence).
	403–3 Occupational health services	See section 'Occupational Health and Safety'.
	403–5 Worker training on occupational health and safety	See section 'Occupational Health and Safety'.
	403–7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	See section 'Occupational Health and Safety'.
	403–8 Workers covered by an occupational health and safety management system	See section 'Occupational Health and Safety'. No workers were excluded.
	403–9 Work-related injuries	See sections 'Performance / Statistics' and 'Occupational Health and Safety'.
Training and education (Employee Engagement)		
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Employee Engagement'.
GRI 405: Diversity and Equal Opportunity 2016	404–1 Average hours of training per year per employee	See sections 'Employee Engagement' and 'Performance / Statistics'.
GRI 408: Child Labor 2016	404–2 Programs for upgrading employee skills and transition assistance programs	The company invests substantially in our workforce's continuous training and skill development. Our employees benefit from extensive learning resources, including leading platforms like LinkedIn Learning, Coursera, Pluralsight, and A Cloud Guru. In partnership with Google, Landis+Gyr provides an extensive cloud transformation training program, ensuring its workforce is well-prepared for the dynamic challenges in the industry. The Google Cloud Platform (GCP) Training Program focuses on upskilling and developing teams involved in Landis+Gyr's Cloud transformation projects across various regions. The program offers diverse learning paths, enabling participants to gain knowledge and practical experience, culminating in a Google Cloud certification.

Another important learning initiative is Landis+Gyr's Learning Weeks. These annual events, sponsored by members of the Executive Management Team (EMT), play a key role in fostering a culture of continuous learning within the company. In FY 2023, three Learning Weeks were organized, all offering live events that provided valuable insights into our business, our technologies, and the latest initiatives to address current challenges and industry trends. Additionally, mentorship programs provide experience and guidance to younger and newer employees.

Transition assistance programs are included in social plans or bespoke individual agreements, considering local employment conditions.

See section 'Employee Engagement'. |
| | 404–3 Percentage of employees receiving regular performance and career development reviews | See sections 'Employee Engagement' and 'Performance / Statistics'. |

Diversity and equal opportunity (Fair Labor Practices)		
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Fair Labor Practices'.
GRI 405: Diversity and Equal Opportunity 2016	405–1 Diversity of governance bodies and employees	See sections 'Fair Labor Practices' and 'Performance / Statistics'.
GRI 408: Child Labor 2016	408–1 Operations and suppliers at significant risk for incidents of child labor	Measures taken towards the abolition of child labor: Landis+Gyr's 'Code of Business Ethics and Conduct' and its 'Supplier Code of Conduct' include strict prohibitions on forced or compulsory labor and child labor. Documents have been distributed to relevant stakeholders. All employees are trained annually on the the provisions of the 'Code of Business Ethics and Conduct.' In this reporting period, an on-site learning program was launched for blue-collar employees, including human rights, among other topics. Furthermore, direct materials suppliers must comply with the 'Supplier Code of Conduct' and are subject to due diligence screenings and audits covering several topics, including child labor. Direct material suppliers representing 86.2% of direct spend underwent an ESG audit as of end of FY 2023. Child labor risks: Landis+Gyr has performed child labor due diligence within its operations (using UNICEF Children's Rights and Business Atlas). The result of this exercise has led to no findings. The company is collaborating with a third-party provider to assess its ESG risks in the supply chain. The ESG Supplier Due Diligence Committee is responsible for the process and its results, and reports to the Executive Management Team (EMT) via the ESG Steering Committee. According to the due diligence process and following review by the Compliance and Procurement functions, no suppliers were considered to have significant risk for instances of child labor or young workers exposed to hazardous work. See sections 'Fair Labor Practices', 'Strategic Responsible Sourcing' and 'Human Rights and Child Labor'.
Local communities (Community Engagement)		
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Community Engagement'.

