Creating sustainable value

Corporate Reports 2023

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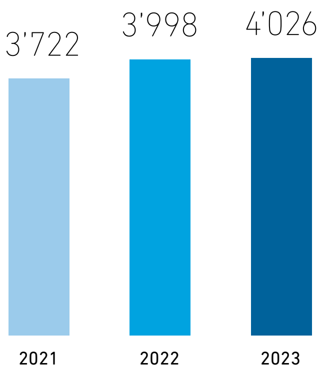
Financial key figures 2023

In 2023, sales amounted to CHF 4.0 billion. Excluding Uponor, sales reached CHF 3.9 billion, 3.4% below 2022 on account of a currency impact of CHF 263 million. Organically, sales increased by 3.7%. GF Uponor's key figures only cover the months of November and December 2023.

Sales

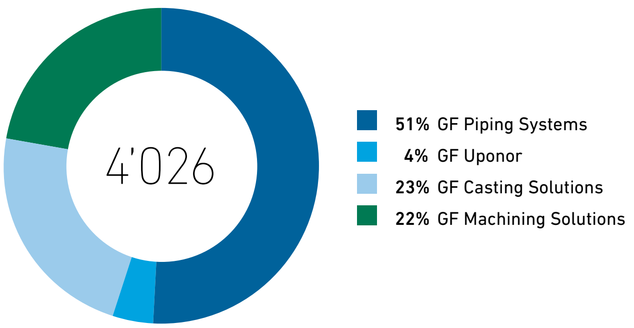
in CHF million

4'026



Sales per division

in CHF million

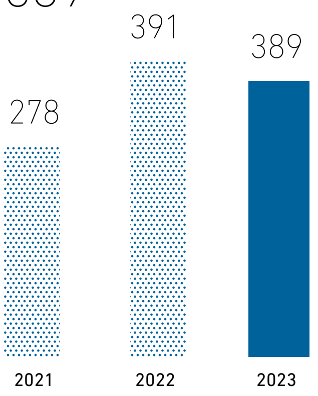


Financial key figures 2023

EBIT (comparable)[1]

in CHF million

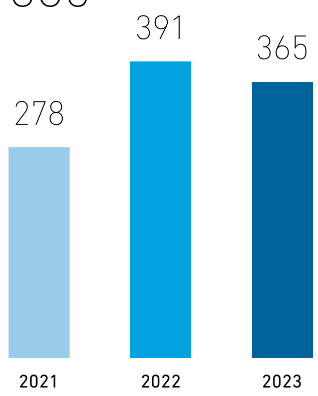
389



EBIT

in CHF million

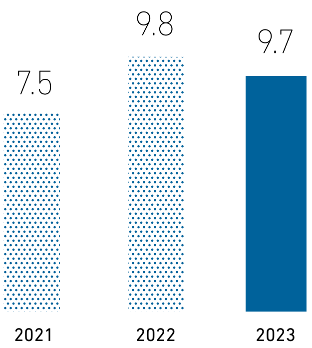
365



EBIT margin (comparable)[1]

in %

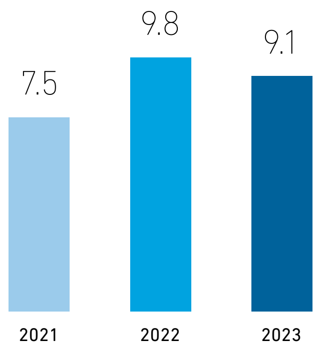
9.7



EBIT margin

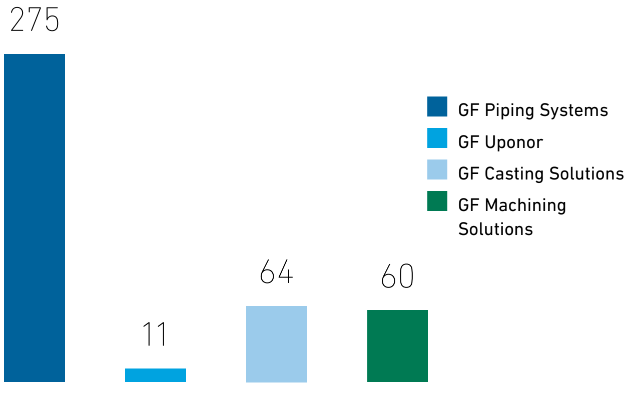
in %

9.1



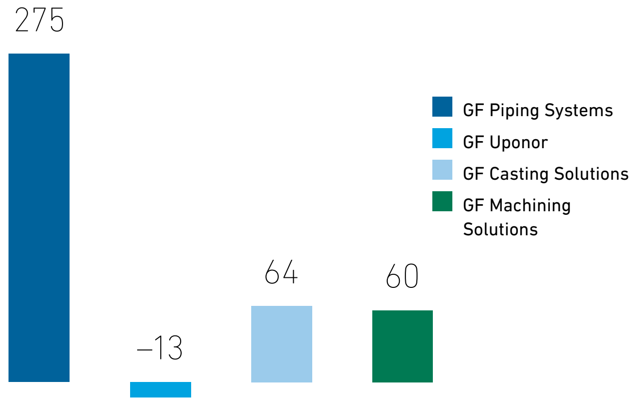
EBIT per division (comparable)[1]

in CHF million



EBIT per division

in CHF million



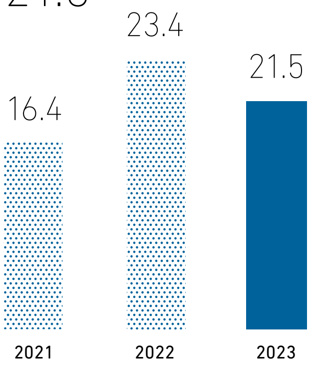
1 Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition.

Financial key figures 2023

Return on invested capital (ROIC) (comparable)[1]

in %

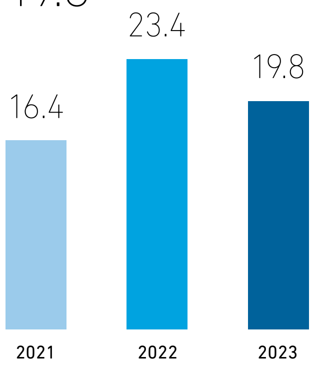
21.5



Return on invested capital (ROIC)

in %

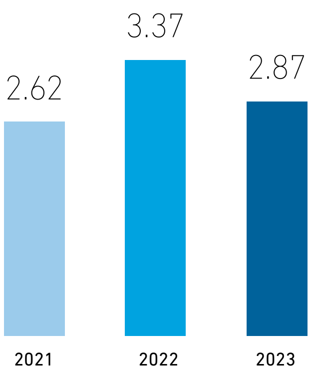
19.8



Earnings per share

in CHF

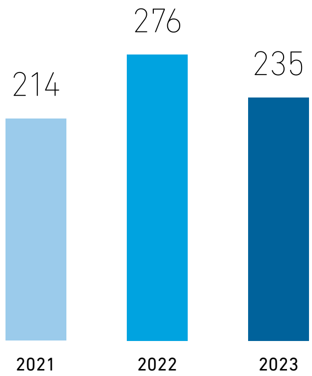
2.87



Net profit shareholders GF

in CHF million

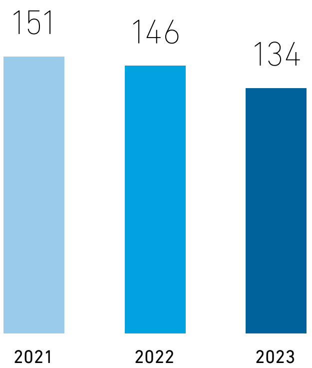
235



Free cash flow before acquisitions/divestments

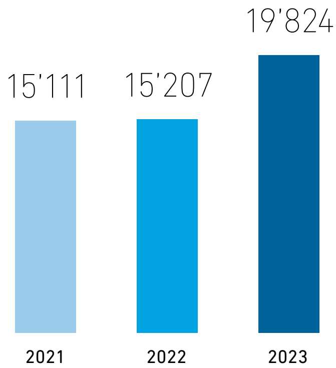
in CHF million

134



Number of employees

19'824



1 Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition.

Financial key figures 2023

	GF Corporation		GF Piping Systems		GF Uponor[2]		GF Casting Solutions		GF Machining Solutions		GF Corporation excl. positions & effects of Uponor[3]
CHF million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
Order intake	3'938	4'227	1'954	2'319	167		912	965	907	945	3'771
Orders on hand	827	931	300	442	47		269	284	211	206	779
Sales	4'026	3'998	2'066	2'160	164		910	892	887	948	3'861
Sales growth %	0.7	7.4	–4.4	9.6			2.0	1.4	–6.5	8.7	–3.4
Organic growth %	3.7	13.5	3.0	13.3			11.4	17.2	–1.9	10.9	3.7
EBITDA (comparable)[1]	511	507	327	341	19		104	99	75	81	492
EBITDA margin (comparable)[1] %	12.7	12.7	15.8	15.8	11.3		11.4	11.1	8.4	8.6	12.8
EBITDA	486	507	327	341	–6		104	99	75	81	492
EBITDA margin %	12.1	12.7	15.8	15.8	–3.7		11.4	11.1	8.4	8.6	12.8
EBIT (comparable)[1]	389	391	275	291	11		64	55	60	67	378
EBIT margin (comparable)[1] %	9.7	9.8	13.3	13.5	6.9		7.0	6.2	6.8	7.0	9.8
EBIT	365	391	275	291	–13		64	55	60	67	378
EBIT margin %	9.1	9.8	13.3	13.5	–8.2		7.0	6.2	6.8	7.0	9.8
Net profit shareholders GF	235	276									
Basic earnings per share in CHF	2.87	3.37									
Free cash flow before acquisitions/divestments	134	146									
Invested capital (IC)	1'707	1'277	758	705	365		315	326	267	196	1'342
Return on invested capital (ROIC) (comparable)[1] %	21.5	23.4	31.1	35.6	n/a		17.6	11.2	22.9	31.7	23.8
Return on invested capital (ROIC) %	19.8	23.4	31.1	35.6	n/a		17.6	11.2	22.9	31.7	23.8
Net debt (+)/Net cash (–)	1'879	–159									
Number of employees	19'824	15'207	8'798	8'085	3'687		3'792	3'570	3'377	3'398	16'137

1 Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition.
2 GF Uponor's key figures only cover the months of November and December 2023.
3 For comparative purpose only.

Another strong EBIT margin performance; Uponor acquisition lays ground for future growth; 2025 targets increased

Yves Serra, Chairman of the Board of Directors, and Andreas Müller, CEO

Dear shareholders,

2023 was a landmark year for GF, marked by the acquisition of Uponor, the biggest acquisition in the history of the company, as well as other positive milestones. GF increased its resilience while facing geopolitical instability, inflationary trends as well as substantial currency headwinds.

Global megatrends such as the demand for sustainable water management in urban areas, the transition toward renewable energy sources, the ongoing digitalization of our lives as well as skilled labor shortages are shaping our industries. The acquisition of Uponor strategically positions GF to become a global leader in sustainable water and flow solutions and benefit from new investments in energy-efficient heating and cooling in buildings. This major step is meant to accelerate the implementation of the Strategy 2025 within GF's flow solutions activities.

All divisions remain well positioned to meet their strategic targets, while focusing on operational excellence. GF's leadership in technology and strong presence in selected key markets, such as microelectronics, automotive and aerospace, helped offset the impact of weaker sectors. To continue to perform well in these attractive markets, GF increased its solutions and services offering, adapting rapidly to the new needs of its customers with numerous innovations, such as the functional integration of large structural castings, new specific and digital connected process automation valves, smart indoor energy control systems as well as dedicated EDM (electric discharging machining) processes for the energy and aerospace sectors.

Group results

Uponor Corp. (Finland) and Corys Piping Systems LLC (UAE), both acquired in the second semester 2023, were fully consolidated as of 1 November 2023. For detailed information, please consult the Financial Report.

Including these acquisitions, order intake reached CHF 3.9 billion and sales amounted to CHF 4.0 billion. Excluding Uponor, sales reached CHF 3.9 billion, 3.4% below 2022 on account of a currency impact of CHF 263 million. Organically, sales increased by 3.7%.

Operating result (EBIT) stood at CHF 365 million. Comparable operating result (EBIT) without PPA effects on inventory and items affecting comparability out of the Uponor acquisition reached CHF 389 million. Excluding Uponor and all corresponding effects, EBIT stood at CHF 378 million for a 9.8% margin, on par with the previous year.

Return on invested capital (ROIC) excluding Uponor and all corresponding effects was strong at 23.8% (2022: 23.4%). Comparable ROIC was 21.5%.

At the end of 2023, GF employed 19’824 people, an increase of 4’617 compared with the end of 2022, primarily reflecting the additional 4’319 employees from Uponor and Corys.

Free cash flow before acquisitions reached CHF 134 million (2022: CHF 146 million). Despite a rise in net debt due to the acquisitions, the balance sheet remains healthy. To replace part of the bridge financing for the acquisitions, GF plans to place corporate bonds in 2024. Net profit attributable to shareholders of GF amounted to CHF 235 million (2022: CHF 276 million).

At the upcoming Annual Shareholders’ Meeting, the Board of Directors will propose a dividend per share of CHF 1.30 on last year’s level.

GF Piping Systems

The order intake of the division came in at CHF 1’954 million (2022: CHF 2’319 million), with good momentum in the second half of the year. However, 2022 saw exceptionally high intakes from the semiconductor industry in the amount of more than CHF 100 million as a result of product and supply chain shortages. In 2023 the Industrial business in Europe, Asia and the Americas, as well as new markets such as Brazil, contributed positively to the performance.

GF Piping Systems reported a robust performance in 2023, achieving CHF 2’066 million in sales (2022: CHF 2’160 million). The organic increase of 3% was driven by good demand in key sectors such as high-end microelectronics and process automation for water reclamation and treatment among others. Despite facing headwinds in the European building technology and gas utility sectors, as well as a challenging global economic environment, the division maintained its momentum.

EBIT stood at CHF 275 million, compared with CHF 291 million in the previous year, resulting in an EBIT margin of 13.3%, within the range of the Strategy 2025 targets. EBIT was strongly impacted by negative currency effects of CHF 49 million.

The division continues to focus on innovation and business development, including solutions for renewable energy, lithium extraction and refinement and battery production, building a strong position in rapidly developing growth markets.

Earlier in 2023, the division inaugurated a state-of-the-art production facility in Yangzhou (China), the largest and most efficient facility of GF Piping Systems in Asia. The plant is designed to serve a wide range of industries such as microelectronics, water treatment, chemical process, marine, building construction and data centers.

As previously announced, GF Piping Systems will start to focus in 2024 on the Industry and Utility segment, whereas the Building Technology business will be consolidated into the new division GF Uponor. The GF Uponor Infrastructure business is being transferred to GF Piping Systems to synergize with the division’s existing Utility business, addressing overlapping markets and applications with different products. The highly complementary businesses will help unleash the full potential of the two divisions, which are both well positioned for sustainable and profitable growth benefiting from global megatrends. The implementation of these organizational changes started in early January 2024 and is expected to be completed by the end of 2024.

GF Uponor

For the full year 2023, Uponor’s sales reached EUR 1’221 million (2022: EUR 1’386 million). Excluding currency effects and structural changes, sales decreased by 5.8% compared to previous year. The comparable operating profit reached EUR 150 million (2022: EUR 154 million). The comparable operating profit margin improved to 12.3% (2022: 11.1%), reflecting the benefits of its margin resilience initiatives and operating model.

The consolidated division’s result for the final two months of 2023 reflects the ordinary winter seasonality that causes lower activity in the construction industry, the holiday season, but also proactive supply chain optimization. GF Uponor contributed to GF sales with CHF 164 million; in addition, the company contributed CHF 11 million in EBIT, before PPA effects on inventory and items affecting comparability, implying an EBIT margin of 6.9%, well above historic recurring levels for the final two months of the year.

In the course of 2023, Uponor continued to gain market share in the US, while facing headwinds in Europe. All Uponor businesses achieved continued productivity improvements enabled through a group-wide transformation program. The program also helped to mitigate substantial year-on-year inflation. Uponor’s resilience and adaptability demonstrated its robust business strategy and its ability to navigate and thrive in a volatile market environment.

GF Casting Solutions

GF Casting Solutions had a good year with sales of CHF 910 million (2022: CHF 892 million). Organic growth reached 11.4%, which is slightly above the global growth of the automotive industry. This growth was primarily fueled by heightened demand for lightweight components, especially in the Chinese market, and a recovery in the aerospace sector.

The division’s EBIT for the year stood at CHF 64 million, up from CHF 55 million in 2022, resulting in an increase of the EBIT margin from 6.2% to 7.0%. This increase is commendable, considering the significant challenge of rising energy, labor and transportation costs, alongside other inflationary pressures.

GF Casting Solutions recorded an all-time high in new acquisitions lifetime volume orders of more than CHF 2.5 billion in 2023. This achievement reflects the division’s more resilient, broader customer portfolio in the automotive industry, in the aerospace and energy sector, as well as in industrial applications. The rising demand in these areas for the development and production of structural parts underscores the success of GF Casting Solutions’ strategy and its strong position as an innovation leader for sustainable mobility.

The ramp-up of the new facility in Shenyang (China) is proceeding according to plan and will provide customers with state-of-the-art large body and lightweight castings.

GF Machining Solutions

In terms of order intake, GF Machining Solutions recorded a successful year, reaching CHF 907 million, leading to a solid book-to-bill-ratio above 1.0. The division demonstrated resilience in Europe, whereas it faces challenges in Asia. Especially the ICT segment (information and communication technologies) continued to remain flat, particularly in China. However, the ongoing rebound in the aerospace and the energy segments could partially compensate for these subdued markets.

GF Machining Solutions’ sales experienced a slight decrease of 1.9% organically. Sales came in at CHF 887 million, compared with CHF 948 million in 2022. EBIT for 2023 was CHF 60 million (2022: CHF 67 million), with an EBIT margin of 6.8% (2022: 7.0%).

The division has reinforced its position as an industrial technology leader with a high innovation rate. The recent launches of a new generation of laser texturing and electrical discharging machines (EDM) dedicated to aerospace applications will enable customers to use increasingly sophisticated materials with the ultimate goal of reducing fuel consumption. GF Machining Solutions has further strengthened its customer experience and service offerings, helping customers to cut their production times and to increase efficiency in their own manufacturing processes.

Strategy 2025 accelerated, new targets set

Just halfway into GF's current five-year strategy cycle, 2023 marked a key milestone in the implementation of the Strategy 2025. GF's vision to become a sustainability and innovation leader offering superior customer value was successfully implemented throughout the year, and GF already achieved most of its 2025 sustainability targets.

Additionally, for its 2023 submission to the global rating agency CDP, GF secured the highest possible "A" score for transparency and performance on climate change, after the company was awarded an "A–" for three consecutive years. For its ambitions around water security, GF has maintained its previous rating of "A–".

In the third edition of Europe's Climate Leaders compilation by the Financial Times, GF ranked among the top five of 26 machines-and-industrial equipment companies in 2023, underscoring the company's commitment to addressing the climate crisis and setting industry benchmarks. EcoVadis recognized all GF divisions for their commitment to environmental, social and governance (ESG) performance; GF Piping Systems, GF Uponor and GF Casting Solutions were all awarded gold medals, placing them in the top 5% of companies rated, while GF Machining Solutions received a silver medal, thus ranking it in the top 15%.

GF Piping Systems' presence in growth markets and segments, such as high-end microelectronics production and water treatment for a wide range of industries and markets, continues to drive profitable growth. With the acquisition of Uponor, GF accelerated the implementation of GF Piping Systems' strategy to become the leader in sustainable water and flow solutions. Uponor executed its transformation program to become more resilient, and going forward, GF Uponor will increase its focus on indoor climate solutions to address the sustainability needs of its customers. GF Casting Solutions remains a recognized development partner for large structural parts and innovative components for existing and new customers, while GF Machining Solutions has been consistently investing in the development of additional energy-saving functionalities on its machines over the last few years.

The two successful acquisitions of Uponor and Corys, with their respective promising growth perspectives, led GF to increase its Strategy 2025 target ranges: from the current sales target (incl. acquisitions) of CHF 4.4–5 billion to CHF 5–5.5 billion, from the current EBIT margin target of 9–11% to 10–12%, and from the current ROIC target of 20–22% to 20–24%. In addition to these existing strategy targets, GF introduces a new EBITDA margin target in the range of 13–15%.

Proposed changes to the Board of Directors

Hubert Achermann, Vice Chairman of the Board of Directors and Independent Lead Director, is retiring from the Board after reaching its maximum age limit. The Board of Directors will propose Stefan Räbsamen, a long-standing partner at PwC Switzerland and its Chairman until 2022, for election as a new member of the GF Board at the Annual Shareholders' Meeting on 17 April 2024. Stefan Räbsamen will deepen the Board's expertise in auditing, as well as financial and ESG reporting. In addition, the Board will propose Annika Paasikivi, former Chair of Uponor and an experienced executive and board member at several industrial companies, as a new member of the Board. Roger Michaelis will not stand for re-election due to GF's 12-year limit on Board tenure. GF warmly thanks Hubert Achermann and Roger Michaelis for their excellent service over the years.

Outlook for the full year 2024

Despite persisting short-term global challenges, GF with its innovative solutions is well positioned to benefit from long-term megatrends such as water conservation and treatment, sustainable mobility, energy-efficient indoor climate solutions and high-precision machining. The swift integration of Uponor and Corys Piping Systems, two fully complementary businesses to GF Piping Systems, is set to accelerate the implementation of the Strategy 2025 and further support the ambition to become a global leader in sustainable water and flow solutions.

Economic conditions remain generally subdued but GF expects a gradual improvement during the course of the year and further organic growth for the full year 2024. Operating profitability (EBIT/EBITDA/ROIC) before extraordinary items is expected to reach the revised Strategy 2025 target ranges (EBIT margin 10–12%; EBITDA margin 13–15%; ROIC 20–24%).

We would like to extend a heartfelt thanks to our employees who, through their dedication and motivation, ensure the successful development of this company. A special welcome goes to the more than 4'000 new colleagues from Uponor and Corys Piping Systems, who are now part of the GF family. We would also like to thank our customers for their trust in GF and for their feedback, which is an ongoing source of inspiration and motivation; and our shareholders, with whom we engage in regular discussions throughout the year, for their continued support of our company.

Yves Serra
Chairman of the
Board of Directors

Andreas Müller
CEO

Our Corporation

GF offers products and solutions that enable the safe and sustainable transport of liquids and gases, as well as lightweight casting components and high-precision manufacturing technologies. As a sustainability and innovation leader, GF strives to achieve profitable growth while offering superior value to its customers for more than 200 years. Founded in 1802, the Corporation – with its divisions GF Piping Systems, GF Uponor, GF Casting Solutions and GF Machining Solutions – is headquartered in Switzerland. At the end of 2023, it was present in 45 countries with 187 companies, 76 of which are production companies with 105 facilities. GF's 19'824 employees worldwide generated sales of CHF 4'026 million in 2023.

Sales in 2023

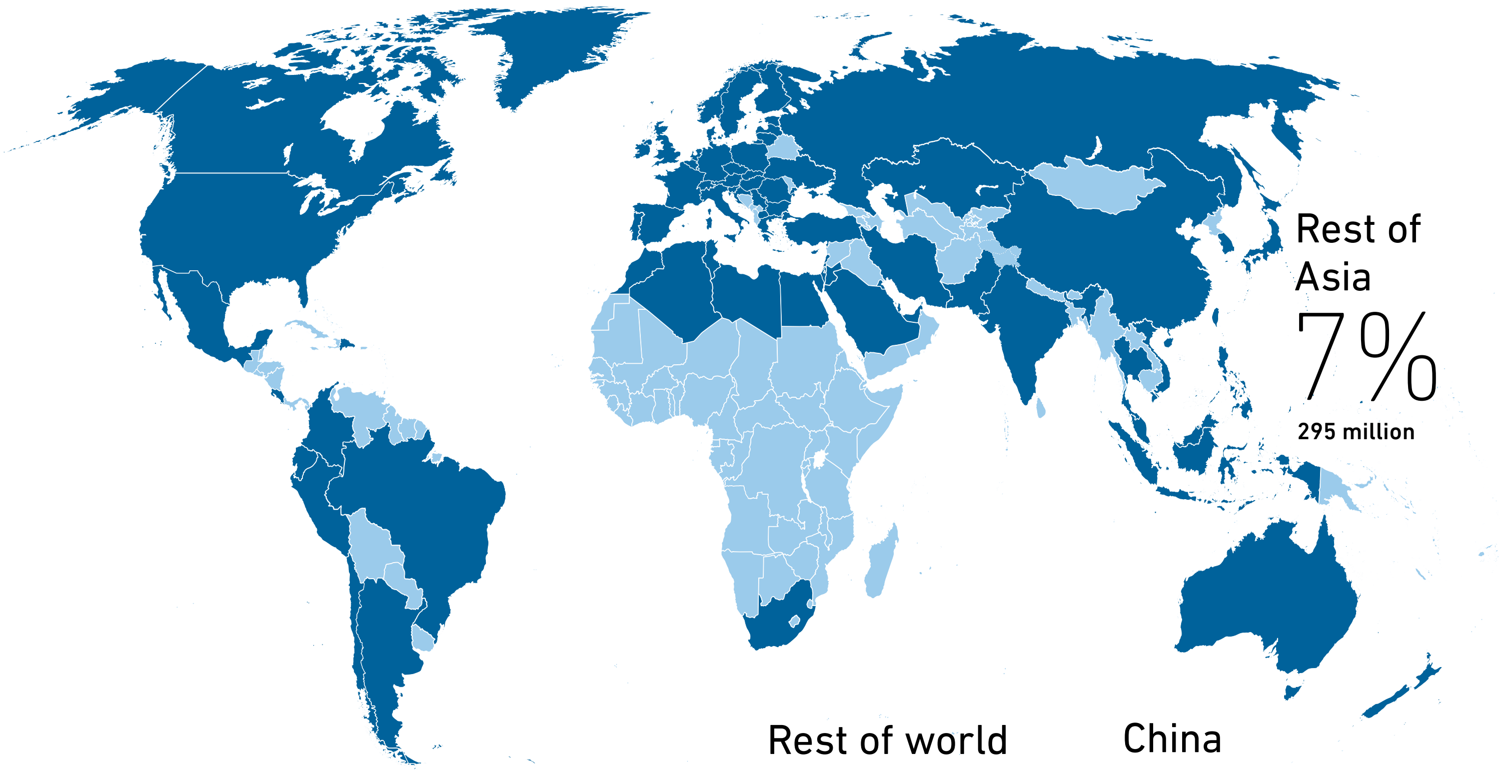
in CHF

Switzerland
5%
220 million

Americas
21%
837 million

Germany
14%
556 million

Rest of Europe
26%
1'050 million



Rest of Asia
7%
295 million

Rest of world
5%
204 million

China
22%
865 million

GF Piping Systems at a glance

Key figures

CHF million	2023	2022
Order intake	1'954	2'319
Orders on hand at year-end	300	442
Sales	2'066	2'160
Sales growth %	–4.4	9.6
Organic growth %	3.0	13.3
EBITDA	327	341
EBITDA margin %	15.8	15.8
EBIT	275	291
EBIT margin %	13.3	13.5
Invested capital (IC)	758	705
Return on invested capital (ROIC) %	31.1	35.6
Number of employees	8'798	8'085

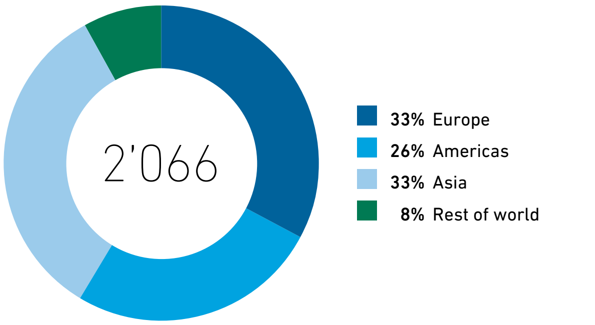
As the leading flow solutions provider for the safe and sustainable transport of fluids, GF Piping Systems creates connections for life. The division focuses on industry-leading leak-free piping solutions for numerous demanding end-market segments. Its strong focus on customer centricity and innovation is reflected by its global sales, service and manufacturing footprint, and its award-winning portfolio, including fittings, valves, pipes and sensors, as well as automation, fabrication and jointing technologies.

Number of employees

8'798

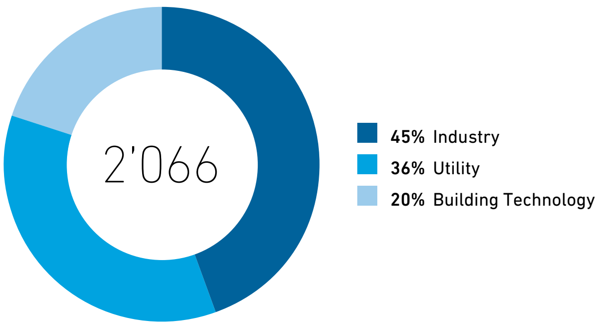
Sales per region

in CHF million



Sales per segment

in CHF million



GF Uponor at a glance

Building on Uponor's solutions that efficiently and effectively move water through cities, buildings and homes, the division provides safe drinking water, energy-efficient radiant heating and cooling systems as well as reliable infrastructure solutions. GF Uponor helps customers in residential and commercial construction, as well as municipalities and utilities to be more productive – and continuously find new ways to conserve, manage and provide water responsibly, unlocking the potential to provide comfort, health and efficiency.

Key figures[1]

CHF million	2023	2022
Order intake	167	
Orders on hand at year-end	47	
Sales	164	
EBITDA (comparable)[2]	19	
EBITDA margin (comparable)[2] %	11.3	
EBITDA	–6	
EBITDA margin %	–3.7	
EBIT (comparable)[2]	11	
EBIT margin (comparable)[2] %	6.9	
EBIT	–13	
EBIT margin %	–8.2	
Invested capital (IC)	365	
Number of employees	3'687	

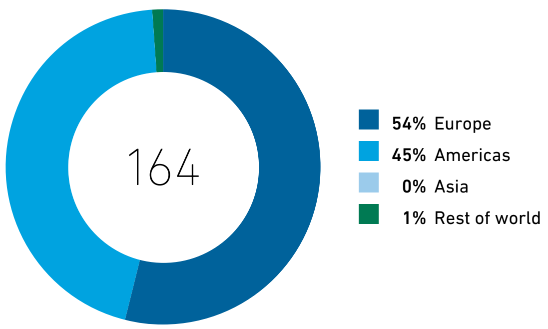
2 Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition.

Number of employees

3'687

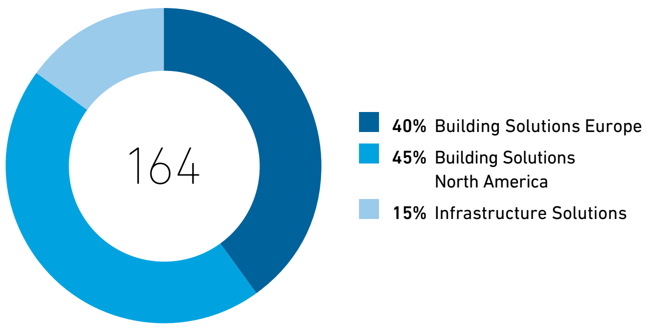
Sales per region

in CHF million



Sales per segment

in CHF million



1 GF Uponor's key figures only cover the months of November and December 2023.

GF Casting Solutions at a glance

GF Casting Solutions is one of the leading solution providers of lightweight components in the automotive and aerospace industry. As a future-oriented company, the division leads R&D activities in early product development, supporting customers globally to be ready for the sustainable and resource-efficient mobility of tomorrow.

Key figures

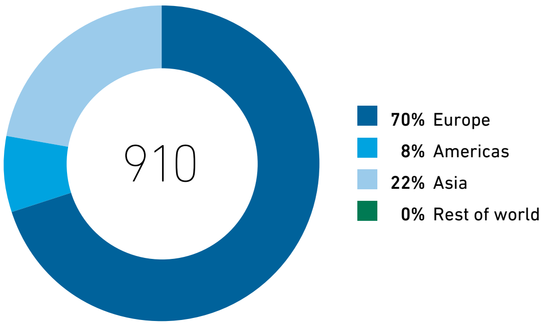
CHF million	2023	2022
Order intake	912	965
Orders on hand at year-end	269	284
Sales	910	892
Sales growth %	2.0	1.4
Organic growth %	11.4	17.2
EBITDA	104	99
EBITDA margin %	11.4	11.1
EBIT	64	55
EBIT margin %	7.0	6.2
Invested capital (IC)	315	326
Return on invested capital (ROIC) %	17.6	11.2
Number of employees	3'792	3'570

Number of employees

3'792

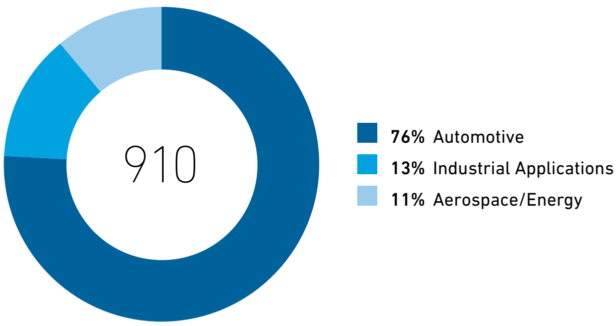
Sales per region

in CHF million



Sales per segment

in CHF million



GF Machining Solutions at a glance

Key figures

CHF million	2023	2022
Order intake	907	945
Orders on hand at year-end	211	206
Sales	887	948
Sales growth %	–6.5	8.7
Organic growth %	–1.9	10.9
EBITDA	75	81
EBITDA margin %	8.4	8.6
EBIT	60	67
EBIT margin %	6.8	7.0
Invested capital (IC)	267	196
Return on invested capital (ROIC) %	22.9	31.7
Number of employees	3'377	3'398

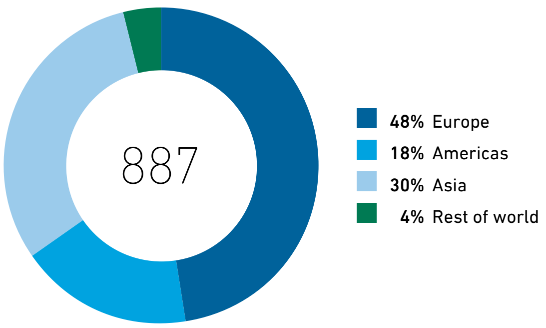
GF Machining Solutions is one of the world's leading providers in precision engineering and advanced manufacturing systems for high accuracy mechanical components and tools manufacturers. Cutting-edge technologies, including Electrical Discharge Machining (EDM), high-speed milling, spindles, laser, automation, high-precision tooling and digitalized solutions are backed by unrivaled customer services and support. GF Machining Solutions provides innovative and complete solutions for various industries, allowing the continuous advancement in energy-efficient and clean manufacturing practices in line with its targets and vision of providing sustainable products to the global market.

Number of employees

3'377

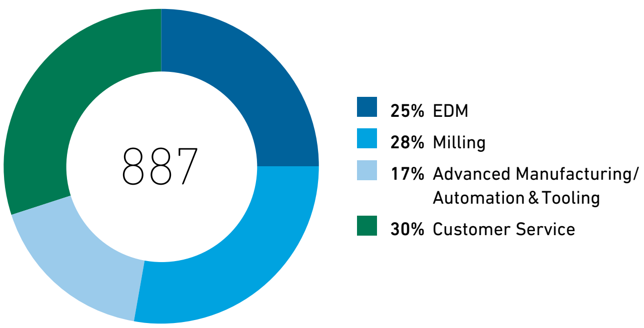
Sales per region

in CHF million



Sales per segment

in CHF million



Strategy 2025: On track

GF's Strategy 2025, which emphasizes profitable growth through sustainable and intelligent solutions, is progressing well against its targets as it enters the middle of its five-year cycle, and following a transformative acquisition completed in 2023. The company's vision to become a sustainability and innovation leader offering superior customer value is at the core of this strategy and was continuously and successfully implemented throughout the year.

2023 marks another milestone in the implementation of Strategy 2025. Despite a challenging macroeconomic environment that included inflationary trends, a recession in some markets, a weaker Chinese economy and continued Swiss franc appreciation, all divisions benefited from their leading technology positions and are on track to reach their strategic targets.

Global megatrends such as sustainable water management in urban areas, the transition toward renewable energy sources, the ongoing integration of digital technology as well as the lack of skilled labor are shaping GF's industries. With the acquisition of Uponor, GF is well positioned to benefit from investments in energy efficient heating and cooling in buildings. The company's global footprint, its improved operational performance and a more balanced business portfolio have already strengthened GF's resilience in the current economic environment, marked by subdued housing markets and weaker demand for ICT/electronic components.

In 2023, GF generated 68% of sales with products and solutions that have a social or environmental benefit for its customers (2022: 63%), well on track to reach the 70% target by 2025. This underscores the strategic importance of sustainability, which is embedded and intertwined in GF's daily business, from the safe transport of water and liquids, and empowering e-mobility, to advancing energy-efficient and clean manufacturing.

GF has adjusted its Strategy 2025 targets to reflect the acquisitions of Uponor (Finland) and Corys Piping Systems (UAE), which were both completed in November 2023. The increased share of turnover for the water and flow solutions business following the acquisition of Uponor and Corys will further strengthen GF's resilience in the medium to long term. The focus is now specifically on value creation, protecting the value of the two companies brand and business, supporting their existing strategy and building the foundation for the expected synergies, while building trust within the new organization.

In 2023, GF continued to invest in its people around the world, as well as in its operational excellence. The company established strong foundations through several large-scale initiatives, transformational programs for business processes and organizational adjustments, including some large-scale IT projects, with the goal of modernizing infrastructure and tools, also for virtual collaboration.

GF is also investing in its innovation capabilities, expanding its ecosystem and partnering with a wide range of customers, suppliers, universities, digital platforms and start-up incubators (eg, Plug and Play and MassChallenge). All divisions launched several new products and developed promising pipelines. Recent innovations include GF Piping Systems' 9950 six-channel transmitter, large structural castings at GF Casting Solutions, the Smatrix control system for radiant heating and cooling by Uponor, and the My rConnect platform for digital service provisioning at GF Machining Solutions.

Strategy Review

GF Piping Systems

During the year under review, GF Piping Systems continued to reap the fruits of its process automation innovations, its unique set-up to leverage pre-fabrication services and the successful integration of the FGS acquisition in Brazil. Despite the effects of central bank monetary tightening and restrictive credit conditions that are dampening business and residential investments, the division remains well on track to achieve its 2025 targets, with its strong focus on high-value solutions and products. GF Piping Systems has also benefited from the global microelectronics boom and is successfully developing new businesses in resilient segments with attractive market potential, such as lithium extraction and battery production. The division generated sales of CHF 2'066 million in 2023, accounting for 51% of GF sales. Both sales and EBIT margin, which amounted to 13.3%, are within the target range of Strategy 2025.

Interview with Joost Geginat, President GF Piping Systems

How would you summarize 2023 for GF Piping Systems?

Our presence in important growth markets and segments, such as high-end microelectronics production, ensures we continue to drive profitable growth, despite headwinds in the building technology and gas utility business in Europe. Thanks to our global presence, our motivated employees and a well-fueled innovation pipeline, we are well-positioned globally to benefit from our markets' positive mid- to long-term outlook. Additionally, our performance and supply chain capabilities continue to be recognized by our partners and customers as well as EcoVadis, who gave us a gold medal rating for sustainability. This award positions us among the top 5% of companies assessed worldwide.

How much progress has the division made against its Strategy 2025 targets, and what remains to be done?

We made significant progress in all three strategic focus areas of Strategy 2025. Important innovations like our new six channel transmitter and the successful ProfiNet certification improved the connectivity of our process automation portfolio and further strengthen our focus on high-value solutions. Our sales teams are getting even closer to our customers, supported by extensive investments in our off-site manufacturing hubs, sales and marketing technology, and customer experience. We increased our efforts alongside our customers to solve water loss in cities globally, increase operational safety thanks to our performance materials, improve energy efficiency with our efficient cooling solutions and improve water quality and reuse with process automation. With the addition of GF Corys, our new joint venture in the Middle East, and further investments in our production and office facilities worldwide, and by joining forces with GF Uponor Infra business segment, we are well on track to achieve the Strategy 2025 targets.

Strategy Review

GF Uponor

As of November 2023, GF Uponor is a new division of GF. The new division focuses on providing safe drinking water as well as energy-efficient radiant heating and cooling to buildings and homes. GF Uponor is working on establishing a new set-up for the combined building solutions business, with the goal of creating a global leader in sustainable water and flow solutions. The process is well under way and it is set to empowering cross-selling, leveraging technology and combining innovation pipelines, thus generating a powerful product and solution portfolio as well as efficient processes to support our customers. The division generated sales of CHF 164 million in 2023, accounting for 4% of GF sales.

Interview with Michael Rauterkus, President GF Uponor

As of 1 January 2024

Where does GF Uponor stand at the moment?

During the last year, Uponor executed very well on its transformation program to become leaner and more resilient. With that we have built a solid foundation to accelerate our growth strategy and contribute to the success of GF. By reorganizing our Innovation function into one global team, closely cooperating with our global category management and sales cluster, we have enabled innovation speed and improved market presence. The operating model allows for the optimization and differentiation of our product offering, the development of new platforms, as well as disruptive breakthroughs. Our sales, customer service and marketing teams are focussed on providing value and an outstanding experience to our customers. At the same time, we are investing into making our operations more sustainable and reaching our net-zero goal, which has been validated by the Science Based Targets initiative (SBTi). We have, for example, started to implement our Carbon Neutral Factory concept, which not only supports our own climate work, but also has a positive impact on the carbon footprint of our customers and partners. Our new business model will keep customer needs and market requirements at the centre of everything we do.

What are the main opportunities and challenges for GF Uponor in the short to medium term?

Overall, the market in Europe remains challenging, while North America is more robust. We look forward to executing on cross-selling opportunities that exist in our common markets within GF and exploiting our joint innovation power to accelerate new innovations and product launches. With our combined product and solution portfolio, we will not only extend our channel coverage and global penetration. We will be in the pole position to seize the opportunities and demands created by the global megatrends and offer our customers a wide range of best choices: systems that reduce energy consumption and CO_2 emission of buildings, solutions that enhance hygiene and comfort, all that while enabling them to be more productive. With our highly motivated and experienced employees, we will enhance the strengths of both GF and Uponor even further.

Strategy Review

GF Casting Solutions

In 2023, GF Casting Solutions took advantage of the strong growth in e-mobility and the related lightweight design requirements in the global automotive sector. The transition to e-mobility has kickstarted a large number of new vehicle developments, providing many opportunities to leverage the division's core competence in the development and manufacture of large structural castings. GF Casting Solutions has also expanded its customer portfolio, which now includes traditional Original Equipment Manufacturers (OEM), as well as new vehicle manufacturers, especially from China, supported by existing facilities and the ramp up of the new facility in Shenyang. In 2023, GF Casting Solutions' sales amounted to CHF 910 million, while EBIT margin was 7.0%. Both were within the target range.

Interview with Carlos Vasto, President GF Casting Solutions

What are the opportunities for GF Casting Solutions?

GF Casting Solutions is recognized as a competent development partner for large structural components in the automotive industry. This is an opening door in this transforming market, where the increasing number of new vehicle development projects offers great opportunities for GF Casting Solutions to support our customers in designing and developing innovative components solutions.

How did the division progress against its strategic targets in 2023?

After several years of transformational projects, GF Casting Solutions is progressing well against its strategic targets. The best proof of that is the strong track record in newly acquired projects in the amount of CHF 2.5 billion. Many of these orders are for large structural parts with traditional and new vehicle manufacturers. GF Casting Solutions was able to leverage its capabilities to design and industrialize large lightweight cast components. In addition, the division started production at its new facility in Shenyang.

Strategy Review

GF Machining Solutions

The division saw a promising growth trajectory in the aerospace segment globally and was able to seize this opportunity thanks to two new product launches in 2023, the CUT S 400 Dedicated and the Liechti Turbomill 500g, which ensure the highest level of competitiveness for end users. The medical and automotive segments, in particular in Europe, proved resilient, helping offset market weakness in ICT/electronic components, which was driven mainly by lower sales of mobile phones in Asia. Over the past year, the division was able to further strengthen its foundation in fully automated and intelligent manufacturing cells. High-margin laser technology and tooling sales are expected to drive performance in the short to medium term, and the service business expansion is set to help GF Machining Solutions achieve its profitability targets. In 2023, GF Machining Solutions generated sales of CHF 887 million, while EBIT margin was 6.8%, within the target range.

Interview with Ivan Filisetti, President GF Machining Solutions

What is the product strategy of GF Machining Solutions in terms of sustainability?

GF Machining Solutions invested in the development of more energy-saving functionalities on its machines over the last few years and is now able to offer energy efficiency certificates to help its customers with their "green transition". Thanks to our recent acquisitions and service business expansion, we were able to launch services such as complete refurbishments of machines, giving old machines a second life, and a recycling campaign targeting the re-use of spare parts from end-of-life machines.

What about the strategically important segments medical and aerospace?

The medical business was resilient, performing especially well in Europe and boosting our results. We are adjusting the strategy in China and Asia and are reinforcing our organization in the US to better support our growth. Regarding aerospace, we are very proud of our latest product launches, the performance of which enables us to push into a strong leading position for the engine components manufacturing business.

Highlights 2023

February

GF Machining Solutions launches innovative femtosecond lasers

At an open house event held in its Laser Center of Technologies in Geneva (Switzerland) with international VIP guests, GF Machining Solutions presents two lasers equipped with new ultrashort pulse laser sources.

March

GF hosts first-ever Global Sustainability Conference

GF holds its first Global Sustainability Conference in Zurich, bringing together 160 participants who play an important role in driving sustainability in the company. Among the topics discussed, also with external speakers, are decarbonization, circular economy, diversity and inclusion, and health and safety.

March

GF Piping Systems opens new warehouse in Florida (US)

A new 4000 m² facility located in the world's cruise capital Fort Lauderdale, FL (US), can store over 13 km of pipes. It primarily handles distribution and sales for customers in the cruise industry, enhancing customer proximity.

March

GF Machining Solutions holds Global Solutions Days

GF Machining Solutions hosts international customers at two big global in-house events in Losone and Biel (both in Switzerland), offering deeper insights into its products and services as the division continues to focus on robust segments, intelligent solutions and customer experience.

April

Annual Shareholders' Meeting takes place in person again

For the first time in four years, the Annual Shareholders' Meeting is held again at the IWC Arena in Schaffhausen (Switzerland) with 700 shareholders attending in person. GF shareholders approve all proposals. Michelle Wen and Monica de Virgiliis are elected to the Board of Directors.

April

New plant with advanced machinery in Shenyang (China)

GF celebrates the opening of the GF Casting Solutions plant in Shenyang (China). The facility strengthens GF's global footprint with state-of-the-art technology and the highest sustainability standards.

April

Opening of plant in Yangzhou (China) with state-of-the-art technology

The plant supplies industries such as microelectronics, water treatment, chemicals, marine, building construction and data centers. A modern prefabrication hall with a clean room enables the production of complex products for the semiconductor and energy industries.

May

GF Piping Systems and GF Machining Solutions mark opening of new office in Mexico

GF Piping Systems and GF Machining Solutions hold an open house to mark the opening of their site in Apodaca (Mexico). GF representatives toured the 7’500 m² plant together with government officials, business leaders from the region and local media representatives.

May

GF Machining Solutions launches new recycling service

As a responsible machine provider, GF Machining Solutions integrates a pioneering recycling service for its machines, helping customers whose machines have reached the end of their life cycle dispose of them in a safe and efficient way. The machine to be recycled is picked up from the customer’s site, inspected and disassembled.

May

Groundbreaking ceremony in Seewis

The future of GF's facility in Seewis (Switzerland) is ushered in with a ceremony to kickstart a comprehensive modernization plan that includes the construction of a new high-bay warehouse. The office building, as well as the surrounding areas such as parking spaces and access roads, are also being expanded or newly built.

May

GF ranks among Europe's Climate Leaders

GF makes it into the top 100 companies globally in the third edition of Europe's Climate Leaders – a compilation by the Financial Times listing the companies that are setting the stage for tackling the climate crisis.

June

GF Casting Solutions hosts its first Customer Days

The event includes an exclusive tour through the division's testing and validation lab, as well as its testing foundry. The event centers on innovative product and material development.

June

Opening of new GF headquarters in Switzerland

GF inaugurates its new headquarters in Schaffhausen (Switzerland) with an event for some 80 guests from business and politics, as well as a party for employees. After 12 months of extensive renovation and energy-efficient refurbishment, the new offices feature modern open workspaces and co-working areas, as well as new technology to foster collaboration.

June

GF Piping Systems earns Intel's 2023 EPIC Distinguished Supplier Award

GF Piping Systems is one of only 22 Distinguished Award recipients across Intel's global supply chain. The award recognizes companies for their dedication to excellence, inclusion and continuous quality improvement.

July

GF Piping Systems receives gold medal from EcoVadis

GF Piping Systems receives a gold medal in recognition of its environmental, social and governance (ESG) performance. The division is in the top 5% (98th percentile) of companies in the manufacture of plastic products industry rated by EcoVadis, the world's largest and most trusted provider of business sustainability ratings.

September

Walk for Water events are hosted across GF locations worldwide

Thirteen GF locations in Switzerland, Germany, the US, Indonesia, the UK and China host GF Walk for Water events. Employees from around the world walk together with partners and customers to raise awareness and funds to help fight the global water crisis. The events raise a total of USD 525’000 which will be used by GF’s Clean Water Foundation to support humanitarian projects.

September

GF Casting Solutions invests in future of high-pressure die-casting production

GF Casting Solutions is investing in its high-pressure die-casting production site in Pitesti (Romania). The first equipment has been installed to support the new structural components business.

September

My rConnect heralds a new era

A new era of machine management starts with My rConnect, the first web-based platform that enables quick access to support from GF Machining Solutions, comprehensive traceability and seamless service case management.

October

High response rate for first employee engagement survey

GF conducts its first company-wide employee engagement survey. Around 10'000 employees world-wide participate. The feedback enables GF to assess employees' level of satisfaction and dedication to their work and the company. To drive continuous improvement, GF plans to now conduct an employee engagement survey annually.

November

GF Piping Systems acquires Corys for sustainable growth in the Middle East

GF Piping Systems acquires 51% of Corys Piping Systems (CPS) located in Dubai (UAE). The new entity GF Corys is a leader in premium flow solutions across all relevant market segments in the region.

November

GF acquires Uponor and combines strengths to become a global flow solutions leader

GF successfully closes the tender offer for all shares in the company Uponor, which becomes a standalone division called GF Uponor. Together with GF Piping Systems, GF Casting Solutions and GF Machining Solutions, GF Uponor will help build a more resilient technology-driven group.

November

GF Central Plastics breaks ground on second plant in Shawnee, OK (US)

The new 50'000 m² manufacturing facility will accommodate the company's growing business while creating as many as 300 full-time jobs upon opening. GF Central Plastics is North America's largest single-source manufacturer of metal and polyethylene pipe jointing products in the gas and municipal water utility industry.

December

GF secures "A" score for transparency and performance on climate change

For its 2023 submission to the global rating agency CDP, GF secured the highest possible "A" score for transparency and performance on climate change, after the company was awarded an "A–" for three consecutive years. For its ambitions around water security, GF has maintained its previous rating of "A–".

Forward Stories

In 2023, GF continued to focus on providing customers with innovative solutions to address their sustainability needs and create a positive impact in a world that is becoming increasingly complex and technologically advanced.

GF "goes forward" sustainably by tackling some of the biggest challenges of our times, such as how to support the needs of a growing global population and developing economies amid dwindling resources.

These Forward Stories showcase how GF contributes to making everyday items more sustainable, how it powers the e-mobility revolution and how it helps increase energy efficiency as the world moves towards more renewable sources.

Read about how GF keeps Going Forward where it really matters.

GF Piping Systems

Bioplastics for daily living

Many industrial sectors today are facing a similar challenge: how to produce more with less in order to meet increasing demand, especially in developing economies, while at the same time helping preserve the world's natural resources for future generations. Innovation, of both processes as well as technologies, is one way to do that, and in some areas, companies like GF have a key role to play in helping society flourish and the economy grow sustainably.

Take lactic acid. It is not a product that most of us think about. Yet, this organic compound – naturally produced by organisms when they break down carbohydrates for energy – is a key raw material for biodegradable products. It is also needed in bulk to manufacture our everyday products – from medication to food, textiles, and biodegradable packaging and labeling. Biodegradable plastics – used, for example, in bags, cutlery, utensils or packaging materials – are expected to replace petroleum-based plastics and reduce the impact of these common products on the environment.

In China, earlier this year, authorities issued a three-year plan to speed up the development of the country's non-food bio-based materials industry, and strengthen its innovation capabilities, scale up production, and meet sustainability goals, namely, strengthening the "bioeconomy" or bio-based economy while reducing carbon footprint.

For GF, this is an important opportunity to pursue its strategic objectives while supporting customers on their own sustainability journeys.

GF: A partner for sustainable innovation

A long-standing partnership with Tianjin-based Oumingzhuang Biological Technology (OMZ), a major producer of process equipment also used for lactic acid, is a testament to that.

For over 10 years, GF has supported OMZ in implementing technologies central to the processes needed to convert starch into bioplastics, utilizing ion exchange technology. From the outset of their partnership, GF Piping Systems in China worked closely with OMZ to identify technical solutions to increase the capacity, efficiency and reliability of its highly automated systems, which in turn are used by producers of lactic acid. This included deploying more than 100'000 GF valves within the production facilities of OMZ's customers.

In 2020, OMZ saw the opportunity to significantly expand the volume and efficiency of the fifth generation of its innovative ion exchange system, seeking to enable its customers to reduce water usage and halve sewage discharge. To do so, OMZ needed a partner with comprehensive experience and the ability to deploy technologies quickly and at the scale required. GF Piping Systems' long collaboration with OMZ made it the clear choice. Moreover, the unique characteristics of GF's products, such as their reliability in acidic environments, enabled OMZ to meet its customer's objective of increasing both volume and efficiency.

"OMZ has enjoyed a decade-long partnership with GF, whose products and services have been instrumental in our success," said Zhang Tianti, OMZ General Manager. "GF is a trusted and reliable partner, and we eagerly anticipate continuing our collaboration in areas such as biotechnology fermentation and lithium extraction from salt lakes to further advance sustainable industrial development."

By using GF's DN50 valves, OMZ was able to work with smaller valve sizes while maintaining equivalent flow capacity, making it possible to downsize equipment and reduce the raw materials needed as well as the overall weight of the system. The deployment of 5'000 valves across seven parallel ion exchangers has elevated the customer's production to a smarter, more dependable and highly efficient level. Additionally, the valves are fully plastic, ensuring leak-free performance and reliability.

"GF valves offer advantages such as lightweight construction, reliability and the ability to operate under a variety of environmental conditions," said Wang Yingjie, Senior Sales Manager, Energy Key Account Sales Department, GF Piping Systems China. "Our partnership with OMZ is successful as we see OMZ not just as a customer but as a partner for life."

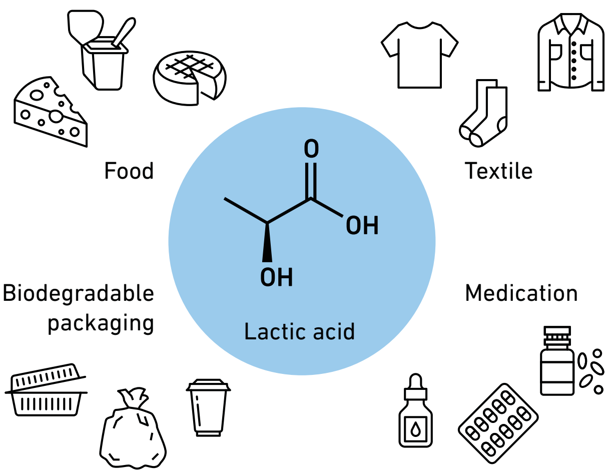
A mix of high-quality products, sustainability know-how and operational excellence make GF an ideal partner to help increase access to biodegradable plastics on an industrial scale as the world players continue to invest in the circular economy to reduce their environmental footprint.

"At GF Piping Systems, we are committed to strengthening our business impact without forgetting to do so in a sustainable way and contribute to societal and technological progress," Wang said.

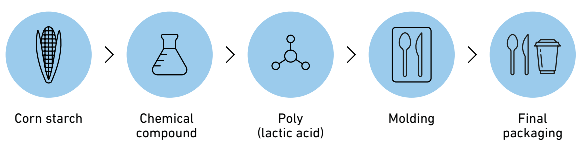
Info box

According to the UN's World Population Prospects 2022, the world's population will grow to 9.7 billion in 2050, up from 8 billion in 2022, a 21% rise. At the same time, life expectancy at birth is expected to rise to 77.2 years in 2050 from 72.8 years in 2019. Over half of this population growth will take place in developing countries. (Source: United Nations Department of Economic and Social Affairs, Population Division. World Population Prospects 2022: Summary of Results)

Lactic acid



Cornstarch packaging production process



Credit: PakFactory

GF Piping Systems

Q&A with Wang Yingjie

Senior Sales Manager, Energy Key Account Sales, GF Piping Systems China

How does GF Piping Systems help its customers contribute to greater sustainability?

The results are so impressive that they speak for themselves. Our valves help increase efficiency, reduce wastewater discharge by over 40% and improve resin utilization efficiency by 30% – not only aligning with national energy-saving and emission-reduction policies but also substantially reducing costs for our customers. They are a key component of the chain to produce bioplastics on the required industrial scale.

How has GF contributed to a successful relationship with OMZ?

GF has been working closely with OMZ for over 10 years to help them serve their customers with the right equipment, systems and tools. We worked together on several configuration adjustments and process optimizations. Our teams enjoy our collaboration, and we are happy to bring tangible benefits to the table.

What makes you proud to work at GF and on this project?

Knowing that a GF product stands for safety and reliability in the long term. We play a key role in a process that impacts people's lives, and working with motivated and knowledgeable colleagues is exceptionally rewarding.

Thousands of valves are deployed across production facilities.

GF Casting Solutions

Going beyond limits in sustainable mobility

How can we reduce fuel consumption and greenhouse gas emissions while continuing to support an increasingly mobile society? An answer to this modern challenge is one of the most important success factors for sustainable mobility: by making vehicles lighter.

From cars to planes to commercial trucks: the heavier they are, the more energy they consume and the more harmful emissions are released into the atmosphere. Building lighter vehicles improves their energy efficiency while reducing their environmental impact.

Yet, cars have become heavier by almost 40% between 1975 and 2000, says a 2017 ITF study. However, if the average mass of passenger cars gradually decreased from 1'400 kg today to 1'000 kg in 2050, and the weight of light commercial vehicles decreased from from 1'800 kg today to 1'100 kg during the same period, it would be possible to cut their CO_2 emissions by almost 40%, compared to a 1990 baseline, says the same study.

Advanced manufacturing techniques are essential in the effort to develop sustainable ways of moving people and goods. Thanks to long-standing experience and its innovation capabilities, GF Casting Solutions has been a pioneer in the development and production of large structural components for the automotive industry. Specifically, by integrating more functionalities into single cast components and reducing the number of individual parts to be assembled. Beyond simplifying the manufacturing processes, such components reduce vehicle weight and improve the performance of the part. This helps cut CO_2 emissions in production and in fuel consumption during the use of the vehicle.

Big castings mark a paradigm shift in the automotive industry and are set to transform supply chains and production, but are also posing some challenges for established processes and logistics. With its longstanding experience, GF Casting Solutions has become a development partner of choice to help find the right answers.

"Our customers are very demanding in terms of safety, quality and innovation. They expect us to bring to the table new ideas that expand the boundaries of what's thought to be possible," said Christoph Stapf, Vice President Sales for GF Casting Solutions. "Collaborating closely with the automotive industry gives us the opportunity to contribute to the development of a more sustainable transportation industry, which is essential to the global economy and to society as a whole."

Future-proofing mobility

In 2023, GF Casting Solutions won its biggest-ever order, placed by automaker BMW. This order for large structural castings is pushing the boundaries of current technologies on several fronts, including dimensions, functionality and performance. The lightweight components will be used in a vehicle line that will be offered with a variety of drive trains, such as hybrid and full electric.

"GF's ability to innovate in die casting is one of the key points to the success of this project," said Frank Wimmer, Purchasing BMW Light Metal Casting. "But it's not just technical expertise that we value. The GF team knows how to collaborate, share ideas and think holistically about tough challenges."

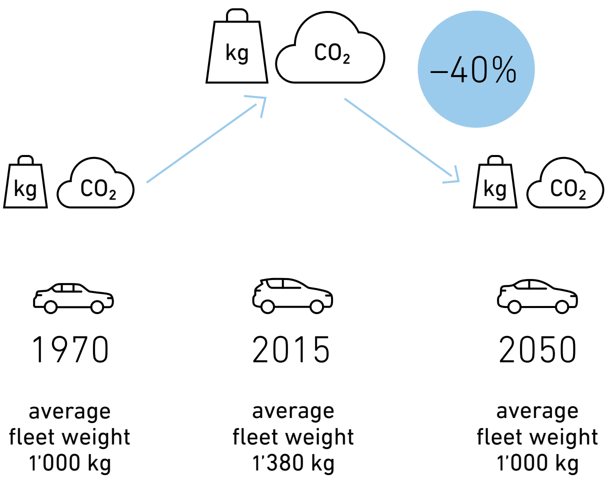
GF and BMW started working together closely early in the process, from part design and simulation to tool development and production, as well as ongoing testing and validation of the casting components.

The transportation sector is undergoing a fundamental transformation. GF Casting Solutions has been fostering innovation in the foundry industry for centuries. As a result, it is uniquely well positioned to support the industry's shift toward a more sustainable future by supporting customers in developing innovative solutions that are shaping the mobility of tomorrow.

Info box

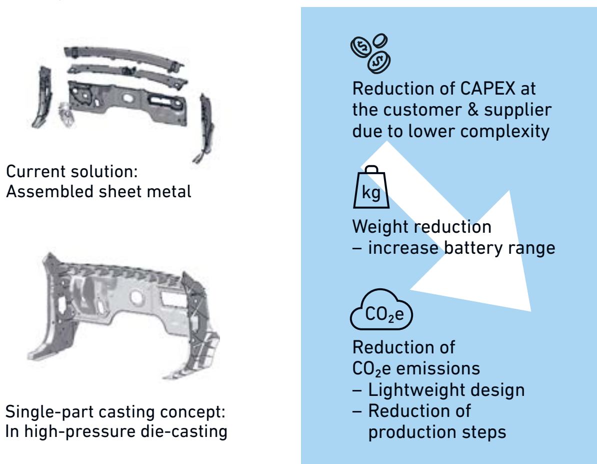
Transportation accounts for 23% of global energy-related CO_2 emissions, according to the OECD's ITF Transport Outlook 2023. The construction of vehicles, the building of transportation-related infrastructure and fuel production also result in GHG emissions. Yet, as populations and economies grow, so does the demand for freight and passenger transportation.

Lighter vehicles cut CO_2 emissions.



Credit: Fédération Internationale de l'Automobile (FIA)

Merging 20 pieces into 1 for weight reduction and energy efficiency



Credit: GF

GF Casting Solutions

Q&A with Christoph Stapf

Vice President Sales, GF Casting Solutions

How does GF Casting Solutions help its customers contribute to greater sustainability?

Our customers are gradually raising their expectations regarding sustainability. In this respect, all our products are 100% recyclable, and our expertise is crucial in two main areas. Firstly, we provide solutions that are not only lighter but also come with enhanced functionalities, improving the sustainability performance of vehicles during their use. Secondly, we contribute to resource conservation throughout the entire manufacturing process, both at our facilities and our customers' sites – significantly reducing the CO_2 footprint.

How has GF contributed to a successful relationship with BMW?

We have collaborated with BMW for more than 20 years, starting with the development of the first HPDC shock tower and reaching start of production in 2003. The partnership is on an equal footing, which allows us to engage in new projects early on. We have evolved into an innovation and R&D partner across the entire value chain; from the concept phase to industrialization, unlocking the full potential of our shared ideas. Ultimately, this results in a competitive advantage for our customer in the market.

What makes you personally proud to work at GF and in this project in particular?

Being actively involved in the development of an exciting vehicle within the BMW line-up truly stands out. We are currently engaged in an intercontinental project, collaborating with BMW across all regions. My team is in daily contact with the BMW team. Witnessing how this product comes to life really makes me proud to work at GF.

Big castings are pushing the boundaries of current technologies.

GF Machining Solutions

Machines for sustainable energy generation

The world is on the brink of an energy revolution. But the imperative to shift to carbon-free and renewable energy resources, the so-called "energy transition", must go hand in hand with the goal of extracting as much efficiency as possible from existing technologies. The goal is to still meet the needs of a growing population, while seeking to limit climate change through sustainable energy supply and consumption. That is why it is crucial to reduce the footprint of conventional energy conversion technology while the energy transition is under way – and one way of doing so is to make the machines we use to turn thermal or mechanical energy into electricity or propulsion more efficient.

This effort comes with significant challenges. A typical gas turbine for gas power generation weighs around 500 tonnes and can be dozens of meters in length and height. Yet, it turns on components with tolerances smaller than a few micrometers – or millionths of a meter. Whether huge or tiny, all the parts used in gas turbine for power generation need to function in very corrosive or hot environments over long periods of time. Blades and vanes – key components of high-performance turbines – which are machined by GF Machining Solutions, are commonly used in the aerospace and power generation industries for energy generation and conversion equipment.

