# **Sustainability Report**

covering 2014 – 2015

Mettler-Toledo International Inc.



#### Mettler-Toledo International Inc.

October 2016

Dear Stakeholders,

Sustainability touches all aspects of our business, from designing and producing our products, to selling and delivering them to our customers, to handling them at the end of their lifecycle. Sustainability helps guide us to make the right decisions for our customers, employees, suppliers, shareholders, and the communities in which we operate our business. We want to manage our business sustainably to position METTLER TOLEDO for long-term growth.

This report measures progress and highlights accomplishments since our last report in 2014. We have followed the Global Reporting Initiative G4 guidelines, with a focus on topics that are material to us.

Our GreenMT program is designed to help save energy and resources. We do this in four key areas: (1) by developing products using our Design for Environment criteria that allow us and our customers to reduce energy usage, material, and product waste, (2) through energy efficiency projects to reduce energy usage at our sites, (3) in managing our sales and service fleets to reduce our fuel consumption, and (4) by reducing the environmental impact of our resource consumption, especially in processes related to cooling and internal packaging.

Our goal is to reduce our carbon footprint by the end of 2020 by 20 percent (relative CO<sub>2</sub> emissions per net sales compared with 2010) and at the same time realize financial benefits. Based on our performance so far, we believe we are on track to meet this goal.

Sincerely,

Olivier A. Filliol

President and Chief Executive Officer

O. Filliol

G4-1, G4-2

# **Our Company**

Mettler-Toledo International Inc. was founded through a merger in 1989 between the Toledo Scale Corporation (a U.S. company founded in 1901) and Mettler Instrumente AG (a Swiss company founded in 1945). We are a Delaware corporation and became a publicly traded company with our initial public offering in 1997. Shares of METTLER TOLEDO are listed on the New York Stock Exchange as MTD (NYSE: MTD). G4-3, G4-7

Our products and services are sold in more than 80 countries around the world. We are present with our own sales or manufacturing locations in 39 countries. We have principal facilities in China, England, France, Germany, India, Switzerland, and the United States. Our executive offices are located in Columbus, Ohio and in Greifensee, Switzerland. A list of our subsidiaries can be found in our 10-K filing, Exhibit 21 – Subsidiaries. G4-5, G4-6, G4-8

Our business is geographically diversified, with net sales in 2015 derived 32 percent from Europe, 39 percent from the Americas, and 29 percent from Asia and other countries. Our customer base is also diversified by industry and by individual customer, with no one customer accounting for more than one percent of our 2015 net sales. G4-8, G4-9

There were no significant changes to our ownership, structure, or size in the period covered by this report. G4-13

#### **Economic Performance**

In 2015, our global operations achieved year-over-year net sales growth of 3 percent in local currencies and generated \$2.395 billion in revenues. Our net earnings were \$353 million in 2015. Further information about sales, capitalization, and changes in shareholders' equity can be found in our Annual Report 2015. G4-9, G4-EC1

The majority of our business comes from developed countries. However, a significant percentage of our sales come from emerging markets. We expect to continue to grow our markets through our strong global leadership positions, robust product offering, investment in these markets, and our global sales and marketing programs. <sup>G4-8</sup>

As a global leader in precision instruments, we also have an indirect economic impact through jobs created and development of skills and knowledge among the professional community. G4-EC8

# **Participation in Associations**

METTLER TOLEDO has a long-standing policy of not participating in or contributing to political campaigns, individuals, or groups, and does not take positions in public policy debates. <sup>G4-SO6</sup>

The Legal Metrology experts of METTLER TOLEDO, however, do participate as members of various industry associations, such as the U.S. Scale Manufacturers Association (SMA) and other national associations. Our experts also hold board memberships in the European

Association of Manufacturers of Weighing Instruments (CECIP), the German VDMA Working Group for Balances (AWA), and the Swiss Weighing Association (SWV). Further experts cooperate in various national, regional, and international standardization bodies such as the U.S. National Conference on Weights and Measures (NCWM), the European Cooperation in Legal Metrology (WELMEC), the European Committee for Standardization (CEN/CENELEC), and the International Organization of Legal Metrology (OIML), as well as regulatory bodies such as the technical committees of the European Commission.

#### **Carbon Footprint**

We are taking steps to actively manage greenhouse gas emissions that come from energy usage in our facilities and from the vehicle fleets we operate. We are committed to increasing energy efficiency in ways that reduce costs and minimize environmental impacts. As part of this commitment, we established a global energy monitoring program to help determine our global carbon footprint. Detailed energy consumption and emissions data are shown in the tables below. G4-EN3, G4-EN6

For this report, we have excluded the effect of currency fluctuation on net sales for all years. From 2010 to 2015 we realized a reduction of our relative  $CO_2$  emissions from 28.0 tons to 23.2 tons  $CO_2$ e per million U.S. dollars net sales.  $^{G4\text{-}EN18, G4\text{-}EN19}$ 

CO <sub>2</sub> e Emissions (G4-EN15, G4-EN16)		2010	2014	2015
Scope 1 Stationary Combustion (Buildings)	tons	2,780	3,010	2,833
Scope 1 Fugitive and Process Emissions	tons	1,607	2,344	3,053
Scope 1 Mobile combustion (Fleet)	tons	24,175	25,343	24,437
Scope 2 Electricity and District Heating	tons	28,878	30,493	29,631
Total CO <sub>2</sub> e Emissions	tons	57,440	61,190	59,955
CO <sub>2</sub> e Base Year Emissions (G4-22, G4-EN18)		2010	2014	2015
Original Data (SR 2014, p. 13)	tons	59,926	61,414	60,496
Data Corrections vs. Previous Report	tons	-2,850	-	-
Acquisitions	tons	363	-	_
Green Electricity	tons	-	224	540
Resulting Corrected CO <sub>2</sub> e	tons	57,440	61,190	59,955
CO <sub>2</sub> e per Net Sales (at 2013 rates)	tons per \$1 million	28.0	24.5	23.2

