



# A wellspring of responsible business

ITT Flygt sustainability report 2002–2004



Flygt



**ITT Industries**  
*Engineered for life*

# CEO's statement

**“This sustainability report  
is a gateway for us”**

It has always been our goal to build a stronger ITT Flygt, a company that acts as a key driving force in water management for generations to come. We seek to strike a balance between financial results and strategic ethical and environmental initiatives. We want to make a positive contribution to the development of society.

We regard sustainability as a business opportunity, a chance to create long-term value by embracing the challenges and managing the risks associated with economic, environmental and social trends. This attitude, combined with the high expectations of our owners, has inspired a positive corporate culture.

For us, sustainability is more a way of thinking and acting than anything else. We ask the sustainability question when we make a decision: is this decision in conflict with our social, ethical or environmental concerns?

Every year, we shine the spotlight on particular ethical, social and environmental issues. In 2002–2004, we focused on our products' impact on ecosystems and society, by carrying out life cycle assessments of all products and describing how our products and services contribute to the development of society. We have also studied how our activities, engagements and products contribute to achieving the UN Millennium Development Goals.

This sustainability report is a gateway for us, in which we review and evaluate our way of working and our progress towards becoming a more sustainable company. We have taken new steps in the right direction, but we want to do more to benefit the environment and our customers.

Per-Inge Birgeresson, CEO, ITT Flygt



# Our path to sustainability

We do business in a manner that meets the needs of the present without compromising future generations' ability to meet their needs.

## Economic, environmental and social responsibility

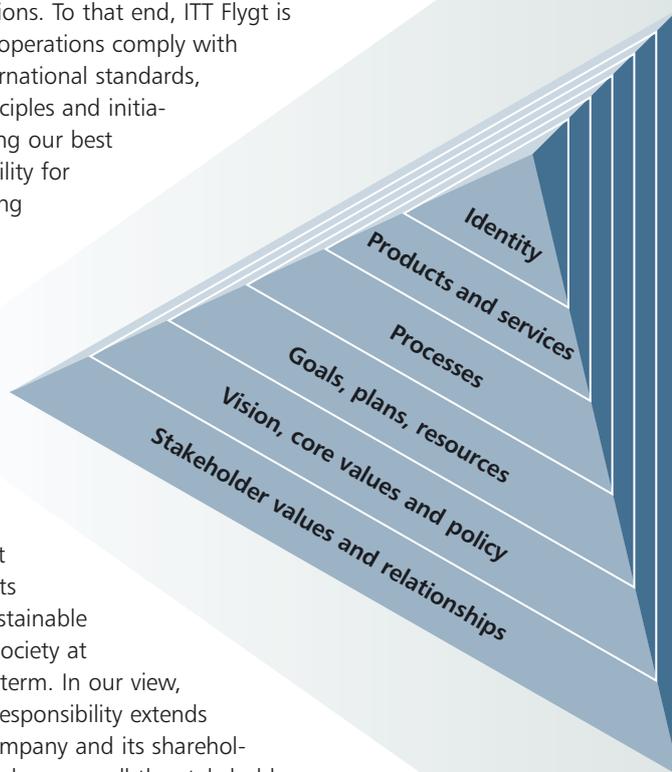
It means taking broader responsibility for the economic, environmental and social impact of our products and actions. To that end, ITT Flygt is ensuring that its operations comply with national and international standards, conventions, principles and initiatives. We are doing our best to take responsibility for the people working for our company.

We are making efforts to see that using our products and services is sustainable both for us and society at large in the long term. In our view, corporate social responsibility extends beyond to the company and its shareholders to involve and engage all the stakeholders in our society.

## Pyramid of sustainable development

The pyramid represents our sustainable development concept. Ultimately, the stakeholders are its foundation.

- ▲ The base layer stands for the core values of stakeholders relative to ITT Flygt.
- ▲ Dialogues and partnerships with stakeholders provide the input on which we base our vision, core values, focus areas and way of working.
- ▲ We develop goals and plans, and need organisational resources to achieve our ambitions.
- ▲ Employees and management work in processes to deliver products and services.
- ▲ Our offering: products and services.
- ▲ At the apex is the highly visible top of the pyramid, where all the other elements create our identity – the company's image or brand.



## What does it mean in practice?

On each layer, we strive for a balance between the three sides of the pyramid. But what does this mean in practice? In short, asking the "sustainability question" in all business decisions.

We weigh our answers and actions against the principles of the UN Global Compact, which ITT Flygt signed in March 2002. It states that businesses

- ▲ must respect *human rights* and are not complicit in abuses.
- ▲ must support *labour standards* upholding freedom of association and the right to collective bargaining, and eliminating forced labour, child labour and discrimination.
- ▲ must employ a precautionary approach to environmental issues and promote *environmental responsibility* and environmentally friendly technologies.
- ▲ must *combat corruption* and bribery.