Milling is a highly efficient and precise process used in manufacturing and material processing to create such components with exceptional accuracy and surface finish, enabling efficiency gains.

According to GF Machining Solutions' own data, its milling solutions can speed up the production process by more than 30% – significantly reducing milling cycle times. The division's technologies are also capable of machining materials as tough as titanium or nimonic, which are particularly hard to machine to the exacting standards required by the aerospace and power generation industries.

GF Machining Solutions is the worldwide market leader for five-axis airfoil machining solutions, which have a specific application in the turbine industry.

GF Machining Solutions has been providing customers with blades and vanes manufacturing machines for many years. One customer, a leading global company, has bought more than 50 machines over the last 20 years. This large fleet is used at one of its manufacturing sites to produce turbine blades for gas and steam powered power plants worldwide. In order to meet energy technology industry's challenges, the customer was looking for machines that were suitable for the production of turbine blades requiring new types of raw material and high precision. That's where the advantages offered by GF became evident.

Moving the energy industry forward

GF machines produce parts efficiently, both in terms of energy use and amount of waste material, a significant advantage when it comes to highly specialized metal alloys that are often quite expensive. Their precision increases the efficiency of the turbines, which, in turn, means that fewer resources are needed to generate the same amount of electricity. Our technologies can also support the remanufacturing of turbine blades. Repairing and reusing previously installed parts extends their lifespan beyond what was previously possible.

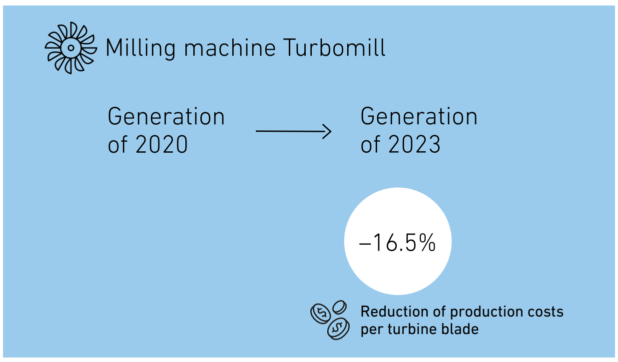
"As the industry evolves, we are helping our customers find ways to generate energy more efficiently," said Fritz Wittwer, Head Sales, Liechti Engineering, GF Machining Solutions. "We can rely on years of experience with blades and vanes milling machines, high-end special alloys and software to make the machines that enable this industry to develop in their way to a more sustainable power generation."

GF's team of dedicated and experienced engineers has developed a class-leading platform for precision machining that can maximize the performance of current energy sources, while the renewable energy industry keeps working on the emerging technologies of the future.

Info box

Demand for fossil fuels – coal, oil and natural gas – is expected to peak at 73% by 2030, according to the World Energy Outlook 2023, while investment in renewable energy grew by 40% between 2020 and 2023. Still, demand for fossil fuels continues to grow and so do carbon dioxide (CO_2) emissions generated by the sector.

Innovation in precise machining brings cost reductions and more efficiency for sustainable energy generation.



GF Machining Solutions

Q&A with Fritz Wittwer

Head Sales, Liechti Engineering, GF Machining Solutions

How does GF Machining Solutions help its customers contribute to greater sustainability?

We help our customers by offering solutions that focus on efficiency. That, in turn, makes it easier for them to operate more sustainably. For instance, our blades and vanes machining solutions are highly efficient, which enables our customers to boost production using fewer machines. It's about doing more with less.

How has GF contributed to a successful relationship with the customer?

Our expertise in process engineering has allowed our customer to not only meet short production ramp-up cycles – which is critical – but also to achieve remarkable OEE (overall equipment effectiveness) figures through GF's robust blades and vanes machining centers. It is a relationship built on trust and our ability to provide the service they require.

What makes you personally proud to work at GF and in this project in particular?

I take pride in working at GF, especially on this project, because we are not just providing a solution to a company – we are actively contributing to their competitiveness for a more sustainable future in electric power generation. It's rewarding to be part of a project that aligns with our commitment to environmental responsibility. Together, we must propel our industry towards cleaner energy solutions, and this is reflected in our long-term collaboration.

With its high-precision machines, GF Machining Solutions is working on a more sustainable future, including efficient energy generation for big light installations, such as in a stadium.

Our people and culture

A shared corporate culture is key to ensuring GF's sustainable development and is becoming increasingly important as the company grows and extends its footprint around the globe. Knowing what GF stands for – namely supporting and inspiring each other, being curious about new ideas, developing creative solutions together and implementing them successfully for customers, employees, as well as investors – form the backbone of GF's implementation of Strategy 2025.

GF employees want to build on the company's over 200-year success story and be part of a corporate culture that is capable of addressing current and future challenges. Continuously improving products and processes, and strengthening employees' skills play a decisive role in this.

GF's corporate culture is built on three core values that support the creation of a team-oriented, open and motivating working environment:

- Caring is about being part of a team.
- Learning is about having an open mind.
- Performance is about speed and excellence.

The Culture Movement initiative introduced at GF in 2021 across the world aims to embed these values into daily working life; the initiative took on an even more important role last year. The number of employees who volunteered to be Change Agents continued to grow in 2023. In addition to performing their day-to-day duties, Change Agents actively support the implementation of the values at numerous locations around the world by coming up with new ideas and proposing specific measures. The highlight of the Culture Movement was Culture Week. Held in November 2023 to mark the two-year anniversary of the initiative, the event achieved a high level of employee participation worldwide. On their own initiative, employees at many locations organized events and activities to strengthen the understanding of the GF values and continue to build team spirit and dialogue.

GF is committed to diversity, equity and inclusion in a variety of ways to achieve the best work environment globally. The company fosters collaboration and respect, regardless of ethnic background, age, gender or personal beliefs, which is a prerequisite for tapping into

the full potential of people and increasing our innovation power. In October 2023, the first standardized worldwide employee engagement survey was conducted to determine how employees rate their working environment in terms of diversity and inclusion, and how committed they are to the company. The survey shows how strongly employees identify with GF, how valued they feel in their work environment, how they see their access to personal development opportunities and how likely they are to recommend GF as an employer. (For further details, see the Sustainability Report on page 42).

To continuously develop as an employer of choice, GF invests in a wide range of training and development opportunities for its employees – regardless of where they work in the company and what their role is. To share best practice, for example, GF launched an annual competition that has proven very popular. Locations around the world conduct a wide range of activities to encourage employees to get together, from open house days for potential new recruits, guest lectures at universities and internal “coffee roulettes”, during which employees are paired at random to get to know each other. Some of these activities are celebrated at the annual internal Corporate HR Summit.

Investment in training takes place in many different ways at GF. In 2023, for example, internal candidates were offered the opportunity to apply for an international exchange program, which enables employees to get work and life experience at GF locations worldwide.

Intergenerational learning is encouraged by bringing together junior and senior employees to form small teams. This enables the team partners to benefit directly from each other’s knowledge and skills. In addition, GF supports young talents with a technical background by working with academic partners. As part of these networks, students can use specific case studies from the real world to expand their expertise in a targeted way.

These efforts to nurture employees and invest in their development are also recognized outside the company: in early November 2023, GF was designated a “Friendly Work Space” in Switzerland.

Another example of how GF’s corporate culture is visible outside of the company is Walk for Water, an annual fundraising event organized at various GF locations worldwide and supported by GF’s Clean Water Foundation. Participants, including employees, customers and suppliers, walk for over two kilometers carrying a bucket of water to raise funds as well as awareness about the fact that in some regions of the world, millions of people have to travel daily to collect water. (For further details, see the Sustainability Report/Corporate Citizenship on page 79.)

Here's what some employees say about the GF's corporate culture:

"All colleagues around the world have each other's backs and care about each other."

Hannelore Watelle, Account Manager, GF Piping Systems, Belgium

"It is exciting to be part of this new chapter in the company history and to become a part of the GF Family."

Malin Segerberg, warehouse worker, Supply Chain, GF Uponor, Sweden

"We see ourselves as people with different characters and everyone contributes in whichever way they can."

Domingo Balangue, Production Supervisor, GF Machining Solutions, US

"We have a great culture. If anyone has a good idea, they are given all the freedom to implement it."

Simone Beutel, Head Global Business Development, GF Piping Systems, Switzerland

"Discovering new things and adapting and growing personally are important aspects of my job at GF."

Marco Lirsch, Sales Engineer, GF Machining Solutions, Germany

"I don't stop learning and I constantly work to expand my know-how, because I know I am only at the beginning of an amazing journey."

Viviane Marques, Business Development, GF Piping Systems, Brazil

"What I appreciate about working at GF is that we have an open mind about new things and that we care and support each other in our team. The GF values help me to achieve a better performance."

Jannik Zhong, Account Manager, GF Casting Solutions, China

"I am looking forward to exchanging ideas with my new colleagues. Looking forward to projects going on at global level at GF, which are even bigger than what we have been doing at Uponor, it will be very exciting."

Pontus von Schoultz, Director, IT Enterprise Architecture and Digitalization, GF Uponor, Finland

"Starting to work at GF was the beginning of something new and amazing for me. It gave me the opportunity to break free of norms and explore new horizons involving innovation, creativity and mental fortitude. This spirit drives me to look beyond the ordinary and brings out the best in me. It really makes me think outside the box, helping me to find innovative approaches."

Adrian Burlacu, Quality Controller, GF Casting Solutions, Romania

Organization of GF

As of 1 January 2024

Georg Fischer AG, the Holding Company of the GF Corporation, is organized under Swiss law. It is headquartered in Schaffhausen (Switzerland) and listed on the SIX Swiss Exchange.

Board of Directors

The members of the Board of Directors are elected individually by the Annual Shareholders' Meeting for a one-year term until the next ordinary Annual Shareholders' Meeting. The Board of Directors has ultimate responsibility for supervising and monitoring the management of Georg Fischer AG. It decides the company's strategy and organizational structure, the organization of finance and accounting, the annual budget and the investment budget. It also appoints the members of the Executive Committee, to which it transfers responsibility for the operational management of the Corporation. In accordance with the Swiss Code of Best Practice for Corporate Governance of economiesuisse, all eight members are non-executive and independent. The Chairman of the Board of Directors is not simultaneously the CEO.

Executive Committee (from left): Joost Geginat, President GF Piping Systems, Carlos Vasto, President GF Casting Solutions; Andreas Müller, CEO; Mads Joergensen, CFO; Michael Rauterkus, President GF Uponor as of 1 January 2024; Ivan Filisetti, President GF Machining Solutions

Executive Committee

Unless specified otherwise by law or in the Articles of Association of Georg Fischer AG, the Board of Directors delegates responsibility for the operational management of the Corporation to the CEO, who is supported in this task by the Executive Committee. The extent to which competencies are delegated by the Board of Directors to the Executive Committee and the nature of the cooperation between the Board of Directors and the Executive Committee are defined by the Organization and Business Rules. Under the leadership of the Chief Executive Officer (CEO), the Executive Committee addresses all issues of relevance to the Corporation, takes decisions within its remit and submits proposals to the Board of Directors.

Corporate structure

The GF Corporation is organized along the four divisions GF Piping Systems, GF Uponor, GF Casting Solutions and GF Machining Solutions, and the two Corporate Staff Units Finance & Controlling and Corporate Development. The presidents of the divisions and the Corporate Staff Units are responsible for managing their businesses and for achieving their business objectives.

Corporate Center

The CEO and the CFO form the management of the Corporate Center. Strategically important competencies and information are shared and made available at this level. The Corporate Center is closely involved in management, planning, IT, communications, finance, management development and corporate culture. The Corporate Center also ensures that sustainability, governance, risk management and compliance practices meet the requirements of the owners and the public and supports the Board of Directors in meeting its responsibilities.

Finance, Controlling and Sustainability

Finance & Controlling uses state-of-the-art information systems to ensure the time-critical financial management of the Corporation. A standardized system of financial reporting is used across the entire Corporation, guaranteeing immediate and complete transparency. Currency, interest rate and credit risks are monitored and managed at the Corporation level. GF considers sustainability to be a key element in both its strategy and its business activities. An integral part of the Corporate staff's responsibilities is the active management of the Corporation in order to meet the ambitious sustainability goals defined in Strategy 2025.

Corporate values and management development

The sustainable overall development of the Corporation is supported by shared corporate values. These are enshrined in the Code of Conduct and are becoming increasingly important with the spread of globalization. Great importance is also attached to internal training, talent management and to selecting the best possible people for management positions. Up to 70% of all senior management positions are filled with internal candidates.

Communications

GF is a strong brand that has been built and strengthened consistently over many years. The Corporation builds confidence in its products and services through open and active communications with customers, employees, the media, analysts, shareholders and other stakeholders.

Corporate values

The sustainable development of the Corporation is supported by shared corporate values. These are enshrined in the Code of Conduct and are becoming increasingly important with the spread of globalization.

Corporate governance

For detailed information on corporate governance, see the Corporate Governance Report.

GF organizational structure

As of 1 January 2024

Board of Directors

Chairman: Yves Serra
8 Members

Executive Committee

CEO: Andreas Müller
6 members

GF Piping Systems

President:
Joost Geginat

Finance & IT
Jürg Peter

Human Resources
Noel Schreiber

Global Operations & Global Functions
Nicolas Schulz

Industry / Utility & Global Functions
Thomas Hary

Building Technology
Christopher Dühnen

EMEA
Dominique Van Ackere

Americas & Global Functions
James Jackson

Asia
Michael Toh

GF Uponor

President:
Michael Rauterkus

Finance & IT
Markus Melkko

Human Resources
Jennifer Hauschildt

Strategy
Jesse Räisänen

Legal
Reetta Härkki

Technology
Thomas Fuhr

Marketing
Charlotta Persfell

Infra
Sebastian Bondestam

North America
Andres Caballero

Europe
Jonas Brennwald

GF Casting Solutions

President:
Carlos Vasto

Finance & IT
Paul Czaj

Human Resources
Jürg Scherrer

Procurement & Sustainability
Oliver Teich

HPDC Europe
Roger Kupferschmid

China
Qiuli Wang

Aerospace/IGT
Gianmaria Pinasco

Technology
Frank Gensty

Global Sales
Christoph Stapf

Business Development & Marketing
Georg Neuschütz

GF Machining Solutions

President:
Ivan Filisetti

Finance & IT
Aitor Bustinduy

Human Resources
Nathalie Isautier

Technology & Operations
Stefan Dahl

Global Sales
Scott Fosdick

Service & Success
Antonio Faccio

Market Segmentation & Marketing
Ivan Filisetti a. i.

Finance & Controlling

Head: Mads Joergensen

Corporate Sustainability
Lindsay Zingg

Investor Relations & Enterprise Risk Management
Nadine Gruber

Corporate Controlling
Gian Franco Bieler

Corporate Treasury & Taxes
Holger Henss

Internal Audit
Thorsten Schittges

Corporate Shared Service Center
Petra Dinkeldein

Corporate Development

Head: Andreas Müller

Legal, Compliance, Insurance, Patent & Trademark
Marc Lahusen

Corporate Strategy, M & A and IT
Helmut Elben

Corporate Human Resources
Peter Ziswiler

Corporate Communications
Beat Römer

Corporate Secretary
Roland Gröbli

Sustainability Report

Sustainability highlights

Climate change, the energy transition, the protection of human rights and an increasing demand for clean drinking water are emerging as some of the most pressing sustainability issues of our time.

With products and solutions that address these challenges, GF recognizes its critical role in advancing change while also pursuing sustainability within its own operations. With a clearly defined sustainability framework intertwined with its corporate strategy and a set of goals aligned with the Science Based Targets initiative (SBTi), GF is committed to addressing its impacts while also supporting its customers on their sustainability journey.

In 2023, GF made progress in several sustainability areas. Its corporate sustainability team conducted a net-zero feasibility study based on SBTi standards to explore the challenges and opportunities associated with setting a net-zero target, applying two different scenarios. Those results helped shape realistic, science-informed pathways towards that goal. GF also conducted a benchmarking analysis to evaluate how companies are incorporating biodiversity principles into their corporate strategies and disclosures, which will help guide the development of GF's own biodiversity strategy in 2024.

In another first, the company staged an inaugural global Sustainability Conference in Zurich in 2023, bringing its executive team and 160 employees from across the company together to delve into key sustainability topics such as decarbonization, responsible business development, circular economy, diversity and inclusion, and safety. The first recipients of Sustainability Fund grants were also announced at the conference. The Sustainability Fund, which launched in late 2022, enables employees to pursue their own ideas by providing funding for projects with key sustainability benefits. 17 winning projects, such as greening and cleaning the GF site surroundings, evaluating alginate films as a packaging material, investing in small projects such as solar showers that are installed to heat warm water using solar energy instead of fossil fuels that are used by GF employees after work, and measuring air emissions, were selected from 84 proposals, resulting in CHF 200'000 in grants that will ripple out to communities and initiatives around the globe.

GF also took a significant step forward last year in building awareness of and advocacy for human rights by implementing a formal structure and program to accompany its human rights policy commitments. This will further embed this critical topic in the company's operations and priorities, while GF continually informs its suppliers of the expectations outlined in its Code for Business Partners.

GF's progress has garnered important recognition from external stakeholders, exemplified by its ranking in the third edition of Europe's Climate Leaders. Among 100 global companies in its industry, GF secured a position in the top 5, as determined by the Financial Times, underscoring its commitment to addressing the climate crisis and setting industry benchmarks. On top of that, GF secured the highest possible "A" score for the first time from the global rating agency CDP for transparency and performance on climate change, for its ambitions around water security, GF maintained its previous rating of "A-", proving again that we are taking the necessary actions to be a leader in sustainability.

Furthermore, all GF divisions received noteworthy accolades from EcoVadis, affirming GF's dedication to environmental, social and governance (ESG) performance. GF Piping Systems and GF Casting Solutions earned a gold medal, placing them in the top 5% of performers, while GF Machining Solutions achieved a commendable silver medal, positioning it in the top 15%.

None of these developments would have been possible without the passion, persistence and skills of GF's employees. To ensure that they are being supported and challenged in their work, the company conducted a worldwide employee engagement survey in 2023. The survey was available in 19 different languages and covered all of GF's divisions, resulting in a 70% response rate. The survey delved into various aspects of the employee experience, highlighting noteworthy strengths in safety and engagement categories, which received an over 80% favorable response. Moreover, the survey also revealed employees' strong intention to stay at GF for the next 12 months and their pride in their association with the company.

GF is committed to upholding human rights across its operations. In 2023, it launched a new GF Human Rights Due Diligence (HRDD) process based on international conventions and standards to ensure that its actions are in line with new and emerging regulations and transparency requirements. For detailed information on the Swiss Code of Obligations (CO) – the Obligationenrecht in German – which serves as the legal foundation for business operations and corporate governance in Switzerland, please consult the Non-financial Reporting Requirements Content Index – Swiss Code of Obligations (CO) section of this report.

In concluding these highlights, it is significant to mention that in November 2023, GF integrated a new division, GF Uponor, and GF Piping Systems acquired GF Corys. As both acquisitions took place in the fourth quarter of 2023, the product portfolio graphs include GF Corys, while the Sustainability related graphs do not include information or data relating to these acquired companies.

Further information about this acquisition can be found in the Strategy 2025: On track section of the Management Review 2023. More information on Sustainability in Uponor (Finland) can be found in the Appendix to this report.

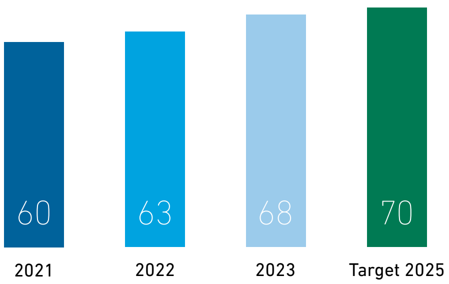
Key figures

In November 2023, GF integrated a new division, GF Uponor, and GF Piping Systems acquired GF Corys. As both acquisitions took place in the fourth quarter of 2023, the product portfolio graphs include GF Corys Piping Systems, while the Sustainability related graphs do not include information or data relating to these acquired companies. The integration of their data will be in 2024. Uponor's 2023 sustainability data can be found in the Uponor Sustainability Report, available on its website.

Product portfolio

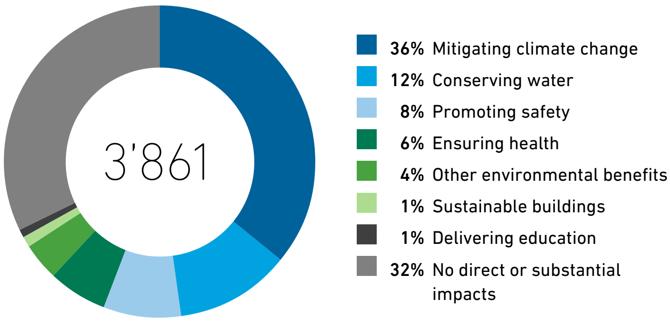
Sales with social or environmental benefits

% of total GF sales



2023 sales with social or environmental benefits

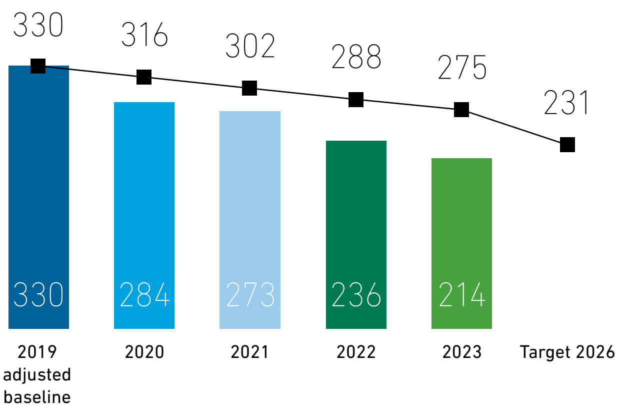
in CHF million



Climate and resources

CO_2e emissions (Scope 1 and 2)

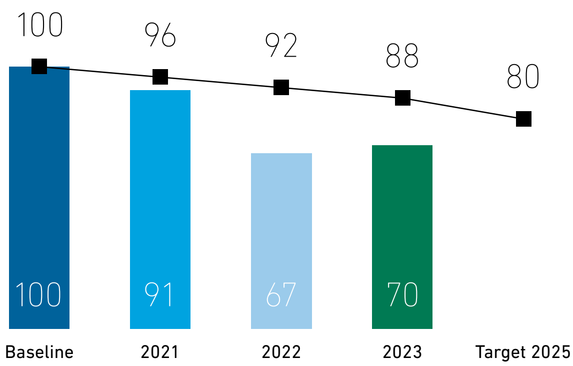
in 1'000 tonnes



The CO_2e emissions targets using adjusted 2019 GHG emissions as a baseline reference to reflect requirements from SBTi.

Unrecycled waste intensity index

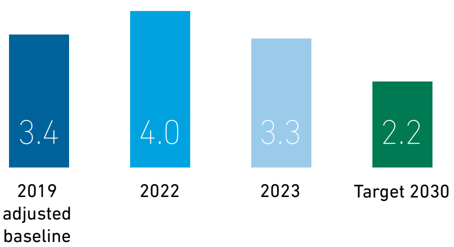
(unrecycled waste per production volume) in %



The average data from 2018–2020 serves as a baseline to reflect a more realistic consumption trajectory, more information is available in the Disclosure information: Reporting approach.

CO_2e emissions (Scope 3 intensity)

(in tonnes of CO_2e per tonne of processed material and use of sold products)



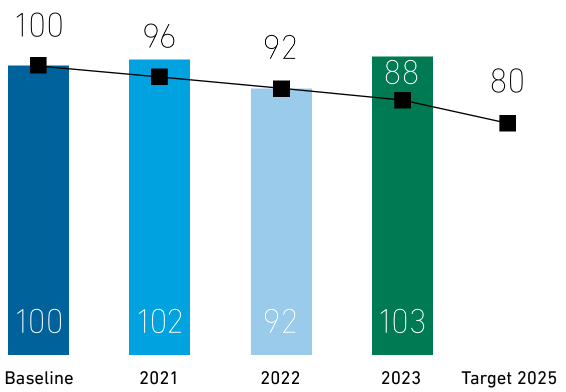
Note: The environmental data published in the Sustainability Report 2022 included a forecast for the last quarter of 2022, and the full-year 2022 actuals were published in May 2023 on the GF website in the technical paper. All 2022 data in this report are actuals and might therefore slightly vary from the data in the 2022 report. More information is available in Disclosure information: Reporting approach. For full-year 2023, all data are actuals. Further information on the reporting approach is available in Disclosure information: Reporting approach.

Key figures

Climate and resources

Water intensity index[1]

(water consumption per production volume) in %

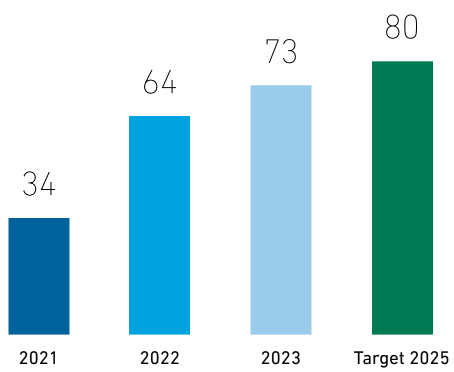


The average data from 2018–2020 serves as a baseline to reflect a more realistic consumption trajectory, more information is available in the Disclosure information: Reporting approach.

1 The shift in the production process of the GF Piping Systems site in the US reduced the site's environmental footprint. Therefore, the site's annual water consumption is below 10'000 m^3, meaning the water intensity target is no longer applicable. Following GF's recalculation guideline, the site's impact on the targets at the corporate level is below 5% and therefore no restatement of baseline and previous-year data is necessary.

Conducted sustainability assesments of key suppliers

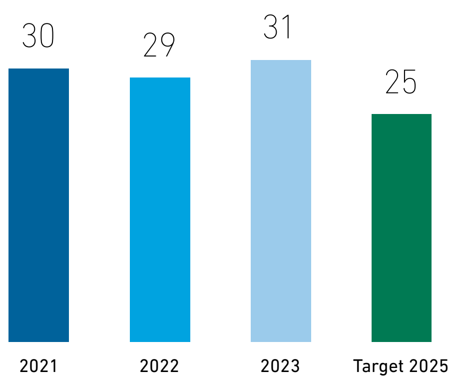
in % of procurement spend



People and well-being

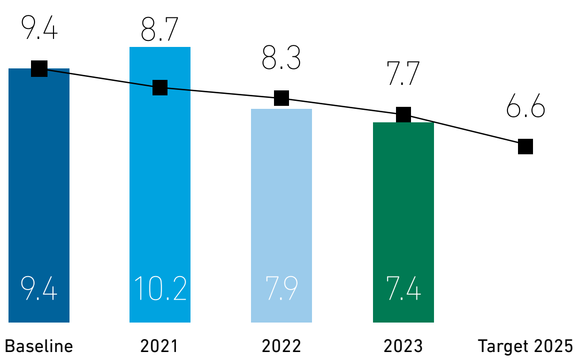
Newly appointed women managers

in %



Accident rate as lost time injury frequency rate (LTIFR)

per million hours worked



The average data from 2018–2020 serves as a baseline to reflect a more realistic number of hours worked and accidents. More information is available in the Disclosure information: Reporting approach.

Note: At the end of 2022, an additional GF Piping Systems company joined the SIS reporting, and was therefore still included in the Sustainability Targets 2025. The change of scope in reporting was only visible in the non-rounded figures and the 2021 target line of the accident rate target, and the target and the baseline were therefore adjusted. Further details are available in Disclosure information: Reporting approach.

Sustainability framework 2025

In 2021, to support its ambition to be a sustainability and innovation leader, GF developed its Sustainability Framework 2025, which is embedded in its Strategy 2025.

According to this framework, GF aims to become a sustainability leader by:

- offering high-value sustainable products and solutions;
- driving the circular economy;
- fostering a diverse, engaging, and safe working environment; and
- collaborating with stakeholders along the value chain.

The Sustainability Framework 2025 consists of three focus areas: product portfolio, climate and resources, and people and well-being. A long-term ambition was set in each of these areas, supported by nine quantitative targets outlined in the graphic on page 48. Now in its third year of implementation, GF made significant progress against these targets in 2023 and is well positioned to achieve the goals set out in the framework within the next two years.

The Sustainability Framework 2025 is also aligned with 11 of the 17 United Nations Sustainable Development Goals (SDGs), including the following:

- **SDG 3, 6, 7, 9, 11 and 13:** The company enables the safe and reliable transport of water and gas, empowers greener forms of mobility, and advances energy-efficient and clean manufacturing, providing its customers and communities around the world with sustainability-supporting products and services.
- **SDG 6, 7, 12, 13 and 17:** GF is committed to reducing energy consumption and greenhouse gas (GHG) emissions by working across its divisions and with its supply chain partners to make meaningful reductions in its GHG emissions.
- **SDG 4, 5, 6 and 8:** GF acts as a progressive and responsible employer by placing the highest priority on the health, safety, equity and education of its employees and the communities where it does business.

Sustainability framework 2025

Product portfolio

Innovate products and solutions for a sustainable lifecycle

Product portfolio

70% of sales with social or environmental benefits

Climate & resources

Decouple resource consumption from growth

SBT CO_2e emissions

Reduce **absolute Scope 1 and 2 CO_2e emissions by 30%** by 2026

Reduce **Scope 3 CO_2e emissions by 34.6% per tonne of processed material and use of sold products** by 2030

Water

Reduce **water intensity by 20%** in high-stress areas

Waste

Reduce **waste intensity by 20%** sent to landfill or incineration

Supply chain

Perform **sustainability assessments for 80%** of procurement spend

People & well-being

Pursue a diverse, engaging and safe work place

Diversity and inclusion

25% of newly appointed **managers are women**

Employee engagement

At least **80% recommend GF** as an employer of choice

Health and safety

Reduce **accident rate by 30%**

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

SUSTAINABLE DEVELOPMENT GOALS

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
8 DECENT WORK AND ECONOMIC GROWTH

Progress in 2023

In the past year, GF made good progress against most of its targets. The following provides an overview of where GF stands with regards to its targets and what has been achieved during 2023.

Product portfolio

Target 2025	Status 2023	Progress in 2023
Product Portfolio		
70% of sales with social or environmental benefits.		**GF generated 68% of its sales from products, systems or solutions that deliver social or environmental benefits.** All three divisions continually pursue measures and projects to increase the share of products, systems and solutions with social or environmental benefits. All innovations follow a quantifiable assessment to ensure they align with the criteria and contribute to the target. Further details are available in the Product portfolio chapter.

Climate and resources

Target 2025	Status 2023	Progress in 2023
SBT CO_2e emissions		
Reduce **absolute Scope 1 and 2 CO_2e emissions by 30%** by 2026.		**GF reduced its Scope 1 and 2 emissions by 35% compared with the baseline.** GF made significant progress toward achieving this target in the year under review. The increase of renewable electricity of total electricity to 50%, contributed to this great achievement. Further details are available in the Climate and energy chapter.
SBT CO_2e emissions		
Reduce **Scope 3 CO_2e emissions by 34.6% per tonne of processed material and use of sold products** by 2030.		**The Scope 3 intensity remained stable at 3.3 tonnes of CO_2e per tonne of processed material and use of sold products compared with the baseline.** This was primarily due to a positive material split in favor of low-carbon material at GF Casting Solutions. GF Piping Systems intensity was negatively affected by methodological changes in the emissions factors and an increase in high-carbon material. All divisions are continuing to pursue their Scope 3 roadmaps by implementing different measures. Further details are available in the Climate and energy chapter.
Water		
Reduce **water intensity by 20%** in high stress areas.		**GF's water intensity in high-stress areas increased by 3% compared with the baseline.** Compared to 2022, the company increased its water intensity due to a negative development of the production volume unit at the plant with the highest impact on the groups target. However, the water consumption at sites in water stressed areas decreased by 11% compared to previous year. Further details are available in the Water footprint chapter.

● Exceeded ● On track ● Below expectations

Waste		
Reduce **by 20% intensity of waste** sent to landfill or incineration.	●	**GF reduced the intensity of waste sent to landfill or incineration by 30% compared with the 2018–2020 average.** The main contributor to achieving this target was the sand recycling programs at the GF Casting Solutions site in Leipzig (Germany). During the reporting year, GF recycled 78% of its waste. Further details are available in the Natural resources chapter.
Supply chain		
Perform **sustainability assessments for 80%** of procurement spend.	●	**GF assessed 73% of its procurement spend in 2023, which is in line with achieving its five-year goal.** GF has partnered with the rating agency EcoVadis to conduct these sustainability assessments. In addition, the company accepts similar ratings and sustainability risk screenings developed in-house. In 2023, the average EcoVadis score of GF suppliers was 58 out of 100. Further details are available in the Responsible supply chain chapter.

People and well-being

Target 2025	Status 2023	Progress in 2023
Diversity and inclusion		
25% of newly appointed **managers are women.**	●	**31% of newly appointed managers were women, meaning GF exceeded its target.** GF's robust Diversity & Inclusion training program was recently enhanced with a module on unconscious bias in recruiting. In the year under review, the Women in Leadership (WIL) Program connected women leaders across Europe. Further details are available in the Diversity and inclusion chapter.
Employee engagement		
At least **80% recommend GF** as an employer of choice.	●	**Overall, the vast majority of our employees recommend GF as an employer of choice (Median 80%).** In 2023, GF conducted a comprehensive global employee engagement survey across all divisions. The survey achieved a 70% of response rate in line with expectations for a first-time survey. The results highlight the good atmosphere and a positive thriving culture, advancing GF's efforts to cultivate a diverse, inclusive, and engaging workplace. Further details are available in the Fair and attractive employer chapter.
Health and safety		
Reduce **accident rate by 30%.**	●	**GF's accident rate dropped to 7.4 LTIFR in 2023. The total number of accidents were 233[1] which equals a 12% reduction in the number of accidents compared with 2022.** This progress is the results of on-going safety effort, such as "Zero Risk/ Be aware Be safe" campaign and regular safety audits. Further details are available in the Safety and well-being chapter.

1 Total accidents of GF were 235 while 233 are included in the calculation of the LTIFR because two accidents occurred at a site that is not a part of the targets 2025, following the described methodology under the section Disclosure information: reporting approach.

● Exceeded ● On track ● Below expectations

Product portfolio

GF's innovative products and solutions enable the safe transport of fluids and gases, provide lightweight casting components for the mobility and energy industries, and supply high-precision manufacturing technologies – with the goal of helping companies and communities around the globe conserve resources, protect the environment and save energy.

To achieve this goal, all GF divisions are committed to continually increasing the positive sustainability impact of their products and services.

GF's focus on sustainability throughout the research and development process is key to its culture of innovation, and to the success of its products and solutions. To drive this focus early in product development, the divisions have adopted a quantifiable assessment methodology, the Sustainability Assessment Model, to suit the specific divisional markets and goals. If a planned innovation does not fit with the sustainability criteria defined by this model, the project is not pursued. The criteria include:

- **Environmental:** The product features reduce GHG emissions, allow for lower energy or water consumption, or incorporate biodegradable, recycled or recyclable materials.
- **Social:** The product exhibits improved ease of operation (enabling users to maximize the solution's potential and efficiency) or enhanced health, safety and security for users.
- **Economic:** The product has improved efficiency and/or productivity, or is compatible with circular economy principles.

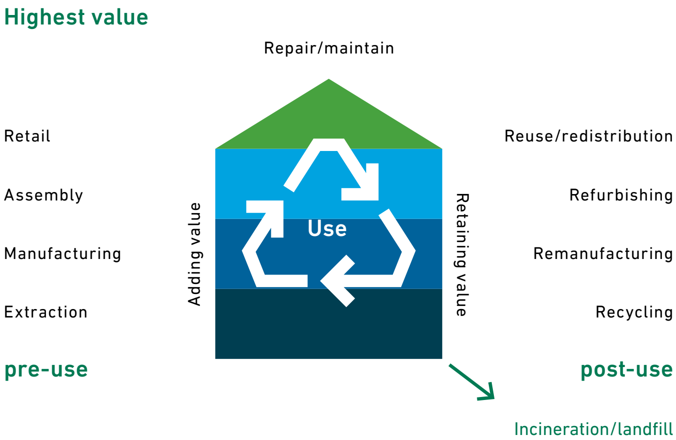
As a result of these efforts in 2023, 68% of GF sales delivered social or environmental benefits.

Product portfolio

70% of sales with social or environmental benefits.

GF is also committed to upholding the principles of a circular economy in its product development across all its divisions. A circular economy reduces waste and resource depletion by extending the functional life of materials and products through reuse, repair, refurbishment and, ultimately, recycling. To advance its circular economy efforts, particularly in support of the Sustainability Framework 2025 goals, GF is particularly focused on material reuse, selecting materials for production that are easily recycled and product design that maximizes product disassembly and repair. Although this commitment to circular economy design is costly in terms of both time and resources, GF firmly believes in the value of this investment, not only for its business but for the future of its global community.

In 2023, 68% of GF sales delivered social or environmental benefits.



GF's understanding of the circular economy is based on the Value Hill model, where the highest value is retained in the use phase of the product, which is represented by the top of the hill. See www.circle-economy.com/resources/master-circular-business-with-the-value-hill

GF Piping Systems

GF Piping Systems is the leading provider of flow solutions that enable the safe, leak-free and sustainable transport of fluids and gases. It offers products with cutting-edge design and the latest digital technology, ensuring it keeps its customers at the forefront of this evolving industry. With numerous demanding end-market segments, the company's strong focus on customer-centricity and innovation is reflected in its award-winning portfolio, which includes valves, actuators, fittings, pipes and jointing technologies. With these products, GF Piping Systems is creating connections for life in companies and communities around the globe.

The Butterfly Valve 565 and the Pneumatic Actuator type PPA provided by GF Piping Systems are essential for supplying high water quality in swimming pools.

GF Piping Systems' products and solutions support its customers' climate and sustainability goals by helping them lower their energy consumption and GHG emissions during system installation and operation; decrease the environmental impact of their solutions by incorporating more sustainable materials; create sustainable, long-lasting building infrastructure (especially important for the green building sector); and increase water efficiency in industrial processes. The reliable and high-quality systems allow their customers to safely operate their fluid process and therefore protect their employees.

GF Piping Systems also plays an important role in addressing the lack of access to clean drinking water faced by communities around the world, which is a worsening crisis and critical sustainability issue. By bringing its solutions for safe and leak-free water transport to areas of great need, it has helped reduce waterborne diseases, improve drinking water hygiene, and decrease drinking water losses arising from leaks in aging infrastructure.

In 2023, GF Piping Systems significantly strengthened its presence and customer relationships in the Chinese market by establishing a new cutting-edge production site. The GF Piping Systems plant in Yangzhou (China), was inaugurated in April 2023 and boasts state-of-the-art technology and energy-efficient installations. It will play a pivotal role in serving diverse sectors such as microelectronics, water treatment, chemicals, marine, building construction and data centers. Notably, its advance prefabrication workshop, equipped with a clean room, will enable the production of complex and customized products for the semiconductor and energy industries. This strategic move underscores GF Piping Systems' commitment to innovation and customer-centric solutions in the dynamic Chinese market.

Key sustainability innovations in 2023

GF Piping Systems implemented various projects to improve the sustainability of its products. A new platform design approach was introduced for all innovation areas (especially process automation) with a focus on modularity and reusability of components and the potential for recycling or remanufacturing products. This positively impacted component management, stock levels, serviceability and maintenance. One such project was the development of modular metal inserts for the Butterfly Valve 565 lug style, which are both replaceable and recyclable. This new product will launch in early 2024.

In addition to technical or technological improvements, the division continued to investigate alternative business models to support sustainability and circularity. Most notably, it implemented a circular economy framework for all innovation projects to gain a 360-degree view of every phase of the product life cycle and trained teams on the methodology. This included the development of detailed checklists and circular design criteria, and featured a training program for the Innovation and Design teams to support the implementation of circular economy concepts. As a result of this work, six circular explorer projects were launched in 2023, helping different innovation teams at GF Piping Systems understand and implement circular economy design and business principles in their innovation projects.

Another major success in 2023 was the replacement of polyurethane foam with sustainable paper-based packaging for GF Piping Systems' industrial valve family. This packaging can be recycled in the paper/cardboard stream. Compared to the polyurethane foam, the new tray and strapping band packaging has resulted in a plastic reduction of over 99%, from more than 98 g to less than 0.5 g.

Other sustainability initiatives and achievements for GF Piping Systems in 2023 included:

- Development of a bio-attributed PVC portfolio by exchanging 20% of the crude oil-based material with a bio-attributed material. This achievement makes PVC, a key material in the chemical industry, more sustainable. In 2023, GF Piping Systems procured the following shares of bio-based[1] materials for its own manufactured systems[2].
- For PVC-U[3] System metric/British Standard:
  - 19% bio-based materials fittings and valves
  - 9% bio-based materials in pipes
- Completion of 90 sustainability assessments to evaluate the sustainability potential of individual projects and ensure that all new products and solutions provide sustainability benefits.
- Continuation of the strategy and action plan to increase the number of Environmental Product Declarations (EPDs) and Life Cycle Assessments (LCAs) for products. In 2023, new LCAs and EPDs were developed and released for the JRG Sanipex, and MULTI/JOINT® 3000 Plus system. With this data, GF Piping Systems can transparently show customers in commercial or public water network tenders the environmental performance of its solutions over the entire lifetime.
- Receipt of Cradle to Cradle (C2C) certification from EPEA for the INSTAFLEX portfolio. With the C2C certification, GF Piping Systems can demonstrate its ability to design and manufacture polymer solutions for water systems that use as few resources as possible, and design and produce more products in a closed-loop system. By partnering with institutions like EPEA, GF Piping Systems has been able to adapt best practice principles for C2C from different industries.
- Launch of a product take-back program focused on the Swiss market, despite challenges due to the complexity of recycling items consisting of multiple materials. The division also launched the Taking Forward program to collect construction waste, including piping systems, and bring it into a controlled loop for recycling.

1 The bio-based materials GF Piping Systems uses are derived from renewable feedstocks and partly substitute conventional feedstock for plastics derived from fossil sources. The materials are derived from waste streams and do not compete with food production. Currently, GF Piping Systems uses bio-based materials in production sites in the EMEA region. In other regions the material is either not available or procuring it is economically not viable. For the other GF divisions and their differing product portfolios, bio-based material is not relevant. As evidence for procuring bio-based materials, GF Piping Systems accepts ISCC PLUS versions 3.3 and more recent updates.
2 All Systems from GF Piping Systems are available on the website: Systems – GF Piping Systems (gfps.com)
3 PVC-U is short for polyvinyl chloride unplasticized, the most common PVC type for pipes and fittings used for transportation of drinking water, sewage and underground drainage, as well as industrial applications in the chemical process industry.

GF Casting Solutions

As a key provider of lightweight components for the mobility and energy industries, and a pioneer in structural part manufacturing for the automotive industry, GF Casting Solutions is leading the industry in advancing solutions for sustainable mobility. It focuses on developing innovative solutions in casting and additive manufacturing, providing its customers – particularly in the automotive, aerospace and energy sectors – with targeted products to address market challenges.

GF Casting Solutions not only contributes to sustainable mobility with its lightweight solutions, but also lives up to its strong commitment to both quality and the continuous education of its employees.

The division supports its customers during the early design phase in co-design and co-developing components to empower sustainable mobility solutions. By developing lighter components, GF Casting Solutions components helps lower a vehicle's weight, reducing fuel consumption or extending battery range, which is key to lowering GHG emissions during the vehicle's lifetime. The division is particularly focused on developing lightweight structural components, for example, in the segments for electric and hybrid vehicles, and for off-highway and industry components, thus aligning its priorities with the evolution it is witnessing in the mobility industry.

The division also enables sustainable energy generation by designing and manufacturing gas and hybrid turbine components using 3D printing technology, which allows for nearly unlimited design options. The same is true for the aerospace segment, where GF Casting Solutions is well positioned to support the turbine manufacturing industry in achieving eco-efficiency.

For its components, GF Casting Solutions uses aluminum, magnesium, iron and superalloys, all of which can be recycled nearly indefinitely. The traceability of the components is tracked via a QR code marked onto the product. The division also implements artificial intelligence manufacturing concepts to push the technical boundaries of die-casting, saving a significant amount of energy during product manufacturing and logistics.

Key sustainability innovations in 2023

GF Casting Solutions continued to focus on production and product improvements with significant sustainability impacts. Its pioneering advances in structural casting – that is, integrating several previous components into one cast, which saves a significant amount of energy compared to traditional technologies such as welding – propelled its early product development projects forward, particularly in the electric/hybrid vehicle space. Innovations in alloy development, including the use of self-aging alloys that eliminate the need for heat treatment, supported customers with their GHG emission reduction targets. The division also made further progress on its work in distortion-optimized cooling to minimize the straightening process.

In 2023, GF Casting Solutions was appointed as a member of the advisory board of the Fraunhofer project FutureCarProduction. The project connects experts from various research domains to develop a comprehensive approach to evaluate new car body concepts, including giga-casting. With evaluation criteria such as sustainability and technical performance, different aspects of the design process are addressed such as reuse concepts, usage of secondary materials and structural integrity. This approach will support companies in making robust design decisions in an early development phase.

GF Casting Solutions also enhanced its customer relationships in the Chinese market with the inauguration of GF Casting Solutions in Shenyang in April 2023. The Shenyang plant, the second high-pressure die-casting (HPDC) facility in China, is strategically situated near major automotive clients. Focused on producing large structural components, the plant not only reduces logistics costs but also ensures superior quality. Utilizing advanced machinery for aluminum and magnesium components, the facility aligns with the latest sustainability standards, exemplifying GF Casting Solutions' commitment to innovation and environmentally conscious manufacturing in China.

Additional sustainability initiatives and achievements for GF Casting Solutions in 2023 included:

- A significant innovation for manufacturing bulkheads (the automotive piece between the engine area and firewall). This product, which formerly required over 20 sheet metal parts, is now cast as a single part that is 20% to 30% lighter and requires less welding during manufacturing. Specifically, the new single-component design avoids the need for 20 individual welding spots, allowing for much faster and easier assembly on the customer side. The development of this innovative design solution demanded significant engineering expertise.

- Finalization and roll-out of a pilot project on Product Carbon Footprints (PCFs). GF Casting Solutions modelized high-runner products in an ISO 14067-approved software. The PCFs were externally certified afterwards to be in line with the ISO 14067 PCF calculation requirement. In 2024, the roll-out will continue for a wider product range.
- The implementation of AI-supported product ramp-up, which helped improve distortion and reduce scrap rate for high-pressure die-casting (HPDC) during early production phases.
- Customer engagement days, connecting key customers with the R&D, Innovation, Sustainability and Procurement departments. The event leaders showcased the significance of product circularity and sustainability and presented the PCF calculation concept.

GF Machining Solutions

GF Machining Solutions is dedicated to advancing energy efficient and sustainable manufacturing in the global precision machining industry. It is a leading provider of complete solutions for the mold-making industry and precision components and tools manufacturers, with a broad product portfolio that includes machines for milling, laser texturing, laser micromachining, EDM and additive manufacturing, in addition to spindles, automation, tooling and digitalized solutions. As a trusted partner, it provides state-of-the-art machining solutions to a broad range of industrial players.

Assembling milling machines requires well-trained and motivated employees, as GF Machining Solutions is characterized by the particularly high and lasting quality of its products.

The division is committed to developing a new approach to manufacturing that is more efficient, intelligent and sustainable. As the cost of energy is increasing and awareness of climate change continues to grow, customers are demanding solutions to lower their energy use. The divisional R&D teams are closely evaluating the energy consumption of machines, with a focus on optimizing power usage for critical components like pumps and cooling systems. The division is also exploring avenues to reduce energy consumption across its building portfolio.

GF Machining Solutions has invested in improving the resource efficiency of its machines. Its laser texturing technology, for example, which is an alternative to chemical etching, eliminates the use of hazardous substances and reduces material waste. Its new generation of wire cutting Electrical Discharge Machining (EDM) offer customers substantially increased flexibility and a new industry benchmark for speed, performance and maximum machining efficiency, all while lowering overall costs and environmental impact by reducing wire and consequently energy consumption.

GF Machining Solutions is committed to ensuring that its products comply with all safety laws to protect machine operators. Under the applicable laws in Europe, the machine manufacturer is responsible for their safety, not the company that purchases or uses the machines. It is therefore critical that GF monitors its machines carefully and is fully compliant with all applicable regulations.

By supporting its machines in these ways, GF Machining Solutions is embedding circular economy principles into its product development, while also supporting its customers' goal of having energy efficient, clean and safe manufacturing solutions.

Key sustainability innovations in 2023

GF Machining Solutions made significant investments to improve sustainability across its operations. It performed several product sustainability assessments and explored initiatives to recycle machines at the end of their lifespan to reclaim useful materials and avoid landfill disposal. The division also continued to implement measures to reduce packaging for its products, exploring options to eliminate plastic packaging and evaluating how it can further optimize and reuse packaging. Furthermore, the division is working with its suppliers to support them in adopting waste reduction initiatives in their operations.

Additional sustainability initiatives and achievements for GF Machining Solutions in 2023 included:

- Creation of seven additional energy efficiency certificates for products in 2023 (for a current total of 11). These certificates – most of which are developed according to ISO 14955 Machine Tools – will be attached to all quotes sent out for the relevant machines.
- A collaboration with a shipping provider to ship machines on custom-made pallets with 90% less packaging, significantly reducing waste and decreasing installation time for the customer.
- The acquisition of MACN (France) in 2021 and VAM Control (Italy) in 2022, both of which have further developed the division's expertise in refurbishing, retrofitting and recycling machines (see Natural resources in the Environment chapter for more information about this project).
- Optimized machine energy use with Econowatt, now a standard feature in most new machines, ensuring precision during operation and energy savings when idle.

Environment: Climate and resources

Environmental sustainability is integral to GF's long-term strategy. In developing its products and solutions, the company continually seeks ways to decrease its consumption of energy, water and natural resources to lower its GHG emissions, decrease its waste production and limit its impact on the communities where it does business. The company's leadership team prioritizes investments in renewable energy and energy efficiency to decrease its Scope 1 and 2 emissions and supports its suppliers in advancing their own decarbonization initiatives to reduce Scope 3 emissions. These commitments underpin GF's roadmap to achieve its science-based targets and are laying the groundwork for the company's path to net zero. GF is also leading the way in advancing the principles of a circular economy by continually seeking more sustainable materials to incorporate into its products and new ways to reuse or recycle manufacturing materials. Through its responsible, science-based and transparent approach to decreasing its impacts, GF is working to inspire change across its industry, serving as a role model for corporate climate action and helping create a sustainable, resilient future for all.

Climate and energy

GF is focusing on significantly decreasing its greenhouse gas (GHG) emissions by reducing its energy consumption, increasing the usage of renewable energy and improving efficiencies along its value chain. To achieve this, it is developing roadmaps to achieve its validated science-based targets, which align with the goal set under the Paris Agreement to limit global warming to 1.5°C above pre-industrial levels. These targets demonstrate the company's commitment to climate action and its efforts to limit climate change.

Scope 1 and 2 emissions

With Scope 1 and 2 GHG emissions accounting for approximately 13% of its total GHG impact, GF is currently on track to meet its SBTi-aligned target to reduce absolute Scope 1 and 2 GHG emissions by 30% at 2026. Compared with 2022, total Scope 1 and 2 emissions decreased in the reporting year by 9% and 35% against the 2019 baseline. This progress was due to several factors but was primarily a result of expanding the use of renewable energy and enhancing energy efficiency across operations.

SBT CO_2e emissions

Reduce **absolute Scope 1 and 2 CO_2e emissions by 30%** by 2026.

Renewable energy

As a significant portion of GF's total consumed energy is electricity, increasing the amount of renewable electricity is key to achieving its Science Based Targets approved targets. The company purchases renewable electricity for its global sites and continues to increase its investments in self-generated renewable energy. In 2023, thanks to multiple facilities switching from fossil fuel-based electricity to renewable electricity, renewable energy accounted for 33% of total energy consumption (up from 29% in 2022), with the vast majority (95%) coming from purchasing approximately 1'067'000 GJ of renewable electricity, primarily hydro and wind power. The remaining amount was self-generated hydro and solar power, and purchased renewable district heat[4].

Energy efficiency

Another key step for GF to reduce its GHG impact is to increase energy efficiency across its operations. The company's leadership team has prioritized this effort and supports all divisions in pursuing efficiency projects and upgrades. In 2023, these projects included:

- research and design initiatives to decrease the energy required to manufacture products;
- incorporating energy efficiency measures in renovations and new construction for facilities that are compliant with ISO 50001-Energy management systems;
- proactive detection of compressed air leakage in machinery to decrease energy consumption (also contributing to customers' climate goals);
- installing energy monitoring systems at numerous facilities,
- the completion of the GF Corporate Center building in Schaffhausen (Switzerland) has led to the expansion of e-car and e-bike charging stations, along with other e-mobility offerings, including more dedicated parking space charging stations.

Scope 3 emissions

The majority of GF's GHG impacts (87%) are from Scope 3 emissions, which occur in the upstream and downstream sections of its value chain.

The company's SBTi-validated goal is to reduce its Scope 3 GHG emissions by 34.6% per tonne of processed material and use of sold products by 2030, using 2019 as a baseline. Compared with 2022, GF's Scope 3 emissions intensity reduced to 3.3 tonnes of CO_2e per tonne of processed material and use of sold products, which shows a stable number compared to the 2019 baseline. This development contributes positively to the target, as the company stabilized its intensity while the business grow. Mainly a split in favor of low carbon products at GF Casting Solutions and for GF Piping Systems slightly negatively effected by emission factor methodology changes.

SBT CO_2e emissions

Reduce **Scope 3 CO_2e emissions by 34.6% per tonne of processed material and use of sold products** by 2030.

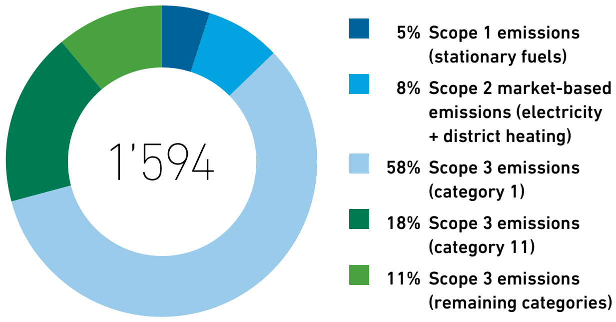
Over the course of 2023, GF pursued several opportunities to initiate reduction measures in its value chain, including identifying material substitutions, analyzing its procurement categories with the highest impact on CO_2e emissions while engaging with key suppliers seeking reduction opportunities and increasing efficiency in its logistics services. In addition, further improving the energy consumption of the machines at the customers end by adding energy efficiency features.

In addition, in the 2023 update to its Code for Business Partners, GF outlined its expectation that its business partners will support decarbonization efforts by reducing GHG emissions from their own operations as well as their supply chains through continuous energy efficiency programs and the use of renewable energy sources.

4 Biogas was purchased in 2019 and from 2022 onwards, and accounted for <0.1% of total renewable energy consumption.

CO_2e emissions per Scope

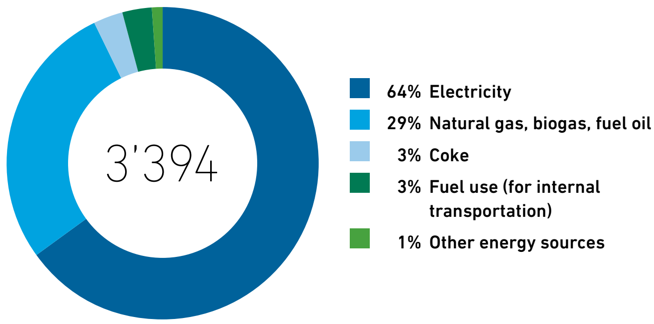
in 1'000 tonnes



The analysis shows that Scope 3 emissions account for close to 90% of GF's CO_2e emissions, while Scope 1 and 2 emissions make up the remaining 10%.

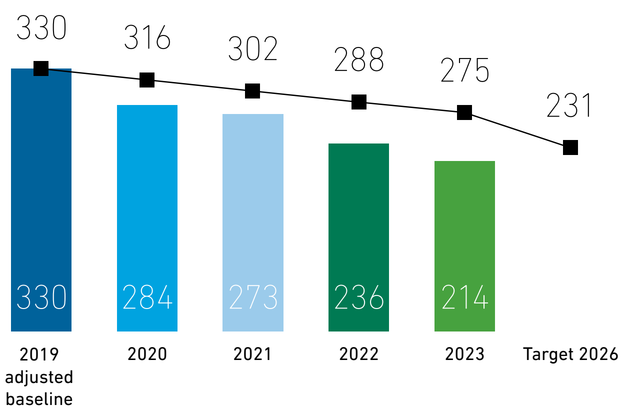
Energy sources

in 1'000 GJ



CO_2e emissions (Scope 1 and 2)

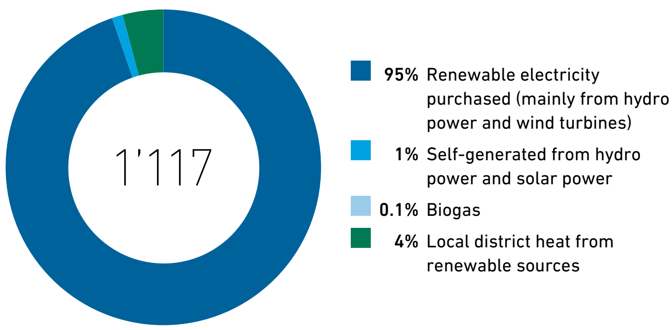
in 1'000 tonnes



The CO_2e emissions targets using adjusted 2019 GHG emissions as a baseline reference to reflect requirements from SBTi.

Renewable energy (incl. certified green electricity)

in 1'000 GJ



Net-zero ambition

In 2023, GF's sustainability team conducted a net-zero feasibility study based on the well-recognized guidelines of the SBTi. The goal of the study was to understand the feasibility of a net-zero ambition by evaluating the opportunities and challenges that GF is likely to encounter in striving to reach net zero. As an engineering company, GF is committed to responsible, science-based and transparent communication, and thus wants to have a solid, vetted program in place before committing to the 30-year timeline needed to achieve net-zero emissions.

For the company's own operations, decreasing Scope 1 and 2 emissions to work towards net zero will rely on a shift towards renewable energy, which requires investing in existing machines and infrastructure, and further fostering self-generation of renewable electricity. Furthermore, the processes that currently rely on fossil fuels will need to be transformed to allow for renewable energy use.

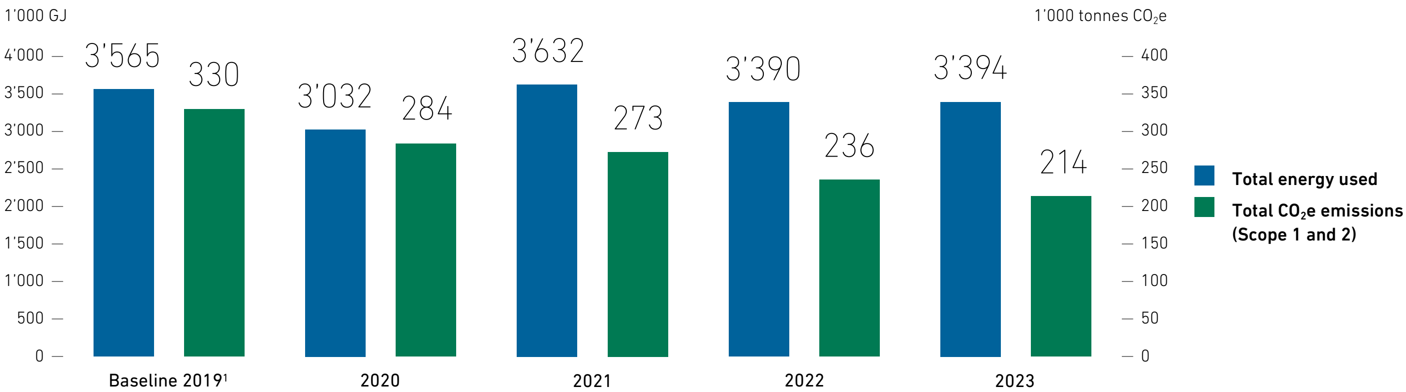
The more challenging net-zero ambition lies within Scope 3 emissions from purchased goods, services and use of sold products. A key outcome of the feasibility study was that in many cases, the net-zero solutions are still in the pilot stage and more time is needed to further test the applicability on an industrial scale. Low-carbon material is also currently still under development and not fully available in all countries. However, despite these challenges, GF will continue to closely follow the developments of the low-carbon markets and technological developments, and will refine the existing feasibility study further.

In addition, due to the acquisition of Uponor (Finland) in 2023, the GHG baseline will be adjusted over the next year and new SBTi targets will be submitted. Once Uponor and GF's GHG emissions reductions roadmaps are aligned, the Executive Committee will revisit its long-term net-zero target. (For more information on Uponor's sustainability priorities prior to the acquisition, please see Uponor Sustainability in the Appendix.

Data tracking

GF uses Environmental Management Systems (EMSs) to support its progress in reaching its climate goals. These systems enable it to manage resources more efficiently, take corrective action if their consumption exceeds defined targets and create data-driven approaches for improving energy efficiency. At the end of 2023, 87% of GF's legal entities with production facilities reported their data using the Sustainability Information System (SIS) tool, and 85% thereof had an EMS in place that was certified to ISO 14001 Environmental management systems. In addition, 10 of GF's facilities were certified to the energy management standard ISO 50001, accounting for 55% of GF's total energy consumption.

Total gross energy used and total CO_2e emissions (Scope 1 and 2)



1 The CO_2e emissions targets using adjusted 2019 GHG emissions as a baseline, therefore this graph shows 2019 adjusted data.

Highlights

GF Piping Systems

GF Piping Systems is committed to reducing its impact on the environment by prioritizing energy efficiency initiatives, increasing reliance on internal energy sources and procuring International Renewable Energy Certificates (IRECs). To further increase its energy savings, the division initiated a program in Europe and the Americas that proactively identified compressed air leaks at its facilities, especially in the plastic industry where compressed air is extensively utilized. Within a year, this initiative saved 782 MWh and 166 tonnes CO_2e. GF's fluoropolymer products plant, Ettenheim (Germany) successfully reduced pump pressure by 1.5 bar while maintaining the same flow rate, resulting in a reduction in electricity consumption from 50 kWh to 37 kWh. PT GF Indonesia achieved energy savings in its air compressor system by redesigning the air piping system. Meanwhile, GF Pfci (Italy) optimized chilling water systems to enhance energy efficiency in extrusion pipe processes, leading to a 40% reduction in energy consumption and improvement of the workplace microclimate. Finally, GF Hakan (Turkey) implemented an energy Gemba Walk to pinpoint areas for energy savings.

GF Traisen (Austria) took a significant step to reduce its dependency on fossil fuels by connecting to a regional biomass heating station, resulting in a substantial reduction of approximately 1'200 tonnes of CO_2e annually, beginning in October 2023, and a 25% decrease in the use of natural gas. Additionally, solar panels were installed in various places in 2023, including GF Germany and GF Fittings Chinaust (China), increasing the share of renewable energy in the company's overall operations.

The GF Piping Systems plant in Ratnagiri (India) is the first industrial manufacturing site in the country to receive two Platinum and one Gold Leadership in Energy and Environmental Design (LEED) certifications from the US Green Building Council and Green Business Certification Inc. The LEED certification program is an internationally recognized rating system for healthy, efficient, carbon and cost-saving green buildings.

GF Casting Solutions

GF Casting Solutions continued its climate activities in 2023 under the umbrella of its Energy Task Force – a team comprised of operational technology, R&D, procurement and sustainability. The use of state-of-the-art waste heat recovery technology helped decrease Scope 1 emissions at GF Casting Solutions' production sites. Likewise, the use of digital support, such as compressed air leakage detection or automated equipment power save mode, also supported energy savings at GF Casting Solutions' European plants.

By the end of 2023, the division had installed over 6 MW of solar panels globally and plans to install additional solar panels in Romania in 2024. The newly inaugurated plant in Shenyang (China) recently received LEED Silver certification, and the ongoing enhancements at the Pitesti plant in Romania are also aligning with these requirements, including measures to increase energy efficiency, conserve water and install photovoltaic panels on the roof.

In response to the GF group-wide e-mobility policy, which requests that all new leased company cars be 100% electric, plants are being equipped with charging stations, starting with Leipzig (Germany), Herzogenburg (Austria) and Shenyang (China). Additionally, the new "e-truck" successfully connected two plants in Austria (Altenmarkt and Herzogenburg), including the warehouse in St. Gallen (Austria). All divisional and business unit functions have now agreed to align with this e-mobility policy and are working to expand their electric vehicle fleet.

Finally, in 2023, GF Casting Solutions successfully collaborated with its suppliers to decrease Scope 3 emissions across its value chain to further meet its emission reduction goals.

GF Machining Solutions

Several initiatives implemented in 2023 helped GF Machining Solutions make significant progress toward achieving its 2025 emission reduction goals. Its Changzhou facility, located near Shanghai (China), successfully reduced its CO_2e footprint for Scope 1 and 2 emissions by over 99% by switching to green electricity. The facility received an environmental award in recognition of this significant achievement. The remaining emissions were offset by acquiring certificates from Swiss-based climate protection projects. This site is now the fourth GF Machining Solutions site that is carbon neutral for Scopes 1 and 2, joining Biel (Switzerland HQ), Langnau (Switzerland) and Vällingby (Sweden). GF Machining Solutions sites are also moving forward with the electrification of car fleets, the installation of charging stations and PV installations, where feasible.

