

GRUNDFOS
SUSTAINABILITY DATA 2011

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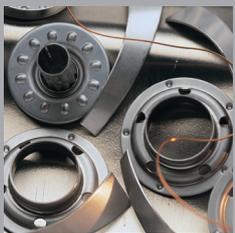
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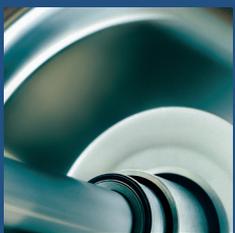
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THIS IS GRUNDFOS

Grundfos Holding A/S

Grundfos Holding A/S (Grundfos) is a pump manufacturer which offers sustainable pump solutions to the market. Today, Grundfos is one of the world's leading pump manufacturers with an annual production of more than 16 million pump units. Furthermore, Grundfos is the largest manufacturer of circulator pumps covering approx. 50 per cent of the world market.

Products

Our range of efficient and reliable pump solutions is continuously extended. Comprehensive know-how and intensive research and product development allow us to develop new trendsetting products, which meet the increasing demand for better energy efficiency and reduced environmental impact.

Our main products include circulator pumps for heating and air-conditioning as well as other centrifugal pumps for industrial use, water supply, sewage and dosing. In addition to pumps and pump systems, Grundfos develops, produces and sells energy-efficient motors and advanced electronics. Built-in electronics make our pumps intelligent and mean that they can determine the need for water and adapt their performance accordingly. This leads to significant reductions in energy and water consumption.

Business areas

Grundfos operates in many different markets and offers pump solutions for a number of different purposes. One important business area for Grundfos is buildings, and we focus on delivering all the types of pump solutions that are required. These solutions are mainly pumps for heating, air-conditioning, fire protection, water supply and wastewater. They are used in large buildings such as hotels, hospitals, shopping malls and in smaller buildings such as one-family and two-family houses.

Another business area for Grundfos is water. Grundfos provides pump solutions for water plants, wastewater plants and agriculture, for example.

We also focus on pump solutions for industrial customers. While a number of industries are specific, such as the water industry, we also strive to provide pump solutions for industry in general.

A global company

Grundfos is a global company with more than 17,000 employees, who are working in more than 80 companies. Production and sales companies operate in all regions of the world, and Grundfos is present in more than 50 countries.



SUSTAINABILITY IN GRUNDFOS

The world is facing a number of urgent challenges. These include, for example, global warming, water constraint, a rapidly growing population, increased urbanisation, pressure on resources and a shift in economic centres. In Grundfos, we believe that we can make a difference, and we want to take part in ensuring a sustainable future.

We engage in these activities for three reasons. First of all, sustainability is part of our DNA and the way we have done business from the very beginning. It is part of our purpose and values. Secondly, sustainability is a key concept and business driver in Grundfos. We see great business potential in being a provider of innovative and sustainable solutions. Thirdly, sustainability is also a way to manage potential risks and reduce costs throughout our value chain.

Reporting on sustainability and responsibility

In order to report on events that took place in Grundfos in 2011, we have published several documents: an Annual Report 2011, an Annual Statement 2011 and Sustainability Data 2011.

The Annual Report presents our financial performance of the year and includes our most important results in terms of sustainability. The Annual Statement 2011 tells the story of Grundfos by means of

pictures and selected articles. For more information, please go to grundfos.com. The Sustainability Data 2011, which you are reading at the moment, reports on our sustainability performance for 2011.

For 2011, we have chosen not to publish a separate sustainability report, as in previous years. This is not due to a reduced focus on sustainability - on the contrary. Our focus on sustainability has increased, and throughout 2011 we have been developing a new Sustainability Strategy: "Our road to a sustainable tomorrow". With this strategy, we have selected six strategic focus areas which are important to us and our stakeholders:

- **Sustainable product solutions**
- **People competences**
- **Environmental footprint**
- **Workplace**
- **Community**
- **Responsible business conduct**

The strategy may be new, yet the focus areas are well-known in Grundfos. What this new strategy brings is a common focus and a clearer prioritisation – with the involvement of both internal and external stakeholders. In 2012, our focus will be on implementing the strategy.

UN Global Compact

Since 2002, Grundfos has supported the

UN Global Compact, and we are in the process of implementing the 10 principles of the Compact relating to human rights, labour rights, environment and anti-corruption in our business. Furthermore, as part of our commitment to the UN Global Compact, we support Caring for Climate and CEO Water Mandate.

This document functions as our COP (Communication on Progress), and it aims to ensure that we live up to our reporting responsibilities as a Global Compact signatory. Our COP has both an environmental and a social focus.

Independent auditor's assurance

Deloitte has performed a set of tests on specific data included in the reporting, and issued an independent statement. The statement can be found on page 29.



ENVIRONMENTAL





ENVIRONMENTAL

	2011	2010	2008
CO ₂ emissions (metric tonnes)*	118,182	123,898	126,394

2008 is baseline as this is used in our Footprint Strategy.



CO₂ emissions*

CO₂ emissions are measured in metric tonnes. Emissions are calculated for all activities in Grundfos companies. The reporting is based on GHG protocol scope 1 and 2, however, fuel consumption from own vehicles is not included.