Energy (	(MWh) (G4-EN3)		2014	2015
Scope 1	Stationary Combustion	Heating Oil	77	379
		Natural Gas	14,543	13,416
		Other Fuels	184	56
	Mobile Combustion	Diesel	54,369	52,949
		Gasoline	41,903	40014
		LPG and CNG	1,040	818
	Total Scope 1	Consumption	112,116	107,632
Scope 2	Electricity	Consumption	61,247	59,429
		Portion from	607	11,007
		Green Energy		
	District Heating	Consumption	3,037	3,889
		Portion from	2,363	2,499
		Renewable		
		Sources		
	Total Scope 2	Consumption	64,284	63,318
Total	Scope 1 & Scope 2	Consumption	176,400	170,950

Other Emissions (G4-EN15, G4-EN20)		2014	2015
Refrigerants (including ozone-depleting substances)	kg	1,270	1,460
Refrigerants' Ozone Depletion Potential	kg CFC-11e	52	62
Refrigerants' Global Warming Potential	tons CO <sub>2</sub> e	2,487	2,930

Water,	Water, Effluents, and Waste (G4-EN8, G4-EN22, G4-EN23)		2014	2015
Water	Water Withdrawal	$m^3$	238,266	210,718
	Water Discharge	m <sup>3</sup>	170,554	157,564
Waste	Hazardous Waste	tons	222	119
	Nonhazardous Waste	tons	4,607	2,747
	Portion from Recycling	percentage	68	67

# **Energy Efficiency Programs**

We conducted energy efficiency assessments in our largest production sites in 2012 and 2013 and identified a number of improvement possibilities. Corporate Sustainability oversees progress on projects undertaken in the units, while local management retains ultimate responsibility. By the end of 2015, we completed 185 projects, which resulted in savings of more than 5,700 megawatt hours of energy. G4-EN6

In addition, the vehicle fleets for our sales and service personnel contributes significantly to our overall greenhouse gas emissions. We therefore seek to control and optimize our fleet by procuring efficient vehicles and implementing efficiency-raising fleet management practices. G4-EN6, G4-EN7

Our units are encouraged to purchase and use low-emission vehicles, taking into account the vehicle's lifecycle costs and ability to support our operations and services. We ask unit fleet managers to set locally defined maximum limits for  $CO_2$  emissions per kilometer traveled, with reference to the European Union's Cars Regulation of 130 grams per kilometer. We also encourage units to use alternative engine types (i.e., natural gas, hybrid, electric), especially in urban environments. In addition to appropriate vehicle selection as described above, we have implemented fuel efficiency measures including eliminating unnecessary travel and transportation, encouraging fuel-saving driving and routing, well-adapted loading, and proper vehicle maintenance.  $^{G4-EN19}$ 

We are evaluating further opportunities in sourcing energy, materials, components, and logistics and in using and recycling our products. Delivering these efficiency measures will help us in reducing our relative carbon footprint.  $^{G4-EN19}$ 

#### **Environmental Management**

METTLER TOLEDO is committed to doing business in an environmentally responsible manner that minimizes adverse impacts on the environment. We operate our business in substantial compliance with applicable environmental laws and regulations. We strive to reduce consumption of natural resources and reduce our emissions. We have established continuous improvement programs through certified ISO 14001 environmental management systems in all our key facilities. During the reporting period, no significant fines or nonmonetary sanctions were levied against the company for noncompliance with environmental laws or regulations. G4-EN29

Our impact remains relatively low with regard to water, waste, and other emissions. Specifically, the volume and impact of water withdrawn and discharged, hazardous and nonhazardous waste disposed, and additional air emissions emitted are relatively low. Furthermore, no significant spills were reported. G4-EN8, G4-EN24

#### **Impacts from Logistics and Travel**

Logistics is important for us because of the global locations of our operations and sales and service organizations. We have key manufacturing facilities located in China, Europe, and the United States. We also purchase most of our raw materials, components, and supplies from multiple suppliers around the globe. Integrated logistics processes along the entire value chain require us to work closely with customers and therefore represent an important link to our customers.

For many of our employees, business travel is a necessity due to the global reach of our organization. We encourage our employees to use alternative means such as web-based conferencing and other technical equipment to minimize travel wherever possible. We train employees and provide information about how to reduce unnecessary travel and emissions. We do not currently have consolidated data to report on specific integrated logistics processes or business travel improvements. G4-EN17, G4-EN30

## **Supply Chain**

We generally manufacture critical components in-house, which are components that contain proprietary technology. When outside manufacturing is more efficient, we contract with other manufacturers for certain nonproprietary components. We use a wide range of suppliers and our supply chain is complex and globally diversified. We believe our supply arrangements are adequate and that there are no material constraints on the sources and availability of materials. From time to time, we may rely on a single supplier for all of our requirements of a particular component. We continue to implement global procurement and supply chain management programs. Our supply chain is globally oriented with an emphasis on low-cost country sourcing and manufacturing. This is not only for cost leadership but also for proximity to important customer markets. With our regional logistics and final-assembly hub strategy, we position ourselves to better serve our customers and reduce the overall CO<sub>2</sub> emissions of our distribution network. G4-12

#### Sustainability in the Value Chain

All our suppliers and other business partners in the value chain are subject to our Business Partner Code of Conduct and are encouraged to work with their own business partners to ensure that they also strive to meet the principles of the Code or equivalent principles. The Code sets out standards of business conduct and business practices that we expect our business partners to comply with. The Business Partner Code of Conduct is an integral part of our terms and conditions. See <a href="https://www.mt.com/businesspartner">www.mt.com/businesspartner</a> for more information.

