

Sustainability at GF

Message from the CEO	p. 3
Key figures 2019	p. 5
Our Corporation	p. 9
Value Chain	p. 13
Our stakeholders	p. 17
Good governance	p. 21
Topics of material importance	p. 26
Sustainability management at GF	p. 30
Contribution to Sustainable Development Goals	p. 32



Message from the CEO

Dear readers,

Many times, I have been asked why I have worked at GF for more than 20 years. The diversity of customers and market segments, the challenging tasks, but also the employees and their spirit are usually the answers I give. But one of the most important reasons is that GF takes its responsibility seriously. GF creates sustainable businesses which have a positive impact on the daily lives of people all over the world.

Environmental, Social and Governance (ESG) topics have increasingly been the focus of investors and customers. For more than 15 years, GF has been providing a deep insight into its sustainability efforts. Every second GF product or solution supplied to our customers enables a social or environmental benefit – a clear increase compared to 2018. We have made some important progress, e.g. by accelerating our innovation pipeline, creating more sustainable products as well as with the reduction of our accident rate.

Sustainability is part of the culture of GF, and we contribute to a range of the Sustainable Development Goals of the United Nations. With GF Piping Systems, we can ensure that less water is wasted from the source to the taps of households. With GF Casting Solutions, we develop new lightweight designs and materials to bring mobility to a more eco-friendly level. As a specialist in sustainable mobility, more than 30 percent of our orders relate to electric or hybrid cars. With our machine tool business and its smart technologies, we offer our customers more efficient use of resources by reducing consumption of materials and energy.

This year, we are facing the unprecedented coronavirus pandemic impacting also GF. Nevertheless, we will not make any compromises on our sustainability goals 2020. As a logical consequence of having sustainability in its DNA, GF has put in place a Sustainability Committee as part of the Committees of the Board of Directors, and we have already started work on the development of the new sustainability targets for 2025. You will read more about it in the months to come.



Andreas Müller
CEO of GF

Key figures 2019

Economic performance indicators

2019 sales with social and environmental benefits

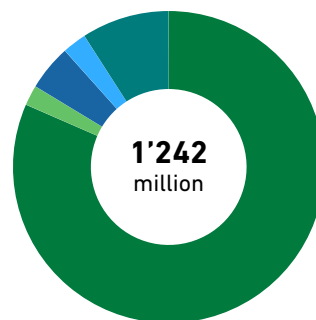
% of total GF sales

54

Examples of identified benefits include but are not limited to: ensuring safe and hygienic potable water in buildings, safe and leak-free distribution of gas and chemicals to ensure less human and environmental accidents, light metals components, including components for electric or plug-in hybrid vehicles, helping to reduce the weight and CO₂ footprint of vehicles, solutions for GF's machining customers to produce their products in a more energy-efficient way.

Net value added 2019

in CHF



- 82% Employees¹
- 2% Lenders
- 5% Corporation²
- 2% Public authorities³
- 9% Shareholders

¹ Salaries and wages, employee benefits, and social security

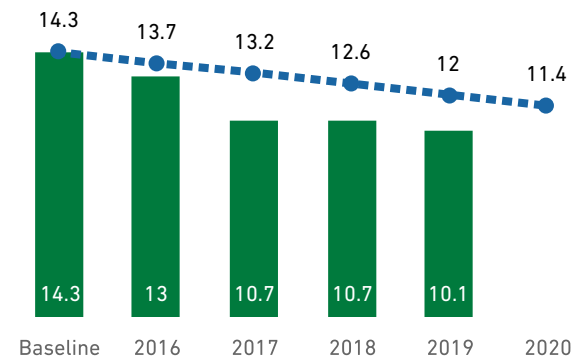
² Retained earnings

³ Income taxes

Social performance indicators

Accident rate⁴

per 1 million working hours



● Target line

Accident rate⁴

per 1 million working hours

10.1

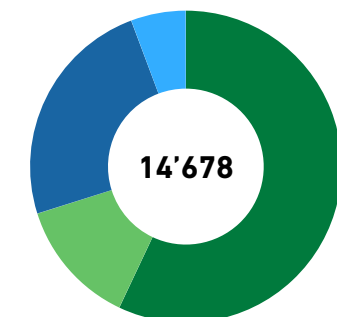
Absence rate⁴

% of total work days

3.5

Employees by region

headcount



- 57% Europe
- 13% Americas
- 24% Asia
- 6% Rest of world

Total employee fluctuation

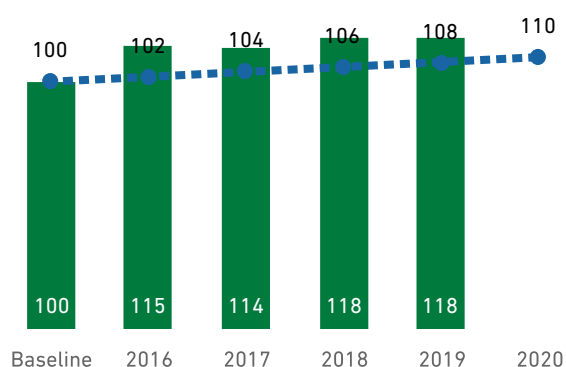
in %

15.8

Environmental performance indicators

Energy efficiency index⁴

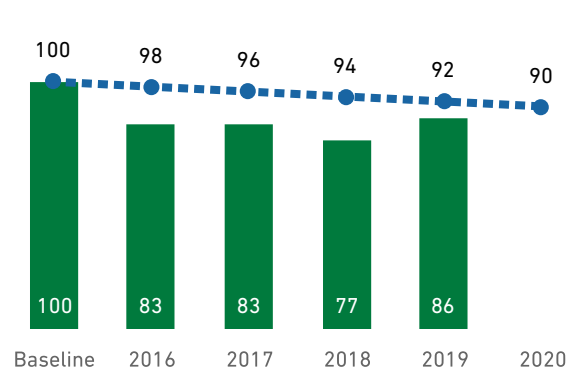
(production volume⁵/energy consumption) in %