# Social responsibility

## Our role in society

**“Water is our element.” That’s an ITT Flygt slogan, but it’s equally true of the world. We have an important role to play in society, not only as a manufacturer of the technologies and infrastructure of water distribution, but as an employer and a value creator for our owners.**

For our world to meet the UN Millennium Development Goals, people must have access to clean water for drinking and industry, and to sewage treatment plants to prevent the spread of disease and pollution.

Getting to grips with poverty, water and energy will go a long way towards dealing with global environmental problems such as the greenhouse effect, ozone depletion, acidification and eutrophication. That was the conclusion of the Johannesburg World Summit for Sustainable Development (WSSD) in 2002.

- ▲ Dealing with poverty demands water and energy solutions.
- ▲ Providing access to clean water and adequate sewage treatment requires energy.
- ▲ With enough energy, the water and poverty problems can and will be solved.

### Part of a broader initiative

In September 2000, the Millennium Declaration was ratified by 189 heads of state. It provides an integrated, common vision of how to tackle some of the major challenges facing the world, and establishes specific Millennium Development Goals (MDGs) to be achieved by 2015.

There are sound reasons for businesses to take part. It will help create a healthy business environment, help us manage

direct costs and risks, and help us harness new business opportunities. ITT Flygt is studying how water is related to each goal, and how we can help achieve them by 2015. We are also an active partner in Swedish “Chance of a Lifetime” initiative, which is based on the goals.

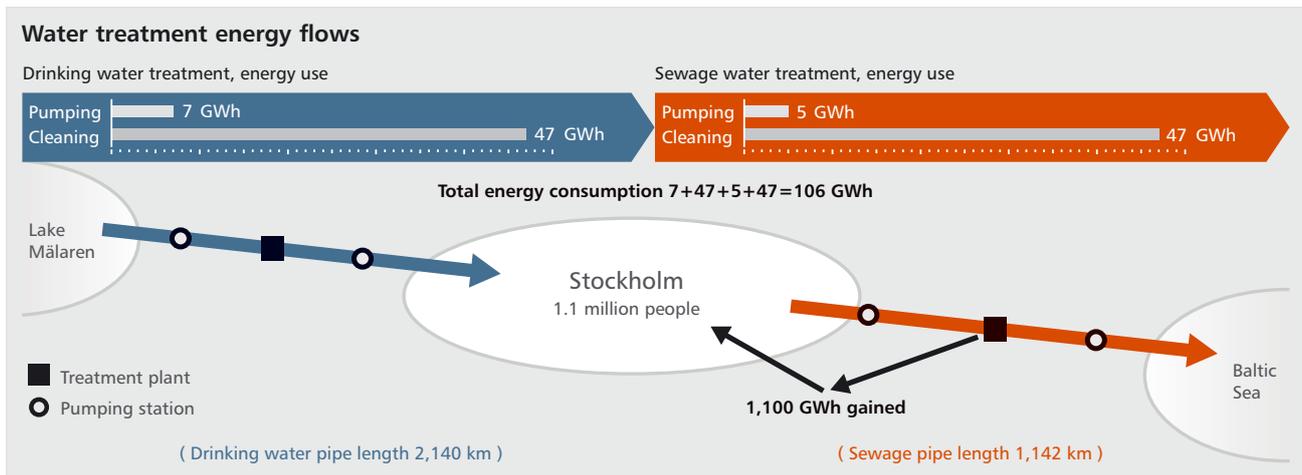
### Water in the developing world

In 2004, nearly 10% of ITT Flygt’s total sales of pumps and associated equipment were to low income countries (i.e. countries with a per capita GDP lower than \$2,975). In reality, the figure is higher, as sales to aid organisations based in high income countries, the World Bank, etc. are not included in the statistics. Our sales to low income countries will increase in the future, as the product portfolio is being expanded to include pumps and equipment for drinking water.

### Partnerships

We work with a wide variety of partners in our sustainability efforts:

- ▲ Founder and partner of the Stockholm International Water Institute, which awards the annual Stockholm Water Prize and the Stockholm Junior Water Prize.
- ▲ Member of the Nordic Partnership, an NGO–business network working to make sustainability a profitable business idea.
- ▲ Member of the Swedish Partnership for Global Responsibility, a government initiative.
- ▲ Public advocate of the UN Global Compact and member of the Nordic Global Compact Network.
- ▲ Partner in research projects at the University of Kalmar, the Royal Institute of Technology and the Linköping Institute of Technology.
- ▲ Maintain dialogues with communities where our factories are situated.