The 2011 data shows that our target from our Footprint Strategy, of never emitting more CO₂ than we did in 2008, is more than fulfilled: The CO₂ emissions are reduced by 6% since 2008 – and during the same period the turnover increased by 11%. Compared to 2010, CO₂ emissions are reduced by 5%

Please note that this data cannot be compared directly with the CO₂ data from the Management review in Grundfos Annual Report 2011. Firstly, the scope is different; the Annual Report includes only production companies, while this data includes all activities. Secondly, due to further validation of a newly implemented data collecting system, certain errors were found in two of the production companies.

Please note that comparison figures for year 2008 and 2010 have been changed since reported for the first time. This is due to enhanced data measurement and reporting process. The changes are not material.

**Deloitte has performed a review of Grundfos Environment, Health & Safety Data for 2011 - see auditors statement p. 29*



ENVIRONMENTAL



	2011	2010	2008
Energy consumption (mWh)*	324,137	344,988	346,907

2008 is baseline as this is used in our Footprint Strategy.

Energy consumption*

Energy consumption is measured in mWh. The reporting is based on GHG protocol scope 1 and 2, however fuel consumption from own vehicles is not included. Energy consumption is calculated for all activities in Grundfos companies.

The data show that energy consumption has been reduced 7% compared to 2008, and 6% compared to 2010.

Please note that this data cannot be compared directly with the energy consumption data from the Management review in Grundfos Annual Report 2011. Firstly, the scope is different; the Annual Report includes only production companies, while this data includes all activities. Secondly, due to further validation of a newly implemented data collecting system, certain errors were found in two of the production companies.

Please note that comparison figures for year 2008 and 2010 have been changed since reported for the first time. This is due to enhanced data measurement and reporting process. The changes are not material.

**Deloitte has performed a review of Grundfos Environment, Health & Safety Data for 2011 - see auditors statement p. 29*



ENVIRONMENTAL

	2011	2010	2008
Water usage (m ³)*	531,284	651,980	651,625

2008 is baseline as this is used in our Footprint Strategy.



Water usage*

The water usage is defined as delivered water, ground water from own well and surface water from e.g. lakes, measured in m³.

The water usage during 2011 has been reduced by 18% compared with 2008 and 19% compared to 2010. This is due to e.g. focus on elimination of domestic water used for irrigation and the implementation of monthly reporting on the water usage for the production companies and individual targets for each company.

Please note that this data cannot be compared directly with the data from the Management review in Grundfos Annual Report 2011. Firstly, the scope is different; the Annual Report includes only production companies, while this data includes all activities. Secondly, due to further validation of a newly implemented data collecting system, errors which were not insignificant were found in a number of the production companies.

Please note that comparison figures for year 2008 and 2010 have been changed since reported for the first time. This change is due to enhanced data measurement and reporting process. Changes are not material.

**Deloitte has performed a review of Grundfos Environment, Health & Safety Data for 2011 - see auditors statement p. 29*



ENVIRONMENTAL



	2011	2010	2008
Hazardous Waste (kg /mio. working hours)*	129,911	131,576	–
Non hazardous waste (kg /mio. working hours)*	118,523	131,275	–

Hazardous waste *

Waste disposal is divided into hazardous and non-hazardous waste and reported in kilograms. Hazardous waste is categorised according to national regulations and is indexed in relation to amount of 1 mio. working hours.

Focus is on handling waste correctly – in particular hazardous waste. However, sorting, categorising and disposal of waste in different fractions and handling are treated differently globally. This means that reporting on waste is not as mature as other environmental indicators.

More comprehensive reporting concerning waste was introduced from 2010 and the reporting of working hours has been enhanced to a more complete scope. Therefore, the waste/working hours figure for 2010 has been changed compared to prior reporting and the 2008 figure has been left out due to lack of comparability.

Non-hazardous waste *

Waste disposal is divided into hazardous and non-hazardous waste and reported in kilograms. Hazardous waste is categorised according to national regulations – which means that non-hazardous waste corresponds to the residual quantity. The waste is indexed in relation to amount of 1 mio. working hours.

Focus is on handling waste correctly – in particular hazardous waste. However, sorting, categorising and disposal of waste in different fractions and handling are treated differently globally. This means that reporting on waste is not as mature as other environmental indicators.

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ENVIRONMENTAL

	2011	2010	2009
ISO 14001-certified production companies (%)	73	73	92
OHSAS 18001-certified production companies (%)	67	67	67

ISO 14001-certified production companies

The number shows the percentage of Grundfos production companies that are certified according to ISO 14001. It is Grundfos policy that within three years of acquisition or production start all Grundfos production companies with more than 100 employees have implemented management systems according to ISO 14001.

In 2011, Grundfos had 16 production companies within this category. One company is not yet certified, but will be within the time limit of 3 years. Out of the remaining 15 companies 11 have already been certified. However the indicator of 73% shows that the policy is not yet fulfilled. The remaining companies will be certified during 2012 and 2013.