GRI 413: Local Communities 2016	413–1 Operations with local community engagement, impact assessments, and development programs	Landis+Gyr monitors its environmental and social Impacts (mainly employment-related) on all its sites. Assessments are not the same on all sites and reflect specific local requirements. Tools used include:
		– Social impact assessments: Strong emphasis is placed on gender diversity, as we are committed to increase the share of senior female employees in our total workforce. In addition to gender diversity, the company manages and closely monitors physical health impacts as part of the company's OH&S activities.
		– Environmental impact assessments/monitoring: Besides the monitoring of standard environmental emissions (GHG, water, waste) and resource consumption, certain sites also perform assessments on critical parameters in line with ISO 14001 Environmental Management System standards.
		– Public disclosure of assessment results: Global assessment results are disclosed in the sustainability report, with some sites also publishing their own assessment results at local level.
		– Local community development programs: In locations like Brazil, Czech Republic, Germany, Greece, India, Mexico, Slovenia, South Africa, the UK and USA, there is a long-standing tradition of engaging with communities via donations or volunteering initiatives. See section 'Community Engagement' for a summary of community development initiatives undertaken in FY 2023.
		– Stakeholder engagement plans: Stakeholder engagement is central to the success of Landis+Gyr's community engagement efforts. At the group level, stakeholder engagement is a crucial element of the materiality assessment which involves relevant stakeholders from all regions. At the local level, the identification and implementation of actions, as well as the set-up of community engagement targets is done in coordination and collaboration with both internal and external stakeholders. For example, Landis+Gyr consults with local stakeholders to understand what the most pressing community needs are and who the key local actors are, and designs interventions accordingly. Certain sites like Curitiba have developed stakeholder mappings to enhance trust and cooperation and ensure no important stakeholders are overlooked.
		– Broad-based local community consultation committees and processes: Consultation is commonly implemented for workforce-related topics. Certain sites like India or Mexico participate in different local community committees. Furthermore, Landis+Gyr engages regularly with local authorities, especially in locations where the company has major plants.
		– Works councils, occupational health and safety committees and other worker representation bodies: OH&S committees are in place in all major sites. Additionally, work councils focusing on different issues are active in most sites.
		– Local community grievance processes: Some sites have specific grievance processes for local communities, while others use the generic grievance process.
		– At several Landis+Gyr sites, regular or ad hoc support is provided for specific activities that benefit the local community.

Supplier social assessment

GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Strategic Responsible Sourcing'.
GRI 414: Supplier Social Assessment 2016	414–1 New suppliers that were screened using social criteria	100% of new Tier 1 direct material suppliers were screened for environmental and social impact. The scope was limited to direct materials, and suppliers with (expected) spend above 10k USD. Landis+Gyr plans to include critical Tier 2 suppliers in this assessment in FY 2024.
		One of the screened suppliers showed severe OH&S issues which were pointed out and discussed with the supplier. Unfortunately, the agreed process enhancements did not lead to the required results so the company saw no other option than to terminate the relation with the supplier.
		See section 'Strategic Responsible Sourcing'.

Customer health and safety

GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Product Social Impact'.

GRI 416: Customer Health and Safety 2016	416–1 Assessment of the health and safety impacts of product and service categories	Every new product development (100%) is designed in line with strict product safety requirements and regulations. Landis+Gyr adheres to safety protocols that exceed regulatory and industry requirements to ensure that meters do not pose any health and safety risks. In the event of a failure, our products are designed to fail safely. User manuals, instructions and training are provided to enable the safe use of our products. Landis+Gyr conducts thorough product testing and obtains all necessary approvals before installation. If any safety issues are observed in the field, Landis+Gyr has a robust 'Quality Crisis Management & Resolution Procedure' in place and collaborates with customers to mitigate and resolve any incidents. Additionally, the company evaluates how new products can assist its customers and their end-users in managing energy better. See section 'Product Social Impact'.
	416–2 Incidents of non-compliance concerning the health and safety impacts of products and services	Landis+Gyr has not identified any instances of non-compliance with regulations and/or voluntary codes.
Customer privacy		
GRI 3: Material Topics 2021	3–3 Management of material topics	See section 'Security and Data Privacy'.
GRI 418: Customer Privacy 2016	418–1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No substantiated complaints concerning breaches of customer privacy and losses of customer data were experienced during FY 2023. See sections 'Security and Data Privacy' and 'Performance / Statistics'.

Task Force on Climate-Related Financial Disclosures (TCFD) Report

Task Force on Climate–Related Disclosures (TCFD) Report

Introduction

Amidst the current landscape shaped by climate change, businesses face significant risks and opportunities. As a company committed to climate action, Landis+Gyr acknowledges the critical importance of proactively assessing, monitoring and addressing risks and opportunities arising from this reality. Hence, in this year's edition of our sustainability report, we delve deeper into the risks and opportunities associated with climate change, as well as the resilience of our business strategy, in line with the recommendations of the TCFD framework.

By adopting the TCFD framework, we aim to enhance transparency and disclosure regarding climate-related risks and opportunities, fostering better-informed decision-making processes. This approach aligns with our commitment to sustainability and responsible business practices, ensuring that we effectively address climate change challenges while seizing opportunities for innovation and growth.

In conjunction to conducting this analysis, we are actively working on reducing our carbon footprint by implementing a comprehensive set of carbon reduction measures that encompasses all greenhouse gas (GHG) scopes. Moreover, we are determined to enhance the environmental benefits created by our products, solutions, and services, demonstrating our firm commitment to enabling decarbonization.

Governance

A) Board Involvement

The Board of Directors at Landis+Gyr is responsible for overseeing the company's strategic direction and performance, including addressing the impacts of climate change. The Board integrates these considerations into the company's strategy, planning, and decision-making processes, recognizing the significance of climate-related risks and opportunities. Every year, the Board and Management jointly review the company's strategy, focusing on ESG topics, including climate-related aspects.