## Ten times more energy out than in

We are deeply involved in the water, sewage and energy systems that make the relatively better-functioning cities of the post-industrial world possible. To understand the energy budget of a functioning urban drinking water and sewage system, we turn to statistics from the Stockholm Water Company.

It serves a total of 1.1 million people, with two drinking water plants and three sewage treatment plants. About 130 million m<sup>3</sup> of drinking water is produced annually, and roughly the same volume of sewage is treated.

Stockholm's annual energy budget for the pumps in its drinking water and sewage infrastructure totals 106 GWh.

### Net energy gain

Pumps are the heart of the system, circulating drinking water and sewage to and from the organs of the urban body. Without pumps, the system would collapse, with devastating social and environmental consequences.

Though Stockholm's pumps consume 106 GWh of energy annually, some 1,100 GWh is recovered by heat exchangers at the three sewage treatment plants. The city's drinking water and sewage distribution systems are thus net generators of energy. To put the figures in perspective, the total energy used by Stockholm households (not including industry, offices, transports, etc.) is 6,000–12,000 GWh.

## Broader responsibility

Our approach looks beyond the direct social impacts of the company itself to consider the impact of suppliers and employees as well.

### Care of our suppliers

When it comes to suppliers, we focus on long term relationships, requiring strategic suppliers to maintain certified environmental management systems. To date, about 60% have succeeded in securing ISO 14001 certificates. Social and ethical clauses may be added to contracts if there is a reason to believe that issues will arise. So far this has rarely been necessary; we stop doing business with such suppliers. Suppliers can read our Code of Conduct on the ITT Flygt website for suppliers. New suppliers are thoroughly vetted, and contract requirements are discussed early on.

Our supplier base is slowly changing, and we are therefore evaluating various approaches to fruitful communication of sustainability issues.

### Care of our employees

Employees feel proud of how ITT Flygt is working for the future, and they let management know it when responding to internal surveys. Effective two-way communication is the key to good workplace relations.

At the end of 2004, ITT Flygt employed 4,279 people worldwide. In spite of increased production and sales, we have not had to increase the number of employees in the past five years.

We implement a variety of systems and programmes to maintain a sustainable environment of trust within the company: VBSS, training and education, systems for sick leave follow-up, equal opportunity programmes, anti-discrimination, sexual harassment.

The pump industry is traditionally male-dominated. In recent years, we have recruited women in production and R&D positions. As yet, we have not succeeded in recruiting enough women to the board and top management positions.

Between 2002 and 2004 we maintained stable, low levels of absenteeism. We saw a substantial decrease in work-related incidents and accidents thanks to a root cause analysis process for injuries and incidents. See figure on page 11.

### Listening to our employees

We have carried out employee surveys since 1994. Based on employee ratings, we have identified strengths to build on and weaknesses to improve. To the most general statement, "ITT Flygt is a responsible company balancing economic prosperity, environmental quality, safety, health and social welfare," our employees rated the company at 4.13, close to the top scores.

(maximum score 5.0)

#### Strengths

+ Quality of work	4.32
+ ESH work	4.27
+ Pride	4.23

#### Weaknesses

- Employee development	3.31
- Reward & recognition	3.32
- Improvement	3.71

# Environmental concern



## Looking at the big picture

**ITT Flygt's environmental concern stretches beyond sustainable production to include sustainable consumption as well. We now look at the impact of our products throughout their life cycle.**

Every year, our operations consume 84 GWh of energy; our products, on the other hand, consume 2,830 GWh. This is the central insight needed to set useful priorities for environmental work. To the extent that the energy our production and products consume comes from fossil fuels, they also cause CO<sub>2</sub> emissions, which contribute to the greenhouse effect and thus to climate change.

### Shaping our own behaviour

Our own production is where we have the most complete control. We have prioritised environment, safety and health (ESH) issues since the mid-90s. We were an early adopter of environmental management systems (EMS), basing our systems on the ITT Industries ESH Policy Manual and the ISO 14001 standard.

All ITT Flygt units worldwide employ a uniform ESH programme including risk analysis, audits, training and continuous improvement. The work builds on the ITT Industries ESH Policy Manual in combination with relevant local laws and regulations. ITT Industries maintains a comprehensive internal ESH audit programme. All employees with ESH responsibility are linked and supported by an ESH Regional Coordinators' network.

### Effects of production

ITT Flygt has six factories. The Emmaboda factory in Sweden is by far the biggest (1,157 employees). There are also factories in Argentina, China, Germany, Italy and the Netherlands.

The Emmaboda factory accounts for most of our production, and has been ISO 14001 certified since May 1997.

