



SFS Group AG
Sustainability Report

Sustain ability

19

Key Takeaways

Progress achieved

Economic performance

Increase of added value between 2015–2019

+37.9%

Training and education

Proportion of all employees in dual education

6.3%

Occupational health and safety

Work-related accidents declined in 2019 compared to 2018 by

-19.0%

Socioeconomic compliance

Sanctions in the area of socioeconomic compliance

0

Emissions

SFS will produce a Group roadmap by the end of 2020 with the objective of a continuous reduction of its emissions. This roadmap will serve as the basis for a systematic reduction in CO₂ emissions and will be presented in the next Sustainability Report.

UN Global Compact

SFS continues to remain engaged in other areas as well. For instance, it is a signatory to the UN Global Compact and has upheld the ten principles embodied in this corporate sustainability initiative since 2010. Progress has been made in the following sectors:

- Human rights
- Anti-corruption efforts
- Labor standards
- Environmental protection

CEO Statement

Increasing focus on sustainability

Dear readers

A hardware store that opened its doors more than 90 years ago in Altstätten, Switzerland, and the start-up of cold forming production for fasteners in 1960 formed the basis for today's SFS Group: a global leader for mechanical fastening systems, precision components, and logistics systems. The visions at the time – "every employee an entrepreneur" and "achieving sustainable success together" – has shaped our path over the years. This striving for sustainable success through true partnership is no less important to us today. It is firmly anchored in our core values and actively pursued inside and outside the company according to our value proposition of "Inventing success together".

Focus on sustainability sharpened

In order to broaden and deepen the company's reporting on sustainability, the website sustainability.sfs.biz was created and SFS will publish a Sustainability Report based on the internationally recognized GRI Standards, "Core option", every year from now on.

Materiality matrix updated during the reporting year

In preparing this report, extensive interviews with the identified stakeholder groups were conducted during the year under review. The subsequent consolidation and prioritization of the results led to the new and updated materiality matrix with the following material topics:

- Economic performance
- Occupational health and safety
- Training and development
- Emissions
- Socioeconomic compliance

Progress achieved and further improvements targeted

During the year under review, we focused on the five material topics as determined in the materiality assessment process. Pleasing progress was made and further measures regarding different improvements are underway.



Jens Breu

In 2019 we were able to prove our solid **economic performance** and slightly increased our added value once again. In accordance with our medium term planning we are pursuing the goal of continuously expanding our economic performance until 2025, while the share of added value for each of the stakeholder groups shall remain stable. The economic effects of the COVID-19 pandemic on added value cannot be comprehensively assessed yet.

In the area of **occupational health and safety**, the total number of work-related accidents worldwide declined by 19% to 113. This corresponds to an occupational accident rate of 12.5 per 1,000 employees. We have set a goal of reducing the number of occupational accidents by 50% by 2025, as a stepping stone to our ultimate goal of zero work-related accidents.

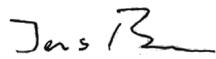
SFS is a strong supporter of the dual **training and education** system. Our longterm-goal to have 5–7% of the workforce represented by trainees or employees in dual education program was achieved in 2019 with the reported figure of 6.3% (2018: 6.6%). In particular in the German-speaking region the dual training and education system is taking place on a very good level. Thus we continue to expand this educational standard across the entire Group.

Along with the effort to continuously reduce **emissions**, SFS is developing a roadmap for the entire Group by the end of 2020. This roadmap serves as the basis for systematic reduction of CO₂ emissions and will be presented in the next Sustainability Report. Furthermore, we are pursuing the steady continuation of certifying production sites according to ISO 14001 (environmental management): currently 15 out 27 production sites are already certified according to ISO 14001. Further production sites are to follow in 2020.

The SFS Code of Conduct presents the company's understanding of an exemplary, reliable and fair business partner and employer. Compliance with the Code of Conduct is assured with the effective compliance system that has been set up. During the year under review, SFS Group was not subject to any sanctions in the **socioeconomic compliance** area, which is also our clear objective for 2020.

I am very pleased to be able to offer you an exciting and transparent look "behind the scenes" of SFS with our new format of the Sustainability Report and am at the same time inviting you to continue to seek the dialogue with us.