The 'Nomination, Governance & Sustainability Committee (NGSC) is responsible for sustainability matters (including climate change), practices and procedures of the company and the Group including review of the Sustainability Report, setting of and monitoring compliance with the Company's ESG targets and sustainability goals. The 'Audit, Finance and Risk Committee' is responsible for, among other things, assessing the adequacy of the company's systems, policies, and controls regarding financial and non-financial risks.

B) Management Involvement

The management of climate-related impacts is integrated into the broader ESG framework. The ESG Steering Committee (ESG SteerCo) oversees all ESG activities and targets within the company, including the assessment of climate-related risks and opportunities, as well as the implementation of mitigation measures.

Management ensures that climate-related risks are integrated into the company's risk management system. This involves updating the company's risk register annually to account for climate-related changes in the company's risk profile or the external environment. Additionally, Management provides regular reports to the Board, via the 'Audit, Finance and Risk Committee', on the outcomes and practices of the company's risk management.

Furthermore, Management sets, monitors, and reports on specific targets and Key Performance Indicators (KPIs) aligned with its climate-related objectives. Management also reports to the NGSC on ESG topics, including climate-related issues, at least twice a year. The NGSC then reports these findings to Landis+Gyr's Board of Directors.

Further information can be found in the 'Governance' section of the company's sustainability report.

Strategy

A) Risks & Opportunities

To evaluate the resilience of our strategy in the face of climate change and to guide us in defining appropriate mitigation and development actions, we have conducted a comprehensive risk and opportunity assessment. Our risk assessment encompasses both transition aspects –such as market scenarios, regulatory and technological evolution, and reputational issues– as well as physical risks, including chronic and acute events such as flooding and wildfires. Conversely, our evaluation of opportunities considers aspects such as the impact of climate change on the operational efficiency of our assets, the growing demand for company products and services resulting from climate-driven regulatory changes and behavioral shifts, as well as the potential to access a more attractive cost of capital, amongst other elements. Furthermore, we assess risks and opportunities over three different time horizons: short, medium (2030) and long-term (2050).

The following table presents the most salient climate-related risks and opportunities over different time horizons:

	Risks	Opportunities	Our Response
Short term	– Increased cost of energy, impacting our operations. – Physical impacts of climate change, potentially affecting the manufacturing and distribution of our products, as well as the cost and availability of raw materials and components. – Decreased willingness of insurance companies to underwrite certain climate change-related risks. – Limited market acceptance for low-carbon products and solutions	– Increased cost of energy leading to higher demand for Landis+Gyr's energy management products. – Increased need for data/insights to monitor and manage the grid, leading to higher demand for Landis+Gyr's products. – Growing demand for EV charging infrastructure driven by climate change regulations.	– Monitor regulatory trends closely and adapt proactively. – Anticipate and capitalize on emerging opportunities.
Medium term	– Failure to further expand Landis+Gyr's 'green' portfolio. – Higher R&D costs to enlarge low-carbon product portfolio. – Physical impacts of climate change, potentially affecting the manufacturing and distribution of our products, as well as the cost and availability of raw materials and components. – Intensified competition for resources/raw materials	– Increased demand for flexibility management features driven by the proliferation of decentralized (renewable) electricity generation, resulting in rising demand for Landis+Gyr's dedicated portfolio. – Distribution of hydrogen or hydrogen-mix might require new infrastructure, a change for which Landis+Gyr is well-prepared.	– Anticipate the costs associated with the energy transition. – Leverage the opportunities the company has strategically positioned itself to seize.
Long term	– Introduction of carbon pricing, leading to higher cost of products. – Failure to deliver products which support the market's need to save energy. – Failure to deliver products with a lower GHG footprint as per expected market requirements. – Physical impacts of climate change, potentially affecting the manufacturing and distribution of our products, as well as the cost and availability of raw materials and components.	– Introduction of carbon price will drive higher demand for products that support energy efficiency. – Growing resource scarcity will drive demand for enhanced resource management solutions, positively impacting Landis+Gyr's business.	– Sustain an efficient and competitive performance amidst the new reality.

Once identified, risks undergo assessment to determine their likelihood and financial impact. In the case of financial impact, risks are classified on a scale of 1 to 4 (where 1=Minor, 2= Moderate, 3= Major and 4=Catastrophic).
For opportunities, we use a similar scale (1=Minor, 2=Moderate, 3= Major, 4 = Transformative).
Our risk matrix is subject to ongoing review to regularly reflect any changes in our mitigation strategies, ensuring that our risk profile is always up to date.

Risks and opportunities were assessed for their likelihood and financial impact. The matrix below depicts the ranking of risks according to their probability of occurrence and negative financial consequences.