We seek to further integrate ethical conduct, environmental protection, and health and safety, as well as labor and human rights, into our global supply chain management to manage risk associated with those sustainability impacts of our supply chain. We continue to build on the tools and processes we have in place for supplier segmentation, such as requests for information, supplier auditing, and specific supply agreements. Our supply chain sustainability efforts are driven by an internal cross-functional team and overseen by the head of Global Supply Chain Management. G4-HR11, G4-EN33, G4-LA15, G4-SO10

#### **Conflict Minerals**

Our sourcing activities include due diligence to determine the source of minerals that are used in our products. We engage with suppliers to perform reasonable, risk-based due diligence to check the origin of potential conflict minerals present in METTLER TOLEDO products. Our conflict minerals reporting is available in our Form SD reporting furnished to the SEC. G4-HR11

# Shareholders' Participation Rights and Stakeholders' Consultation

We have an active Investor Relations function, keeping a close relationship with our shareholders. Any appropriate concerns reported to Investor Relations are reported to the General Counsel and the Board. <sup>G4-37</sup>

METTLER TOLEDO also engages with its shareholders through the annual shareholders meeting. This provides shareholders with an opportunity to vote on the proposals and any other business properly brought before the meeting. Each share of common stock outstanding is entitled to one vote. Interested parties, including employees and shareholders, may contact the Presiding Director individually, the Board of Directors, or the non-management directors as a group via regular mail to Mettler-Toledo International Inc., Attention: Presiding Director, or via e-mail to PresidingDirector@mt.com. G4-37, G4-49

The annual meeting is generally held in New York. A quorum is required to hold the meeting, which is a majority of our outstanding shares of common stock as of the record date. Voting can take place by attending the meeting in person or by proxy via telephone or internet voting. G4-26

# Role in Evaluating Economic, Environmental, and Social Reporting and Performance

The CEO is actively involved in economic, environmental, and social topics. An executive officer and Group Management Committee member oversees the GreenMT program, which is led by the Head of Corporate Sustainability. The Head of Human Resources bears the main responsibility for all social aspects. With responsibility for all strategies, policies, and goals related to economic, environmental, and social impacts, the Group Management Committee and the CEO review and approve any aspects identified as material. G4-34, G4-35, G4-36, G4-42, G4-48

Issues of concern may be reported to the Presiding Director individually, the Board of Directors, or the non-management directors as a group via Investor Relations and via the communication channels mentioned above. There have been no reports of critical concerns to the Board of Directors during the reporting period, and we have not received any grievances about environmental impacts through our various reporting channels. G4-49, G4-50, G4-EN34

#### **Our Solutions**

We manufacture a wide variety of precision laboratory instruments, including laboratory balances, pipettes, titrators, thermal analysis systems, and other analytical instruments. We shorten time-to-market for our customers by accelerating the process of research and development through integration, automation, and sophisticated software solutions. We sell our products under various brand names, including principally METTLER TOLEDO and OHAUS. G4-4

Our process analytics products provide liquid analytical measurement solutions to control production processes in chemical, pharmaceutical, food and beverage, semiconductor, and power industries. These technologies enable reliable and accurate measurement of pH, dissolved oxygen, conductivity/resistivity, turbidity, CO<sub>2</sub>, dissolved ozone, and flow rates in a variety of process and manufacturing scenarios. We are also a leading supplier of in-line checkweighing, metal detection, and x-ray inspection solutions, providing contaminant detection and product integrity capabilities, as well as high-speed vision inspection solutions for the food, beverage, pharmaceutical, packaging, personal care, and household chemical industries.

In addition to our wide variety of industrial weighing instruments, we offer related terminals and dedicated software solutions for the pharmaceutical, chemical, food, and other industries. We supply automatic identification and data capture solutions, which integrate in-motion weighing, dimensioning, and identification technologies for transport, shipping, and logistics customers. We also offer heavy industrial scales and related software.

Supermarkets, hypermarkets, and other food retail businesses make use of multiple weighing and food labeling solutions for handling fresh goods, such as meats, vegetables, fruits, and cheeses. We offer stand-alone scales for basic counter weighing and pricing, price finding, and printing. In addition, we offer networked scales, which integrate back office, counter, self-service, and checkout functions. G4-4, G4-8

#### **Design for Environment**

Our products are typically very durable and have a long lifetime. Their electricity consumption is comparably low: from milliwatts for sensors to several hundred watts for our larger product inspection devices. We are aware, however, that the manner in which our products and services are produced and ultimately used by our customers still has an impact on the environment. Thus we regularly seek ways to reduce the environmental impact of our products and services. G4-EN7

We have integrated lifecycle analysis into our Product Lifecycle Management process through our Design for Environment program. This program provides guidelines for new product development and redesign efforts. We target the full product lifecycle by holistically optimizing the use of materials and energy in manufacturing, reducing energy and resources during use, and mitigating impacts at the end of life. G4-EN27

The following are the major criteria we consider in our Design for Environment process:

- Lower energy consumption in comparison to predecessor products and other products on the market.
- Less material and fewer resources used for the product, for manufacturing, or for servicing.
- Resource efficiency for our customers, such as enabling them to use less material or create less waste.
- End-of-life optimization, such as take-back, refurbishing, and defined recycling.

We believe that Design for Environment will improve our sustainability performance and create additional green value and benefits for us and our customers. Responsibility for Design for Environment lies with the individual business units' product management. The program is overseen by the Head of Corporate Sustainability and the Global Head of Product Lifecycle Management.

## **Producer Responsibility**

We seek to reduce the environmental impact of our products at the end of their lifecycle. For example, we provide technical information to our customers about proper recycling and disposal. In addition, we offer to take back products in select markets. With our Old Product Replacement Initiative, we seek to replace products that have been in service for many years, allowing customers to upgrade to new, more energy efficient models with enhanced features. In the European Union, our products are covered by the Waste Electric and Electronic Equipment (WEEE) regulation, and we joined national collection and recycling programs. G4-EN28

In addition to product design, packaging is also an integral part of our design process. Proper packaging is crucial to ensure that our products arrive safely and in the best condition at our customers' locations around the world. We strive to reduce the impact of packaging, both with respect to the packaging itself and the transportation of our products. Currently, we do not have consolidated data to report about reclaimed products and packaging. G4-EN28

#### **Indirect Market Effects**

By offering value-added products and providing innovative solutions that often integrate various technologies, we enable our customers to enhance the productivity of their processes. We design our instruments to facilitate the processing and transfer of data into customers' management information systems. Our products contribute to our customers' ability to meet their own sustainability targets. By avoiding bad batches and measuring accurately, customers are able to save resources, reduce material waste, and improve efficiency. G4-EC8

Another indirect effect is enhancing skills and knowledge among professionals as an integrated part of our solutions offering. METTLER TOLEDO has developed Good Weighing Practice<sup>TM</sup>, GWP<sup>®</sup>, for efficient lifecycle management of weighing systems. We also run competence programs for food safety and legal metrology, assisting our customers in becoming compliant and improving productivity while increasing product quality.