The division also continued to develop and implement a roadmap for improving the energy consumption of its machines, which included equipping an increasing number of machines with Econowatt. This software module ensures that the machine operates at optimal precision levels when required and reverts to an energy-saving mode when idle, resulting in significant energy savings. While Econowatt was formerly an add-on feature for their milling machines, it is now a standard offering for almost all new machines.

The Swiss locations of GF Machining Solutions are improving their sustainability footprint through the use of renewable energy.

Water footprint

As part of its efforts to decrease its environmental impact, GF carefully tracks its water consumption. Although water use is high for many of its upstream suppliers, its production facilities have developed solutions to limit water use.

Closed-loop cooling systems, for example, used in most GF Casting Solutions and GF Piping Systems facilities, minimize consumption by reusing water during production. All sites are also vigilant in managing their wastewater, ensuring that it is discharged appropriately to either natural water systems or municipal treatment facilities in adherence to all applicable laws and regulations. As most of GF's production facilities are ISO 14001 Environmental Management Systems certified, water-saving measures are in place at many plants.

Water

Reduce **water intensity by 20%** in high stress areas.

Additionally, in the 2023 updates to its Code for Business Partners, GF included a new clause requiring business partners to have systems in place to ensure water quality is not impacted by their operations. This was an important step in protecting water resources outside of GF's own operations.

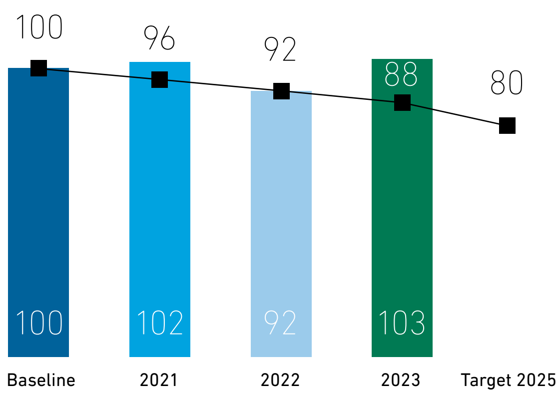
In 2023, the company increased its total water consumption by 1% compared with the previous year. The company further improved the water management by installing water meters and water-saving fixtures, inspecting production machinery and water pipes for leakages, and paying close attention to anticipated rainfall so that rainwater could be collected and used for production processes and outdoor applications such as landscaping.

As part of its Strategy 2025, GF aims to reduce its water intensity by 20% across 13 facilities operating in high-stress areas, compared with the 2018–2020 baseline[5]. In 2023, these facilities made further progress against this target, decreasing their absolute water consumption by 11%. However, the plant with the highest impact on the group's target faced economic challenges which resulted in not achieving the target in 2023.

5 In 2023, one GF Piping Systems site in the US was excluded from the water intensity target, as described in the section Scope of data collection and reporting.

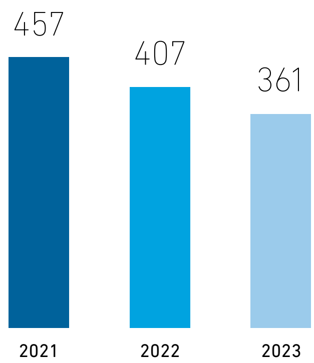
Water intensity index[1]

(water consumption per production volume) in %



Water consumption of GF sites located in water stressed areas[1]

in 1'000 m^3



1 The shift in the production process of the GF Piping Systems site in the US reduced the site's environmental footprint. Therefore, the site's annual water consumption is below 10'000 m^3. The water intensity target is therefore no longer applicable. Following GF's recalculation guideline, the site's impact on the targets at the corporate level is below 5% meaning that no restatement of baseline and previous-year data is necessary.

Highlights

GF Piping Systems

GF Piping Systems Hakan (Cerkezköy and Sanliurfa plants, both in Turkey) reduced their water consumption by implementing a production-focused planning approach, addressing water leakage and raising awareness during the World Water Day event. GF Piping Systems Indonesia continued to improve its water consumption following the successful recent implementation of various water-saving initiatives, such as the reduction of water pressure from 2 bar to 1.2 bar and the installation of water restrictors, which resulted in a 26% reduction in water consumption compared with the 2019 baseline. The GF Piping Systems Indonesia also recently celebrated the inauguration of a new water supply system for its plant, which now provides reliable access to clean municipal water, replacing the use of groundwater and eliminating the need for water trucks during shortages.

GF Casting Solutions

In 2023, GF Casting Solutions' water conservation efforts focused on plants in water-stressed areas, for which the division developed initiatives to reduce total water consumed. During ongoing construction at its plant in Pitesti (Romania), water-saving equipment was modernized, including the addition of rainwater harvesting systems. These new water-saving measures are an incremental part of the plant's pending LEED Silver certification. The division's plant in Shenyang saved around 800'000 liters with its rainwater collecting systems – an important aspect of it achieving LEED Silver status in 2023. An additional plant, GF Casting Solutions' iron foundry in Kunshan (China), installed new pipelines above ground and improved its existing metering devices to detect leaks early based on changes in water consumption. These measures are collectively expected to help the division decrease its overall water consumption in the coming years.

GF Machining Solutions

GF Machining Solutions' comprehensive approach for reducing water consumption includes dielectric tank leak testing, enabling closed circuit water use, interactive water-saving workshops and effective communication with its third-party suppliers, such as contract cleaning services teams, on the importance of water conservation measures.

To foster a solutions-oriented, forward-thinking approach to this issue, the production site in Beijing (China) also offers incentives for employees who share promising ideas for water conservation.

Natural resources

GF works to conserve natural resources by continually seeking new and effective ways to reuse or recycle manufacturing materials, while also striving to decrease the amount of material required to manufacture its products. Additionally, the company continuously monitors markets to source more sustainable materials to incorporate into the supply chain.

Through partnerships with other industrial companies, GF is able to repurpose scraps, by-products and waste materials from its production processes, reducing its overall demand for energy and resources. Although most of GF's waste is non-hazardous, the company ensures there are reliable systems and processes in place to reduce the environmental impact of the waste it generates. This holistic approach to managing the environmental impacts of operations addresses all major stages of the product life cycle – from the selection of raw materials through to the responsible disposal or recycling of products at the end of their useful life.

Waste

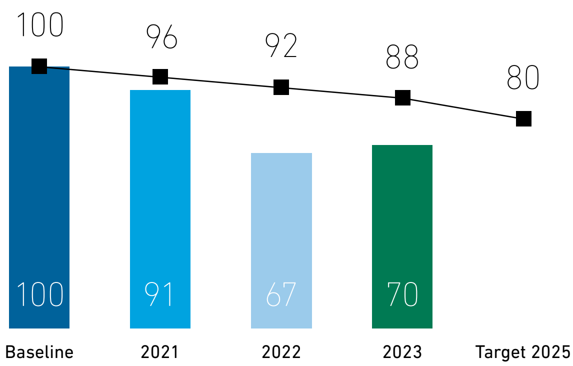
Reduce **by 20% intensity of waste** sent to landfill or incineration.

In 2023, GF updated its waste management processes and improved its recycling rate to 78% of total waste generated. It also targeted new initiatives to dispose of reusable or reparable materials and components, such as regrinding High-density Polyethylene (HDPE) to reuse in production as reworked material. Additionally, some waste material, such as sand, was sold to other manufacturers, generating income and underscoring the benefits of a circular economy approach. GF also maintained its closed-loop system for all alloys across its divisions, ensuring that surplus raw material or waste was remelted either directly on site or at alloy suppliers.

GF's unrecycled waste intensity was 18% lower than its target for the year, keeping the company on track to meet its overall Sustainability Framework 2025 target by the end of 2025.

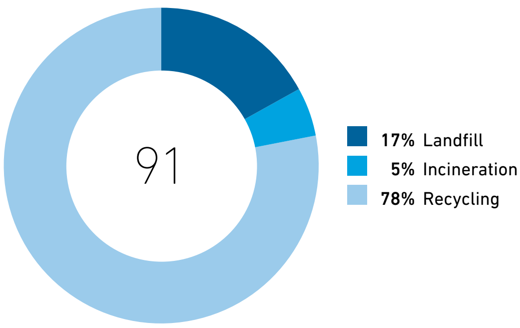
Unrecycled waste intensity index

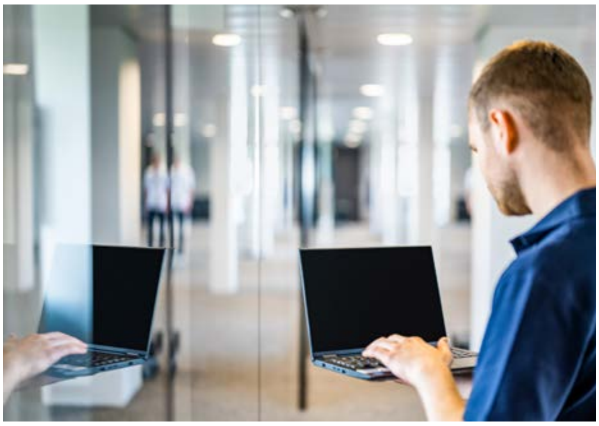
(unrecycled waste per production volume) in %



Waste disposal

in 1'000 tonnes





A second life for GF computers

As part of GF's global IT project #PathMaker, employees at all GF sites worldwide began receiving new computers in 2023. To support the focus on circular economy principles and natural resource protection, the Corporate IT team collaborated with Hewlett Packard Enterprise (HPE) to recycle and resell the old devices. In a well-managed logistics process, computers across all 80 GF locations worldwide will be collected in 2024 by HPE, which will perform functionality tests, hard disk wiping and cosmetic cleaning in preparation for product remarketing. The initiative aims to give a second life to as many GF devices as possible, with a goal of a minimum of 10'000 devices. Any non-marketable computers will be responsibly recycled. In 2024, GF will receive a sustainability report from HPE summarizing key environmental data, such as waste kept from landfill, energy saved and materials recovered.

GF operates a hydroelectric power plant on its premises in Traisen (Austria) to generate electricity for its own use.

Highlights

GF Piping Systems

In 2023, GF Piping Systems used an innovative measuring system at its GF Fluoropolymer Products site in Ettenheim (Germany) to accurately map the inner contours of pipes to detect defects or irregularities in the early stages of the manufacturing process. This helped save 4 tonnes of precious plastic raw materials in one year, while also improving quality control. A feasibility study to implement this equipment at other sites is ongoing. All manufacturing production sites also continued to apply the 5 Rs of waste management (Refuse, Reduce, Reuse, Repurpose and Recycle) to minimize the generation of scrap waste, and are investigating potential avenues for reusing the plastic scraps. During the GF Sustainability Conference for employees held in Zurich in 2023, a best practice for reusing scrap materials was shared by colleagues from GF TPA (Italy).

GF Piping Systems also joined Operation Clean Sweep® – an international initiative that aims to prevent plastic waste generated by production processes from entering the environment. To support the implementation of this initiative, the Sustainability Business Development team provided divisional instructions and templates, and facilitated best practice exchanges between sites.

GF Casting Solutions

GF Casting Solutions recycled 86% of waste generated at its global production sites in 2023, while also focusing on new options for preventing waste production and recycling valuable waste types such as ceramics. Raw materials, including aluminum and magnesium, are already handled in closed recycling loops within each plant in collaboration with external smelters. In the precision casting facilities in Novazzano (Switzerland), wax providers take back used form wax for recycling. In line with its strict product specifications, GF Casting Solutions also continued to develop new materials with its customers and suppliers that increase the use of recycled material, thereby reducing the use of virgin material and significantly decreasing the associated emissions.

GF Machining Solutions

GF Machining Solutions explored the possibility of implementing an EDM machine recycling process. This entails purchasing end-of-life machines from customers and then disassembling them at the VAM Control facility in Bergamo (Italy) acquired in July 2022, to reclaim valuable metals and reusable components. As working electronic components from these machines are currently very challenging to source, they have a strong resale value and help the division's customers find difficult-to-source components, thus lengthening the life cycle of the machines. This Give Me a Second Life initiative builds upon GF's existing capacity to recycle both EDM wire and EDM wire spools, and ultimately makes the entire product line (machines and key consumables) recyclable. Thus far in the process, GF Machining Solutions has identified the parts of the machine that can be recycled or reused. VAM Control (Italy) and MACN (France) are the two GF Machining Solutions sites with specific knowledge on circularity refurbishment and end-of-life treatment of machines.

Biodiversity

While GF has not yet established a formal biodiversity approach, it is actively engaged in researching methodologies, actions and strategies that have been adopted by leading organizations.

In 2023, the company conducted a benchmarking analysis that confirmed the increasing incorporation of biodiversity into corporate strategies and disclosures. The key findings – which encompassed the industry landscape, exploration methods, action plans, stakeholder engagement, community involvement and regulatory frameworks – will guide the development of GF's Biodiversity Strategy in 2024.

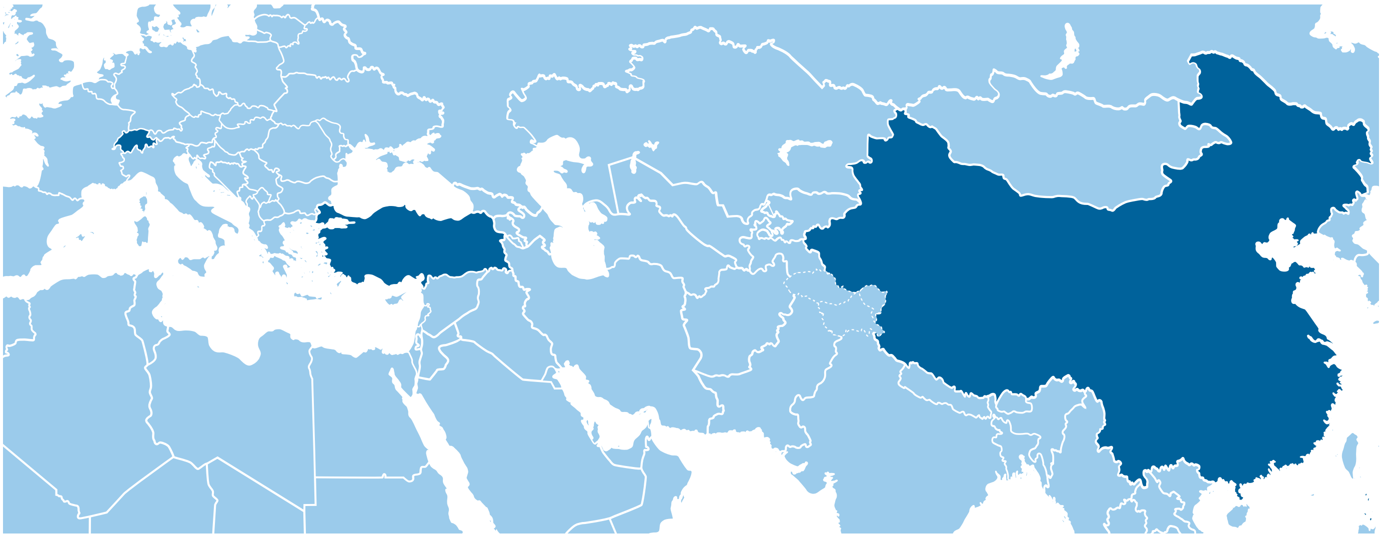
Commitment to respect biodiversity

In April 2023, GF released its Corporate Environmental Standards, which provide guidance for preserving biodiversity through a range of local and global actions, ensuring that all company locations and staff worldwide are actively involved in biodiversity conservation efforts. Additionally, in June 2023, GF's Executive Committee approved an updated company-wide Code for Business Partners that emphasizes the importance of biodiversity and addresses topics such as land usage and deforestation. This code requires business partners to commit to internationally recognized human rights and avoid any involvement in human rights violations, including illegal biodiversity loss and deforestation.

Baseline assessments

GF also began conducting biodiversity baseline assessments for all divisions. It initiated data collection to assess its impact on biodiversity and the associated risks, evaluating operational sites using the location-specific approach to biodiversity and ecosystem service metrics, and pinpointing areas of potential environmental liability.

GF Sustainability Fund biodiversity projects



GF Machining Solutions, Switzerland
Building a habitat for small animals

- Employees collaborated with a biodiversity expert.
- Cleared invasive species and prepared ground for sand and stone biotopes, attracting insects.
- Constructed shelters for small animals, enhancing biodiversity around the Biel facility.

GF Hakan Plastik, Turkey
Landscaping the factory site

- Employees at the Cerkezköy and Sanliurfa sites learned about sustainability and biodiversity on World Environment Day.
- Planted trees in Sanliurfa and in Cerkezköy to enhance green spaces.

GF Chinaust, China
Ensuring a clean environment

- 500 employees cleaned a 6'000 m² area. Ongoing clean-up activities involve different departments weekly.

GF Chinaust, China
Planting trees as a team

- Each department planted a hawthorn tree in April and maintains them.
- About 60 employees planted trees, transforming the area into a green space.

Social: People and well-being

To be a sustainable organization, GF is committed to helping its employees and the communities where it operates build healthy, equitable and resilient futures. It has developed programs and policies that promote safety and well-being, ensuring that everyone takes responsibility for reducing risk in the workplace. It has also crafted a DE&I-focused culture of belonging that allows everyone to bring their authentic selves to work, recognizing the vital importance of a diverse and inclusive workforce. As this workforce is key to GF's success, the company is unwavering in its commitment to employee development and advancement, ensuring that equal opportunity and growth are accessible to all. Lastly, GF recognizes that respecting and supporting the communities where it operates and sources materials is essential. It assumes this responsibility by upholding human rights across its supply chain and offering resources for critical humanitarian projects around the world through its GF Water Foundation. Through these efforts, GF strives to be a fair and attractive employer, and build a team that will support its goals, future growth and the betterment of our global community.

Safety and well-being

As a responsible employer, GF is committed to building a culture and a workplace that protects and maintains its employees' health and overall wellness, and ensures they feel safe, supported and healthy, both inside and outside of the company.

Health and safety

Reduce **accident rate by 30%.**

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

Safety standards

Achieving operational safety is an evolving journey that requires commitment, continuous improvement and a collective effort from all employees – starting from the highest level of leadership. GF leaders promote collaboration on safety initiatives between departments, sites and divisions, helping them collaborate on awareness campaigns, cross-site safety audits, safety discussions and reporting tools. In doing so, the company has cultivated a shared sense of responsibility for everyone to keep themselves and each other injury-free.

To uphold this commitment, the company relies on the GF Safety Standards – a set of measures that continually evolve to meet emerging safety issues. They outline critical health and safety instructions for the entire company, including key regulations, safe daily working practices, safety requirements for high-risk areas and reporting requirements. Alongside GF's internal safety standards, the majority of its manufacturing sites also comply with ISO 45001 – a standard for occupational health and safety management systems that helps prevent accidents and injuries.

Accident prevention and reporting

To cement GF's safety mindset, department heads, managers and safety team members collaborate to monitor new systems and procedures, and evaluate them for potential improvements. Additionally, each division prepares a monthly or quarterly accident report, which is shared with division executives, plant managers, safety managers and the Board of Directors. The recommendations included in these reports provide a constantly updated roadmap for reaching GF's goal of a risk-free workplace.

GF has also developed a robust system for reporting accidents and near-misses to learn from mistakes. Within three days of a safety incident, divisions must report the event via a corporate reporting platform, describing the root cause of the accident or near-miss and outlining the corrective measures that were taken to resolve the issue. By gathering this cause and resolution information, employees work together transparently to develop new operating instructions and procedures to ensure a safer workplace.

Safety initiatives

To ensure full compliance with its safety standards, GF conducts annual cross-site safety audits (CSSAs) at the divisional level. CSSAs are structured, safety-focused internal workplace audits that ensure sites comply with the safety standards and the divisional directives. They are conducted at one site by Health & Safety employees from another site, providing fresh insights and feedback, and encouraging best practice exchanges between sites.

In 2023, GF conducted 42 CSSAs at 35 facilities worldwide, representing 51% of its total production sites. Management teams in all divisions received a summary of the findings and recommended follow-up actions.

In 2023, GF also rolled out the following initiatives to improve the safety awareness of its employees, contractors and visitors:

- **Safety Moment:** GF employees are offered a daily opportunity to take a "moment" to talk about situations relevant to safety awareness, while supervisors, shift managers and team leaders can bring up a Safety Moment "topic of the day" at the beginning of meetings. Informational charts with easy-to-access information are provided as a helpful tool to initiate discussions.
- **Be Aware – Be Safe/Zero Risk:** As part of this graphic design campaign, educational posters on topics including personal safety equipment, safety mentors, accurate use of tools and unseen but relevant onsite dangers were distributed across all divisions.

- **Safety reporting tool:** A Near-Miss and Observation Reporting tool was made available across all GF Piping Systems and GF Casting Solutions locations in multiple languages. This tool, accessible through a QR code, enables employees to report near-misses, unsafe situations and first aid injuries.

External audit certificates

External audits of all GF's global production sites are of the utmost importance to fulfill its mission of "becoming better every day." The certificates for each division can be found here:

- GF Piping Systems: Sustainability – GF Piping Systems (gfps.com)
- GF Casting Solutions: Certificates – GF Casting Solutions (GF Casting Solutions.com)
- GF Machining Solutions: Sustainability – GF Machining Solutions (gfms.com)

Health and well-being support

GF Health is the company's competence center for mental and physical health for employees at the sites in Schaffhausen, Seewis, Sissach and Subingen (all in Switzerland). The services offered by GF Health range from accident prevention, training and education, to support from the GF Employee Advisory Service for absence management. GF Health is committed to offering GF employees working conditions far beyond the standards of those required by law and is backed by an interdisciplinary team that develops and continuously evaluates measures and goals, enabling the company to constantly adapt to the needs of its employees.

In addition, GF offers its employees at the above locations other opportunities to improve their health and well-being, including discounted rates at sports and fitness facilities, workshops to manage work-life balance and on-site and online pilates, zumba and yoga classes. At certain sites, GF also provides free health checks, including vision, hearing, respiratory, mental wellness and ergonomics check-ups. The company also offers courses in maintaining financial health and preparing for retirement.

In 2023, the Safety Event at the Schaffhausen site marked a significant milestone in GF's commitment to employee well-being. A total of 719 employees participated in the comprehensive program, which focused on mental health and included discussions on defining mental health, managing stress and early recognition of behavioral changes. The event positioned mental health as a success factor for teams, integrating health promotion into leadership activities and encouraging employees to seek help if needed. This event shows how employees are helped with their health and well-being, and similar efforts are carried out globally.

For the eighth year in a row, no work-related fatalities occurred.

Progress in 2023

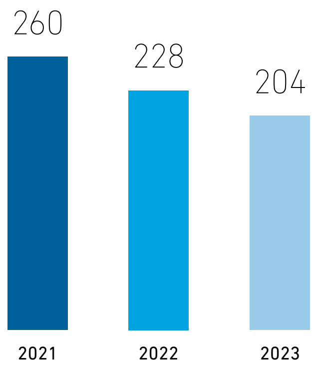
As part of its Sustainability Framework 2025, GF is working to reduce its accident rate by at least 30% compared with the three-year average (2018–2020) of 9.4 as the baseline lost time injury frequency rate (LTIFR)[6].

In 2023, GF reported zero work-related fatalities for the eighth year in a row thanks to the targeted efforts of its employees to uphold a safety culture. During the reporting year, the overall accident rate – measured using the LTIFR – decreased to 7.4 per 1 million working hours with a total of 233[7] accidents, compared with an LTIFR of 7.9 (265 accidents) in 2022 (which equals a 12% reduction in the number of accidents compared with 2022). The company frequently reviews and refines its safety policies and procedures to adapt to changing conditions and emerging risks.

GF employees represented 87% of those involved in accidents, while 13% were leased employees. More than half (52%) of the total accidents were minor injuries to the upper extremities, primarily fingers, hands and arms. The most common cause of injury was workers struck by objects (25%), and contact with tool, sharp and blunt object (25%). In terms of location, most accidents occurred at production plants (88%), followed by workshops (5%) and other locations.

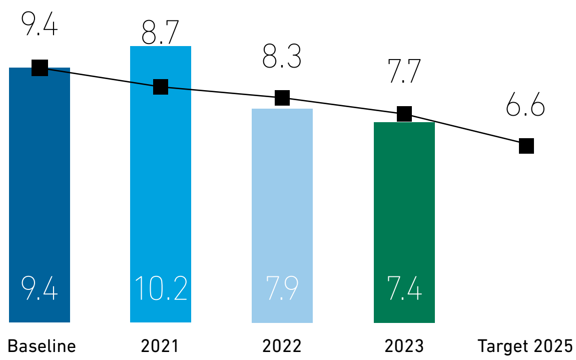
6 The three-year baseline average accounts for temporary site closures due to COVID-19 in 2020.
7 Total accidents of GF were 235, while 233 are included in the calculation of the LTIFR because two accidents occurred at a site that is not a part of the targets 2025, following the described methodology in the section Disclosure information: Reporting approach.

Number of accidents among GF employees



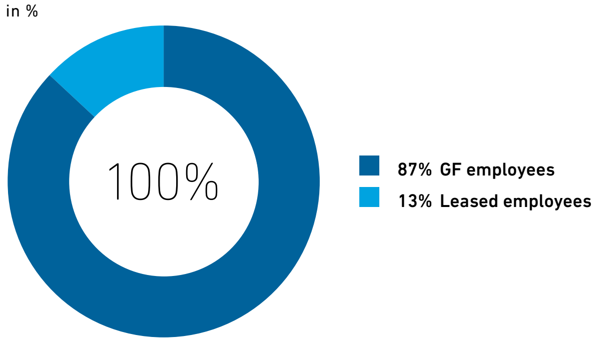
Accident rate as lost time injury frequency rate (LTFIR)

per million hours worked



Share of accidents, GF employees and leased personnel

in %



Highlights

GF Piping Systems

In 2023, GF Piping Systems celebrated the World Day for Safety and Health at Work 2023 by organizing events to raise awareness about health and safety. On the World Day for Safety and Health at Work 2023, the GF Seewis facility in Switzerland invited a special guest: Spiderman, a superhero from the Health & Safety Campaign – Be Aware – Be Safe. The reason for this visit was to emphasize the importance of workplace safety by providing valuable insights and demonstrating the potential hazards associated with factory work. As part of this safety day, GF Deka (Germany) encouraged employees to bike to work, conducted back checks and provided ergonomics advice to enhance the health and safety of individual workstations.

GF Pfci and GF Omicron (Italy) also launched a "best idea" management program in Italy in 2023, inviting colleagues to submit innovative ideas on safety and other relevant topics, which were then evaluated and selected for implementation by a committee. In addition to these initiatives, several GF Piping Systems sites achieved notable safety milestones: the Beijing plant celebrated an impressive 3'000 accident-free days; the Shanghai site reported a remarkable 5'000 accident-free days; and GF India recorded zero lost time injuries for over 126'659 hours.

GF Casting Solutions

Promoting a safety culture took priority at GF Casting Solutions in 2023, with numerous initiatives introduced across its sites. Despite already having a very low accident rate, the iron foundry in Kunshan (China) dedicated its safety activities to improving safety management of the melting workshop by installing digitally supported access control for areas with higher risk exposure. The plant in Leipzig (Germany) relaunched its safety rewarding system (after a pause due to COVID-19) and the foundry in Suzhou (China) had 372 consecutive days without a lost time incident. Plants in Austria redesigned the forklift and pedestrian protection systems, ensuring clear separation of internal logistic pathways. Multiple plants including Herzogenburg, Altenmarkt, Kunshan and Suzhou conducted safety weeks to increase learning and employee engagement regarding health and safety through hands-on training sessions. Lastly, during the second day of GF's inaugural Global Sustainability Conference, GF Casting Solutions organized an internal exchange on culture, innovation and sustainability to foster a safety culture, during which employees developed initiatives that are now implemented at the different plants.

GF Machining Solutions

In 2023, GF Machining Solutions implemented a pilot project to evaluate the use of the SUVA app, an app and web solution for occupational safety by the largest Swiss accident insurer, to improve individual observation reporting, conduct walk-around audits and enhance safety walks at its various sites. The app helps identify safety hazards and improve accident rate and near-miss reporting. With the app, employees can report a safety issue using a location-specific QR code by taking a photo and adding a description. All reports are sent to the person responsible for the safety of the area, and action must be taken within 24 hours, ensuring prompt resolution of the issue.

Beijing plant celebrated an impressive 3'000 accident-free days; the Shanghai site reported a remarkable 5'000 accident-free days; and GF India recorded zero lost time injuries for over 126'659 hours.

Campaigns across GF sites raise awareness about the importance of safety by providing valuable insights.

GF's Diversity, Engagement and Inclusion (DE&I) policy outlines its practices and priorities and aims to:

- reinforce its commitment to promoting diversity and inclusion;
- support its goal to become a leader in fostering a diverse, inclusive and safe working environment,
- reaffirm its core values related to Caring, Learning and Performance.

Diversity and inclusion

GF honors the rich spectrum of personal and social differences that make each of its employees unique. It therefore fosters a work environment where all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and feel empowered to contribute to their personal and organizational success. GF knows that the diverse perspectives and experiences of its employees are invaluable in developing creative customer solutions and addressing societal and environmental challenges.

Diversity and inclusion

25% of newly appointed **managers are women.**

DE&I training

To advance its commitment to integrating DE&I principles throughout the company, GF offers a comprehensive DE&I training program. In 2023, the company added a module on unconscious bias in recruiting to this program, equipping internal recruiters with the knowledge and skills to make recruitment practices and candidate experiences equitable and inclusive. By employing language and imagery that supports engagement with marginalized groups, this training has helped promote diversity within the company's talent pool, drive recruitment success and reinforce GF's commitment to attracting top diverse talent.

Women in Leadership Program

GF is dedicated to increasing the influence and visibility of women in leadership positions. Its Women in Leadership (WIL) Program was designed to help the company achieve this goal, providing an opportunity for female employees to strengthen their role and increase their impact. The WIL Program, which brought together 30 women leaders from Germany, Austria, Switzerland, Romania and Italy in 2023, is structured as a series of opportunities for personal growth, as well as an avenue to build an inspiring network within the female GF community. By offering the program in English, the company has made it accessible to a broad audience and in 2024, it will be adapted and expanded to extend its reach even further.

Age diversity in the workplace

GF believes that all employees can continuously improve and learn new things, right up to retirement age and beyond. At the end of 2022, GF established a partnership with Loopings, a center of competence for people aged 45+ in Switzerland. This partnership supports equal opportunities regardless of age and enhances professional development. It offers a wide range of training options, workshops, lectures and expert knowledge for GF employees over the age of 45, helping them to strengthen their existing skills, acquire new skills, assess their current positions and explore potential career changes.

Gender balance

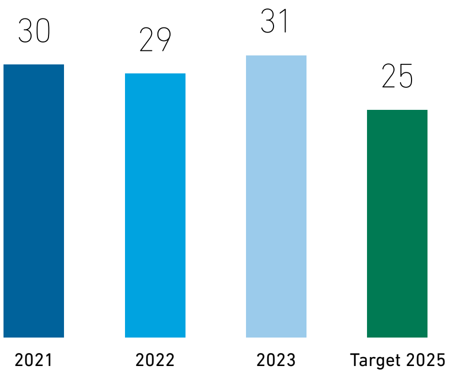
In 2023, 31% of newly appointed managers were women (compared with 29% in 2022), bringing the company over its target of 25% newly appointed women managers by 2025. Also in 2023, 19.3% (234 full-time equivalents or FTEs) of managers were women, compared with 17.2% (165 FTEs) in 2022. Overall, 22% of employees (3091 FTEs) were women in 2023, compared with 20% (2'941 FTEs) in 2022.

DE&I collaborations and alliances

GF's commitment to diversity and inclusion is strengthened through its collaborations with multiple organizations, institutions and DE&I leadership from other industrial companies. These connections include the Competence Centre for Diversity & Inclusion (CCDI) of the University of St. Gallen (Switzerland), as well as Advance – Gender Equality in Business and its members. In 2023, the DE&I team supported these partners by participating in approximately 15 events and conducting four impactful training sessions. These covered a wide range of core topics, including inclusive leadership, psychological safety, presence and impact, unleashing potential and power, and self-marketing and top sharing, among others.

Newly appointed women managers

in %



Highlights

GF Piping Systems

Two Women@GF Piping Systems events were conducted in 2023 on assertive communication and leaving your comfort zone, further supporting the division's efforts to create a diverse and inclusive working environment. The comfort zone-themed event, which attracted over 200 global participants, was particularly impactful, featuring five female employees who shared stories about leaving their home country to start over abroad, discarding familiar daily routines, taking a leap of faith to embark on a sabbatical and experiencing a change of perspective through mountain climbing. GF Piping Systems also celebrated both International Women's and Men's Day to raise awareness for and overcome gender-specific biases and stereotypes.

In addition to global efforts to promote diversity and inclusion in leadership, some local sites implemented their own initiatives. For example, GF Piping Systems Italy conducted a D&EI project called Build our future together, which involved discussions and workshops on topics such as Accepting and highlighting our diversity, Improving gender equality and Promoting cultural integration. The outcome of this project was a new policy, effective October 2023, that grants 12 weeks of paid leave to new fathers to support shared parenting.

GF Casting Solutions

Addressing DE&I is an integral part of GF Casting Solutions' culture. The division's ongoing Diversity@GFCS virtual series highlights various aspects of diversity and inclusion, including the importance of psychological safety in a diverse working environment and the opportunities and challenges of cross-generational collaboration. These division-wide sessions are highly appreciated, as they raise awareness and encourage meaningful discussion.

Additionally, the division celebrated International Women's Day with an inspiring panel discussion featuring colleagues sharing their experiences of overcoming biases and prejudices, and the strategies they have developed to create a more inclusive workplace.

GF Machining Solutions

On International Women's Day 2023, GF Machining Solutions launched Women@GFMS. Consisting of a series of quarterly events, the initiative brings female colleagues together virtually and in-person at the division's headquarters to foster inclusivity and involve employees in shaping the division's path for DE&I. Participants are given an active role in proposing and selecting the topics to be discussed, sharing their views on subjects such as leadership, feedback and working in a male-dominated environment. These discussions have laid the foundation for sharing best practices and simulating how to approach certain scenarios via group exercises and role-play.

Fair and attractive employer

To reach its ambitious goals for growth and innovation, GF knows it must attract and keep the very best employees. To achieve this, the company has launched initiatives and programs that enable it to recruit, develop and retain the people it needs to secure its future success.

Employee recruitment

To attract top talent, GF focuses on increasing its employer attractiveness through two primary commitments:

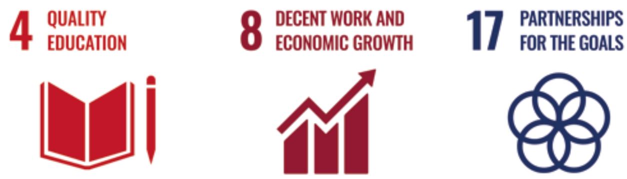
1. To nurture the inherent appeal and unique culture of the company;
2. To craft a powerful brand that conveys the culture and value GF offers.

These commitments have been pivotal in cultivating the culture and identity that set GF apart from its competitors – in other words, its Employee Value Proposition (EVP). The EVP was developed with input from top management, a reputed external consultancy and the global workforce, ensuring it resonates with the overarching vision of GF's Corporate Identity Framework.

GF shares information about its EVP and attractiveness as an employer through multiple channels, including job and student fairs, social media campaigns and collaborations with universities and advanced technical colleges around the world. The company is also a corporate partner of UNITECH International, which hosts a year-long leadership development program for top science, technology, engineering, arts, and mathematics (STEM) graduates from leading technical universities in Europe that culminates with an internship at GF or partner company.

Employee engagement

At least **80% recommend GF** as an employer of choice.



Employee engagement

Engaged and motivated employees embody GF's values and are the driving force behind its long-term success. To further this engagement, the company has built an inspiring and supportive work culture centered on the following core values:

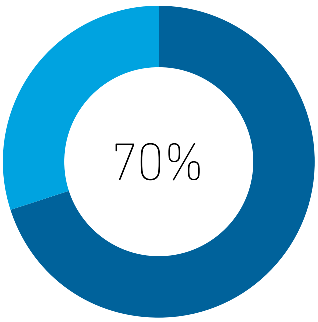
- **Caring is about being part of a team.**
- **Learning is about having an open mind.**
- **Performance is about speed and excellence.**

More than two years ago, the company kicked off its Culture Movement, which is an integral part of its Strategy 2025 designed to integrate these core values into its employees' day-to-day activities. Over 360 Change Agents across GF received training to drive change projects, including team experiments, to foster innovation, collaboration and empowerment. In 2023, over 80 Culture Ambassadors were equipped with tools to create a deeper understanding of the Culture Movement at all levels of the company, shifting the initiative from a centralized to a locally owned one, and increasing both its speed and agility.

To evaluate the overall engagement of its workforce, GF developed and rolled out a global employee engagement survey in 2023 that spanned across all divisions and was available in 19 languages. The survey gave employees an opportunity to answer questions about how they see the company, its development opportunities and employee collaboration, and included questions relating to safety, ethics, and DE&I initiatives. Seventy percent of survey recipients responded, in line with expectations for a first-time survey, offering robust data for strategic action planning. Notably, GF's strengths are evident in areas related to safety (comfort in reporting safety issues and perception that GF offers a safe environment) and engagement (intent to stay at GF for the next 12 months and sense of pride in working at GF), with ratings of over 80% in the most favorable categories. Overall, the vast majority of our employees recommend GF as an employer of choice (median 80%). The results highlight the good atmosphere and a positive thriving culture, advancing GF's efforts to cultivate a diverse, inclusive and engaging workplace.

	Favorable	Neutral	Unfavorable
Safety			
I am comfortable reporting a safety issue	84%	11%	5%
I work in a safe environment	81%	12%	7%
Engagement			
I intend to stay at GF for at least the next 12 months	83%	12%	5%
I am proud to work at GF	80%	16%	4%

Global employee engagement survey response rate
in %



Culture Week: Applying learnings in daily work

From 13–17 November 2023, GF celebrated Culture Week. During that week, more than 8'250 employees across 96 GF sites took part in a wide range of engaging and inspiring activities, highlighting the many ways employees are living the company's values and exploring what these mean in their day-to-day activities.

HR Summit/award winners

In 2023, GF hosted a Global HR Summit at Klostergut Paradies in Schaffhausen (Switzerland), GF's main meeting and training center. The summit covered a wide variety of important HR topics and featured a "Get Inspired" contest to boost employee engagement. The contest prompted divisional teams to share their best practice activities and innovative ideas for local employee engagement. Afterwards, the teams voted on the winner. GF Machining Solutions in Shanghai received an award for its food package during the COVID-19 lockdowns, and GF Machining Solutions Biel (Switzerland) and GF Piping Systems Shawnee, Oklahoma (US) secured the top spot for conducting and sharing a multitude of activities throughout the year, including employee appreciation lunches, Halloween parties and breakfast with the management. These engaging contests reinforced collaboration and team spirit, ultimately increasing GF's overall employer attractiveness.

70% of employees participated in a global survey, with median 80% recommending GF as an employer of choice.

Employee development and training

GF's commitment to employee development and training enhances its standing as an employer of choice and fosters an environment of growth and achievement. Its development initiatives include succession planning for key positions, mentoring talented employees and facilitating management training through the GF Academy. The company's cross-divisional Talent Management team prioritizes talent rotation between divisions, strengthening its commitment to the development of the entire organization.

Aligned with GF's values and principles, the annual MyPerformance-Development@GF is a standardized process for all employees that encompasses performance evaluations from the previous year and discussions on personal development, mobility and subsequent actions in the future. The process ensures there is regular feedback and clarity from the line manager in terms of performance and enables the employee to steer their own development within the company.

MyNextBigStep@GF is a tailored, company-wide process for employees who are ready for new challenges and responsibilities. It is designed to further develop GF's future leaders and experts, and empowers ambitious individuals by supporting personal growth and unleashing their potential. Employees can choose to initiate the process once a year during their MyPerformanceDevelopment@GF review.

GF Academy

Employees need the best tools to do their best work. The GF Academy offers a wide variety of management training courses for employees across its global operations. The topics covered include corporate management, financial management, people management, women in leadership, professional leadership, industrial business and project leadership. The GF Academy provides two learning options:

1. Face-to-face training and blended learning programs. In 2023, 355 employees participated in 19 GF Academy courses around the world.
2. An online learning management system (MyLearning). To date, GF has offered more than 20'000 online courses related to different business skills to more than 8'000 users.

Talent Campus

GF Talent Campus is an exclusive program to provide targeted and individual support to validated MyNextBigStep@GF candidates in their personal and professional development. The program builds on GF leadership behaviors, which in turn are based on the company's three values related to Caring, Learning and Performance. Through the GF Talent Campus, participants lay the foundation for their individual personal and professional growth at GF. The 1.5-day program includes various exercises and tasks, which the participants work on individually or in teams. Afterwards, they receive specific feedback on their strengths and development areas, based on targeted observations. With the support of observers, they then create an individual Leadership Development Plan.

Employee training[1]

Course or platform	Type of trainings	Number of participants
Culture	23	3'026
Leadership	35	3'542
Technical training	210	5'620

1 In the reporting year, there was a shift in GF's employee training disclosure approach compared to previous reports. GF now categorizes trainings-into three segments: Culture, Leadership, and Technical training. 7 Habits is classified under Culture, 4DX Training and GF Academy courses are categorized under Leadership.

93% of full-time employees participated in the MyPerformance-Development@GF program in 2023.

Apprenticeship program

GF is committed to boosting apprenticeship programs worldwide. It has been training apprentices in technical and commercial professions for over 100 years, nurturing the development of trade skills in young people, responding to the needs of local communities and building its pipeline of young talent. In 2023, approximately 330 apprentices across its Austria, Germany, Switzerland and US sites took part in the apprenticeship program. This valuable experience provided them with an opportunity for professional development and on-the-job training.

GF has been training apprentices in technical and commercial professions for over 100 years.

GF aspires to take its successful approach to apprenticeships beyond its roots in the DACH region and extend it to other international locations within GF. The 2030 Strategy for the GF Apprenticeship Program will encompass three key objectives:

1. Drive sustainable growth through targeted employer branding and new apprenticeship programs.
2. Increase retention through workforce planning and career guidance.
3. Develop education with required future qualifications and tools in mind.

The company's ambitious targets include increasing the number of apprentices in its primary businesses by one-third and maintaining the 98% successful completion rate for apprenticeships. In addition, GF aspires to offer two-thirds of apprenticeship graduates a permanent employment contract.

Employee representation

GF respects its employees' right to join employee representation bodies. Many agreements exist in various locations and entities around the world, including Austria, China, France, Germany, Japan, Sweden, Switzerland and Taiwan. In countries where the law grants employees the right of codetermination, this right is protected and valued. In 2023, 62% of the company's employees were represented by a collective bargaining agreement.

In 2023, the global employee fluctuation rate was 13% (compared with 14% in 2022).

Sports apprenticeship

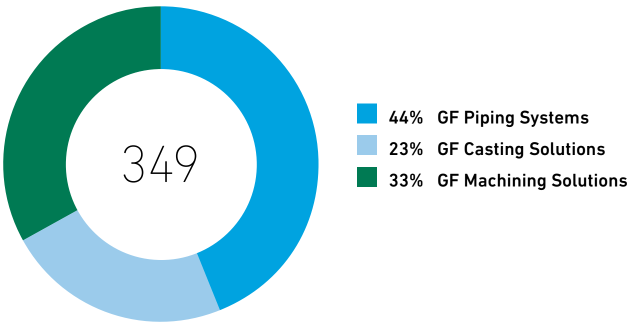
GF Machining Solutions in Biel offers a special apprenticeship program for young, highly committed athletes. Working closely with schools, the Swiss Olympic Association and local authorities, it creates custom four-year apprenticeships with an 80% workload, enabling athletes to balance their training, school and work commitments. Through close communication with athletes, coaches and parents, GF provides a supportive environment focused on developing the athletes' prospects beyond sports.

"At GF, I value having a sports psychologist, flexibility, a good cafeteria, great colleagues and a positive training atmosphere."

Pascal Sommer, Ice Hockey U20 Elit – Biel/Bienne Spirit

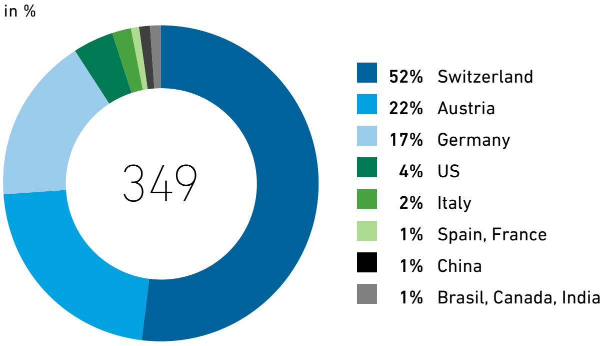
Number of apprentices

in %



Number of apprentices per country

in %



Highlights

GF Piping Systems

Mystery Coffee, an online global networking opportunity sponsored by GF Piping Systems, randomly pairs staff in different roles and global sites to learn from each other by meeting online to connect. First launched in 2022, the initiative further expanded in 2023, with meetings increasing from four to six times a year. This simple program has cultivated a strong and growing community of over 700 participants, improving cross-departmental and cross-country relations, while also building new friendships around the globe.

GF Casting Solutions

In 2023, GF Casting Solutions revived the former tradition of the divisional soccer tournament, with an increased focus on diversity, team spirit and collaboration. The tournament featured eight mixed teams from GF Casting Solutions' global sites. At the end of the tournament, the GF Casting Solutions Fair Play Award was introduced to recognize exceptional sportsmanship. In addition to the soccer matches, the tournament also provided an opportunity for cross-location exchanges between colleagues and an introduction to new technology within the division. A plant tour at the Novazzano site (Switzerland) was also included and a closing ceremony was held to celebrate diversity.

GF Machining Solutions

GF Machining Solutions introduced a success reward system across all its locations. This initiative enables employees to nominate each other or another team for exemplary achievements or contributions in their jobs, or for inspiring and supporting the performance and achievement of others. The system enables the division to recognize the actions of outstanding employees or teams that embrace GF values and help GF Machining Solutions achieve its goals. Once every quarter, local nomination committees designate a winner and celebrate them at an award ceremony.

Friendly Work Space

In 2023, Health Promotion Switzerland recognized GF's commitment to safe and healthy workplaces and awarded it the Friendly Work Space quality label for its Swiss locations in Schaffhausen, Seewis, Sissach and Subingen. The label recognizes our performance in the following core areas:

- Health and well-being measures
- Initial and continuing education
- Health-related infrastructure and offerings
- Positive ergonomic working conditions
- Absence management
- Compatibility of work and private life
- Prevention measures and contact points

Best Places to Work: Georg Fischer LLC in Irvine, CA (US)

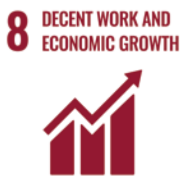
Georg Fischer LLC in Irvine, CA (USA) was recognized as one of the Best Places to Work in 2023 by the prestigious Orange County Business Journal after a comprehensive evaluation process to determine the winners of this esteemed award. The evaluation looked at various aspects of the organization, including employee satisfaction, workplace culture, benefits and opportunities for growth. This recognition is a testament to the efforts GF has made to nurture an inclusive, supportive and engaging work environment.

GF has adopted the following international conventions and standards:

- United Nations Guiding Principles on Business and Human Rights (UNGPs)
- OECD Guidelines for Multinational Enterprises
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

Human rights

GF is committed to upholding human rights across its operations. In 2023, it launched a new GF Human Rights Due Diligence (HRDD) process based on international conventions and standards to ensure that its actions are in line with new and emerging regulations and transparency requirements. GF's HRDD process serves as the company's roadmap, consisting of six core elements that enable it to proactively identify and address both potential and existing human rights issues within its sphere of influence across its value chain.

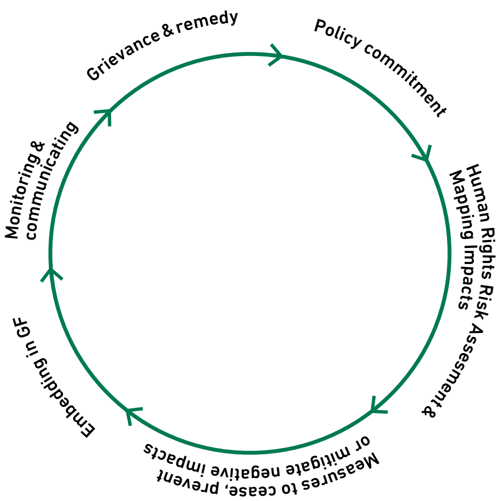


Policy commitments

GF has established a standalone corporate policy on human rights, which serves as a guiding framework for decision-making within its divisions, emphasizing the priority of respect for human rights within GF's operations and its supply chain. In addition, GF has incorporated human rights commitments into nine of its policies and procedures.

Additionally, with the revision of its Code for Business Partners in June 2023, GF strengthened its commitment to upholding human rights across the value chain. The Code includes explicit prohibitions regarding forced and child labor, discrimination and disciplinary penalties, and reaffirms the company's commitment to occupational health and safety, living wages and reasonable working hours. Furthermore, new provisions were introduced to address the

GF Human Rights Due Diligence (HRDD) process



rights of minorities and Indigenous Peoples, and the use of private or public security forces:

- **Rights of minorities and Indigenous Peoples:** GF's business partners are required to respect the rights of local communities, minorities and Indigenous Peoples. Business partners refrain from any form of forced relocation in connection with their operations.
- **Use of private or public security forces:** GF's business partners are required to ensure that contracted private or public security forces work in accordance with basic human rights. If a business partner engages internal employees for security services, they must ensure those employees receive training on human rights in the context of their job description.

In 2024, GF will continue aligning its global policies and instructions to ensure it meets all new regulations and requirements.

Human rights risk assessment

Own operations

In 2023, GF conducted its first Human Rights Risk Assessment & Mapping Impacts by division and at the corporate level. It explored observations and recommendations made by the international human rights protection system and indexes for a human rights analysis, including identifying the potential country's risk level exposure. These assessments serve as an initial reference point. However, in 2024, GF will further define processes to accurately determine if GF operations are exposed to these risks, incorporating downstream and upstream risks into the overall human rights risk analysis, and will identify the GF salient human rights.

In 2023, GF conducted its first Human Rights Risk Assessment & Mapping Impacts by division and at the corporate level.

Upstream value chain

GF is committed to maintaining and continually improving its internal processes to avoid any potential human rights issues associated with its products or supply chain, its employees' right to freedom of association and the recognition of the right to collective bargaining, as well as issues pertaining to diversity and inclusion. For detailed information on the specific actions taken regarding human rights within GF's supply chain, please refer to Responsible supply chain in the Governance chapter of this report.

Downstream value chain

In 2024, GF will focus on aligning and integrating downstream risks into its overarching human rights risk analysis. Following the successful integration, the company will communicate the GF salient human rights.

Measures to cease, prevent or mitigate negative impacts

To emphasize the importance of supplier sustainability assessments, GF conducted various initiatives, including offering webinars and sharing training resources. As part of its roadmap, where possible, GF will develop action plans for each of its salient human rights issues, implementing a strategic approach to mitigate and prevent any negative impacts on human rights. For more detailed information on this topic, please refer to Responsible supply chain in the Governance chapter of this report.

Embedding respect for human rights across GF

GF firmly believes that respect for human rights must be ingrained in the company's culture. To achieve this, in 2023 it began to train the corporate and divisional sustainability teams on advocacy, an up-skilling process that will continue in the future.

Monitoring and communication

GF recognizes the importance of ongoing monitoring to assess the effectiveness of its human rights initiatives. Since 2015, GF's actions and decisions have been guided by the UN Global Compact Principles, which provide a comprehensive framework encompassing human rights, labor, environment and anti-corruption. The company shares its progress through its Communication on Progress (COP) statement.

Grievance and remedy

GF understands that creating avenues for individuals to voice their concerns and seek redress is vital. It has established the GF Transparency Line – Speak Up, We Care – an external whistleblowing system that enables stakeholders to report any violations or grievances related to human rights (e.g. discrimination, bullying, sexual assault or legal violations). The line is available 24 hours a day, seven days a week in nine languages (German, English, Chinese, French, Italian, Portuguese, Romanian, Spanish and Turkish). GF is committed to promptly addressing these issues and providing appropriate remedies. In the year under review, 53 notifications were reported, 33 reports were closed.

Engaging with stakeholders on human rights issues

GF engages with external stakeholders to enhance its understanding of human rights issues. As part of this effort, the company is an active member of the Human Rights Due Diligence Peer Learning & Networking Group, a collaborative platform that promotes regular exchanges between businesses and human rights professionals in Switzerland and Liechtenstein. This initiative is organized in partnership with the UN Global Compact, the Federal Department of Foreign Affairs (FDFA) and the State Secretariat for Economic Affairs (SECO).

GF took part in the Swiss Forum on Business and Human Rights 2023, which was organized by the FDFA and SECO as part of the National Action Plan on Business and Human Rights 2020–2023. Its involvement in this forum not only provided GF with valuable insights into legal requirements and the Federal Council's expectations, but also facilitated the exchange of best practices between companies.

The company also participated in the 8th UN Global Compact European Peer Learning Meeting on Business & Human Rights at UN City in Copenhagen (Denmark). The two-day event gave the attendees from GF an opportunity to engage with high-level human rights practitioners. They exchanged valuable insights and methodologies to track and report on progress in ensuring a living wage, a powerful step towards addressing social inequality and supporting multiple SDGs.

GF prohibits the employment of anyone under the age of 15 in any position, and young workers under the age of 18 are not allowed to perform hazardous work or do night shifts or overtime.

Child labor

GF categorically prohibits child labor, and its Code for Business Partners requires business partners to also adhere to this. GF ensures it complies with the most recognized international standards such as the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the standards relating to children's rights, such as ILO Convention No. 138, the Minimum Age Convention, and ILO Convention No. 182, the Worst Forms of Child Labour Convention. GF prohibits the employment of anyone under the age of 15 in any position, and young workers under the age of 18 are not allowed to perform hazardous work or do night shifts or overtime. GF's business partners are expected to adhere to these international standards to ensure the protection and well-being of young workers.

In addition, GF monitors the UNICEF Index of Children's Rights in the Workplace and the analysis concluded that at the operational level, GF does not source from countries with strong exposure to child labor risks and that its focus on countries considered at "enhanced" risk (medium risk) of child labor is in line with the ILO-IOE Child Labour Guidance Tool for Business. GF strictly follows the Ten Principles of the UN Global Compact and does not support child labor (Global Compact Principle 5, "Business should uphold the effective abolition of child labor").

To proactively identify and assess potential human rights impacts and risks, the company has developed the GF Human Rights Due Diligence process. This process adheres to international standards and ensures transparency and consideration of sustainability aspects in its supply chain management.

Conflict minerals

GF is committed to responsible and ethical sourcing practices across its operations. The GF Conflict Mineral Due Diligence Process, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, is a key component of the company's sustainability efforts, aimed at verifying that GF products do not contain conflict minerals and other materials that may be associated with human rights abuses and/or environmental harm.

Part of this obligation is to recognize the risks of significant adverse impacts that may be associated with the extraction, trading, handling and exporting of minerals from conflict-affected and high-risk areas. To respect human rights and avoid contributing to conflict, GF has adopted a Corporate Policy on Conflict Minerals, which addresses responsible, conflict-sensitive sourcing from conflict-affected and high-risk areas.

GF conflict minerals due diligence process

By continually communicating with its suppliers and carefully reviewing their submissions, GF works hard to ensure that its products meet the highest standards of ethical sourcing. For more information on conflict minerals (Dodd-Frank Act), substances of high concern (REACH) and CE/RoHS labels in GF's supply chain, please refer to Business ethics and compliance in the Governance chapter of this report, and to the Corporate Policy: Conflict Minerals.

To respect human rights and avoid contributing to conflict, GF has adopted a Corporate Policy on Conflict Minerals, which addresses responsible, conflict-sensitive sourcing from conflict-affected and high-risk areas.

GF Conflict Minerals Due Diligence process

Material assessment	Sustainability/Procurement reviews the list and identifies relevant suppliers	Supplier outreach	Review	Feedback loop with suppliers
GF makes every effort to ensure that its products only contain minerals (tin, tantalum, tungsten and Gold (3TG), cobalt and mica) sourced from mines that have passed a detailed due diligence process (eg Responsible Minerals Initiative (RMI)), have proven good business practices and do not support the ongoing financing of armed groups In GF's due diligence process, all product bills of materials (BOMs) are checked for materials that can potentially contain 3TG, cobalt and/or mica Suppliers providing these materials to GF are subject to additional due diligence	In coordination with the divisions, they examine internal data or global data repositories, including: ▪ Procurement product information ▪ The RMI Active and Conformant Facilities list ▪ The London Bullion Market Association (LBMA) Good Delivery List (incl. in RMI list) ▪ BOMs for intricate products like electronics, machinery and automotive ▪ The automotive industry's International Material Data System (IMDS)	Reach out to suppliers who fall within the scope of the due diligence process, and request they provide us with a smelter overview based on the RMI: ▪ Conflict Minerals Reporting Template (CMRT, for 3TG) ▪ Extended Minerals Reporting Template (EMRT, for cobalt and mica) Sustainability/Procurement serves as the primary point of contact for suppliers, facilitating the process and providing support and training to suppliers as needed	Review the submissions from suppliers and prepare feedback to ensure data accuracy and compliance	GF has a continuous feedback loop with suppliers to ensure transparency and compliance Sustainability/Procurement sends improvement requirement letters to suppliers if necessary Complete CMRT/EMRT based on the information received and assessed throughout the process Summarized information to generate a GF CMRT/EMRT per division, which is subsequently shared with customers if required, enabling them to ensure compliance with relevant laws and regulations

Corporate citizenship

GF has always been deeply committed to supporting vulnerable people and communities around the world in areas with water stress or scarcity. As an extension of this commitment, the newly renamed GF Water Foundation works to protect and ensure access to clean water for the long-term health and prosperity of people and the planet. Its mission is to better the lives of vulnerable peoples around the world by leveraging our abilities in sustainability and innovation to build human and community resilience.

Our approach

Our commitment

Water holds the key to a sustainable future. It creates and sustains the ecosystems on which all life depends. That is why the GF Water Foundation works to protect and ensure access to clean water for the long-term health and prosperity of people and our planet.

GF is a leader in those technologies, systems and processes that deliver sustainable water solutions. We have also always committed to use our expertise, resources and long-term strategic partnerships to support vulnerable people and communities around the world. This continues today.

Our approach

The GF Water Foundation takes a balanced and realistic approach to humanitarian and developmental aid in alignment with our values and expertise as an industrial company and our enhanced interest in water resource management and ecosystems protection.

- **Humanitarian aid** – We provide life-saving support and relief to people and communities in urgent need or destitute situations.
- **Preserving water ecosystems** – We support conservation efforts that aim to improve human livelihood while preserving and restoring the fragile balance of our water ecosystems.
- **People and community development** – We help people and communities build skills to reduce their vulnerability and better adapt to an increasingly challenging and water-stressed world.

Our means

More than two centuries of innovation and industrial expertise, together with our world-class and highly engaged team, support our mission and provide us with the means to achieve our goals. These include:

- **Grants and sponsorships** – We deploy financial resources strategically to drive change.
- **Advocacy and events** – We increase public awareness and mobilize new funding sources in support of our mission.
- **Open collaborations** – We connect our private and civil society partners to bring complementary expertise and insights together to generate innovative solutions.
- **Entrepreneurial support** – We provide the funding, coaching and mentoring needed to foster entrepreneurial development in communities we aid.
- **Workforce training** – We apply our know-how together with targeted financial support to provide valuable career and technical training.
- **Employee volunteering** – Our employees are the source of our most creative ideas and provide critical support for our mission.

2023 GF Water Foundation: Projects supported

Benefiting communities and wildlife conservation in Kenya: The Subuiga Reservoir project

In July 2023, construction of the long-awaited Subuiga Reservoir project in Buuri, Meru County (Kenya), was completed. For this project, GF partnered with Zurich Zoo, which raises funds for major conservation projects worldwide. Through the Zoo, GF made a pledge of USD 100'000 to help the Lewa Wildlife Conservancy and its collaborators, the Kenya Ministry of Water, Sanitation and Irrigation, the Water Resources Authority, the County Government of Meru, the Water Resources Users Association (WRUA) and Kisima Farm, bring this project to fruition. The reservoir now directly supports the livelihoods of over 20'000 Mutunda, Subuiga and Ntumburi community members by providing water for irrigation and livestock. It is also a major step toward overcoming water scarcity in the area during dry seasons, protecting against flooding during rainy seasons, mitigating human-wildlife conflict due to water competition and building the communities' climate resilience.

Training water professionals for Zambia

In 2023, GF employees Manuel Schwarz and Yannic Ohms volunteered to participate in a pilot project in Zambia funded by the Foundation to understand how the company's technologies and expertise in water treatment and transportation could make an important contribution in a developing region and play a key role in shaping local water competence. Due to a lack of proper facilities, equipment, experienced trainers and updated curricula, vocational training in water-related professions in Zambia has traditionally struggled. During their trip, Manuel and Yannic participated in inaugurating the refurbished Mansa Trades Training Institute, which was supported with funding from GF, and providing expert knowledge to support the development of a new water-related vocational training curriculum.

Walk for Water

The GF Walk for Water is an employee-initiated event symbolizing the efforts of millions of women and children around the globe who must walk long distances every day to access clean water. Participants raise funds and walk two kilometers carrying a bucket of water. After a long pause due to the COVID-19 pandemic, the event was relaunched in 2023 with an almost 50% increase in the number of employees participating and over 40% more company partners joining the effort. Over 500 volunteers from all GF divisions and corporate walked at the Schaffhausen event, one of several locations where the walk was held. The total amount raised was USD 525'000 (5% more than in 2019), with funding going primarily to GF's long-term partner Water Mission.

GF Piping Systems held its first-ever Walk for Water in China in November 2023. Together with Mother's Water Cellar, the eight-city event raised over USD 30'000 to strengthen the sustainable use of water resources and help realize four drinking water projects, which would improve the water supply for more than 5'000 people in Gansu Province. Launched in 2000, the Mother's Water Cellar projects are organized by the China Women's Development Foundation to help families access safe drinking water and to promote water ecology, green agriculture and national strategies to serve rural women, children and families.

At the Walk for Water, GF sites worldwide demonstrate their clear commitment to clean drinking water.

> **"Helping build a better tomorrow gave me a lot of satisfaction, which is making me more motivated in my day-to-day job, too."**
>
> **Training water professionals for Zambia: Manuel Schwarz, Development Engineer R&D Automation**

Turkey earthquake relief

In February 2023, a massive earthquake hit Turkey and Syria in the early morning hours. Thousands of lives and homes were lost, and the infrastructure of villages and towns was swept away in just a few moments. In response, GF quickly mobilized financial and material aid for survivors in collaboration with its long-standing partner Water Mission, which has over 20 years of experience in disaster relief. Through the systems and materials that GF Hakan Plastik (Turkey) helped import and source locally, Water Mission quickly installed water treatment and distribution systems for temporary clinics, kitchens and housing camps – all of which require a reliable supply of safe water.

Living Lakes Biodiversity and Climate Project in India

This project, based in the Deepor Beel lake region of India, combines integrated eco-tourism practices with bioremediation techniques to foster sustainable development in rural areas of west India. It aims to provide alternative means of livelihood by developing sustainable eco-tourism infrastructure while concurrently offering capacity-building programs to ensure biodiversity-friendly agriculture and sustainable water use. Additionally, a bioremediation model will be implemented in a section of the Pamohi River to address pollution issues and safeguard the Deepor Beel wetland ecosystem. The impacts of this project include: improving the income for families that offer homestays to tourists; employing 150 underprivileged women; improving the resilience of 220 farmers and fishers through trainings on sustainable agriculture; and improving WASH (water, hygiene, and sanitation) for 100 people. It is the Foundation's first partnership with the Global Nature Fund to explore and learn how best to use GF's expertise to help preserve water ecosystems. In addition, the head of corporate citizenship at GF India will assist in monitoring the learning and progress over the next three years.

Governance

Centering business activities and culture on sustainability requires GF to take a diligent and transparent approach to its governance. Through its Board of Directors and executive and divisional leadership team, GF's governance structure tracks progress on environmental and social goals, measuring them against targets and ensuring alignment with relevant global standards, laws, and regulations. It ensures productive and consistent engagement across its wide range of stakeholders, keeping them informed and aligned on the company's strategy and performance, and continually evaluates its operations to improve oversight and ensure alignment with ethical and compliant business practices. Its governance also oversees the company's supply chain operations to be certain that suppliers uphold the same values and principles, including adherence to internationally recognized human rights. Perhaps most critically, GF's governance ensures that the company remains focused on the material topics most crucial to its success.

Respectful and responsible governance – in both the physical and digital spheres – underpin GF's sustainable operations and future growth.

Sustainability governance

GF's well-defined sustainability governance structure enables the company to continually enhance sustainability across its product portfolio. Its governance oversees progress on goals to decrease greenhouse gas emissions (GHG), preserve natural resources and reduce waste, while also nurturing a diverse, inclusive and committed workforce. These goals are tracked via key performance indicators (KPIs) and reported across all levels of the company in compliance with relevant standards and policies. GF's strong sustainability governance has been instrumental in the strong rankings received from leading rating agencies.