NEGATIVE FINANCIAL IMPACT

LIKELIHOOD	Minor	Moderate	Major	Catastrophic
Very likely		High cost of renewable energy		
Likely		Compliance with growing environmental requirements	Increased investments into greening portfolio; Talent competition	Supply chain disruption
Possible	Insufficient GHG emissions reductions by suppliers	Rising costs/taxes OHS risks; Relocation of operations; Political /Economic Instability	Physical impact on people and assets; Operational disruption; Limited market acceptance for low-carbon products and solutions	Failure to adapt portfolio to low-carbon requirements
Unlikely	Failure to comply with climate-related regulation	Access to capital	Device failure	Inability to raise funds to capitalize on decarbonization opportunities

In this 2023 risk assessment, no "catastrophic" / "very likely" risk level was identified. The matrix below depicts how opportunities were ranked according to their likelihood and positive financial impact.

POSITIVE FINANCIAL IMPACT

LIKELIHOOD	Minor	Moderate	Major	Transformative
Very likely		Enhanced access to capital	Higher demand for energy management solutions; Expanding EV charging market	Increased demand for data analysis and insights; Rising demand for water distribution solutions
Likely	Reduction in the energy self-consumption of our products	Reduced operating costs	Increased demand for flexibility management solutions	
Possible	Pioneering in recycling and/or reusing; Capitalizing on Eco Portfolio and ESG			
Unlikely				

B) Impact

Landis+Gyr is committed to proactively addressing the impacts of climate change and contributing positively to its mitigation efforts. The release of fugitive gases along with the electricity sourced to power our manufacturing sites are responsible for the majority of our Scope 1+2 emissions, respectively. Moreover, the electricity usage associated with our products during their lifecycle, coupled with the procurement of goods and services, collectively contribute to over 90% of our Scope 3 emissions.

Acknowledging our impacts and the urgent need for action, we have adopted ambitious Science-Based Targets for both the near and long term (net-zero). To translate these targets into concrete action, we are developing a comprehensive decarbonization roadmap. This strategic roadmap will serve as our guiding framework, enabling us to identify and prioritize key carbon reduction initiatives, establish clear delivery timelines, and allocate the necessary resources, including budget and staff. For further information see 'Defining our Decarbonization Roadmap' under the 'Energy Efficiency & Climate Protection' section.

On the other hand, our innovative products and solutions are designed to address pressing environmental concerns, such as the reduction of greenhouse gas (GHG) emissions and the conservation of water resources. Through our advanced technologies, we empower utilities and customers alike to manage resources more efficiently, facilitating reduced consumption and minimizing wastage. To further advance our innovative technology and solutions, we make substantial investments in research and development. In FY 2023, our company allocated 9% of its turnover to R&D expenditures, driving innovation to harness the opportunities emerging from climate change.

C) Resilience

At Landis+Gyr, business continuity is an integral part of our operational processes. With over 40 Landis+Gyr sites certified under the ISO 22301 (Security and Resilience – Business Continuity Management System) umbrella, we ensure the security and resilience of our operations on a global scale. This framework provides us with a solid foundation to assess the climate resilience of our strategy and propose necessary mitigation actions.

In line with the recommendations of the TCFD framework, we have considered two IPCC scenarios to assess the climate resilience of our strategy:
1) the Business-As-Usual RCP 8.5 scenario, predicting a 4–5° C temperature rise, and
2) the RCP 2.6 scenario, aligning with the targets outlined in the Paris Agreement and our carbon reduction targets as set forth in our SBTi goals.

Key aspects of our strategy considered in our resilience assessment include:
– Business model
– Product and service offering
– Supply chain / Value chain
– Research and Development
– Assets and operations
– Human capital
– Revenues
– Costs
– Access to capital
– Investors
– Acquisitions and divestments
– Capital / expense allocation

The following table presents the strategic aspects considered in our assessment, as well as a summary of the necessary adaptations required for our business operations in both IPCC scenarios analyzed.

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Business model	Changes to business model in areas such as target markets, distribution channels, service vs. ownership model, etc. to align with evolving climate-related trends, regulations and customer preferences.	**+**	**=**	Implement proactive market research and agility in business model adaptation to swiftly respond to emerging climate-related trends and regulatory changes, ensuring alignment with customer preferences and own sustainability goals.
Product and service offering	Shifts in demand for our products and services resulting from climate-induced changes in customer behaviors, regulation, market conditions, etc., requiring product innovation and diversification to meet evolving needs.	**+**	**+**	All products: Invest in ongoing R&D to innovate offerings, focusing on the development of sustainable and energy-efficient solutions capable of meeting customer demands, regulatory requirements and withstand exposure to extreme weather conditions. Smart gas: Anticipate the introduction of new energy sources, such as hydrogen, into our portfolio. Grid edge intelligence: Enhance offering to provide climate change impact-related data/insights. Smart infrastructure: Enhance offering to further support efforts to combat climate change. EV charging solutions: Accelerate product rollouts to support growing electrification trend.

