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Landis+Gyr

CSR Directive



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1. Message from the CEO

At Landis+Gyr, we hold ourselves and everyone we interact with to **very high standards**. Over the last 120+ years, we have built a solid reputation in respect to leading innovation, quality products, and as a **trusted partner with high integrity**.

Given our **global presence**, we have the **opportunity to affect positive change** all over the world. As a market leading energy management company, we have a **responsibility** not only to our shareholders, employees, customers, partners and suppliers, but also to the communities, in which we operate to **demonstrate responsible and sensible behavior** in everything we do. It is our mission to *manage energy better* and to drive positive change, including best in class sustainable social, environmental and governance practices.

This **Corporate Social Responsibility (CSR) Directive**, as part of a set of comprehensive policies, control mechanisms and certifications governing our internal and external operations, manifests what drives our behavior every day. Consequently, our CSR goals are also linked to our Short-Term Incentive Plan (STIP). Additionally, we are committed to the standards defined in the **UN Global Compact** as the foundation of our efforts to firmly establish a culture of integrity and to act responsibly, ultimately expanding our **commitment to compliance and integrity**.

I strongly believe in the **importance of following these standards** and reemphasize that it is our shared responsibility to limit the adverse consequences that business operations could have on social, environmental, and governance topics.

Please join me in **driving positive change around the world**, taking pride in the impact our products, services and actions have on communities and the environment every day. Together, we will truly deliver innovation, which enables utilities and energy consumers around the world to utilize energy in a more informed and sustainable way, positioning us as the premier partner to *manage energy better* and leading the way in doing so responsibly.

Werner Lieberherr

Chief Executive Officer



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2. Introduction

Landis+Gyr Group AG (collectively with its affiliated companies: “Landis+Gyr” or “the Company”) is a leading global provider of integrated energy management solutions for the utility sector. Offering one of the broadest portfolios, the Company delivers innovative and flexible solutions to help its customers, mainly energy utilities, solve their complex challenges in smart metering, grid edge intelligence, and smart infrastructure technologies.

Landis+Gyr helps energy providers and consumers around the globe “manage energy better.” Given the growing demand for energy and increasing complexity of energy management, the Company is fully committed to providing utilities with smart solutions to measure and manage energy generation, distribution and consumption.

Landis+Gyr’s portfolio helps to successfully address these challenges, while preserving natural resources by constantly seeking to minimize the environmental impact of its business operations. Landis+Gyr also provides related services up to full service meter park management. And, by doing so, the Company directly supports the achievement of several of the UN Sustainable Developments Goals (“SDGs”), including ensuring access to affordable, reliable, sustainable and modern energy (Goal 7); making cities more inclusive, safe, resilient and sustainable (Goal 11); and ensuring sustainable consumption and production patterns (Goal 12).

This Directive outlines Landis+Gyr’s commitment to sustainability and corporate social responsibility, which does not end with its environmental practices and innovations, it also includes respect for fundamental human and labor rights, as well as stringent health, safety, and environmental standards.

The Company conducts its business in accordance with all applicable laws and regulations, and in accordance with the highest standards of business conduct and ethics. It also draws upon internationally recognized standards in order to advance social and environmental responsibility and business ethics. These standards, such as the [Responsible Business Alliance](#) Code of Conduct and the [UN Global Compact \(UNGC\)](#),¹ form the basis of Landis+Gyr’s internal and external policies, including the Landis+Gyr Corporate Social Responsibility Directive.

3. Focus of the CSR Directive and Activities

The Board of Directors has designated the sustainable execution of our business model at all levels and along the entire value chain as a key factor in the Company’s future success. Caring for the environment and natural resources and fulfilling the Company’s responsibility to its employees and society are imperative for the sustainable execution of Landis+Gyr’s business model. As the Company has committed to the United Nation’s Global Compact, Landis+Gyr’s CSR focus lays on the four areas Human Rights, Labor, Environment and Anti-Corruption. Whereas these topics are already an essential part of Landis+Gyr’s Code of Business Ethics and Conduct, further focus areas relevant to internal and external stakeholders are identified in a

¹ Both RBA and UNGC draw upon principles from the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights



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comprehensive materiality analysis. For each of these topics, a team of specialists with a dedicated workstream leader develops a package of measures with corresponding performance indicators. These measures serve as a roadmap for establishing and implementing a coordinated and comprehensive CSR management system.