● Target line

GHG emissions intensity index⁴

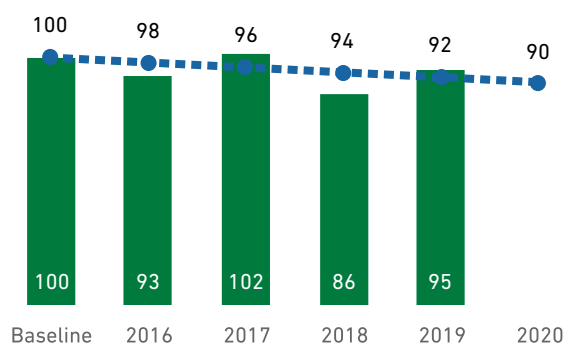
(CO₂e emissions/production volume⁵) in %



● Target line

Non recycled waste intensity index⁴

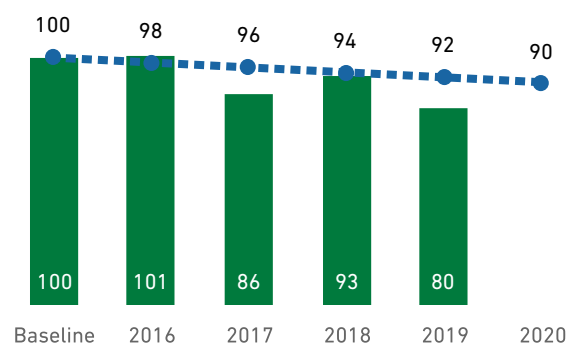
(non recycled waste/production volume⁵) in %



● Target line

Water intensity index⁴

(water consumption/production volume⁵) in %



● Target line

Ticker/Valor symbols

Telekurs, Dow Jones (DJT): FI-N
Reuters: FGEZn

Listing

Zurich, Switzerland: SIX Swiss Exchange ISIN: CH0001752309 Sustainability indices member: SMI Switzerland Sustainability 25^{®6} and Ethibel EXCELLENCE Investment Register⁷

- ⁴ The social and the environmental index KPIs were restated due to the divestment of the iron foundry of GF Casting Solutions in Herzogenburg (Austria). In the calculation of the target relevant KPIs for all the years the iron foundry is considered pro rata (9 months of 2019). The site of GF Casting Solutions in Werdohl (Germany) is excluded due to the shift to the sites in Austria and Romania.
- ⁵ The production volume is defined based on the specificities of the businesses of the individual divisions: as "produced tonnes" for GF Piping Systems, as "gross value added" (it includes all operating income subtracting the costs of materials and products, changes in inventory, and operating expenses) for GF Casting Solutions and as "hours worked" for GF Machining Solutions.
- ⁶ The [index](#) represents the top 25 companies ranked as most sustainable out of the SMI expanded index based on the assessment done by an independent sustainability rating agency.
- ⁷ The independent Belgian agency [Forum ETHIBEL](#) reconfirmed GF for inclusion in the Ethibel EXCELLENCE Investment Register since 08/05/2020. This selection indicates that the company performs better than average in its sector in terms of sustainability.



Our Corporation

GF comprises three divisions: GF Piping Systems, GF Casting Solutions, and GF Machining Solutions. Founded in 1802, the Corporation is headquartered in Schaffhausen, Switzerland and present in 33 countries with 142 companies, 56 of them production facilities. Its 14'678 employees generated in 2019 sales of CHF 3'720 million. GF is the preferred partner of its customers for the safe transport of liquids and gases, lightweight casting components, and high-precision manufacturing technologies.



GF Piping Systems

GF Piping Systems is a leading supplier of piping systems made of plastics and metal. The division focuses on system solutions and high-quality components for the safe transport of water, chemicals and gases, as well as corresponding services. The product portfolio of fittings, valves, pipes, automation, and jointing technologies covers all applications of the water cycle.

GF Piping Systems supports customers in the fields of utility, industry, and building technology in over 100 countries through its own sales companies and representative offices. The division operates more than 30 production facilities in Europe, Asia, and the Americas.

GF Casting Solutions

GF Casting Solutions is one of the leading solution providers of lightweight components in the mobility and energy industry. As a future-oriented company, GF Casting Solutions acts as a driving force for innovation in the foundry and additive manufacturing world and wants to take the lead in shaping the development of sustainable mobility.

GF Casting Solutions manufactures at 13 production facilities in Germany, Austria, Romania, Switzerland, China, and the USA. The division supplies the global automotive industry, aerospace and energy markets, and provides components for off-highway vehicles as well as for industrial applications.