OHSAS 18001-certified production companies

The number shows the percentage of Grundfos production companies that are certified according to OHSAS 18001. It is Grundfos policy that within three years of acquisition or production start all Grundfos production companies with more than 100 employees have implemented management systems according to OHSAS 18001 as regards health and safety.

In 2011, Grundfos had 16 production companies within this category. One company is not certified, but will be certified within the time limit of 3 years. Out of the remaining 15 companies 10 have already been certified. However, the indicator of 67% shows that the policy is not yet fulfilled. The remaining companies will be certified during 2012 and 2013.



SOCIAL





SOCIAL

	2011	2010	2009
Workforce			
Workforce size (full time employees)	17,481	16,609	15,799
Female leaders (%)	17	17	n/a



Workforce size (full time employees)

This covers the total number of employees at the end of the year - converted into full time employees. A full time employee has the standard number of the working hours according to local rules/agreements. Personnel rented from a temporary employment agency are not included.

From 2010 to 2011 the workforce size grew by 5% from 16,609 to 17,481 full time employees. One third of the workforce size is female, two thirds are male. 55% are white collar workers and 45% are blue collar workers. Compared to earlier years the percentage of women is increasing, which is also the case for the percentage of white collar workers.

Female leaders

Leaders are defined as having staff responsibility meaning having employees reporting to them. In 2011 – and 2010 – Grundfos had 17% female leaders. It is our goal that the percentage of female leaders in general should be minimum 25% in 2017. Furthermore, it is our target that minimum 25% of our senior executives are women by 2022 - today it is 3%.



SOCIAL



	2011	2010	2009
Workforce			
Non Danes in key Group positions (%)	23	n/a	n/a
Employees on special terms (%)	4	4	4

Non-Danes in Group positions

Group positions are defined as managers from group management to group directors and selected regional managers and group managers in key positions. This indicator is part of Grundfos' Diversity Policy, which was decided on in 2011. Therefore 2011 is the first year reporting on this, and the baseline shows 23% of Non-Danes in Group positions.

The Grundfos target concerning Non-Danes in Group positions is to have a share of non-Danes in Group positions of 40 % in 2017 and 60% in 2022.

Employees on special terms

The indicator is calculated as the number of employees who are given special consideration by Grundfos, and for whom Grundfos installs facilities aimed at the employees' physical, psychological or social problems. Special consideration is given to employees by amending or adjusting the workplace with regard to time, flexibility or mobility, and by adjusting the content of the job and nature of the work, to enable this to be carried out in spite of reduced working capacity. The number of employees working for an external business partner who carries out assignments for Grundfos is also included. It is Grundfos target to have 3% employees on special terms.

Since 2008 the percentage has been 4% on average for all the Grundfos companies - including 2011.



SOCIAL

	2011	2010	2009
Workplace			
Training - blue collar (hours)	20	16	17
Training - white collar (hours)	28	18	19



Training – blue collar

Training is registered in hours and includes hours registered spent by employees on development, training and supplementary training. It is to be considered a minimum, as some of the training activities are not registered – e.g. informal training.

Training hours during 2011 have increased by 25% compared with 2010. During 2009 and 2010 training has been limited to a minimum in many companies due to the crisis. The increase in 2011 is due to new recruitment, a "vacuum effect" from 2009 and 2010 and a growing focus on the importance of having the right competences.

Please note that comparison year figure for 2010 has been changed since reported for the first time. Impact on trends is not material.

Training - white collar

Training is registered in hours and includes hours registered spent by employees on development, training and supplementary training. It is to be considered a minimum, as some of the training activities are not registered – e.g. informal training.

Training hours during 2011 have been increasing by more than 50% compared with 2010. During 2009 and 2010 training has been limited to a minimum in many companies due to the crisis. In 2011 training is back on the level from 2008, which was 27 hours per employee. This is due to new recruitment, a "vacuum effect" from 2009 and 2010 and a growing focus on the importance of having the right competences.

Please note that comparison year figure for 2010 has been changed since reported. Impact on trends is not material.



SOCIAL



	2011	2010	2009
Workplace			
Employee Development Dialogue - blue collar (%)	76	71	78

Employee Dialogue Development (EDD) - blue collar

It is Grundfos' objective that all employees attend an EDD every year. The purpose is to create a framework to discuss the employee's tasks, qualifications and motivation for doing his/her job and for the employee's development ambitions.

Due to employee turnover the percentage will never be exactly 100%. Furthermore, the numbers vary quite a lot from one Grundfos company to another. However, as earlier years the target is not fulfilled: In 2011 76% of the blue collar employees had an EDD.