DELIVERING CONTINUOUS PROGRESS

In its annual sustainability report, Landis+Gyr reports on the achievements in the reporting period, describes the underlying measures, and defines the targets for the next reporting period.

Furthermore, Landis+Gyr undertakes major efforts to meet the ongoing challenges and opportunities of climate change, technological evolution, and demographic and societal changes by implementing its CSR roadmap. Therein, the Company is guided primarily by the UNGC and the Global Reporting Initiative (GRI) guidelines. UNGC encourages businesses worldwide to adopt sustainable and socially responsible policies and to report on their implementation, while GRI provides a detailed reporting structure and framework.

Landis+Gyr has identified a three-year cycle as best fitting with the Company's business cycles. In the third year of every cycle, a new materiality analysis will define new objectives and goals for the coming three years, thus advancing Landis+Gyr's journey as an exemplary Corporate Citizen. For further information, please refer to Annex 1.

4. Scope of the CSR Directive

All Landis+Gyr directors, officers, employees and contractors (collectively "employees") are bound by the internal standards outlined in this Directive. For clarification on any of the practices and policies discussed in the following chapters, as well as scenarios not covered here, or to report cases of suspected non-compliance, employees should speak to their supervising managers, Compliance Officer, or report the same anonymously via the SpeakUp System. For further clarification, employees are advised to turn to the Legal and Compliance department for assistance.

Landis+Gyr regularly informs its internal and external stakeholders, as well as the general public, of its CSR goals and objectives. This is done annually through the public Landis+Gyr Sustainability Report and internal CSR reporting.

5. Corporate Governance

Landis+Gyr is part of a global community and this comes with a great responsibility—one that the Company is proud to advance: contributing to the development of a more environmentally responsible world by helping society manage energy better. Landis+Gyr's commitment to Corporate Social Responsibility is an effective conduit for positive change due in large part to effective management structures, clearly identified roles and responsibilities, and sustainability by design, which we incorporate into our processes.

MANAGEMENT OVERSIGHT AND ACCOUNTABILITY

Corporate governance refers to the way Landis+Gyr manages, monitors, and controls its companies and its operations. A comprehensive activity report together with the roles and responsibilities of the Board, its members and committees can be found in the Company's [Annual Report](#).



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The Annual Report also provides an update regarding the Company’s risks and how they are managed. Corporate Social Responsibility is one such risk—which prompted the Company to establish a Steering Committee (SteerCo) to oversee and guide the global activities in the area of Environmental, Social and Governmental topics. This SteerCo, which includes senior executives from across Company functions, periodically informs the Executive Management and the Board of Directors on the status of the Company’s CSR activities, achievements and goals. The comprehensive materiality analysis undertaken every three years provides the basis for this. Based on this materiality analysis, specific goals for each of the topics identified as being material for Landis+Gyr, the Company’s business and customers are derived and backed by measures. This cycle is repeated every three years, whereas tracking is monitored and internally reported quarterly and shared with all internal and external stakeholders via the annual Sustainability Report.

POLICY COMMUNICATION AND TRAINING

Landis+Gyr regularly, clearly, and accurately communicates information about its policies, practices, expectations, and performance to employees and its own supply chain. Landis+Gyr also offers appropriate training programs for directors, managers and employees to assist with the implementation of Landis+Gyr’s policies, procedures, and improvement objectives, as well as to meet applicable legal and regulatory requirements. Monitoring of trainings is carried out via the Landis+Gyr Learning Management System.

6. Business Conduct

Landis+Gyr upholds the highest standards of integrity in all business interactions, and has a zero-tolerance policy regarding any and all forms of unethical business practices as outlined in the Code of Business Ethics and Conduct. All the rules and processes stipulated therein also apply to the area of CSR and all activities relating to Environmental, Social and Governmental topics.

As a result, Landis+Gyr has a zero-tolerance policy with respect to violations of: human rights standards, fair competition, anti-corruption practices, environmental protection laws, and ethical business conduct.

FAIR COMPETITION

Fair competition is essential to market innovations, quality deliverables, and thus Landis+Gyr’s continued success. Landis+Gyr competes fairly on the basis of its products and services, as well as the talents of its employees, and upholds all required legal and business standards in advertising and sales. The Landis+Gyr Unfair Competition and Antitrust Policy offers further guidance on this topic.

