

# Reporting practice for Grundfos Sustainability Report 2010

The purpose of the Grundfos Sustainability Report is to provide stakeholders with an overall fair and balanced picture of Grundfos' contribution to sustainability. Sustainability reporting is a journey and we believe we are making good progress towards achieving this objective.

The section "Grundfos about the report" in the Grundfos Sustainability Report 2010 ("the report") describes reporting principles and practice. This description provides further information about the data presented in the report.

## Data processing

Financial data is obtained from the Group's accounting system. The environmental, health and safety data for the report have been collected, compiled and validated by the Grundfos Group's environmental division, whereas the HR data for the report have been collected, compiled and validated by the Grundfos Group's HR division. The environmental, health and safety data as well as the HR data are collected annually according to a fixed reporting procedure. Although it is of great importance to Grundfos that all data in this report are as complete and precise as possible, there may be an element of uncertainty to some data.



## PRODUCT

Measurements of customer satisfaction and loyalty are conducted every two years in order to assess Grundfos performance in meeting customer needs and to identify areas for improving customer relations. The scale of the measurement is from 0 (low) to 100 (high).

The warranty rate is calculated as the share of products reported faulty within the Grundfos two-year warranty period. To compensate for time on stock and transport the sold amount is displaced three months back in time compared to the registered warranty cases.

Electricity savings are calculated as the global energy savings generated by all of Grundfos' A-labelled pumps sold between 2005 and 2010. The estimate is based on the actual sales figures for the year and assumptions about which previous models the pumps sold replace. The figure is calculated as energy savings in TWh/year.



## PEOPLE

The calculation of the number of employees covers the actual number of employees at the year end. The number of employees includes full-time and part-time employees, apprentices and temporary employees. The figures do not include people who work for temp agencies, people who are on leave, or those under 18 working on an hourly basis.

The Grundfos companies systematically register the number of apprentices, which is calculated as the number of employees registered under the job categories: trainee and apprentice or similar.

Every second year, an employee motivation analysis is carried out among the Group's employees, when all employees throughout the Group have the opportunity to voice their opinions about Grundfos as a workplace. The questions in the survey are wide-ranging in relation to the company strategy focus areas and assess the employees' motivation and commitment. The results are used to identify important target areas at Group and department level.

Performance and development reviews are calculated as the number of employees, who attend an Employee Development Dialogue (EDD) every year compared to the total number of employees. At the EDD the employee and his or her manager evaluate the past year and discuss the employee's wishes and opportunities for the next year. The number is specified for both blue and white collar workers.

Injuries are measured in amount of injuries with lost time for longer than one day, and are indexed by setting it in relation to the total amount of working hours.

Lost time due to injuries in accordance with the injuries mentioned above, and is indexed by setting it in relation to the amount of working hours.

The number of hours of training includes hours registered spent by employees on development, training and supplementary training. A separate calculation is included of the number of hours of training at The Poul Due Jensen Academy.

The number of employees on special terms is calculated as the number of employees, who are given special consideration by Grundfos, or for whom Grundfos installs special facilities aimed at the employees' physical, psychological or social problems. Special consideration is given by amending or adjusting the workplace with regard to time, flexibility or mobility, or by adjusting the content of the job or the nature of the work, to enable it to be carried out in spite of reduced working capacity. The number of employees working for an external business partner who carries out assignments for Grundfos is also included. The job volume is converted to the number of full-time positions.



## PROCESS

Environment, health and safety data for the report are collected annually from the companies specified by the CSR department. A Group standard for EHS data collection and processing containing specific definition of the content of the data and the procedures for the quality control of data is used.

Energy consumption and related CO<sub>2</sub> emissions are calculated for production and sales companies. Consumption at the production companies includes the consumption in production, administration and/or other non-production areas. Transportation is not included.

Waste disposal is divided in hazardous and non-hazardous waste and calculated according to disposal method. Hazardous waste is categorized according to national regulations.

Data regarding environmental management systems covers the number of companies that are certified according to ISO14001 and OHSAS 18001.

2009 saw the introduction of a threshold value, whereby the data collection process was changed at Grundfos. Companies with consumption levels below the threshold value were not required to report their environmental, health and safety data for 2009 as they were considered insignificant. This created new challenges for our data and reporting process. This data process has been reviewed and it was decided to remove the threshold value for the 2010 sustainability report in order to have a complete data set for the companies in the Grundfos Group.

### **Indexed environmental figures**

Indexed figures are used in order to determine the Sustainable Building code for each company. Electricity and water are indexed in accordance to area (m<sup>2</sup>), this result place the company in either class 1, class 2 or class 3, where class 1 is the most sustainable.

Hazardous waste covers the part of the companies' waste that is categorized as hazardous waste according to national regulations, and is indexed by setting it in relation to the amount of working hours.



# PURCHASE

Direct purchases for the manufacturing of products are divided by region on the basis of the address of the supplier of the goods.

## GRUNDFOS IN BRIEF

The data included have been calculated according to the same principles as in the Annual Accounts.