SOCIAL

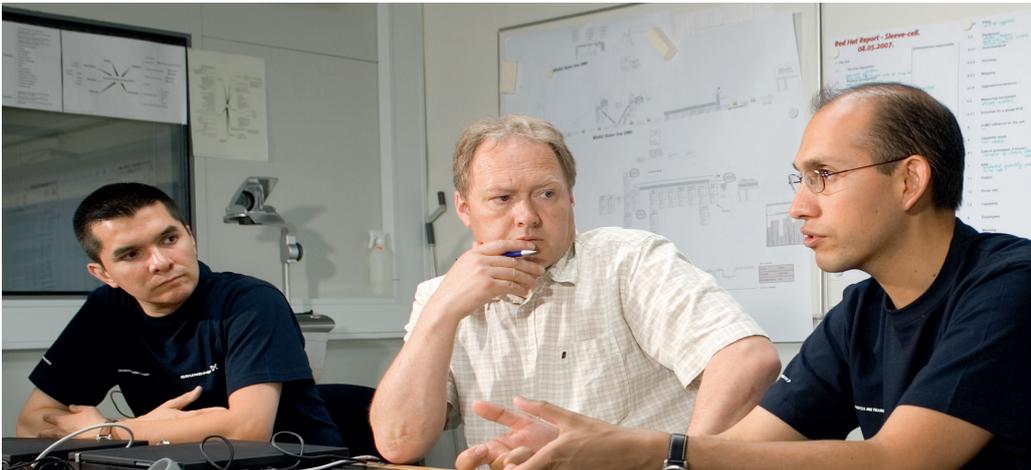
	2011	2010	2009
Workplace			
Employee Development Dialogue - white collar (%)	77	77	80



Employee Dialogue Development (EDD) - white collar

It is Grundfos' objective that all employees attend an EDD every year. The purpose is to create a framework to discuss the employee's tasks, qualifications and motivation for doing his/her job and for the employee's development ambitions.

Due to employee turnover the percentage will never be exactly 100%. Furthermore, the numbers vary quite a lot from one Grundfos company to another. However, as earlier years the target is not fulfilled: In 2011 77 % of the white collar employees had an EDD.



SOCIAL



	2011	2010	2009
Business Ethics			
Compliance workshops	4	3	9
Group entities audited, Grundfos Code of Conduct	45	56	34
Actions taken in response to incidents of corruption	1	2	-

Compliance workshops

During 2011, 4 compliance workshops took place with a total of 87 participants. Furthermore, 6 “brush up” workshops were conducted.

Group entities audited, Grundfos Code of Conduct

Grundfos Corporate Internal Control (CIC) visits a selected amount of the Grundfos companies every year. The purpose is to review and rate the internal control environment and to submit observations, risk descriptions and recommendations for improving the business processes and controls, also in relation to the Grundfos Code of Conduct.

During 2011, CIC audited 45 group entities. 6 of the visits were unannounced. While in 2010 most of the visits were first-time-visits, in 2011, 29 visits were 2nd visits and 3 were 3rd visits. This leading to a higher maturity rating in 2011.

Actions taken in response to incidents of corruption

During 2011, 1 report concerning “conflict of interest” was received by the Ethics Committee and investigated by the Corporate Internal Control in Grundfos. No violation of the Grundfos Code of Conduct was found. Another case concerning “conflict of interest” was reported directly to Corporate Internal Control and caused the dismissal of 2 Grundfos employees.



SOCIAL

	2011	2010	2009
Business Ethics			
Legal actions - anti-competitive behavior	1	0	0
Sanctions for non-compliance	0	0	0



Legal actions for anti-competitive behaviour

This indicator includes the total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices.

In 2011, there has been one case of alleged non-compliance concerning fair and lawful competition. This case concerns coordination of technical requirements and other commercial conditions among all competitors in one particular market. Grundfos has received an administrative notice indicating a fine. Grundfos disagree and court proceedings have hence been initiated.

Sanctions for non-compliance

Grundfos has received no sanctions for non-compliance in 2009-2011.



SOCIAL



	2011	2010	2009
Purchase:			
Group suppliers	310	276	362
Supplier Quality Assurance	38	39	41
CSR audits	8	2	-

Group suppliers

A Group supplier is a supplier who supplies direct material to more than one Grundfos production company. In 2011, Grundfos had 310 Group suppliers.

Supplier Quality Assurance

Supplier Quality Assurance (SQA) audits are audits of potential and existing suppliers. In the SQA audits, questions concerning corporate social responsibility (CSR) and sustainability are part of the overall screening of the suppliers. It includes compliance with the Grundfos Supplier Code of Conduct.

The number of SQA audits is constant during the period 2009 - 11: Approximately 40 audits a year.

CSR audits

CSR audits are audits conducted at suppliers with exclusively focus on the supplier's performance within labour standards, employment practices, anti-corruption and community impact.

Group Purchase engaged with an external partner in 2010 to conduct CSR audits at Grundfos suppliers on our behalf. As the data show – the number of audits have increased from 2 in 2010 to 8 in 2011. This increase is due to the fact that 2010 was the start-up year, and 2011 was the first full year with CSR audits running.



SOCIAL

	2011	2010	2009
Product responsibility			
Products reported faulty	0.46	0.48	0.61
Incidents of non-compliance, marketing	0	0	0
Investment			
Investment in the development of new products (% of turnover)	5.8	5.2	5.5



Products reported faulty within the two-year warranty period

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

The figures show that Grundfos succeeds in further reducing the faulty rate. The faulty rate was 0,61% in 2009, 0,48% in 2010 and 0,46% in 2011. The target for 2012 is a maximum faulty rate at 0,43%.