Board level

The Nomination and Sustainability Committee of the GF Board of Directors is responsible for the company's overall sustainability performance. GF measures its overall progress toward sustainability goals against a timeline specified in the GF Strategy 2025. The Nomination and Sustainability Committee also ensures that 10% of the executive short-term incentives plan (STIs) are aligned with GF's sustainability goals, such as the company-wide GHG emission target, the zero accidents campaign, circular economy benchmarks and the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

For detailed information on the sustainability objectives related to the Executive Committee's short-term incentive (STI) compensation, please consult the Compensation Report.

The Executive Committee oversees GF's progress in reaching its strategic goals and targets. It conducts performance reviews two to four times per year and as part of each division's management meetings, which enables the Committee to take strategic and operational action as needed to ensure the company is on track to meet its sustainability goals.

To assist the Executive Committee in implementing the Sustainability Framework 2025, GF established the Corporate Sustainability Council (CSC). Headed by the CSC Chairperson, the council also meets twice a year and oversees and coordinates all sustainability-related activities. Members include the CEO, CFO, divisional presidents, corporate and divisional sustainability teams and high-level members of management. The CSC's key responsibilities include:

- tracking and reporting GF's progress on its Sustainability Framework 2025;
- supporting the Executive Committee in making decisions on cross-divisional sustainability projects and initiatives;
- coordinating and supervising these projects and initiatives; and
- reporting their progress to the Executive Committee.

Corporate level

The Corporate Sustainability team coordinates sustainability activities within GF and with its external stakeholders to raise organizational awareness about sustainability, human rights and climate-related risks. Its core duties include implementing the Sustainability Framework 2025 and collaborating with the divisions to support their sustainability activities. Corporate Sustainability is also responsible for the transparent annual disclosure of the company's sustainability performance in this annual Sustainability Report and via other channels. This includes ongoing cooperation with external ESG rating agencies – an important task that is closely linked to the work of the Investor Relations team. It also works closely with each division's sustainability teams to track the progress of individual sites, business units and divisions against their targets.

Reporting to the CFO, the Head of Corporate Sustainability leads the Corporate Sustainability team on key strategic, cross-functional sustainability-related projects and initiatives, and participates in Nomination and Sustainability Committee meetings.

Divisional level

To meet the goals of the Sustainability Framework 2025, all GF divisions and departments must continuously integrate sustainability into their activities, products and solutions. To evaluate their progress, the divisional sustainability units review their sustainability performance quarterly and present the results to their management teams. These reviews evaluate:

- the achievement of sustainability targets and the implementation status of agreed-upon actions;
- the monitoring of the sustainability performance of GF's business partners; and
- the development and marketing of products and solutions that provide customers with sustainability benefits.

Annually, the divisions also establish a list of actions needed to achieve the company's sustainability targets. The responsibilities of the divisional sustainability managers include:

- ensuring their locations define and submit initiatives to meet defined goals;
- aggregating overviews for their division to track progress; and
- coordinating with Corporate Sustainability on status, cross-divisional information sharing and dispute escalation, where needed.

GF provides incentives to support the achievement of its corporate targets at various levels within the company by establishing goals for individuals as well as teams.

Board of Directors
Nomination and Sustainability Committee

Corporate
Sustainability Council

Executive Committee

Coporate and divisional Sustainability teams

The Board of Directors is represented by the Nomination and Sustainability Committee (NSC).

The NSC strategically consults and oversees the GF sustainability program. In addition it aligns in close collaboration with the Executive Committee the compensation targets and releases the annual sustainability report.

The Corporate Sustainability Council (CSC) assists the Executive Committee in strategic cross-divisional decisions and steers the rollout of Sustainability Framework 2025. It monitors and reports on progress made against GF's targets.

The Executive Committee drives the implementation and update of the Sustainability program, prepared in consultation with the Board of Directors.

The Corporate and divisional Sustainability teams manages and coordinates the operative sustainability measures following GF's material topics. They connect local actions with strategic goals to ensure alignment across the company and external stakeholder requests.

Stakeholder engagement

GF strives to create collaborative, strategic and mutually beneficial relationships with all stakeholders and understands the essential role they play in the company's success.

17 PARTNERSHIPS FOR THE GOALS

Customer satisfaction measurement

GF Piping Systems conducts a quarterly MSQI (Market Support Quality Improvement) survey of sales companies to determine its sales companies' satisfaction with its global departments. The division has shifted its approach from non-specific, biannual surveys to frequent and event-related interaction with customers, significantly strengthening team and customer proximity. Additionally, it offers a global customer complaints process and reporting, which also serves to identify and eliminate root causes, preventing future customer claims.

GF Casting Solutions maintains a global key account management organization to ensure close and structured feedback loops with its customers. This is achieved through customized events such as customer days at GF Casting Solutions' headquarters and individual evaluations, which are conducted periodically to ensure customer satisfaction.

GF Machining Solutions customer satisfaction has been measured at the business unit level since 2016 and at the divisional level since 2018. A Net Promoter Score target has been set and cascaded down to the local level to measure service level satisfaction, and machine reliability and performance.

- **Employees:** The diversity, creativity and dedication of GF's workforce drive its innovation and progress. In return, GF offers a culture of inclusivity and support where employees can learn, evolve, and develop lifelong careers.
- **Customers:** By sharing their needs and turning to GF for solutions, customers have been the inspiration for the company's products and innovations since its founding. With a dedicated commitment to customer centricity, GF embarks on a journey of collaborative solution building from the very beginning. By actively engaging and partnering with its customers, GF ensures that their needs not only inspire but directly shape the evolution of its solutions.
- **Suppliers:** GF's business success depends on the sourcing and logistics partners that reliably supply the materials it needs. In return, GF works closely with suppliers to help them identify and reduce their negative impact, fostering a sustainability-oriented supplier ecosystem.
- **Investors:** Investors provide the financial basis for GF's innovations, empowering the company to explore and develop new solutions while GF, in return, creates long-term value for investors.
- **Universities and research institutes:** GF's academic partnerships create opportunities for early-career professionals, while also bringing essential new skills and perspectives to the company's workforce.
- **Regulators and industry associations:** Operating in 30 countries, GF relies on communication and collaboration with its regulatory and industry partners to ensure its compliance with all applicable laws and regulations.
- **Communities and NGOs:** Local organizations in the cities and towns where GF operates offer the company opportunities to put its people and products to work for good causes, improving access to drinking water and education while also enabling the company to advance its sustainability goals.
- **Media:** GF relies on its media relations to inform about the development of new markets, product innovations as well as acquisitions and divestments, while continuously keeping them up-to-date on new technologies and manufacturing methods – enabling both to bring information and solutions to the global community together.

In November 2023, GF hosted its first Flow Solutions Day for investors, analysts and media in Schaffhausen (Switzerland).

Global Sustainability Conference

GF held its first-ever Global Sustainability Conference at the Google Campus in Zurich in 2023. The conference was attended by the Executive Committee and 160 participants from every division who play a key role in advancing GF's sustainability program. The areas covered at the two-day conference included decarbonization and circular economy, as well as social sustainability topics such as diversity and inclusion, and health and safety.
It also featured external speakers from companies who are sustainability pioneers in their industry, and the announcement of the employee-driven Sustainability Fund projects selected for 2023.
On the first day of the conference, all the divisions came together for presentations and discussions, while on the second day, each division worked independently to explore topics and initiatives specific to their work.

"The conference was attended by the Executive Committee and 160 participants from every division who play a key role in advancing GF's sustainability."

CEO Andreas Müller opens the first global GF Sustainability Conference for employees held in Zurich.

Lindsay Zingg, Head Corporate Sustainability, presents GF's sustainability focus topics to 160 colleagues at the conference.

"These two days were filled with engaging workshops and sessions that helped us further sharpen our sustainability focus and learn from experts in the field. With these great teams, we continue to deliver on our strategic sustainability targets, setting the standard for how to pursue growth while reducing the impact on natural resources."

Lindsay Zingg,
Head Corporate Sustainability

GF Sustainability Fund

Although GF properly manages its GHG emissions through its validated science-based targets, employees have inquired over the years about how the company manages emissions from their business travel.

Although these emissions only constitute 1% of its total footprint, GF recognized that this topic was very important to employees. To address their concerns, the company launched the Sustainability Fund in late 2022 to give them an opportunity to pursue sustainability projects that hold personal significance. Rather than paying an outside organization to address such concerns, such as by offsetting travel emissions, GF can now use these funds to support internal sustainability initiatives. Sustainability Fund projects provide an opportunity for employees to work together to have a positive sustainability impact by providing funding for projects that fall into one of the following categories:

- Biodiversity measures for a site or its surroundings
- Sustainability awareness and training
- Sustainability capital expenditures (CapEx)
- Support for start-ups or science projects linked to environmental benefits
- Community projects with clear social or environmental benefits

The Corporate Sustainability Council (CSC), which consists of the Executive Committee, the Corporate and Divisional Sustainability teams, and the Corporate Communications team, selects the winning applicants. In its inaugural year, this corporate initiative generated many submissions, with 51 from Europe, 22 from Asia and 11 from the Americas. The 17 winning proposals were announced by GF's Executive Management team during the Sustainability Conference and received total funding of CHF 200'000. The winning projects range from investment projects, training solutions, sustainability research and green building, to planting saplings at GF sites and local debris clean-ups. The CSC will meet again in early 2024 to review submissions and select the next round of Sustainability Fund recipients.

GF launched the "Susty Fund" to give employees an opportunity to pursue sustainability projects.

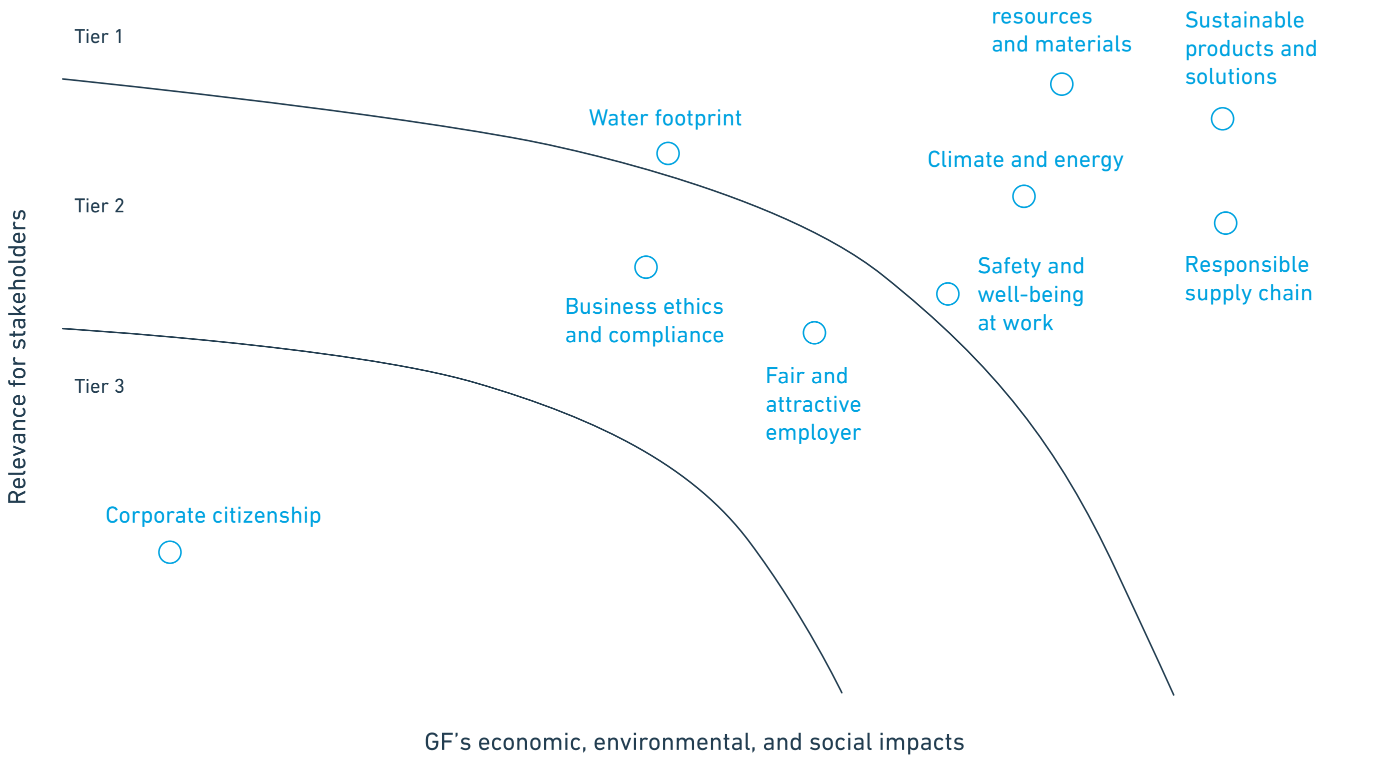
Material topics

GF last evaluated its material topics at the end of the 2016–2020 strategic cycle to prepare for the development of its Sustainability Framework 2025. The resulting materiality matrix and the reasons for the material topics' positions on the graph are described below. In line with the requirements of the Global Reporting Initiative (GRI), GF has reported on all material topics identified by its stakeholders in this Sustainability Report, describing their impacts on the environment, people, economies, and human rights.

GF has made no changes to its material topics for this reporting cycle. The company is planning to embark on a double materiality assessment in 2024 to re-evaluate and further improve its efforts to promote sustainable development.

For detailed information on the Swiss Code of Obligations (CO) – the Obligationenrecht in German – which serves as the legal foundation for business operations and corporate governance in Switzerland, please consult the Non-financial Reporting Requirements Content Index – Swiss Code of Obligations (CO) section of this report. It covers references to ESG Matters, Due Diligence processes (Human Rights, Child Labour, Conflict Minerals and Supply Chains), measures, risk reporting and climate-related risks and opportunities.

Materiality chart



Areas of high materiality

Topic	Related aspects	Explanation for high materiality
Sustainable products and solutions	Sustainable products Circular economy in product R&D Innovation Customer relationship management Product and customer safety	GF's product portfolio is its main direct impact on sustainable development. The design phase determines a product's environmental or social impacts during its life cycle. GF therefore considers it crucial to ensure that the entire life cycle is taken into account during this phase. The notion of a circular economy is integrated into product development at a very early stage. Different materials and components are analyzed to decide whether they are reusable or recyclable. It is essential for GF to have a precise understanding of customers' needs and to provide them with the right solution. GF's three divisions can only have a positive impact on sustainability by working closely with their customers. Product and consumer safety is integral to product development; it is essential for preventing individuals from being harmed by hazardous substances or materials, particularly in the disassembly phase. It is vital for GF to comply with applicable laws (such as REACH and RoHS) and ensure that all necessary declarations are in place, visible, and understandable for its customers.
Natural resources and materials	Reuse of materials at GF's operations Waste reduction Biodiversity and land use Pollution prevention	Valuable natural resources and other inputs are essential for the manufacture of GF's products. Manufacture results in products and also waste. As part of GF's commitment to being a responsible industrial company, it is therefore important for GF to continuously work to ensure that this waste is minimized and that circular approaches are implemented by each division wherever feasible. This applies to GF's use of resources and materials at its operations, its treatment of waste, its efforts to reuse or recycle itself or to work with outside partners to find possible reuse and recycling options. Biodiversity provides the existential basis for human beings to live on this planet. GF's facilities are sited in industrial zones that have the infrastructure needed by its operations. Their impact on biodiversity and land use is relatively small. GF adopts the precautionary principle. It therefore places a high priority on environmental management and ensures its compliance with all applicable laws and regulations. In addition, the majority of GF's sites are ISO 14001 certified. As such, these sites are responsible for locally identifying, managing and monitoring environmental risks, including accidental pollution.
Climate and energy	GHG emissions along the value chain Energy use in GF's operations Non-GHG emissions (such as SOx, NOx, PM, and VOCs) in GF's operations	Energy consumption is a major source of GHG emissions, and the majority of GF's total GHG footprint results from emissions generated across the value chain (Scope 3). Increasing concentrations of greenhouse gases in the atmosphere directly contribute to global warming. Climate change is the biggest energy-related concern of many external stakeholders and regulators; and the international community is broadly committed to tackling the challenges it presents. Being a global industrial company makes it essential for GF to understand, manage and reduce the GHG emissions attributable to its operations, supply chain and customers' use of its products. Non-GHG emissions from GF's production processes are important for nearby communities and the environment. However, GF facilities do not release significant quantities. Consequently, GF's impact on non-GHG emissions is small.
Responsible supply chain	Supply chain management (social and environmental impacts) Integration of social and environmental topics into procurement processes Human rights	GF's supply chain could potentially be a source of adverse social and environmental impacts. GF therefore has a responsibility to systematically manage its suppliers in order to minimize these risks. Respect for human rights and the prevention of human rights violations are integral to responsible supply chain management. As a basis for long-term partnerships with its suppliers, GF expects them to do their part to ensure the protection of human rights.
Safety and well-being at work	Occupational health and safety Ergonomic work environments Mental health and well-being	Occupational safety is of paramount importance to GF and many of its stakeholders. Caring about the people who work for GF (or on its premises) is integral to GF's corporate culture. GF is therefore committed to fostering a robust safety culture and, more broadly, to providing a work environment that promotes its employees' overall well-being.
GF water footprint	Water consumption Wastewater Reducing water pollution	Although GF's operations are not water-intensive, water is used along its entire value chain. Water use is particularly high in some of the upstream processes. Sustainable water management (access to clean water and leak-free water transport) are urgent societal issues that GF takes very seriously. GF's operations mainly use water in closed-loop cooling cycles. Quality is always controlled before water is returned to source.
Fair and attractive employer	Diversity, equal opportunity, and inclusion Learning and development Talent retention, attraction, and engagement Employee work-life balance, flexible work arrangements Working time and wages Freedom of association	A fair and attractive employer treats all employees equally, motivates them, enables them to achieve a healthy work-life balance, supports freedom of association, and provides training and development opportunities. A respectful and diverse work environment in which all employees feel included and affirmed regardless of their gender, nationality, ethnic origin, age, identity, sexual orientation or identity is essential: retaining diverse and skilled talent supports future business growth. Demographic change, digitalization and automation require GF and its employees to acquire new skills. It is therefore a priority for GF to offer employees a wide range of training and development opportunities. As a matter of course, GF ensures that its employees worldwide enjoy internationally recognized human rights.
Business ethics and compliance	Corporate governance Business ethics and compliance Risk and opportunity management Business continuity Data privacy and safety Cybersecurity	Good corporate governance enables GF to address the interests of all internal and external stakeholders. It ensures objective decision-making, clear checks and balances, and legal and regulatory compliance. Risk and opportunity management is crucial for GF and its outside stakeholders to maintain business continuity in a rapidly changing environment and to systematically identify and manage emerging and potentially disruptive developments. Although GF does not collect sensitive customer data, it does store its employees' personal data. GF handles all such data in full compliance with the GDPR and other applicable data protection laws in the jurisdictions in which it operates. Amid ongoing digitalization, data availability, integrity, and security are crucial for GF's IT infrastructure and business systems.

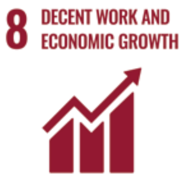
Topic	Related aspects	Explanation for high materiality
Corporate citizenship	Community engagement	GF is committed to having a positive impact on the communities where it operates. GF is at once a global and a local citizen: maintaining good relations with its neighbors and partnering with them to achieve common goals are of great importance to the Corporation. In general, GF's production sites pose no material risks for, or have adverse effects on, nearby communities. Their direct impact is therefore minimal.
	Local community impact	

Sustainability ratings

Rating agency	Performance	Performance
	2023	2022
CDP (A is the highest score.)	**A** on climate	A– on climate
	A– on water	A– on water
S&P Global CSA	**56/100**	63/100
MSCI (AAA is the highest score.)	**AA**	AA
Sustainalytics	ESG Risk Rating: 23.3 (Medium Risk) (last update February 2024) **Ranking 121 out of 588** (update February 2024)	ESG Risk Rating: 25.2 (Medium Risk) (last update March 2022) **Ranking 59 out of 413** (update November 2022)
ISS ESG	**B– prime status**	C+ prime status
ISS quality scores (1 is the highest score. Scores updated throughout the year, scores in table reflect December update of the respective year)	**1 – Environment** **1 – Social** **2 – Governance**	**1 – Environment** **1 – Social** **2 – Governance**
EcoVadis	GFPS – **Gold Medal** GFCS – **Gold Medal** GFMS – **Silver Medal**	GFPS – **Silver Medal** GFCS – **Silver Medal** GFMS – **Bronze Medal**

Business ethics and compliance

GF is deeply committed to ethical business practices, striving to not only operate as a good corporate citizen but also to uphold stringent compliance standards in all its activities. This focus bridges multiple aspects of its internal operations, from expectations regarding employee behavior, to how the company manages its digital footprint and product information. Internal Audit and the Chief Compliance Officer (CCO) randomly monitoring compliance with applicable laws and guidelines as well as business ethics standards worldwide. The CCO reports to the General Counsel or, when necessary, directly to the CEO.



As a member of the Corporate Risk Council, the CCO's task is to investigate any deficits identified, suggest improvements to the process, involve Internal Audit if necessary and inform management to the extent required. Management may then commission the CCO with a compliance audit in individual cases. However, the duty to give the appropriate weight to risk management within the organization is the (original) task of management.

GF is also a signatory to and active participant in the UN Global Compact (UNGC), underscoring its commitment to responsible business conduct. GF issues an annual Communication on Progress update to the UNGC. For more detailed information on this topic, please refer to "Monitoring and communication" in the Social chapter of this report.

Code of Conduct

The GF Code of Conduct is a comprehensive statement of the company's mission, values and ethical principles. It defines how GF can maintain the highest level of professional behaviors by describing the standards of conduct expected by customers, employees, shareholders and other stakeholders. As the company's global workforce encompasses a diverse range of nationalities, languages and cultures, the Code of Conduct aligns GF's divisions and employees with its high ethical and behavioral standards and clarifies its requirements and expectations. An updated Code of Conduct was released in 2023 in 18 languages. The new Code of Conduct is a cornerstone in all employment contracts and staff onboarding programs, and every employee must confirm receipt of a print or digital copy.

Compliance training

Compliance training is provided both in person by the CCO (primarily to members of senior management) and via e-learning courses conducted and evaluated by the GF Learning Management System (LMS) team, which took over this responsibility from Corporate Compliance in early 2023. In 2023, roughly 3'800 compliance training sessions took place on antitrust/competition law, export controls/sanctions and data privacy, including the General Data Protection Regulation (GDPR). The company also held on-site training sessions for employees with compliance responsibilities at its locations in the EU, the US and China.

Although Operations is responsible for combating bribery and corruption, the CCO plays a limited role in defining standards of conduct, investigating and recommending measures in known cases of misconduct, and, if necessary, tightening existing processes or proposing new processes to management. Not all cases of possible violations are necessarily reported to the CCO (such as improperly accepted or issued invitations).

To reinforce its commitment to compliance, the company has implemented the following measures:

- regular review of the implementation of the GF compliance agreement with intermediaries to ensure the compliance of business partners who act on behalf of or in the interests of GF and its companies; and
- the introduction of a web-based system that helps GF ensure it does not conduct business with any sanctioned organizations or individuals.

In 2023, GF conducted roughly 3'800 internal e-learnings on anticorruption, competition, and cartel law, export controls and trade restrictions as well as personal data protection.

Labelling and information

GF strives to comply with all relevant laws and regulations regarding product safety, labelling and information provided to its customers. These efforts include but are not limited to: enclosing the CE and RoHS labels, when relevant, and providing customers, where required or at their request, with information regarding conflict minerals (as defined by the Dodd-Frank Act) and the presence of substances of very high concern in products (as defined by REACH).

Reporting

Employees and business partners as well as any third parties are encouraged to report potential misconduct. A detailed framework is in place that outlines the procedure to report such violations and governs the conduct of persons receiving the report. Reports can be made to the supervisor, the next higher manager, in person or by calling, post, emailing or meeting the CCO, by submitting an e-mail to a compliance address, contacting the Legal department or the Head of Internal Audit in Schaffhausen (Switzerland), or sending a report via GF's ISO 27001-compliant whistleblower platform, the GF Transparency Line, which enables individuals to report and communicate on any issues or wrongdoing (e.g., discrimination, bullying, sexual assault or legal violations) securely and anonymously and completely outside of GF's infrastructure. The GF Transparency Line is available 24/7 in nine languages: English, German, Chinese, French, Italian, Portuguese, Romanian, Spanish and Turkish. Proven misconduct is subject to appropriate sanctions. In the year under review, until year's end, 53 notifications were reported, 33 reports were closed.

Number of breaches per category

Type of breaches	Notifications
Related to alleged fraud or theft	4
Related to alleged discrimination	13
Related to alleged unfair competition	1
Related to alleged conflict of interest	5
Related to alleged corruption	5
Related to alleged sexual harassment	2
Related to other kind of alleged misconduct or were just questions	23
Total	**53**

Materials compliance

Materials compliance is a standard business practice all companies must uphold and a key aspect of the company's future growth and commitment to sustainable business practices. The company's Product Stewardship Group consistently monitors the shifting regulatory environment to ensure its materials comply with applicable requirements and restrictions according to regulation directives or laws. It completes comprehensive documentation on each of its products, components and corresponding raw materials to avoid fines, legal action or any other limitations on business growth. Materials compliance covers all substances, mixtures and products manufactured, imported and sold by GF.

Export controls

Export control regulations and other trade restrictions limit the transfer of goods, technology, software, services, and funds to individuals, entities, or for specific purposes even if the business is purely domestic. The globally active company continuously gives top priority to ongoingly strengthening its since long existing proven export control organization and procedures.

Cybersecurity

Cyberattacks pose a growing threat to the financial and reputational well-being of a company. Inadequate IT security systems can therefore have significant consequences for GF and its partners. As a result, the company has worked to avoid data breaches by increasing security awareness and adding robust security controls. GF's centralized IT organization includes a specialized IT Security team managed by a Chief Security Officer (CSO), who reports to the Chief Information Officer (CIO).

GF is extending its ISO 27001–based information security management system (ISMS) across all its divisions. The ISMS enables the company to ensure confidentiality, integrity and availability, while permitting robust business continuity plans, including regular tests where appropriate. These security controls ensure that GF can meet the standards of its customers and suppliers.

The company also requires all employees to complete cybersecurity training on their MyLearning@GF account. The training covers topics including phishing prevention, cybercrime, data breaches and data losses. GF aims to keep all employees up to date with actual best practices and correct behavior concerning IT and information security.

According to Article 33 GDPR and other applicable data protection laws (CCPA/CPRA, PIPL), no data breaches occurred at GF in 2023.

Tax management

GF recognizes that the administration and payment of taxes are integral to the company's social responsibility. The company ensures responsible tax governance by:

- following all applicable laws and regulations relating to its tax activities;
- maintaining a transparent, honest and collaborative relationship with the tax authorities;
- applying diligence and care in undertaking all tax-related activities; and
- appropriately using legal incentives and reliefs to minimize the tax cost of conducting its business.

The GF Tax Policy, which came into force in 2019, is a Board directive that outlines the foundation on which GF bases its tax activities and includes information on the Corporation's tax governance structure and risk management process. GF's Executive Committee and Audit Committee discuss and assess the company's tax position and tax development at least once a year and present the results to the Board of Directors. This process ensures that all tax activities are planned and executed in line with the GF Tax Policy. GF's tax results and disclosures are part of the annual half-year and year-end results and are audited semi-annually by an external auditor.

The company also carries out annual tax surveys across all group companies to ensure compliance with the GF Tax Policy, detect adverse conduct and disclose any tax risks and uncertain tax positions. The results are assessed centrally and, if necessary, the company takes appropriate measures in accordance with the GF Tax Policy.

GF also engages with its stakeholders on tax-related issues by participating in organizations involved with tax policies and international tax developments, such as the SwissHoldings association. This activity promotes exchanges with other groups and tax authorities and ensures that GF is aware of relevant changes within the tax environment and implements them accordingly. By doing so, the Corporation maintains strict compliance with the GF Tax Policy, is transparent and open in its decisions, governance and tax planning, and follows all applicable laws and regulations.

Highlights

GF Piping Systems

GF Piping Systems is committed to ensuring continuous compliance with ongoing changes in environmental and international laws and regulations to minimize the health, safety, environmental and social impacts of its products and packaging throughout all life cycle stages. The global GF Piping Systems Product Stewardship (PSG) team drives the division's commitment to material compliance across the globe by supporting the internal stakeholders in establishing compliance strategies for the upstream and downstream sections of the supply chain, as well as secure material compliance during internal innovation and production processes.

To ensure adherence with continuously changing current and future regulations, the internal team of material experts examines whether new regulated substances could potentially be present in the raw materials used in the production of GF products. When needed, they communicate with the material suppliers asking for compliance information. On the procurement front, compliance is further fortified by the GF General Contract of Purchase and the Code for Business Partners. To guarantee compliance during the initial phases of product development, the stipulated compliance criteria are incorporated both within the Stage Checklist and the requirement catalogue.

To meet the highest customer specifications, GF assures compliance with current and upcoming business ethics-related legislation with associated certifications based on international standards.

In 2023, the division conducted an internal training program for R&D, product management, global sales support and salespeople. This material compliance training covered several important topics, including regulation types, conformity checks, a breakdown of the PSG, innovation process and conformity, and a run-through of the PSG intranet. Additionally, an e-learning program was made available for new employees.

GF Casting Solutions

GF Casting Solutions is a partner to a wide range of high-precision industries, such as automotive, aerospace and energy. To meet the highest customer specifications, GF Casting Solutions assures compliance with current and upcoming business ethics-related legislations with associated certifications based on international standards. All automotive-related plants hold an International Automotive Task Force (IATF) certificate and the aerospace plants are National Aerospace and Defense Contractors Accreditation Program (NADCAP) certified. This includes a NADCAP certification of the additive manufacturing plant in Stabio (Switzerland). All certifications are publicly accessible online at Certificates – GF Casting Solutions (gfcs.com).

To address the increasing relevance of data protection and cybersecurity, GF Casting Solutions is rolling out Trusted Information Security Assessment Exchange (TISAX) requirements at all of its high-pressure die-casting facilities in 2022. At the end of 2023, the two foundries in Austria and the tool manufacturer Meco Eckel in Germany were fully certified to TISAX standards. In early 2024, all three foundries in China will close their audit period while the Pitesti site will continue to hold its ISO 27001 certificate.

On the procurement front, compliance is further fortified by the GF General Contract of Purchase and the Code for Business Partners.

All automotive product declarations are maintained in the international IMDS platform to demonstrate compliance with global legislations and to facilitate communication about future changes in legislation. To ensure transparency along the value chain, GF Casting Solutions suppliers also provide the required information to be shared on IMDS. Aerospace customers receive their product declarations in customer-specific formats as part of the product specification.

GF Machining Solutions

GF Machining Solutions places great importance on ensuring that its products comply with the applicable laws and regulations and guarantee safety. Given the growing sensitivity around export control topics and recent geopolitical instability, GF Machining Solutions, which has an international footprint and production sites in various countries, has prioritized this matter. In 2023, the division nominated a new Export Control Officer to oversee all trade compliance-related matters and coordinate with the network of Export Control officers across the division. To further strengthen its Export Control organization and procedures, it has implemented rigorous screening for its business partners for restricted parties and embargo lists using Trade Compliance tools and software in the division's sales organizations and production sites.

Responsible supply chain

GF relies on a global network of supply chain partners to provide the materials it needs to create its essential and innovative products and solutions. To ensure that the raw materials it purchases have been ethically sourced in compliance with all applicable laws, regulations and standards, GF meticulously selects and onboards new suppliers, laying the foundation for transparent and trusted relationships. Through consistent reviews and assessments, GF also helps its suppliers on their sustainability journey, supporting them as they evaluate and address their own impacts. In doing so, GF furthers its mission to be a corporate sustainability leader, advancing innovation and progress across the industry.

Supply chain

Perform **sustainability assessments for 80%** of procurement spend.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Code for Business Partners

Ethical behavior is just as vital to GF's success as legal compliance. GF sets high standards of ethical business conduct for itself and expects the same from its business partners. The company-wide Code for Business Partners, which all suppliers accept during the tender process or as part of their general terms and conditions, outlines the expectation that partners will uphold the following principles and verify compliance in their own supply chains:

- adherence to ethical principles and business practices for labor, environment, health and safety, and management systems;
- integration, communication and application of these principles to improve performance over time; and
- operation in full compliance with all applicable laws, rules and regulations.

In June 2023, the GF Executive Committee approved the revised Code for Business Partners, which highlights GF's expectation that its business partners will commit to internationally recognized human rights and avoid any involvement in human rights violations. It also includes additional sections on climate action, pollution prevention, biodiversity, land usage and deforestation.

Supplier sustainability performance

Sustainability assessments are essential to the company's responsible sourcing activities. To monitor GF's progress toward a responsible supply chain and its mid-term goal of increased supplier transparency, the company has made these assessments a key target of its Sustainability Framework 2025. The ratings and associated guidance of the external rating agency EcoVadis are vital to achieving this goal and ensuring that contracted suppliers continually improve their sustainability performance.

EcoVadis customizes each evaluation based on the supplier's size, industry and country. GF also accepts the ratings of additional

agencies if their scope is comparable to EcoVadis, such as the self-assessment questionnaire (SAQ) of Drive Sustainability – an association of automotive companies working on a circular and sustainable automotive value chain. If smaller companies are unable to use a third-party assessment, GF offers its own SAQ that is based on EcoVadis assessments.

At the end of 2023, GF completed sustainability assessments for 73% of its relevant procurement spend[8]. The average score of GF suppliers achieved on EcoVadis was 58%, indicating that the evaluated GF suppliers already have effective sustainability measures in place in four assessment categories: environment, labor and human rights, ethics and sustainable procurement.

GF conducted several initiatives in 2023 to improve suppliers' sustainability performance and further the company's Scope 3 emissions from purchased materials reduction journey. These included:

- promoting global synergies and spend optimization via competitive tenders;
- enhancing category-specific expertise in plastics and components, including commodity price forecasting;
- collaborating with raw material suppliers on PCFs; and
- driving early supplier involvement and capturing innovations from business partners.

GF's next steps toward achieving its 2025 goals include:

- continuing to perform risk assessments in line with current due diligence requirements for all sourcing categories;
- engaging with suppliers to highlight relevant risk categories and support sustainability improvements; and
- continuing EcoVadis or similar assessments to ensure suppliers continuously improve their sustainability performance.

Human rights due diligence in supply chains

GF is committed to maintaining and improving its internal processes to avoid any potential human rights issues associated with its supply chain or products. Its core focus areas include forced labor, child labor, human trafficking, modern slavery, freedom of association, the recognition of the right to collective bargaining, as well as diversity and inclusion. Moreover, it has integrated human rights into its global policies, including the Corporate Policy: Human Rights, which emphasizes the critical importance of upholding and promoting human rights within the company and supply chain. In addition, its Code for Business Partners reinforces the company's commitment to respect human rights, including the prohibition of forced labor and child labor.

Broader evaluation of forced labor risks

In response to new legislation relating to sustainability due diligence, such as the German Supply Chain Act (LkSG), GF has assessed its exposure to human rights and environmental risks per country, and the environmental and social risk of each sourcing category using the Transparency International Corruption Perceptions Index. Based on the analysis, high-risk suppliers were identified and prioritized to gain transparency on their current ESG status. If required, supplier development measures were then undertaken, such as an on-site Environmental, Social, & Governance audits, conducted by a third-party auditor. GF has also published a Supply Chain Act (LkSG) Policy Statement to demonstrate its commitment to compliance.

8 The relevant procurement spend consists for all divisions of direct and for GF Piping Systems and GF Casting Solutions indirect spend categories and covers at least 80% of the total divisional procurement spend. For all divisions categories without procurement influence, such as insurance companies, banks, renting companies and tax spends are excluded and for GF Piping Systems, procurement spend from the joint venture Chinaust is excluded due to limited operational control.

GF recognizes the risks of significant adverse impacts on forced labor and other human rights abuses in high-risk areas, has adopted responsible sourcing policies to address these concerns (Corporate Policy: Conflict Minerals) and has put a supply chain investigation process in place.

GF's position on emerging human rights due diligence regulations

GF is committed to supporting new legislation that encourages companies to address their human rights impacts and enhance transparency, collaboration and fairness.

Topic	Topic
The Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz LkSG).	GF has demonstrated its compliance with the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) through a published statement and a 2023 gap assessment to improve its due diligence process. After delving deeper into the changes introduced by this law, GF further developed its high-level approach to incorporate the new requirements into its business operations. This includes sourcing and implementing software solutions that will support the implementation of the law and conducting a gap assessment at the corporate level to fine-tune existing processes in each division.
Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO)	GF leverages an exemption in the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour (DDTrO), Art. 9. It references international due diligence standards aligned with OECD/ILO Conventions regarding the minimum age for admission to employment or work and UN guidelines, eliminating the need to create a separate Swiss report. This approach aligns with Art. 9 Para. 2 and Annex 2 of the Ordinance. For detailed information on the Swiss Code of Obligations (CO) – the Obligationenrecht in German – which serves as the legal foundation for business operations and corporate governance in Switzerland, please consult the Non-financial Reporting Requirements Content Index – Swiss Code of Obligations (CO) section of this report.

Sustainable Supply Chain Management working group

GF has been an active participant in the Sustainable Supply Chain Management working group organized by the UN Global Compact Network Switzerland and Liechtenstein since 2019. This group enables companies to share knowledge and best practices on human rights due diligence, supply chain visibility and risk assessments, supplier engagement and other relevant topics.

Highlights

GF Piping Systems

In coordination with GF Corporate and the other divisions, GF Piping Systems pioneered and led a systematic approach to analyze its procurement spend and ensure compliance with current regulations. It also initiated high-level sustainability assessments of suppliers. As part of its business reviews, GF Piping Systems regularly engages in discussions with key suppliers to explore opportunities for more sustainable procurement, evaluate their sustainability performance and take corrective action for improvement. It also continues to engage with its main suppliers to identify solutions that enable the division to reduce the Scope 3 GHG emissions intensity. At the end of 2023, GF Piping Systems signed a contract with Prewave to implement a state-of-the-art application for supply chain due diligence, supported by predictive risk alerts based on artificial intelligence (AI). This will strengthen compliance with supply chain due diligence laws, improve monitoring of supplier sustainability risk and facilitate collaboration with suppliers to achieve sustainability targets.

GF Casting Solutions

GF Casting Solutions pursues a holistic approach to responsible supply chain management. Through regular dialogue between sales and procurement, customer-specific ESG requirements are embedded in the division's ESG supplier requirements. Additionally, to further reduce GHG emissions in the upstream supply chain, the division collaborates with relevant suppliers to provide and improve their carbon footprint. In 2023, the division conducted its first third-party ESG audit, covering five pillars: labor, health & safety, environment, business ethics and management systems. Internally, the division trained all procurement employees on the updated risk management process and responsible sourcing, which promotes ESG requirements as a standard in agreements, audits and supplier development. It also launched the division-wide Procurement Cockpit app, supporting category managers with transparent ESG performance indicators, including EcoVadis score, ESG risk status and GHG development in a 360° category overview.

GF Machining Solutions

The GF Machining Solutions procurement team employs a three-pronged approach to sourcing focused on category strategies, supplier relationship management and value management. This links the division's business needs with the supply market, ensures that all business needs are met while adhering to ethical and responsible practices, and streamlines its procurement processes to create further value for the company. In 2023, GF Machining Solutions further developed this sourcing approach with the introduction of a new training program to address the critical issues of child labor and conflict minerals.

GF Piping Systems signed a contract with Prewave to implement a state-of-the-art application for supply chain due diligence, supported by predictive risk alerts based on artificial intelligence (AI). This will strengthen compliance with supply chain due diligence laws, improve monitoring of supplier sustainability risk and facilitate collaboration with suppliers to achieve sustainability targets.

EU Taxonomy for sustainable activities

1. Relevance of the EU taxonomy at Georg Fischer

The European Commission has set ambitious climate targets for 2030. They are underpinned by an action plan, the European Green Deal, which aims to reduce the European Union's net greenhouse gas emissions to zero by 2050. A core element of the European Green Deal is the EU taxonomy (Regulation (EU) 2020/852), a classification system that defines economic activities that are environmentally sustainable and align with a net-zero trajectory. The EU taxonomy has six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

The EU taxonomy distinguishes between "taxonomy-eligible" and "taxonomy-aligned" activities. The EU Commission has identified economic activities that have the potential to make a substantial contribution to the six environmental goals, defined as taxonomy-eligible activities. An activity becomes taxonomy-aligned if it substantially contributes to at least one of the six environmental objectives based on the taxonomy's technical screening criteria. Additionally, it must cause no significant harm to any of the other objectives and comply with minimum social safeguards. Companies are required to disclose the proportions of turnover, capital expenditures (CapEx) and operating expenses (OpEx) for their taxonomy-eligible and taxonomy-aligned economic activities.

Even though GF does not yet fall under the EU taxonomy's scope, GF assessed its business activities against the developed EU taxonomy criteria and voluntarily disclosed information about its implementation of the EU taxonomy and taxonomy-eligible activities. In 2023, GF extended its taxonomy reporting to include taxonomy eligibility KPIs for turnover and CapEx.

2. Implementation of the EU taxonomy at Georg Fischer

To implement the EU taxonomy's requirements more effectively, GF created a project group led by the heads of Investor Relations and Sustainability. The team worked closely with the specialists for Sustainability and Controlling from the three divisions GF Piping Systems, GF Casting Solutions and GF Machining Solutions. For additional support, the functional departments were also involved in the process. GF Uponor was not included in the 2023 reporting but will be consolidated in the 2024 reporting year. GF Uponor is therefore not included in the total turnover and CapEx of the KPIs.

In the reporting year, GF's economic activities were examined according to the Annexes of the Commission Delegated Regulation to the EU taxonomy regulation regarding the Climate Delegated Act and the Environmental Delegated Act, regarding corresponding activities at GF.

3. Taxonomy-eligible economic activities

After a thorough examination of its revenue-relevant business, it was apparent that only a small proportion of GF's revenue-generating economic activities are directly covered by the EU taxonomy. In particular, the GF Machining Solutions division has only minimal taxonomy exposure. Its business activities primarily contribute to the environmental objectives Climate Change Mitigation, Water and Marine Resources, and Circular Economy.

For 2023, GF identified the following economic activities as taxonomy-eligible:

Environmental objective	Activity	Business activity as GF	Division
Climate Change Mitigation	3.4 Manufacture of batteries	Manufacture of batteries and accumulators	GFCS
	3.6 Manufacture of other low carbon technologies for transport	Floor heating, COOL-Fit, measurement and control portfolio	GFPS
	3.9 Manufacture of iron and steel	On-site iron melting using iron scrap and pig iron	GFCS/GFPS
	3.18 Manufacture of automotive and mobility components	Manufacture of mobility components for zero-emission personal mobility devices and automotive and mobility systems	GFCS
Water and Marine Resources	1.1 Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WAGA Couplers, Multi clamp, UNI coupling Neo Flow, and double containment leakage sensors	GFPS
	4.1 Provision of IT/OT data-driven solutions for leakage reduction	NDT and Connect Conrivo	GFPS
Circular Economy	1.2 Manufacture of electrical and electronic equipment	Manufacture of electric actuators, measurement and control portfolio, and welding machines	GFPS

In addition, GF evaluated activities outside its core business that have the potential to substantially contribute to one of the six environmental objectives. For 2023, it identified the following economic activities as taxonomy-eligible:

Environmental objective	Activity	Business activity as GF	Division
Climate Change Mitigation	5.1 Construction, extension and operation of water collection, treatment and supply systems	Infrastructure equipment to reduce water consumption	GFCS
	5.3 Construction, extension and operation of waste water collection and treatment	Construction, extension and operation of waste water collection and treatment	GFPS
	6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Investments in the corporate vehicle fleet	GFPS
	6.15 Infrastructure enabling low-carbon road transport and public transport	Construction of charging stations for e-mobility	GFCS
	7.1 Construction of new buildings	Investments in building extensions and storage areas; construction of new production and office buildings	GFCS/GFPS
	7.2 Renovation of existing buildings	Renovation and relocation of foundry, production and office buildings	GFCS/GFMS/GFPS
	7.3 Installation, maintenance and repair of energy efficiency equipment	Various installations of energy efficiency equipment (LED lights, roofing systems, heating and cooling systems and air conditioners)	GFCS/GFPS
	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Investments in charging stations for e-vehicles	GFMS/GFPS
	7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Investments in energy management, building control system, flow meters, smart thermostat systems and sensing equipment	GFCS/GFPS
	7.6 Installation, maintenance and repair of renewable energy technologies	Installation of solar panels on corporate buildings	GFCS/GFPS
Pollution Prevention and Control	2.2 Treatment of hazardous waste	Investments in the reduction of waste production through refurbishment of core sand generation; renewal of filter dust loading and evaporators	GFCS

The divisions are abbreviated as follows::

GFPS: GF Piping Systems

GFCS: GF Casting Solutions

GFMS: GF Machining Solutions

4. Disclosure of the financial KPIs

Taxonomy key performance indicators	Taxonomy-eligible	Taxonomy non-eligible
Turnover	35%	65%
Capital Expenditures	28%	72%
Operating Expenses	–	–

Turnover

The share of GF's taxonomy-eligible turnover is 35%, whereas the taxonomy-eligible turnover is considered in relation to GF's total turnover (excluding Uponor) and falls primarily within the manufacturing sector.

The denominator considers the total turnover generated by GF, which can be found in the consolidated income statement under 1.1 and corresponds to the consolidated net sales in accordance with Swiss GAAP FER. The turnover reported in the consolidated income statement in the reporting year totaled CHF 3'861 million (excluding GF Uponor).

CapEx

The share of GF's taxonomy-eligible CapEx is 28%. This figure includes investments associated with the manufacturing business as well as those in construction, real estate, and transport.

To calculate the KPI, GF considered the taxonomy-eligible capital expenditures in relation to its total capital expenditures, excluding Uponor. The amounts used to calculate the share are based on the capital expenditures reported in the consolidated financial statements corresponding to the following Swiss GAAP FER standards: FER 18 "Tangible Fixed Assets", FER 10 "Intangible Assets", and FER 13 "Leases." The relevant asset additions totaled CHF 179 million (excluding GF Uponor and corporate management companies) in the 2023 reporting year.

OpEx

GF did not report an OpEx KPI in the 2023 reporting year, as under the EU taxonomy's current definition it is not possible to extract and consolidate OpEx data across the three business divisions. To avoid making an incorrect or distorted submission, GF decided to omit this KPI for the time being. However, it is working to update GF's systems to extract and report a consolidated KPI in future reporting years.

Disclosure information: Reporting approach

This report covers the reporting period from 1 January to 31 December 2023, the same reporting period as the Corporate Reports 2023. Sustainability reports from previous periods are available online on the GF website and in the Corporate Archives starting in 1997, which marks the first year of environmental reporting.

This report was prepared in reference to the GRI Standards, IFRS climate disclosures, SASB, the Swiss Code of Obligations (OR 964), the GHG Protocol and the EU Taxonomy. The references to the disclosure standards are available in the GRI/IFRS climate disclosures/ SASB/OR 964 content indexes at the end of this report. Emissions are reported in Scope 1, 2 and 3, in accordance with the Greenhouse Gas Protocol (GHG Protocol). Information on energy consumption, GHG emissions and GF's management of water is also provided annually to Carbon Disclosure Project (CDP).

Uponor joined GF in November 2023, becoming a new fourth division. (See this overview of press releases: Releases | Uponor and the Management Review). As the acquisition took place late in the year, this Sustainability Report 2023 and the TCFD report include only GF core reporting (encompassing GF Piping Systems, GF Casting Solutions and GF Machining Solutions) and do not include GF Uponor and GF Corys Piping Systems data for 2023. The consolidation of GF Uponor and GF Corys Piping Systems into the sustainability disclosure will begin in 2024 and the 2024 Sustainability Report and TCFD Report will include both acquisitions.

The list of entities included in this Sustainability Report follows the list of GF core-affiliated companies disclosed in the Financial Report. This excludes GF Uponor and companies that joined GF during the reporting period, and companies that have been associated with GF for less than one year. Companies with fewer than 10 employees only report data on the number of work-related accidents.

Scope of data collection and reporting

In the year under review, GF had 151 (excluding Uponor) affiliated companies. About 72% of them report their social and environmental indicators, which covers 81% of the total workforce and 87% of production facilities[9].

In 2023, and in line with the organizational adjustments made at GF, the scope of reporting was adjusted as follows and the following companies were included in the reporting starting from January 2023:

- GF Piping Systems' production site in Taiwan and a GF Piping Systems sales company in Israel;
- GF Casting Solutions' office in Germany;
- GF Machining Solutions machine tool service company considered production site in Italy; and
- GF Piping Systems production site in the US, which moved to a different location and shifted its production focus from extrusion processes to machinery.

9 A production facility manufactures GF's products and solutions, while a sales company sells these to the market.

As in previous reporting periods, the information presented in this Sustainability Report accounts for the equity stake that GF holds in the individual companies under its control. The criteria for the inclusion of companies in this report is in line with the approach used in financial reporting and is as follows:

- The scope of consolidation includes GF and all GF Corporate Companies, which GF controls directly or indirectly during the entire year by either holding more than 50% of the voting rights or by otherwise having the power to control their operating and financial policies (GF and these GF Corporate Companies are also collectively referred to as the GF Corporation). These GF Corporate Companies are fully consolidated.
- For companies where GF has a joint venture participation of 50% or less, environmental and health and safety, workforce and financial data are weighted accordingly.

The social performance indicators presented in this report are based on the data collected from all sales and production companies worldwide with more than 10 employees (109 legal entities in total). They report this information to the sustainability teams at the divisional and corporate levels on a monthly, quarterly, bi-annual, or annual basis using the Sustainability Information System (SIS). Environmental performance indicators are reported by the production companies according to the same reporting cycles (59 production legal entities in total). Depending on the company's contribution to the consolidated result and the figure, the reporting cycle differs. Fuel consumption of company cars is part of the social data reporting and is therefore also reported by sales companies. Sales companies report only social data, as the impact of their environmental data is negligible.

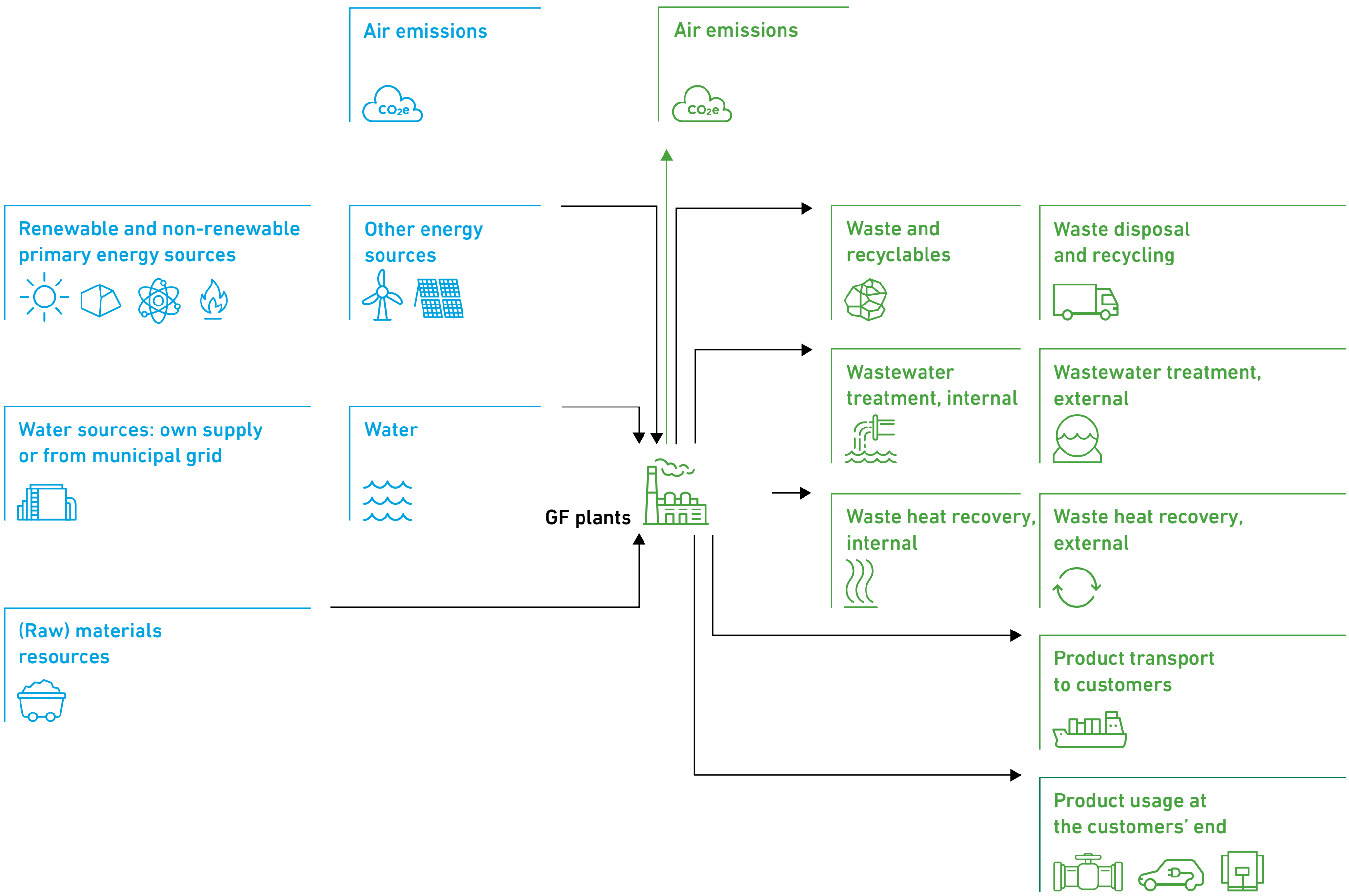
In addition, all GF entities, regardless of their headcount, report information about work-related incidents as they occur.

GF's environmental indicators are energy and water consumption (on the input side), and air and GHG emissions, waste, and wastewater (on the output side). In addition, GF has been calculating its Scope 3 GHG emissions in accordance with the Greenhouse Gas Protocol Corporate Standard since 2019. These emissions are the result of activities that GF does not directly control, but that it indirectly impacts through its value chain.

Target scope and calculations for the Sustainability Framework 2025

The Sustainability Framework 2025 was introduced in 2021 and is an integral part of the Strategy 2025. The majority of its targets must be achieved within five years, so by year-end 2025. The validated GHG emissions targets must be achieved by 2026 for Scopes 1 and 2, and by 2030 for Scope 3. Those targets follow the guidelines of the requirements of the SBTi and their defined target years. To provide companies with a realistic timeframe for reaching the targets, only those that have contributed to GF's sustainability reporting for the entire year until the end of 2022 are included in the calculation of the progress made against the Sustainability Targets 2025. Companies that join sustainability reporting later have individual targets. Business acquisitions, divestments and closures can also affect the results. Organizational adjustments that took place in 2023 are explained in the section "Scope of data collection and reporting." For changes prior to this, please refer to the specific sustainability report for that year. After an acquisition or divestment, the Corporate Sustainability team follows the recalculation guidelines and carefully assesses the impact of the business decision on

Reporting limitations as of 31 December 2023



the company's targets and potential restatements. Applying this logic leads to the following results:

- GF Piping Systems sites in Brazil that joined the reporting in 2022 are included in the Sustainability Targets 2025. The GHG emissions targets follow the SBTi approach, and therefore all companies are included in the target scope. Those sites fell below the significance threshold; hence, no restatement of existing target baselines is necessary.
- The sites of GF Piping Systems in Taiwan, Israel, GF Casting Solutions in Germany, and GF Machining Solutions in Italy that joined the reporting in 2023 are excluded from the corporate targets 2025; instead, they follow their individual targets.

The shift in the production process of the GF Piping System site in the US reduced the site's environmental footprint. Following GF's recalculation guideline, the site's impact on the targets at the corporate level is below 5% and therefore no restatement of baseline data is necessary. Except for the water intensity target, which is no longer applicable as the site's annual water consumption is below 10'000 m^3. Therefore, the previous year data changed slightly. Progress against the Sustainability Framework 2025 targets for water and waste is calculated relative to production volume. The production volume is defined based on the activities of the individual divisions. For GF Piping systems, the production volume is defined as "produced tonnes"; for GF Casting Solutions, it is defined as "gross value added" (which includes all operating income minus the costs of materials and products, changes in inventory, and operating expenses); and for GF Machining Solutions, it is "hours worked."

The Sustainability Framework GHG emissions targets are calculated using adjusted 2019 GHG emissions as a baseline reference. The GHG emissions targets were approved by the Science Based Targets initiative (SBTi) in October 2022.

For the target regarding supplier sustainability assessments, GF Piping Systems used the 2022 purchase volume. The division has a conservative supplier base, and those suppliers do not, therefore, change often. For GF Casting Solutions and GF Machining Solutions, the purchase volume was updated in 2023, as the supplier base has changed compared to 2020. Both divisions will update the purchase volume data on an annual basis.

Environmental performance indicators

In 2023, published environmental data are actual consumption data and cover the full year 2023, except if the service provider does not supply the consumption data before the reporting deadline, in which case the consumption of the last quarter is extrapolated.

In 2022, the majority of environmental data were forecasted for the publication of the Sustainability Report 2022. Some months after the publication, the actual consumption data was available and published in a technical paper on the GF website: Environmental performance indicators (georgfischer.com).

Following the described methodology in the Sustainability Report 2022, all indicators exceeding the 5% tolerance threshold level have been restated and the reason for the restatement is described in the technical paper footnotes accordingly.

Energy

Data are sourced from on-site meters, utility bills or environmental management systems. Energy consumption is disclosed as gross and net energy consumption; the latter excludes energy sold. Energy sold includes only waste heat/steam sold and electricity. Renewable energy contains mainly purchased electricity and <0.1% biogas as disclosed in the Sustainability Report 2023.

GHG emissions

The company follows the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard).

Scope 1 and 2 emissions

Scope 1 and 2 calculations are based on site-specific data for fuel consumed and utilities purchased. These calculations apply published emissions factors and global warming potentials (GWPs) in accordance with the GHG Protocol Corporate Standard. Biogenic CO_2 emissions and process emissions are not material (<0.05% of total Scope 1 emissions) and therefore part of the total Scope 1 emissions. Scope 1 emissions are reported as total, because the majority thereof stems from CO_2, and the remaining five GHGs make only a minor contribution (<1%). GHG emissions from processes are also reported annually as Scope 1 emissions. Those emissions are either measured or calculated and a GaBi (a life cycle assessment modeling software) emission factor (v15.0 (02/2023)) is applied.

The company calculates Scope 2 GHG emissions using the location and market-based methods and includes the impact of renewable energy certificates (RECs) in accordance with the GHG Protocol. Market-based Scope 2 emissions are used in GF's science-based targets and calculated in accordance with GHG protocol prioritization using emission factors derived from energy attribute certificates, from contractual instruments with energy suppliers or residual mix factors from GaBi (v15.0 (02/2023)). In the absence of contractual agreements or residual mix factors, GF uses location-based emission factors.

Scope 3 emissions

GF calculated its Scope 3 emissions in all 11 categories in accordance with the GHG Protocol and the Science Based Targets initiative criteria v4.2. category 1 (Purchased goods and services) and category 11 (Use of sold products) were identified as material in the 2019 emission inventory, as they contribute to 90% of GF's Scope 3 emissions.

Four categories – specifically, 8 (Upstream leased assets), 13 (Downstream leased assets), 14 (Franchises) and 15 (Investments) – were excluded due to their irrelevance to GF's business model.

In addition, two categories – category 2 (Capital goods) and category 5 (Waste generated in operations) – were calculated and deemed irrelevant due to their very low contribution. Purchased services and traded gas meters were excluded from the inventory. In total, the exclusions amount to 5% of total Scope 3 emissions in 2019. (The exclusions consist of: excluded services: 3%; excluded traded meters: 2%; category 5 (Waste generated in operations) and category 2 (Capital goods): <1%.)

In general, Scope 3 emissions data were calculated using a combination of methods for each category, as prescribed by the GHG Protocol.

Category 1: Purchased goods and services

For GF Piping Systems, the amounts of purchased raw material, pipes, glue, copper wires and other raw metals for fittings are included in the calculation. For GF Casting Solutions, the amounts of purchased aluminum (primary, secondary), magnesium (alloy, pure), iron (scrap, pig), steel, alloys, inoculants and other consumables are included in the calculation.

Both divisions review their calculation annually and include annual updates.

For GF Machining Solutions two emission sources are included: first, emissions from purchased goods and services and second, emissions were derived from eight representative machines based on the share of sales per machine type. As GF Machining Solutions contributed 2% to the total amount of category 1 emissions in 2019, the emissions from this category are calculated based on the share of sales per machine type; the representative machine types remain unchanged for the Strategy 2025 period. Due to the minor contribution of GF Machining Solutions to this category, the emissions were calculated in 2019 and are estimated annually based on sales increase/decrease.

For all three divisions, a combination of ecoinvent, supplier declarations and third-party research was used as the source for emission factors.

In 2023, the accredited lifecycle database used for emission factors at GF adapted its methodology and included further emission sources. This led to a significant, increase in Scope 3.1 emissions; thus, it was decided to adapt historic emissions data accordingly and for this reason total GHG emissions have changed slightly in the 2023 report compared with previous publications.

Services were excluded from the purchased goods and services category due to the low emission intensity compared to the raw materials purchased for all three divisions.

Category 11: Use of sold products

GF Machining Solutions' electrical discharge machining (EDM), milling and laser machines consume energy and are therefore the only source of GHG emissions in this category. The figure for electricity consumption was calculated based on the electricity consumption of a selection of representative machines using the ISO 14955 standards and on the depreciation tables taken from the German Federal Ministry of Finance, while emission factors for electricity, including CH_4 and $N2_0$, were taken from the International Energy Agency. In addition, for GF Machining Solutions, emissions were derived from thirteen representative machines based on the share of sales per machine type. GF Machining Solutions improved the granularity of the data and therefore included five new machine types in 2023. It is foreseen that further machine types will be added in the future.

Neither GF Piping Systems' nor GF Casting Solutions' products consume energy in the use phase. For GF Piping Systems, "the process automation portfolio," comprising all products with energy consumption, was excluded, as this was estimated to consume <0.1% of electricity during the use phase over a ten-year period.

Remaining Scope 3 categories

Emissions from business travel (category 6) are calculated annually based on travel data from GF's travel management system. All remaining Scope 3 categories were calculated or estimated for 2019 and are multiplied by sales increase/decrease on an annual basis.

Air emissions

GF monitors halogenated and non-halogenated volatile organic compounds (VOCs), sulfur oxide (SOx), nitrogen oxide (NOx) and particulate matter (PM 10 and PM 2.5), heavy metals and persistent organic pollutants (POPs) that occur during manufacturing or due to infrastructure.

VOCs mainly originate from the use of halogenated and non-halogenated solvents, cleaning agents, diluents, propellants and paints in production processes. These emissions are not considered material and have therefore not been included in GF's environmental targets.

Water and wastewater

GF classifies water withdrawn by source (public water supply, ground and rainwater), and wastewater by channel (sewage systems, unpolluted to nature). The water directly abstracted from the environment is used mainly for cooling purposes in closed-loop cooling cycles. Cooling with water enables the company to reduce its energy consumption because it does not require mechanical chillers. Data for water withdrawals are sourced from meters on-site, utility bills or environment management systems.

The water intensity target is binding for 13 sites that are located in water-stressed areas and have a significant annual water consumption of at least 10'000 m^3. In 2023, one GF Piping Systems site in the US was excluded from the water intensity target, as described in the section "scope of data collection and reporting." Water-scarce and water-stressed areas are defined using two different scenarios from the Aqueduct Water Risk Atlas developed by the World Resources Institute. Average consumption from 2018–2020 serves as a baseline to reflect a more realistic consumption trajectory. Progress made against the Sustainability Framework 2025 water target is calculated relative to production volume.

Waste and recycling

GF classifies waste by type (normal waste, hazardous waste) and according to the disposal routes: recycling, landfill or incineration, storage, or incineration. Included are all waste/recycling materials from production as well as any other waste from maintenance, offices, canteens, warehouses, etc.

Energy utilization of waste is not counted as recycling. Ultimately, GF aims to reduce the amount of waste sent to landfill and disposal, and to increase the recycling rates.

The waste target is binding for all production companies. Average consumption from 2018–2020 serves as a baseline to reflect a more realistic consumption trajectory. The progress made against the Sustainability Framework 2025 waste target is calculated relative to production volume.

Recycled input material

Data on recycled input material is collected from GF Piping Systems' and GF Casting Solutions' production companies. GF Casting Solutions' recycling quote can differ per alloy and plant, however, the data from GF Casting Solutions is not disclosed.

For GF Machining Solutions, this indicator is not relevant due to the different nature of its business.

Bio-based materials

The bio-based materials GF Piping Systems uses are derived from renewable feedstocks and partly substitute conventional feedstock for plastics derived from fossil sources. The materials are derived from waste streams and do not compete with food production. Currently, GF Piping Systems uses bio-based materials in production sites in the EMEA region, in other regions the material is either not available or procuring it is economically not viable.

As evidence for procuring bio-based materials, GF Piping Systems accepts ISCC PLUS[10], versions 3.3 and more recent updates.

Bio-based materials are so far only relevant to GF Piping Systems. The other two divisions mainly use metallic raw materials not applicable for bio-based variants.

Supplier sustainability assessment

Data on supplier sustainability assessments is reported by each divisional procurement department based on an agreed process and consolidated by Corporate Sustainability. In the first year, the relevant procurement spends included suppliers that provided mainly direct materials to GF and was gradually expanded to include suppliers that provide indirect materials and services to GF, such as energy providers, transportation, machinery and equipment suppliers, traders, etc.