# Accurate Measuring Through GWP®, the Weighing Standard

GWP® is a global standard that can be applied to new or existing weighing equipment from any manufacturer in any industry and work place. METTLER TOLEDO developed GWP®, Good Weighing Practice<sup>TM</sup>, as a standardized scientific methodology for secure selection, calibration, and operation of weighing equipment. GWP® ensures consistent accuracy of weighing processes and thus enables our customers to improve their own sustainability profile by helping them reduce waste occurring from out-of-specification results. Through appropriate equipment selection, correct installation, regular testing and maintenance, and finally, proper training of users, GWP® is a framework that minimizes waste, ensures reliability and reproducibility, and improves the overall quality of customers' weighing processes.

See www.mt.com/GWP for more information.

# Food Safety and Hygienic Design

We are educating the professional community about how to improve food safety, quality, and operational efficiency. We offer live and web-based trainings, webinars, guide books, and white papers to key industry players such as manufacturers, certification bodies, and auditors. Some key areas where we can add value to food manufacturers' processes include traceability, formulation, foreign body detection, vision inspection, hygienic production, and performance verification of measuring and manufacturing devices. G4-EC8, G4-EN27

See www.mt.com/food for more information.

# **Product Compliance**

We are confident that our products enter the market in a responsible and safe manner. We comply with, or exceed, legal requirements with a global approach to product compliance. METTLER TOLEDO validates that its new products or product upgrades address relevant industry, regulatory, and safety standards within the technical solution concepts of our Design for Compliance approach. This includes weights and measures, hazardous area and standard electrical safety, chemicals and hazardous substances, and good manufacturing practice regulations. Consequently, there were no significant fines levied against METTLER TOLEDO for noncompliance with laws and regulations concerning the provision and use of products and services or for noncompliance with laws or regulations. Furthermore, we have not received substantiated complaints concerning breaches of customer privacy and are not aware of any leaks, thefts, or losses of customer data.

For legal approvals required for some of our products, we follow a defined process with reviews, milestones, and management approvals. Legal Metrology experts of METTLER TOLEDO oversee this process and give guidance across the organization. We periodically interact with relevant authorities about the content and format of our product labeling. G4-PR3, G4-PR4

METTLER TOLEDO is committed to the highest level of product quality and safety. We seek to design, manufacture, and deliver products that are safe to use, conform to performance requirements, and comply with laws and regulatory standards. In the unlikely situation that a problem is detected after customer delivery, METTLER TOLEDO is committed to resolve the

issue quickly, responsibly, and effectively. We have set clear definitions of responsibilities and accountabilities for such a case. There have been no significant incidents of noncompliance with regulations concerning the health and safety impacts of products and services within the reporting period. G4-14, G4-PR1, G4-PR2

Due to the nature of our products as precision instruments, we do not typically see our products being the subject of public debates or otherwise giving rise to questions and concerns. We do not manufacture harmful products. METTLER TOLEDO has an export controls and trade compliance program in place to ensure that we comply with restrictions relating to specific country export controls and economic sanctions programs, prohibited end users and end uses, and product classification. G4-PR6

Ethics and integrity are also guiding principles in how we market our products. There were no reported incidents or fines levied against METTLER TOLEDO for noncompliance with regulations and voluntary codes concerning marketing communications, advertising, promotion, or sponsorships. We have infrequent interactions with competitors regarding the content of advertising claims, where we or another party believes a statement is misleading or inaccurate. G4-PR7

#### **Our Team**

In the past years, we increased our global workforce to approximately 13,500 employees worldwide, including 5,100 in Europe, 3,600 in the Americas, and 4,800 in Asia and other countries. We mainly rely on our own permanent workforce. Contractual and temporary employees make up approximately seven percent of our workforce. Almost all of our employees in the United States, Canada, and China are employed full-time. This is in line with industry practice in these regions. In Europe, we have a number of countries with a larger population of part-time employees (up to approximately 20 percent), in line with local practices. G4-9, G4-10, G4-LA1

Workforce by Region 2015 (C	54-10)	
Europe	5,100	38%
Americas	3,600	27%
Asia/Other	4,800	35%
Total	13,500	

Management Level and Gender 2015 (G4-10, G4-LA12)		
	Male	Female
Group and Local Senior Management	85%	15%
Middle Management	79%	21%
First Management Level	72%	28%

While many of our employees live near where they work, METTLER TOLEDO does not have a policy of preferentially hiring employees from the local communities in which we operate. In general, we seek to hire and develop local management. There are only a few exceptions where senior management is nonlocal. Management and senior executives at METTLER TOLEDO are hired based on past career, experience, skills, and ability, and are preferentially, but not exclusively, hired from the local regions where we have operations. We are aware of the indirect economic impacts our company has on the communities where we operate, particularly in terms of the salaries we pay to our employees. Salary levels are driven by market and competitive conditions and are overseen by the Compensation Committee of the Board of Directors in the case of senior executive salaries, and by the Global Head of Human Resources in most other cases. In terms of size, we expect our locations in Switzerland, Ohio, and Changzhou could have a significant impact on the local job market. G4-EC5, G4-EC6

## **Training and Qualification Programs**

Our success can be attributed to a culture of training, innovation, and integrity. We ask much of our employees and in return support them in their professional development. METTLER TOLEDO places a major focus on training and development, across all levels and geographies. We recognize training and development as a key advantage to promote the engagement and productivity of our workforce.