**ITT Flygt's production: energy, waste and water**

(Year 2004)	ITT Flygt	Emmaboda plant	Other plants
No. of employees	4,279	1,157 (27%)	343
Water, m <sup>3</sup> ×1000	172	75 (44%)	19
Total energy, GWh	84.5	45 (53%)	9
Hazardous waste, tonnes	668	560 (84%)	45
Non-hazardous waste, tonnes	845	52 (6%)	19
Recycled waste, tonnes	8,083	6,898 (85%)	252

Emmaboda's energy saving programme has attracted a great deal of external interest, since it is innovative and at the forefront of new technologies.

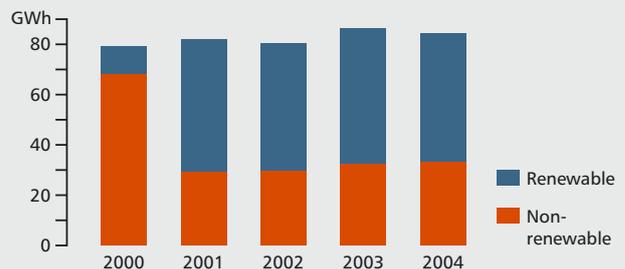
### Energy and transports have greatest impact

Globally, ITT Flygt has identified energy and transports as priority environmental issues, along with electricity consumption of products sold. All of these issues have a common denominator – carbon dioxide (CO<sub>2</sub>) – a chief cause of the greenhouse effect. Factories have other environmental impacts, too: waste, chemicals, emissions to air and water, and raw material use.

Our energy consumption is linked to heating of facilities and production. ITT Flygt has studied its energy consumption, linking it to CO<sub>2</sub> emitted. The goal is to decrease CO<sub>2</sub> emissions, both by decreasing total use of energy and switching to renewable energy sources.

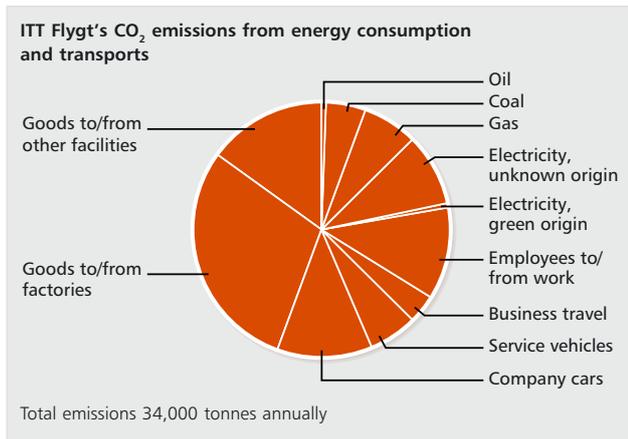
**ITT Flygt energy sources, 2000–2004 (GWh)**

(This graph shows only energy usage by ITT Flygt operations)



### Where CO<sub>2</sub> comes from

Total CO<sub>2</sub> emissions from all ITT Flygt activities relating to energy usage and transportation were estimated at 37,200 tonnes in 2001. Transports of goods and materials thus represent nearly 50% of total emissions. Add business travel, service and company vehicles, and employees' transports to and from work to the mix and we have accounted for about 75% of the total. Clearly, the efforts that will have the greatest effect on CO<sub>2</sub> emissions are thus those that focus on improving the environmental efficiency of transports, alternative fuels and new logistics concepts.



### Partnership with our customers

We are dependent on our customers' commitment to environmental and sustainable development issues to achieve good results. Many customers are already working proactively with these issues, and we seek to further develop our relationships with them and other stakeholders to minimise energy use. One way we have done this is by providing Life Cycle Cost (LCC) estimates to customers for all new products. By looking at LCC, they can decrease not only operating costs, but the environmental costs associated with CO<sub>2</sub> emissions.

### R&D partnerships

Since 2001, we have been an active member of CPM, a national centre for expertise at Chalmers University of Technology (see [www.cpm.chalmers.se](http://www.cpm.chalmers.se)). Its goals are

- ▲ to reduce the environmental impact associated with products.
- ▲ to bring together and reinforce Swedish sustainable product development expertise
- ▲ to provide relevant methods and support for including environmental aspects in decisions on products and materials.

### The life cycle of a product

ITT Flygt's products run on electricity and have a service life of 10–15 years. Operating between a few hundred hours (grinder pumps) and a non-stop 8,700 hours (banana blade mixers) annually, each product's lifetime electricity consumption is thus considerable. Proactive research & development to improve operating efficiency and decrease the electricity consumption is thus more than a cost issue for our customers. It is an important environmental issue with respect to CO<sub>2</sub> emissions.