10 ISCC PLUS refers to the International Sustainability & Carbon Certification, a multi-stakeholder initiative that supports sustainable and traceable supply chains. ISCC PLUS uses the mass balance approach, visit the website for further details: ISCC System – Solutions for sustainable and deforestation-free supply chains (iscc-system.org).

Environmental performance indicators

Environmental performance indicators[1]	Unit	2023	2022[2]	2021	2020	2019
Energy						
Gross energy consumption	1'000 GJ	3'394	3'390	3'632	3'032	3'565
Electricity	1'000 GJ	2'159	2'169	2'342	2'087	2'427
Natural gas, biogas, fuel oil[3]	1'000 GJ	987	965	1'066	765	949
Coke	1'000 GJ	100	116	98	93	101
Fuel use (for internal transportation)	1'000 GJ	119	113	104	53	65
Other energy sources	1'000 GJ	29	27	22	34	22
Energy sold	1'000 GJ	–6	–7	–8	–8	–1
Net energy consumption	1'000 GJ	3'388	3'384	3'624	3'024	3'564
Renewable energy (incl. green electricity)	%	33	29	24	17	15
Energy intensity (net energy consumption per sales)	1'000 GJ / CHF million	0.88	0.85	0.97	0.71	0.96
GHG emissions (in CO_2e)						
Total CO_2e emissions ("market based" approach)	1'000 tonnes CO_2e	1'596	1'836[4]	2'013[4]	1'617[4]	1'903[4]
Scope 1 (Direct emissions: fuel-related energy consumption)[3]	1'000 tonnes CO_2e	80[5]	81	84	68	77
Scope 2 market-based (Indirect emissions: electricity and district heating)[6]	1'000 tonnes CO_2e	134[5]	155	189	216	263
Scope 2 location-based (Indirect emissions: electricity and district heating)[7]	1'000 tonnes CO_2e	266[5]	269	293	297	333
Scope 3 absolute (Indirect emissions)[8]	1'000 tonnes CO_2e	1'382	1'600[4]	1'740[4]	1'333[4]	1'563[4]
Category 1: Purchased goods and services	1'000 tonnes CO_2e	918[5]	1'034[4]	1'214[4]	884[4]	1'033[4]
Category 3: Fuel and energy-related services	1'000 tonnes CO_2e	58	59	55	47	55
Category 4: Upstream transportation and distribution	1'000 tonnes CO_2e	40	46	43	36	43
Category 5: Waste generated in operations	1'000 tonnes CO_2e	0	0	0	0	0
Category 6: Business travel	1'000 tonnes CO_2e	6	4	2	2	7
Category 7: Employee commuting	1'000 tonnes CO_2e	18	19	17	15	17
Category 9: Downstream transportation and distribution	1'000 tonnes CO_2e	33	35	32	28	32
Category 10: Processing of sold products	1'000 tonnes CO_2e	16	17	16	13	16
Category 11: Use of sold products	1'000 tonnes CO_2e	281[5]	373	349	298	348
Category 12: End of life treatment of sold products	1'000 tonnes CO_2e	12	13	12	10	12
SBT 2026: Scope 1 + 2 emission reduction (status at year-end)	1'000 tonnes CO_2e	214	236	273	284	330
SBT 2030: Scope 3 emission intensity index (t CO_2e emissions per t of processed material) (status at year-end)[9]		3.3	4.0[4]			
Air emissions						
Nitrogen oxides (NO_X)	1'000 tonnes	0.03	0.02	0.02	0.01	0.01
Sulfur oxides (SO_X)	1'000 tonnes	0.01	0.01	0.01	0.00	0.01
Volatile organic compounds (VOCs)	1'000 tonnes	0.04	0.05	0.05	0.05	0.05
Particulate matter	1'000 tonnes	0.002	0.002	0.004	0.002	0.001
Water and wastewater						
Total water consumption	1'000 m^3	2'105	2'093	2'304	2'013	2'417
City water from public supply	1'000 m^3	772	646	696	648	702
Ground and rainwater	1'000 m^3	1'333	1'447	1'608	1'365	1'715
Water consumption of GF sites located in water stressed areas	1'000 m^3	361[5]	407	457		

Environmental performance indicators[1]	Unit	2023	2022[2]	2021	2020	2019
Wastewater volume	1'000 m^3	1'839	1'847	1'803	1'772	1'961
Wastewater to sewage systems	1'000 m^3	657	576	593	674	750
Wastewater returned to nature, unpolluted	1'000 m^3	1'182	1'271	1'211	1'098	1'211
Sustainability Targets 2025: Water intensity index (status at year-end)		103	92	102	100	
Sustainability Targets 2025: Target line water intensity index[10] (water consumption per production volume[11])		88	92	96	100	
Waste and recycling						
Total waste	1'000 tonnes	91[5]	85	103	83	99
Non-hazardous waste		78	74	83	73	91
Normal waste, recycling	1'000 tonnes	65	59	58	53	67
Normal waste, landfill or incineration	1'000 tonnes	13	15	25	20	24
Hazardous waste	1'000 tonnes	13[5]	11	20	10	8
Hazardous waste, recycling	1'000 tonnes	6	6	15	5	3
Hazardous waste, storage or incineration	1'000 tonnes	7	6	5	5	5
Recycled waste as % of total waste	%	78	76	70	71	71
Sustainability Targets 2025: Unrecycled waste intensity index (status at year-end)		70	67	91	100	
Sustainability Targets 2025: Target line unrecycled waste intensity index[10] (non-recycled waste per production volume[11])		88	92	96	100	
GF Piping Systems renewable input material[12]						
GF Piping Systems recycled input material	1'000 tonnes	17	7	9		
Procurement of bio-based materials[13] shares for its own manufactured systems[14]:						
Bio-based PVC-U[15] system metric / British Standard for fittings and valves	%	19[5]				
Bio-based PVC-U[15] system metric / British Standard for pipes	%	9[5]				
Supplier sustainability assessment						
Key suppliers spend assessed with sustainability assessments[12]	% of total purchase volume	73[5]	64	34		
Monetary values						
Expenditure for environmental protection	CHF million	6	10	8	10	5
Energy costs	CHF million	102	102	81	65	72
Water and wastewater costs	CHF million	2.8	3	2.5	2.0	2.5

1 The environmental performance indicators include all GF production companies. To ensure consistent reporting this table excludes all data from recent acquisitions. See further information in the Disclosure information: Reporting approach section.
2 All FC 2022 data has now been updated with actual data, explanations to potential deviations of forecasted and actuals data are listed in the technical paper – environmental performance indicators.
3 In 2023, the share of biogas was 0.1% of natural gas, biogas and fuel oil, and less than 0.05% of Scope 1 emissions. It is therefore not reported seperately.
4 In 2023, the accredited lifecycle database used for emission factors at GF adapted its methodology and included further emission sources. This led to a significant, increase in Scope 3.1 emissions; thus, it was decided to adapt historic emissions data accordingly and for this reason total GHG emissions have changed slightly.
5 2023 PwC-assured, the assurance statement is available at the External Assurance section
6 Market-based emissions refer to specific emission factors, e.g., from local utility providers, and they account for market instruments such as guarantees of origin that might be purchased in order to reduce Scope 2 market-based emissions.
7 Location-based emissions refer to the average emission factors of the area where the electricity consumption takes place, eg, average emission factor of one country.
8 Category 1 (Purchased goods and services) and category 11 (Use of sold products) were identified as material in the 2019 emission inventory, as they contribute to 90% of GF's Scope 3 emissions. The Scope 3 SBT therefore focuses only on category 1 and 11. Four categories – specifically, 8 (Upstream leased assets), 13 (Downstream leased assets), 14 (Franchises) and 15 (Investments) – were excluded due to their irrelevance to GF's business model. Further information on the Scope 3 emissions calculation is available in Disclosure information: Reporting approach section.
9 GF's Scope 3 target focuses on category 1 and category 11, as those categories account for around 90% of total Scope 3 emissions.
10 The target line is calculated linearly based on the standardized baseline consumption (=100) and according to the defined target.
11 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" (including all operating income minus the costs of materials and products, changes in inventory, and operating expenses) for GF Casting Solutions, and as "hours worked" for GF Machining Solutions.
12 In alignment with the targets of the Sustainability Framework 2025, the environmental performance indicators were extended and the data collection began in 2021, respectively bio-based material was firstly purchased in the course 2022. As a result, data for prior years is not available for the full year and therefore not displayed.
13 The bio-based materials GF Piping Systems uses are derived from renewable feedstocks and partly substitute conventional feedstock for plastics derived from fossil sources. The materials are derived from waste streams and do not compete with food production. Currently, GF Piping Systems uses bio-based materials in production sites in the EMEA region, in other regions the material is either not available or procuring it is economically not viable. For the other GF divisions and their differing product portfolios, bio-based material is not relevant. As evidence for procuring bio-based materials, GF Piping Systems accepts ISCC PLUS versions 3.3 and more recent updates.
14 All Systems from GF Piping Systems are available on the website: Systems - GF Piping Systems (gfps.com).
15 PVC-U is short for PolyVinylChloride Un-plasticised, the most common PVC type for pipes and fittings used for transportation of drinking water, sewage and underground drainage, as well as industrial applications in the chemical process industry.

Management positions are defined as members of the management board of each business entity or managers who report to a managing director.

Employee data breakdowns by age group and gender cover all GF sites and operations around the world. Data to disclose full- or part-time employment, management level, new hires and departures are reported by sites with more than 10 employees.

The turnover rate is calculated by dividing the number of departures by the average headcount in the previous period.

Disclosure on training data follows the total number of training days and number of GF employees receiving training in the reporting period.

Health and safety

GF reports work-related injuries and illnesses for GF and leased employees, and other third parties (e.g. visitors) from all operations and sites (109 legal entities in total). The accident rate target is binding for all sites globally with more than 10 employees, and GF includes employees and leased employees in the KPI accident rate per 1 million working hours (LTIFR). Work-related fatalities are reported internally for all different employee types and disclosed in one consolidated number. In addition, GF collects data on days of absence for GF employees, which are separated into absences due to accident or illness, and total absence days.

Social performance indicators

Employees, governance bodies, training and professional development

Employee data are disclosed according to age group, gender, full- or part-time employment, and management level, as well as departures and new hires with breakdowns according to age group and gender. Data on interns, students and apprentices is also disclosed.

Social performance indicators

Social performance indicators[1]	Unit	2023	2022	2021	2020	2019
Employees						
Number of employees	Headcount	14'987[2]	15'207	15'111	14'118	14'678
	FTE[3]	14'734	14'634	14'532	13'562	14'073
Employees under 30	% of headcount	16	16	16	15	17
Employees aged 30–50	% of headcount	59	58	58	59	57
Employees over 50	% of headcount	26	26	26	26	26
Female employees	Headcount	3'229	3'060	2'952	2'812	2'958
	FTE	3'091	2'941	2'817	2'764	2'851
	% of headcount	22	20.1	19.5	19.9	20.2
Women on the Board of Directors	Number	4	3	2	2	2
	%	50	37.5	28.6	25.0	22.2
Women on the Executive Committee	Number	0	0	0	0	0
Women in management positions[4]	FTE	234	165	114	97	100
	% of total management positions	19	17.2	15.8	15.8	16.4
Newly appointed male managers[5]	Headcount	94	155	74		
Newly appointed female managers[5]	Headcount	41	65	31		
	% of new appointments	31	29	30		
Part-time employees	Headcount	541	524	405	396	400
	%	4	3.4	2.7	2.8	2.7
Female part-time employees	Headcount	332	278	264	261	
	% of part-time employees	61	53	65	66	
Student interns	Headcount	97	107	98	104	133
Apprentices	Headcount	349	375	363	387	446
Employees with disabilities	Headcount	125	110	115	114	129
	%	1	0.7	0.8	0.8	0.9
Total new hires	Headcount	2'394	2'622	2'842		
New hires, male	Headcount	1'858	1'998	2'279		
New hires, female	Headcount	536	624	563		
New hires of employees under 30[5]	Headcount	845	956	1'055		
New hires of employees aged 30–50[5]	Headcount	1'287	1'370	1'438		
New hires of employees over 50[5]	Headcount	253	297	349		
Total departures[6]	Headcount	1'896	1'999	2'038	2'019	2'162
Departures, male[5]	Headcount	1'500	1'574	1'610		
Departures, female[5]	Headcount	396	425	428		
Departures of employees under 30[5]	Headcount	629	523	553		
Departures of employees aged 30–50[5]	Headcount	951	1'132	1'113		
Departures of employees over 50[4]	Headcount	316	344	373		
Total employee fluctuation[6]	%	12.6	13.8	14.6	14.6	15.8
Employee engagement surveys[7]	Number of employees surveyed	13'952	6'254	5'431	3'289	5'448

Social performance indicators[1]	Unit	2023	2022	2021	2020	2019
Whistleblowing incidents reported[8]	Number	53	19			
Employees under collective bargaining agreement	Headcount	9'254	8'836	8'509	8'178	
	%	62	58	56	58	
Training and professional development						
Training and professional development	Number of GF employees with training (headcount)	11'810	10'997	10'209	9'394	10'517
	%	78.8	72.3	67.6	66.5	71.7
Training days	Days worked	32'058	28'704	22'975	18'860	30'527
	Days per employee	2.1	1.9	1.5	1.3	2.1
Health and safety						
Fatalities, work-related	Number	0[9]	0	0	0	0
Work-related accidents involving injury of GF employees	Number	204	228	260	180	282
Work-related accidents involving injury of leased personnel	Number	31	37	41	22	56
Work-related accidents involving injury of other third parties	Number	2	1	1	4	7
Sustainability Targets 2025: Lost time injury frequency rate (LTIFR)	per 1'000'000 hours worked	7.4[9]	7.9	10.2	9.4	
Sustainability Targets 2025: Target line lost time injury frequency rate (LTIFR) [10]	per 1'000'000 hours worked	7.7	8.3	8.7	9.4	
Absence days due to work-related accidents or illness	Days worked	5'987	5'142	4'943	3'593	6'605
Absence rate due to work-related accidents or illness	% of total days worked	0.2	0.1	0.1	0.1	0.2
Total absence days	Days worked	125'275	132'689	121'114	113'478	127'228
Community						
Order volume from workshops employing disabled people	CHF million	2.5	2.3	2.5	2.5	2.6
Charitable donations	CHF million	3.3	2.5	2.5	2.9	3.5

1 The social performance indicators include all GF companies with ten or more employees. To ensure consistent reporting this table excludes all data from recent acquisitions. See further information in the Disclosure Information: Reporting Approach.
2 Total headcount presented in the Sustainability Report, excludes the recent adquisitions GF Uponor and GF Corys Piping Systems, following the Disclosure Information: Reporting Approach.
3 FTE stands for full-time equivalents.
4 Management positions are defined as members of the management board of each business entity or managers who report to a managing director.
5 In 2021, the scope of social data reporting was extended and several figures were collected for the first time. As a result no prior-year data is available.
6 The definition of departures was slightly amended in 2021 and does not include internal transfers or natural departures, e.g. retirements, as of the 2021 reporting period. In previous reporting periods, those departures were still included.
7 The figure represents the number of employees who were asked to participate in the survey.
8 The whistleblower platform is available since 2022, employees can anonymously report any issues or wrongdoing (eg, discrimination, bullying, sexual assault and legal violations), therefore data from previous periods is not available.
9 2023 PwC-assured, the assurance statement is available at the External Assurance section.
10 The target line is calculated linearly based on the baseline data and according to the defined target.

GRI/SASB/IFRS Climate Disclosure Content Index

2 General Disclosures

Statement of use	**GF has reported the information cited in this GRI content index for the period from 1 January to 31 December 2022 with reference to the GRI standards.**
GRI 1 used	**GRI 1: Foundation 2021**

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	**Management Review 2023**	**Other**
2			**General Disclosures**			
2-1			Organizational details		Organization of GF	Corporate Structure and Affiliated Companies
2-2			Entities included in the organization's sustainability reporting	Disclosure Information: Reporting Approach		
2-3			Reporting period, frequency and contact point	Disclosure Information: Reporting Approach		
				Contacts		
2-4			Restatements of information	Disclosure Information: Reporting Approach		
2-5			External assurance	External Assurance		
			Activities and workers			
2-6			Activities, value chain, and other business relationships		Our Corporation	
			Governance			
2-9		IFRS S2 5-7	Governance structure and composition	Sustainability Governance	Organization of GF	Governance Bodies
						TCFD Index 2023, Governance
2-10			Nomination and selection of the highest governance body	Sustainability Governance	Organization of GF	Governance Bodies
2-11			Chair of the highest governance body	Sustainability Governance		Board of Directors
2-12		IFRS S2 5-7	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance		Governance Bodies
						TCFD Index 2023, Governance
2-13		IFRS S2 5-7	Delegation of responsibility for managing impacts	Sustainability Governance		Governance Bodies
						TCFD Index 2023, Governance
2-14		IFRS S2 5-7	Role of the highest governance body in sustainability reporting	Sustainability Governance		TCFD Index 2023, Governance
2-15			Conflicts of interest			Independent Lead Director
2-16			Communication of critical concerns			Corporate Compliance
2-17			Collective knowledge of the highest governance body			Corporate Compliance
2-18			Evaluation of the performance of the highest governance body			Self Evaluation
						TCFD Index 2023, Metrics and Targets
2-19		IFRS S2 6, S2: 29	Remuneration policies			Compensation Governance
2-20			Process to determine remuneration			Compensation Governance
			Process to determine remuneration			
2-22			Statement on sustainable development strategy		Strategy 2025: On track	Introduction by the Chairman of the Board of Directors

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
2-23			Policy commitments	Policy Commitments Human Rights Code of Conduct		
2-24			Embedding policy commitments	Policy Commitments		
2-25			Processes to remediate negative impacts	Grievance and Remedy Reporting		
2-26			Mechanisms for seeking advice and raising concerns	Grievance and Remedy Reporting		
2-28			Membership associations			
			Stakeholder engagement			
2-29			Approach to stakeholder engagement	Stakeholder Engagement		
2-30			Collective bargaining agreements	Fair and Attractive Employer		

3 Material Topics

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
3			Material Topics			
			Disclosures on material topics			
3-1			Process to determine material topics	Material Topics		
3-2			List of material topics	Material Topics		

200 Economic Topics

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
200			Economic topics			
			GRI 201: Economic performance 2016			
3-3			Management of material topics		Strategy 2025: On track	Introduction by the Chairman of the Board of Directors
201-1			Direct economic value generated and distributed		Strategy 2025: On track	
			GRI 203: Indirect economic impacts 2016			
3-3			Management of material topics	Material Topics		
203-1			Infrastructure investments and services supported	Corporate Citizenship	Forward stories	
				Product Portfolio	Divisional strategic updates	
			GRI 205: Anti-corruption 2016			
3-3			Management of material topics	Business ethics and compliance		
205-2			Communication and training about anticorruption policies and procedures	Compliance training		
			GRI 206: Anti-competitive behavior 2016			
3-3			Management of material topics	Business ethics and compliance		
206-1			Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance training		
			GRI 207: Tax 2019			
3-3			Management of material topics	Business ethics and compliance		GF Tax Policy
207-1			Approach to tax	Tax Management		
207-2			Tax governance, control, and risk management	Grievance and remedy		
207-3			Stakeholder engagement and management of concerns related to tax	Tax Management		

300 Environmental Topics

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
300			Environmental topics			
			GRI 301: Materials 2016			
3-3			Management of material topics	Natural Resources		GF Corporate environmental management policy
301-1			Materials used by weight or volume	Environmental Performance Indicators		
			GRI 302: Energy 2016			
3-3			Management of material topics	Climate and Energy		
302-1	RT-IG-130a.1		Energy consumption within the organization	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Climate and Energy		
				Renewable electricity		
				Environmental Performance Indicators		
302-2		IFRS S2 22	Energy consumption outside the organization	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Scope 3 emissions		
302-3			Energy intensity	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Scope 3 emissions		
				Environmental Performance Indicators		
302-4			Reduction of energy consumption	Climate and Energy		TCFD Index 2023, Metrics and Targets
				Climate and Energy		
				Net Zero Ambition		
				Progress on Sustainability Framework 2025		
				Environmental Performance Indicators		
			GRI 303: Water and effluents 2018			
3-3			Management of material topics	Water footprint		
				Progress on Sustainability Framework 2025		
303-1			Interactions with water as a shared resource	Disclosure Information: Reporting Approach		
				Water footprint		
				Key Figures		
				Progress on Sustainability Framework 2025		
303-2			Management of water discharge-related impacts	Water footprint		
303-3			Water withdrawal	Disclosure Information: Reporting Approach		
				Environmental Performance Indicators		

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
303-4			Water discharge	Disclosure Information: Reporting Approach		
				Water footprint		
				Environmental performance indicators		
303-5			Water consumption	Disclosure Information: Reporting Approach		
				Water footprint		
				Environmental performance indicators		
			GRI 305: Emissions 2016			
3-3			Management of material topics	Progress on Sustainability Framework 2025		GF Corporate environmental management policy
				Climate and Energy		
305-1		IFRS S2 29-32	Direct (Scope 1) GHG emissions	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Climate and Energy		
				Key Figures		
				Environmental performance indicators		
305-2		IFRS S2 29-32	Energy indirect (Scope 2) GHG emissions	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Climate and Energy		
				Key Figures		
				Environmental Performance Indicators		
305-3		IFRS S2 29-32	Other indirect (Scope 3) GHG emissions	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Scope 3 emissions		
				Environmental Performance Indicators		
305-4		IFRS S2 29-32	GHG emissions intensity	Environmental Performance Indicators		TCFD Index 2023, Metrics and Targets
				Climate and Energy		
305-5		IFRS S2 29-32	Reduction of GHG emissions	Disclosure Information: Reporting Approach		TCFD Index 2023, Metrics and Targets
				Climate and Energy		
				Environmental Performance Indicators		
				Key Figures		
				Progress on Sustainability Framework 2025		
305-7			Nitrogen oxides (NO X), sulfur oxides (SOX), and other significant air emissions	Disclosure Information: Reporting Approach		
				Environmental Performance Indicators		
			GRI 306: Waste 2020			

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
3-3			Management of material topics	Natural Resources		
				Progress on Sustainability Framework 2025		
306-1			Waste generation and significant waste-related impacts	Disclosure Information: Reporting Approach		
				Natural Resources		
306-2			Management of significant waste-related impacts	Natural Resources		
306-3			Waste generated	Disclosure Information: Reporting Approach		
				Natural Resources		
				Environmental Performance Indicators		
306-4			Waste diverted from disposal	Disclosure Information: Reporting Approach		
				Natural Resources		
				Environmental Performance Indicators		
306-5			Waste directed to disposal	Disclosure Information: Reporting Approach		
				Natural Resources		
				Environmental Performance Indicators		
			GRI 308: Supplier environmental assessment 2016			
3-3	RT-IG-440a.1		Management of material topics	Responsible supply chain		
				Progress on Sustainability Framework 2025		
308-1			New suppliers that were screened using environmental criteria	Disclosure Information: Reporting Approach		
				Responsible supply chain		

400 Social Topics

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
400			Social topics			
			GRI 401: Employment 2016			
3-3			Management of material topics	Fair and attractive employer		
				Diversity and Inclusion		
				Stakeholder Engagement		
				Progress on Sustainability Framework 2025		
401-1			New employee hires and employee turnover	Social Performance Indicators		
				Fair and attractive employer		
			GRI 403: Occupational Health and Safety 2018			
3-3			Management of material topics	Safety and well-being		
				Progress on Sustainability Framework 2025		
403-1			Occupational health and safety management system	Disclosure Information: Reporting Approach		
				Safety and well-being		
403-2			Hazard identification, risk assessment, and incident investigation	Disclosure Information: Reporting Approach		
				Safety and well-being		
403-3			Occupational health services	Safety and well-being		
403-4			Worker participation, consultation, and communication on occupational health and safety	Disclosure Information: Reporting Approach		
				Safety and well-being		
403-5			Worker training on occupational health and safety	Disclosure Information: Reporting Approach		
				Safety and well-being		
403-6			Promotion of worker health	Disclosure Information: Reporting Approach		
				Safety and well-being		
403-7			Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Disclosure Information: Reporting Approach		
				Safety and well-being		
403-8			Workers covered by an occupational health and safety management system	Disclosure Information: Reporting Approach		
				Safety and well-being		

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	Management Review 2023	Other
403-9	RT-IG-320a.1		Work-related injuries	Disclosure Information: Reporting Approach		
				Safety and well-being		
				Social Performance Indicators		
				Progress on Sustainability Framework 2025		
			GRI 404: Training and education 2016			
3-3			Management of material topics	Diversity and Inclusion		
				Progress on Sustainability Framework 2025		
404-1			Average hours of training per year per employee	Disclosure Information: Reporting Approach		
				Social Performance Indicators		
404-2			Programs for upgrading employee skills and transition assistance programs	Disclosure Information: Reporting Approach		
				Fair and attractive employer		
				Diversity and Inclusion		
			GRI 405: Diversity and equal opportunity 2016			
3-3			Management of material topics	Diversity and Inclusion		
				Progress on Sustainability Framework 2025		
405-1			Diversity of governance bodies and employees	Disclosure Information: Reporting Approach		
				Diversity and Inclusion		Members of the Board of Directors
				Social Performance Indicators		Members of the Executive Committee
				Progress on Sustainability Framework 2025		
			GRI 406: Non-discrimination 2016			
3-3			Management of material topics	Diversity and Inclusion		Code of Conduct
406-1			Incidents of discrimination and corrective actions taken	Social Performance Indicators		
			GRI 414: Supplier social assessment 2016			
3-3			Management of material topics	Responsible supply chain		
				Human rights risk assessment		GF Corporate Policy on Human Rights
414-2			Negative social impacts in the supply chain and actions taken	Disclosure Information: Reporting Approach		
				Responsible supply chain		
			GRI 415: Public policy 2016			
3-3			Management of material topics	Stakeholder engagement		Memberships
			GRI 416: Customer health and safety 2016			

GRI reference number	SASB reference number	IFRS reference number	Disclosure title	Location of content		
				Sustainability Report 2023	**Management Review 2023**	**Other**
3-3			Management of material topics	Labelling and information		
			GRI 417: Marketing and labelling 2016			
3-3			Management of material topics	Product and service information and labelling		
417-1			Requirements for product and service information and labelling	Labelling and information		

Non-Financial Reporting Requirements Content Index – Swiss Code Of Obligations (CO)

Statement of use: GF has reported the information cited in Non-financial reporting in Switzerland (CO) for the period from 1 January to 31 December 2023

Georg Fischer Non-Financial Reporting Requirements Content Index – Swiss Code of Obligations (CO)

Statement of use		Location of content	
Reporting Category	**Disclosure Title**	**Sustainability Report 2023**	**Other**
1	**General ESG Matters**		
1-1	ESG strategy	Progress on Sustainability Framework 2025	
1-2	ESG metrics	Environmental performance indicators Social performance indicators	
1-3	Climate	Environment: Climate and resources Climate and energy	
1-4	Social	Social: People and well-being	
1-5	Human rights	Human rights	
1-6	Stakeholder engagement	Stakeholder engagement	
1-7	Business ethics and anti-corruption	Business ethics and compliance	
2	**Business model and concepts**		
2-1	Divisional business model	Product portfolio GF Piping Systems GF Casting Solutions GF Machining Solutions	
3	**Due Diligence**		
3-1	Due Diligence on human rights	Human rights	
3-2	Due Diligences on child labour	Human rights	
3-3	Due Diligences on conflict minerals	Human rights	
3-4	Due Diligences in supply chains	Responsible supply chain Human rights due diligence in supply chains	
4	**Measures and Effectiveness**		
4-1	Measures on human rights	Human rights	
4-2	Measures on child labour	Human rights	
4-3	Measures on conflict minerals	Human rights	
4-4	Measures in supply chains	Responsible supply chain Human rights due diligence in supply chains	
5	**Risk Reporting**		
5-1	Material topics	Material topics	
5-2	Risk Management		Corporate Governance Report 2023 Risk Management
5-3	Risks on Human Rights	Human rights Human rights risk assessment Broader evaluation of forced labor risks	
5-4	Risks in Supply Chains	Supplier sustainability performance	
6	**Climate Reporting**		
6-1	Climate-related risks and opportunities	Environment: Climate and resources Climate and energy Net zero ambitions Governance, Sustainability governance	TCFD Report 2023 Corporate Governance Report 2023 CDP Climate Change, Questionnaire 2023, Georg Fischer, C1.1a/C1.1b/C1.2

Statement of use		Location of content	
Reporting Category	**Disclosure Title**	**Sustainability Report 2023**	**Other**
6-2	Physical climate risks		TCFD Report 2023
			CDP Climate Change, Questionnaire 2022, Georg Fischer, C2.1b/C2.2
6-3	Quantification of transitory risks and opportunities		TCFD Report 2023
			CDP Climate Change, Questionnaire 2023, Georg Fischer C2.2
6-4	Metrics used by the organization to assess climate-related risks and opportunities	Environmental performance indicators	TCFD Report 2023
6-5	Targets used by the organization to manage climate-related risks and opportunity	Environment: Climate and resources	TCFD Report 2023
		Climate and energy	CDP Climate Change, Questionnaire 2023, C3.1

Appendix

Uponor Sustainability

Uponor, a global pioneer in intelligent plumbing and climate solutions, was acquired by GF in November 2023, becoming GF's fourth division, GF Uponor. The following information offers a glimpse into Uponor's operations prior to acquisition and highlights the close strategic alignment between GF and its newest division. The integration of GF Uponor into GF's operations, strategy and targets begins in 2024 and the new division's data will be incorporated into GF's 2024 Sustainability Report. Details regarding Uponor's 2023 social and environmental data, as well as its sustainability performance, can be found at: www.uponor.com/en-us/about-uponor/leading-sustainable-change.

Uponor believes that water holds the key to a sustainable future and has led the change in developing sustainable water solutions. While the scarcity of natural resources continues to impact manufacturing industries around the globe, it has driven Uponor to innovate and develop new solutions that are future-proofed with resiliency, durability, and sustainability in mind. The challenge of unlocking water's potential has led the company to continuously find new ways to conserve, manage and move water responsibly and design and develop systems for the delivery of safe drinking water and healthy indoor climate. Uponor has always taken a holistic approach to sustainability, making it an integral part of its strategy.

"GF and Uponor share the mission to lead and advance the construction industry with sustainable and innovative flow solutions, enabling our customers to meet their sustainability goals."

Michael Rauterkus, President GF Uponor

Customers and solutions

As a building products manufacturer, Uponor recognizes its role in reducing the environmental impacts of construction and helping limit global warming to 1.5°C. The company has a vision to drive business growth through innovation and development of sustainable solutions, while leading the construction industry towards net zero. Uponor's products and solutions significantly contribute to reducing both operational and embodied carbon in buildings, helping its customers reach their sustainability goals. It continuously innovates and enhances integrated, energy-efficient building solutions, reducing the energy consumption and GHG emissions caused by heating and cooling in new build projects, as well as in the renovation of existing housing stock. The company has driven the transition to bio-based raw materials with Uponor Blue products, like the world's first bio-based PEX pipes with a reduced carbon footprint of up to 90% compared to fossil-based PEX pipes. Furthermore, its project services help analyze and minimize the environmental footprint of projects, from planning through execution, operation, and maintenance. Using its products and solutions has helped Uponor's customers achieve Green Building certifications (Leadership in Energy and Environmental Design (LEED), Building Research Establishment Environmental Assessment Method (BREEAM), Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB, in English the German Sustainable Building Council) etc.) and its EPDs have provided the required data for the assessment.

Climate and resources

Uponor is committed to reducing its environmental impact while maximizing its positive impact in making people's lives simpler, easier, and safer. The company has played an active role in driving the circular economy and the rapid transformation toward a sustainable value chain. It has established a commitment to reach net-zero with targets that have been validated by the Science Based Targets initiative (SBTi). It also has put plans in place to reduce its Scope 1 and 2 emissions and has focused on reducing transportation emissions through supplier engagement, logistics optimization and the optimization of packaging materials. To transition to 100% green electricity, the company has also rapidly invested in the conversion to renewable energy sources and heat pumps, and the electrification of vehicles, systems, and processes. It is also striving toward the sustainable recycling of 100% of waste in its factories and has made significant progress and breakthroughs in recycling PEX material, supported by partnerships within its industry. As part of reaching its net-zero goal, Uponor has created a Carbon Neutral Factory concept, which not only supports the company's own climate work but also has a positive impact on the carbon footprint of its customers and partners.

People and well-being

Securing a safe working environment with zero accidents is a top priority for Uponor. The company relentlessly improves work safety through weekly safety walks, near-miss reporting and tracking safety observations. Employees are actively engaged through its Mission Zero campaign and the company has continuously improved its lost time injury frequency rate (LTIFR) across the entire division.

Uponor believes that a diverse company is an innovative one and thus fosters a diverse, equal, and inclusive culture with a welcoming environment where all employees can be authentic, feel a sense of belonging and have equitable opportunities for growth. It offers live events, keynotes, and online trainings around all aspects of diversity, equity and inclusion, such as working across cultures, dealing with visible and invisible disabilities, understanding microaggressions, supporting LGBTQ+ rights, fostering female leadership and much more.

Employees are actively engaged through its Mission Zero campaign and the company has continuously improved its LTIF rate across the entire division.

Creating a positive societal impact and ensuring its people, planet, and communities thrive is deeply embedded in Uponor's purpose.

The company does its part by contributing charitable and product donations, collaborations, time, talent, and expertise to causes including access to clean water and sanitation, environmental stewardship, affordable housing, skilled trade and STEM education and inclusive workforce development.

Governance

Strong corporate governance processes underpin Uponor's sustainability performance. The company regularly provides Code of Conduct training to all employees and has rolled out a Supplier Code of Conduct as well as a Supplier ESG risk assessment and auditing. Uponor continuously enhances its ESG-related policies and practices and has linked ESG targets to its short- and long-term incentive schemes.

Uponor has achieved an EcoVadis Gold medal and is in the top 6% of its industry group.

The company is extremely proud that its efforts to lead sustainable change have been recognized by external ESG ratings: it has achieved an EcoVadis Gold medal and is in the top 6% of its industry group. Furthermore, Uponor reached CDP Climate Change rating B and 7th place in Sustainalytics among 135 companies in the building products sector.

Independent practitioner's limited assurance report

on selected sustainability indicators 2023 in the Sustainability Report 2023 to the Group Management of Georg Fischer AG

Schaffhausen

We have been engaged by Group Management to perform assurance procedures to provide limited assurance on the selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of Georg Fischer AG, Schaffhausen and its consolidated subsidiaries ('GF' for short) as for the period ended 31 December 2023.

The following specified sustainability indicators 2023 published in the Sustainability Report 2023 are within the scope of our limited assurance engagement and provided with footnotes 5 or 9 '2023 PwC-assured':

- Selected environmental performance indicators:
  - GHG emissions – Scope 1 on page 104
  - GHG emissions – Scope 2 – market-based on page 104
  - GHG emissions – Scope 2 – location-based on page 104
  - GHG emissions – Scope 3 – Category 1: Purchased goods and services on page 104
  - GHG emissions – Scope 3 – Category 11: Use of sold products on page 104
  - Water consumption of GF sites located in water stressed areas on page 104
  - Total waste on page 105
  - Hazardous waste on page 105
  - Bio-based PVC-U system metric / British standard for fittings and valves on page 105
  - Bio-based PVC-U12 system metric / British standard for pipes on page 105
  - Key suppliers spend assessed with sustainability assessments on page 105
- Selected social performance indicators:
  - Fatalities, work-related on page 108
  - Lost time injury frequency rate on page 108

The reporting process and the sustainability indicators 2023 in the GF Sustainability Report 2023 (including the statements on greenhouse gases) were prepared by the management, among others, on the basis of the guidelines for sustainability reporting of the Global Reporting Initiative, the "GRI Standards" (July 2021 version) and the Greenhouse Gas Protocol Initiative of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). GF presents its Reporting Approach from page 98 to 103 and on page 106. We evaluated the specified sustainability indicators 2023 against the GRI Standards and the GHG Protocol Standard (collectively referred to hereafter as "related suitable Criteria").

Inherent limitations

The accuracy and completeness of the selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of GF are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of GF is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of Georg Fischer AG and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the related suitable Criteria.

Group Management' responsibility

The Group Management of Georg Fischer AG is responsible for preparing the Sustainability Report 2023 (including the GHG statement) in accordance with its Reporting Approach. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation of the selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of GF that are free from material misstatement, whether due to fraud or error. Furthermore, the Group Management is responsible for the selection and application of the Reporting Approach and the related suitable Criteria and adequate record keeping.

Independence and quality management

We are independent of the GF in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the selected sustainability indicators 2023 in the Sustainability Report 2023 of GF (including the GHG statement). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of Georg Fischer AG (including the GHG statement) was not be prepared, in all material aspects, in accordance with the related suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Summary of the work performed

Our limited assurance procedures included, amongst others, the following work:

- *Evaluation of the application of Corporation guidelines*
  Reviewing the application of the internal sustainability reporting guidelines from point of view of the related suitable Criteria.
- *Site visit and management inquiry*
  - Remotely visiting of selected sites of Georg Fischer LLC, Little Rock in USA and GF Casting Solutions Leipzig GmbH in Germany.
  - Interviewing personnel responsible for the internal sustainability reporting and data collection at the sites, division level and at the Group level.

- *Assessment of the selected sustainability indicators 2023*
  Performing tests on a sample basis for the evidence supporting the selected sustainability indicators 2023 concerning completeness, accuracy, adequacy and consistency.
- *Review of documentation and analysis of relevant basic policies and principles*
  Reviewing relevant documentation on a sample basis, including the sustainability policies of GF, management of reporting structures and documentation.

We have not carried out any work on data other than for those selected sustainability indicators 2023 defined above.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Conclusion

Based on our work performed, nothing has come to our attention causing us to believe that the selected sustainability indicators on pages 104 to 105 and 107 to 108 in the Sustainability Report 2023 of Georg Fischer AG and provided with the footnotes 5 or 9 '2023 PwC assured' are not prepared, in all material respects, in accordance with related suitable Criteria.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Group Management of Georg Fischer AG, and solely for the purpose of reporting to them on selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of Georg Fischer AG (including the GHG statement) and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only, to enable the Group Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the selected sustainability indicators in the Sustainability Report 2023 (including the GHG statement), without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group Management of Georg Fischer AG for our work or this report.

PricewaterhouseCoopers AG

Ralf Hofstetter | Simon Hux

Zürich, 18 March 2024

The maintenance and integrity of Georg Fischer AG's website and its content are the responsibility of the Group Management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Georg Fischer AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported selected sustainability indicators 2023 (including the statements on greenhouse gases) published in the Sustainability Report 2023 of Georg Fischer AG (including the GHG statement) or related suitable Criteria since they were initially presented on the website.

Contacts

Lindsay Zingg

Head Corporate Sustainability

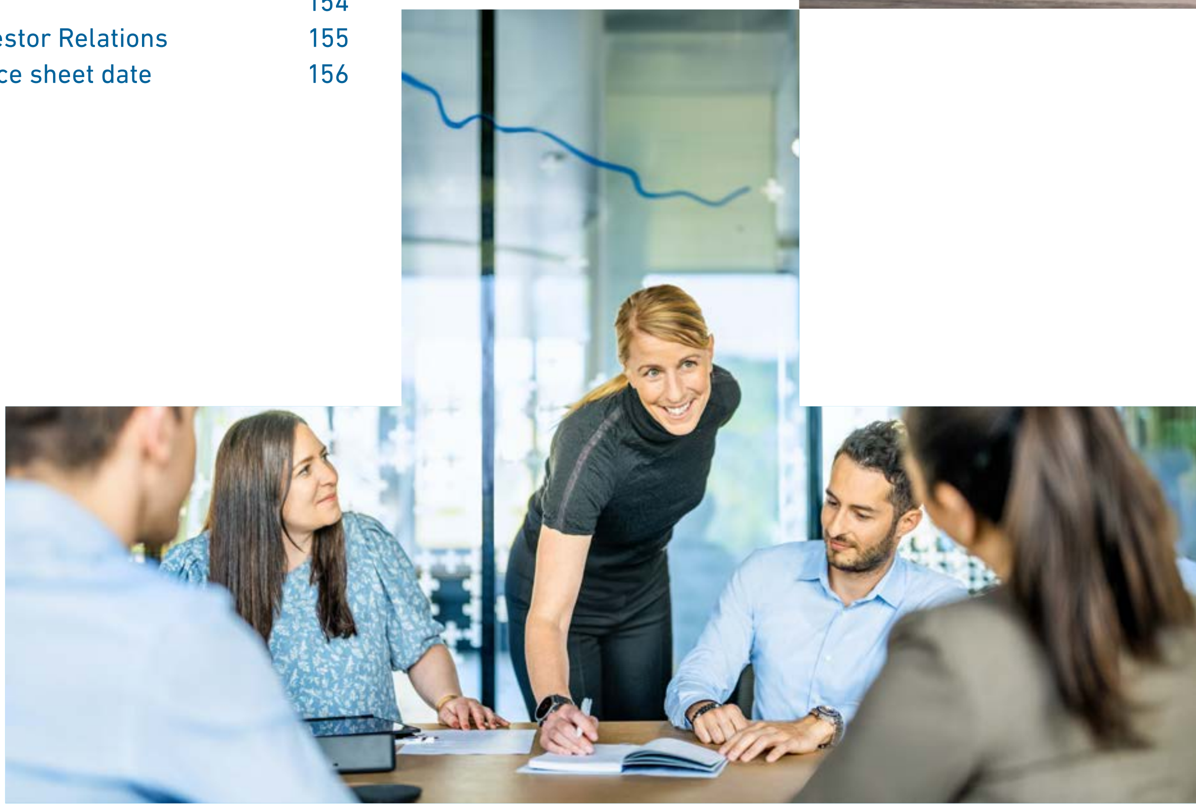
Phone: +41 (0) 76 349 23 62
lindsay.zingg@georgfischer.com

Beat Römer

Head Corporate Communications

Phone: +41 (0) 79 290 04 00
beat.roemer@georgfischer.com

Corporate Governance Report



Introduction by the Chairman of the Board of Directors

Dear Shareholders,

On behalf of the Board of Directors of GF, I am pleased to present the 2023 Corporate Governance chapter.

A milestone year in a challenging environment

In 2023, GF successfully completed its acquisition of the Finnish company Uponor. This is the biggest acquisition in the history of the company, and is a major step towards becoming a more resilient corporation. Furthermore, GF strengthened its presence in the Middle East with the acquisition of Corys Piping Systems in Dubai (UAE). From a market perspective, the year was characterized by a challenging macroeconomic environment. In addition, 2023 was also witness to substaintial currency headwinds linked to the strong Swiss franc and inflationary trends.

After three years of virtual meetings, our April 2023 Annual Shareholders' Meeting was held again in person. In respect to China, we could also to reestablish our in-person interactions with our local management team and employees. In October, the Board of Directors spent an intense week in China visiting GF's existing operations, customers, partners and the recently inaugurated plants in Yangzhou and Shenyang.

Active engagement with our stakeholders

In 2023, we also continued to engage with our shareholders and proxy advisors. In addition to the annual ESG Roadshow joined by the Chairman, our Independent Lead Director, the Chairwoman of our Compensation Committee and our Head of Investor Relations, we held several dedicated meetings with our stakeholders. The exchanges on topics such as Board refreshment, ESG and remuneration were highly valuable and appreciated by both sides. We certainly continue to proactively seek and engage in dialogues in the future, as they will support us in our ongoing development.

Board refreshment

As announced during the past months, we are proposing Stefan Räbsamen and Annika Paasikivi as new members of the Board of Directors at the next Annual Shareholders' Meeting on 17 April 2024. Hubert Achermann, Vice-Chairman of the Board of Directors of GF and Independent Lead Director is retiring from the Board of Directors on reaching the age limit. Furthermore, Roger Michaelis will not stand for re-election due to GF's 12-year limit on Board tenure.

Stefan Räbsamen, former Chairman of PWC and Lead Auditor for GF from 2012 to 2018, contributes extensive expertise in auditing, financial and ESG reporting, as well as excellent knowledge of GF and the manufacturing industry to the Board of Directors. Annika Paasikivi's in-depth knowledge of Uponor and the building technology sector will help ensure the smooth integration of GF Uponor. The skills of all Board members are individually disclosed in this report (see Diversity).

Corporate digital responsibility

With the rapid developments in AI (ChatGPT, Bart, etc.), comprehensive regulations are required to manage the consequences for societies. GF already sees an increasing impact on business processes, including automation and innovation. For this reason, we emphasized our strong commitment to responsible AI by defining ethical principles for design, development, deployment and usage within the organization.

Progress on our sustainability journey

With a clearly defined sustainability framework intertwined with its corporate strategy and a set of goals aligned with the Science Based Targets initiative (SBTi), GF is committed to addressing its impacts while also supporting its customers on their sustainability journey. A key metric of our environmental performance indicators is the progress on products and services with social and environmental benefits. In 2023, this percentage reached 68% (2022: 63%), which is in line with our 2025 target of 70%.

We are proud that our commitment to our sustainability journey has been recently recognized with an A rating of CDP for transparency and performance on climate change. It is worth mentioning that GF's commitment has received positive ratings from reputable institutions. Earlier in 2023, in the third edition of Europe's Climate Leaders by the Financial Times, GF secured a position in the top 5 among 100 global companies in its industry, underscoring the company's commitment to addressing the climate crisis and setting industry benchmarks. Ecovadis recognized all GF Divisions for their committment to ESG performance. GF Piping Systems, GF Uponor and GF Casting Solutions were awarded with the gold medals, placing them within the top 5% of performers, while GF Machining Solutions received a silver medal and ranked in the top 15%.

We thank all our investors for their trust in our company. We hope you find this report interesting and informative, and look forward to continuing our dialogue with you, our shareholders and stakeholders.

Sincerely,

Yves Serra
Chairman of the Board of Directors

Content of the report

The present publication fulfills all obligations of the SIX Exchange Regulation directive on information relating to Corporate Governance and is based on the Swiss Code of Best Practice for Corporate Governance of Economiesuisse, the Swiss business federation.

The Compensation Report is presented in a separate chapter. All data and information apply to the reporting date as of 31 December 2023, unless otherwise noted. Any changes occurring before the approval of the Corporate Governance Report by the Board of Directors on 18 March 2024 are listed at the end of this chapter. Any changes occurring after the editorial deadline can be found on our website.

This report provides information on structures and processes, areas of responsibility and decision-making procedures, control mechanisms, as well as the rights and obligations of the various stakeholders. GF also publishes the Articles of Association of Georg Fischer AG, the internal Organization and Business Rules, the Code of Conduct, and more information on the website.

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Governance bodies

Board of Directors

The members of the Board of Directors are elected individually by the Annual Shareholders' Meeting for a term of one year until the conclusion of the next ordinary Annual Shareholders' Meeting. Based on the Swiss Code of Best Practice for Corporate Governance from Economiesuisse, all members of the Board of Directors are non-executive and independent. Moreover, the Chairman of the Board of Directors does not simultaneously act as the CEO.

The Board of Directors assigns the preparation of businesses to the following three standing committees:

- Audit Committee
- Compensation Committee
- Nomination and Sustainability Committee

At the end of 2023, the Board of Directors was composed of eight members, with diversity of background, experience, nationalities, skills, and knowledge. Four of the eight (50%) members of the Board of Directors are female. The three committees each consist of three members, with every member of the Board of Directors belonging to at least one committee. Information on the members of the Board of Directors' backgrounds can be found in the chapter Members of the Board of Directors.

Annual Shareholders' Meeting

Approval of the complete annual corporate reports, comprising the financial statements of the GF Corporation and Georg Fischer AG, as well as the Letter to Shareholders, the Management Report, the Sustainability Report, the Financial Report, the Corporate Governance Report, the Compensation Report, the TCFD Report, the Non-financial Reporting and the reports of the statutory auditors on the consolidated financial statements and the annual financial statements of Georg Fischer AG; the consultative vote on the Compensation Report and the Non-financial Reporting, proposed appropriation of available earnings and distribution of profit, election of members of the Board of Directors, Chairman, members of the Compensation Committee, approval of the maximum compensation of members of the Board of Directors and Executive Committee, election of the auditors and independent proxy, establishing and amending the Articles of Association.

Board of Directors

- Audit Committee
- Compensation Committee
- Nomination and Sustainability Committee

Definition of the Corporation's strategic direction, appointment and supervision of the Executive Committee, approval of significant transactions and investments.

Executive Committee

Management of the business operations of GF.

Auditors

Opinion on the compliance of the consolidated financial statements of the GF Corporation and the financial statements of Georg Fischer AG with applicable accounting standards and with the Swiss law, opinion on the compliance of the Compensation Report with applicable law, limited assurance on selected sustainability indicators on the Sustainability Report and confirmation that an internal control systems exists which has been designed for the preparation of the consolidated financial statements.

Management structure

The Board of Directors appoints the persons entrusted with the management. The CEO, supported by the other members of the Executive Committee, bears responsibility for the management of the GF Corporation, where this is not delegated to the Divisions or the Corporate Staff Units. The Presidents of the Divisions, supported by the Heads of the Business Units and Service Centers, bear responsibility for the management of the Divisions. The Corporate Staff Units support the Board of Directors and the Executive Committee in their supervisory and management functions.

Compensation, shareholdings, and loans

Information regarding the compensation paid to and shareholdings of the members of the Board of Directors and Executive Committee, as well as loans granted to those individuals can be found in the Compensation Report.

Corporate structure and affiliated companies

The parent company of all GF Corporate Companies is Georg Fischer AG. It is incorporated under Swiss law and domiciled in Schaffhausen (Switzerland). Georg Fischer AG is listed on the SIX Swiss Exchange (GF; security number: 116 915 100). Its share capital is CHF 4'100'898, and its market capitalization was CHF 5'011 million as of 31 December 2023 (previous year: CHF 4'642 million).

The GF Corporation has four operational Divisions: GF Piping Systems, GF Uponor, GF Casting Solutions and GF Machining Solutions, plus the Corporate Staff Units Finance & Controlling and Corporate Development. The GF organization structure is displayed in the chapter Organization of GF in the Business Report.

An overview of all affiliated companies in the scope of consolidation can be found in the notes to the consolidated financial statements in note 4.3 GF Corporate Companies. The list contains the company name, domicile, share capital, and percentage held by GF.

Following the acquisition of Uponor, the subsidiary Uponor Oyj is now part of the consolidated GF Corporation. As of 31 December 2023, GF holds 97.1% of all shares in Uponor Oyj. The company is incorporated under Finnish law and domiciled in Helsinki (Finland). The company's shares are listed on Nasdaq Helsinki, and the company observes its rules and regulations for listed companies (Uponor: ISIN FI0009002158). Its share capital is EUR 146.4 million, and its market capitalization was EUR 2'047 million as of 31 December 2023 (previous year: EUR 1'216 million).

Memberships

As a leading Swiss industrial company, GF is actively involved in important industrial associations in Switzerland. The CEO of GF is a member of the Council of the Board of Swissmem, the leading association for SMEs and large companies in the Swiss technology industry. GF managers are also actively involved in working groups and training courses. Swissmem is one of the contracting parties to the collective labor agreement for all employees in industry, a cornerstone of the social partnership with the trade unions that has existed in Switzerland for over 70 years.

GF is also committed to SwissHoldings, the association of multinational companies based in Switzerland. At SwissHoldings, GF actively participates in expert groups. At the local level, the GF Corporation is a founding member of IVS, the Schaffhausen Chamber of Commerce and Industry. GF's CFO is a member of the IVS's Board of Directors and GF managers actively participate in various working groups. These associations are important contacts for the authorities and represent the interests of their members in public issues and matters to be voted on.

GF also holds significant roles in the "Vereinigung Schweizerischer Unternehmen" in Germany, the "Schweizerische Management Gesellschaft", the local association ITS Industrie- und Technozentrum Schaffhausen in Switzerland and the "Komittee Weltoffene Zürich", where company's representatives serve in different functions on board level.

In the year under review, membership fees of CHF 0.15 million were paid, and no contributions were made to any political parties or to individual politicians.

GF share and shareholders

Share

Capital and share information

Fully paid-in share capital amounts to CHF 4'100'898 and is divided into 82'017'960 registered shares each with a par value of CHF 0.05. Each registered share has one vote at the Annual Shareholders' Meeting. The share capital remained unchanged during the past three years. The capital band and the conditional capital amount to a maximum of 8'000'000 shares in total. This would allow the share capital to be increased by a maximum of 9.75%.

By no later than 18 April 2028, the maximum share capital that can be created by the capital band is CHF 400'000 divided into no more than 8'000'000 registered shares, each with a par value of CHF 0.05. Moreover, the share capital may be increased via the conditional capital by a maximum of CHF 400'000 through the issue of no more than 8'000'000 fully paid-in registered shares, each with a par value of CHF 0.05, through the exercise of conversion rights and/or warrants granted in connection with the issuance on capital markets of bonds or similar debt instruments of the company or one of its GF Corporate Companies. The maximum amount of the capital band and conditional capital is reduced accordingly.

As of 31 December 2023, no such bonds or similar debt instruments were outstanding. The beneficiaries and the conditions and modalities of the capital band are described in § 4.4a) of the Articles of Association of Georg Fischer AG and those of conditional capital in § 4.4b) of the Articles of Association of Georg Fischer AG.

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The subscription to and acquisition of the new shares, and any subsequent transfer of the shares, are subject to the statutory restrictions on transferability.

There are no participation or profit-sharing certificates.

Restrictions on transferability

Entry in the company's share register as a shareholder or beneficiary with voting rights is subject to the approval of the Board of Directors. Approval of registration is subject to the following conditions: a natural person or legal entity may not accumulate, either directly or indirectly, more than 5% of the registered share capital. Persons who are bound by capital or voting rights, by consolidated management or similar, or who have come to an agreement for the purpose of circumventing this rule, shall be deemed as one person.

Nominee registrations

Persons who hold shares for third parties (referred to as "nominees") are only entered in the share register with voting rights if the nominees declare their willingness to disclose the names, addresses, and shareholdings of those persons on whose behalf they hold the shares. The same registration limitations apply, mutatis mutandis, to nominees as to individual shareholders.

Cancellation or amendment of restrictions

The cancellation or easing of the restrictions on the transferability of registered shares requires a resolution of the Annual Shareholders' Meeting passed by at least two-thirds of the shares represented and an absolute majority of the par value of the shares represented.

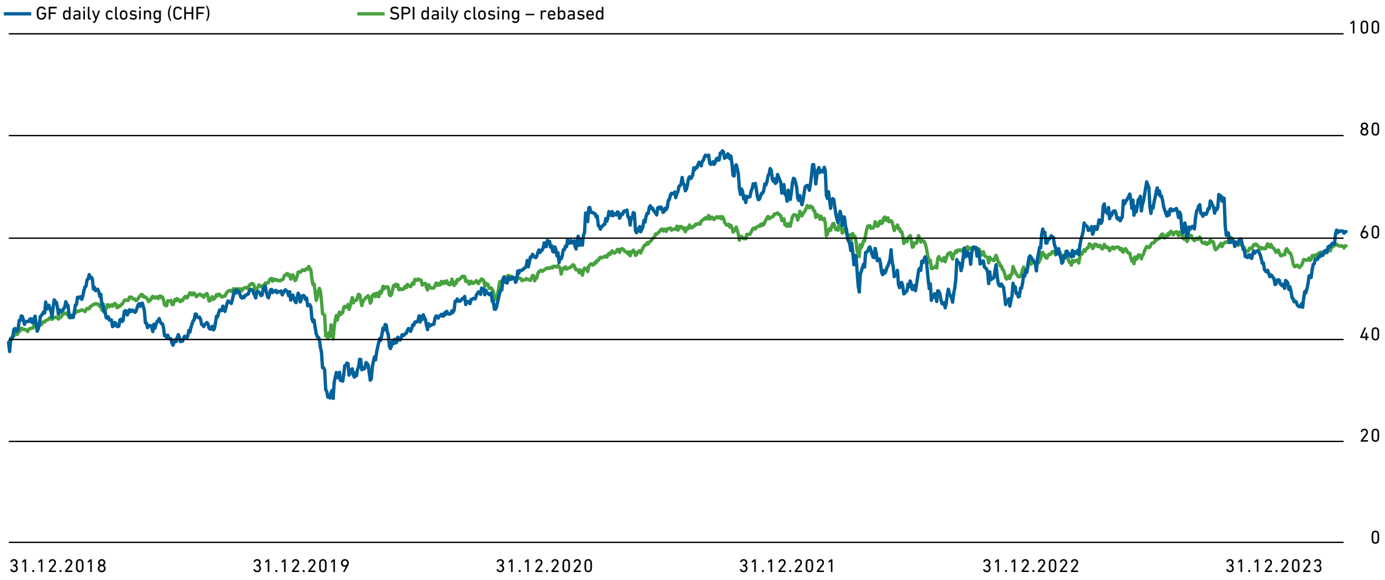
Convertible bonds and options

There are no outstanding convertible bonds, and GF has issued no options.

Share information

As of 31 December	2023	2022	2021	2020	2019
Share capital					
Number of registered shares	82'017'960	82'017'960	82'017'960	82'017'960	82'017'960
Thereof entitled to dividend	82'017'960	82'017'960	82'017'960	82'017'960	82'017'960
Number of registered shareholders	**23'720**	**20'987**	**18'907**	**18'518**	**19'767**
Share prices in CHF					
Highest (intraday)	71.20	74.50	77.45	57.50	52.95
Lowest (intraday)	45.64	45.86	53.55	25.90	36.68
Closing	61.10	56.60	69.25	57.00	49.15
Earnings per share in CHF	**2.87**	**3.37**	**2.62**	**1.41**	**2.12**
Price-earnings ratio	**21**	**17**	**26**	**41**	**23**
Market capitalization					
CHF million	5'011	4'642	5'680	4'675	4'031
As % of sales	124	116	153	147	108
Cash flow from operating activities per share in CHF	**4.13**	**3.98**	**3.52**	**4.18**	**3.89**
Proposed/paid dividend in CHF million	**107**	**107**	**82**	**62**	**103**
Proposed/paid dividend per share in CHF	**1.30**	**1.30**	**1.00**	**0.75**	**1.25**
Pay-out ratio in %	**45**	**39**	**38**	**53**	**60**

Share price 2019–2023



Ticker symbols

- Bloomberg: GF SW
- Reuters: GF.S
- Security number: 116 915 100
- ISIN: CH1169151003

Market capitalization and earnings per share

As of 31 December 2023, the market capitalization stood at CHF 5'011 million (previous year: CHF 4'642 million) and earnings per share at CHF 2.87 (previous year: CHF 3.37).

Proposed dividend payment

At the Annual Shareholders' Meeting for the year under review, the Board of Directors will propose the payment out of retained earnings of a dividend in the amount of CHF 1.30 per share (previous year: CHF 1.30).

Shareholders

Significant shareholders and shareholder groups

As of 31 December 2023, six shareholders had shareholdings of between 3% and 5%. Impax Asset Management Limited, London (Great Britain), had shareholdings of 4.93%, according to the last disclosure notification published on 20 June 2023. The BlackRock Group, held directly or indirectly by BlackRock Inc., New York (USA), had shareholdings of 4.88%, according to the last disclosure notification published on 22 April 2022. Oras Invest Oy, Rauma (Finland), had shareholdings of 3.05%, according to the last disclosure notification published on 15 December 2023. Swisscanto Fondsleitung AG, Zurich (Switzerland), had shareholdings of 3.0357%, according to the last disclosure notification published on 25 June 2022. Credit Suisse Funds AG, Zurich (Switzerland), had shareholdings of 3.02%, according to the last disclosure notification published on 17 March 2022. Furthermore, UBS Fund Management (Switzerland) AG, Zurich (Switzerland), had shareholdings of 3.01%, according to the last disclosure notification published on 23 September 2021.

In the year under review, two disclosure notifications were published. One related to Impax Asset Management Limited, London (Great Britain) and one related to Oras Invest Oy, Rauma (Finland).

Disclosure notifications pertaining to shareholdings in Georg Fischer AG that were filed with Georg Fischer AG and the SIX Swiss Exchange are published on the latter's electronic publication platform and can be accessed via the following link:

+ www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

Cross-shareholdings

There are no cross-shareholdings or shareholder pooling agreements with other companies.

Shareholdings of members of the Board of Directors, the Executive Committee, and the Senior Management

A total of 798'117 Georg Fischer AG shares were held by members of the Board of Directors, the Executive Committee, and the Senior Management as of 31 December 2023 (previous year: 828'673):

	Number of Georg Fischer shares as of 31 Dec. 2023	Number of Georg Fischer shares as of 31 Dec. 2022
Members of the Board of Directors[1]	305'912	338'344
Members of the Executive Committee[1]	69'664	54'340
Members of the Senior Management	422'541	435'989
Total	**798'117**	**828'673**
In % of issued shares	**0.97%**	**1.01%**

1 Shareholdings of the individual members of the Board of Directors and Executive Committee are disclosed in the Compensation Report.

The shares of the share-based compensation program are either treasury shares or repurchased on the market.

Number of registered shareholders as of 31 December 2023

Number of shares	Number of registered shareholders	Shares in %
1-100	5'486	0.4%
101-1'000	13'943	7.0%
1'001-10'000	3'865	12.8%
10'001-100'000	396	9.9%
100'001-1'000'000	27	10.8%
> 1'000'000	3	9.2%
Total registered shareholders/shares	**23'720**	**50.1%**
Unregistered shares		49.9%
Total		**100.0%**

Registered shareholders per type as of 31 December 2023

	Shareholders in %	Shares in %
Individual shareholders	94.3%	46.9%
Legal entities	5.7%	53.1%
Total	**100.0%**	**100.0%**

Registered shareholders per country as of 31 December 2023

	Shareholders in %	Shares in %
Switzerland	88.9%	86.7%
Germany	7.1%	3.9%
United Kingdom	0.4%	0.6%
USA	0.2%	4.3%
Other countries	3.4%	4.5%
Total	**100.0%**	**100.0%**

Shareholders' rights

As of 31 December 2023, Georg Fischer AG had 23'675 shareholders with voting rights (previous year: 20'945), most of whom reside in Switzerland. The number of registered shareholders who hold the shares as fiduciary is 45. To maintain this broad base, the Articles of Association of Georg Fischer AG provide for the statutory restrictions summarized hereinafter.

Restriction on voting rights

The total number of votes exercised by one person for their own shares and shares for which they vote by proxy may not exceed 5% of the votes of the company's total share capital. Persons bound by capital or voting rights, by consolidated management, or otherwise acting in concert for the purpose of circumventing this provision are deemed to be one person.

The restriction of voting rights under § 4.10 of the Articles of Association of Georg Fischer AG may be revoked only by a resolution of the Shareholders' Meeting, passed by a two-thirds majority of the shares represented and an absolute majority of the par value of the shares represented.

Proxy voting

A shareholder may, on the basis of a written power of attorney, be represented at the Annual Shareholders' Meeting by a proxy of their choice or the independent proxy. Shareholders can also confer powers of attorney and issue instructions to the independent proxy electronically.

Statutory quorum

For specific legal and statutory reasons (§ 12.2 of the Articles of Association of Georg Fischer AG), the following resolutions of the Shareholders' Meeting require a majority greater than the simple majority as laid down by law for votes. At least two-thirds of the shares represented and an absolute majority of the par value of the shares represented must be in favor of:

- the cases listed in Art. 704 para. 1 CO
- the alleviation or withdrawal of limitations upon the transfer of registered shares
- the creation, extension, alleviation, or withdrawal of the voting restrictions
- the amendments to § 16.1 of the Articles of Association of Georg Fischer AG
- the removal of restrictions concerning the passing of resolutions by the Shareholders' Meeting

Convocation of the Annual Shareholders' Meeting

No regulations exist which deviate from those stipulated by law.

Agenda

Shareholders representing a minimum of 0.3% of the share capital may request that an item be added to the agenda. The application must be submitted in writing no later than 60 days before the Annual Shareholders' Meeting and must specify the item to be discussed and the shareholder's proposal.

Entry in the share register

The deadline for entering shareholders in the share register with regard to attendance at the Annual Shareholders' Meeting is around ten days before the date of the Annual Shareholders' Meeting. The deadline is mentioned in the invitation to the Annual Shareholders' Meeting.

Change of control

The Articles of Association of Georg Fischer AG do not contain any regulations governing "opting-out" or "opting-up". Since 1 January 2014, the contractually agreed notice period for the members of the Executive Committee has been 12 months. Furthermore, a change of control will result in the cancellation of all existing disposal limitations for shares allocated according to the share plan. In the event of a change of control, bondholders, and banks have the right to demand the immediate repayment of bonds and loans before they fall due.

Blackout periods

Rules apply to the trading of Georg Fischer AG shares by members of the Board of Directors, Executive Committee and employees of the GF Corporation.

In accordance with the Code of Conduct and Corporate Instructions of the GF Corporation regarding the handling of insider information, members of the Board of Directors, the Executive Committee, and employees who are in possession of confidential information are not permitted to carry out transactions involving shares or other financial instruments of Georg Fischer AG during blackout periods. There were no exceptions to this rule in the 2023 financial year.

General blackout periods start when year-end forecasts – based on November's month-end reports – are first communicated internally and finish when the Corporate Reports are published, and when mid-year forecasts – based on May's month-end reports – are first communicated internally through to the publication of the Mid-Year Report. In the 2023 reporting year, the blackout period for the mid-year financial statements started on 15 June and for the annual financial statements on 11 December.

The disclosure of the Blackout Period is based on the Directive on Information relating to Corporate Governance of the SIX Exchange Regulation.