Total number of incidents of non-compliance concerning marketing communications

Grundfos has not identified any incidents of non-compliance concerning marketing communication in the period from 2009-2011.

Investment in the development of new products

The investment in development of new products is defined as expenses/activities related to research, development and launch of new products. This is indexed in relation to the annual turnover.

This indicator increased by 10% in 2011 (to 5,8% of the annual turnover). This is a new record number in both relative and absolute terms, showing that Grundfos invests in the future.



SOCIAL



	2011	2010	2008
Health & Safety:			
Accidents (per mio. working hours)*	7.31	8.23	10.19
Lost working hours due to lost time injuries (per thousand working hours)*	1.09	0.96	0.96

2008 is baseline as this is used in our Footprint Strategy.

Number of injuries per million working hours*

Injuries are measured in amount of injuries, which has caused lost working hours for at least one day after the injuries. It is indexed in relation to the amount of 1 mio. working hours.

Number of injuries measured in relation to working hours is reduced by 28% compared with 2008. The actual number of injuries were 232 in 2011.

Please note, that comparison figures for year 2008 and 2010 have been changed since reported for the first time. Changes to lost time injuries is caused by enhanced data measurement and a more complete scope of working hours. Changes have a moderate impact on trends.

Lost working hours due to lost time injuries*

Lost time due to injuries is measured in number of hours. It is indexed in relation to the amount of 1,000 working hours.

Even though injuries measured per working hours are decreasing, the ones that actually occur seems to be more severe – or at least have caused relative more lost working hours; measuring the lost time due to injuries has increased by 13% from 2008 to 2011.

Please note, that comparison figures for year 2008 and 2010 have been changed since reported for the first time. Changes is caused by an enhanced and more complete scope of reporting working hours.

**Deloitte has performed a review of Grundfos Environment, Health & Safety Data for 2011 - see auditors statement p. 29*





CODE OF CONDUCT

Grundfos Code of Conduct

Ethical and legal compliance is paramount to Grundfos. We therefore continuously work to strengthen our activities to ensure compliance with the Grundfos Code of Conduct, which is signed by all Grundfos General Managers every year. Our Code of Conduct outlines the principles that guide people to act responsibly and comply with legislation and regulations.

Grundfos Code of Conduct is based on the 10 principles of the Global Compact. The focus of our Code of Conduct is on international legislation and regulations, human rights, labour rights, environment, political contributions, acceptable accounting, fair and lawful competition, entertainment and gifts, bribery, commission, and other personal monetary awards, conflict of interest and confidentiality.

Human rights and labour rights

Grundfos supports and respects the protection of internationally proclaimed human rights and the ILO Declaration on Fundamental Principles and Rights at Work. By signing the Grundfos Code of Conduct every year, all Grundfos companies commit to following the principles that meet or exceed local legislation. Thus, all Grundfos companies refrain from using forced labour or child

labour and do not participate in discrimination or harassment.

In order to remain updated and be made aware of any human rights concerns, most Grundfos companies report that they receive updates on changes to legislation from local governments and that they make use of various monitoring systems.

As part of hiring processes, all potential employees are screened by the local Human Resource staff as part of the personal interview to make sure that the applicant is hired on the correct legal terms. In terms of wages, most Grundfos companies follow local legislation which set a minimum standard wage, and most Grundfos companies pay more than the amount required by law. To ensure that the wages are fair, most companies use salary benchmarking reports.

Furthermore, Grundfos companies comply with national legislation concerning freedom of association and the right to form or join labour unions. In countries with little or no tradition for trade unions, the companies have set up labour committees and employee representatives to speak on behalf of the employees.



REPORTING ON SUSTAINABILITY IN GRUNDFOS

This is Grundfos sixth reporting on sustainability. The main purpose is to provide stakeholders with a fair and balanced picture of Grundfos' contribution to sustainable development.

Scope of the Communication on Progress (COP)

The COP covers all companies that are owned or controlled by Grundfos. Newly acquired companies are recognised in the Grundfos Group data at the time of acquisition

Reporting guidelines

In order to ensure a transparent, balanced and reasonable presentation of our sustainability and responsibility performance, Grundfos follows generally accepted accounting and reporting policies: Global Reporting Initiative (GRI) and Greenhouse Gas Protocol (GHG). The GHG protocol is used as a guideline for how to manage, account for and report on greenhouse gasses, which is of great importance to Grundfos. However, our goal is to report on all aspects of sustainability and responsibility. Therefore, the GRI principles and indicators (G3), which focus on both financial, social and environmental impacts, are also relevant.

We have assessed the combination of our COP and our Annual report to be at the C+ level.

Data processing

The Environmental, Health and Safety (EHS) data has been collected, compiled and validated by Grundfos' Group Environment department, and the HR data has been collected, compiled and validated by Grundfos' People and Strategy department. The HR and EHS data is collected annually through a survey. Financial data is obtained from the Group's accounting system.

Although it is of great importance to Grundfos that all data in this report are as complete and precise as possible, there may be an element of uncertainty to some data.