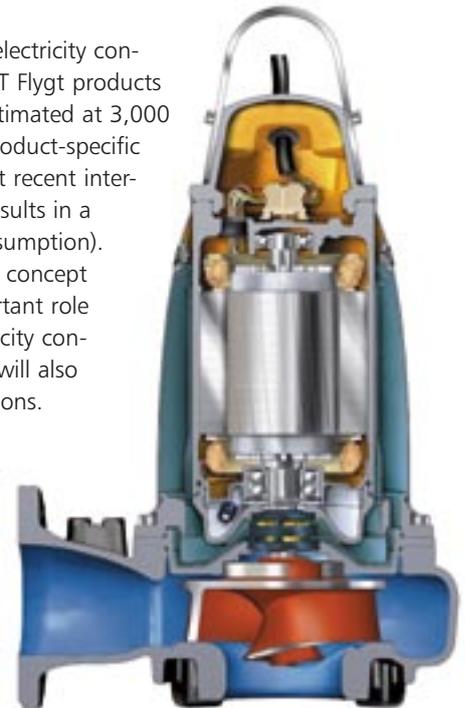
Life Cycle Assessments (LCA) enable us to evaluate the total environmental impact of a product, including its production, usage and end-of-life phase. We are carrying out LCAs on existing and new products, and preparing Environmental Product Declarations (EPDs) according to the ISO 14025 standard for all new products (see [www.envirodoc.com](http://www.envirodoc.com)).



### Reducing product energy consumption

We are concerned about the amount of electricity consumed by our products. Approximately 1/3 of the EU's total electricity consumption is related to water pumping in all its forms (clean, polluted and excess water).

The total annual electricity consumption of all ITT Flygt products sold in 2004 is estimated at 3,000 GWh based on product-specific requirements. (But recent internal calculations results in a lower energy consumption). Our new N-pump concept can play an important role in reducing electricity consumption, which will also reduce CO<sub>2</sub> emissions.



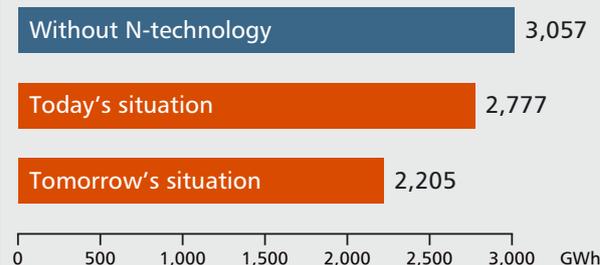
Pump with N-impeller

### A technological advance with a big effect on CO<sub>2</sub>

In 1998, ITT Flygt presented the new N-pump concept. Its innovative self-cleaning impeller design reduces electricity consumption, cutting CO<sub>2</sub> emissions as a result. Currently, approximately 27% of our products are equipped with the N-impeller, resulting in annual energy savings for products sold of over 280 GWh – over four times ITT Flygt's total annual energy budget. Ultimately, up to 75% of our pumps can be equipped with N-impellers, so the savings will continue to grow.

#### The N-pump and electricity

Annual energy consumption by traditional Flygt pumps



# Economic growth



## Balancing our business

**No discussion of sustainability is complete without the most essential element, commercial success. We intend to grow, and to do so responsibly.**

### Grounds for growth

#### Organic growth, acquisitions and alliances

In keeping with our tradition, most of ITT Flygt's growth between 2002 and 2004 was organic.

Two acquisitions mark the start of a new era of more external growth: that of Svedala Robot B.V. now Robot Pumps B.V., a Dutch manufacturer of small wastewater pumps that will be an important addition to the ITT Flygt range in certain markets, including China; and of Uniservice Wellpoint Srl., now ITT Wellpoint, an Italian manufacturer of diesel-powered mobile dewatering pumps, giving us a complete range for the increasingly important dewatering/rental market.

We also established a strategic alliance with Allweiler AG giving us distribution rights to a range of pumps for thick sludge.

#### In-house development

Together with our successful new N-pump, developed in house, ITT Flygt now has a complete assortment of pumps for sludge pumping in municipal and industrial treatment plants. The energy-efficient N-pump range, designed for trouble-free pumping of raw sewage, was expanded into a complete range, including super high head pumps and large wastewater pumps.

We also developed a new range of slurry pumps for demanding industrial applications, a new generation of dewatering pumps and a range of stainless-steel drainage pumps.

Internally, we sharpened the organisation with a new CEO and several new top managers to meet the challenges of our future plans.

## Making ourselves a better partner

We expect to grow faster in the next few years, largely thanks to operational excellence in manufacturing, sales and distribution. We will focus more on acquisitions in areas adjacent to ITT Flygt's current core businesses. In some core areas, we will expand our offering into rental, services and into facilities management. We will also expand by establishing new distribution channels, including sales to emerging

markets in Asia and the Asia Pacific region. These are all examples of ways we are making it easier for customers to do business with ITT Flygt.