Board of Directors

As of 31 December 2023

Responsibilities

The Board of Directors has ultimate responsibility for supervising and monitoring the management of Georg Fischer AG. The Board of Directors is responsible for all matters vested to it by the law or the Articles of Association of Georg Fischer AG, provided it has not delegated these to other bodies. These are in particular:

- decisions on corporate strategy and the organizational structure
- appointing and dismissing members of the Executive Committee
- organizing finance and accounting
- determining the annual and investment budgets

Unless otherwise provided for by law or the Articles of Association of Georg Fischer AG, the Board of Directors delegates operational management to the CEO, who is assisted in this task by the Executive Committee. The extent to which competencies are delegated by the Board of Directors to the Executive Committee and the nature of the cooperation between the Board of Directors and the Executive Committee are defined by the Organization and Business Rules.

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Elections and term of office

As per § 16.2 of the Articles of Association of Georg Fischer AG, the members of the Board of Directors have to be elected individually for one year, and their term of office ends until the next ordinary Shareholders' Meeting has been concluded. Re-election is possible.

According to the GF Organization and Business Rules, members of the Board of Directors who have reached the age of 72 or in principle who have been in office for 12 years may not stand for re-election at the next Annual Shareholders' Meeting. For all members of the Board of Directors, age and term of office are within these limits. The average term of office of members of the Board of Directors is five years.

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Board of Directors **Chairman: Yves Serra** Vice Chairman: Hubert Achermann Independent Lead Director: Hubert Achermann	Peter Hackel Roger Michaelis Eveline Saupper Ayano Senaha Monica de Virgiliis Michelle Wen
Audit Committee Chairman: Hubert Achermann	Peter Hackel Monica de Virgiliis
Compensation Committee Chairwoman: Eveline Saupper	Roger Michaelis Michelle Wen
Nomination and Sustainability Committee Chairman: Yves Serra	Hubert Achermann Ayano Senaha

2023

At the 127th Annual Shareholders' Meeting on 19 April 2023, Monica de Virgiliis and Michelle Wen were newly elected and six existing members of the Board of Directors were confirmed for one additional year. After the Annual Shareholders' Meeting, the Board of Directors was composed of eight members.

Internal organizational structure

Pursuant to § 16.3 of the Articles of Association of Georg Fischer AG, the Annual Shareholders' Meeting elects a member of the Board of Directors as its Chairman for the period of one year until the next ordinary Annual Shareholders' Meeting has been concluded. Re-election is possible.

With the exception of the election of a Chairman of the Board of Directors, who is elected by the Annual Shareholders' Meeting, the Board of Directors constitutes itself by electing a Vice Chair from within its ranks once a year. Yves Serra was confirmed as Chairman of the Board of Directors. Hubert Achermann, who was re-elected as a member of the Board of Directors, continues to serve as Vice Chairman and Independent Lead Director.

In addition, pursuant to § 20.1 of the Articles of Association of Georg Fischer AG, the Annual Shareholders' Meeting elects the members of the Compensation Committee.

Diversity

The Board of Directors consists of six to nine members. Each member normally belongs to at least one of the three standing committees. When members are elected, the focus is on their experience in board, executive and management functions, legal, audit, compliance, overseas experience, sustainability, digitalization and innovation as well as the gender. The Board of Directors aims to achieve a proper balance of skills and knowledge, taking into account the main strategic focus of the GF Corporation, its international orientation, and the accounting requirements of listed companies. Expert knowledge in innovation and digitalization is being gradually expanded.

The Board of Directors consists of members from five different countries. Four of the eight members of the Board of Directors are female (quota of 50%). On 10 October 2023, GF announced that Stefan Räbsamen will be proposed for election to the Board of Directors at the next Annual Shareholders' Meeting on 17 April 2024. Stefan Räbsamen has extensive expertise in auditing, financial and ESG reporting, and would replace Hubert Achermann, who is not standing for re-election at the Annual Sharholders' Meeting 2024 on reaching the age limit. He will therefore also step down from his role as a member and Chair of the Audit Committee. On 19 December 2023, GF announced that Annika Paasikivi will be proposed for election to the Board of Directors. Annika Paasikivi would complement our Board as a highly experienced senior executive. In addition to her in-depth knowledge of Uponor and the building technology industry, she also has a wealth of experience as a director and chairperson of both public and private companies. Roger Michaelis will not stand for re-election due to reaching the maximum term of office of 12 years Subject to acceptance for election as members of the Board of Directors, five of the eight members of the Board of Directors will be female after the 2024 Annual Shareholders' Meeting (quota of 63%). The skills and knowledge required of the Board of Directors are broadly covered, and are as follows:

Name	Board	CEO	CFO	Executive Committee	Legal/audit/compliance	Overseas experience	Sustainability	Digitalization	Innovation	Gender	Country of origin	GF Board tenure (years)[1]	Age
Yves Serra	+	+		+		+	+		+	M	FRA & CHE	5	70
Hubert Achermann[2]	+	+			+					M	CHE	10	72
Peter Hackel			+				+	+		M	CHE	4	54
Roger Michaelis[2]			+			+				M	BRA & DEU	12	64
Eveline Saupper	+				+					F	CHE	9	65
Ayano Senaha	+			+		+	+	+		F	JPN	2	41
Monica de Virgiliis	+			+			+		+	F	ITA & FRA	1	56
Michelle Wen	+			+		+	+		+	F	FRA	1	58
Annika Paasikivi[3]	+	+		+						F	FIN	–	48
Stefan Räbsamen[4]	+			+	+		+			M	CHE	–	58

1 After the upcoming Annual Shareholders' Meeting.
2 Will not stand for re-election at the 2024 Annual Shareholders' Meeting.
3 The proposed Board Member, Annika Paasikivi, would complement our Board with her in-depth knowledge of flow systems, which is GF's key market.
4 The proposed Board Member, Stefan Räbsamen, would complement our Board as top executive with comprehensive experience in auditing and sustainability reporting.

Criteria	
Board	In a public listed company or large (private) company
CEO	In a public listed company or large (private) company
CFO	In a public listed company or large (private) company
Executive Committee	In a public listed company or large (private) company
Legal/audit/compliance	Legal degree, at least five years in a leading position in the legal/compliance field or senior audit function in a leading audit firm
Overseas experience	At least three years in a management position outside of own region
Sustainability	Head Sustainability of a large company, Chairperson of the Sustainability Committee of a large company
Digitalization	At least three years' experience in leading digitalization projects, Chief Digital Officer (CDO) of a large company
Innovation	At least three years' experience in innovation as Chief Technology Officer (CTO)/Head R&D or Chairperson Innovation Committee of a large company

For the criteria, listed or large (private) companies are considered companies with a turnover of more than CHF 500 million.

Nationalities [1,2]	
Switzerland	38%
France	25%
Brazil	13%
Italy	13%
Japan	13%

1 In case of dual citizenship, the country of origin is indicated.
2 Due to rounding, the numbers presented in the charts may not add up precisely to 100 percent

Gender	
Women	50%
Men	50%

Tenure [1]	
< 5 years	63%
5 to 8 years	13%
9 to 12 years	25%

1 Due to rounding, the numbers presented in the charts may not add up precisely to 100%.

Independence

Based on the Swiss Code of Best Practice for Corporate Governance from Economiesuisse all eight members of the Board of Directors are non-executive and independent. There are no significant business relationships between members of the Board of Directors or the companies or organizations they represent and Georg Fischer AG or a GF Corporate Company.

Independent Lead Director

Following the election of Yves Serra as the new Chairman of the Board of Directors, the Board of Directors elected the new Vice Chairman Hubert Achermann additionally as Independent Lead Director. The Independent Lead Director, together with the other independent members of the Board of Directors, will ensure efficient control and supervision in compliance with best Corporate Governance practices. By creating a strong position of Independent Lead Director with Hubert Achermann, GF is ensuring strict compliance with broadly accepted corporate governance guidelines. A brief description of the role and responsibilities of the Independent Lead Director is available on the GF website. In 2023, the Independent Lead Director held bilateral meetings with the members of the Board of Directors as well as several bilateral meetings with the CEO and the CFO.

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Mandate

Pursuant to § 21 of the Articles of Association of Georg Fischer AG, a member of the Board of Directors may at one and the same time hold no more than four additional mandates as a member of the supreme managerial or governing body of listed legal entities and no more than ten additional mandates as a member of the supreme managerial or governing body of not listed legal entities.

In addition, a member of the Board of Directors may not hold more than ten mandates that he or she exercises by order of the company, in legal entities belonging to the member's own family, in a professional or industry association, or in a charitable institution.

Mandates of associated companies or institutions, which are exercised in the function as a member of the supreme managerial or governing body of a legal entity, together count as one mandate.

Board refreshment and succession planning

The Chairman of the Board of Directors, supported by the Nomination and Sustainability Committee, is responsible for succession planning for the Board of Directors.

An individual job profile is created based on the future requirements of the Board of Directors, the results of the annual self-evaluation and the diversity and skill requirements listed in the skills matrix (in the separate section Diversity). An executive search agency that fulfills the criteria listed in the requirements specification is usually commissioned to initiate the search for a new member of the Board of Directors. The Nomination and Sustainability Committee is responsible for creating the job profile and conducting the initial screening of candidates. Candidates are also interviewed by the Chairman and other members of the Board of Directors personally before any nominations are proposed. The Nomination and Sustainability Committee makes a subsequent recommendation to the whole Board of Directors, which then decides whom to propose for nomination to the shareholders at the forthcoming Annual Shareholders' Meeting. The Head of Corporate HR provides support throughout the process.

Areas of responsibility

The members of the three standing Board Committees are listed at the beginning of this chapter. The Board Committees provide preliminary advice to the Board of Directors and do not make any definitive decisions. They discuss the issues assigned to them and make proposals to the Board of Directors as a whole. The CEO attends the meetings of the Board Committees, but is not entitled to vote. Minutes of the committee meetings are distributed to all members of the Board of Directors. The chairs of the individual committees also provide a verbal report at the next meeting of the Board of Directors and submit any proposals.

Working methods of the Board of Directors

Decisions are made by the Board of Directors as a body. Members of the Executive Committee also take part in Board meetings for agenda items relating to the company's business, but are not entitled to vote. Only the CEO is present when personnel topics are dealt with. Personnel topics affecting him directly are treated in his absence. Invitations to Board meetings list all the items that the Board of Directors, a Board Committee, or the CEO wish to discuss. All those attending a Board meeting receive detailed written material on the proposals in advance.

Number of meetings	8
Number of attendees	8
Average duration (hours)	5:40
Meeting attendance	100%

Overview meetings	
Yves Serra, Chairman	8/8
Hubert Achermann	8/8
Peter Hackel	8/8
Roger Michaelis	8/8
Eveline Saupper	8/8
Ayano Senaha	8/8
Monica de Virgiliis[1]	6/6
Michelle Wen[1]	6/6

1 Monica de Virgiliis and Michelle Wen were elected as new members of the Board of Directors at the Annual Shareholders' Meeting 2023.

The Board of Directors meets at least four times a year under the leadership of its Chairman. In the year under review, the Board of Directors held eight meetings. In addition to the five regular meetings, two extraordinary meetings were held to discuss and decide on a major strategic acquisition. The annual strategy meeting was held in the reporting year as part of a week-long visit to GF subsidiaries, plants and customers of GF in China. The strategic topic of the year was the mid-term review of Strategy 2025. The average duration of the meetings was 5:40 hours. Four meetings lasted a full day and three meetings lasted half a day. The dates of the regular meetings are generally set well in advance to enable all members to attend in person. In the year under review, some of the meetings were held virtually. The attendance rate was 100 percent. The three standing committees of the Board of Directors held a total of eight meetings. In addition, a temporary committee, which also included the Chairman and the Vice Chairman, met once to discuss and deliberate on governance matters of the GF Corporation.

External consultants are brought in for their services when specific topics are involved. Further information is provided in the section on the Board Committees.

Self-evaluation

In line with the recommendations in the Swiss Code of Best Practice for Corporate Governance published by Economiesuisse, the Board of Directors carries out an annual self-evaluation of its work and that of its committees. The Board of Directors then discusses the results of the self-evaluation. The Chairman of the Board of Directors also conducts a structured bilateral meeting with each member of the Board of Directors. After every meeting of the Board of Directors, its process and the discussions are evaluated so that any potential improvements can be identified and implemented.

In 2023, the Board of Directors again conducted the self-evaluation, the results of which were discussed at the Board of Directors meeting in December 2023. Their findings will be implemented in the new reporting period.

Audit Committee

The Audit Committee consists of three members of the Board of Directors.

In the year under review, the Audit Committee held four ordinary meetings, which lasted 3:45 hours on average. As focus topics for 2023, the Audit Committee addressed the activities relating to the risk management process, as well as IT and cyber security. All members of the Audit Committee attended all meetings. The Chairman of the Board of Directors, the CEO, the CFO, the Head of Corporate Controlling, the Head of Internal Audit, and the representatives of the external auditor also take part in the meetings.

Number of meetings	4
Number of attendees	3
Average duration (hours)	3:45
Meeting attendance	100%

Overview meetings	
Hubert Achermann, Chairman	4/4
Peter Hackel	4/4
Jasmin Staiblin[1]	1/4
Monica de Virgiliis[1]	3/4

1 Monica de Virgiliis was elected as a new member of the Board of Directors at the Annual Shareholders' Meeting 2023 and replaced Jasmin Staiblin in the Audit Committee.

In addition to the four regular meetings, three extraordinary Audit Committee meetings were held to discuss and decide on major strategic acquisitions.

The Audit Committee supports the Board of Directors in monitoring accounting and financial reporting, supervises the internal and external audit function, assesses the efficiency of the internal control system including risk management and compliance with legal and statutory provisions, and issues its opinions on transactions concerning equity and liabilities at Georg Fischer AG. It also focuses on ensuring IT and cyber security, and assessing due diligence processes in M&A transactions. The Audit Committee also decides whether the GF Corporate Reports, comprising the consolidated financial statements of the GF Corporation and the financial statements of

Georg Fischer AG, can be recommended to the Board of Directors for presentation to the Annual Shareholders' Meeting.

At the request of the Audit Committee, the external auditor also provides information on current questions related to upcoming changes in accounting and legal amendments.

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Compensation Committee

The Compensation Committee consists of three members of the Board of Directors, who are elected on a yearly basis by the Annual Shareholders' Meeting.

In the year under review, the Compensation Committee held four ordinary meetings, each of which lasted one to two hours. The average meeting duration was 1:30 hours. In addition, the CEO and the Head of Corporate HR and, if necessary, the Head of Corporate Compensation & Benefits attend the meetings.

Number of meetings	4
Number of attendees	3
Average duration (hours)	1:30
Meeting attendance	92%

Overview meetings	
Eveline Saupper, Chairwoman	4/4
Riet Cadonau[1]	1/4
Roger Michaelis	4/4
Michelle Wen [2]	2/4

1 Riet Cadonau has resigned from the Compensation Committee at his own request as of the Annual Shareholders' Meeting 2023.
2 Michelle Wen was elected as a new member of the Compensation Committee at the Annual Shareholders' Meeting 2023.

The Compensation Committee supports the Board of Directors in setting compensation policy at the highest corporate level. It uses knowledge of internal and external compensation specialists about market data from comparable companies in Switzerland, in addition to publicly available data obtained on the basis of compensation disclosures. Furthermore, based on internal and external sources, common market practices and stakeholder expectations are continuously evaluated by the Compensation Committee. The Compensation Committee proposes to the Board of Directors the total amount of compensation to be paid to the entire Executive Committee and the CEO.

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Nomination and Sustainability Committee

The Nomination and Sustainability Committee consists of three members of the Board of Directors. The Chairman of the Board of Directors is also Chairman of the Nomination and Sustainability Committee.

In the year under review, the Nomination and Sustainability Committee held four ordinary meetings and two extraordinary nomination-related topics and three ordinary meetings sustainability-related topics, which lasted each 1:00 hour in total on average. All members of the Nomination and Sustainability Committee attended all meetings. The meetings are held separately in two parts for the Nomination and Sustainability topics. In addition to the members of the committee, the CEO and the Head of Corporate HR are present during the Nomination session, while the CEO, the CFO and the Head of Corporate Sustainability attend the Sustainability session.

	Nomination	Sustainability
Number of meetings	4	3
Number of attendees	3	3
Average duration (hours)	1:00	1:00
Meeting attendance	100%	100%

Overview meetings	Nomination	Sustainability
Yves Serra, Chairman	4/4	3/3
Hubert Achermann	4/4	3/3
Ayano Senaha	4/4	3/3

The focus in the area of nominations is on supporting the Board of Directors with succession planning and the selection of suitable candidates for the Board of Directors and the Executive Committee. The CEO and Head of Corporate HR inform the Nomination and Sustainability Committee annually about succession planning at the Senior Management levels, the talent pipeline within Senior Management, and the diversity situation. For specific recruitments at the Board of Directors and Executive Committee level, services of headhunters are hired (see separate section Board refreshment and succession planning).

The committee's focus in the area of sustainability is on advising the Board of Directors on the sustainability strategy, targets, initiatives, and legislation relating to ESG, and includes the review of the annual Sustainability Report and supporting management in responding to stakeholders.

In the 2023 reporting year, the committee's main areas of focus were on the net-zero feasibility study, regulatory compliance, the Human Rights program, approval of the Sustainability Report, performance against our sustainability targets and our external ratings performance.

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Information and control instruments

The Board of Directors is informed in detail about business performance every month. The members of the Board of Directors receive the monthly report. In addition to an introductory commentary on the current course of business by the CEO and CFO, it contains the most important key figures for the course of business and the monthly closing as well as a preview of the next three months and the year-end. These key figures are broken down by GF Corporation, Divisions, and GF Corporate Companies. The Executive Committee presents and comments on business performance, and presents its assessment of business performance for the coming months at Board meetings. It also presents all important topics to the Board of Directors.

In addition, the Board of Directors regularly receives the forecast containing the expected figures at year-end. Once a year, the Board of Directors receives and approves the budget of the GF Corporation and the Divisions for the following year. The Board of Directors holds as a general rule a two-day meeting once a year to discuss the strategies of the Divisions and the GF Corporation as a whole. Once a year, it holds a workshop on the GF Corporation's risk profile, and is updated about the measures taken to minimize and control risk.

The Chairman of the Board of Directors receives the invitations and minutes of the Executive Committee and Corporate Staff Meetings. The review of the Strategy 2025 provided the Chairman of the Board of Directors and the members of the Board of Directors with an additional opportunity for in-depth discussions with management. In the year under review, the Board of Directors visited GF sites in Austria (Altenmarkt) and in China (Yangzhou, Changzhou, Suzhou and Shanghai). The Chairman of the Board of Directors, mostly accompanied by the CEO and, depending on the topic and location, other members of the Executive Committee, visited customers and GF sites in Austria, Finland, Great Britain, Italy, Japan and Switzerland, in addition to the one-week trip to China. At several meetings, the Board of Directors was informed by internal and external experts about global trends and developments, and discussed the insights gained. The Executive Committee was present at these presentations.

Internal Audit

Internal Audit reports to the Chairman of the Audit Committee operationally and to the CFO administratively. Based on the audit plan approved by the Audit Committee, GF Corporate Companies are audited either annually or every two to five years, depending on the risk assessment and based on a comprehensive audit program. In the year under review, 50 internal audits were conducted. The audit reports are reconciled with the management of the audited GF Corporate Companies or responsible functions and distributed to the line managers, the external auditor, the Executive Committee, the Audit Committee as well as the Chairman of the Board of Directors. Audit reports with significant findings are presented to and discussed in the Audit Committee.

Internal Audit ensures that all discrepancies arising in internal and external audits are remediated and addressed in a timely manner. The status of the remediation is presented to the Audit Committee twice a year and to Executive Management on a quarterly basis. The Head of Internal Audit prepares an annual report, which is discussed by the Executive Committee and the Audit Committee. During the year, the Head of Internal Audit informs the Audit Committee of any changes to the audit plan and of the progress of planned audits. He also serves as the secretary of the Audit Committee.

Corporate Compliance

The Service Center Law & Compliance informs the Board of Directors and the Executive Committee about legal issues and significant changes to the law. The Corporate Compliance Officer (CCO) is appointed by the CEO and in this function reports to the General Counsel; he informs the CEO directly, if necessary. The CCO helps GF Corporate Companies comply with the law, internal directives, and the GF Corporation's principles of business ethics in their business activities, in particular through preventative measures and training in the Divisions along with information and advice provided to the GF Corporate Companies. The Executive Committee, in consultation with the CCO, defines priority issues. In addition, all GF employees can report compliance violations to the CCO via seven different channels, including the GF Transparency Line, which can be used to correspond anonymously if desired. Five of the channels (including the Transparency Line) are also accessible to third parties. In the year under review, 53 notifications were reported and 33 reports were closed.

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A number of compliance measures were implemented in 2023:

- Roughly 3'800 internal e-learnings were conducted on anticorruption, competition, and cartel law, export controls and trade restrictions as well as personal data protection
- Ongoing advice and support for internal audits
- Continuation of specific compliance measures for intermediaries (e.g. ongoing checks regarding the appropriateness of the engagement of and the compensation paid to intermediaries as well as examination of their ownership structure so as to avoid conflicts of interest)
- Advice on the prevention of business with sanctioned persons and organizations
- Advice on questions relating to export controls, cartel law, and labor law
- Support of the Business Unit Controllers, among others through compliance questions, risk assessments, and internal controls
- Further expansion of measures for personal data protection pursuant to GDPR and the (new) Swiss Data Protection Act
- Event-driven internal investigations in cases of suspected misconduct at GF or intermediaries of GF

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Risk management

Corporate risk management

GF applies a comprehensive risk management process across all levels, addressing various business risks such as sustainability and cybersecurity in a systematic manner. These risks are regularly identified, analyzed and evaluated in terms of their likelihood. Where possible and appropriate, the identified risks were subject to a quantifiable assessment, taking into consideration any measures already implemented. Alternatively, a qualitative assessment of the risk exposure was applied. In a next step, measures including action plans and timelines are defined to control the risks. The Board of Directors bears ultimate responsibility for risk management. The Board of Directors has mandated the Audit Committee to monitor the development and implementation of the risk management principles. The Audit Committee reports regularly to the Board of Directors on this matter.

The Corporate Risk Council, consisting of representatives of the Divisions, the Head of Corporate Sustainability, the Chief Information Officer (CIO) as well as the CFO, and headed by the Chief Risk Officer, held its meeting in June 2023. The focus of the meeting was the evaluation of the corporate risk management process, including the new ERM-Reporting software and a discussion of the divisional risk maps.

In accordance with the annual risk reporting process, the Executive Committee and divisional management discussed the risk maps in August of the reporting year. They defined, at the appropriate level, the key risks of the GF Corporation, the Divisions and the GF Corporate Companies and sales regions, and determined adequate measures to mitigate those risks. The Board of Directors held a risk management workshop in December 2023 with the aim to define all relevant risks from a Board of Directors' perspective and compare the findings with the risk assessment of the Executive Committee. The result of the risk workshop of the Board of Directors and the workshops of the Executive Committee as well as the determined measures in order to mitigate or control the risks defined were included in the Risk Report 2023, which was provided to the Board of Directors for approval in February 2024.

The multi-stage procedure, including workshops at divisional management, Executive Committee and Board of Directors level, has proven effective. In addition, Internal Audit assesses the risk maps prepared by the GF Corporate Companies. The following key risks were identified: geopolitical risks related to China, cyber risks and the consequences of disruptive technologies, negative impacts of violent conflicts and war, and the lack of skilled labor at all levels. Measures to reduce these and other risks were defined and are being implemented in line with the strategic targets of the GF Corporation and the Divisions.

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The handling of financial and operational risks is explained in the notes to the consolidated financial statements in note 3.7 Risk management.

Assessment of the Executive Committee

The Board of Directors evaluates and assesses the performance of the Executive Committee and its members at least once a year in the absence of the Executive Committee members. The Board of Directors must approve any appointments of Executive Committee members to external Boards of Directors or to high-level political or other public functions.

Members of the Board of Directors

As of 31 December 2023

Yves Serra

Chairman of the Board of Directors

1953 (France and Switzerland)

Engineering degree from École Centrale de Paris (France); MSc in Civil Engineering from the University of Wisconsin-Madison (USA)

Board member since 2019, Vice Chairman 2019–2020, Chairman since 2020

Committees

Chairman of the Nomination and Sustainability Committee

Corporate Governance

Independent member

Professional background, career

Deputy Commercial Attaché at the French Embassy in Manila (Philippines) (1977–1979); Customer Service Engineer for Alstom in France and South Africa (1979–1982); various positions at Sulzer in France and Japan (1982–1992); various positions at GF (1992–2019), Managing Director of Charmilles Technologies Japan and Regional Head of Sales Asia (1992–1998), Head of Charmilles (1998–2003), Head of GF Piping Systems (2003–2008), President and CEO of Georg Fischer AG (2008–2019)

Current professional activities and involvement in governing bodies of other listed corporations

—

Further professional activities and functions

Chairman of the Board of Directors of Stäubli Holding AG; member of the Board of BNP Paribas Switzerland; member of the Board of SMG (Schweizerische Management Gesellschaft) until end of February 2024 (all Switzerland); Advisor Sustainability Committee of Recruit Holdings and of Asset Management One, Tokyo (both Japan)

Hubert Achermann

Vice Chairman and Independent Lead Director

1951 (Switzerland)

Dr. iur, attorney, graduated in Law at the University of Bern (Switzerland)

Board member since 2014, Vice Chairman and Independent Lead Director since 2020

Committees

Chairman of the Audit Committee

Member of the Nomination and Sustainability Committee

Corporate Governance

Independent member

Professional background, career

Legal advisor at FIDES Treuhandgesellschaft in Zurich (1982–1987), Head of the company's Lucerne office (1987–1994), Partner and Vice Chairman of the Board of Directors of the newly created KPMG Schweiz (1992–1994), member of the four-person Executive Board, responsible for tax and law (1994–2004), CEO of KPMG Schweiz and performed several key roles for KPMG International (2004–2012), first Lead Director of KPMG International and member of the KPMG Global Board (2009–2012)

Current professional activities and involvement in governing bodies of other listed corporations

—

Further professional activities and functions

—

Peter Hackel

Member of the Board of Directors

1969 (Switzerland)

Dr. sc. nat. ETH; Master and PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich (Switzerland); degree in Business Administration at the Open University of Hagen (Germany)

Board member since 2020

Committees

Member of the Audit Committee

Corporate Governance

Independent member

Professional background, career

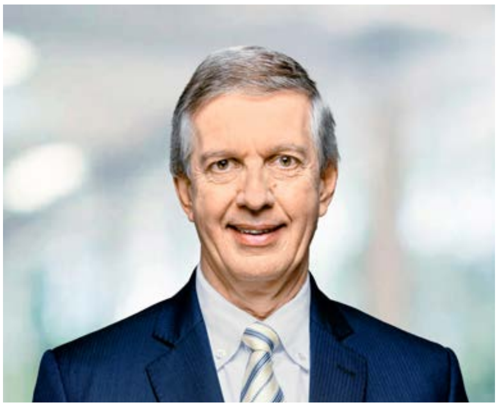
Various management positions at McKinsey and Geistlich Biomaterials (Switzerland); various management positions at Straumann AG, ultimately as Head of Group Controlling and member of Executive Management Group Straumann AG (2004–2011); CFO of the global segment Oerlikon Drive Systems (2011–2013); CFO of Straumann Group (2014–2022)

Current professional activities and involvement in governing bodies of other listed corporations

CFO of Syntegon (since 2023)

Further professional activities and functions

Board member of the Association of Swiss CFOs (Switzerland)



Roger Michaelis

Member of the Board of Directors

1959 (Brazil and Germany)

Studied Business Administration at the University of São Paulo (Brazil), post-graduate degree in Management and Strategy at Krupp Foundation Munich (Germany) and Babson College (USA)

Board member since 2012

Committees

Member of the Compensation Committee

Corporate Governance

Independent member

Professional background, career

Various positions at Osram Group (1988–2012), ultimately as CEO at Osram Brazil and Head of Human Resources of Osram in Latin America (2004–2012); prior to this CFO at Osram subsidiaries in India and Brazil

Current professional activities and involvement in governing bodies of other listed corporations

Partner and Director of Verocap Consulting, São Paulo, (Brazil) (since 2012)

Further professional activities and functions

Managing Director and owner of Verocap Consulting; Corporate CFO and Head of Corporate HR of Bentonit União Group Ltd. São Paulo; Chairman of the Advisory Board of Mast Group Ltd. São Paulo; Chairman of the Supervisory Board of the Institute of the German Hospital Oswaldo Cruz São Paulo; Chairman of the Advisory Board of Mast Group Ltd (all Brazil)

Eveline Saupper

Member of the Board of Directors
1958 (Switzerland)

Dr. iur, attorney and certified Tax Expert, graduated in Law at the University of St. Gallen (Switzerland)

Board member since 2015

Committees
Chairwoman of the Compensation Committee

Corporate Governance
Independent member

Professional background, career
Legal and Tax Advisor at Peat Marwick Mitchell (now KPMG Fides) (1983–1985); Attorney at Baker & McKenzie (1985–1992); Employee (1992–1994), Partner (1994–2014) and of counsel at Homburger AG (2014–2017)

Current professional activities and involvement in governing bodies of other listed corporations
Member of the Board of Directors of Flughafen Zurich AG (until April 2023), Clariant AG and Forbo Holding AG (all Switzerland)

Further professional activities and functions
Member of the Board of Directors of Stäubli Holding AG; member of the Board of Trustees of UZH Foundation; member of the Board of Directors of Tourismus Savognin Bivio Albula AG; Chairwoman of Mentex Holding AG; member of the Board of Trustees of Foundation Piz Mitgel Val Surses (all Switzerland)

Ayano Senaha

Member of the Board of Directors
1982 (Japan)

B.A. in Economics from the Waseda University Tokyo (Japan)

Board member since 2022

Committees
Member of the Nomination and Sustainability Committee

Corporate Governance
Independent member

Professional background, career
Various management positions at Recruit Holdings and its group companies since 2006: Representative at Corporate Planning and Solution Sales (2006–2012); Director of Advantage Resourcing UK (2013–2015); Executive Manager at Recruit Holdings (2015–2018), located in Tokyo (Japan); Chief of Staff at Indeed Inc, Austin (USA) (2018–2019)

Current professional activities and involvement in governing bodies of other listed corporations
Corporate Executive Officer at Recruit Holdings (since 2018); COO, Executive Vice President of the Executive Committee and member of the Board of Recruit Holdings; Board Director of Indeed Inc, (Austin US); Director of Glaasdoor Inc; Non-Executive Board of RGF Staffing B.V. Almere Netherlands

Further professional activities and functions
—

Monica de Virgiliis

Member of the Board of Directors

1967 (Italy and France)

Masters in Electronics Engineering: Politecnico di Torino (Italy)

Board member since 2023

Committees

Member of the Audit Committee

Corporate Governance

Independent member

Professional background, career

1993–1996 Manufacturing Engineer at Magneti Marelli Electronics Division (Italy); 1996–2001 Program Manager at the Alternative Energies and Atomic Energy Commission (CEA) (France); 2001–2015 several executive roles at STMicroelectronics (Switzerland), since 2005 as Vice President and including General Manager of the Wireless Multimedia Division (2007–2010) and ultimately as Vice President Corporate Strategy & Development (2013–2015); 2015–2016 Vice President & General Manager Industrial Micro-controllers at Infineon Technologies (Germany); 2017–2019 Chief Strategy Officer of the Alternative Energies and Atomic Energy Commission (CEA) in Paris (France)

Current professional activities and involvement in governing bodies of other listed corporations

Chairwoman of the Board of Directors of SNAM (Italy); member of the Board of Directors of Air Liquide (France) and member of the Supervisory Board of ASM International (Netherlands) (until May 2024)

Further professional activities and functions

Co-founder and Chairwoman of the Board of Directors of Chapter Zero France, the French branch of the Climate Governance Initiative built on the World Economic Forum's Principles for Effective Climate Governance

Michelle Wen

Member of the Board of Directors

1965 (France)

B.A. in International Business from American Christ's College in Taipei (Taiwan); Economics & Accounting at the London School of Economics (UK); MBA from ESCP-EAP in Paris (France); Executive Management at INSEAD (France) and The Wharton School, University of Pennsylvania (USA)

Board member since 2023

Committees

Member of the Compensation Committee

Corporate Governance

Independent member

Professional background, career

1993–1997 several management positions at Thomson Multimedia (France and USA); 1997–2000 at Philips (now Continental AG) (Germany and France), ultimately as Senior Alliance Manager; 2000–2008 at Renault-Nissan (France), ultimately as Senior Global Supplier Account Manager for Vehicle Body Purchasing; 2008–2012 Vice President of Sourcing & Supplier Quality Development at Alstom Transport; 2012–2016 Group Sourcing & Procurement Vice President at Vallourec (France); 2016–2017 Group Supply Chain Management Technology Director & Board member at Vodafone (Luxembourg); 2017–2022 several Executive Board positions at Opel Vauxhall (also Board member in 2018/2019), PSA&Stellantis Group (Germany, France and Netherlands), ultimately as member of the Executive Committee Group of Opel Vauxhall, PSA and Stellantis as Chief Global Purchasing & Supplier Quality Officer

Current professional activities and involvement in governing bodies of other listed corporations

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Further professional activities and functions

—

Designated members of the Board of Directors (to be proposed for election in April 2024)

Annika Paasikivi

1975 (Finland)
Bachelor's degree from the European Business School London and a Master's degree from the University of Southampton (both in England)

Corporate Governance

Independent member

Professional background, career

COO of Friitala Fashion (2009–2010); Integration Manager at Oras Group (2013–2015); COO of Oras Invest (2011–2018); member of the Board of Directors of Uponor Corporation (2014–2023) and its Chairwoman (2018–2023)

Current professional activities and involvement in governing bodies of other listed corporations

President and CEO of Oras Invest Oy and CEO of Finow Oy; member of the Board of Directors and Vice Chair of Kemira Oyj; member of the Board of Directors of Valmet Oyj (proposed for election on March 21, 2024) (all Finland)

Further professional activities and functions

Member of the Supervisory Board of the Finnish Economic and Policy Forum EVA and the ETLA Economic Research Institute (since 2024); member of the Board of Directors of Varova Oy (since 2016) (all Finland)

Stefan Räbsamen

1965 (Switzerland)
Master's degree in Economics and Administration from the University of Bern (Switzerland)

Corporate Governance

Independent member

Professional background, career

1994–2024 PwC Switzerland, from 2002 as Partner and following various management functions, as its Chairman (2019–2022). As part of his mandates for multinational companies, he was also Lead Auditor for GF (2012–2018)

Current professional activities and involvement in governing bodies of other listed corporations

In line with the standard two-year cooling-off period for auditing companies, he will take up his new position at the beginning of July 2024

Further professional activities and functions

Member of the Foundation Board of stars – for Leaders of the Next Generation, Weinfelden and Board of Zürcher Handelskammer (both since 2019) (both Switzerland)

Executive Committee

As of 31 December 2023

The CEO is responsible for the management of the GF Corporation. Under his leadership, the Executive Committee addresses all issues of relevance to the GF Corporation, takes decisions within its remit, and submits proposals to the Board of Directors. The Heads of the three Divisions and two Corporate Staff Units are responsible for drafting and achieving their business objectives and for managing their units autonomously. No management responsibility is delegated to third parties at the Executive Committee level (management contracts).

Members

As of 31 December 2023, the Executive Committee was composed of the following members: Andreas Müller, CEO and at the same time Head of Corporate Development; Joost Geginat, President of GF Piping Systems; Carlos Vasto, President of GF Casting Solutions; Ivan Filisetti, President of GF Machining Solutions; Mads Joergensen, CFO and Head of Corporate Finance & Controlling. There were no changes in the Executive Committee in the year under review. However, during the year under review, GF acquired the Finnish company Uponor Oyj and integrated it as a fourth Division. Michael Rauterkus, previously CEO of Uponor Corporation, formally became a member of the Executive Committee of GF as of 1 January 2024.

Mandate

Pursuant to § 23a of the Articles of Association of Georg Fischer AG, a member of the Executive Committee may at one and the same time hold no more than one additional mandate as a member of the supreme managerial or governing body of listed legal entities and no more than five additional mandates as a member of the supreme managerial or governing body of not listed legal entities. These mandates must be approved by the Board of Directors.

In addition, a member of the Executive Committee may not hold more than ten mandates that he or she exercises by order of the company, in legal entities belonging to the member's own family, in a professional or industry association, or in a charitable institution.

Mandates of associated companies or institutions and involvement in professional or industry associations, which are exercised in the function as a member of the supreme managerial or governing body of a legal entity, shall together count as one mandate.

Andreas Müller
Chief Executive Officer
(CEO)

Joost Geginat
President
GF Piping Systems

Michael Rauterkus
(as of 1 January 2024)
President
GF Uponor

Carlos Vasto
President
GF Casting Solutions

Ivan Filisetti
President
GF Machining Solutions

Mads Joergensen
CFO and Head of Corporate
Finance & Controlling

Andreas Müller
Head of Corporate
Development

Members of the Executive Committee

As of 31 December 2023

Andreas Müller

Chief Executive Officer, CEO

1970 (Germany)

Degree in Business Administration (Dipl.-Betriebswirt FH), from the University of Applied Sciences (HTWG), Constance (Germany)

Member of the Executive Committee since 2017, CEO since 2019

Professional background, career

Various positions at GF (since 1995), including Head of Controlling of GF Piping Systems, Schaffhausen (1998–2000), Head of Operations for GF Piping Systems companies in Australia (2000–2002), Head of Controlling Business Unit Industry & Utility of GF Piping Systems, Schaffhausen (2002–2008), CFO of GF Casting Solutions (2008–2016), CFO of Georg Fischer AG (2017–2019)

Current professional activities and involvement in governing bodies of other listed corporations

CEO of Georg Fischer AG (since 2019); Chairman of the Board of Directors of Uponor Corporation (Finland)

Further professional activities and functions

Member of the Executive Committee of Swissmem and of the Chapter Board “Doing Business in USA” of the Swiss American Chamber of Commerce; member of the Board of Swiss Chinese Chamber of Commerce (all Switzerland)

Mads Joergensen

Chief Financial Officer, CFO

1969 (Denmark and Switzerland)

Bachelor in Economics and Business Administration from Aarhus Business School, Aarhus (Denmark); Master in Economics & Business Administration from Copenhagen Business School, Copenhagen (Denmark), and University of Washington, Seattle (USA); studies in Risk & Restructuring/Advanced Corporate Finance at London Business School, London (UK)

Member of the Executive Committee since 2019

Professional background, career

Project Manager of Perot Systems Consulting (Icarus Consulting AG), Zurich (1995–1998); Manager Corporate Finance of Gate Gourmet International, Zurich (1998–2000); Strategic Investments Manager/Director Strategic Investments of TFC – The Fantastic Corporation, Zug (2000–2001); Associate Director (M&A) of Ernst & Young AG, Corporate Finance, Zurich (2001–2003); Head of Strategic Planning of GF Piping Systems, Schaffhausen (2003–2009), CFO of GF Piping Systems (2009–2019)

Current professional activities and involvement in governing bodies of other listed corporations

CFO of Georg Fischer AG (since 2019), member of the Board of Directors of Uponor Corporation (Finland)

Further professional activities and functions

Board of Trustees Swiss GAAP FER, member of the Board of IVS Industrie- und Wirtschafts-Vereinigung Region Schaffhausen; Regional Advisory Council of Commerzbank AG

Joost Geginat

President of GF Piping Systems

1966 (Germany and Switzerland)

Degree in Business Management from the University of Cologne (Germany) and International Management from École des Hautes Études Commerciales (HEC) Paris (France); Dipl. Kaufmann degree and CEMS Master

Member of the Executive Committee since 2016

Professional background, career

Various management functions at Roland Berger Strategy Consultants (Germany, Switzerland and Asia) (1995–2014); Senior Managing Director and Partner at AlixPartners (Switzerland) (2014–2016)

Current professional activities and involvement in governing bodies of other listed corporations

President of GF Piping Systems (since 2016); member of the Board of Directors of Uponor Corporation (Finland)

Further professional activities and functions

—

Michael Rauterkus

President of GF Uponor as of 1 January 2024

1966 (Germany)

Master of Science degree in Business Administration from the University of Münster in Germany

Member of the Executive Committee since 2024

Professional background, career

Managerial positions in sales, Kraft Jacobs Suchard (now Mondelez) (1990–1997); several managerial positions, Levi Strauss & Co. (1997–2004); General Manager Northern Continental Europe, Hasbro, Inc. (2004–2006); several managerial positions at the Grohe Group (2006–2015) and CEO of Grohe AG (2015–2019)

Current professional activities and involvement in governing bodies of other listed corporations

President and CEO Uponor Corporation (since 2021); Chairman of the Advisory Board of SLV GmbH since 2017

Further professional activities and functions

—

Carlos Vasto

President of GF Casting Solutions

1963 (Brazil and Italy)

Degree in Metallurgical Engineering from Mackenzie University, São Paulo (Brazil); Bachelor of Business Administration GSBA from the Graduate School of Business Administration, Zurich (Switzerland)

Member of the Executive Committee since 2018

Professional background, career

Various positions at GF Casting Solutions (1987–2000), Head of Production at former GF Casting Solutions site, Lincoln (UK) (2000–2003), Managing Director GF Casting Solutions, Lincoln (UK) (2003–2005); Executive Vice President Acotecnica SA (Brazil) (2005–2010), Managing Director Intra do Brazil (2011–2015); General Manager GF Linamar (USA) (2015–2018)

Current professional activities and involvement in governing bodies of other listed corporations

President of GF Casting Solutions (since 2018)

Further professional activities and functions

—

Ivan Filisetti

President of GF Machining Solutions

1969 (Italy and Switzerland)

Mechanical Engineering degree in Automation and Robotics from the Magistri Cumancini technical institute, Como (Italy)

Member of the Executive Committee since 2020

Professional background, career

Various management positions at AGIE Losone (Switzerland) (1990–2000); Operations Manager at Gildemeister Italiana (DMG Group) (Italy) (2000–2005); Operations and Division Manager at Samputensili (Italy) (2005–2008); Managing Director at GF AgieCharmilles (Switzerland) (2009–2012); Vice President Operations (COO) at GF Machining Solutions (Switzerland) (2013–2020)

Current professional activities and involvement in governing bodies of other listed corporations

President of GF Machining Solutions (since 2020)

Further professional activities and functions

—

Auditors

Mandate

In 2012, PricewaterhouseCoopers, Zurich (Switzerland), was elected as external auditor. Beat Inauen has been the auditor in charge since the Annual Shareholders' Meeting in 2019. He will assume the responsibility of the audit for no longer than seven years. The statutory auditor is elected at the Annual Shareholders' Meeting for a term of one year.

Audit fees

In 2023, PricewaterhouseCoopers provided services in a total amount of CHF 3.33 million (2022: CHF 2.72 million). Thereof services in connection with the audit of the financial statements of Georg Fischer AG, the GF Corporation, and the GF Corporate Companies resulted in worldwide fees of CHF 2.74 million (previous year: CHF 2.41 million). The increase in audit fees for the year-end is mainly related to the additional audit services provided due to the acquisitions of Corys Piping Systems and Uponor. For additional services in 2023, PricewaterhouseCoopers received fees of approximately CHF 0.59 million (previous year: CHF 0.31 million), thereof CHF 0.46 million (previous year: CHF 0.13 million) for consulting mandates in connection with accounting and reporting, CHF 0.02 million (previous year: CHF 0.05 million) for services related to tax advice and CHF 0.11 million (previous year: CHF 0.13 million) for further consultancy fees.

Supervisory and control instruments

The external auditor informs the Audit Committee in writing about relevant auditing activities and findings as well as other important information regarding the audit of the GF Corporation. The auditor in charge of the external auditor attended the four ordinary meetings of the Audit Committee.

The Audit Committee reviews and evaluates the effectiveness and independence of the external auditors annually. For this purpose, Internal Audit reviews all auditing services rendered by external auditors for the GF Corporation and their costs. The Audit Committee bases its evaluation on the following criteria:

- Quality of the documents and reports provided to the Audit Committee and the management
- Time taken and costs
- Quality of oral and written reports on individual aspects and pertinent questions relating to accounting, auditing, or additional consulting mandates

In cooperation with internal and external audit, the Audit Committee evaluates the potential for improvements regarding the collaboration, the processing of assignments, and the interfaces or overlapping of internal and external audit work.

For the evaluation, the members of the Audit Committee use first of all the knowledge and experience which they have acquired as a result of similar functions at other companies. The costs for the annual audits of Georg Fischer AG, the GF Corporation, and of all GF Corporate Companies were approved by the Audit Committee. Further services from PricewaterhouseCoopers are examined by the Head of Internal Audit and, depending on the amount, approved either by the CFO or by the Managing Directors of the respective GF Corporate Companies.

Communications and Investor Relations

Corporate Communications and Investor Relations are the two Service Centers responsible for all stakeholder information. Communication with all GF stakeholders is active, open, and timely with all stakeholders. If possible and permissible under the ad hoc regulations of the Swiss stock exchange, employees are notified first. In general, the communication strategy is aligned with the Strategy 2025.

Communication highlights in 2023 included the return of GF's Going Forward campaign to more than 120 screens at Zurich Airport. Following the successful completion of the tender offer for Uponor, a similar campaign was launched at Helsinki Airport in Finland to highlight that GF and Uponor are now one team. With the closing of the transaction on 13 November, internal and external communication was launched on all channels to communicate the significance of this acquisition to all stakeholders. The activities were concluded with the Flow Solutions Day, an event for investors and the media that highlighted the future opportunities for the combined businesses of GF and Uponor.

On our social media channels, of which LinkedIn is the most popular with around 90'000 followers, our visibility has been further expanded. The growing number of followers and interactions underscores our successful strategy of slow but steady growth, and thus continuously increasing awareness of GF, especially among younger generations.

The shares of Georg Fischer AG are listed on the SIX Swiss Exchange. GF is therefore subject to the requirements on ad hoc publicity stipulated in the listing rules and the directive on ad hoc publicity. This relates to the obligation to report any share price-sensitive facts. GF also maintains a dialogue with investors and journalists at events and roadshows.

Subscription to an e-mail service for GF news is free of charge. All media releases, Corporate Reports, and Mid-Year Reports as well as important publications go online at georgfischer.com/en/newsroom.html at the same time as they are published. Shareholders receive the short version of the Corporate Reports and the Mid-Year Report, and other interested parties can order them.

+ georgfischer.com/en.html
+ georgfischer.com/en/investors/ad-hoc-media-releases.html
+ georgfischer.com/subscriptionservice
+ georgfischer.com/financial-calendar

Head Investor Relations & Enterprise Risk Management

Nadine Gruber
Phone: +41 (0) 79 698 14 87
nadine.gruber@georgfischer.com

Head Corporate Communications

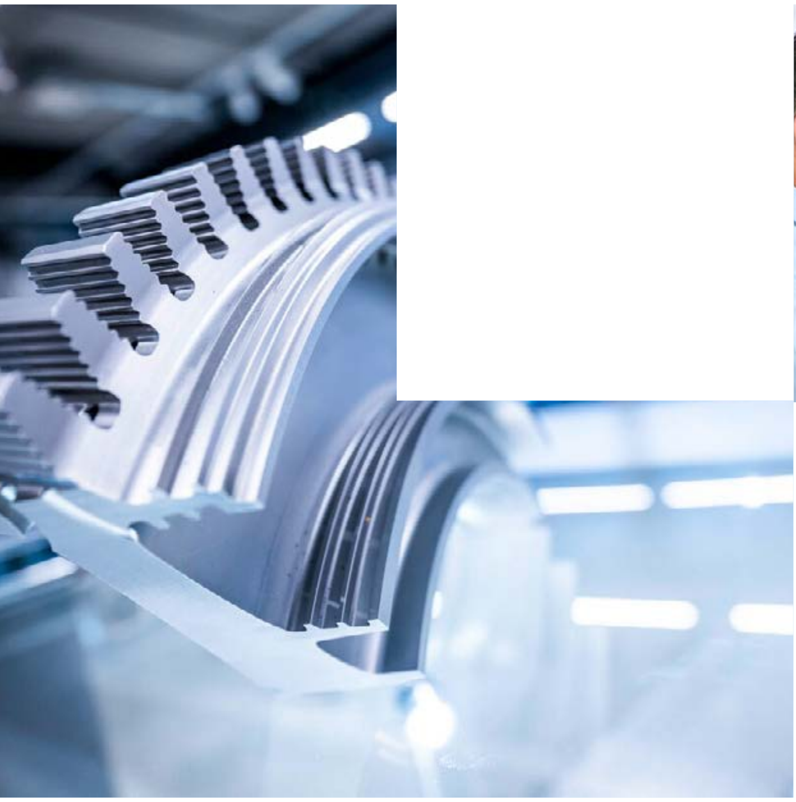
Beat Römer
Phone: +41 (0) 79 290 04 00
beat.roemer@georgfischer.com

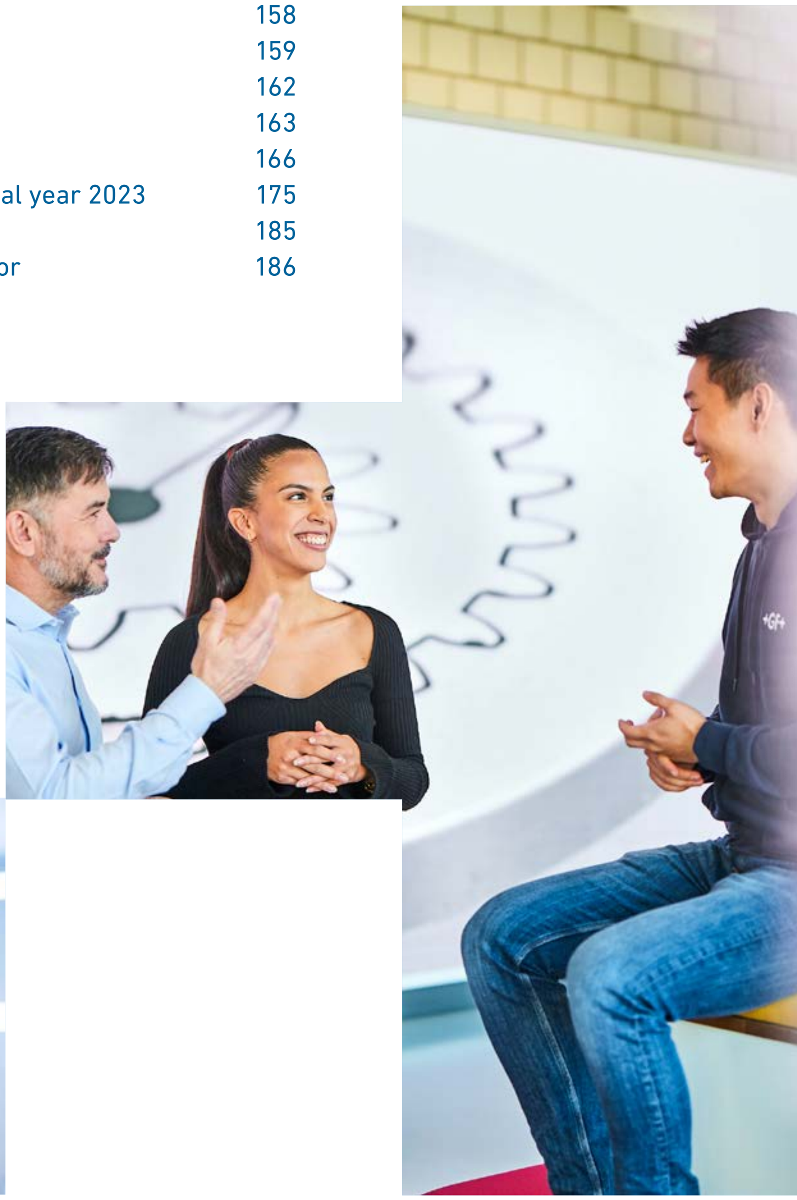
Georg Fischer AG
Amsler-Laffon-Strasse 9
8201 Schaffhausen
Switzerland

Changes after the balance sheet date

Between 1 January 2024 and the approval of the Corporate Governance Report by the Board of Directors on 18 March 2024, no changes occurred.

Compensation Report





Introduction by the Chairwoman of the Compensation Committee

Dear Shareholders,

At the beginning of the current strategy cycle, which runs from 2021 to 2025, GF adjusted and aligned its compensation system to support the implementation of the Strategy 2025. Three years into this strategic cycle, the Compensation Committee is convinced that the current compensation system is working well and will continue to focus on further improving it as needed.

In 2023, the most notable extraordinary event was GF's acquisition of Uponor. The Compensation Committee will continue to oversee the integration of Uponor and ensure it proceeds swiftly and seamlessly as per shareholders' expectations. The following are some of the most important developments arising from the acquisition:

Uponor's CEO Michael Rauterkus joined GF's Executive Committee as of 1 January 2024. This development is addressed in more detail in GF's 2024 Annual Report.

An impact is seen on GF's earnings per share (EPS), being one of the performance metrics in the long-term incentive (LTI) plan for awards to vest. For the awards with a performance period ending in 2023, the direct impact of the acquisitions has been excluded from the EPS performance measure. For 2024 onwards, the Board of Directors will ensure a like-for-like comparison as the Uponor organization will be fully integrated as of 2024. The Board of Directors has engaged with major investors and proxy advisors to align on the most suitable approach to this end. The details thereof are set out in this report, and we will continue to explain any ongoing effects in the coming years and reports.

As announced in the outlook of the 2022 Compensation Report, the Board of Directors approved and implemented a slightly adjusted compensation structure for members of the Board, effective as of the 2023 Annual Shareholders' Meeting. While the total package remains unchanged, the split between cash and shares was adjusted to more closely align with market practice and to mitigate undue exposure to short-term share price volatility.

For 2023, total compensation for the Executive Committee was lower compared with 2022. This was mainly due to the lower STI target achievement of the Corporation and the divisions in 2023: While profitability, thanks to our increased portfolio resilience, remained strong, geostatic and macroeconomic challenges limited the achievement of organic sales growth targets, resulting in a lower overall STI payout.

This Compensation Report includes all relevant information concerning the compensation policy and programs, the governance in place for decisions relating to compensation and the compensation awarded in the reporting year. At the upcoming Annual Shareholders' Meeting, our shareholders will again be asked to approve the maximum compensation amount for the Board of Directors for the period until the next Annual Shareholders' Meeting, and the maximum compensation amount for the Executive Committee for the next financial year (prospective binding votes). Our shareholders' valued opinion will also be sought with regard to the Compensation Report through a consultative retrospective vote.

On behalf of the Board of Directors, I would like to thank you for your valuable feedback and support. We look forward to continuing our constructive dialogue with our shareholders and stakeholders. We remain convinced that GF's compensation system rewards performance in a balanced and sustainable way, and that it is therefore well aligned with the interests of our shareholders.

Sincerely,

E. Saupper

Eveline Saupper
Chairwoman of the Compensation Committee

Compensation at a glance

Compensation for the Board of Directors

Compensation model

In order to ensure independence in their supervisory function, the members of the Board of Directors receive fixed compensation only, paid out in cash and shares that are blocked for five years.

Responsibility	Fee	Restricted shares
Basis fee		
Board membership	CHF 100'000	2'500 shares
Additional fees		
Board chairmanship[1]	CHF 260'000	3'500 shares
Independent Lead Director	CHF 22'500	
Audit Committee chairmanship	CHF 80'000	
Audit Committee membership	CHF 30'000	
Compensation Committee chairmanship	CHF 60'000	
Compensation Committee membership	CHF 20'000	
Nomination and Sustainability Committee chairmanship	CHF 60'000	
Nomination and Sustainability Committee membership	CHF 20'000	

1 The Chairman of the Board of Directors is not eligible for additional committee fees.

The compensation system for the Board of Directors does not contain any performance-related components.

Compensation awarded for 2023

The compensation awarded to the Board of Directors for the period from the Annual Shareholders' Meeting 2022 to the Annual Shareholders' Meeting 2023 is within the limits approved by the shareholders:

Compensation period	Amount approved	Effective amount
2022–2023	CHF 3'600'000[1]	CHF 2'846'000[2]
2023–2024	CHF 3'600'000[1]	n/a[3]

1 Based on a share value of CHF 80.00.
2 Based on a share value of CHF 56.60 for the period in 2022 and CHF 61.10 for the period in 2023.
3 Compensation period not yet completed; a conclusive assessment will be provided in the Compensation Report 2024.

Compensation for the Executive Committee

Compensation elements	Purpose	Vehicle	Period	Performance measure
Fixed compensation				
Fixed base salary	Pay for the function	Cash	Monthly	Skills, experience and individual performance
Benefits	Ensure protection against risks such as death, disability and old age			
Variable compensation				
Short-term incentive (STI)	Pay for annual performance based on GF strategic targets	Cash	Annual	Organic sales growth Return on sales (EBIT margin) ROIC Sustainability (ESG) Individual objectives
Long-term incentive (LTI)	Pay for long-term performance Align with shareholders' interests and GF's strategy Participate in long-term success of the company	Performance shares	3-year vesting and additional 2-year blocking	EPS rTSR

Performance in 2023

Short-term incentive (STI)

Despite geostatic and macroeconomic challenges, GF grew organically in 2023. Thanks to its increased portfolio resilience, profitability remained strong. The STI payout for 2023 for the Executive Committee (incl. CEO) is based on target achievements in the range from 96.4% to 122.1% and was lower than for the previous year, mainly due to the increased aspirational targets set for the reporting year.

Long-term incentive (LTI)

The vesting level of the LTI plan 2021 (performance period ended at the end of 2023) amounted to 150.0% (cap) for the EPS-related performance shares and 111.0% of target for the rTSR-related performance shares, resulting in an overall vesting level of 130.5%. The above information includes EPS-related adjustments in connection with the Uponor acquisition in 2023, ensuring like-for-like measurement as explained in more detail in the relevant sections below.

Compensation awarded for 2023

The compensation awarded to the Executive Committee (including the CEO) for 2023 is within the limits approved by the shareholders at the 2022 Annual Shareholders' Meeting:

Compensation period	Amount approved	Effective amount
2023	CHF 11'402'000	CHF 9'067'000

The ratio between fixed and awarded variable compensation in 2023 was as follows:

CEO compensation for 2023

in CHF 1'000	Fixed base salary	Short-term incentive	Long-term incentive	Benefits
3'220	29%	35%	26%	10%

Executive Committee compensation (incl. CEO) for 2023

in CHF 1'000	Fixed base salary	Short-term incentive	Long-term incentive	Benefits
9'067	35%	30%	24%	11%

Compensation principles

The compensation policy applicable to the Executive Committee is designed to attract, motivate and retain talented individuals based on the following principles:

- Fairness and transparency;
- Pay for performance, business and sustainability strategy implementation;
- Long-term orientation and alignment to shareholders' interests;
- Market competitiveness.

Compensation governance

- Authority for decisions related to compensation is governed by GF's Articles of Association;
- The Board of Directors is supported by the Compensation Committee in preparing all compensation-related decisions regarding the Board of Directors and the Executive Committee;
- The maximum aggregate amounts of compensation for the members of the Board of Directors and the Executive Committee are subject to binding prospective shareholders' votes at the Annual Shareholders' Meeting;
- In addition, the Compensation Report is subject to a retrospective consultative vote at the Annual Shareholders' Meeting.

Contents

The Compensation Report provides information about the compensation policy, the compensation programs and the process for determining compensation for the Board of Directors and the Executive Committee of GF. It also includes details on the compensation payments related to the 2023 business year.

This report is written in accordance with the Swiss Code of Obligations ("CO"), the standards for information on corporate governance issued by the SIX Swiss Exchange and the principles of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

The Compensation Report is structured as follows:

Compensation governance

Rules relating to compensation in the Articles of Association

The Articles of Association of GF contain provisions regarding the compensation principles applicable to the Board of Directors and to the Executive Committee. These provisions can be found on GF's website and include:

- Principles of compensation of the Board of Directors (Article 22);
- Principles of compensation of the Executive Committee (Article 23c);
- Additional amount for new members of the Executive Committee (Article 23c.9);
- Provisions on the employment contracts for members of the Executive Committee (Article 23b);
- Credits and loans (Article 23d.1);
- Provisions on early retirement for members of the Executive Committee (Article 23d.2).

According to articles 22 and 23 of the Articles of Association, the Annual Shareholders' Meeting approves annually the maximum aggregate compensation of the Board of Directors for the period from the Annual Shareholders' Meeting to the next Annual Shareholders' Meeting, as well as the maximum aggregate compensation of the Executive Committee for the following calendar year. In addition, the Compensation Report is submitted to the Annual Shareholders' Meeting for an advisory vote on a yearly basis, so that shareholders can express their opinion on the compensation policy and programs.

Compensation Committee

The Compensation Committee consists of three non-executive members of the Board of Directors who are elected annually and individually by the Annual Shareholders' Meeting for a one-year period until the next Annual Shareholders' Meeting. At the 2023 Annual Shareholders' Meeting, Eveline Saupper (Chairwoman) and Roger Michaelis were re-elected as members of the Compensation Committee. Riet Cadonau was replaced by Michelle Wen, who was elected as a new member of the Compensation Committee. The Compensation Committee supports the Board of Directors with the following duties:

- Determining the compensation policy of the company at the highest corporate level, including the principles for the variable compensation and shareholding programs;
- Reviewing the guidelines governing compensation of the Board of Directors and the Executive Committee;
- Preparing the motions related to the maximum aggregate amounts of compensation for the Annual Shareholders' Meeting;
- Proposing the amount of compensation to be paid to the Board of Directors, to the CEO and to the other members of the Executive Committee within the limits approved by the Annual Shareholders' Meeting;
- Reviewing and proposing the annual Compensation Report to the Board of Directors.

During 2023, the Compensation Committee performed the following tasks:

- Reviewed the benchmark analysis prepared in 2022 for the compensation of the Board of Directors and, based on the outcomes, proposed adjustments to the Board of Directors;
- Conducted a benchmark analysis for the compensation of the CEO and of the other members of the Executive Committee, and proposed salary adjustments to the Board of Directors;
- Evaluated the business performance for the 2022 financial

year against the pre-set objectives and prepared a proposal for the Board of Directors on the short-term incentive to be paid to the CEO and to the other members of the Executive Committee;
- Determined the business objectives for the 2023 financial year for the CEO and reviewed those of the other members of the Executive Committee before submitting them to the Board of Directors for approval;
- Assessed the impacts of the Uponor acquisition on the ongoing compensation models;
- Reviewed the Compensation Report 2022 and prepared the compensation motions to be submitted to vote at the 2023 Annual Shareholders' Meeting;
- Reviewed and discussed the voting results on the compensation motions at the 2023 Annual Shareholders' Meeting, as well as the proxy advisors' and shareholders' feedback received on compensation matters;
- Engaged with proxy advisors and major shareholders on compensation matters in order to gather their feedback and comments;
- Prepared the Compensation Report 2023.

The Compensation Committee convenes as often as necessary, but at least twice per year. In 2023, the Committee held four meetings of approximately two hours each, according to the schedule below:

Overview of meeting schedule 2023

January (27 January)	February (22 February)	October (13 October)	December (8 December)
Final decision on changes for the Board of Directors compensation and proposed adjustments to the Board of Directors Business performance 2022; approval of the STI 2022 (business and individual objectives) for CEO and EC Target setting for the STI 2023 (business and individual objectives) for CEO and EC Review of draft of the Compensation Report 2022	Approval of the LTI 2019 vesting and LTI 2023 grant Approval of the Compensation Report 2022 Determination of maximum amounts of compensation for the Board of Directors until the next Annual Shareholders' Meeting Determination of maximum amounts of compensation for the EC for the business year 2024	Analysis of the voting outcomes for compensation motions at the Annual Shareholders' Meeting Review of proxy advisors' and investors' feedback on compensation Assessment impact of a possible acquisition of Uponor on compensation models	Review of compensation for the Board of Directors for the next compensation period Benchmarking of compensation for the CEO and EC members Review of target compensation for the CEO and EC members for the coming financial year Review of proxy advisors' and investors' feedback on compensation, in particular due to Uponor acquisition Decision on LTI adjustments due to Uponor acquisition Review of draft of the Compensation Report 2023

In 2023, except for one meeting at which a member of the Board of Directors was absent with apologies, all Compensation Committee members attended all meetings. The Chairman of the Board, the CEO, the Head of Corporate Human Resources and the Head of Corporate Compensation and Benefits are invited to attend the Compensation Committee meetings in an advisory capacity. The Chairman of the Board and the CEO do not attend the meeting when their own compensation or performance is discussed.

The Chairwoman of the Compensation Committee reports to the Board of Directors at each private meeting about the activities of the Compensation Committee. The minutes of the Compensation Committee meetings are available to all members of the Board of Directors.

Compensation proposals and decisions are made based on the following levels of authority:

Levels of authority

Approval framework

Subject	Recommendation from	Final approval from
Compensation policy and principles	Compensation Committee	Board of Directors
Aggregate compensation amount of the Board of Directors	Board of Directors based on proposal by Compensation Committee	Annual Shareholders' Meeting (binding vote)
Individual compensation of the members of the Board of Directors	Compensation Committee	Board of Directors
Aggregate compensation amount of the Executive Committee	Board of Directors based on proposal by Compensation Committee	Annual Shareholders' Meeting (binding vote)
Individual compensation of the CEO	Compensation Committee based on proposal by the Chairman of the Board	Board of Directors
Individual compensation of the Executive Committee members	Compensation Committee based on proposals by the CEO	Board of Directors
Compensation Report	Board of Directors based on proposal by Compensation Committee	Annual Shareholders' Meeting (consultative vote)

Method used to determine compensation

Benchmarking

The compensation structure and levels of the Board of Directors and the Executive Committee are reviewed every two to three years and are tailored to the relevant sectors and labor markets in which GF competes for talent. For the purpose of comparison, the Compensation Committee relies on compensation surveys published by independent consulting firms and on publicly available information such as the compensation disclosures of comparable companies.