Legend
+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Supply chain / Value chain:	Vulnerability to disruptions in our supply chain, such as impaired transportation and logistics, raw material shortages, business interruptions, etc. due to climate-related events.	+	–	Manufacturing: Monitor to ensure continuity of own operations. Transportation: Monitor availability and cost of transportation. Suppliers: Collaborate with supply chain partners to achieve decarbonization goals; implement risk management strategies and develop contingency plans to enhance supply chain resilience. Distribution: Monitor end-customer needs to proactively anticipate changes to distribution models. Recycling & reusing: Intensify our efforts to integrate circularity principles into our products. Raw Materials and components: Increase utilization of reused and recycled materials; enhance products' recyclability.
Research and development	R&D challenged to develop innovative, low-carbon technologies and solutions to address emerging challenges and opportunities associated with climate change.	=	–	Allocate resources towards R&D initiatives focused on developing low-carbon technologies and solutions, fostering innovation to address climate-related challenges and capitalize on emerging market opportunities
Assets and operations	Increased exposure to extreme weather events and climate-related disasters leading to uninsurability, higher insurance premiums, site relocation, etc.	=	–	Monitor asset/operations exposure to climate risks and implement climate-resilient infrastructure and operational practices, including site-specific risk assessments, infrastructure upgrades, and insurance coverage optimization, to minimize the impact of extreme weather events and climate-related disasters on business operations.

Legend

+ Positive impact on Landis+Gyr operations

= Neutral impact on Landis+Gyr operations

– Negative impact on Landis+Gyr operations

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Human capital	Heightened competition for personnel with climate-related expertise and skills, and investment in workforce training programs to meet evolving demands.	—	=	Invest in employee training and development programs to cultivate climate-related expertise and skills within the workforce, fostering a culture of sustainability and innovation to meet the evolving demands of the market. Leverage the company's position as a market leader in the energy management industry and its positive impact on decarbonization to attract talent with expertise in climate-related fields.
Revenue	Revenue changes resulting from both positive factors, such as increased demand for products supporting decarbonization, and negative factors, including the phase-out of certain products as well as supply chain disruptions.	+	—	Proactively anticipate supply chain disruptions and enhance business continuity processes to mitigate potential revenue impacts. Additionally, diversify revenue streams to mitigate revenue impact from product phase out, while intensifying investments on products that contribute to decarbonization.
Costs	Increased costs related to adapting operations and infrastructure to withstand climate-related risks while also facing potential cost savings from energy efficiency and resource optimization efforts.	—	—	Implement cost-saving measures through energy efficiency initiatives, resource optimization efforts, and operational efficiency improvements, while also allocating resources towards climate resilience measures to mitigate the impact of climate-related risks on operating costs.

Legend
+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Aspects	Potential Impact	Scenario 1: Paris Agreement-aligned (1.5° C)	Scenario 2: Insufficient Joint Efforts to Combat Climate Change (4°– 5° C)	Adaptations
Access to capital	Greater lender scrutiny, influencing access to financing terms, with companies showing pro-active climate resilience and low-carbon business models gaining preferential access to green finance.	**+**	**—**	Demonstrate strong climate resilience and sustainability performance to attract green finance opportunities and favorable financing terms, including proactive engagement with lenders and investors to communicate climate-related strategies and initiatives. Furthermore, be prepared to tap into additional capital sources (e.g. investors with focus on resource efficiency) to compensate in the event of a potential lack of investors focused on decarbonization.
Investors	Growing investor appetite for companies with strong climate resilience and sustainability performance.	**+**	**=**	Attract investors by demonstrating sustainable product offering and business practices. Foster investor confidence by enhancing transparency and disclosure practices regarding climate-related risks, opportunities, and sustainability performance.
Acquisitions and divestments	Climate-related considerations increasingly influencing acquisition decisions, with target companies being evaluated on their climate resilience and sustainability performance, while divesting from high-risk assets to transition towards more sustainable portfolios.	**=**	**+**	Continue to conduct due diligence assessments on potential acquisition targets, evaluating climate resilience and sustainability performance, while divesting from high-risk assets to align with climate-related goals and transition towards a more sustainable portfolio.
Capital/expense allocation	Capital/expense allocation influenced by climate change impact developments.	**=**	**—**	Prioritize investments and expenditures to respond to climate-induced market changes, including investments in low-carbon innovations, renewable energy and climate resilience measures, while reallocating capital away from solutions supporting carbon-intensive industries to reduce exposure to climate-related risks and enhance the sustainability of our offerings.

Legend

+ Positive impact on Landis+Gyr operations
= Neutral impact on Landis+Gyr operations
– Negative impact on Landis+Gyr operations

Risk Management

A) Identifying and Assessing Risks

Landis+Gyr's Business Continuity Management System (BCMS) provides a starting point for the identification and assessment of climate-related risks. This system is designed to identify, assess, proactively mitigate risks, develop contingency plans, and establish response capabilities at all levels within the company.

Expanding upon the robust foundation laid out by our BCMS, we have broadened our risk and opportunity assessment to encompass a wider array of climate-related considerations and delve deeper into their analysis. We utilize a multi-disciplinary approach, involving specialists from different departments and business lines, to comprehensively assess climate-related risks and opportunities.