### Easy to do business with ITT Flygt

In 2004, we introduced a method of measuring customer satisfaction in Sweden, Great Britain and Hungary. Our strengths were product quality, courtesy and helpfulness, and technical expertise, while we needed to improve in customisation flexibility, service responsiveness and information on changes in delivery time. We have set the goal of improving our loyalty and satisfaction index by the next survey. In 2005, we will survey another seven markets.

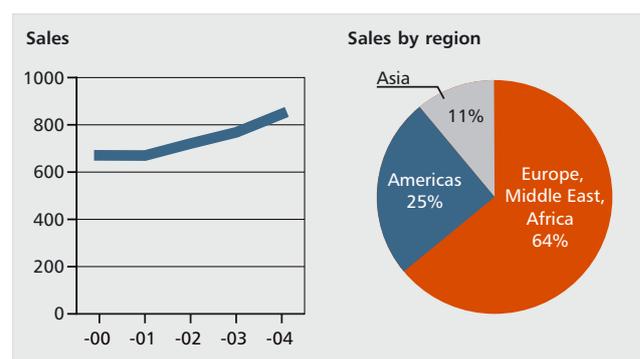
### Creating value with Six Sigma

Value Based Six Sigma (VBSS) is a methodology for eliminating process defects, with the goal of building value by constantly improving customer satisfaction. ITT Flygt is a complex, long-cycle business, and VBSS includes a whole suite of disciplined, data-driven tools to facilitate sustainable growth and development.

Since we initiated the programme, it has included over 200 projects worth some \$30 million. Efforts are led by a "lead champion", who organises six champions and some 40 project leaders, or "black belts". Another 200 employees have been trained as "green belts".

### Code of Conduct

Our employees have worked hard to build our good reputation, and it is an asset worth protecting. That's why we have an explicit Code of Conduct. The Code was updated and rolled out in 2004, and provides detailed rules on how to conduct relations with government and non-government businesses, and how our sales and marketing representatives are expected to comport themselves. All employees received training and signed a statement indicating that they understood its content.



## Managing risks

As a part of our management system, we have identified the environmental, health and safety aspects as well as the social and ethical concerns associated with each ITT Flygt process. We use this information to prioritise our actions and identify improvement areas. We have set targets for several areas:

- ▲ CO<sub>2</sub> emissions
- ▲ Energy efficiency of sold products and systems
- ▲ End-of-life management of our products
- ▲ High-risk safety training for target employees

Every year, we identify action items to improve social and ethical aspects. We have held dialogues with some 15 NGOs to get their input on the social and ethical concerns faced by a company like ours. Some of the items are taken up as key issues for sustainable development in this report while others are discussed internally.

## Avoiding potential liabilities

### Review of internal controls

As a subsidiary of a publicly traded US company, ITT Flygt must comply with the US Sarbanes-Oxley Act of 2002. To prepare for the quarterly reports, we review our internal financial controls to ensure that the techniques are adequate to safeguard our assets and provide accurate and reliable information. About 60 managers respond to a survey on business management, financial controls, human resources, environment, safety and health issues, and IT/IS, answering questions about compliance with the Code of Conduct, possible violations of laws and regulations, and fraud and risks.

### Avoiding product liability

Product safety has always been a central issue, but in 2004 our owners challenged the organisation to design a comprehensive product safety process covering products on the market and in the pipeline, and looking ahead to identify potential safety issues that aren't yet on the horizon. The Product Safety Board is currently working on a "beyond compliance" process to evaluate the safety of all new products and conduct safety reviews of existing products. Eight cases were reported from 2002 to 2004.

### Avoiding site liabilities

All ITT Flygt units have gone through comprehensive environmental assessments. Between 1992 and 2002, we surveyed all existing sites at an expense of some \$2.5 million, quantifying exposures to hazardous materials in soil and groundwater. Contamination by various pollutants was monitored and compared with national soil and groundwater standards. We shared the results with local and national authorities. Any time we leave a facility or take over a new one, an assessment is carried out. From 2002 to 2004, 63 such assessments were carried out.