We strive to provide easy access to learning resources for our global workforce through our global training portal, training catalog, and Learning Management System (LMS). Our eLearning is available 24 hours per day, seven days per week. Classroom trainings and centers are located in many of our locations around the globe.

We have built a comprehensive training portfolio over the past few years, serving employees at all levels of the Company and in all functions. We expand our portfolio every year in response to employee feedback, development plans, and Company strategy. We recently developed a value selling program for our sales force, a service administration program to support service managers, and globally harmonized our people-management trainings.

To ensure the investment in our training activities materializes in a well-skilled and engaged workforce, we complement training with measures such as coaching by, and development planning with, the employee's direct manager; peer and learning groups that meet outside the training events; and simulation of real customer situations. Internal experts or senior leaders facilitate our in-person trainings.

We see middle management as an important group of employees who influence and shape our culture and the way our employees live up to our values. Every year some 60 of these leaders are trained in a nine-day METTLER TOLEDO Management Seminar. As of the end of 2015, nearly 360 participants had completed this seminar. G4-LA9

We believe that trainings are not just a one-time event, but rather a lifelong process that a successful and responsible company provides in addition to supporting its employees with adequate working conditions, tools, infrastructure, and leadership. G4-LA10

We have a variety of apprenticeship programs for young adults as well as trainee programs for young graduates across the world. In the United States, for example, our Initial Career Experience (ICE) Program offers recent engineering, marketing, and finance graduates the opportunity to experience multiple assignments throughout the METTLER TOLEDO organization, customized and tailored to the graduate's specific skills and interests. This type of program builds loyalty among our employees and allows us to cross-train employees in a variety of disciplines. G4-LA10

#### **Performance Evaluations**

Our Global Performance Management process helps ensure alignment of individual development aspirations and our strategy implementation. We want our workforce to be competitive in a global environment. It is our goal that all our employees receive annual performance reviews, which include suggestions for continuous improvement and ongoing career development. To support this goal, we have implemented one globally structured process and harmonized workflows and timelines while considering local legislation and local needs. We use a harmonized set of competencies that are based on the METTLER TOLEDO Vision & Values, and a set of templates for performance reviews.

This enables managers to successfully lead their local teams in the context of an increasingly global METTLER TOLEDO organization and supports our "One Team" approach. Managers hold performance discussions with their employees that focus on SMART goals (specific, measurable, attainable, relevant, and time-bound objectives), our values, key competencies, and personal development.

# **Diversity and Equal Opportunity**

We promote equal opportunity worldwide and value diversity in our teams in terms of business background, area of expertise, gender, and ethnicity. Management on all levels encourages female employees to take on more responsibilities and enter management positions. Overall, approximately 24 percent of management positions were held by females. We believe that local management is in the best position to identify the specific needs and opportunities of the diverse employees at their locations. G4-LA12

METTLER TOLEDO is also committed to providing a working environment that is free of unlawful discrimination and harassment. Abusive, harassing, or offensive conduct is unacceptable, including derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

We have a comprehensive and globally valid Equal Employment and Opportunity (EEO) policy. METTLER TOLEDO is an equal opportunity employer and makes employment decisions on the basis of merit. We want to have the best available person in every job. Our policy prohibits unlawful discrimination based on race, color, creed, sex (including gender harassment, gender reassignment and discrimination based on family responsibility, pregnancy, childbirth or related conditions), sexual orientation, religion, marital status, civil partnership, age, national origin or

ancestry, citizenship status, physical or mental disability, medical condition including genetic characteristics, veterans' status, gender identity or expression, religious or political belief, or any other consideration made unlawful by federal, state, or local laws. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. G4-LA12, G4-LA13

To help us meet our goal of being an Equal Employment Opportunity employer, we have established an Open Door policy and a complaint resolution process within each of our business units. Our Human Resources Managers are appointed as Equal Opportunity Officers at their respective business units. Between 2014 and 2015, there were no reported incidents of any sort of discrimination to our Ombudsman that necessitated any action by management. G4-HR3

## **Occupational Health and Safety**

METTLER TOLEDO places great emphasis on safety in the work place. Our accident rate is carefully watched in all units as part of every general manager's responsibility. Due to the nature of our business, our main focus areas are work places in factories and warehouses, as well as our field service. The predominant incidents are bruises and minor cuts from handling tools or sharp objects or concussions and strains from tripping while walking or using stairs. Severe accidents are seldom, reflected in our lost-day rate of 13.7 days per 200,000 working hours. We had no fatalities from occupational incidents in the reporting period. Detailed accident rates are shown in the table below. We are not aware of any grievances regarding labor practices which necessitated group management attention. G4-LA6, G4-LA7, G4-LA16

Locally, programs for safety are in place in all relevant units. In addition, select locations have implemented a certified work safety management system. Our processes for monitoring occupational health and safety performance and for sharing best practices across units have continued to deliver improvements, especially in safety awareness on all levels and suggestions on better accident prevention. G4-LA6

Occupational Health and Safety (G4-LA6)	2014	2015
Total Number of Employees	13,100	13,500
Total Hours Worked (in 1000's)	23,541	24,252
Total Recordable Cases	134	169
Total Recordable Injuries Rate (TRIR)	1.4	1.4
Days-Away Cases (including restricted work and transfer)	105	128
Days-Away, Restricted, Transfer Rate (DART)	0.9	1.1
Occupational Injury Severity Rate (SR)	12.9	13.7
Occupational Fatalities	0	0

#### **Other Labor Aspects**

We respect our workers' rights to freedom of association, third-party consultation and collective bargaining where provided by law. With regard to labor management relations, collective bargaining agreements are not a major factor at METTLER TOLEDO. There are countries with workers' councils who represent employees' interests. Cooperation is overseen by the Human Resources department in collaboration with the regional, functional, and business management teams. G4-11, G4-HR4

Due to the highly skilled workforce we employ, we are confident that our facilities are not at risk regarding child labor or forced labor. There have been no reported instances where this was an issue. We are also unaware of any such risks with our suppliers. However, we will remain vigilant about this issue and will continue to adhere to labor laws in the countries where we do business. G4-HR5, G4-HR6