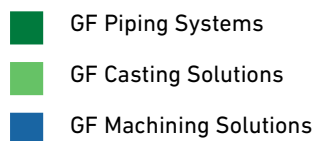
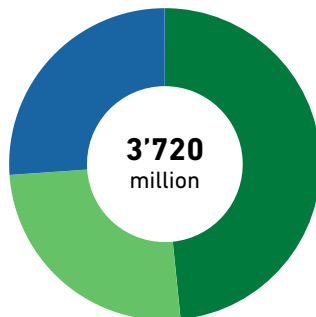


GF Machining Solutions

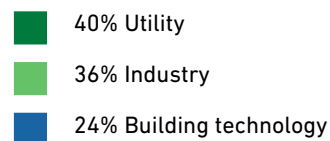
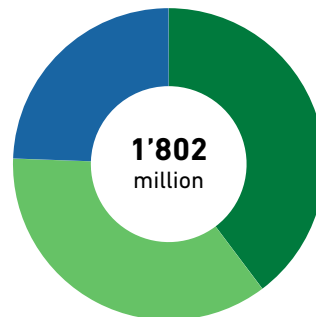
GF Machining Solutions is one of the world's leading providers of complete solutions to the tool and mold making industry and to manufacturers of precision components. The portfolio includes Milling, wire-cutting, and die-sinking EDM² machines. Moreover, the division offers Spindles, Laser texturing, Laser micromachining, Additive Manufacturing, Tooling and Automation, as well as digitalization solutions.

GF Machining Solutions is present with sales offices and production facilities in more than 50 countries. The key customer segments are the aerospace, Information and Communication Technology (ICT), electronic, medical, and automotive industries.

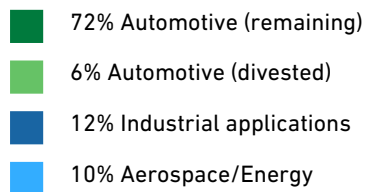
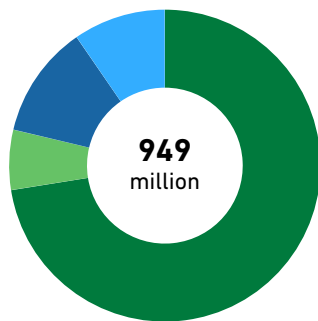
GF Corporation sales by division
in CHF



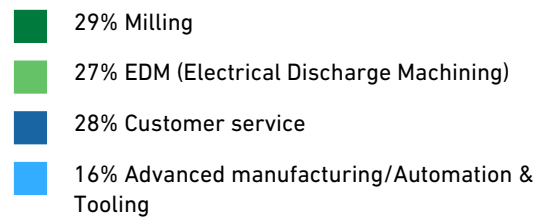
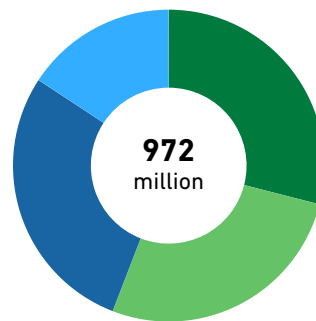
GF Piping Systems sales by segment
in CHF



GF Casting Solutions sales by segment
in CHF



GF Machining Solutions sales by segment
in CHF



Worldwide presence

Use the interactive map to find a GF location near you.

.....> [Download the PDF version of the GF worldmap](#)

² Electrical discharge machining

Value Chain

The role and responsibility of GF in society extends beyond the direct operations of the company and includes a broad range of stakeholders. GF addresses the wide spectrum of sustainability topics in all steps of its value chain. The Corporation and the three divisions contribute to various Sustainable Development Goals (SDG).

Sustainability in GF's own operations

Good corporate governance lays the foundation for the way GF's business is conducted day to day. As a company with a 200-year history, GF is built on customer-centricity and on respect for the people who make the operations function. GF strives to achieve the highest levels of quality and create added value for customers while staying abreast of technological developments, innovating, and evolving in step with the times.

GF is an organization representing a wide range of businesses and cultures. As one Corporation, it prides itself on its reputation and seeks to foster a respectful, engaging, and motivating working environment for the diverse family of employees.

As an industrial company, it is GF's key responsibility to implement and improve the safety standards at its facilities and to do its utmost to drive accident-free operations. Therefore, GF places a particularly strong focus on anchoring safety at every site worldwide.

GF also continuously invests in upgrading its production and office locations to make them more efficient and **reduce any negative impact on the environment**.