This year, for our first-time TCFD analysis, we conducted 20 interviews with internal subject matter experts. These interviews facilitated insightful discussions, allowing us to identify and evaluate risks from the experts' perspectives, while broadening their understanding of potential climate-related risks or opportunities to the company.

Once identified, risks undergo assessment to determine their likelihood and financial impact. This is crucial for prioritizing risks and efficiently allocating resources for mitigation actions. In terms of financial impact, risks are classified on a scale of 1 to 4 (where 1=Minor, 2= Moderate, 3= Major, and 4=Catastrophic). Likewise, opportunities are evaluated using a similar scale (1=Minor, 2=Moderate, 3= Major, 4 = Transformative). Regarding the likelihood of occurrence, risks and opportunities are ranked across four levels: 'Unlikely', 'Possible', 'Likely' and 'Very Likely'. This aligns to the convention applied in our company's risk management system.

As we continue this journey, we are committed to ongoing refinement of our climate-related assessments, with a specific focus on enhancing precision in quantifying the financial impacts of risks and opportunities. This will enable us to deliver more valuable and transparent insights to our stakeholders.

B) Managing Risks

Following the identification and assessment of climate-related risk, we ensure that the highest-ranked risks are incorporated in our 'ESG Monitoring Risk Matrix'. This matrix provides a comprehensive overview of the most relevant ESG risks impacting the company and its stakeholders. From there, risks are integrated into our company's risk management system.

Under our company's risk management system, Management is responsible for the definition, implementation, monitoring and reporting of risk mitigation measures. Each material risk identified is assigned a risk owner at the senior management level, who is tasked with executing appropriate mitigation measures. The designated individual or team ensures the establishment of relevant controls, policies or procedures to effectively manage and reduce exposure to these risks.

Risks and their corresponding mitigation measures are continuously monitored to ensure proactive risk management. Regular reports are provided to Management and the Board of Directors, through the 'Audit, Finance, and Risk Committee'.

C) Integrated Risk Management

Our highest-ranked climate-related risks are integrated first into our 'ESG Monitoring Risk Matrix' and subsequently into the company's risk management system as discussed in the section above. For additional details, refer to 'ESG Risk Management' under the 'Sustainability at Landis+Gyr' section of this report.

For additional details, refer to 'ESG Risk Management' section of the company's sustainability report.

Metrics and targets

A) Metrics Used

Landis+Gyr discloses Scope 1, 2 and 3 GHG emissions in its Sustainability Report (see sections 'Performance / Statistics' and 'GRI Index'). We have been tracking GHG emissions related to Scope 1+2 since 2007, and subsequently incorporated business travel emissions (Scope 3) into our reporting. In 2022, our company conducted a comprehensive inventory, based on 2021 data, of Scope 3 emissions to establish its Science-Based Targets (SBTs). These targets were submitted to the Science-Based Target initiative (SBTi) for validation and were approved in July 2023. Our approved targets align with the highest ambition level of limiting global warming to 1.5 °C, as recommended by the Paris Climate Accord. For a detailed description of our SBTs, see the 'Energy Efficiency & Climate Protection' section.

Starting from FY 2023 a detailed inventory of Scope 3 emissions has been incorporated into Landis+Gyr's GHG disclosures within our annual sustainability report.

Besides absolute GHG emissions, the company tracks additional metrics to address its climate-related risks and lower its carbon footprint, including:
– Share of renewable electricity
– CO_2e per 100 USD turnover
– Water per employee
– Waste to landfill
– Share of products satisfying Eco-Portfolio criteria

Landis+Gyr has established FY 2025 targets for each of these metrics. These targets are cascaded down to Landis+Gyr's sites through our global 'Integrated Management System' (IMS). Data is collected using our environmental data capturing tool. Furthermore, we regularly monitor our progress towards achieving these targets and deliver reports to both Management and the Board of Directors, via the NGSC Committee.

The company has integrated ESG targets in its 'Short Term Incentive Plan', accounting for 20% of the total target incentive amount. In FY 2023, these targets included the increase of our renewable electricity usage, the amount of CO_2 savings enabled by our smart meter devices, and the share of products included in our Eco-Portfolio. Such targets focus our company's efforts on specific sustainability priorities and drive progress in these areas. For further information, see the company's 'Remuneration Report'.

B) Scope 1, 2 and 3 Emissions

The company measures its Scope 1, 2 and 3 emissions in line with the GHG Protocol. For a discussion of our Scope 1, 2 and 3 emissions, see the section 'Energy Efficiency and Climate Protection'. Additionally, see the sections 'Performance / Statistics' and 'GRI Index' for GHG emissions data.

C) Management of Climate-related Risks and Opportunities

Landis+Gyr establishes targets aimed at mitigating identified climate-related risks and capitalizing on emerging opportunities. In addition to our SBTs, we have designed a wide range of targets and actions to support these efforts. These objectives have been embedded into our global Integrated Management System, Business Continuity plans and some of our 3-year ESG roadmaps. For further information on our targets, see the 'Targets' section.