In terms of compliance training on human rights, all managers at METTLER TOLEDO are required to undertake our mandatory compliance training annually.  $^{G4-HR2}$ 

Any grievances regarding labor-related issues are handled through the employee's line manager and escalated as needed until a satisfactory resolution is reached. There have been no substantiated complaints nor complaints of any kind reported to any regulatory agency. There have been some instances of internally-reported employment-related complaints that were investigated and resolved. G4-LA16, G4-HR12

# **Antibribery and Corruption**

METTLER TOLEDO operates its business in compliance with applicable antibribery and corruption laws. We have policies in place prohibiting any payment or acceptance of bribes or participation in other illegal inducements in business or government relationships. We expect the same from our suppliers, agents, distributors, and any other business partners we deal with. When dealing with third parties, we exercise due diligence in order to ensure this. This is detailed in our Code of Conduct and the Ethical, Social and Quality Standards and is overseen by the General Counsel, supported by the Compliance Director.

All of our operations are periodically formally assessed for corruption risk. We consider the risk of corruption mainly stems from operations in high-risk geographies, government interactions, and our use of third parties. We discipline employees for policy violations, but there have been no incidents of confirmed corruption. G4-SO3, G4-SO5

We conduct regular in-person trainings at several locations throughout the year. We also have standardized processes for communicating our policies and expectations to business partners. Our Board oversees compliance generally, which includes emphasis on corruption. They are aware of our policies and procedures and receive regular updates. G4-SO4

#### **Anticompetitive Behavior**

The General Counsel oversees our actions as they relate to anticompetitive behavior. As expressed in our Code of Conduct and the Ethical, Social, and Quality Standards, METTLER TOLEDO complies with the antitrust laws of the United States, the competition laws of the European Union, and similar laws adopted by other countries around the world. Employees may not participate in any agreement, understanding, or other activity that would violate any such law. There were no instances of violations or fines levied against our firm for anticompetitive behavior. G4-SO7

#### **Code of Conduct**

Our business is based upon reliability, accuracy, and reproducibility. This extends to how we engage with our employees and conduct our business. The rule of law is of the utmost importance in every region of the world where we operate. We also recognize that strong corporate governance and transparent reporting are key drivers of long-term sustainability. We have a variety of policies in place related to the above topics including our Antibribery Policy, Reporting of Fraudulent Activities, and Code of Conduct. At this time, we do not endorse or subscribe to any externally developed economic, environmental, or social charters or principles. See <a href="https://www.mt.com/governance">www.mt.com/governance</a> for our policies and codes. G4-15

The METTLER TOLEDO Code of Conduct provides general guidance for resolving a variety of legal and ethical questions for all employees. Topics covered under the Code include: G4-56

- Employment Practices and Conflicts of Interest
- Environmental Compliance, Health, and Safety
- Antitrust, Fair Competition, and Insider Trading Policy
- Intellectual Property and Confidential Information
- Antibribery and Corruption

At METTLER TOLEDO, we have a strong commitment to conducting business in an ethical manner. Upon joining, all employees are informed about their ethical obligations, including information about our policies and procedures regarding discrimination and corruption in the work place and the expectation to treat one another with integrity and respect. All employees receive a Vision, Values & Integrity book that includes our Code of Conduct and anticorruption policy. G4-SO4

#### **Governance Structure**

Our Corporate Governance Guidelines state that the Board of Directors should be composed of successful individuals who demonstrate integrity, reliability, knowledge of corporate affairs, a general understanding of our business, and an ability to work well together. Diversity in business background, area of expertise, gender, and ethnicity should be considered. Longer-term board succession is to be considered, taking into account the demographics of board members. G4-38, G4-40

The Board of Directors has nine members with very broad experience, coming from Asia, Europe, and the United States. Further information on the directors and composition of the board and its committees (including biographies) is provided in our proxy statement. See <a href="https://www.mt.com">www.mt.com</a> for more information. G4-34, G4-38, G4-LA12

All directors are elected on an annual basis. The primary responsibility of the board is to represent and protect the interests of our shareholders. The board strives to foster the company's long-term success in a manner that is consistent with its obligations to shareholders. Board members are required to act in good faith in the best interests of the company and to disclose circumstances that may give rise to a conflict of interest. Potential conflicts of interest are disclosed to the stakeholders in our proxy statement. G4-41, G4-42

#### **Board Committees**

The board has three committees. Responsibilities of the Audit Committee include overseeing the accounting and financial reporting processes and audits of the financial statements. In addition, the Audit Committee assists the board in general compliance oversight, especially in issues relating to the quality or integrity of our financial statements, our compliance with legal or regulatory requirements, the performance and independence of the external auditors, or the performance of the internal audit function. G4-34

The Compensation Committee reviews executive management compensation arrangements; monitors compensation arrangements so that we continue to retain, attract, and motivate quality executive management; and reviews our annual report on executive compensation (the Compensation Discussion and Analysis contained in our proxy statement). G4-51, G4-52

Responsibilities of the Nominating and Corporate Governance Committee include recommending director nominees for the next annual shareholder meeting, developing corporate governance guidelines, providing advice on board committee structure and membership, and leading the board in its annual review of the board's performance. There is no committee that has been delegated authority for economic, environmental, and social impacts, which are addressed by the full board. G4-34, G4-35, G4-36

The composition of the Board of Directors is as follows: one board member is female; two individuals are under the age of 50; four board members are European, four American, and one Asian. G4-LA12

#### **Independent Directors and Executive Officers**

Director independence is evaluated considering the following criteria: (i) independence under the rules of the New York Stock Exchange; and (ii) no relationships with the company (other than as a director or shareholder) or only immaterial relationships. In light of these criteria, all members of the Board of Directors are considered independent, except for our President and CEO, Olivier Filliol, and the Chairman of the Board, Robert Spoerry, who was formerly the CEO. G4-38, G4-39