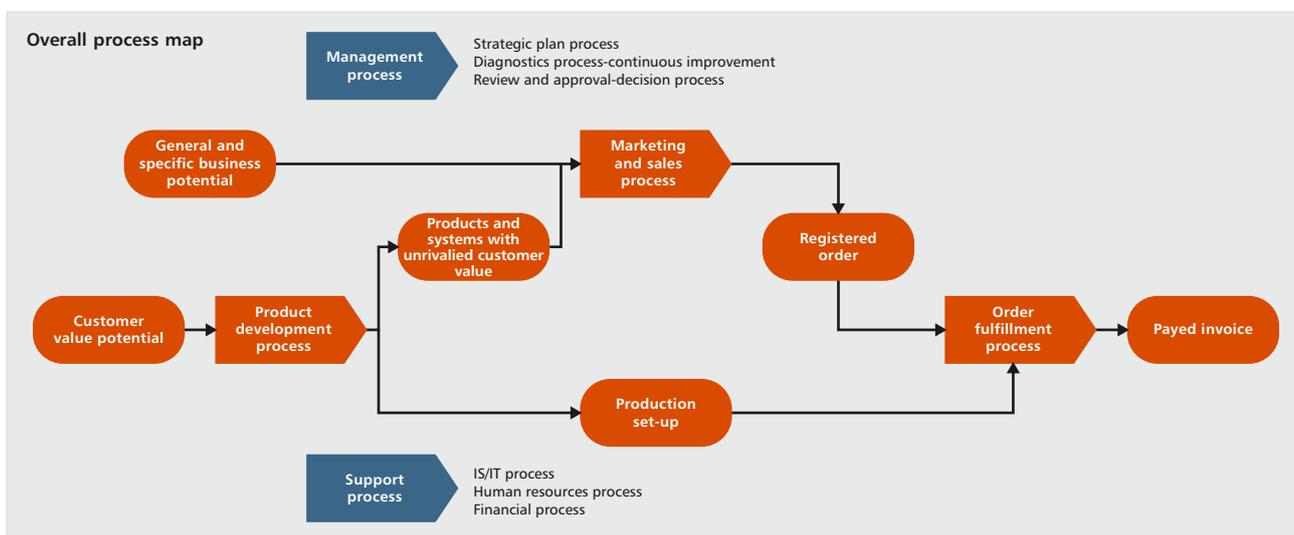
### Avoiding asbestos liabilities

Asbestos has been a major worldwide concern in recent years. To ensure that no Flygt products, equipment or spare parts contain asbestos that might present a risk to customers and users, all of our manufacturing sites and several sales companies have identified potential high-risk components and had them analysed by an accredited laboratory. The analyses showed that no asbestos has been used in Flygt products, equipment and spare parts. An asbestos survey of all Flygt locations around the world was initiated in January 2005 and will continue until 2006.



### Business continuity plans

In 2004, we developed business continuity plans for all major Flygt sites, outlining significant potential risks from natural disasters to terrorist attacks, and step-by-step responses. The plans cover all aspects of recovery, including equipment and data back-up, establishing internal and external response procedures and teams, securing sites and communicating to the community. The businesses are now carrying trial runs, including four to five hour sessions in which they walk through scenarios and act out what would have to happen at each stage.



# Approach to sustainability

We ask ourselves the sustainability question: Is this decision in conflict with our social, ethical or environmental concerns?

## Sustainability Forum

The Sustainability Forum brings together top management three times annually to promote an annual programme based on the current situation and a ten-year action plan for sustainable development.

## Milestones

- ▲ Since its founding in 1997, we have been a partner of the Global Reporting Initiative (GRI), which drew up the original guidelines for sustainability reporting. In 1999, we began to systematically integrate the GRI's economic, environmental and social reporting ideas with our operations, publishing our first sustainability report that year.
- ▲ In 2000, we established the goal of identifying our products' environmental impact through life cycle assessments. We completed the process in 2004.
- ▲ In 2001, we introduced a sustainability policy and a ten-year action plan. We also joined the Nordic Partnership for Sustainable Development. Our second Sustainability Report was issued.
- ▲ In 2002, we joined the UN Global Compact and the Swedish Prime Minister's Partnership for Global Responsibility. We also established the internal Sustainability Forum.
- ▲ In 2003, we introduced sustainability principles, including the establishment of annual action programmes.
- ▲ In 2003, the ITT Flygt Group Executive Team received ISO 9001 and ISO 14001 certification.

## Sustainability principles

In 2003, the ITT Flygt Group Executive Team decided on a set of principles for integrating a sustainable approach to development with our day-to-day business activities:

- ▲ Sustainable development is part of ITT Flygt's management system. Sustainability issues are identified and compared with relevant international standards.
- ▲ Sustainable development issues are brought into our activities by making the sustainability question an integral part of our daily work and decisions.
- ▲ Sustainable development considerations are included in our strategic and market communications plans.
- ▲ Sustainable development activities are explicitly, transparently coordinated.

## Our core values



## Annual programme 2004

The 2004 programme included four primary activities:

- ▲ Implementation of the sustainability question and the principles of the UN Global Compact in all aspects of ITT Flygt's organisation and activities. This entailed consideration of issues including cash flow, supplier selection, contracts with distributors and the increased burden on employees trying to do more with less.
- ▲ A risk assessment to identify current and future issues, based on international standards and principles. This was carried out both internally and in dialogues with some 15 NGOs.
- ▲ Introduction of a revised Code of Conduct and follow-up activities.
- ▲ The ITT Flygt Sustainability Report 2002–2004.