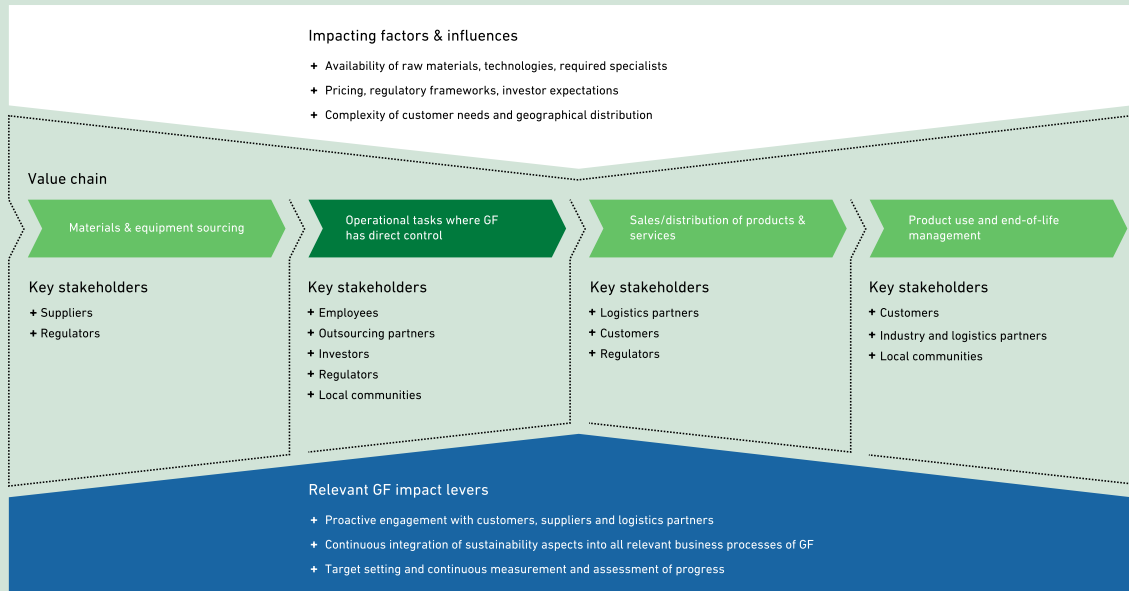


To underscore its commitment to responsible business conduct, GF has been a signatory of the UN Global Compact (UNGC), the world's largest sustainability network for companies and organizations, since 2015. Since 2016, GF has issued an **annual "Communication on Progress" report**. In addition, the guidelines for multinational companies of the Organization for Economic Cooperation and Development (OECD) as well as the agreements of the International Labor Organisation (ILO) form the basis for GF's common understanding of corporate responsibility.

Materials and equipment sourcing

The decisions GF makes in designing solutions for its customers have an immediate link to the upstream activities in its **supply chain**, both on a social and environmental level. GF recognizes this and works toward increasing transparency within its complex purchasing network, as well as working together with its business partners to ensure adherence to GF standards and expectations.

Value chain of GF at a glance



Distribution of products and services, product use, and end-of-life management

The solutions GF develops for its customers **contain sustainability considerations at its core**. GF continuously engages with customers to understand their needs and requirements, to meet and exceed their own expectations of suppliers with regard to social and environmental performance, as well as to **optimize GF's logistics processes** in order to be more efficient for its customers and more environmentally friendly.

Our stakeholders

GF maintains a continuous dialogue with its internal and external stakeholders, enabling key issues to be proactively recognized and addressed. This exchange is promoted through a wide range of activities and measures.



Employees

At the end of 2019, GF employed 14'678 people at locations in 33 countries around the world.



Customers

Lasting customer loyalty is built by GF's products and solutions specialists maintaining ongoing contact with customers and by GF taking part in a variety of trade fairs, organizing in-house events as well as customized training sessions for GF's customers.

In addition, targeted workshops on sustainability are held with customers from key market segments in order to jointly develop future-oriented products, solutions, and services.



Investors

GF is in regular contact with its investors, via roadshows, events, meetings (including the Annual Shareholders' Meeting of the Corporation), or through active participation in annual assessments of the company by sustainability analysts.

In 2019, the Chairman of the Board and the Investor Relations team held a roadshow with investors and ESG¹ teams to discuss environmental, social, and governance topics.



Suppliers

Long-term successful partnerships with GF's procurement and logistics partners are essential for the continuity of the business. Ensuring that they represent and follow the standards that GF applies to itself is of the highest importance to GF.

GF also sees suppliers as crucial collaboration partners to ensure increased environmental efficiency of GF's own operations (e.g. in the case of production equipment), as well as reducing possible social or environmental risks for GF's value chain.



Universities and research institutes

GF maintains close contact with universities and research institutes. Cooperation takes place on a number of levels, both in specific projects and in the provision by GF of internship and diploma work opportunities to students of technical colleges and universities.



Regulators

For GF as an international company, it is crucial to stay abreast of and follow the relevant rules and regulations of each country in which it operates. To facilitate this, GF is a member of a number of chambers of commerce.



Local communities

GF supports and promotes cultural and social programs at various locations, and aims to create an overall positive impact on the local communities where it operates.



Media and general public

GF regularly publishes media releases on relevant topics and maintains a continuous exchange of information with journalists. Traditional media conferences are supplemented by the active presence of GF on social media channels Twitter, Facebook, YouTube, LinkedIn, and Xing.



Industry associations and NGOs

As an international company with Swiss roots, GF cultivates an ongoing exchange with international and national associations and organizations. From Swiss trade associations to organizations active on the international level to global networks such as the UN Global Compact – GF is involved in many ways.

¹ ESG here stands for Environmental, Social and Governance

Good governance

As an international industrial Corporation, GF is at home in a variety of segments and countries. Wherever GF operates, it complies with the applicable laws and regulations. GF firmly believes that good Corporate Governance and impeccable ethical conduct determine sustainable and long-term success.

Business conduct

GF's business conduct and Corporate strategy are based on the foundation of **five values**. They shape and embody the philosophy and spirit of GF in its daily work for the benefit of key stakeholders and the Corporation. The values are translated into a set of standards for ethical conduct and integrity, which define GF's Corporate culture and are summarized in the **Code of Conduct document**. The Code of Conduct is published in 18 languages and is binding for all GF employees worldwide¹.