Furthermore, central to our strategy to manage climate-related risks and opportunities is our decarbonization roadmap. Landis+Gyr is currently developing a comprehensive decarbonization roadmap, outlining the path the company will pursue to deliver its SBTs. More details on the decarbonization roadmap can be found in the section 'Energy Efficiency & Climate Protection'.

On the opportunity front, we are conducting investments beyond our traditional metering business to further support decarbonization efforts – as evidenced by our recent acquisitions of EV charging company Etrel and EV service provider Thundergrid. Additionally, the company is investing in the development of its flexibil-

ity management offering, enabling utilities to operate their energy grids as efficiently as possible, while empowering end consumers to take control of their consumption and carbon footprint.

For further insights into how Landis+Gyr manages its climate-related risks and opportunities, please consult the sections 'Energy Efficiency & Climate Protection', 'Product Social Impact', and 'Resource Efficiency' in this report.

Locations

Landis+Gyr Worldwide

Global Headquarters

Cham (CH) ✔ 🛡 🌿 » ℹ 🔍

EMEA

Regional HQ
Cham (CH) ✔ 🛡 🌿 » ℹ 🔍

R&D Centers
Cham (CH) ✔ 🛡 🌿 » ℹ 🔍
Gauteng (RSA) ✔ 🛡 🌿 » 🔍
Grosuplje (SLO) ✔ 🛡 🌿 » ℹ
Izmir (TUR) ✔ 🛡 🌿 ℹ 🔍
Kangas (FIN) ✔ 🛡 🌿 » ℹ ⚙
Manchester (GBR) ✔ 🛡 🌿 » ℹ
Montluçon (FRA) ✔ 🛡 🌿 » ℹ 🔍
Peterborough (GBR) ✔ 🛡 🌿 » ℹ
Nuremberg (GER) ✔ 🛡 🌿 »
Prague (CZE) ✔ 🛡 🌿 » ℹ

Manufacturing
Corinth (GRE) ✔ 🛡 🌿 » ℹ 🔍
Gauteng (RSA) ✔ 🛡 🌿 » 🔍
Izmir (TUR) ✔ 🛡 🌿 ℹ 🔍
Montluçon (FRA) ✔ 🛡 🌿 » ℹ
Nuremberg (GER) ✔ 🛡 🌿 »
Preserje (SLO) ✔ 🛡 🌿 » ℹ

Sales Offices and Service Centers
Austria ✔ 🛡 »
Belgium ✔ 🛡 »
Czech Republic ✔ 🛡 🌿 » ℹ
Denmark ✔ 🛡 🌿 » ℹ
Finland ✔ 🛡 🌿 » ℹ ⚙
France ✔ 🛡 🌿 » ℹ
Germany ✔ 🛡 🌿 »
Netherlands ✔ 🛡 »
Poland ✔ 🛡 »
Slovakia ✔ 🛡 »
Slovenia ✔ 🛡 »
South Africa ✔ 🛡 »
Spain ✔ 🛡 »
Sweden ✔ 🛡 🌿 » ℹ
Switzerland ✔ 🛡 🌿 » ℹ 🔍
Turkey ✔ 🛡 🌿 ℹ 🔍
United Kingdom ✔ 🛡 🌿 » ℹ
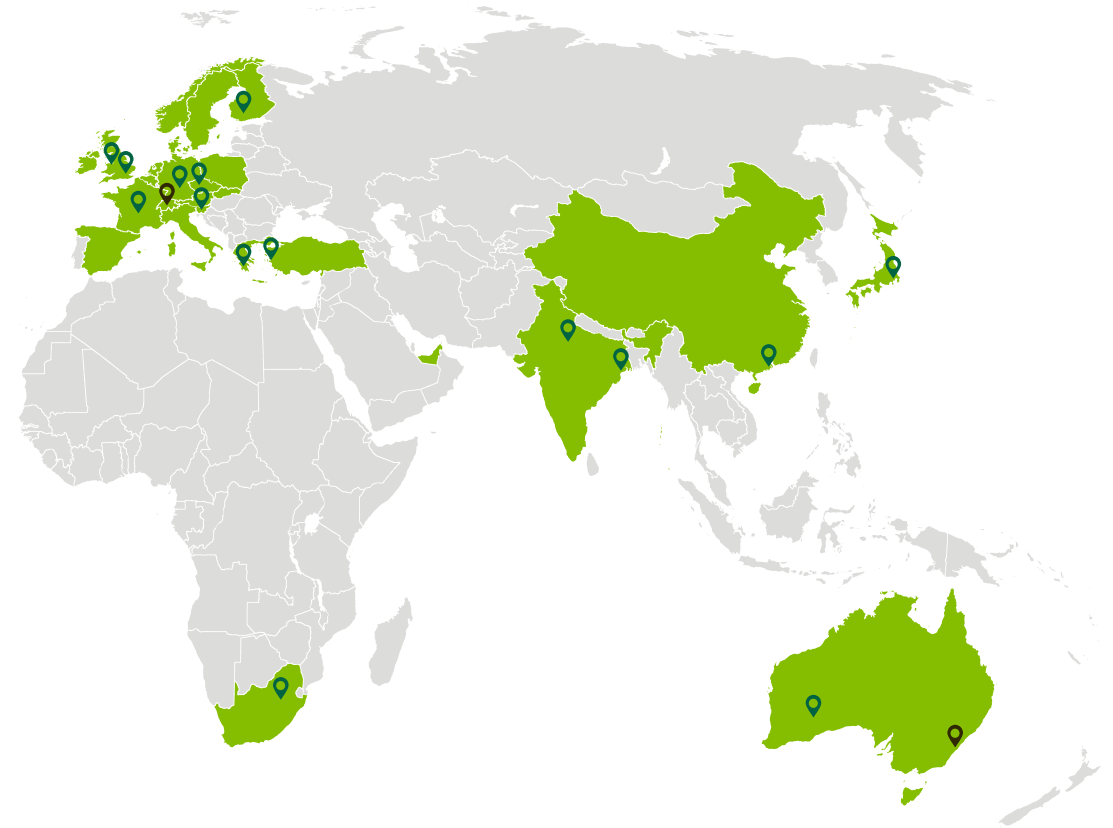
APAC