Comparable companies are defined as multinational industrial companies listed on the Swiss stock exchange (SIX) with a similar business model and size in terms of market capitalization, sales, number of employees, complexity and geographic scope. The peer group for the compensation benchmark of the Board of Directors and the Executive Committee include the following Swiss companies: Bucher Industries, DKSH, dormakaba, Geberit, OC Oerlikon, SIG Combibloc, Sonova, Straumann and Sulzer. Compensation benchmarking was last conducted in 2023.

Performance management

The Compensation Committee also takes into consideration effective business and individual performance while determining the compensation amounts to be paid to the CEO and to the other members of the Executive Committee. Individual performance is assessed through the annual Management By Objectives (MBO) process, for which individual objectives are defined at the beginning of the year and the achievement against those objectives is evaluated at the end of the year. The objective setting and the performance assessment of the members of the Executive Committee are conducted by the CEO and by the Chairman of the Board for the CEO. The performance assessment of the CEO and the other members of the Executive Committee is reviewed by the Compensation Committee.

Compensation structure

Compensation of the Board of Directors

Compensation principles

In order to ensure their independence in exercising their supervisory duties, the members of the Board of Directors receive fixed compensation only. The compensation is paid partially in cash and partially in shares blocked for a period of five years in order to closely align their compensation with shareholders' interests.

Compensation model

The compensation applicable to the Board of Directors is reviewed every two to three years based on competitive market practice, and its basic structure is kept as constant as possible.

In order to guarantee the independence of the members of the Board of Directors in executing their supervisory duties, their compensation is fixed and does not contain any performance-related component. The annual compensation for each Member of the Board of Directors depends on the functions and tasks carried out in the year under review, and consists of an annual basis fee paid in cash and in blocked shares, as well as additional committee fees paid in cash.

The Compensation Committee conducted a benchmarking analysis in 2022 for the Board of Directors' compensation using the same approach as in prior years. Feedback from exchanges with investors and proxy advisors was also taken into consideration. The results showed that total compensation levels are in line with the market. However, the Board membership basis cash fee was found to be lower, while the share-based compensation was determined to be higher compared to the peer group. This leads to volatility in total compensation when the share price fluctuates. To better balance cash and share-based compensation and to reduce the volatility of total compensation, the Board of Directors approved, based on the proposal of the Compensation Committee, the following new compensation structure for members of the Board of Directors, with effect from the Annual Shareholders' Meeting 2023:

Compensation model

Responsibility	Fee	Restricted shares
Basis fee		
Board membership	CHF 100'000	2'500 shares
Additional fees		
Board chairmanship[1]	CHF 260'000	3'500 shares
Independent Lead Director	CHF 22'500	
Audit Committee chairmanship	CHF 80'000	
Audit Committee membership	CHF 30'000	
Compensation Committee chairmanship	CHF 60'000	
Compensation Committee membership	CHF 20'000	
Nomination and Sustainability Committee chairmanship	CHF 60'000	
Nomination and Sustainability Committee membership	CHF 20'000	

1 The Chairman of the Board of Directors is not eligible for additional committee fees.

Based on an estimated share price of CHF 60.00, the reduction by 500 shares in the Board membership basis fee reflects an approximate value of CHF 30'000. Consequently, the cash component was increased by that amount. As a result, total compensation levels will be more stable in the future. For the Board chairmanship fee, the benchmarking analysis found the total compensation level to be adequate. The fee for the Board chairmanship was therefore adjusted in line with the change for the basis Board membership fee, in order to keep the total Board chairmanship compensation unchanged.

Apart from these adjustments, the compensation structure of the Board of Directors remained unchanged in 2023.

The cash fees are paid in January for the previous calendar year, while the shares are allocated in December of the respective calendar year. The shares are blocked for a period of five years. The blocking period is lifted in the event of death or disability and remains in place in all other instances of termination. The shares are disclosed at their market value based on the closing share price on the last trading day of the reporting year.

The compensation of the Board of Directors is subject to regular social security contributions and is not pensionable.

Shareholding ownership guideline

Members of the Board of Directors are required to hold 200% of the annual basis cash fee in GF shares. Newly elected members must build up the required ownership within five years of their election to the Board of Directors. In the event of a substantial rise or drop in the share price, the Board of Directors may at its discretion amend that time period accordingly.

To calculate whether the minimum holding requirement is met, all held shares are considered regardless of whether they are blocked or not. The Compensation Committee reviews compliance with the share ownership guideline on an annual basis.

The minimum holding requirements are illustrated in the table below:

	Shareholding ownership requirement	Build-up period
Board of Directors	200% of annual basis cash fee	5 years

Compensation of the Executive Committee (including CEO)

Compensation principles

The compensation policy applicable to the Executive Committee is designed to attract, motivate and retain talented individuals based on the following principles:

- Fairness and transparency;
- Pay for performance, business and sustainability strategy implementation;
- Long-term orientation and alignment with shareholders' interests;
- Market competitiveness.

Fairness and transparency (internal equality)	Pay for performance and strategy implementation	Long-term orientation and alignment with shareholders' interests	Market competitiveness
Compensation programs are straightforward, clearly structured and transparent. They ensure fair compensation based on the responsibilities and competencies required to perform the function.	A portion of compensation is directly linked to the company's performance, to the implementation of the business strategy and to individual performance.	A significant portion of compensation is delivered in the form of performance shares, ensuring participation in the long-term success of the company and a strong alignment with shareholders' interests.	Compensation levels are competitive and in line with relevant market practice.

Compensation model

The compensation of the Executive Committee includes the following elements:

- Fixed base salary in cash;
- Benefits such as pension and social insurance funds;
- Performance-related short-term incentive (STI) in cash;
- Share-based compensation (long-term incentive, LTI).

	Fixed compensation elements		Variable compensation elements	
	Fixed base salary	**Benefits**	**STI performance 2023**	**LTI performance 2023**
Purpose	Ensure basic fixed remuneration	Ensure protection against risks such as death, disability and old age	Pay for annual performance	Pay for long-term performance Align with shareholders' interests Participate in long-term success and align with Strategy 2025
Drivers	Scope and complexity of the function Profile of the individual market practice	Local legislation and market practice	Performance against business and individual objectives	Long-term value creation
Performance/ vesting period	–	–	Year 2023	3 years Grant date: 1 January 2023 Vesting period: 2023-2025
Blocking period	–	–	–	Additional 2 years: 2026-2027
Performance measures	Skills, experience and performance of the individual	–	Organic sales growth Return on sales (EBIT margin) ROIC Sustainability (ESG) Individual objectives (MBO)	All LTI-related awards depend on performance: 50% EPS, 50% rTSR EPS-related achievement determination: Ø (EPS value years 2023, 2024, 2025) divided by Ø (EPS value years 2020, 2021, 2022) rTSR-related achievement determination: Ø (ranking in 2023, 2024, 2025 of GF within the SMI MID)
Delivery	Monthly cash	Contributions to social security, pension and insurances	Cash, one-off payment in March 2024	Shares after the performance period; 50% depending on EPS performance, 50% depending on rTSR performance

EBIT = Earnings before interest and taxes
EPS = Earnings per share
ESG = Environment, social, governance
PS = Performance shares
PS(EPS) = EPS-dependent performance shares
PS(rTSR) = rTSR-dependent performance shares
ROIC = Return on invested capital

Ø = Average

For the purpose of comparison, the compensation of the Executive Committee is regularly benchmarked against compensation surveys published by independent consulting firms and publicly available compensation information of comparable multinational industrial companies (please refer to the section Method used to determine compensation/Benchmarking for details about the peer group).

The compensation model of the Executive Committee remained unchanged in 2023 compared to the previous year.

Compensation mix and caps

CEO

At target	**Fixed base salary** 100%	**STI** 100%	**LTI** 90%
Maximum payout	**Fixed base salary** 100%	**STI** 150%	**LTI** 135%

Other members of the Executive Committee

At target	**Fixed base salary** 100%	**STI** 60%	**LTI** 60%
Maximum payout	**Fixed base salary** 100%	**STI** 90%	**LTI** 90%

Maximum payouts:

- STI: capped at 150% of the target amount, ie the actual payout amount cannot exceed 150% of the amount of the annual fixed base salary;
- LTI: capped at 150% of the target number of Shares: In the year of grant, the LTI target amount is converted into a number of Performance Share awards (see details below), and each Performance Share award can lead to a maximum of 150% Shares at vesting, depending on achievement of the relevant performance conditions;
- Overall cap: the overall variable compensation is capped (value of the STI payout and of the LTI value at grant) at 250% of the fixed compensation, as stipulated in the Articles of Association.

Fixed base salary

The fixed base salary is determined primarily based on the following factors:

- Scope and complexity of the role, as well as the skills required to perform the function;
- Skills, experience and performance of the individual in the function;
- External market value of the function.

Fixed base salaries of the members of the Executive Committee are reviewed every year based on those factors, and adjustments are made according to market developments.

Short-term incentive

The short-term incentive (STI) is a variable incentive designed to reward the achievement of business and sustainability objectives of the GF Corporation and its divisions, as well as the fulfillment of individual performance objectives as defined within the MBO process, over a period of one year.

The STI is expressed as a target in % of the annual fixed base salary. The target STI amounts to 100% of the annual fixed base salary for the CEO and to 60% of the annual fixed base salary for the other members of the Executive Committee. The STI payout is capped at 150% of target level.

	Target[1]	Minimum[1]	Maximum[1]
CEO	100%	0%	150%
Other members of the Executive Committee	60%	0%	90%

1 In percent of annual fixed base salary.

Business objectives for the STI

The business objectives include organic sales growth (excluding acquisitions and divestitures), return on sales (EBIT margin) and return on invested capital (ROIC). The annual targets of these business objectives are derived from the five-year strategic goals, taking into account the actual results in the previous year as well as the budget and forecast of the year for which the targets are set. The annual targets are discussed and approved by the Board of Directors.

For each business objective, the Board of Directors sets a target level and a threshold level (hurdle) of achievement under which there is no payout. Particular focus is placed on the sales target, as growth is a strong pillar of the Strategy 2025. Furthermore, the ROIC target is set at a level clearly over the weighted average cost of capital (WACC) of the GF Corporation in order to maximize value creation. The respective achievement level of each business objective is measured on a yearly basis and determines a payout factor for that business objective.

Sustainability objectives for the STI

Sustainability objectives are based on environmental, social and governance (ESG) criteria material to the company and its stakeholders. The corporate sustainability targets are specifically reflected in the sustainability roadmaps of the divisions and are well represented in the objective setting of the Executive Committee.

The annual sustainability objectives are aligned with the targets of the Framework 2025, which include:

- Product portfolio: 70% of sales with social or environmental benefits;

- Reduction of absolute CO_2e emissions by 30% to limit global warming to 1.5°C for Scope 1 and 2 emissions;
- Reduction of accident rate by 30% by continuing the "Be Aware-Be Safe/Zero risk" campaign;
- Implementation of measures to increase diversity and inclusion;
- Fostering of activities related to long-term climate targets, such as Scope 3 and product innovations to establish highly efficient new products.

Individual objectives for the STI

The individual objectives are set within the MBO process at the beginning of the year. These objectives are clearly measurable, do not overlap with the financial targets and are set in different categories:

- Non-financial strategic goals, such as acquisitions or portfolio adaptions;
- Operational goals, such as the implementation of digitalization projects, the successful launch of new products, implementation of corporate training initiatives, acquisition and integration of new technologies and services, development of new business segments and expansion of production to new regions;
- Goals to promote the implementation of value and culture according to the company's strategy;
- Personal goals, such as personal improvement and/or training sessions and succession planning.

At the end of the year, the achievement of each individual objective is assessed. This determines the payout factor for the portion of the STI related to individual objectives.

Weighting of the business, sustainability and individual objectives

Sustainability objectives are a separate element of the performance measurement and account for 10% of the STI. They are not part of the individual objectives. The individual objectives account for 25% of the STI.

The weighting of the business and individual objectives for the CEO and the other members of the Executive Committee depends on the function (the highest weighting is allocated to the organization the individual is responsible for) and is described in the table on the following page.

	CEO	Division President	CFO
Business objectives			
Corporation level	**65%**	**25%**	**65%**
Organic sales growth (30%)	19.5%	7.5%	19.5%
Return on sales (EBIT margin) (40%)	26.0%	10.0%	26.0%
ROIC (30%)	19.5%	7.5%	19.5%
Division level		**40%**	
Organic sales growth (30%)		12.0%	
Return on sales (EBIT margin) (40%)		16.0%	
ROIC (30%)		12.0%	
Sustainability	**10%**	**10%**	**10%**
ESG	10.0%	10.0%	10.0%
Individual objectives	**25%**	**25%**	**25%**
MBO	25.0%	25.0%	25.0%
Total	**100%**	**100%**	**100%**

Long-term incentive (share-based compensation)

The purpose of the LTI plan, which remained unchanged for the year under review, is to:

- Align the interests of executives with those of GF's shareholders;
- Allow executives to participate in the long-term success of GF;
- Foster and support a high-performance culture.

The LTI is a performance share (PS) plan. Every year, the CEO and the other members of the Executive Committee are granted a certain number of PS awards based on a percentage of their annual fixed base salary. The target LTI amounts to 90% of the annual fixed base salary for the CEO and to 60% of the annual fixed base salary for the other members of the Executive Committee. The number of PS awards granted corresponds to the target LTI amount divided by the average Georg Fischer share closing price of the last 60 trading days of the previous year. For financial year 2023, the PS were granted on 1 January 2023. The PS are subject to a three-year cliff vesting followed by an additional two-year blocking period on the vested shares.

The vesting of the PS is conditional upon the achievement of two specific performance objectives over a prospective period of three years: earnings per share (EPS) as an internal performance measure and relative total shareholder return (rTSR) as an external performance measure.

The number of PS awards granted is split as follows:

- 50% of the PS awards depend on the EPS performance (PS(EPS));
- 50% of the PS awards depend on the rTSR performance (PS(rTSR)).

Performance shares

	PS(EPS)	PS(rTSR)	Total shares
CEO	Target: 45% of ABS[1] Vesting: 0%–150%	Target: 45% of ABS[1] Vesting: 0%–150%	Target: 90% of ABS[1] Vesting: 0%–150%
Other members of the Executive Committee	Target: 30% of ABS[1] Vesting: 0%–150%	Target: 30% of ABS[1] Vesting: 0%–150%	Target: 60% of ABS[1] Vesting: 0%–150%

1 ABS = Annual fixed base salary

The EPS target, which is determined by the Board of Directors, is in line with the ambitious Strategy 2025 goals of GF and is measured at the end of the vesting period. Share buybacks, major acquisitions/divestitures or capital increases are neutralized and have no impact on the EPS value calculation.

The rTSR is measured as a percentile rank in relation to a peer group. The peer group consists of the companies of the SMI MID index as these companies are comparable to GF in terms of organizational size, complexity and market capitalization, and the SMI MID index best reflects the economic environment for companies listed in Switzerland. The percentile rank is evaluated on an annual basis: At the end of the vesting period, the final ranking of GF among the peer group is the average annual ranking over the three-year vesting period.

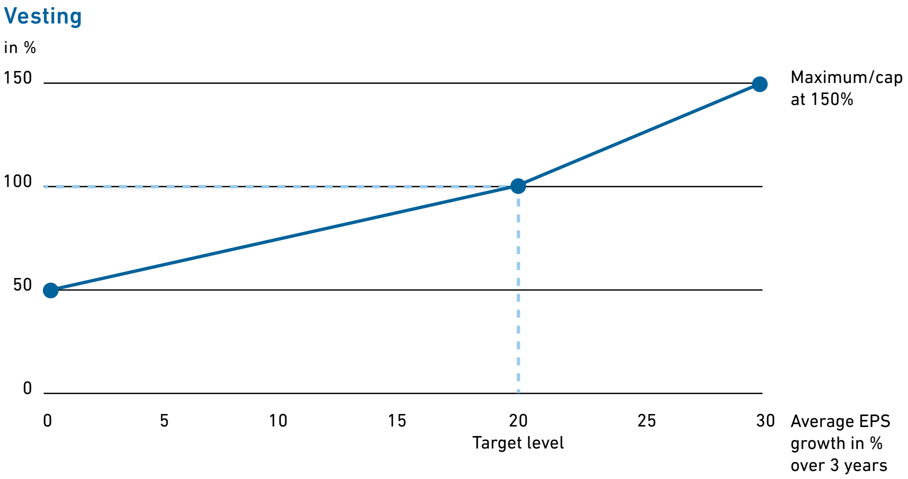
A threshold performance level (hurdle) is defined for both performance measures under which there is no vesting of the PS. The target level, which corresponds to a vesting level of 100%, and the maximum achievement level, for which the vesting is capped at 150%, are also defined.

Both EPS and rTSR are measured separately. The vesting of the PS(EPS) cannot therefore be compensated by the vesting of PS(rTSR) and vice-versa.

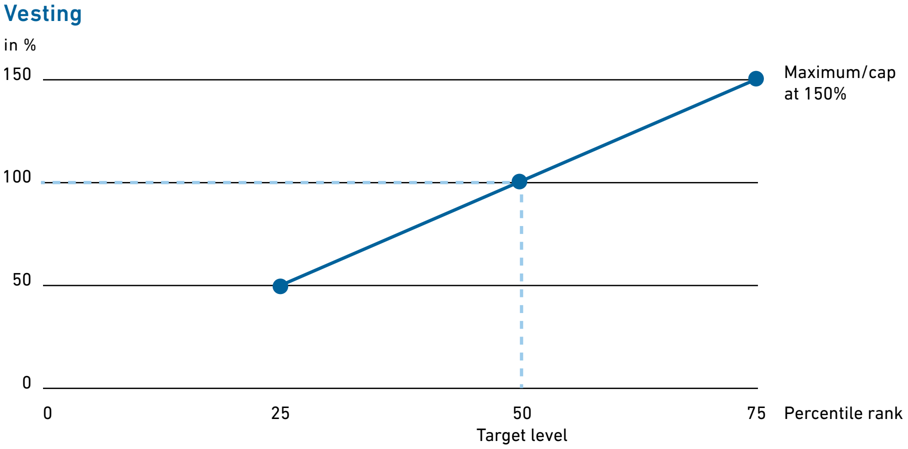
The vesting rules of the LTI plan are summarized in the table below:

Performance measure	Earnings per share (EPS)	Relative total shareholder return (rTSR)
Description	EPS: (Average EPS value years x, x+1, x+2) divided by (Average EPS value years x-1, x-2, x-3)	TSR: starting value of volume-weighted average share price (VWAP) over the first 30 trading days of the year and ending value of the VWAP over the last 30 trading days of the year. Relativity measured as the average annual ranking within the peer group (companies in the SMI MID) over 3 years.
Rationale	Internal measure Reflects GF's profitability and how efficiently the strategy is implemented	External measure Reflects GF's relative value compared to the SMI MID
Weighting	50% of the PS grant	50% of the PS grant
Target level	20% EPS growth over 3 years: 100% vesting	Relative TSR at the median of the peer group: 100% vesting
Maximum achievement level	150%	150%
Vesting period	3 years Followed by 2-year blocking period on vested shares	3 years Followed by 2-year blocking period on vested shares
Vesting rules	Threshold: 0% EPS growth over 3 years = 50% vesting Target: 20% EPS growth over 3 years = 100% vesting Maximum: 30% EPS growth over 3 years = 150% vesting Linear interpolation in between the points EPS decline over 3 years: 0% vesting	Threshold: 25th percentile = 50% vesting Target: 50th percentile = 100% vesting Maximum: 75th percentile = 150% vesting Linear interpolation in between the points

Vesting curve earnings per share (EPS)



Vesting curve relative total shareholder return (rTSR)



Every year, the Compensation Committee is responsible for evaluating whether one-time events have significantly influenced any of the performance objectives, EPS or rTSR. If so, they recommend adjustments to the Board of Directors. The explanations for such adjustments, if any, are included in the Compensation Report of the relevant year.

In November 2023, GF acquired the Uponor Corporation. The Compensation Committee assessed the impact thereof on the long-term incentive compensation. It found that while the acquisition has no direct impact on the rTSR performance measure, it will impact Georg Fischer's earnings per share (EPS), which is one of the performance metrics in the long-term incentive plan for awards to vest. The vesting mechanism will remain unchanged, however, considering that the LTI performance conditions require a comparison of EPS before and at the end of the relevant performance period, the Board of Directors will ensure that EPS objectives are measured on a like-for-like basis, based on comparable financial numbers.

For the awards with a performance period ending in 2023, the direct impact of the Uponor acquisition, which took place in November 2023, will be excluded from the EPS performance measure. The net income of the acquired corporation and extraordinary effects of the acquisition, mainly acquisition-related financing expenses and acquisition-related purchase price allocation effects, will be excluded.

As of 2024, GF will adjust the EPS objectives and measurement to reflect extraordinary items of acquisitions. The details thereof will be addressed in the compensation reports for the years in which adjustments are made. The Compensation Committee will ensure adjustments are in line with shareholder expectations, market practice and the compensation principles of GF.

Clawback and malus provisions

For the LTI, in the event a lower amount would have been awarded or paid out due to a misstatement of financial results or of fraudulent or willful substantial misconduct by a member of the Executive Committee, the Board of Directors will review the specific facts and circumstances and take action. With regard to awards granted under the LTI in respect of the years for which a restatement must be made and/or in which the misconduct took place, the Board of Directors may determine at any time before or after the delivery of the shares to forfeit or suspend the vesting of any LTI award in full or in part (malus), require the transfer for nil consideration of some or all the shares delivered under the LTI plan (clawback) and/or require a reimbursement in the form of a cash payment in respect of some or all the shares delivered under the LTI plan (clawback).

The clawback and malus provisions apply to the members of the Executive Committee for the entire duration of their membership and for up to three years following the termination thereof.

Benefits

Benefits consist primarily of retirement and insurance plans that are designed to provide a reasonable level of income in case of retirement, as well as a reasonable level of protection against risks such as death and disability. All members of the Executive Committee have a Swiss employment contract and participate in the pension fund of GF offered to all Swiss-based employees. The pension fund exceeds the minimum legal requirements of the Swiss Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (BVG) and is in line with commensurate market practice. In the case of top-management positions, including the members of the Executive Committee, an early retirement plan is in place. The plan is entirely funded by the employer and is administered by a Swiss foundation. Beneficiaries may opt for early retirement starting from the age of 60. The standard retirement age is 65.

Members of the Executive Committee do not receive special benefits. They are entitled to a lump sum representation allowance and to reimbursement of business expenses in accordance with the expense rules applicable to all employees at the management level employed in Switzerland. The expense regulation has been approved by the relevant cantonal tax authorities.

Contractual terms

The employment contracts of the CEO and the other members of the Executive Committee foresee a notice period of a maximum of 12 months. There are no entitlements to severance payments, nor any change of control provisions, other than the early vesting and early unblocking of share awards as disclosed in the section Long-term incentive (share-based compensation). Their contracts may foresee non-competition provisions that are limited to a maximum of two years and which allow compensation up to a maximum of the last total annual compensation paid.

Shareholding ownership guideline

The CEO and the other members of the Executive Committee are required to hold a minimum percentage of their annual base salary in GF shares.

Newly appointed members must build up the required ownership within five years of their appointment. In the event of a substantial rise or drop in the share price, the Board of Directors may at its discretion amend that time accordingly.

The minimum holding requirements are illustrated in the table below:

	Shareholding ownership requirement	Build-up period
CEO	200% of annual fixed base salary	5 years
Other members of the Executive Committee	100% of annual fixed base salary	5 years

To calculate whether the minimum holding requirement is met, all vested shares are considered, regardless of whether they are blocked or not. Unvested PS are excluded. The Compensation Committee reviews compliance with the share ownership guideline on an annual basis.

Compensation for the financial year 2023

Audited by PwC Switzerland

Board of Directors

The members of the Board of Directors received cash compensation of CHF 1.299 million in the year under review (previous year: CHF 1.131 million). In addition, a total of 24'566 GF registered shares with a total market value of CHF 1.501 million were allocated (previous year: 26'084 GF shares with a market value of CHF 1.477 million). Together with other benefits, the total compensation paid to the Board of Directors in 2023 amounted to CHF 2.914 million (previous year: CHF 2.736 million).

Compensation of the members of the Board of Directors 2023

	Cash compensation		Share-based compensation				
	Basis fee	Committee fees	Number of shares	Share-based compensation[3]	Other benefits[4]	Total compensation 2023[5]	Total compensation 2022[5]
Yves Serra	**91**	**269**	**6'000**	**367**	**32**	**759**	**731**
Chairman Board of Directors							
Chairman Nomination and Sustainability Committee							
Hubert Achermann	**91**	**122**	**2'652**	**162**	**17**	**392**	**384**
Vice-Chairman Board of Directors							
Independent Lead Director							
Chairman Audit Committee							
Member Nomination and Sustainability Committee							
Riet Cadonau	**21**	**6**	**909**	**56**	**4**	**87**	**274**
Member Compensation Committee[1]							
Peter Hackel	**91**	**30**	**2'652**	**162**	**14**	**297**	**284**
Member Audit Committee							
Roger Michaelis	**91**	**20**	**2'652**	**162**	**14**	**287**	**274**
Member Compensation Committee							
Eveline Saupper	**91**	**60**	**2'652**	**162**	**14**	**327**	**315**
Chairwoman Compensation Committee							
Jasmin Staiblin	**21**	**9**	**909**	**56**	**4**	**90**	**284**
Member Audit Committee[1]							
Ayano Senaha	**91**	**20**	**2'652**	**162**	**14**	**287**	**190**
Member Nomination and Sustainability Committee							
Monica de Virgiliis	**70**	**21**	**1'744**	**106**	**0**	**197**	
Member Audit Committee[2]							
Michelle Wen	**70**	**14**	**1'744**	**106**	**0**	**190**	
Member Compensation Committee[2]							
Total	**728**	**571**	**24'566**	**1'501**	**114**	**2'914**	**2'736**

All in CHF 1'000 and stated in gross amounts, except "Number of shares" column.
1 Until 19 April 2023.
2 As of 20 April 2023.
3 The share-based compensation consists of the allocation of a fixed number of shares. The amount of the share-based compensation is calculated based on the share value on 31 December 2023, ie CHF 61.10.
4 Other benefits represent employer contributions to social insurance funds.
5 The total compensation includes the cash compensation (basis and committee fees), the share-based compensation and the contribution to social insurance funds.

The total compensation paid to the Board of Directors in 2023 was higher compared with the previous year, as the Board of Directors consisted of eight members throughout the reporting year, whereas in 2022 the Board of Directors consisted of seven members until the Annual Shareholders' Meeting in April. The higher value of the shares (CHF 61.10 on 29 December 2023 compared with CHF 56.60 on 30 December 2022) was another reason for the increase. The changes to the structure of the Board of Directors compensation implemented in 2023 reduced the volatility of total compensation and thus a further increase, as the proportion of share-based compensation was reduced.

At the 2022 Annual Shareholders' Meeting, shareholders approved a maximum aggregate compensation amount of CHF 3.600 million (based on a share value of CHF 80.00) for the Board of Directors for the compensation period from the 2022 Annual Shareholders' Meeting until the 2023 Annual Shareholders' Meeting. For this period, the effective compensation amounted to CHF 2.846 million (based on a share value of CHF 56.60 for the period in 2022 and CHF 61.10 for the period in 2023), and is thus within the approved limits.

At the 2023 Annual Shareholders' Meeting, shareholders approved a maximum aggregate compensation amount of CHF 3.600 million (the same as in the previous period) for the Board of Directors for the compensation period from the 2023 Annual Shareholders' Meeting until the 2024 Annual Shareholders' Meeting. This compensation period has therefore not yet been completed, and a conclusive assessment will be provided in the 2024 Compensation Report.

In the reporting year, no further compensation was paid to members of the Board of Directors and no compensation was paid to parties closely related to members of the Board of Directors.

Executive Committee

The members of the Executive Committee received cash, share-based compensation, and social security and pension contributions amounting to CHF 9.067 million for the year under review (previous year: CHF 9.418 million), compared with a total amount of CHF 11.402 million approved by shareholders at the 2022 Annual Shareholders' Meeting.

Under the LTI plan, 39'190 performance shares with a total value at grant of CHF 2.200 million were granted to members of the Executive Committee for the year under review (previous year: 31'040 performance shares with a total value of CHF 2.160 million).

Compensation of the members of the Executive Committee 2023

	Fixed base salary in cash	Short-term incentive (STI) in cash[1]	EPS-dependent performance shares PS(EPS)[2]	rTSR-dependent performance shares PS(rTSR)[2]	Share-based compen-sation (LTI)[2]	Social insurance funds[3]	Pension funds[4]	Other compensa-tion[5]	Total compensa-tion 2023[6]	Total compensa-tion 2022
Executive Committee	3'196	2'665	19'595	19'595	2'200	452	552	2	9'067	9'418
Of whom Andreas Müller, CEO[7]	939	1'131	7'526	7'526	845	157	148	0	3'220	3'340

All in CHF 1'000 and stated in gross amounts, except the "EPS-dependent performance shares" and "rTSR-dependent performance shares" columns, which are stated as number of shares.

1 The STI is based on the STI plan. The STI for the 2023 business year was approved by the Board of Directors on 22 February 2024. Payment will be made in March 2024.

2 The share-based compensation is based on the LTI plan. The number of PS granted corresponds to the target LTI amount (90% of the annual fixed base salary for the CEO, 60% of the annual fixed base salary for the other members of the Executive Committee) divided by the average Georg Fischer share closing price of the last 60 trading days prior to the grant date on 1 January 2023, ie CHF 56.13.

3 The social insurance funds expenses represent employer contributions to social security. The amounts indicated are based on the compensation amounts disclosed in the table (including the value at grant of the share-based remuneration).

4 The pension funds expenses represent employer contributions to pension funds.

5 In line with the company's regulation for all employees, a jubilee gift received by one Member of the Executive Committee is reflected in the table according to its fair value.

6 The total compensation includes the fixed base salary, the STI, the share-based compensation, social and pension contributions, as well as other compensation.

7 Highest individual compensation.

In 2023, the total compensation for the CEO and the other members of the Executive Committee was lower than in 2022. The change in the compensation was due to the following factors:

- Fixed base salary: The fixed base salaries of the CEO and members of the Executive Committee were appropriately increased in line with market practice and the findings of the benchmark analysis conducted in 2023. Taking the increase for the year under review into consideration, the fixed base salary is at mid-market benchmark level, while total direct compensation (including variable compensation elements STI and LTI on target level) is slightly below this level;
- STI: In 2023, the STI target achievement of the Corporation and the divisions was lower compared with 2022. Geostatic and macroeconomic challenges limited the achievement of organic sales growth targets, but thanks to its increased portfolio resilience, profitability remained strong. Profitability targets for 2023 were increased compared to the previous year and were once again exceeded in many areas (see details in the section Performance in 2023). For the year under review, the STI payout for the CEO was CHF 1'131'000 (STI for the CEO in 2022 was CHF 1'266'000) and CHF 2'665'000 for the Executive Committee (incl. CEO; STI for the Executive Committee incl. CEO in 2022 was CHF 3'060'000). The overall payout for the Executive Committee is based on target achievements in the range from 96.4% to 122.1% (130.2% to 139.1% in 2022);
- LTI: The overall value of the share-based remuneration increased compared with last year in line with the fixed base salary increase, as the grant amount is linked to the fixed base salary;
- It should be noted that a significant portion of the social security payments of the employer to the Swiss social security system represents a solidarity payment, as the individuals will never get any return or benefit due to these payments.

No compensation was paid to parties closely related to members of the Executive Committee.

The ratio between fixed and awarded variable compensation in 2023 was as follows:

CEO compensation for 2023

in CHF 1'000	Fixed base salary	Short-term incentive	Long-term incentive	Benefits
3'220	29%	35%	26%	10%

Executive Committee compensation (incl. CEO) for 2023

in CHF 1'000	Fixed base salary	Short-term incentive	Long-term incentive	Benefits
9'067	35%	30%	24%	11%

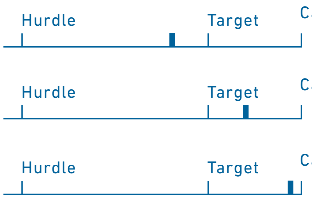
Performance in 2023

Short-term incentive – Business objectives

In accordance with the policy, and to compare targets and actual achievement on a like-for-like basis, acquisitions are not taken into account in the calculation of the short-term incentive for the year of the acquisition, if they were not reflected in the target setting. Therefore, the effects of acquisitions-related activities have been excluded either in setting the targets or when calculating the achievement.

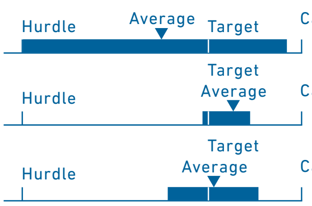
The annual targets for the short-term incentive were derived from the previous five-year strategic goals which envisaged sales between CHF 4.4–5.0 billion (incl. acquisitions), an EBIT margin in the range of 9% to 11% and a return on invested capital of 20% to 22%. Going forward, the strategic goals will be adjusted with the involvement of the acquired companies and will serve as a reference point for target setting. The annual targets for the business objectives are set within the strategic corridor, whereby individual years can be set higher or lower than the strategic target corridor, as the actual results of the previous year and forecast for the coming year are taken into consideration. The annual targets are discussed and approved by the Board of Directors.

Corporation level



	Achievement Value/Range	Achievement Average
Organic sales growth	80.0%	–
Return on sales (EBIT margin)	120.0%	–
ROIC	142.0%	–

Division level



	Achievement Value/Range	Achievement Average
Organic sales growth	0%–142.5%	75.3%
Return on sales (EBIT margin)	96.7%–122.5%	111.9%
ROIC	77.9%–127.1%	102.1%

Short-term incentive – Sustainability

Sustainability measures have been implemented successfully during 2023 and the organization has made significant progress on the roadmap to achieve its long-term goals. The following are examples of some of the most important achievements with regard to the sustainability measures (see further details in the section Key figures of the Sustainability Report):

- 68% of sales delivered social or environmental benefits to GF's customers (see details in the section Product portfolio of the Sustainability Report);
- 2023 marks the third year where GF overperformed on its SBTi-validated emission target for Scope 1 and 2 emissions (see details in the section Environment: Climate and resources of the Sustainability Report);
- In addition, the accident rate target was achieved due to a 12% reduction in the number of accidents (see details in the section Social: People and well-being of the Sustainability Report);
- Furthermore, GF increased the amount of renewable energy at its facilities to 33%, which contributed significantly to the reduction of Scope 1 and 2 emissions (see details in the section Environment: Climate and resources of the Sustainability Report);
- All GF divisions received a gold or silver EcoVadis medal, which underlines their good ESG performance compared to peers in the market.

GF's global operations have been assessed according to the TCFD (Task Force on Climate-related Financial Disclosures). The TCFD report quantifies GF's exposure to physical risks such as rising sea levels, severe drought, heavy precipitation, etc and identifies major transition risks and opportunities. GF further improved its TCFD reporting by developing the integration concept of climate-related risks and sustainability risks into the overall risk management processes.

Overall, the achievement of the individual sustainability objectives exceeded the ambitious targets and ranged from 120.0%–135.0% of target.

	Achievement Value/Range	Achievement Average
Sustainability	120.0%–135.0%	132.0%

Short-term incentive – Individual objectives

The targets of the individual objectives for the members of the Executive Committee set for 2023 were surpassed and reached 122.5% of target on average. Key individual achievements include:

Strategic objectives

- Successful accomplishment of acquisitions;
- Successful integration and further development of recently acquired businesses;
- Increase of businesses in resilient end markets, eg share of e-mobility orders and non-revenue water applications;
- Development of new business segments.

Operational objectives

- Product launches on time and reaching set sales targets in time;
- Implementation of lean management initiative with clear operational benefits;
- Successful ramp-up of new facilities within budget and on time;
- Significant improvements in challenging operation and production facilities;
- Further improvement of ERP and IT systems.

Value and culture change initiative

- Evolving culture to further strengthen GF's learning and performance capabilities;
- Diversity and inclusion activities reaching pre-set targets.

	Achievement Value/Range	Achievement Average
Individual objectives	113.4%–136.5%	122.5%

Short-term incentive – Overall payout

The overall payout of the business, sustainability and individual objectives amounts to 96.4% to 122.1% of the target range for the Executive Committee (incl. CEO). No discretionary adjustments have been made.

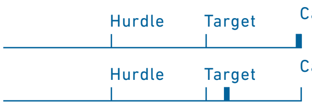
	Achievement Value/Range	Achievement Average
	96.4%–122.1%	114.3%

Long-term incentive vesting overview

LTI 2021

The performance period for the LTI 2021 ended at the end of 2023 with the following vesting levels of the performance measures:

- The performance factor calculated based on the average EPS in the years 2021, 2022, 2023 (performance period) and the average EPS in 2018, 2019, 2020, resulted in a ratio of 31.18%, which corresponds to a vesting level of 150.00% (cap); As noted above, the EPS measurement has been adjusted for acquisition-related effects such as non-consideration of the net income of the acquired company and the relating purchase price allocation effects as well as corresponding financing cost incurred to finance the acquisition in the amount of CHF 7.312 million (after tax). The adjusted EPS in 2023 is CHF 3.14 instead of CHF 2.87 prior to adjustment;
- With regard to the rTSR performance, Georg Fischer ranked at 77.7th for 2021 and at 40.7th for 2022 and at 48.1th for 2023 in the SMI MID. The rTSR average percentile ranking of Georg Fischer in 2021, 2022 and 2023 (performance period) in the SMI MID was 55.5% (Georg Fischer outperformed 55.5% of peers) and resulted in a vesting level of 111.0% of target;
- This resulted in an overall vesting level of 130.50%.



	Achievement Value/Range	Achievement Average
EPS growth	150.0%	–
rTSR	111.0%	–

LTI 2020

For reference, the LTI 2020 resulted in an overall vesting level of 134.18%.

Audited by PwC Switzerland

Shareholdings of the members of the Board of Directors and of the Executive Committee

As at 31 December 2023, a total of 375’576 shares (previous year: 392’684 shares) were held by the Board of Directors and the Executive Committee, corresponding to 0.5% of issued shares (previous year: 0.5%).

Member	Function	31.12.2023	31.12.2022
Yves Serra	Chairman Board of Directors	192’700	186’700
Hubert Achermann	Vice Chairman Board of Directors Independent Lead Director	23’432	20’780
Riet Cadonau	Member		20’100
Peter Hackel	Member	10’792	8’140
Roger Michaelis	Member	34’772	32’120
Eveline Saupper	Member	35’992	33’340
Ayano Senaha	Member	4’736	2’084
Jasmin Staiblin	Member		35’080
Monica de Virgiliis[1]	Member	1’744	0
Michelle Wen[1]	Member	1’744	0
Total Board of Directors		**305’912**	**338’344**

1 Elected to the Board of Directors on 19 April 2023.

Member	Function	31.12.2023	31.12.2022
Andreas Müller	CEO	21’925	15’440
Mads Joergensen	CFO	11’101	8’800
Joost Geginat	President of GF Piping Systems	15’689	12’420
Carlos Vasto	President of GF Casting Solutions	6’549	3’280
Ivan Filisetti	President of GF Machining Solutions	14’400	14’400
Total Executive Committee		**69’664**	**54’340**

The shares of the share-based compensation program are treasury shares and have been repurchased on the market. Therefore, no capital increase was required, and existing shareholders suffered no dilution. Georg Fischer currently plans to continue using treasury shares (or shares bought in the market) to satisfy future LTI vestings.

There are no outstanding convertible bonds, and GF has issued no options.

Loans to members of the governing bodies

Neither Georg Fischer AG nor its GF Corporate Companies granted any guarantees, loans, advances or credit facilities to members of the Board of Directors or the Executive Committee, or related parties in the year under review. As of 31 December 2023, no loans to members of the Board of Directors or the Executive Committee, or related parties were outstanding.

Functions of the members of the Board of Directors

Yves Serra
Chairman of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

—

Further professional activities and functions

Chairman of the Board of Directors of Stäubli Holding AG; member of the Board of BNP Paribas Switzerland; member of the Board of SMG (Schweizerische Management Gesellschaft) until end of February 2024 (all Switzerland); Advisor Sustainability Committee of Recruit Holdings and of Asset Management One, Tokyo (both Japan)

Hubert Achermann
Vice Chairman and Independent Lead Director

Current professional activities and involvement in governing bodies of other listed corporations

—

Further professional activities and functions

—

Peter Hackel
Member of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

CFO of Syntegon (since 2023)

Further professional activities and functions

Board member of the Association of Swiss CFOs (Switzerland)

Roger Michaelis
Member of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

Partner and Director of Verocap Consulting, São Paulo, (Brazil) (since 2012)

Further professional activities and functions

Managing Director and owner of Verocap Consulting; Corporate CFO and Head of Corporate HR of Bentonit União Group Ltd. São Paulo; Chairman of the Advisory Board of Mast Group Ltd. São Paulo; Chairman of the Supervisory Board of the Institute of the German Hospital Oswaldo Cruz São Paulo; Chairman of the Advisory Board of Mast Group Ltd (all Brazil)

Eveline Saupper
Member of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

Member of the Board of Directors of Flughafen Zürich AG (until April 2023), Clariant AG and Forbo Holding AG (all Switzerland)

Further professional activities and functions

Member of the Board of Directors of Stäubli Holding AG; member of the Board of Trustees of UZH Foundation; member of the Board of Directors of Tourismus Savognin Bivio Albula AG; Chairwoman of Mentex Holding AG; member of the Board of Trustees of Foundation Piz Mitgel Val Surses (all Switzerland)

Ayano Senaha
Member of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

Corporate Executive Officer at Recruit Holdings (since 2018); COO, Executive Vice President of the Executive Committee and member of the Board of Recruit Holdings; Board Director of Indeed Inc, (Austin US); Director of Glaasdoor Inc; Non-Executive Board of RGF Staffing B.V. Almere Netherlands

Further professional activities and functions

—

Monica de Virgiliis
Member of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

Chairwoman of the Board of Directors of SNAM (Italy); member of the Board of Directors of Air Liquide (France) and member of the Supervisory Board of ASM International (Netherlands) (until May 2024)

Further professional activities and functions

Co-founder and Chairwoman of the Board of Directors of Chapter Zero France, the French branch of the Climate Governance Initiative built on the World Economic Forum's Principles for Effective Climate Governance

Michelle Wen
Member of the Board of Directors

Current professional activities and involvement in governing bodies of other listed corporations

—

Further professional activities and functions

—

Functions of the members of the Executive Committee

Andreas Müller
Chief Executive Officer, CEO

Current professional activities and involvement in governing bodies of other listed corporations

CEO of Georg Fischer AG (since 2019); Chairman of the Board of Directors of Uponor Corporation (Finland)

Further professional activities and functions

Member of the Executive Committee of Swissmem and of the Chapter Board "Doing Business in USA" of the Swiss American Chamber of Commerce; member of the Board of Swiss Chinese Chamber of Commerce (all Switzerland)

Mads Joergensen
Chief Financial Officer, CFO

Current professional activities and involvement in governing bodies of other listed corporations

CFO of Georg Fischer AG (since 2019), member of the Board of Directors of Uponor Corporation (Finland)

Further professional activities and functions

Board of Trustees Swiss GAAP FER, member of the Board of IVS Industrie- und Wirtschafts-Vereinigung Region Schaffhausen; Regional Advisory Council of Commerzbank AG

Joost Geginat
President GF Piping Systems

Current professional activities and involvement in governing bodies of other listed corporations

President of GF Piping Systems (since 2016); member of the Board of Directors of Uponor Corporation (Finland)

Further professional activities and functions

—

Carlos Vasto
President Casting Solutions

Current professional activities and involvement in governing bodies of other listed corporations

President of GF Casting Solutions (since 2018)

Further professional activities and functions

—

Ivan Filisetti
President GF Machining Solutions

Current professional activities and involvement in governing bodies of other listed corporations

President of GF Machining Solutions (since 2020)

Further professional activities and functions

—

Outlook

As stated in this report, the corporate transactions in 2023 have an impact on the three-year EPS measurement in the LTI. As of 2024, GF will adjust the EPS objectives and measurement to reflect extraordinary items of acquisitions. Details will be addressed in the compensation reports for the years in which adjustments are made. The Compensation Committee will ensure adjustments are in line with shareholder expectations, market practice and the compensation principles of GF.

Report of the statutory auditor

to the General Meeting of Georg Fischer AG

Schaffhausen

Report on the audit of the compensation report

Opinion

We have audited the compensation report of Georg Fischer AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'Audited by PwC Switzerland' on pages 175 to 178 and pages 182 to 184 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the compensation report complies with Swiss law and the Company’s articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the compensation report' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked 'Audited by PwC Switzerland' in the compensation report, the consolidated financial statements, the financial statements and our auditor’s reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the compensation report

The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the compensation system and defining individual compensation packages.

Auditor’s responsibilities for the audit of the compensation report

Our objectives are to obtain reasonable assurance about whether the information pursuant to article 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or

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Telefon: +41 58 792 44 00, www.pwc.ch

error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers AG

T. Handschin

Beat Inauen	Tobias Handschin
Licensed audit expert Auditor in charge	Licensed audit expert

Zürich, 18 March 2024

Financial Report

Financial review

GF can look back on a successful, transformative year. Thanks to its well-diversified global position in its markets, a strong and balanced performance could again be achieved. The organic growth of GF's businesses was accompanied by acquisitions to strengthen its presence in existing markets and gain access to new markets with robust and promising growth potential. The acquisition of the Finnish flow solution provider Uponor Oyj (Uponor) in November 2023 stands out and will support GF in further improving its resilience as well as in meeting its strategic return targets.

This financial review provides a comprehensive outline of GF's financial performance. It was prepared utilizing certain financial information not included in GF's financial statements to provide meaningful comparisons and a more transparent view of GF's performance in 2023, and, for example:

- presents relevant financial information and context in addition to the financial statements,
- details the impact from subsequent fair value changes arising from the Uponor purchase price allocation (PPA),
- outlines the financial impact of the Uponor acquisition and provides comparable information.

1. Market development

The market environment in 2023 got off to a strong start as the recovery from the pandemic continued, especially in the US and Europe, while the expectations for China did not fully materialize. GF continued to benefit from the ongoing capital investments in global microelectronics production capacities, the recovery in the global car manufacturing industry with the shift to e-mobility, as well as the rebound in the global aerospace industry. The uncertainties arising from global geopolitical tensions further increased, and again resulted in the further strengthening of the Swiss franc against GF's major trading currencies. Eventually, excluding the very substantial foreign currency losses, a positive organic sales growth of 3.7% resulted. This is further proof of GF's strong resilience. Organic sales growth was strongest in Asia and Europe. While inflationary pressure continued, the readiness of markets to absorb further price increases abated towards the end of 2023. Simultaneously, tensions in global supply chains lessened and procurement activities normalized, bringing the focus back to price optimization. While the global supply chain recovery is a positive development, many market participants still hold oversized inventories and are in the process of reducing them.

2. Change in the group structure

In November 2023, GF acquired Uponor through a public tender offer. At the end of 2023, 97.1% of Uponor shares had been acquired. As per year end, the squeeze-out procedure for the remaining 2.9% was initiated. The squeeze-out is expected to be finalized in the first half of 2024. Uponor was integrated as a new GF division called GF Uponor and is expected to contribute to GF's overall financial performance and strategic goals from 2024 onwards. GF intends to de-list the shares of Uponor from Nasdaq Helsinki as soon as permitted and practicable under applicable laws. The acquisition of Uponor had a significant impact on GF's financial statements. With the public cash tender offer of CHF 28.50 per share, GF paid a consideration of CHF 2'020 million, which resulted in a goodwill of CHF 1'638 million. CHF 1'621 million of the acquisition price was financed through new syndicated bank loans. The remaining balance was paid with available cash.

Also in November 2023, GF Piping Systems acquired a 51% majority stake in Corys Piping Systems SPV Ltd – a leading producer and distributer of piping systems in the Middle Eastern piping solutions market. GF and Corys Piping Systems have been partners in this region for a long time and the acquired group will be renamed GF Corys. As the transaction size of this acquisition was rather ordinary in GF's course of business, the following explanations focus solely on the effects of the Uponor acquisition.

Impact of the Uponor acquisition on the consolidated financial statements per 31 December 2023

The Uponor acquisition had a major impact on GF's balance sheet as outlined below:

CHF million	GF Corporation before Uponor acquisition 31.12.2023	Uponor acquisition			GF Corporation 31.12.2023
		Purchase 06.11.2023	Change in scope 06.11.2023	Changes Nov–Dec 2023	
Cash and cash equivalents	820	–340	71	–4	546
Inventories	800		212	–33	979
Property, plant, and equipment	967		318	–11	1'274
Other assets	1'063		307	–51	1'320
Assets	**3'650**	**–340**	**908**	**–100**	**4'119**
Interest-bearing liabilities	739	1'621	88	–2	2'445
Non-interest-bearing liabilities	1'226	59	438	–71	1'652
Liabilities	**1'964**	**1'680**	**526**	**–74**	**4'097**
Goodwill offset	–596	–2'020	382		–2'234
Net profit	257			–14	242
Translation differences	–379			–12	–391
Other equity positions incl. minoritiy interests	2'404			0	2'405
Equity	**1'685**	**–2'020**	**382**	**–26**	**22**
Equity and liabilities	**3'650**	**–340**	**908**	**–100**	**4'119**
Equity ratio	46.2%				0.5%

GF Corporation before Uponor acquisition shows the balance sheet net of the effects of the Uponor acquisition for comparability with the previous year. The balance sheet impact of the Uponor acquisition is split into the purchase, change in scope and balance sheet changes for two months. The transaction price including related acquisition costs amounted to CHF 2'020 million. The transaction was financed by two new loans in the amount of CHF 1'621 million as well as existing cash of CHF 340 million. A smaller portion of the transaction price for the remaining squeeze-out and acquisition costs amounting to CHF 59 million was still outstanding as of year-end. The PPA adjustment as of date of acquisition amounted to CHF 119 million, affecting inventories and property, plant, and equipment on the asset side, and deferred tax liabilities (CHF 29 million). Overall, revalued net assets of CHF 382 million were acquired, resulting in a goodwill of CHF 1'638 million. The goodwill was offset against equity, which significantly reduced the GF Corporation's equity.

3. Operating Performance

Net sales

GF reached sales of CHF 4'026 million. This included two months of sales for both GF Uponor (CHF 164 million) and GF Corys (CHF 12 million).

CHF million	GF Corporation (before GF Uponor)	GF Corporation	GF Piping Systems	GF Uponor (2 months)	GF Casting Solutions	GF Machining Solutions
Net sales 2023	3'861	4'026	2'066	164	910	887
Net sales 2022	3'998	3'998	2'160		892	948
Organic growth	3.7%	3.7%	3.0%	n.a.	11.4%	–1.9%

Operating result

The operating result before the Uponor acquisition was CHF 492 million at EBITDA level and CHF 378 million at EBIT level. This corresponds to a change of CHF –14 million and CHF –13 million compared with the previous year. The margins were 12.8% and 9.8%, respectively. The PPA impacts include additional material cost consumption (CHF –21 million) and depreciation on property, plant, and equipment (CHF –1 million) as well as the corresponding deferred tax income (CHF 6 million).

CHF million	GF Corporation (before GF Uponor) 2023	GF Uponor		GF Corporation 2023
		Movements Nov–Dec 2023	PPA impacts Nov–Dec 2023	
Sales	3'861	164		4'026
EBITDA	492	15	–21	486
EBITDA margin %	12.8	9.3		12.1
EBIT	378	9	–23	365
EBIT margin %	9.8	5.6		9.1
Net profit	257	3	–17	242

Uponor's sales and profitability are usually seasonally lower at the end of the year.

Cash flow

Free cash flow before acquisitions/divestments came in at CHF 134 million compared with CHF 146 million in 2022. While the cash flow from operating activities developed positively, amounting to CHF 338 million, cash outflows for investments in property, plant, and equipment came in at CHF 196 million (CHF 189 million without Uponor) compared with the previous year's total of CHF 160 million.

CHF million	GF Corporation before Uponor acquisition 31.12.2023	Uponor acquisition			GF Corporation 31.12.2023
		Purchase 06.11.2023	Change in scope 06.11.2023	Changes Nov–Dec 2023	
Free cash flow before acquisitions	137			–3	134
Cash used for acquisitions	–30	–1'961	71		–1'920
Cash flow from financing activities	–120	1'621		1	1'502
Translation adjustment on cash	–45			–2	–48
Net cash flow	**–57**	**–340**	**71**	**–4**	**–331**

Synergies and cost management

GF started a dedicated value creation program to ensure the efficient integration of GF Uponor. Numerous work streams are addressing the commercial plans for the affected sales regions, procurement integration, production network/supply chain optimization, support function optimization as well as transformation management. The overall target for the program is an improvement on a full-year EBIT level of CHF 40–50 million. Furthermore, the expertise in lean management will continue to be shared across all four divisions, creating synergies and reducing operating costs with a focus on operational excellence.

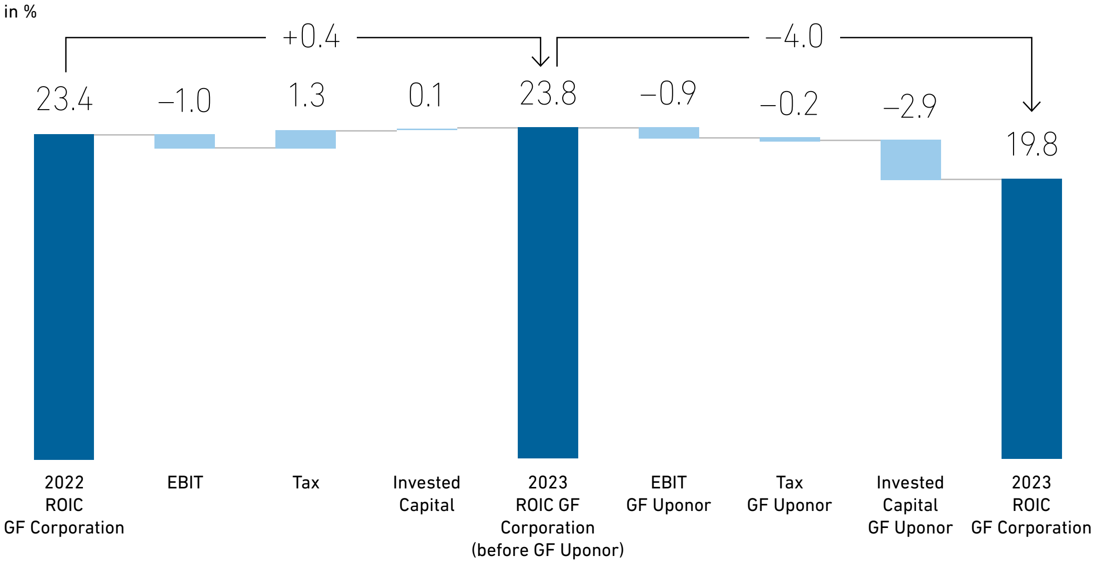
4. Operating assets and liabilities

Capital expenditures (CAPEX) for property, plant, and equipment reached CHF 205 million (CHF 197 million excluding GF Uponor) compared with CHF 180 million in the previous year.

2023 marked the thirtieth year of direct GF presence in China – one of GF's key markets. Important strategic milestones were achieved by inaugurating two new state-of-the-art production plants: GF Casting Solutions' plant in Shenyang and GF Piping Systems' plant in Yangzhou. Both sites fully embody GF's Strategy 2025 by implementing advanced technologies for energy savings and offering high value to customers.

Return on invested capital (ROIC)

The ROIC reached 19.8% and developed as follows:



The ROIC without GF Uponor would have amounted to 23.8%.

5. Capital and financial risk management

As the end of 2023, GF had a solid cash position of CHF 546 million and access to committed credit lines of CHF 1'020 million. The Uponor acquisition was financed through the use of existing cash of CHF 340 million and new syndicated bank loans of CHF 1'621 million. The two syndicated loans are provided by a consortium of banks and have a maximum maturity of 12 June 2025 and 12 June 2028. The syndicated loans can be repaid prior to their maturities, which offers GF the flexibility to refinance the amounts prior to maturity through other means such as bond issuances.

Following the acquisition of Uponor and applying the GF accounting policy of offsetting goodwill within the consolidated equity, the equity ratio changed from 44.8% to 0.5%. Removing the negative impact from goodwill offsets would result in an equity ratio of 35.5% at the end of 2023.

	31.12.2023	31.12.2022
Equity	22	1'656
Total assets	4'119	3'698
Equity ratio as %	**0.5**	**44.8**
Total goodwill offset (see consolidated statement of changes in equity)	2'234	590
Theoretical equity without goodwill offset	2'256	2'246
Theoretical total assets without goodwill offset	6'353	4'288
Theoretical equity ratio without goodwill offset as %	**35.5**	**52.4**

The Board of Directors proposes a dividend of CHF 1.30 per share, which would result in an unchanged dividend distribution despite the substantial acquisition made in 2023.

Consolidated income statement

CHF million	Notes	2023	%	2022	%
Sales	1.1	**4'026**	**100.0**	**3'998**	**100.0**
Other operating income	1.2	47		37	
Income		**4'073**	**101.2**	**4'035**	**100.9**
Cost of materials and products		–1'746		–1'812	
Changes in inventory of unfinished and finished goods		7		17	
Operating expenses	1.3	–737		–680	
Gross value added		**1'597**	**39.7**	**1'560**	**39.0**
Personnel expenses	1.4	–1'111		–1'053	
Depreciation	2.6	–114		–108	
Amortization		–8		–7	
Operating result (EBIT)		**365**	**9.1**	**391**	**9.8**
Financial result	3.4	–49		–45	
Share of results of associates		–1		–1	
Ordinary result		**315**	**7.8**	**346**	**8.6**
Non-operating result	5.4	–1		8	
Profit before taxes		**313**	**7.8**	**354**	**8.8**
Income tax expenses	5.3	–71		–74	
Net profit		**242**	**6.0**	**280**	**7.0**
– Thereof attributable to shareholders of Georg Fischer AG		235		276	
– Thereof attributable to minority interests		7		4	
Basic earnings per share in CHF	3.5	2.87		3.37	
Diluted earnings per share in CHF	3.5	2.87		3.37	

Consolidated balance sheet

CHF million	Notes	31.12.2023	%	31.12.2022	%
Cash and cash equivalents	2.1	546		877	
Marketable securities		20		17	
Trade accounts receivable	2.2	814		660	
Inventories	2.4	979		833	
Income taxes receivable		31		6	
Other accounts receivable	2.3	107		62	
Prepayments to creditors		12		18	
Accrued income		20		16	
Current assets		**2'530**	**61.4**	**2'489**	**67.3**
Property, plant, and equipment	2.6	1'274		915	
Investment properties	2.6	47		51	
Intangible assets	2.7	53		36	
Deferred tax assets	5.3	97		70	
Other financial assets	5.2	118		137	
Non-current assets		**1'589**	**38.6**	**1'209**	**32.7**
Assets		**4'119**	**100.0**	**3'698**	**100.0**
Trade accounts payable		596		563	
Other financial liabilities	3.1	100		84	
Other liabilities	2.5	91		65	
Prepayments from customers		61		72	
Current tax liabilities		82		62	
Provisions	2.9	73		45	
Accrued liabilities and deferred income	2.10	460		310	
Current liabilities		**1'464**	**35.6**	**1'202**	**32.5**
Bonds	3.1	625		625	
Other financial liabilities	3.1	1'720		26	
Employee benefit obligations	5.1	54		43	
Other liabilities	2.5	20		28	
Provisions	2.9	146		79	
Deferred tax liabilities	5.3	68		39	
Non-current liabilities		**2'632**	**63.9**	**840**	**22.7**
Liabilities		**4'097**	**99.5**	**2'042**	**55.2**
Share capital	3.6	4		4	
Capital reserves		26		26	
Treasury shares	3.6	–7		–8	
Retained earnings		–68		1'579	
Shareholders' equity		**–44**	**–1.1**	**1'602**	**43.3**
Minority interests		66	1.6	54	1.5
Equity		**22**	**0.5**	**1'656**	**44.8**
Liabilities and equity		**4'119**	**100.0**	**3'698**	**100.0**

Consolidated statement of changes in equity

CHF million	Share capital	Capital reserves	Treasury shares	Retained earnings: Goodwill offset	Retained earnings: Translation differences	Retained earnings: Cash flow hedging	Retained earnings: Other	Shareholders' equity	Minority interests	Equity
Balance at 1.1.2023	**4**	**26**	**–8**	**–590**	**–262**	**5**	**2'427**	**1'602**	**54**	**1'656**
Net profit							235	235	7	242
Translation differences					–129			–129	–8	–137
Changes in cash flow hedges						–3		–3	–0	–3
Goodwill offset				–1'644				–1'644		–1'644
Transactions with minorities									2	2
Changes in scope of consolidation									15	15
Purchase of treasury shares			–7					–7		–7
Share-based compensation										
– Settlement		–0	8				–8			
– Grants, forfeitures, adjustments							9	9		9
Dividends							–107	–107	–4	–111
Balance at 31.12.2023	**4**	**26**	**–7**	**–2'234**	**–391**	**1**	**2'556**	**–44**	**66**	**22**
Balance at 1.1.2022	**4**	**25**	**–11**	**–586**	**–194**	**0**	**2'233**	**1'472**	**24**	**1'496**
Net profit							276	276	4	280
Translation differences					–68			–68	–6	–74
Changes in cash flow hedges						5		5	0	5
Goodwill offset				–5				–5		–5
Transactions with minorities									7	7
Changes in scope of consolidation									36	36
Purchase of treasury shares			–5					–5		–5
Share-based compensation										
– Settlement		1	9				–10			
– Grants, forfeitures, adjustments							9	9		9
Dividends							–82	–82	–10	–92
Balance at 31.12.2022	**4**	**26**	**–8**	**–590**	**–262**	**5**	**2'427**	**1'602**	**54**	**1'656**

Consolidated cash flow statement

CHF million	Notes	2023	2022
Net profit		242	280
Income tax expenses	5.3	71	74
Financial result	3.4	49	45
Share of results of associates		1	1
Depreciation and amortization	2.6	122	116
Other non-cash income and expenses		3	9
Increase and release in provisions	2.9	21	26
Use of provisions	2.9	–25	–21
Profit/loss from disposal of tangible fixed assets		1	–11
Changes in inventories		20	–108
Changes in trade accounts receivable		19	–109
Changes in prepayments to creditors		5	2
Changes in other receivables and accrued income		–33	4
Changes in trade accounts payable		–21	50
Changes in prepayments from customers		–6	–10
Changes in other liabilities and accrued liabilities and deferred income		–30	70
Interest paid		–22	–28
Income taxes paid		–81	–61
Cash flow from operating activities		**338**	**326**
Additions to property, plant, and equipment	2.6	–196	–160
Additions to intangible assets		–9	–5
Additions to other financial assets		–11	–28
Disposals of property, plant, and equipment	2.6	1	7
Disposals of other financial assets		0	2
Purchase/disposal of marketable securities		–0	–0
Cash used for acquisitions	4.1	–1’920	–6
Cash flow from divestments	4.1		61
Interest received		11	5
Cash flow from investing activities		**–2’124**	**–125**
Free cash flow before acquisitions/divestments		134	146
Free cash flow		**–1’785**	**201**
Purchase of treasury shares	3.6	–7	–5
Dividend payments to shareholders of Georg Fischer AG		–107	–82
Dividend payments to minority interests		–4	–10
Inflows from minority interests		2	7
Repayment of bond	3.1		–150
Increase/repayment of current financial liabilities	3.1	–5	–5
Increase/repayment of non-current financial liabilities	3.1	1’622	17
Cash flow from financing activities		**1’502**	**–229**
Translation adjustment on cash and cash equivalents		–48	–27
Net cash flow		**–331**	**–55**
Cash and cash equivalents at beginning of year		877	932
Cash and cash equivalents at year-end	2.1	**546**	**877**

Notes to the consolidated financial statements

Information to the report

This section explains the basis for the preparation of the consolidated financial statements and provides a summary of the main general accounting principles as well as management assumptions and estimates.

Basis for the preparation of the consolidated financial statements

The consolidated financial statements of Georg Fischer AG (GF) and its GF Corporate Companies have been prepared in accordance with all of the current guidelines of the Accounting and Reporting Recommendations (Swiss GAAP FER) and with the provisions of the Listing Rules of SIX Exchange Regulation and with Swiss company law. The consolidated financial statements are based on the financial statements of GF and all GF Corporate Companies for the year ended 31 December, prepared in accordance with uniform corporate accounting principles.

Due to rounding, numbers presented throughout the consolidated financial statements may not add up precisely to the totals provided. All ratios, percentages and variances are calculated using the underlying amount rather than the presented rounded amount. A value of 0 represents an amount rounded to 0. A blank value represents an actual value of 0.

Accounting principles

The consolidated financial statements have been prepared in accordance with the historical cost method with the exception of marketable securities and derivative financial instruments, which are measured at actual value.

Changes in accounting principles

In the year under review, the Swiss GAAP FER accounting principles remained unchanged with the exception of the accounting for government grants.

In November 2021, the Swiss GAAP FER Commission approved the new recommendation “Swiss GAAP FER 28 – Government Grants” (FER 28), and in May 2022 the revised recommendation “Swiss GAAP FER 30 – Consolidated financial statements” (FER 30). Both recommendations are applicable to annual financial statements from 1 January 2024 onwards.