NO IMPROPER ADVANTAGE

Landis+Gyr strictly prohibits corruption, extortion, embezzlement and/or grant of unlawful or unethical benefits, in any form or manner. This prohibition covers promising, offering, authorizing, giving, or accepting anything of value, either directly or indirectly through a third party, in order to obtain or retain business, direct business to any person, or otherwise gain an improper advantage. The Landis+Gyr Anti-Corruption Policy, as well as the Sponsoring and Political Contributions Policy, offer further guidance on this topic.



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CONFLICT MINERALS

To avoid the direct or indirect financing of armed groups that are perpetrators of serious human rights abuses, Landis+Gyr has adopted policies and established systems to use cobalt, tantalum, tin, tungsten, and gold from sources that have been verified as conflict free. The Company undertakes due diligence procedures to ensure that such policies are being complied with.

CONFIDENTIALITY

All employees must properly guard Landis+Gyr's confidential and proprietary information, such as information related to Landis+Gyr's business operations, strategies, or relations with other companies. It is forbidden to disclose such information absent a business necessity to do so (and then only subject to an appropriate non-disclosure agreement) or if authorized by the legal department or as required by court order, operation of law, or government regulation.

INTELLECTUAL PROPERTY

Landis+Gyr manages technology and processes information in a manner that treats sensitive information and intellectual property rights with the appropriate level of care. All employees are required to protect the Company's intellectual property rights, safeguard sensitive business and customer information, and respect the intellectual property rights of others. Further guidance on these requirements can be found in the Intellectual Property Policy and Process.

7. Employment Practices

Landis+Gyr understands its value stems from the hard work and dedication of its employees. In return, the Company fosters a working environment where employees can flourish and raise to their best. Landis+Gyr fosters a fair and ethical workplace for its employees. The Company treats employees with the utmost dignity and respect, and upholds fundamental human rights. Additional information regarding this topic can be found in the Landis+Gyr Code of Business Ethics and Conduct.

PROHIBITION OF FORCED AND CHILD LABOR

The Company's regulations explicitly condemn child labor, the use modern slavery, threats of violence and harassment, or any other exploitation of workers by means of threat, force, coercion, abduction, or fraud. While Landis+Gyr supports the development of legitimate workplace apprenticeship programs for the educational benefit of young people, it does so only so long as the same comply with all applicable laws.

Further, the Company ensures working hours, including the number of hours and days worked, are do not exceed the maximum set by applicable local laws and regulations. Where no such regulations exceed, Landis+Gyr has introduced a global standard whereby a workweek shall not be more than 60 hours per week, including overtime, except in emergency or unusual situations. Workers shall be allowed at least one day off every seven days. The Company compensates its employees fairly, in compliance with all applicable laws and regulations relating to minimum wages, overtime hours, and other legally mandated benefits (e.g., paid time off, social security contributions, etc.) and never deducts or threatens deduction from wages as a disciplinary measure. All use of temporary, dispatch, and outsourced labor is carried out within the limits of the local law and in accordance with our internal regulations.



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ANTI-DISCRIMINATION

Landis+Gyr does not tolerate discrimination of any kind—including race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status—in hiring and employment practices such as wages, promotions, rewards, and access to training.

FREEDOM OF ASSOCIATION

Landis+Gyr respects the rights of workers to associate freely, join workers’ organizations, seek representation, bargain collectively, engage in peaceful assembly, or refrain from any such activities, as permitted by and in accordance with applicable laws and regulations. Landis+Gyr ensures workers can engage in such acts without fear of discrimination, reprisal, intimidation or harassment.

8. Health and Safety Practices

Landis+Gyr provides its workers with a safe and healthy workplace. Aside from minimizing the incidence of work-related injury and illness, a safe and healthy work environment enhances the quality of products and services, consistency of production, and worker retention and morale. As part of its health and safety practices, Landis+Gyr identifies, evaluates, and controls worker exposure to any hazards, in particular hazardous chemical, biological, and physical agents, and including of physically demanding tasks.

It is Company policy that safety training and compliance with the internal procedures and systems that are in place to prevent, manage, track, and report occupational injury and illness are mandatory throughout our offices and manufacturing facilities.

Further information on this topic can be found in the Quality, Occupational Health & Safety and Environmental Policy.

CERTIFICATIONS AND COMPLIANCE

Landis+Gyr proudly complies with the following international standards and directives:

- **ISO 45001** (formerly **OHSAS 18001**), which provides a framework to identify, control and decrease the risks associated with health and safety within the workplace.

9. Environmental Practices

Given the nature of its global operations, Landis+Gyr periodically reviews and strengthens its Group-wide sustainability management systems, and has established standards to ensure environmentally conscious conditions throughout its operations and supply chain.