Regional HQ
Sydney (AUS) ✔ 🛡 🌿 »

R&D Centers
Noida (IND) ✔ 🛡 🌿 » ℹ [1]
Sydney (AUS) ✔ 🛡 🌿 »
Tokyo (JAP) ✔ 🛡 🌿 »

Manufacturing
Laverton (AUS) ✔ 🛡 🌿 »
Zhuhai (CHN) ✔ 🛡 🌿 » [2]

Sales Offices and Service Centers
Australia ✔ 🛡 🌿 »
China ✔ 🛡 🌿 »
Hong Kong ✔ 🛡 🌿 »
India ✔ 🛡 🌿 »
Japan ✔ 🛡 🌿 »
New Zealand ✔ 🛡 🌿 » 🔍
Singapore ✔ 🛡 🌿 »

✔ ISO 9001 (Quality Management)
🛡 ISO 45001 (Occupational Health and Safety)
🌿 ISO 14001 (Environmental Management)
» ISO 22301 (Business Continuity)
ℹ ISO 27001 (Information Security)
🔍 ISO 17025 (Testing and Calibration Laboratories)
⚙ ISO 20000 (IT Service Management)
[1] Incl. CMMi Level 3
[2] Incl. ISO 10012 (Measurement Management Systems)

■ Regional HQ
■ R&D Centers and Manufacturing

North America

Regional HQ
Alpharetta (USA) ✔ 🛡 🌿 »

R&D Centers
Alpharetta (USA) ✔ 🛡 🌿 »
Lafayette (USA) ✔ 🛡 🌿 »
Pequot Lakes (USA) ✔ 🛡 🌿 »

Manufacturing
Reynosa (MEX) ✔ 🛡 🌿 » ▮

**Sales Offices
and Service Centers**
Alpharetta (USA) ✔ 🛡 🌿 »
Austin (USA) ✔ 🛡 🌿 »
Bethlehem (USA) ✔ 🛡 🌿 »
Indianapolis (USA) ✔ 🛡 🌿 »
Jacksonville (USA) ✔ 🛡 🌿 »
Kirkland (USA) ✔ 🛡 🌿 »
Lenexa (USA) ✔ 🛡 🌿 »
Orange (USA) ✔ 🛡 🌿 »
Overland (USA) ✔ 🛡 🌿 »
Phoenix (USA) ✔ 🛡 🌿 »
Roseville (USA) ✔ 🛡 🌿 »
Waukesha (USA) ✔ 🛡 🌿 »

South America

R&D Centers
Curitiba (BRA) ✔ 🛡 🌿 » 🔍
Fortaleza (BRA) ✔ 🛡 🌿 » 🔍

Manufacturing
Curitiba (BRA) ✔ 🛡 🌿 » 🔍

**Sales Offices
and Service Centers**
Curitiba (BRA) ✔ 🛡 🌿 » 🔍
Duque de Caxias (BRA) ✔ 🛡 🌿 » 🔍

✔   ISO 9001 (Quality Management)
🛡   ISO 45001 (Occupational Health and Safety)
🌿   ISO 14001 (Environmental Management)
»   ISO 22301 (Business Continuity)
▮   ISO 27001 (Information Security)
🔍   ISO 17025 (Testing and Calibration Laboratories)
⚙   ISO 20000 (IT Service Management)
1)   Incl. CMMi Level 3
2)   Incl. ISO 10012 (Measurement Management Systems)

■ Regional HQ
■ R&D Centers and Manufacturing