Five values of corporate culture

- We put customers first
- We act fast
- We do what we say
- We reward performance
- We respect people



<https://www.georgfischer.com/en/about-gf/sustainability-at-gf/values.html>

Corporate Governance

The Board of Directors and the Executive Committee are the highest management bodies of GF. They attach great importance to good Corporate Governance. The implementation of the generally accepted principles of Corporate Governance ensures a level of oversight, strategic and tactical management of the Corporation and its entities, and transparent communication with stakeholders.

The Board of Directors is responsible for monitoring the management of the company, for determining its strategic direction, and for financial and accounting policies. The three standing Board Committees (Audit Committee, Nomination Committee, and Compensation Committee) prepare the relevant topics for the Board of Directors as a whole.

The Executive Committee addresses all issues of relevance to the company, takes decisions within its remit, and submits proposals to the Board of Directors. The Chief Executive Officer and the Heads of Corporate Development and Corporate Finance & Controlling make up the Corporate Center² and support the Board of Directors in meeting its responsibilities.

In the interests of its stakeholders, the Georg Fischer Corporation, which is organized in accordance with Swiss law, fulfills all obligations under the guidelines of the Swiss Stock Exchange with regard to information on Corporate Governance. For detailed

information, including but not limited to the [tasks of each Board Committee](#) and the [Compensation Report](#), please see the respective section in the Annual Report 2019.

Public policy

GF is a member of industry-relevant organizations in its home base, such as Economiesuisse and Swissmem. They represent the interests of the Corporation in political and economical matters. Annual membership fees in these organizations amount to less than CHF 0.1 million. In the year under review, no contributions were made to any political parties or to individual politicians.

Risk management

At GF, enterprise risk management is a fully integrated process and systematically applied at all levels of the Corporation. Twice a year, the Corporation, the three divisions and all significant Corporate companies prepare a risk map of the key risks with regard to strategy, markets, operations, management and resources, financials as well as sustainability. In 2018, the sustainability risk catalogue was reviewed by the individual locations. The risk categories were broadened to cover a wider scope of potential sustainability risks going forward, including those in the supply chain and those related to potential climate change impacts (by and on GF). The likelihood of the risk occurring is classified into one of four categories. Where possible and appropriate, the identified risks are subject to a quantifiable assessment, taking into consideration any measures that are already implemented. Alternatively, a qualitative assessment of the risk exposure is applied.

The Head of the Service Center Risk Management & Tax acts as the Chief Risk Officer (CRO) and, in this function, reports directly to the CEO. A non-executive Risk Officer in each division supports the CRO. Supplemented by the Corporate Compliance Officer (CCO), the Heads of Internal Audit, Corporate Sustainability and Corporate Planning, as well as internal experts in Corporate Risk Management, the Risk Officers under the leadership of the CRO constitute the Corporate Risk Council. In 2019, this Council met twice. In addition, the CRO conducted workshops with the management of the three divisions as well as with the Executive Committee to analyze the risk situation, to discuss measures to mitigate risks, and to define the actual top risks for each unit.

The topics of these meetings include the optimization of risk reporting of sustainability risks, the adequate handling and valuation of IT and cyber risks, as well as an analysis of the risk maps. The Executive Committee discussed identified risks and adequate mitigating measures were determined. The resulting risk report was reviewed and approved by the Board of Directors in February 2020.

.....> [Further information on Risk Management](#)

Corporate compliance

Internal Audit and the CCO monitored compliance with the applicable laws and guidelines worldwide as well as with business ethics standards. The CCO reports to the General Counsel or, where necessary, directly to the CEO. The CCO's task, as a member of the Corporate Risk Council, is to ensure that risk management is given appropriate importance within the company.

Additionally, employees have to report any misconduct against legislation or guidelines through a compliance e-mail address directly to the CCO, contact the Corporate Legal Department in Schaffhausen or send the report anonymously. A corporate instruction guides the procedure to be followed by employees for reporting violations of applicable laws or internal instructions and governs the conduct of persons receiving the report. Proven misconduct is subject to appropriate sanctions.

Training is carried out under the direction of the CCO at the Corporate companies by means of e-learning or in person. The Executive Committee determines the respective focus topics together with the CCO. In 2019, a range of internal compliance training sessions were held, including:

- + an e-learning program on Anticorruption/Anti-bribery for about 1'350 employees
- + an e-learning program on Antitrust/Competition Law for about 1'000 employees
- + an e-learning program on Export Controls/Sanctions for about 570 employees
- + on-site training at companies in the EU, China, and the US, and for specific employees with compliance roles.

The training program is ongoing and employees are required to participate every three years. In addition, in 2017, the Corporate Legal Department began offering one-on-one meetings to Senior Managers visiting Schaffhausen from other locations in order to provide general as well as specific legal advice and training to them upon request. During 2019, 21 senior managers took the opportunity to benefit from such personalized legal instruction.

To reinforce the compliance function in the company, the following measures have also been in force since 2015:

- + Consistent implementation of the "GF Compliance Agreement for Intermediaries" and of an "Intermediary Check" to globally secure and prove compliance of GF business partners who act on behalf of or in the interests of GF companies.
- + Implementation of a web-based system to avoid conducting business with sanctioned organizations and individuals (ongoing process).
- + Introduction of a "Compliance Agent" function to identify and assess compliance risks, to carry out initial cursory internal compliance controls on-site, and to support the identification and implementation of appropriate new measures.