Materiality and stakeholders

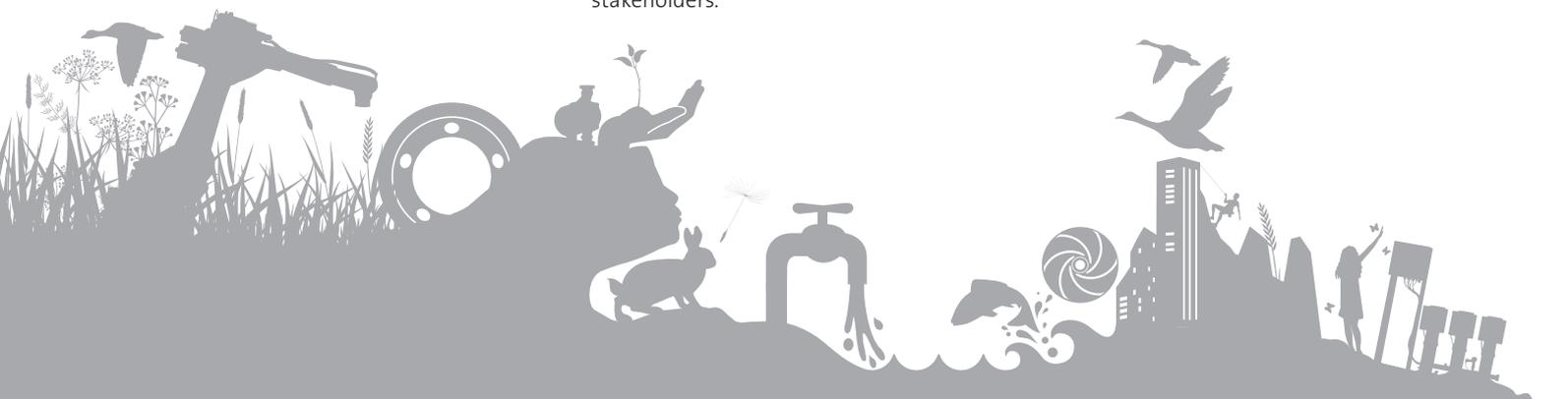
When reporting on sustainability in Grundfos, our focus is on environmental and social issues which have an impact on or can be affected by Grundfos and which are relevant for our key stakeholders. Therefore, the topics that we report on reflect our business goals and strategies and subjects of relevance to our stakeholders.

Internal Grundfos documents, such as Grundfos Group strategy, Innovation Intent, Climate White paper and various unit strategies, are used to prioritise what we report on.

Grundfos addresses a wide range of stakeholders, and we have identified them to be customers, current and potential employees, opinion leaders, NGOs, governments and the media. In relation to our reporting on sustainability, we have only identified our stakeholders on a general level and in a generic stakeholder map.

A number of stakeholder processes, for example Employee Satisfaction surveys and Customer Satisfaction surveys, are used in Grundfos to gain an insight into subjects that are found to be relevant for our stakeholders.

For further information about Grundfos and sustainability, please visit grundfos.com. For questions concerning our sustainability reporting, please contact Grundfos Group Sustainability at sustainability@grundfos.com.



AUDITOR'S REPORT

To the Group Management of Grundfos Holding A/S

We have reviewed the Grundfos Environment, Health & Safety data for 2011; Energy consumption, CO₂ emissions, Water consumption, Number of Injuries, Lost time due to Injuries, Hazardous waste, and non-hazardous waste ("the EHS Reporting"). The EHS Reporting is the responsibility of the company's Management. Our responsibility is to issue a report on the EHS Reporting based on our review.

Scope of review

We conducted our review in accordance with the Danish Standard on Auditing and Assurance Engagements, RS 3000 ("Assurance engagements other than audits or reviews of historical financial

information"). It has been the purpose of our engagement to obtain limited assurance about whether the EHS Reporting is in accordance with the described reporting practice and information reported by factories and other business units. By agreement, we have performed "virtual visits" to the company's factories in Moscow, Russia and Miaoli County, Taiwan, in order to evaluate whether EHS data has been documented, collected and calculated in accordance with Group instructions.

Our review is based on an evaluation of risk of material errors. We have evaluated the reporting practice and analysed correlations with the company's activities. The review is limited primarily to inquiries of company personnel and analyti-

cal procedures applied to data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

During our review, nothing has come to our attention that causes us to believe, in all material respects, that the EHS Reporting for the Group is not in accordance with the described reporting practice (page 28) and information reported by factories and other business units. Further, nothing has come to our attention that causes us to believe, in all material respects, that EHS data from the factories named above have not been documented, collected and calculated in accordance with Group instructions.