Further information on this topic can be found in the Quality, Occupational Health & Safety and Environmental Policy.

PROMOTING ENVIRONMENTAL MANAGEMENT

Landis+Gyr considers environmental stewardship to be one of its primary responsibilities and promotes environmental activities in harmony with economic activities. Landis+Gyr assesses the impacts of



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its business activities, products and services on the environment, and specifies objectives and targets concerning the reduction of environmental impacts and prevention of pollution.

Landis+Gyr has implemented a systematic approach to measuring the use of resources, conserving these resources where possible, and reducing the related negative environmental impacts. The Company has implemented such management approaches for energy, water, waste, emissions, and pollution.

REGULATORY REQUIREMENTS

Landis+Gyr maintains required environmental permits, approvals, and registrations, and complies with applicable operational and reporting requirements. As required by applicable laws, regulations, and customer requirements, Landis+Gyr prohibits or restricts the use of specific substances in products and manufacturing, including labeling for recycling and disposal.

GREEN PROCUREMENT

Green procurement involves purchasing products, parts, components, and materials with minimal environmental impact from suppliers that vigorously promote environmental protection. Landis+Gyr is promoting green procurement as a measure during the manufacturing phase. To that end, the cooperation of suppliers throughout the entire supply chain is essential to ensure that business operates in a way that reduces the environmental impact and risks posed by hazardous chemical substances.

CERTIFICATIONS AND COMPLIANCE

The following is a non-comprehensive list of standards and directives that Landis+Gyr complies with:

- **ISO 14001**, which provides organizations with a framework for an effective environmental management system. Our manufacturing sites are certified for compliance with ISO 14001 requirements.
- **RoHS**, or the European Union Restrictions on Hazardous Substances directives, which restrict the use of hazardous substances in electrical and electronic equipment.
- **REACH**, or the (European Regulation on Registration, Evaluation, Authorization, and Restriction of Chemicals), which is aimed at improving the protection of human health and the environment.
- **SEC Rule 1502 (US only) & OECD Due Diligence Guidance** for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.
- **CA Proposition 65 (US only)**
- **POP**, or the Persistent Organic Pollutants (EU only)

10. Responsible Products

Landis+ Gyr strives to contribute to more sustainable environmental practices through its products and services. As such, Landis+Gyr supports the achievement of Goal 7 of the SDGs, specifically ensuring access to affordable, reliable, sustainable and modern energy.

Landis+Gyr aims to reduce the environmental impact of all business processes, encompassing design, manufacturing, logistics, sale, and disposal, with a particular focus on the prevention of pollution, greenhouse gas emissions and climate change, efficient utilization of resources and control of chemical



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substances. To that end, Landis+Gyr develops and provides environmentally-sustainable products and services, which help reduce environmental impacts throughout their life cycles.

Landis+Gyr relies on thorough quality testing and compliance with international standards for improving the quality and efficiency of its products. By adhering to the standards, Landis+Gyr is able to market products and services that not only meet customer and regulatory requirements, but that are also reliable and innovative. When monitoring and managing the impact of Landis+Gyr products, a product’s full life cycle is considered.

Additional information is available in the Group Product Environmental Policy, the Green Design Manual, and the Product Environmental Compliance Procedure.

11. Information Security and Data Privacy

It is of paramount importance to Landis+Gyr that its information, and the information of its employees, customers, business partners, and suppliers is adequately protected from unauthorized disclosure. The same holds true when it comes to Landis+Gyr’s products and services security. Landis+Gyr complies with all privacy and security laws of the locations where it operates, as well as with specific contractual obligations agreed upon with third parties. The following policies offer further guidance on these topics: Information Security Policy; Information Classification Policy; Acceptable Use Policy (AUP); AUP for non-office workers; Bring Your Own Device Policy; Baseline Information Security Policy; eDiscovery Policy; Vulnerability Disclosure Policy.

INFORMATION SECURITY PRACTICES

The Company clearly defines organizational IT/information security roles, responsibilities, and accountabilities, and it publishes and maintains formal written information security policies, protocols, and processes.

Landis+Gyr has also implemented appropriate technical and organizational security measures, in line with industry best practices, to protect against any unauthorized or unlawful processing of, and against accidental loss, destruction, alternation, disclosure or damage to Landis+Gyr data. The Company maintains policies and procedures to detect, monitor, document and respond to actual or reasonably suspected unauthorized information disclosures, and encourage the reporting of such incidents.