-----> [Further information on Corporate Compliance](#)

Product and service information and labeling

GF adheres to all relevant rules and regulations with regard to product safety and relevant labeling and information provided to its customers. This includes but is not limited to

- + enclosing the CE³ and RoHS⁴ labels, when relevant
- + providing customers, where required or upon their request, information regarding conflict minerals (following the Dodd Frank Act) as well as the presence of substances of very high concern in products (according to REACH⁵ legislation)

Dedicated working groups within the divisions address issues related to the environmental, health, and safety standards of GF products. These groups are responsible for tracking new regulations and trends, defining and ensuring necessary internal processes, conducting relevant training, and supporting customer inquiries.

¹ The Code of Conduct is an integral part of each employment contract. For the daily operations of the GF entities, it is complemented by internal policies and regulations implemented at the Corporate and local levels.

² See "Organization of GF" in the respective section of the [Annual Report 2019](#)

³ Conformité Européenne (CE) is the indication of conformity with health, safety, and environmental protection standards for products sold within the European Economic Area (EEA).

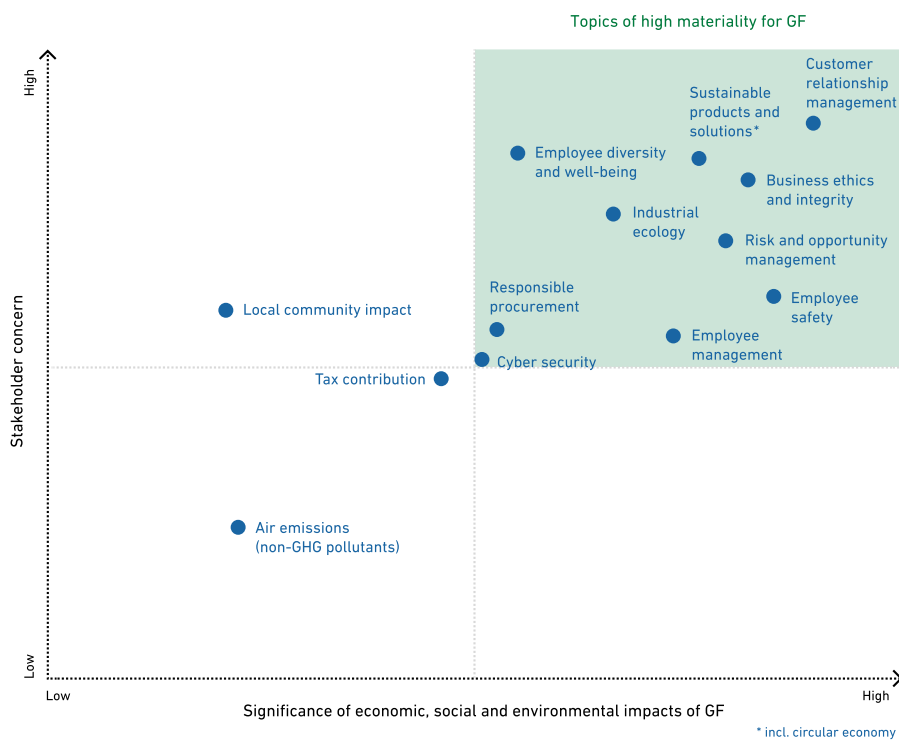
⁴ Indication of conformity with the EU's Restriction of Hazardous Substances Directive.

⁵ Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is an EU regulation. It addresses the production and use of chemical substances, and their potential impacts on both human health and the environment.

Topics of material importance

The focus of GF activities in 2019 was on the measures defined as part of the **GF Strategy 2020** and the **Sustainability Targets 2020**. In 2019, GF management considered the topics identified as part of a **materiality assessment performed in 2018** to be still relevant for GF's operations.

Details of each category in the matrix and the reasoning behind their position on the graph are described below (see graphic and tables).