Copenhagen, April 20, 2012

Deloitte

Statsautoriseret Revisionspartnerselskab



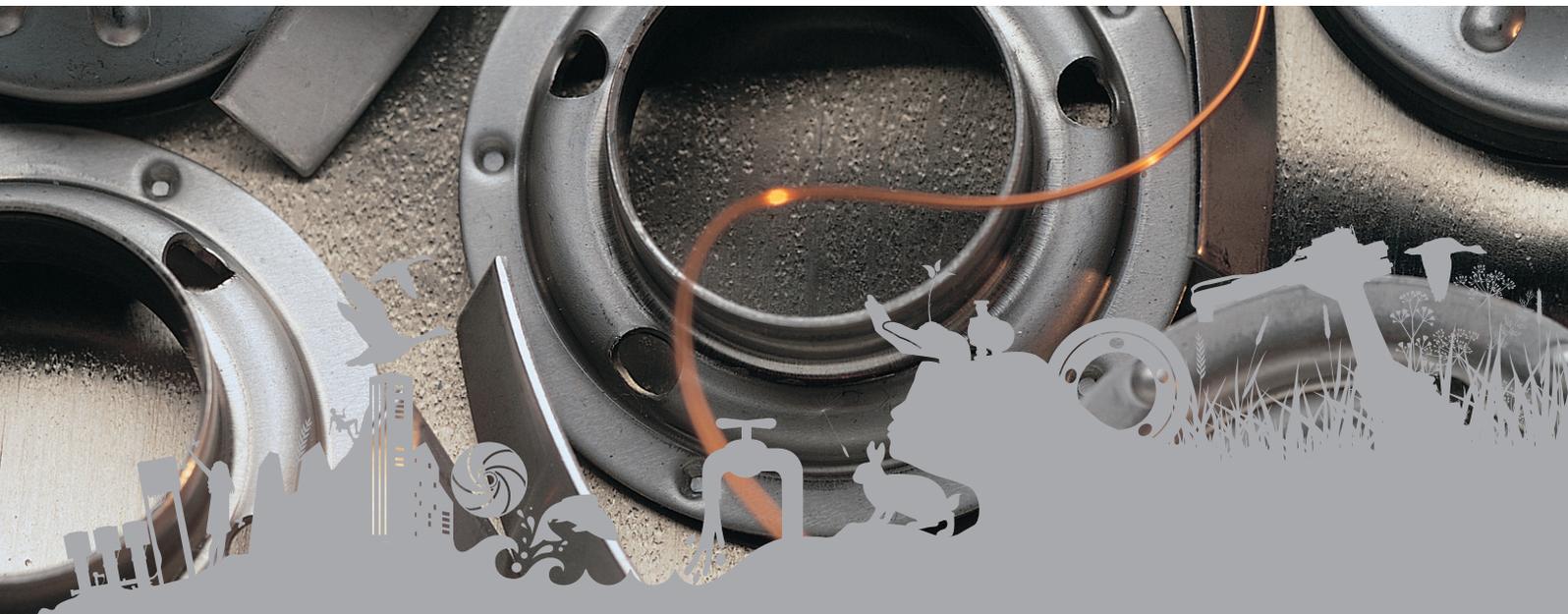
Anders Dons

State-authorized Public Accountant



Preben J. Sørensen

State-authorized Public Accountant



CEO WATER MANDATE – COMMUNICATION ON PROGRESS

Grundfos believe that water is a very important issue on the sustainability agenda, and we acknowledge the importance of business action in responding to the global water challenge. This is the reason why Grundfos in April 2011, joined UN Global Compact's CEO water mandate. 2011 was also the year where we developed our Sustainability Strategy. This strategy includes a focus on water issues, both relating to our products and to our own footprint.

Furthermore, we are continuously intensifying our work in terms of research and development. Still, a substantial focus is on minimising the energy consumption in our products. However, our research and development efforts are pointing towards Grundfos as a player in terms of water management, monitoring and treatment.

Own footprint

For Grundfos, there is a close link between our products and the production of these, i.e. our own footprint. Therefore, is it important for us to take our own medicine. This is the case whether it concerns CO₂, energy – or water. Therefore, a focus area for Grundfos in our Sustainability

Strategy is "Environmental Footprint" which naturally includes water.

In recent years, Grundfos has had a great focus on CO₂ and energy, mainly from an own footprint perspective. And we have gained fine results. We have developed different methods for the organisation to work with this kind of projects and gained many experiences. For example, we now know that it has a great importance to set individual reduction targets for each company, it is important that each company can monitor their own performance and that experiences can be shared across the organisation. In terms of our water reduction efforts, these experiences are already being used and will be even more so in the future. (See page 10/water usage data).

In 2012, the next step will be to develop a Water Strategy including activities on own footprint, engagement with stakeholders and Grundfos product solutions focusing on water efficiency.

Also, Grundfos has a focus on sustainable buildings. It is Grundfos' ambition to be a front runner within the area of energy-efficient and cost efficient own buildings – focusing on sustainability

when constructing new buildings and renovating existing ones. Our policy for Grundfos' sustainable buildings was launched in 2008. In 2011, a new scorecard for sustainable buildings was developed weighting parameters aligned with the LEED (Leadership in Energy and Environmental Design) certification system. Water consumption has a weight of 14%, other parameters being energy, sustainable sites, indoor environment and materials.

The scorecard also benchmarks all Grundfos companies by water use per m². The average in 2011 in production as well as sales companies was 500 litres pr. m².

Awareness

Awareness of sustainability issues related to water has been strengthened through an employee-driven project, Water2Life, which started in 2010. As a consequence of Water2Life, approx. 10,000 people in Kenya have gained access to safe drinking water with the help of Grundfos LIFELINKs water systems. The systems are partly paid with contributions from Grundfos employees to the Water2Life program and partly by Grundfos as a company.