In addition to the CEO, our officers include the Executive Vice President/Head of Finance, Supply Chain and IT; the Head of Human Resources; the Heads of the Laboratory, Process Analytics, Industrial and Product Inspection Divisions; and the Heads of the European and North American and Asia/Pacific regions. This group of individuals forms the Group Management Committee. Currently all nine members of the Group Management Committee are male. G4-40, G4-LA12

## Report Profile - About This Report

This report was developed by applying the guidelines of the Global Reporting Initiative (GRI), the most widely used voluntary standard on sustainability reporting worldwide. We prepared our report in accordance with the "Core" option. We list the content of our sustainability report and the material aspects identified in the GRI-Index at the end of this report. We did not conduct an external assurance, and we do not see this as required for the sustainability report at present. G4-32, G4-33

Our last sustainability report was published in 2014, covering information for the years 2011-2013 (GRI G4). This report covers the business years 2014 and 2015. Specifically, unless otherwise stated, the reporting period is from January 1, 2014 to December 31, 2015. Data presented in the report were collected, structured, and analyzed in-house by our Corporate Sustainability team. We plan to regularly report on our sustainability progress. G4-28, G4-29, G4-30

# **Materiality Aspects**

We conducted a materiality assessment with members of the GreenMT team and senior management to identify material issues, report boundaries, and limitations of this report. Within the materiality process, we reflected on our significant economic, environmental, and social impacts. G4-18

This assessment took into account requests for information received during the reporting period from internal stakeholders, such as employees and representatives of different functional groups, as well as from external stakeholders, including potential employees, customers, investors, governments, auditors, and other interest groups. We identified all aspects listed in the GRI-Index as material from a corporate perspective. G4 19, G4-24

When considering material issues, we try to be responsive to all of these stakeholders. We also use our Sustainability Reports to respond to our investors' requests for information about our global carbon footprint. G4-25, G4-26, G4-27

# **Data Coverage**

The scope of this report includes all entities of the METTLER TOLEDO group and its subsidiaries. A list of our subsidiaries is listed in our 10-K filing Exhibit 21 – Subsidiaries. The coverage of quantitative data referenced in this report is 98 percent. This coverage is based on number of employees and is collected, analyzed, and structured through our internal sustainability performance measurement system. Locations with less than 20 employees are usually not included in our data collection process and represent the 2 percent gap. The boundary of our reporting is consistent with a focus on the METTLER TOLEDO Group and its subsidiaries as outlined above. G4-17, G4-20, G4-21

# **GRI Index**

SR = page in this Sustainability Report AR = page in Annual Report 2015 \*partially covered

GRI-Index Description	<b>Location</b> Ext	ernal Assurance
General Standard Disclosures Overview		
Strategy and Analysis		
G4-1 Statement from the CEO and the Board of Directors	SR 2	
G4-2* Description of key impacts, risks, and opportunities	SR 2	
Organizational Profile		
G4-3 Name of the organization	SR 3	
G4-4 Primary brands, products, and services	SR 9	
G4-5 Location of headquarters	SR 3	
G4-6 Countries in which operations are located	SR 3	
G4-7 Nature of ownership and legal form	SR 3	
G4-8 Markets served	SR 3, 9	
G4-9 Scale of the reporting organization	SR 3, 12	
G4-10 Breakdown of workforce	SR 12	
G4-11* Coverage of collective bargaining agreements	SR 16	
G4-12 Description of supply chain	SR 7	
G4-13 Significant changes during the reporting period	SR 3, AR 6, 8, F-13	AR F-13
G4-14 Addressing the precautionary approach or principle	SR 11, 12	
G4-15 External charters, principles, or initiatives endorsed	SR 17	
G4-16 Memberships in associations	SR 3, 4	
<b>Identified Material Aspects and Boundaries</b>		
G4-17 Report coverage of the entities in the consolidated		
financial statements	SR 20, AR Exhibit 21	AR Exhibit 21
G4-18 Process for defining the report content and the		
aspect boundaries	SR 19	
G4-19 Material aspects identified	SR 19	
G4-20 Material aspects and report boundaries within the		
organization	SR 20	

GRI-Index Description	Location	External Assurance
G4-21 Material aspects and report boundaries outside the		
organization	SR 20	
G4-22 The effect of restatements of information provided		
in previous reports	SR 4	
G4-23 Significant changes in the scope and aspect		
boundaries from previous report	(n/a this report)	
Stakeholder Engagement		
G4-24 Stakeholders engaged by the organization	SR 19	<del></del>
G4-25 Identification and selection of stakeholders	SR 19	
G4-26 Approaches to stakeholder engagement	SR 8, 19	
G4-27 Response to key topics and concerns raised		
through stakeholder engagement	SR 19	
Report Profile		
G4-28 Reporting period	SR 19	
G4-29 Date of most recent previous report	SR 19	
G4-30 Reporting cycle	SR 19	
G4-31 Contact point for questions	SR 27	
G4-32 'In accordance' option, the GRI content index,		
and external assurance	SR 19, 21-27	
G4-33 Policy and current practice regarding external		
assurance	SR 19	
Governance		
G4-34 Governance structure	SR 8, 18	<del>-</del>
G4-35 The process for delegating authority for		
sustainability topics	SR 8, 18	
G4-36 Executive-level positions with responsibility for		
sustainability topics	SR 8, 18	
G4-37 Consultation between stakeholders and the highest		
governance body	SR 8	

GRI-Index Description	Location	External Assurance
G4-38 Composition of the highest governance body and		
its committees	SR 18, 19	
G4-39 Position of the chair of the board of directors	SR 19	
G4-40 Selection processes for the highest governance bod	y	
and its committees	SR 18, 19	
G4-41 Avoiding conflicts of interest	SR 18	
G4-42 Highest governance body's role in setting purpose,		
values, and strategy	SR 8, 18	
G4-48 Highest committee to formally approve this report		
and its materiality aspects	SR 8	
G4-49 Process for communicating critical concerns to the		
highest governance body	SR 8	
G4-50 Critical concerns communicated to the highest		
governance body	SR 8	
Remuneration and Incentives		
G4-51 Remuneration policy	SR 18	
G4-52 Process for determining remuneration	SR 18	
Ethics and Integrity		
G4-56 Values, principles, standards, code of conduct, and		