Topics of high relevance

Topic	Aspects included	Explanation for high materiality
Customer relationship management	<ul style="list-style-type: none"> - Customer relations - Customer satisfaction 	<p>Customers are one of GF's most important stakeholder groups, and it is crucial to maintain an ongoing interaction with them to understand their needs and thus provide best-fitting solutions for them. Only with customers as partners can GF create a sustainable impact across the three divisions.</p> <p>This is a key element of GF's business case and its strategic intentions.</p>
Sustainable products and solutions	<ul style="list-style-type: none"> - Sustainable products - Innovation - Circular economy 	<p>Customer behavior is changing and resources are becoming scarcer. Therefore, GF regards circular economy as an important consideration for responsible product innovation and development. Gradually, GF is incorporating the questions of how the procurement, production, and use of materials can move away from the "take-make-dispose" model to a circular approach, addressing within its R&D process the considerations of a product's life cycle and whether the materials or components can be re-, up-, and down-cycled.</p>
Business ethics and integrity	<ul style="list-style-type: none"> - Corporate governance - Business ethics and compliance - Human rights 	<p>A well- and responsibly-managed Corporate organization is key for almost all internal and external stakeholders and is ultimately aligned to their interests. It ensures rule-based decisions, clear checks and balances, and sets objectives that are aligned to the social, regulatory, and market environment.</p>
Risk and opportunity management	<ul style="list-style-type: none"> - Risk management - Agility of business 	<p>An effective risk management framework is an important internal task of the company to ensure that the negative or positive future potential impact on and by the business, including social and environmental concerns, is recognized, assessed, managed and/or mitigated.</p>
Industrial ecology	<ul style="list-style-type: none"> - Greenhouse gas (GHG) emissions - Energy usage in GF operations - Water management - Circular economy in the use of materials at GF operations - Resource scarcity 	<p>GF regards risk management as important and necessary, in part due to the strategic implication resulting, for example, from harmful events, missed opportunities, etc.</p> <p>External stakeholders and regulators position climate change and energy-related matters as the highest concern, and the international community is committed to tackling the resulting challenges. As a global company, as part of the precautionary principle, GF also attaches high relevance to this topic.</p> <p>While production and other activities of GF itself are not water-intensive, sustainable water management is of high relevance for society at large (e.g. access to clean water and leak-free water transport) and for the business of GF Piping Systems.</p>
Employee diversity and well-being	<ul style="list-style-type: none"> - Employee diversity and inclusion - Employee work-life balance - Employee health and well-being 	<p>As a responsible industrial company (both from a financial and environmental perspective), circular approaches are on the agenda of each division, both in terms of how they use materials within their operations and also how to incorporate them into the R&D process.</p> <p>Policy and public-related discussions and involved stakeholders position diversity of the highest concern. For GF, the issue is an important element in ensuring its continuing future success by retaining its existing talents and positioning itself as an attractive employer.</p>
Employee safety	<ul style="list-style-type: none"> - Safety at work 	<p>Demand for flexible working models is growing, especially in the context of a good work-life balance, among the new generation of employees.</p> <p>Safety at work is a strategic aspiration of the highest fundamental relevance to GF, with a significant impact on employees, contractors, and their families. It is key to GF's success to care about the people who work for the company and to avoid any risk impacting their health, well-being, and physical integrity by ensuring a culture of safety.</p>
Employee management	<ul style="list-style-type: none"> - Employee relations and management - Talent attraction - Employee training and development 	<p>The broad spectrum of functions and roles within the GF business requires development and maintenance of state-of-the-art human resource management processes and the possibility to engage, develop, and retain employees, while attracting new talent.</p>

Responsible procurement	<ul style="list-style-type: none"> - Supply chain management - Integration of social and environmental topics into procurement processes 	<p>The focus in relation to sourcing and supply chain matters is directly linked to the upstream-related steps of GF's value chain.</p> <p>Prudent management of suppliers, while integrating social and environmental topics into the supplier management process, is gaining in relevance. It is part of GF's responsibility to address the impact generated by its operations. It is also of interest to customers, regulators, local communities, and other external stakeholder groups.</p>
Cyber security	<ul style="list-style-type: none"> - Data protection - IT security / system availability 	<p>Data protection is important for GF, also in view of the new EU directive regarding GDPR. GF has appointed a Data Protection Officer to ensure compliance. While GF does not collect sensitive customer data, personal data of employees is stored and saved as required by the legal authorities.</p> <p>Given the increasing digitalization trend, the availability, integrity, and security of data are key for GF's IT infrastructure and business systems. GF ensures adequate IT service levels through an external provider with state-of-the-art IT / cyber security measures. In addition, GF has IT security-related training in place.</p>

The following topics were identified as relevant for the business of GF, but has lower materiality. In the future, GF will address these topics to ensure that the corporation leaves a positive impact in these fields with regard to the affected stakeholders.

Topic	Aspects included	Explanation for lower materiality
Local community impact	<ul style="list-style-type: none"> - Consultation and recognition of local communities' needs in order to minimize possible negative effects of operations and ensure their positive impact. 	GF's production sites do not carry material risks for, or have adverse effects on, local communities, and the direct impact is low. Nevertheless, good relations with neighbors and cooperation with them on a local level to achieve common goals are of great importance for GF.
Air emissions (non-GHG pollutants)	<ul style="list-style-type: none"> - Non-GHG emissions (e.g. NO_x, SO_x, dust, and VOC) as part of production processes 	While this topic is of high importance for the environment and local communities in general, the production facilities of GF do not release high quantities of non-GHG pollutants into the atmosphere. For this reason, GF assesses its impact on air emissions as rather low. Nevertheless, ensuring compliance with any regulatory requirements is key for GF's operations as part of the precautionary principle.
Tax contribution	<ul style="list-style-type: none"> - Tax transparency of the organization and its contribution to the local economy wherever it operates. 	GF's businesses have a strong focus on Corporate responsibility, which includes the administration and payment of taxes. GF is committed to following all applicable laws and regulations related to its tax activities and maintaining an open and honest relationship with the tax authorities based on collaboration and integrity. Keeping this in mind, the overall tax strategy is of lower relevance for the organization.

Integration of sustainability in GF's Strategy 2025

In the third quarter of 2019, a project was launched to define the sustainability framework for the years 2021–2025 and a longer-term ambition level (2030+) on sustainability. Dialogue with GF's key stakeholder groups formed part of this process, and inputs of customers and suppliers of the three divisions, as well as that of GF's investors and employees were collected in a series of interviews.

In the first phase, a high-level framework was proposed and agreed with management in October 2019. In a subsequent phase, a broader interdisciplinary team from across the organization was set up to develop detailed measures and concrete goals on sustainability, which forms part of the overall GF Strategy 2025.

Sustainability management at GF

The overall strategic direction of GF is driven through the [GF Strategy 2020](#), defined and communicated by the Corporation in 2016. Proactive management and integration of sustainability-relevant topics within all of GF's operating activities is key to achieving these set goals. Therefore, GF systematically addresses matters related to sustainability through a broad spectrum of relevant initiatives run by GF. Please refer to the section on "[Our progress](#)".