GRUNDFOS PERFORMANCE SUMMARY

The Global Reporting Initiative G3 sustainability reporting guidelines are a source of inspiration to Grundfos in the preparation of reporting on sustainability. This performance summary comprises all the GRI performance indicators that Grundfos comply with. This GRI assessment is based on the following Grundfos documents, all relating to reporting:

- Grundfos Annual Report 2011
- Grundfos Annual Statement 2011
- Grundfos Sustainability Data 2011

We have assessed our reporting on sustainability for 2011 to be at a C+ level.

Standard disclosures		Result	Annual Report	Annual Statement	Sustainability Data	Global Compact
1.1	CEO statement		p. 4-11	p. 4-7	p. 5	Support Global Compact
2.1	Name of the organisation	Grundfos Holding A/S	Front page	Front page	p. 4	
2.2	Products		p. 5-6		p. 4	
2.3	Operational structure of the organisation		p.18-19			
2.4	Location of headquarters	Bjerringbro, Denmark			p. 30	
2.5	Countries where we operates			p. 48-49		
2.6	Ownership and legal form		p.12-13, 18-19			
2.7	Markets				p. 4	
2.8	Scale of reporting		p. 14			
2.9	Significant organisational changes		p. 5-8	p. 4-7		
2.10	Awards			p. 20-21		
3.1	Reporting period	01.01.11-31.12.11	p. 20-27			
3.2	Most recent previous report	Sustainability Report 2010				
3.3.	Reporting cycle		p. 20-27			
3.4	Contact point	sustainability@grundfos.com			p. 28	
3.5	Report content				p. 28	
3.6	Boundary		p. 20-27			
3.7	Specific limitations		p. 20-27		pp. 6 - 27	
3.8	Reporting on joint ventures, subsidiaries etc.		p. 20-27			
3.10	Re-statements		p. 20-27		pp. 6 - 27	
3.11	Changes in scope, boundary or measurement methods				pp. 6 - 27	
3.12	GRI table				p. 30	
4.1	Governance structure		p. 18	p. 52		
4.2	Chair of the highest governance		p. 18	p. 52		
4.3	Unitary board	N/A	p. 18	p. 52		
4.14	List of stakeholders				p. 28	
4.15	Identification and selection of stakeholders				p. 28	

Indicators		Result	Annual Report	Annual Statement	Sustainability Data	Global Compact
ENVIRONMENTAL						
EN16	Co2 emissions (metric tonnes)	118,182			p. 8	Environment 7-9
EN3	Energy consumption (mwh)	324,137			p. 9	
EN8	Water usage (m³)	531,284			p. 10	
EN22	Hazardous Waste (kg /mio. working hours)	129,911			p. 11	
EN22	Non hazardous waste (kg /mio. working hours)	118,523			p. 11	
	ISO 14001-certified production companies (%)	73			p. 12	
	OHSAS 18001-certified production companies (%)	67			p. 12	
EN7	A-labelled pumps - energy saved (billion kWh)	1.5			p. 13	
SOCIAL						
Workforce						
LA1	Workforce size (full time employees)	17,481	p. 15		p. 16	Labour rights 6
LA1	Female leaders (%)	17			p. 16	
LA1	Non Danes in key group positions (%)	23			p. 17	
LA3	Employees on special terms (%)	4			p. 17	
Workplace						
LA10	Training - blue collar (hours)	20			p. 18	Human rights 1-2
LA10	Training - white collar (hours)	28			p. 18	
LA12	Employee Development Dialogue - blue collar (%)	76			p. 19	
LA12	Employee Development Dialogue - white collar (%)	77			p. 20	
Business Ethics						
SO3	Compliance workshops	4			p. 21	Anti-corruption 10
SO2	Group Entities audited, Grundfos Code of Conduct	45			p. 21	
SO4	Actions taken in response to incidents of corruption	1			p. 21	
SO7	Legal actions - anti-competitive behavior	1			p. 22	
SO 8	Sanctions for non-compliance	0			p. 22	
Purchase:						
	Group Suppliers	310			p. 23	Human rights 2
HR2	Supplier Quality Assurance	38			p. 23	
HR2	CSR audits	8			p. 23	
Product responsibility						
PR5	Products reported faulty	0.46			p. 24	
PR7	Incidents of non-compliance, marketing	0			p. 24	
Investment						
EC1	Investment in the development of new products (% of turnover)	5.8	p. 15		p. 24	
Health & Safety:						
LA7	Accidents (per mio. working hours)	7.31			p. 25	Human rights 1-2
LA7	Lost working hours due to lost time injuries (per thousand working hours)	1.09			p. 25	
Human rights & labour rights						
LA4/HR5	Freedom of association				p. 27	Labour rights 3
HR 6	Forced labour				p. 27	Labour rights 4
HR 7	Child labour				p. 27	Labour rights 5

BE > THINK > INNOVATE >

Being responsible is our foundation
Thinking ahead makes it possible
Innovation is the essence

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