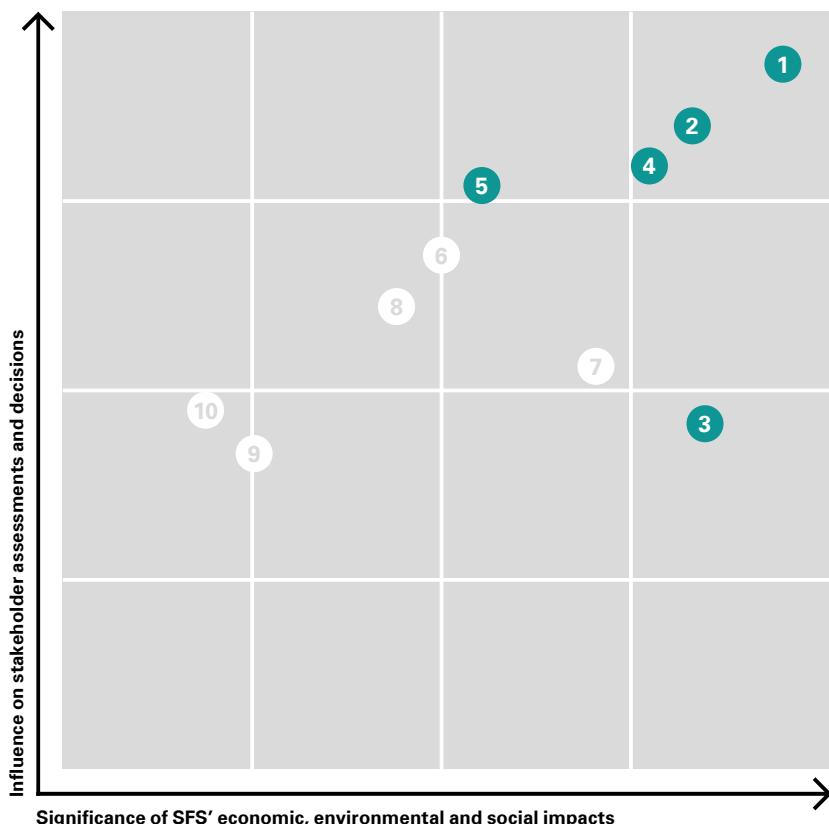
Sincerely,



Jens Breu
CEO

Materiality Matrix

Five key topics identified



During the year under review SFS conducted extensive expert interviews and a corresponding analysis with the identified stakeholder groups.

The interview structure reflected the 33 sustainable criteria defined by the GRI, which are grouped into six focus areas. The stakeholders and stakeholder groups consulted were first asked to select the issues among the 33 sustainable criteria that were most relevant to them – with respect to the economic, environmental or social performance of SFS – or, if not applicable, to present their own key issues. In a second step, the issues selected by these stakeholders were weighted according to their impact (low, medium or high). A final consolidation, analysis and prioritization of the results led to the new materiality matrix. The new key topics, which SFS reports on, are shown in the matrix in turquoise (bubble 1–5).

1 Economic performance

SFS' economic performance and the value it generates for all stakeholders is at the centre of its daily business operations and decisions. [more →](#)

2 Occupational health and safety

Employees are at the heart of SFS's success. Creating a healthy and safe working environment is a central concern of the company. [more →](#)

3 Socioeconomic compliance

For us, correct behavior is an expression of lived partnership. [more →](#)

4 Training and education

SFS is heavily involved in this area, which the stakeholders also attach great importance to. [more →](#)

5 Emissions

SFS uses energy and natural resources in a sensitive and efficient manner to reduce or eliminate environmental impact. [more →](#)

6 Market presence

7 Diversity

8 Energy consumption

9 Effluents and (hazardous) waste

10 Protection of customer privacy and customer data

Success Stories

“Sustainability you can touch”

As Value Creators, we develop ideas and solutions that generate added value in economic, environmental and social terms for you, our stakeholders. The following success stories of the past year are impressive proof of our commitment to sustainability.

Mjøstårnet: sustainable timber engineering →

At 84.5 meters, Mjøstårnet is currently the tallest wooden building in the world. The approximately 65,000 fasteners from SFS ensure perfect stability.



Promoting employee health and safety; protecting the environment and natural resources →

mobility@SFS is the concept that has been introduced in Switzerland in 2017 with the objective of optimizing employee commuting behavior and thus enhancing the safety and well being of employees.



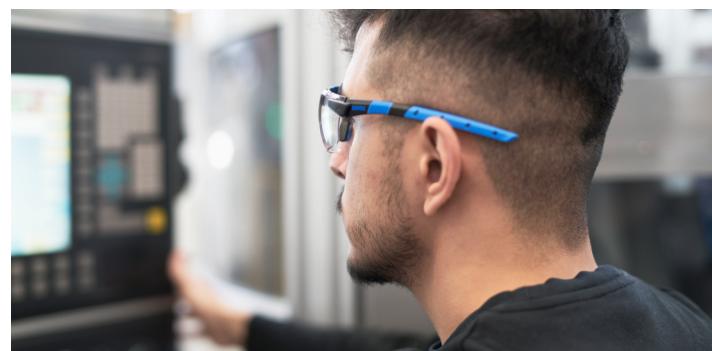
Sustainable leadership development →

To ensure the long-term success of the company, SFS occupies 70% of all management positions internally. Three members of the Group Executive Board speak about their experiences since dual training.



Employee health and safety first and foremost →

The company is always mindful of its duty of care and responsibility, and consequently has set a goal of reducing the number of work-related accidents at its sites around the world to zero.





Sustainability Website



UN Global Compact



GRI Content Index