# **Economic**

Economic Performance DMA		
G4-EC1 Direct economic value generated and distributed	SR 3, AR 27-45	AR 27-45
G4-EC3 Coverage of defined benefit plan obligations	AR 41	AR 41
G4-EC4 Financial assistance from government	AR F-30 - F-32	AR F-30 - F-32

#### **Market Presence**

G4-EC5\* Entry-level wage by gender compared with

minimum wage SR 13
G4-EC6 Local hiring SR 13

**Indirect Economic Impacts** 

G4-EC8 Significant indirect economic impacts SR 3, 10, 11

#### **Environment**

#### Energy DMA SR 8-10, 21, 22 G4-EN3 Energy consumption within the organization SR 4, 5 G4-EN6 Reduction of energy consumption SR 4,6 G4-EN7\* Reductions in energy requirements of products SR 6, 9 and services Water DMA G4-EN8 Total water withdrawal SR 5, 6 **Emissions DMA** G4-EN15 Direct greenhouse gas emissions (scope 1) SR 4,5 G4-EN16 Energy indirect greenhouse gas emissions (scope 2)SR 4,5 G4-EN17\* Other indirect greenhouse gas emissions (scope 3)SR 7 G4-EN18 Greenhouse gas emissions intensity SR 4 G4-EN19 Reduction of greenhouse gas emissions SR 4, 6 G4-EN20 Emissions of ozone-depleting substances SR 5 **Effluents and Waste DMA** G4-EN22 Total water discharge SR 5 G4-EN23 Total weight of waste by type and disposal method SR 5 G4-EN24 Significant spills SR 6 **Products and Services DMA** G4-EN27 Mitigation of environmental impacts of products and services SR 9, 11 G4-EN28\* Percentage of products sold and their packaging materials reclaimed SR 10 **Compliance DMA** G4-EN29 Fines and sanctions for noncompliance with environmental regulations SR 6, AR 11 AR 11

# **Transport DMA** G4-EN30\* Significant environmental impacts of transportation **SR** 7 **Supplier Environmental Assessment DMA** G4-EN33\* Environmental impacts in the supply chain **SR** 7 **Environmental Grievance Mechanisms** G4-EN34 Grievances about environmental impacts through formal mechanisms **SR** 8 **Labor Practices Employment DMA** G4-LA1\* New employee hires and employee turnover SR 12 Occupational Health and Safety DMA G4-LA6 Injuries, lost days, absenteeism, and fatalities SR 15 G4-LA7 High risk of diseases related to occupation SR 15 **Training and Education DMA** G4-LA9 Average hours of training per year per category SR 13 G4-LA10 Programs for skills management and lifelong learning SR 13, 14 G4-LA11 Regular performance and career development SR 14 reviews **Diversity and Equal Opportunity DMA** G4-LA12 Composition of governance bodies and employee breakdown SR 12, 14, 15, 18 **Equal Remuneration for Women and Men** G4-LA13\* Ratio of basic salary and remuneration of women to men SR 15 **Supplier Assessment for Labor Practices DMA** G4-LA15\* Labor practices in the supply chain and actions taken **SR** 7 Labor Practices Grievance Mechanisms DMA

SR 16

G4-LA16 Grievances about labor practices through formal

grievance mechanisms

# **Human Rights**

Investment	
G4-HR2 Employee training on human rights	SR 16
Nondiscrimination DMA	
G4-HR3 Actions taken in incidents of discrimination	SR 15
Freedom of Association and Collective Bargaining DMA	
G4-HR4* Right to freedom of association and collective	
bargaining in risk areas	SR 16
Child Labor DMA	
G4-HR5* Measures taken to eliminate child labor in	
risk areas	SR 16
Forced or Compulsory Labor DMA	
G4-HR6* Measures taken to eliminate forced or compulsory	ý
labor in risk areas	SR 16
Supplier Human Rights Assessment DMA	
G4-HR11* Potential negative human rights impacts in the	
supply chain	SR 7, 8
<b>Human Rights Grievance Mechanisms DMA</b>	
G4-HR12 Grievances about human rights impacts filed,	
addressed, and resolved	SR 16
Society	
Anticorruption DMA	
G4-SO3 Operations assessed for risks related to corruption	SR 16
G4-SO4 Anticorruption training	SR 16, 17
G4-SO5 Actions taken in response to corruption incidents	SR 16
Public Policy DMA	
G4-SO6 Political contributions	SR 3
Anticompetitive Behavior DMA	
G4-SO7 Anticompetitive behavior, antitrust, and monopoly	
practices	SR 17
Supplier Assessment for Impacts on Society DMA	
G4-SO8 Fines and sanctions for noncompliance	SR 11

#### **Anticompetitive Behavior DMA**

G4-SO10\* Potential negative impacts on society in the

supply chain SR 7

#### **Product Responsibility**

#### **Customer Health and Safety DMA**

G4-PR1 Assessment of health and safety impacts of products SR 12

G4-PR2 Compliance concerning the health and safety

impacts of products SR 12, AR 10, 11 AR 10, 11

**Product and Service Labeling DMA** 

G4-PR3\* Product information required by procedures SR 11

G4-PR4 Compliance concerning product information SR 11

**Marketing Communications DMA** 

G4-PR6 Sale of banned or disputed products SR 12

G4-PR7 Compliance concerning marketing communications SR 12

**Customer Privacy** 

G4-PR8 Complaints regarding breaches of customer privacy

and data SR 11

**Compliance DMA** 

G4-PR9 Compliance concerning the provision and use of

products and services SR 11, AR 10, 11 AR 10, 11

#### **Mettler-Toledo International Inc.**

Im Langacher 44 8606 Greifensee, Switzerland

#### **Contact person:**

Jeffrey B. Adams Head of Corporate Sustainability 1900 Polaris Parkway Columbus, OH 43240, USA

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#### http://www.mt.com/sustainability