In order to reach the Sustainability Targets 2020, responsibility for continuous integration of sustainability aspects into the daily operations of GF lies with each department and division. The Corporate Sustainability department coordinates and tracks progress towards achieving the set targets with the three divisional sustainability teams.

Corporate Sustainability is positioned within the Corporate Finance function and reports to the Head of Corporate Controlling and Investor Relations.

The Executive Committee bears operational responsibility for sustainability and discusses progress every six months to ensure that the targets are met. The annual performance objectives of the Executive Committee members include at least one related to sustainability (e.g. such as a zero accident rate or reduction of resource consumption in their respective area of responsibility). The individual objectives of a member of the Executive Committee are aligned to the strategic efforts of each division and are being cascaded into the organization.

-----> [Further information on the MBO process at GF](#)

In 2019, the internal policy on sustainability management at GF was revised to anchor the topic into the daily activities of GF.

A variety of communication channels were added for communication with GF employees on sustainability – through a global quarterly sustainability newsletter, in-person thematic events, and an online collaboration group. In the second half of the year, continuing an annual tradition, GF conducted a regional sustainability conference, bringing over 30 environmental and health & safety specialists from GF's Asian locations together. Similar to the European conference from 2018, the objectives of the event were to foster knowledge exchange among participating locations and to increase momentum on goals set within the Sustainability Targets 2020 in the areas of energy efficiency, waste management, and occupational safety.



Participants of the 2019 GF Sustainability Conference – Asia

Contribution to Sustainable Development Goals

GF contributes to solutions toward the international agenda summarized in the United Nation's Sustainable Development Goals (SDG).

3 GOOD HEALTH AND WELL-BEING



GF's contribution

GF produces high-quality systems and solutions for the safe and hygienic transportation of water. This is particularly relevant in preventing the risk of legionella, which reproduce when water does not circulate or when the temperature is incorrect. GF Piping Systems' Hycleen Automation System ensures a permanent hydraulic balance across all the pipes and guarantees bacteria-free drinking water.

4 QUALITY EDUCATION



GF's contribution

In 2018, GF celebrated 100 years of vocational training in Switzerland. In 2019, the apprenticeship model was extended to the US, while 446 young apprentices were trained worldwide.

In several countries, collaborations with universities are in place, whereby students complete their diploma work while working on concrete projects at GF.

In 2019, 72% of GF's workforce attended various training programs, where on average, each GF employee received 2.1 days of training.

6 CLEAN WATER AND SANITATION



GF's contribution

Large volumes of drinking water are currently lost or contaminated around the world due to poor infrastructure. The products of GF Piping Systems help to ensure leak-free delivery of drinking water. One of its latest projects in São Paulo, (Brazil) helps the city to save 75 billion liters of water annually by replacing 760 kilometers of piping network.

In 2019, GF, its employees, and partners raised CHF 500'000 through the "Walk for Water" to support clean drinking water projects worldwide.

7 AFFORDABLE AND CLEAN ENERGY



GF's contribution

GF works towards improving the global energy efficiency. On the one hand by increasing the energy efficiency in its own operations (by 10% until 2020) and on the other hand, by developing features to reduce the energy consumption of the products.

GF Machining Solutions' EDM¹ machines contain a new spark generator that reduces energy consumption by over 30% at the same performance levels.

8 DECENT WORK AND ECONOMIC GROWTH



GF's contribution

Considering workplace safety as a fundamental requirement to be observed at GF's operations, since 2015, GF runs a corporate-wide Zero Risk Campaign. As of the end of 2019, its ongoing efforts contributed to a 30% reduction in the accident rate since the 2013–2015 baseline.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



GF's contribution

GF continuously invests in R&D to create innovative new products and solutions that provide social and/or environmental benefits for customers during the product's usage. Addressing the sustainability issues along the product's value chain is on the agenda of all three divisions of GF.

Among others, GF Casting Solutions focuses on lightweight components for the aerospace and energy sector and GF Machining Solutions offers solutions to increase the energy efficiency of high-precision machines.

11 SUSTAINABLE CITIES AND COMMUNITIES



GF's contribution


The core expertise and focus of GF Casting Solutions is the design and manufacturing of lightweight components for the automotive and aerospace sectors. As such, GF directly contributes to developing of alternative drive mobility and reducing the weight of vehicles with the aim to reduce CO₂ and other air emissions.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



GF's contribution

The efficient use of natural resources has been actively managed by GF since 1997, when the company also published its first environmental report. Since then, the scope of its sustainability program was extended to the Sustainability Targets 2020 and forms the basis of the current sustainability-related activities.



GF's contribution

GF offers a wide range of products and solutions that enable its customers and/or end consumers to reduce their energy consumption and therefore CO₂ emissions during the products use. In GF's own operations, it aims to decrease the CO₂ intensity, with the current target set at a 10% reduction until the end of 2020.

GF obtained a B score in the annual CDP rating on climate action².



GF's contribution

GF is a signatory of the UN Global Compact and an active participant of the Network of Switzerland's working group "Sustainable Supply Chains".

.....> Further information on the Sustainable Development Goals

¹ Electrical Discharge Machining

² **CDP** (Carbon Disclosure Project) runs the global disclosure system for companies, states, regions and cities to report on how they manage their environmental impacts.