## Annual programme 2005

- ▲ Further actions to improve social responsibility in the supply chain.
- ▲ Communication of the Code of Conduct to distributors.
- ▲ Developing partnerships with customers to promote energy saving strategies.
- ▲ Further communication of UN Global Compact principles.
- ▲ Updating the CO<sub>2</sub> budget.

## The future

We will continue the dialogue with NGOs that we started in 2004 about barriers to sustainable development within our company. ITT Flygt is eager to cooperate with NGOs and other organisations through partnerships, discussions of various topics and joint development projects. Potential partners also include customers, local community representatives and universities. We are interested in identifying innovative ways of doing business responsibly that add value to both ourselves and our stakeholders.



# Where we stand

What we have and have not accomplished with respect to key issues for sustainable development, 2002–2004. A review of our progress on the 2001 ten-year action plan.

## Stakeholders

**Identify stakeholders and their interests.** The major stakeholders include customers, owners and employees. Other stakeholders are suppliers, communities, universities and non-governmental organizations.

**Stakeholder relationships and involvement.** Relationships are well established with major stakeholders. With suppliers, universities and the communities where factories are situated, we have fruitful contacts that we want to further develop.

## Management

**Vision, mission, core values, policy & code of conduct.** All of these documents are communicated.

**Principles and implementation strategy.** We have drawn up principles and are implementing them. Internal surveys show above average top management involvement in sustainability issues.

**Management systems.** Sustainable development is integrated with the HQ management system; certification of two factories is delayed.

**Anchoring.** The sustainability concept is not yet integrated in the day-to-day work as intended.

**Key aspects of sustainability.** Identified and evaluated 2004.

**ITT Flygt leadership role.** No benchmarking with competitors yet, nor have we implemented the results of the evaluation in the previous sustainability report. We have been identified as a silent leader in sustainable development and CSR by a project coordinated by the University of Nijmegen.

**GRI involvement.** Not active but following developments.

## Indicators and Targets

**Identification, targets and evaluation of indicators.** A research project is under way to identify a sustainability index.

**Social performance.** Group level indicators collected for this report. Targets not defined.

**ESH performance.** Group level indicators identified, targets defined for a few.

**Financial performance.** Limited transparency of financial performance.

We have chosen to present more indicators as a complement to this report on our website.

## Communication

**Internet.** Information not updated during 2002–2004.

Indicators will be released as a complement to this report in spring 2005.

**Marketing materials.** Corporate information includes sustainable development. Certified environmental declarations for new products since 2004. Recycling advice not yet included in product information.

**Internal communication.** An intranet site on sustainable development was released in 2002. Information meetings explaining sustainable development and the UN Global Compact principles were held for all employees world-wide in 2003. Code of Conduct workshops were held in 2004.

## Social Indicators: 2004

(90% of employees were included in survey)

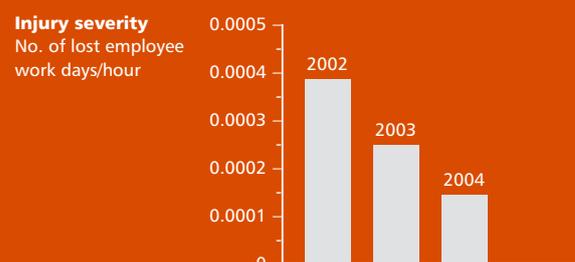
- 22% of employees were women
- 18% of executive teams were women (27 of 150)
- 16 training hours per employee
- Two grievances reported (union-related issues)
- 4.9% absenteeism due to sickness/accidents (work-related and non-work-related).

### Fewer lost work days

The 2002–2004 period saw a substantial decrease in the number of work-related injury cases and lost work days. The number of lost work days went down 60% over 3 years.

These results are partly due to the implementation of a root cause analysis process. The main plant made extensive use of this tool, focusing not only on actual work-related injuries but also on near-misses.

Most injuries are strains and contusions. The main cause of work-related injuries is material handling and lifting. Almost half of the injured parts are arms/hands and legs/feet.



## Water management innovator

ITT Flygt is the world's leading manufacturer, supplier and innovator on the submersible pump, mixer and aeration markets. With production facilities on four continents, we serve four primary market segments: public utilities, construction, mining and industry. Our products are used every day in wastewater treatment

plants, sewage systems, aqua-agriculture, the process industry and numerous other applications. Engineers, planners and consultants around the globe rely on our expertise to ensure reliable, cost-efficient use of our systems. ITT Flygt is represented in over 130 countries and has 40 sales companies worldwide.

## ITT Flygt around the world



- HQ
- ▲ Main plant
- ▲ Manufacturing plant
- Distributors
- Sales companies

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