Acknowledging that everyone in the Company has a role to play in protecting and securing information, Landis+Gyr performs a periodical information security awareness training for all employees.

BUSINESS CONTINUITY AND DISASTER RECOVERY

Landis+Gyr agrees to maintain and annually test Business Continuity and Disaster Recovery plans in support of contract deliverables.

DATA PRIVACY

Landis+Gyr endeavors to maintain, at the global level, high standards and levels of protection of personal data that are in line with the European General Data Protection Regulation. Further, the Company complies with applicable data protection laws when obtaining, processing, transferring, and storing personal data, and ensures the same is protected from third party infringement and/or improper use. Landis+Gyr



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does not disclose personal data without informed consent from the data subject, except as dictated by applicable local laws.

12. SpeakUp

Landis+Gyr is committed to maintaining the highest standards of honesty and accountability, and recognizes that each of its employees has an important role to play in achieving this goal. An employee may be the first to know when someone is acting improperly, illegally, or unethically when conducting business on behalf of or with Landis+Gyr.

Thus, Landis+Gyr strongly encourages every employee who knows of or suspects a violation of applicable laws, regulations, the Code of Business Ethics and Conduct or the Company's related policies, including those relating to accounting, internal controls and auditing matters, to report that information immediately to their supervisor, their Compliance Officer, the regional Legal Team, or by using the Speak-up Hotline, a service whereby employees can anonymously report a concern either by phone or via a secure website. Landis+Gyr policy prohibits retaliation against any person reporting such a concern in good faith.

Further information on this topic can be found in the Code of Business Ethics and Conduct or the Speak-Up System Process and Policy.

13. Supplier Management

Landis+Gyr is committed to ensuring that the ethical standards it imposes internally are as stringent as the standards it imposes on its suppliers.

SUPPLIER CODE OF CONDUCT

Through the Landis+Gyr Supplier Code of Conduct, Landis+Gyr imposes strict requirements on its suppliers regarding employment practices, including an explicit prohibition on child labor and modern slavery; health and safety; environmental practices, including Green Procurement; ethical conduct; information security practices; and corporate governance. Suppliers must comply with this Code in all business dealings with Landis+Gyr. Suppliers must also bind all its directors, workers, suppliers, agents, contractors, and temporary labor agencies directly supplying goods or services to Landis+Gyr to the principles and obligations of this Code.

As part of its supplier compliance review, Landis+Gyr may require a signed representation from suppliers indicating receipt of the Code and compliance with its terms. As part of its supplier audit program—which focuses on quality principles, the Supplier Code of Conduct, and is aligned with the principles of the Responsible Business Alliance—Landis+Gyr may also inspect supplier documentation and facilities.

SUPPLIER DUE DILIGENCE

Landis+Gyr undertakes due diligence and monitors its suppliers to ensure compliance with the Landis+Gyr Supplier Code of Conduct through the use of an independent third-party service. A supplier's failure to comply can be sufficient grounds for Landis+Gyr to terminate its business relationship with the supplier, and to remove the supplier from the Landis+Gyr supplier base.



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SUPPLIER NON-COMPLIANCE

Subject to any restriction imposed by law, Suppliers must promptly and in writing inform Landis+Gyr of any concern or non-conformance related to issues governed by this Code. In addition, concerns of misconduct potentially affecting Landis+Gyr can be reported via the SpeakUp System. Landis+Gyr policy prohibits retaliation against any person reporting such a concern in good faith.

14. Commitment to Our Communities

As a good corporate citizen, Landis+Gyr strives to add economic and social value in all its areas of operation. Additional information on this topic is available in the Global Community Engagement Directive.

NO ADVERSE EFFECTS ON LOCAL COMMUNITIES

Landis+Gyr aims to protect the communities and environment that surround its facilities. Where conservation is not feasible, the Company considers alternative practices such as modifying production, updating maintenance and facility processes, materials substitution, re-use, conservation, recycling or other means.

CONSTRUCTIVE CONTRIBUTIONS TO LOCAL COMMUNITIES

Landis+Gyr addresses the needs of communities through specific fields of expertise and engages in a wide range of social activities, including volunteering and fundraising.

Annex 1

CSR Initiatives 2019-2021

The graph below displays the results of the materiality analysis for the three-year period starting in 2019 and ending in 2021. These were identified as critical to the Company's environmental, social, and governance performance following an in-depth analysis and interviews with external stakeholders.