The provisions in FER 28 define the accounting treatment and disclosure of government grants. GF Corporation determined that the application of FER 28 did not have a material impact on the consolidated financial statements. GF Corporation adopted this standard for the annual financial statements 2023.

The amendments in FER 30 specify in particular the accounting treatment of step acquisitions, goodwill and translation differences related to equity-like loans. Under the new recommendation, intangible assets, which have not been recognized previously by the acquired subsidiary and are relevant to the decision to acquire a company, are to be identified and recognized. For the initial application of FER 30, new provisions related to goodwill are not applied retrospectively. GF Corporation did not early adopt the new provisions.

Scope and principles of consolidation

The scope of consolidation includes GF and all GF Corporate Companies that GF controls directly or indirectly by either holding more than 50% of the voting rights or by otherwise having the power to control their operating and financial policies (GF and the GF Corporate Companies are also collectively referred to as the GF Corporation). These GF Corporate Companies are fully consolidated; assets, liabilities, income and expenses are incorporated into the consolidated financial statements. Intercompany balances and transactions are eliminated upon consolidation. Minority interests are presented as a component of consolidated equity in the consolidated balance sheet and their share in consolidated net income is disclosed in the consolidated income statement. Gains arising from intercompany transactions are eliminated in full. Capital consolidation is based on the purchase method, whereby the acquisition cost of a GF Corporate Company is eliminated at the time of acquisition against the fair value of net assets acquired, with the remainder recorded as goodwill that is subsequently offset against the consolidated equity. Identifiable intangible assets, which were previously not recognized by the acquired subsidiary, are not capitalized. In the event of an increase in ownership in a GF Corporate Company, any difference between the purchase price and the acquired equity is recognized as goodwill. In the event of a disposal, the pro rata goodwill is recognized in profit or loss.

Joint ventures in which GF exercises joint control together with a joint venture partner are proportionately consolidated.

Companies in which GF has a minority interest of at least 20% but less than 50%, or over which it otherwise has significant influence, are accounted for using the equity method and included in the consolidated financial statements as investments in associates. Investments with less than 20% voting rights are accounted for at actual value and presented under other financial assets.

Foreign currencies

GF Corporate Companies prepare their financial statements in their functional currency. Assets and liabilities held in other currencies are converted at the spot rate on the balance sheet date. Foreign exchange gains and losses resulting from transactions and from the conversion of balance sheet items into the functional currency are reported in the income statement.

The consolidated financial statements are prepared and presented in Swiss francs. For consolidation purposes, the financial statements of the GF Corporate Companies that report in a currency other than Swiss francs are translated into Swiss francs as follows: balance sheets at year-end rates, income and cash flow statements at average rates for the year. Any translation differences resulting from the translation of the balance sheets and income statements or from the translation of corporate equity-like loans denominated in foreign currencies are recognized in equity. Upon the divestment, liquidation or closure of a foreign GF Corporate Company or a part of the business, the related cumulative translation differences are recycled to the income statement.

GF Corporate Companies in hyperinflationary economies

GF Corporation considers Turkey's economy to have become hyperinflationary in June 2022, as among other economic factors, the last three years' cumulative inflation in Turkey exceeded 100%, measured by the consumer price index published by the Turkish Statistical Institute.

GF Corporation has two GF Corporate Companies in Turkey and analyzed the impact of hyperinflation on the consolidated financial statements. The potential adjustments resulting from the application of inflation accounting according to international accounting standards do not have a material impact on the consolidated balance sheet and consolidated net profit. Hence, no adjustment was recorded.

Other valuation principles

Other relevant valuation principles, if relevant for the understanding of the valuation of the respective asset or liability, are reflected in the notes.

Management assumptions and estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and contingent liabilities at the balance sheet date. If in the future such estimates and assumptions, which are based on management's best judgment at the balance sheet date, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Management has identified the following assumptions and estimates to be of special relevance to the presentation of the consolidated financial statements:

Management assumptions and estimates	Notes
Recoverability of property, plant, and equipment	2.6
Recoverability of goodwill	2.8
Valuation of provisions	2.9
Recoverability of other financial assets	5.2
Valuation of income taxes	5.3

Key figures not defined by Swiss GAAP FER

GF uses certain key figures to measure its financial performance that are not defined by Swiss GAAP FER. As these key figures are not defined by Swiss GAAP FER, comparability with similar figures presented by other companies might be limited. Explanations of these key figures and the reconciliation of certain key figures can be found on the GF website: Alternative Performance Measures (APMs).

"Free cash flow" is reported separately in the cash flow statement and consists of cash flow from operating activities together with cash flow from investing activities. It is defined as: +/– Cash flow from operating activities +/– Cash flow from investing activities.

"Free cash flow before acquisitions/divestments" excludes the cash effective movements arising from acquisitions/divestments. It is defined as: +/– Free cash flow +/– Cash flow from acquisitions/divestments.

"Order intake" refers to receiving or processing a customer's order. It must only be recognized if a binding order or order confirmation is received.

"Orders on hand" at the end of the period equals orders on hand at the end of the previous period, plus the order intake of the reporting period minus gross sales of the reported period.

1 Operating performance

This section explains the performance and results as well as the segment results, which are reported on the same basis as GF's internal management structure.

1.1 Segment information

The reportable segments are the four operating divisions GF Piping Systems, GF Uponor, GF Casting Solutions and GF Machining Solutions.

GF Piping Systems focuses on system solutions and high-quality plastic and metal components. Its portfolio of fittings, valves, pipes, automation and jointing technologies covers all water cycle applications. The division further offers specialized solutions, including engineering, customizing and prefabrication. Customers are served globally by the following customer segments: Utility, Industry and Building Technology.

GF Uponor provides safe drinking water systems, energy-efficient radiant heating and cooling systems as well as reliable infrastructure solutions. The division helps customers in residential and commercial construction, as well as municipalities and utilities to be more productive in conserving, managing and providing water. Customers are served in Europe and North America by the following customer segments: Building Solutions Europe, Building Solutions North America and Infrastructure Solutions.

GF Casting Solutions provides lightweight components to the mobility and energy industries. The division serves its customers in all global key markets and categorizes its offering into the customer segments Automotive, Industrial Applications and Aerospace/Energy.

GF Machining Solutions provides complete solutions to the global tool and mold making industries, and manufacturers of precision components. The division manufactures high-precision machine tools for milling and EDM (electro discharge machining) applications. The division further offers spindles, laser texturing, laser micromachining, additive manufacturing, automation and tooling, as well as digitalized solutions. Customers are served globally by the following customer segments: Milling, EDM, Customer Services and Advanced Manufacturing/Automation & Tooling.

Segment information

	GF Piping Systems		GF Uponor		GF Casting Solutions		GF Machining Solutions		Total segments	
CHF million	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Order intake[1]	**1'954**	**2'319**	**167**		**912**	**965**	**907**	**945**	**3'940**	**4'229**
Orders on hand at year-end[1]	**300**	**442**	**47**		**269**	**284**	**211**	**206**	**827**	**932**
Sales per region										
Europe	679	690	88		638	608	423	435	1'828	1'732
– Thereof Germany	158	171	14		268	284	116	124	556	579
– Thereof Switzerland	118	121	1		18	19	84	87	221	226
– Thereof rest of Europe	403	398	73		352	305	222	224	1'051	928
Americas	535	612	75		69	78	158	171	837	861
Asia	687	699	0		200	206	272	316	1'159	1'220
– Thereof China	473	487	0		187	199	205	243	865	929
– Thereof rest of Asia	214	212	0		13	7	67	73	295	291
Rest of world	165	159	2		3	1	34	27	204	187
Sales	**2'066**	**2'160**	**164**		**910**	**892**	**887**	**948**	**4'027**	**4'001**
EBITDA	**327**	**341**	**–6**		**104**	**99**	**75**	**81**	**500**	**522**
Depreciation	–48	–47	–7		–40	–44	–12	–12	–107	–102
Amortization	–4	–4	–1		–0	–1	–3	–3	–7	–7
Operating result (EBIT)	**275**	**291**	**–13**		**64**	**55**	**60**	**67**	**385**	**413**
Assets	**1'657**	**1'620**	**809**		**760**	**796**	**707**	**786**	**3'933**	**3'203**
– Thereof current assets	986	1'010	455		374	403	495	529	2'309	1'942
– Thereof non-current assets	672	610	353		387	394	213	257	1'624	1'261
Investments per region										
Europe	41	32	5		49	23	20	19	114	74
– Thereof Germany	3	4	1		3	5	1	2	8	10
– Thereof Switzerland	29	21			4	2	17	15	50	38
– Thereof rest of Europe	8	8	4		41	16	2	2	56	26
Americas	29	24	2			2	0	0	31	27
Asia	16	26			18	28	6	2	40	56
– Thereof China	15	24			18	28	5	1	38	53
– Thereof rest of Asia	1	3					1	0	2	3
Rest of world	9	14					0		9	14
Investments	**94**	**97**	**7**		**66**	**53**	**26**	**21**	**194**	**171**
– Thereof in capital expenditures	91	95	7		66	53	22	19	186	166
– Thereof in intangible assets	4	2	0		0	0	4	2	8	4
Liabilities	**879**	**847**	**452**		**467**	**478**	**468**	**524**	**2'266**	**1'848**
– Thereof current liabilities	516	515	269		271	289	281	356	1'336	1'161
– Thereof non-current liabilities	363	331	184		196	189	187	167	930	688
Research and development	**61**	**53**	**5**		**12**	**13**	**55**	**54**	**133**	**120**

1 Order intake and orders on hand at year-end were not included in the scope of the audit by the statutory auditor.

Reconciliation to the consolidated income statement and the consolidated balance sheet

CHF million	2023	2022
Sales		
Sales of reportable segments	4'027	4'001
Elimination of intercompany sales	–1	–3
Consolidated sales	**4'026**	**3'998**
Operating result (EBIT)		
Total EBIT for reportable segments	385	413
Total EBIT Corporate Center and Corporate Services	–21	–22
Consolidated operating result (EBIT)	**365**	**391**
Assets		
Assets of reportable segments	3'933	3'203
Elimination of intercompany positions	–340	–372
Other assets		
– Current assets (mainly cash and cash equivalents)	241	568
– Non-current assets	285	300
Consolidated assets	**4'119**	**3'698**
Liabilities		
Liabilities of reportable segments	2'266	1'848
Elimination of intercompany positions	–587	–527
Other liabilities		
– Current liabilities	148	65
– Non-current liabilities (mainly bank loans and bonds)	2'269	656
Consolidated liabilities	**4'097**	**2'042**

Sales by customer segment

CHF million	2023	2022
Industry	924	933
Utility	734	801
Building Technology	408	426
GF Piping Systems	**2'066**	**2'160**
Building Solutions Europe	65	
Building Solutions North America	74	
Infrastructure Solutions	25	
GF Uponor	**164**	
Automotive	692	683
Industrial Applications	120	136
Aerospace/Energy	98	73
GF Casting Solutions	**910**	**892**
Customer Service	266	275
EDM	219	275
Milling	252	254
Advanced Manufacturing/Automation & Tooling	150	145
GF Machining Solutions	**887**	**948**
Elimination of intercompany sales	–1	–3
Total	**4'026**	**3'998**

There are no single customers whose sales account for 10% or more of GF Corporation's sales.

Accounting principles revenue recognition

Billings for goods and services are recognized as sales when they are delivered or when the principal risks and rewards incidental to ownership are transferred. An assessment as to whether the principal risks and rewards were transferred for a particular delivery is made separately for each sales transaction on the basis of the contractual agreement underlying the transaction. The transfer of legal ownership alone does not necessarily result in the transfer of the principal risks and rewards. This is the case, for instance, if:

- **the recipient of the delivery makes a claim for insufficient quality of the delivered item that exceeds a normal warranty claim**
- **the receipt of the proceeds depends on the resale of the goods by the buyer**
- **the installation of the goods at the recipient is an essential part of the contract**
- **the buyer has the right to return the item for a contractually specified reason and the likelihood of such a return cannot be assessed with any certainty**

Services rendered are recognized as sales depending on the degree of their completion if the result of the service can be reliably assessed. Sales are stated before value-added tax and sales tax, and after the deduction of discounts and credits. Appropriate warranty provisions are recognized for anticipated claims.

Accounting principles segment reporting

In accordance with the management structure and the reporting to the Executive Committee and the Board of Directors, the divisions represent the reportable segments. Segment accounting is prepared up to the level of operating result (EBIT), as this is the key figure used for management purposes. All operating assets and liabilities that are directly attributable or can be allocated on a reasonable basis to the segments are reported in the corresponding divisions. Customer segments manufacture similar products with comparable production processes and supply them to similar customer groups using similar distribution methods.

1.2 Other operating income

CHF million	2023	2022
Sales of material, waste, and scrap	19	16
Income from insurance contracts	4	4
Income from services	4	6
Gains on disposals of property, plant, and equipment	1	2
Government grants	9	9
Foreign exchange gains/losses	–6	–11
Other[1]	15	12
Total	**47**	**37**

1 Primarily includes other operating income from suppliers and customers.

1.3 Operating expenses

CHF million	2023	2022
External services[1]	191	166
Selling costs, commissions	146	141
Repair, maintenance	85	78
Advertisements, communication	100	88
External energy supply	97	90
Rent, leases	51	49
Other expenses	66	68
Total	**737**	**680**

1 Primarily includes temporary employees, IT costs, R&D, insurance costs as well as consulting services.

The total compensation of the Board of Directors is recognized as other expenses and amounts to CHF 2.9 million (previous year: CHF 2.7 million). The members of the Board of Directors received a fixed remuneration paid in cash and a fixed number of GF restricted shares. The valuation of the restricted shares of CHF 1.5 million (previous year: CHF 1.5 million) is based on the year-end share price of CHF 61.10 (previous year: CHF 56.60). A total of 24'566 restricted shares were granted to the Board of Directors (previous year: 26'084).

1.4 Personnel expenses

CHF million	2023	2022
Salaries and wages	904	853
Employee benefits	31	30
Social security	175	170
Total	**1'111**	**1'053**

In 2023, GF expanded the group of executives that are entitled to performance shares (PS) under its share-based long-term incentive (LTI) plan. From 2023 onwards, senior managers with a higher degree of managerial responsibilities, together with the Executive Committee, received PS, while other senior managers continued to receive restricted shares (RS).

LTI plan	Number of granted PS	Grant value in CHF million	Recognized as personnel expenses 2023 in CHF million	Recognized as personnel expenses 2022 in CHF million
2021–2023	39'760	2.1	0.9	0.9
2022–2024	31'040	2.0	0.8	0.8
2023–2025[1]	82'454	4.2	1.5	
Total	**153'254**	**8.3**	**3.2**	**1.7**

1 Includes PS for members of the Executive Committee and other senior managers with a higher degree of managerial responsibilities.

Total personnel expenses for PS and RS amounted to CHF 7.1 million (previous year: CHF 7.5 million).

Accounting principles

The compensation for the Executive Committee and, for the first time in 2023, certain other senior managers with a higher degree of managerial responsibilities, consists of a fixed base salary, a short-term cash incentive (STI) and a share-based long-term incentive (LTI) plan entitlement. The compensation cost is recognized as a personnel expense over the performance period. The LTI entitlement is based on a grant value corresponding to a percentage of the base salary, which at the beginning of the period is converted into an entitlement for a specific number of performance shares (PS). The PS are subject to a three-year vesting period. The vesting is further conditional on the achievement of non-market conditions (diluted earnings per share target) as well as market conditions (relative total shareholder return target). Depending on the level of target achievement, the PS will be settled in registered shares at a conversion rate of between 50% (minimum payout) and 150% (maximum payout). If the threshold is not met, no settlement takes place. After vesting, vested PS are blocked for an additional two years. The valuation of the LTI at grant date is performed by applying statistical Monte Carlo simulation. Anticipated dividends are included in the model. After the grant date, non-market conditions are re-measured at each reporting date. Adjustments from the re-measurement are recognized prospectively. Market conditions are included in the calculation of the actual value at grant and no subsequent revaluation is performed. The expenses for PS are recognized over the three-year vesting period as salaries and wages against other retained earnings. Additional information is provided in the Compensation Report.

The cost of the restricted shares is also recognized as salaries and wages in the year in which the senior managers render their services.

Entitlements to short-time work compensation programs at the individual GF Corporate Company level due to adverse economic effects are reported under salaries and wages.

2 Operating assets and liabilities

This section provides information on current assets and liabilities that support the ongoing operational liquidity of the GF Corporation. The section further describes the non-current tangible and intangible assets required at the GF Corporate Companies to provide products and services to their customers. Furthermore, it provides a summary of the different goodwill items and the theoretical impact of a capitalization and subsequent amortization of goodwill.

2.1 Cash and cash equivalents

CHF million	31.12.2023	31.12.2022
Cash and bank accounts	483	536
Cash on fixed-term deposits	37	309
Checks and drafts	25	31
Cash and cash equivalents	**546**	**877**

Accounting principles

Cash and cash equivalents consists of cash on hand, balances on bank accounts and short-term, highly liquid cash equivalents, which are subject to an insignificant risk of change in value and that are readily convertible to cash. Cash equivalents have a maturity of 90 days or less from the balance sheet date.

2.2 Trade accounts receivable

CHF million	31.12.2023	31.12.2022
Gross value	**856**	**693**
Individual value adjustments	–5	–5
Overall value adjustments	–37	–28
Net value	**814**	**660**
Europe	304	256
Americas	162	93
Asia	327	286
– Thereof China	201	179
– Thereof rest of Asia	126	107
Rest of world	22	25
Total	**814**	**660**

As of the balance sheet date, the aging structure of the trade accounts receivable, which are not subject to individual value adjustments, was as follows:

CHF million	31.12.2023		31.12.2022	
	Receivables after individual value adjustments	Overall value adjustments	Receivables after individual value adjustments	Overall value adjustments
Not yet due	666		535	
1 to 30 days overdue	91		66	
31 to 90 days overdue	46		50	
91 to 180 days overdue	24	14	18	13
More than 180 days overdue	24	23	19	15
Total	**851**	**37**	**688**	**28**

The individual value adjustments amounted to CHF 5 million (previous year: CHF 5 million). It is expected that part of the underlying receivables will be paid. Receivables not due are mainly receivables arising from long-standing customer relationships. Based on experience, no significant defaults are anticipated. For further information on credit management and trade accounts receivable, see note 3.7.

Accounting principles

Accounts receivable are stated at nominal value. Value adjustments are established based on maturity structure and identifiable credit risks. Besides individual value adjustments with respect to specific known risks, other value adjustments are recognized based on historical experience of default risk.

2.3 Other accounts receivable

CHF million	31.12.2023	31.12.2022
Tax credits from indirect taxes	41	33
Other current accounts receivable	66	29
Total	**107**	**62**

2.4 Inventories

CHF million	31.12.2023	31.12.2022
Raw materials and components	317	307
Unfinished goods	224	164
Finished goods	666	556
Gross value	**1'207**	**1'027**
Value adjustments	–228	–195
Total	**979**	**833**

Accounting principles

Goods held for trading are generally stated at average cost and internally manufactured products at standard cost, including direct labor and materials used, as well as a commensurate share of the related overhead costs. Cash discount deductions are treated as reductions in the purchase cost. If the net realizable value is lower than the book value, a corresponding value adjustment is made. Inventories with an insufficient turnover rate are partly or fully value adjusted.

2.5 Other liabilities

CHF million	31.12.2023	31.12.2022
Social security	32	26
Derivative financial instruments	4	2
Other tax liabilities	43	33
Other non-interest-bearing liabilities	32	32
Total	**111**	**93**
– Thereof current	91	65
– Thereof non-current	20	28

2.6 Property, plant, and equipment

CHF million	Investment properties	Land	Buildings and building components	Machinery and production equipment	Other equipment	Assets under construction	Assets held under finance leases	Property, plant, and equipment
Cost at 1.1.2023	**138**	**43**	**729**	**1'292**	**218**	**128**	**29**	**2'440**
Additions	0	1	9	35	7	152	1	205
Disposals	–0	–0	–9	–24	–5	–0	–1	–39
Changes in scope of consolidation		19	131	147	13	29	3	343
Reclassifications	–0	1	43	70	9	–122	–1	–1
Translation differences	–7	–3	–37	–84	–12	–12	–2	–151
Cost at 31.12.2023	**131**	**60**	**867**	**1'435**	**230**	**174**	**29**	**2'796**
Accumulated depreciation at 1.1.2023	**–87**		**–402**	**–946**	**–163**		**–15**	**–1'525**
Additions	–2		–25	–72	–14		–2	–112
Impairment				–2				–2
Disposals	0		8	23	5		1	37
Reclassifications	0		–0	–0	–0		0	0
Translation differences	5		16	55	8		1	80
Accumulated depreciation at 31.12.2023	**–83**		**–403**	**–941**	**–164**		**–14**	**–1'522**
Carrying amount at 31.12.2023	**47**	**60**	**464**	**494**	**66**	**174**	**15**	**1'274**
Cost at 1.1.2022	**210**	**50**	**762**	**1'480**	**228**	**107**	**22**	**2'648**
Additions	1	1	19	25	8	118	9	180
Disposals	–65	–0	–4	–114	–7		–0	–126
Changes in scope of consolidation		–6	–54	–103	–15	–4	1	–180
Reclassifications	–1	0	26	51	10	–87	–1	0
Translation differences	–7	–2	–20	–47	–7	–6	–1	–83
Cost at 31.12.2022	**138**	**43**	**729**	**1'292**	**218**	**128**	**29**	**2'440**
Accumulated depreciation at 1.1.2022	**–134**		**–395**	**–1'042**	**–168**		**–14**	**–1'619**
Additions	–2		–24	–69	–14		–2	–108
Impairment	–1			–0				–0
Disposals	45		2	111	7		0	120
Changes in scope of consolidation			6	20	6			31
Reclassifications	1		–1	–0	0		0	–0
Translation differences	5		10	35	5		1	51
Accumulated depreciation at 31.12.2022	**–87**		**–402**	**–946**	**–163**		**–15**	**–1'525**
Carrying amount at 31.12.2022	**51**	**43**	**328**	**346**	**55**	**128**	**15**	**915**

Additions to property, plant, and equipment for GF Piping Systems included investment in equipment in Shawnee (US) in the amount of CHF 7 million and in Schaffhausen (Switzerland) in the amount of CHF 6 million, as well as investment in new buildings in Seewis (Switzerland) in the amount of CHF 7 million. Additions for GF Casting Solutions included investment in equipment in Pitesti (Romania) in the amount of CHF 14 million, in Altenmarkt (Austria) in the amount of CHF 10 million, Shenyang (China) in the amount of CHF 10 million as well as investment in new buildings in Pitesti (Romania) in the amount of CHF 8 million. Additions for GF Machining Solutions included investment in new buildings in Losone (Switzerland) in the amount of CHF 9 million as well as investment in equipment in Changzhou (China) in the amount of CHF 4 million. Additions for GF Corporate Management included investment in the refurbishment of the corporate headquarters in Schaffhausen (Switzerland) in the amount of CHF 18 million.

In 2023, the outstanding payments for additions to property, plant, and equipment changed by CHF 5 million (previous year: CHF 11 million). There were non-cash additions to assets held under finance leases of CHF 1 million (previous year: CHF 9 million) and asset-related government grants of CHF 3 million (previous year: CHF 1 million) were received.

The movements in “Changes in scope of consolidation” result from the acquisition of Uponor and GF Corys, see note 4.1. In the previous year, the movements in “Changes in scope of consolidation” resulted primarily from the divestment of GF Linamar LLC.

Land includes CHF 4 million of undeveloped properties (previous year: CHF 4 million).

The actual value of investment properties, as determined by internal assessments on the basis of capitalized and current market values, is CHF 95 million (previous year: CHF 100 million). In the previous year, investment properties in Singen (Germany) were disposed in a non-cash transaction, see note 5.2.

Accounting principles

Property, plant, and equipment are stated at cost or manufacturing cost less depreciation and impairment. The recoverability of property, plant, and equipment is reviewed at least once a year. If there is any indication of an impairment, an impairment test is performed. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the income statement. Financing costs of assets under construction are part of the costs of the asset if material. Assets held under finance lease contracts are capitalized at the lower of the present value of the minimum lease payments and fair value. The related outstanding finance lease obligations are presented as liabilities. See also note 3.2.

Assets are depreciated on a straight-line basis over their estimated useful lives or lease terms:

- **Investment properties: 30–40 years**
- **Buildings: 30–40 years**
- **Building components: 8–20 years**
- **Machinery and production equipment: 6–20 years**
- **Other equipment (vehicles, IT systems, etc): 1–5 years**

Land and assets under construction are usually not depreciated. When components of larger assets have different useful lives, these are depreciated separately. Useful lives and residual values are reviewed annually on the balance sheet date and adjustments are recognized in the income statement. Any gains or losses on the disposal of items of property, plant, and equipment are recognized in the income statement.

Government grants are compensation provided by public institutions for services provided or expenses incurred in the operating activity and may relate to assets or to income. Government grants are recognized if there is a reasonably assured entitlement, and the amount can be reliably estimated. Government grants relating to assets are recognized as deferred income and offset against the asset’s depreciation over the asset’s useful life. Government grants relating to income are presented separately under “Other operating income” and are recognized in the income statement over the periods in which the correspondent expenses are recognized. See also note 1.2.

Management assumptions and estimates

The recoverability of property, plant, and equipment are reviewed whenever there are indications that their carrying amount may no longer be recoverable due to changed circumstances. If such a situation arises, the recoverable amount is determined. It corresponds to the higher of the discounted value of expected future net cash flows and the expected net selling price. If the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognized in the income statement. The main assumptions on which these measurements are based include growth rates, margins and discount rates. The actual future cash flows can differ considerably from discounted projections.

2.7 Intangible assets

CHF million	Land use rights	Software	Royalties, patents, others	Intangible assets
Cost at 31.12.2023	17	75	25	116
Accumulated amortization at 31.12.2023	–6	–49	–9	–63
Carrying amount at 31.12.2023	**11**	**26**	**16**	**53**
Cost at 31.12.2022	19	67	12	98
Accumulated amortization at 31.12.2022	–6	–47	–8	–62
Carrying amount at 31.12.2022	**13**	**20**	**4**	**36**

Related to the acquisition of Uponor, intangible assets increased by CHF 6 million of software and CHF 6 million of royalties, patents, and others. See also note 4.1.

Accounting principles

Land use rights are amortized on a straight-line basis over the duration of the land use rights granted. For this item, useful lives can be up to 50 years. Software is amortized on a straight-line basis over the estimated useful lives of one to ten years. Acquired royalties, patents, and similar rights are capitalized and amortized on a straight-line basis over their estimated useful lives of three to 15 years. The recoverability of intangible assets is reviewed at least once a year. If there is any indication of an impairment, an impairment test is performed. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the income statement. All research costs are recognized in the income statement in the period in which they were incurred. Development costs are recognized as an asset only to the extent that the following specific recognition criteria are met cumulatively:

- **costs are clearly defined, clearly attributable to the product or process, can be separately identified and measured reliably**
- **the technical feasibility and ability to use or sell the asset can be demonstrated**
- **the required internal resources are available to complete the development**
- **the amount recognized is covered by future economic benefits**

2.8 Goodwill

The theoretical capitalization of goodwill would affect the consolidated financial statements as follows:

Theoretical movements in goodwill

CHF million	2023	2022
Cost at 1.1.	**635**	**641**
Additions from acquisitions	1'644	5
Translation differences	–87	–11
Cost at 31.12.	**2'192**	**635**
Accumulated amortization at 1.1.	**–601**	**–596**
Additions	–66	–18
Translation differences	37	13
Accumulated amortization at 31.12.	**–630**	**–601**
Theoretical carrying amount at 31.12.	**1'561**	**34**

Effect on income statement

CHF million	2023	2022
Operating result (EBIT)	365	391
EBIT margin %	9.1	9.8
Amortization	–66	–18
Theoretical operating result (EBIT) incl. amortization/impairment of goodwill	299	373
Theoretical EBIT margin %	7.4	9.3
Net profit	242	280
Amortization	–66	–18
Theoretical net profit incl. amortization/impairment of goodwill	176	262

Effect on balance sheet

CHF million	31.12.2023	31.12.2022
Equity according to balance sheet	22	1'656
Theoretical capitalization of goodwill	1'561	34
Theoretical equity incl. goodwill	1'583	1'690
Equity as % of balance sheet total	0.5	44.8
Theoretical equity incl. goodwill as % of balance sheet total incl. goodwill	27.9	45.3

The theoretical amortization is based on the straight-line method over the useful life of five years. The addition in 2023 is attributable to the acquisitions of GF Corys (CHF 6 million) and Uponor (CHF 1'638 million). In the previous year, the addition was related to the acquisition of VAM Control S.r.l. (CHF 5 million).

In 2023, the impairment test for Georg Fischer F.G.S. Indústria e Comércio LTDA revealed that the resulting recoverable amount based on the value in use calculation exceeded the respective carrying amount. In 2022, no indications of impairment were identified.

Accounting principles

When acquiring a GF Corporate Company or an associate, goodwill as of the date of acquisition is calculated as follows: the acquisition purchase price plus transaction costs incurred in connection with the acquisition less the value of revalued net assets.

The positive or negative goodwill resulting from acquisitions and changes in ownership are offset in equity against retained earnings at the date of acquisition. Upon the disposal of a GF Corporate Company or an associate, the goodwill previously offset in equity is transferred to the income statement. If parts of the purchase price are dependent on future results, they are estimated at the acquisition date and recognized in the balance sheet. In the event of disparities when the definitive purchase price is settled, the goodwill offset in equity is adjusted accordingly.

The recoverability of the goodwill reported in the theoretical movements in goodwill table is reviewed at least once a year. If there is any indication of an impairment, an impairment test is performed. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. As the goodwill is already offset in equity at the date of the acquisition, an impairment of the goodwill does not affect the income statement, but leads to a disclosure in the notes only.

Management assumptions and estimates

For goodwill, an impairment test is performed if there is any indication that the theoretical book value is no longer recoverable. As a basis for the calculation, business plans for the next five years are used. The projections are based on knowledge and experience, as well as on current judgments made by management as to the probable economic development of the relevant markets.

2.9 Provisions

CHF million	Personnel	Warranties	Legal	Onerous contracts	Restructuring	Other	Provisions
Balance at 1.1.2023	**55**	**37**	**9**	**6**	**0**	**17**	**125**
Increase	5	22	4	3	0	7	41
Use	–4	–14	–1	–1	–0	–4	–25
Release	–1	–6	–1	–1	–0	–11	–20
Changes in scope of consolidation	5	81	13	0	1	11	111
Translation differences	–4	–7	–1	–0	0	–1	–14
Balance at 31.12.2023	**56**	**114**	**23**	**6**	**1**	**19**	**219**
– Thereof current	5	45	2	5	1	15	73
– Thereof non-current	51	69	20	2		4	146
Balance at 1.1.2022	**54**	**36**	**9**	**7**	**2**	**17**	**125**
Increase	9	16	4	4	0	4	38
Use	–4	–9	–1	–2	–2	–2	–21
Release	–2	–5	–2	–2		–1	–12
Changes in scope of consolidation	1						1
Translation differences	–3	–1	–0	–0	–0	–1	–5
Balance at 31.12.2022	**55**	**37**	**9**	**6**	**0**	**17**	**125**
– Thereof current	4	28	2	4	0	7	45
– Thereof non-current	51	10	7	1	0	11	79

The movements in “Changes in scope of consolidation” result from the acquisition of GF Corys as well as Uponor, see note 4.1.

Personnel

Provisions for personnel cover employee retirement benefits and other service-related employee benefits that are not provided by pension funds or similar institutions, as well as anniversary bonuses and provisions for work-related accidents. For employee benefits provided by pension funds, see note 5.1.

Warranties

Provisions for warranties include actual and anticipated costs for warranty services such as repair costs, replacement costs directly attributable to a warranty case, including the respective provisions of the captive insurance companies, as well as contingent liabilities from acquisitions. The eventual outflow of funds depends on the timing of the closing of the respective claims. All four divisions provide warranty services: 10% of the provisions relate to GF Piping Systems (previous year: 45%), 73% to GF Uponor, 10% to GF Casting Solutions (previous year: 27%), and 7% to GF Machining Solutions (previous year: 28%).

Legal

Provisions for legal cases include obligations deriving from legal cases and litigation as well as contingent liabilities from acquisitions. None of the individual obligations deriving from legal cases and litigation are expected to lead to an outflow of more than CHF 5 million (previous year: CHF 5 million).

Onerous contracts

Provisions for onerous contracts include continuing obligations under existing contracts for which their fulfillment leads to unavoidable costs that exceed the associated economic benefits.

Restructuring

Provisions for restructuring include provisions for legal and/or constructive obligations deriving from restructuring cases. A constructive obligation arises when a detailed and formal plan for restructuring exists, and a legitimate expectation of compensation was raised to the affected parties.

Other

Other provisions include other events that give rise to a provision such as non-warranty claims by customers and risks from business activities not allocated to the warranties, legal, or onerous contract categories. Part of these risks are managed by the internal captive insurance companies.

Accounting principles

Provisions are recognized if a legal or constructive obligation exists because of a past event that makes an outflow of resources to settle such an obligation likely and if the amount of the outflow can be estimated reliably. The valuation of provisions in all categories is based on actual data if available (for example, claims that have occurred or have been reported in a period) or on the experience of recent years and management estimates. Possible obligations whose occurrence cannot be assessed on the balance sheet date or obligations whose amount cannot be reliably estimated are disclosed as contingent liabilities.

Management assumptions and estimates

GF Corporate Companies may become involved in warranty claims, legal cases or other events that lead to the future outflow of resources. Provisions for pending legal cases are measured based on professional expertise of internal and external lawyers, and a best estimate of the expected outflow of resources considering available insurance coverage, if any. The assessment may change in the following years depending on the future development of ongoing legal proceedings. If there are any contractual obligations for which the unavoidable costs of meeting the obligations exceed the expected economic benefits, provisions are made for the expected amounts over the entire period or over a prudently estimated period.

2.10 Accrued liabilities and deferred income

CHF million	31.12.2023	31.12.2022
Overtime, holiday, and bonuses	163	132
Accrued liabilities/deferred income for commissions and discounts	109	59
Deferred income for government grants	7	5
Outstanding payments for the remaining Uponor shares[1]	55	
Other accrued liabilities and deferred income	126	114
Total	**460**	**310**

1 See note 4.2

2.11 Contingent liabilities

Contingent liabilities amounted to CHF 76 million (previous year: CHF 66 million) and include guarantees to third parties.

3 Capital and financial risk management

Total capital is defined as total equity and net debt. The GF Corporation manages its capital structure in order to safeguard its ability to continue as a going concern, achieve an optimal cost of capital and optimize the long-term returns to its shareholders as well as provide financial flexibility with regard to future strategic investments. The GF Corporation is exposed to a number of financial risks, and this section further outlines the key financial risks and how they are managed.

3.1 Interest-bearing financial liabilities

	Maturity				
CHF million	**within 1 year**	**1 to 5 years**	**over 5 years**	**31.12.2023**	**31.12.2022**
Bonds (at fixed interest rates)		425	200	625	625
Syndicated bridge loan (at variable interest rates)		636		636	
Syndicated term loan (at variable interest rates)		986		986	
Other financial liabilities (at fixed interest rates)[1]	18	18	7	43	46
Other financial liabilities (at variable interest rates)	81	73		155	64
Total	**100**	**2'138**	**207**	**2'445**	**735**

1 This category comprises other financial liabilities with a fixed interest period of more than three months.

Net debt, which is calculated as the difference between interest-bearing liabilities and cash and cash equivalents and marketable securities, increased by CHF 2'038 million to CHF 1'879 million in the year under review (previous year: net cash position of CHF 159 million). The increase was primarily related to the financing of the acquisition of Uponor.

The following table shows the changes in financial liabilities arising from cash flows and non-cash changes:

			Changes not affecting liquidity				
CHF million	**1.1.**	**Cash flows**	**Translation differences**	**Unwinding of discount**	**Scope of consolidation**	**Leasing additions**	**31.12.**
2023							
Bonds	625			0			625
Syndicated bridge loan		636		0			636
Syndicated term loan		985		0			986
Current other financial liabilities	84	–5	–11		32		100
Non-current other financial liabilities	26	1	–5		76	1	99
Total	**735**	**1'617**	**–16**	**1**	**108**	**1**	**2'445**
2022							
Bonds	775	–150		0			625
Current other financial liabilities	97	–5	–8				84
Non-current other financial liabilities	127	17	–0		–126	8	26
Total	**999**	**–138**	**–8**	**0**	**–126**	**8**	**735**

In the year under review, financial liabilities increased primarily due to the use of syndicated bank loans for the financing of the acquisition of Uponor. In the previous year, the GF Corporation repaid the outstanding amount of CHF 150 million on the bond with the term from 2013 to 2022 when it matured on 12 September 2022.

The following table shows in detail the various categories of interest-bearing financial liabilities by currency and interest rate:

CHF million	Currency	Interest rate %	31.12.2023	Interest rate %	31.12.2022
0.875% Georg Fischer Finanz AG Bond, 2016–2026 (12 May), CHF 225 million, CH0319415961	CHF	0.9	225	0.9	225
1.05% Georg Fischer AG Bond, 2018–2028 (20 April), CHF 200 million, CH0373476636	CHF	1.06	200	1.06	200
0.95% Georg Fischer AG Bond, 2020–2030 (25 March), CHF 200 million, CH0536893230	CHF	0.96	200	0.96	200
Bonds (at fixed interest rates)			**625**		**625**
Syndicated bridge loan	CHF	2.4	636		
Syndicated term loan	CHF	3.8	986		
Syndicated loans (at variable interest rates)			**1'622**		
	EUR	0.4–2.0	16	0.4–2.0	18
	CHF	1.4–4.0	5	1.4–4.0	6
	CNY	4.0–4.4	22	4.3–4.4	22
Other financial liabilities (at fixed interest rates)[1]			**43**		**46**
	CNY	2.8–3.4	21	3.1–3.7	29
	TRY	41.0–48.8	5	18.1–25.0	8
	EUR	4.9–5.4	100	2.1–3.5	23
	AED	7.3	18		
	CHF	3.5	10		
	Other		1		4
Other financial liabilities (at variable interest rates)			**155**		**64**
Total			**2'445**		**735**

1 This category comprises other financial liabilities with a fixed interest period of more than three months.

Georg Fischer AG and Georg Fischer Finanz AG have an existing syndicated credit line with a term from 2023 to 2028 for CHF 400 million. It provides the GF Corporation with the financial flexibility to act swiftly, for instance in the case of acquisitions, and was not drawn as of the end of 2023 and 2022. Additionally, Georg Fischer AG drew two loans for the financing of the Uponor acquisition from two new credit lines: a bridge loan with a maximum term until June 2025 and a term loan with a maximum term until June 2028. In addition to other terms, the syndicated credit line and the acquisition-related credit lines are subject to a covenant with respect to the net debt ratio (ratio of net debt to EBITDA). The conditions of all three credit lines are standard conditions for such types of arrangements. As of 31 December 2023, the financial covenants were not breached.

The bonds as well as the three credit lines are subject to standard cross-default clauses, whereby the outstanding amounts may all become due if early repayment of another loan is demanded from GF or one of its subsidiaries owing to a failure to meet the credit terms. As of the balance sheet date, the effective credit terms had been met.

Other financial liabilities include loans from pension fund institutions in the amount of CHF 0 million (previous year: CHF 0 million).

Accounting principles

Financial liabilities comprise loans, bonds and finance lease contracts. They are recognized at their amortized cost. Borrowing costs are recognized in the income statement using the effective interest method. Borrowing costs that can be allocated directly to the construction, build-up or purchase of a qualifying asset are capitalized as part of the acquisition or manufacturing costs of the asset.

3.2 Lease commitments and liabilities

CHF million	31.12.2023	31.12.2022
Lease commitments up to 1 year	32	24
Lease commitments 1 to 5 years	80	60
Lease commitments over 5 years	16	9
Operating leases (nominal values)	**128**	**93**

The increase in lease commitments is mainly due to extensions of leases in the US and the acquisition of Uponor.

Liabilities relating to financial lease contracts in the amount of CHF 14 million (previous year: CHF 14 million) were mainly due to the leasing of buildings and machines. The lease obligations are included in "Other financial liabilities" and are disclosed in note 3.1.

Accounting principles

Finance leases are recognized in property, plant, and equipment as well as in other financial liabilities on the balance sheet when most of the contractual risks and rewards have been transferred. Lease installments are divided into an interest and a repayment component based on the annuity method. Assets held under such finance leases are depreciated over the shorter of their estimated useful life and lease term. Operating lease installments are reported in the income statement under operating expenses.

3.3 Pledged or assigned assets

Assets pledged or restricted on title in part or whole amounted to CHF 8 million (previous year: CHF 8 million). They essentially contain CHF 5 million (previous year: CHF 6 million) of pledged assets related to accounts receivable and CHF 3 million (previous year: CHF 3 million) related to liquid assets. The assets are pledged or restricted on title as collateral for bank loans.

3.4 Financial result

CHF million	2023	2022
Interest income	12	5
Financial income	**12**	**5**
Interest expenses	–32	–28
Other financial expenses	–26	–27
Financial expenses	**–59**	**–55**
Foreign exchange profit/loss	–2	5
Financial result	**–49**	**–45**

"Other financial expenses" includes value adjustments of CHF 23 million on non-current loans that were mainly explained by technical valuation adjustments due to the postponement of interest and repayment expectations (previous year: CHF 24 million). See also note 5.2.

3.5 Earnings per share

	2023	2022
Net profit attributable to shareholders of Georg Fischer AG in CHF million	235	276
Weighted average number of shares	81'941'067	81'887'028
Basic earnings per share in CHF	**2.87**	**3.37**
Diluted earnings per share in CHF	**2.87**	**3.37**

There was no dilution of earnings per share in either the year under review or the previous year.

Accounting principles

Earnings per share are calculated by dividing the portion of net profit attributable to shareholders of GF by the weighted average number of shares outstanding in the reporting period. Diluted earnings per share take into account any potential additional shares that may result, for instance, from exercised options or conversion rights.

3.6 Equity

Share capital

As of 31 December 2023, the share capital of Georg Fischer AG amounted to CHF 4’100’898 and was divided into 82’017’960 registered shares with a par value of CHF 0.05. Total dividend-bearing nominal capital amounted to CHF 4’100’898.

The Board of Directors is authorized to increase the share capital within the upper limit of the capital band of CHF 4’500’898 and the lower limit of the capital band of CHF 4’100’898, until no later than 18 April 2028, by a maximum amount of CHF 400’000 by issuing a maximum of 8’000’000 fully paid in registered shares with a nominal value of CHF 0.05 each. Furthermore, the share capital may be increased by a maximum amount of CHF 400’000 by the issue of a maximum of 8’000’000 fully paid-in registered shares with a nominal value of CHF 0.05 each, through the exercise of conversion rights and/or warrants granted in connection with the issuance of bonds in the capital markets or similar debt instruments.

Dividend policy and dividend

The Board of Directors presents a proposal for the appropriation of retained earnings to the Annual Shareholders’ Meeting. Over the medium term, the target is to distribute between 30% and 40% of the consolidated net profit to shareholders.

For the financial year 2023, the Board of Directors is proposing to the Annual Shareholders’ Meeting a total dividend payment out of the retained earnings of CHF 1.30 per registered share (previous year: CHF 1.30 per registered share).

As of 31 December 2023, reserves that cannot be distributed to the shareholders amounted to CHF 87 million (previous year: CHF 94 million).

Treasury shares

	2023			2022		
	Number of shares	Ø transaction price in CHF	Total in CHF million	Number of shares	Ø transaction price in CHF	Total in CHF million
Balance at 1.1.	**132’373**	**59.21**	**8**	**186’020**	**61.67**	**11**
Purchases	124’370	57.62	7	89’948	57.55	5
Transfers (share-based compensation)	–143’486	59.04	–8	–143’595	61.35	–9
Balance at 31.12.	**113’257**	**57.68**	**7**	**132’373**	**59.21**	**8**

GF purchases treasury shares to meet its obligation under the different share-based compensation models offered to the Board of Directors, the Executive Committee and the Senior Management. For further information on share-based compensation for the Board of Directors and the Executive Committee, see Compensation Report, note 1.3 and 1.4.

Accounting principles

Treasury shares are recorded at acquisition cost as a negative position in equity. Gains or losses arising from the disposal of treasury shares are added to or deducted from the capital reserves.

Target capital structure

The GF Corporation monitors the equity ratio defined as a percentage of total assets. This ratio is reported to the Executive Committee and the Board of Directors on a regular basis.

	31.12.2023	31.12.2022
Equity	22	1’656
Total assets	4’119	3’698
Equity ratio as %	**0.5**	**44.8**
Total goodwill offset (see consolidated statement of changes in equity)	2’234	590
Theoretical equity without goodwill offset	2’256	2’246
Theoretical total assets without goodwill offset	6’353	4’288
Theoretical equity ratio without goodwill offset as %	**35.5**	**52.4**

3.7 Risk management

Enterprise risk management

Enterprise risk management (ERM) as a fully integrated risk management process was systematically applied in 2023 at all levels of the GF Corporation. A risk map was prepared for the GF Corporation, all divisions and all significant GF Corporate Companies and sales regions, including the key risks in the areas of strategy, markets, operations, management and resources, finance as well as sustainability. Unchanged to the previous year, the likelihood of the risk occurring was classified into four categories. Where possible and appropriate, the identified risks were subject to a quantifiable assessment, taking into consideration any measures already implemented. Alternatively, a qualitative assessment of the risk exposure was applied.

The Corporate Risk Council, consisting of representatives of the divisions, the Head of Corporate Sustainability, the Chief Information Officer as well as the CFO, and headed by the Chief Risk Officer, held its meeting in June 2023. The focus of the meeting was the evaluation of the corporate risk management process, including the new ERM reporting software and a discussion of the divisional risk maps.

In accordance with the annual risk reporting process, the Executive Committee and divisional management discussed the risk maps in August of the reporting year. They defined, at the appropriate level, the key risks of the GF Corporation, the divisions and the GF Corporate Companies and sales regions, and determined adequate measures to mitigate those risks. The Board of Directors held a risk management workshop in December 2023 with the aim of defining all relevant risks from a Board of Directors' perspective and comparing the findings with the risk assessment of the Executive Committee. The result of the risk workshop of the Board of Directors and the workshops of the Executive Committee as well as the measures determined in order to mitigate or control the risks defined were included in the Risk Report 2023, which was provided to the Board of Directors for approval in February 2024.

The multi-stage procedure, including workshops at divisional management, Executive Committee and Board of Directors level, has proven effective. In addition, Internal Audit assesses the risk maps prepared by the GF Corporate Companies. The following key risks were identified: geopolitical risks related to China, cyber risks and the consequences of disruptive technologies, negative impacts of violent conflicts and war, and the lack of skilled labor at all levels. Measures to reduce these and other risks were defined and are being implemented in line with the strategic targets of the GF Corporation and the divisions.

Financial risk management

Through its different business activities, the GF Corporation is exposed to various financial risks such as credit risk, market risk (including currency risk, interest rate risk, and price risk) and liquidity risk. The following sections provide an overview of the extent of the individual risks as well as the goals, principles and processes employed for measuring, monitoring, mitigating and managing these financial risks.

Financial risks	Risk source	Risk management
Credit risk	Default of a counterparty affecting the recoverability of trade accounts receivable or bank deposits	Diversification and regular assessments of creditworthiness
Market risk		
– Currency risk	Sales and purchases as well as financing to GF Corporate Companies in foreign currencies	Purchasing, producing and selling in functional currency (congruency principle) and hedging by means of currency forward contracts
– Interest rate risk	Changes in market interest rates and discount rates	Periodic re-assessment of loan exposures
– Price risk	Changes in market prices of marketable securities and financial assets	Deemed insignificant
Liquidity risk	Insufficient liquidity to pay liabilities due	Constant monitoring of liquidity, liquidity reserves and unused credit lines

The Board of Directors bears ultimate responsibility for financial risk management. The Board of Directors has mandated the Audit Committee to monitor the development and implementation of the risk management principles. The Audit Committee reports regularly to the Board of Directors on this matter.

The financial risk management principles are designed to identify and analyze the risks to which the GF Corporation is exposed and to establish appropriate control mechanisms. The principles of financial risk management are regularly reviewed, taking into consideration changes in the relevant financial markets and in the activities of the GF Corporation.

Credit risk

As of the balance sheet date, the maximum amount of credit risk including off-balance sheet commitments was as follows:

CHF million	31.12.2023	31.12.2022
On-balance sheet		
Cash and cash equivalents	546	877
Trade accounts receivable	814	660
Other accounts receivable (excl. tax credits)	66	29
Accrued income	20	16
Other financial assets	118	137
Derivative financial instruments (foreign currencies)[1]	12	9
Derivative financial instruments (other)[1]	2	
Total on-balance sheet	**1'579**	**1'729**
Off-balance sheet		
Guarantees to third parties[2]	76	66

1 Recognized as marketable securities.
2 Thereof used CHF 65 million (previous year: CHF 63 million).

Cash is predominantly deposited with leading Swiss, German, US and Chinese banks with a credit rating of at least BBB– (Standard & Poor's). Furthermore, and in accordance with the investment policy, financial transactions are only entered into with counterparties deemed creditworthy. In addition, cash holdings are allocated to different banks in order to limit the counterparty risk. The maximum amount of cash deposited with each individual bank is defined in relation to its credit rating. Cash on fixed-term deposits in general has a maturity of less than three months.

Transactions involving derivative financial instruments are only entered into with counterparties with a credit rating of at least BBB– (Standard & Poor's). The purpose of such transactions is mainly to hedge against currency risks.

The risk of concentrated credit risks on trade accounts receivable is limited due to the large number of customers and their wide diversification across industries and regions. The extent of credit risk is determined by individual characteristics of the customers. In order to assess this risk, a review of creditworthiness based on the customer's financial situation and historical experience is performed on a regular basis.

The maximum credit risk on financial instruments corresponds to their carrying amounts. No additional arrangements have been entered into that would increase the risk above the carrying amounts.

Currency risk

Currency risk occurs in connection with transactions (in particular the purchase and sale of goods) that are affected in currencies that differ from the functional currencies. Through such transactions, the GF Corporation is mainly exposed to changes in the euro, US dollar, Chinese yuan, Polish zloty, Swedish krona and Turkish lira exchange rates. These currency risks can be reduced by purchasing, producing and selling goods in the functional currencies (congruency principle) or by entering into foreign currency forwards (cash flow hedges), usually for a maximum of twelve months.

Derivative financial instruments

The table below shows the foreign currency forward contracts and actual values of the foreign currency contracts used to mitigate currency risk:

CHF million	Balance sheet hedges	Cash flow hedges	31.12.2023	31.12.2022
Contract value	486	76	562	404
Positive actual value (recognized as marketable securities)	9	3	12	9
Negative actual value (recognized as other liabilities)	–3	–1	–4	–2
Net actual value	**6**	**2**	**8**	**8**

The balance sheet hedges include foreign currency forward contracts that are used to hedge loans to GF Corporate Companies in foreign currencies. Unrealized gains and losses from changes in the fair value are reported in the financial result. These hedges are mainly in euro, US dollars, Polish zloty, Turkish lira and Romanian lei, and expire usually no later than twelve months from the balance sheet date.

The balance sheet hedges also include foreign currency forward contracts that serve to hedge currency risks on receivables and payables. Like the currency effects on the underlying balance sheet item, gains and losses from changes to the actual value of these contracts are recognized in “Other operating income”, see note 1.2. These balance sheet hedges are mainly in US dollars, Canadian dollars, Swedish krona and Polish zloty and expire no later than twelve months from the balance sheet date.

Accounting principles

Derivative financial instruments used to hedge balance sheet items are accounted for at market value through the income statement. Hedging transactions on probable future cash flows (cash flow hedges) are initially accounted for at market values through equity. Parts of a hedge that are not effective are recognized in the income statement. Later, when an asset or a liability results from the hedged underlying transaction, the gains and losses previously recognized in equity are transferred to the income statement. In the case of cash flow hedges, the volume of the foreign currency forward contracts is limited to maximum 75% of the probable future cash flows.

Foreign exchange rates

	Average rates			Spot rates		
CHF	**2023**	**2022**	**Change %**	**31.12.2023**	**31.12.2022**	**Change %**
1 AED	0.245	0.260	–5.8	0.228	0.251	–9.1
1 CNY	0.127	0.142	–10.6	0.118	0.134	–12.0
1 EUR	0.972	1.005	–3.3	0.926	0.985	–6.0
1 GBP	1.117	1.179	–5.2	1.066	1.110	–4.0
1 HKD	0.115	0.122	–5.9	0.107	0.118	–9.1
1 TRY	0.039	0.058	–32.6	0.028	0.049	–42.0
1 USD	0.899	0.955	–5.9	0.838	0.923	–9.2
100 PLN	21.405	21.456	–0.2	21.339	21.037	1.4
100 SEK	8.472	9.460	–10.4	8.345	8.854	–5.7

Interest rate risk

Fair value accounting is not applied on interest-bearing liabilities and changes in market interest rates do not have a material impact on the consolidated income statement because of revaluations. Changes in market interest rates do affect the interest being paid on interest-bearing liabilities with variable interest rates as well as the related cash flow.

The amount of outstanding financing with variable interest rates increased materially following the acquisition of Uponor. Based on the amounts outstanding at the end of the reporting period, a one percentage point increase in variable interest rates would increase the interest expense by CHF 12 million. A reduction in the variable interest rates by one percentage point would lower the interest expense accordingly.

Changes in market interest rates may further affect the valuation of financial assets such as loans because of impairment tests.

Liquidity risk

Liquidity risk is the risk that the GF Corporation is unable to meet its financial obligations when they fall due. Liquidity is constantly monitored to ensure that it is adequate. Liquidity reserves are held in order to offset the usual fluctuations in liquidity requirements. At the same time, the GF Corporation has unused credit lines in case more serious fluctuations occur. The total amount of unused credit lines as of 31 December 2023 was CHF 1’020 million (previous year: CHF 774 million). The increase is mainly related to the acquisitions of Uponor and GF Corys. The credit lines are maintained with different banks in order to ensure swift and adequate access to these credit lines.

			Maturity (incl. interest)		
CHF million	**Carrying amount**	**Contractual cash flows**	**up to 1 year**	**1 to 5 years**	**over 5 years**
Trade accounts payable	596	596	596		
Bonds	625	655	6	445	204
Other financial liabilities	1’820	2’016	166	1’842	8
Accrued liabilities and deferred income	460	460	460		
Other liabilities	111	111	91	20	
Total at 31.12.2023	**3’612**	**3’838**	**1’319**	**2’307**	**212**
Total at 31.12.2022	**1’702**	**1’752**	**1’034**	**298**	**420**

4 Corporate structure

This section provides information on the changes in the scope of consolidation and in particular on acquisitions and divestments.

4.1 Changes in scope of consolidation

Additions

Company	Country	Division[1]	Transaction	Interest (%)	Date
					2023
Chinaust Mexico Automotive Plastics de CV	Mexico	PS	Foundation	50%	23 January
Tecnolaser S.r.l.	Italy	MS	Acquisition	24%	27 July
Corys Piping Systems SPV Ltd	United Arab Emirates	PS	Acquisition	51%	2 November
Uponor Oyj	Finland	UP	Acquisition	100%	6 November
					2022
Vam Control S.r.l.	Italy	MS	Acquisition	100%	1 July
Chinaust (Hong Kong) International Investments Limited	China	PS	Foundation	50%	15 August

1 Division: PS = GF Piping Systems, UP = GF Uponor, MS = GF Machining Solutions

On 27 July 2023, 24% of the shares in the metal sheet producer Tecnolaser S.r.l. (Tecnolaser), Curtarolo (Italy), were acquired. Significant influence was assumed and Tecnolaser was included in the scope of consolidation as an investment in associate from 1 August 2023 onwards.

On 2 November 2023, 51% of the piping systems company Corys Piping Systems SPV Ltd, Dubai (United Arab Emirates), was acquired. Corys Piping Systems SPV Ltd consisted of a group of seven companies and was renamed GF Corys LLC (GF Corys). Control was assumed and GF Corys LLC and its subsidiaries were included in the scope of consolidation from 1 November 2023 onwards. Pro rata sales 2023: CHF 12 million.

On 6 November 2023, full control in the piping systems company Uponor Oyj (Uponor), Helsinki (Finland), was acquired. Uponor consisted of a group of 41 subsidiaries and three investments in associates. Uponor is managed as an independent division within the GF Corporation (GF Uponor). Control was assumed and Uponor and its subsidiaries were included in the scope of consolidation from 1 November 2023 onwards. Pro rata sales 2023: CHF 164 million. See more details under note 4.2.

On 15 July 2022, 100% of the shares of the machine tool service company Vam Control S.r.l. (VAM), Onore (Italy), were acquired. Control was assumed as of 1 July 2022. Pro rata sales 2022: CHF 3 million.

The following assets and liabilities were acquired:

	Uponor	GF Corys	VAM
CHF million	6 November 2023	2 November 2023	1 July 2022
Cash and cash equivalents	71	2	1
Marketable securities	3		
Trade accounts receivable	226	28	1
Inventories	212	14	0
Income taxes receivable	7		
Other accounts receivable	22	2	0
Prepayments to creditors		1	
Property, plant, and equipment	318	25	3
Intangible assets	13		
Deferred tax assets	34	0	
Other financial assets	3		
Assets	**908**	**71**	**5**
Deferred tax liabilities	33	0	0
Non-interest-bearing liabilities	405	21	2
Interest-bearing liabilities	88	20	1
Net assets	**382**	**30**	**3**
Less minority interests		–15	
Goodwill	1'638	6	
Purchase price	**2'020**	**21**	
Less acquired cash and cash equivalents	–71	–2	
Outstanding purchase price	–59	–5	
Cash used for acquisitions	**1'890**	**14**	

Disposals

On 1 April 2022, GF Corporation sold its entire investment of 50% in GF Linamar LLC, Mills River (US), a fully consolidated GF Corporate Company. In addition, the sale included loans made by GF Corporation to GF Linamar LLC over the amount of CHF 126 million. The total sale price included a contingent purchase price component of CHF 20 million that was recorded under other financial assets. GF Linamar LLC was deconsolidated per 31 March 2022 and derecognized minority interests on the accumulated losses amounted to CHF 36 million. The effect from the deconsolidation on the operating result (EBIT) was neutral. Pro rata sales in 2022 amounted to CHF 34 million (sales 2021: CHF 108 million).

The following assets and liabilities were derecognized:

	GF Linamar LLC
CHF million	1 April 2022
Cash and cash equivalents	6
Trade accounts receivable	27
Inventories	28
Other accounts receivable	1
Prepayments to creditors	0
Property, plant, and equipment	151
Intangible assets	0
Assets	**213**
Non-interest-bearing liabilities	34
Interest-bearing liabilities	126
Liabilities	**160**

Mergers

As of 31 March 2023, Georg Fischer Sistemas de Tubulações Ltda, São Paulo (Brazil), merged into F.G.S. Brasil Indústria e Comércio Ltda, Cajamar (Brazil). The name of the merged company is Georg Fischer F.G.S. Indústria e Comércio Ltda. Division: GF Piping Systems.

As of 28 December 2023, Georg Fischer Harvel LLC, Easton PA (US), merged into Georg Fischer LLC, Irvine, CA (US). Division: GF Piping Systems.

As of 1 January 2022, MACN, La Roche-Blanche (France), merged into GF Machining Solutions SAS, Palaiseau (France). Division: GF Machining Solutions.

As of 1 April 2022, Georg Fischer Piping Systems Ltd, Mississauga (Canada), merged with GF Urecon Ltd, Coteau-du-Lac, Québec (Canada). The name of the merged company is GF Piping Systems Canada Ltd, Québec (Canada). Division: GF Piping Systems.

Accounting principles

Companies acquired are consolidated from the date on which control is obtained, while companies divested are excluded from the scope of consolidation as of the date on which control is lost, with any gain or loss recognized in the income statement. The assets and liabilities of acquired companies are valued at actual values at the time control is obtained. Assets and liabilities of divested companies are valued at book values at the time control is lost. For the accounting of acquisitions and divestments, the original balance sheet values and cash flows are translated into Swiss francs using the exchange rates of the respective transaction date.

4.2 Acquisition of Uponor

Purchase accounting

The total purchase price of Uponor amounted to CHF 2'020 million. For accounting purposes, the acquisition method has been applied. The identifiable assets and liabilities of Uponor have been measured at fair value and the excess of the purchase price over net assets was recorded as goodwill, which was offset against equity. The amounts shown on the previous page were determined provisionally due to the pending finalization of the valuation for those assets and liabilities. Up to twelve months following the acquisition, further adjustments may be made. Hence, the resulting goodwill of CHF 1'638 million is provisional.

Conversion to Swiss GAAP FER

Until the finalization of the squeeze-out procedures, Uponor will continue to prepare financial statements under the International Financial Reporting Standards (IFRS as adopted by the EU) at Nasdaq Helsinki. To prepare the consolidated financial statements of the GF Corporation, the numbers were converted to Swiss GAAP FER with lease accounting and pension accounting being the most important conversion items.

Squeeze-out

As GF acquired more than 90% of outstanding shares, the compulsory redemption proceedings in accordance with the Finnish Companies Act for the remaining minorities was started on 16 November 2023 ("squeeze-out"). Given the strong link between the already acquired shares and the initiated squeeze-out as well as the forfeiture of all material risk and rewards by the minority shareholders, no minorities were disclosed in the consolidated financial statements and the remaining purchase price for the minorities was recorded as an accrued liability, see note 2.10.

4.3 GF Corporate Companies

Country	Division[1]	GF Corporate Company	Functional currency	Share capital million	Partici-pation %	Consol-idation[2]	Function[3]
Europe							
Austria	CM	GF Casting Solutions Altenmarkt GmbH, Altenmarkt	EUR	0.1	100	C	M
	PS	Georg Fischer Fittings GmbH, Traisen	EUR	3.7	51	C	P
	PS	Georg Fischer Rohrleitungssysteme GmbH, Loosdorf	EUR	0.2	100	C	S
	UP	Uponor Vertriebs GmbH, Wiener Neudorf	EUR	0.0	100	C	S
	CS	GF Casting Solutions Services GmbH, Herzogenburg[4]	EUR	4.6	100	C	H
	CS	GF Casting Solutions Herzogenburg HPDC GmbH, Herzogenburg	EUR	0.1	100	C	P
	CS	GF Casting Solutions Altenmarkt GmbH & Co KG, Altenmarkt	EUR	2.4	100	C	P
Belgium	PS	Georg Fischer NV-SA, Bruxelles[4]	EUR	0.5	100	C	S
Czech Republic	UP	Uponor s.r.o., Prague	CZK	0.2	100	C	S
	MS	GF Machining Solutions sro, Brno[4]	CZK	12.3	100	C	S
Croatia	UP	Uponor d.o.o., Zagreb	EUR	0.0	100	C	S
Denmark	PS	Georg Fischer A/S, Taastrup[4]	DKK	0.5	100	C	S
	UP	Uponor A/S, Brondby	DKK	0.5	100	C	S
	UP	Uponor Infra A/S., Holbæk	DKK	1.0	100	C	S
	UP	Wuppi A/S, Silkeborg	DKK	0.5	20	E	M
Estonia	UP	Uponor Eesti Oü, Tallinn	EUR	0.0	100	C	S
	UP	Uponor Infra Oü, Tallinn	EUR	0.0	100	C	S
Finland	UP	Uponor Oyj, Helsinki[4]	EUR	146.4	100	C	H
	UP	Uponor Suomi Oy, Lahti	EUR	5.0	100	C	P
	UP	Uponor Infra Oy, Helsinki	EUR	4.0	100	C	P
	UP	Jita Oy, Virrat	EUR	1.2	100	C	P
	UP	Uponor Infra Marine Services Oy, Kotka	EUR	0.0	100	C	V
France	CM	Georg Fischer Holding SAS, Massy[4]	EUR	6.4	100	C	H
	PS	Georg Fischer SAS, Villepinte	EUR	1.1	100	C	S
	UP	Uponor S.A.R.L., Saint-Priest	EUR	0.2	100	C	S
	MS	GF Machining Solutions SAS, Massy	EUR	4.0	100	C	S
Germany	CM	Georg Fischer BV & Co KG, Singen[4]	EUR	25.6	100	C	H
	CM	Georg Fischer Geschäftsführungs-GmbH, Singen[4]	EUR	0.1	100	C	M
	CM	Georg Fischer Giessereitechnologie GmbH, Singen	EUR	0.5	100	C	M
	CM	Georg Fischer Meco Eckel GmbH, Biedenkopf-Wallau	EUR	0.1	75	C	M
	PS	Georg Fischer DEKA GmbH, Dautphetal-Mornshause	EUR	2.6	100	C	P
	PS	Georg Fischer GmbH, Albershausen	EUR	2.6	100	C	S
	PS	Georg Fischer Fluorpolymer Products GmbH, Ettenheim	EUR	4.0	100	C	P
	PS	Chinaust Automotive GmbH, Düsseldorf	EUR	0.1	50	B	S
	UP	Uponor Beteiligungs GmbH, Hassfurt	EUR	20.0	100	C	M
	UP	Uponor GmbH, Hassfurt	EUR	0.6	100	C	P
	UP	Uponor Kamo GmbH, Celle	EUR	0.2	100	C	P
	UP	Punitec GmbH Co. KG, Gochsheim	EUR	1.8	36	E	P
	UP	Punitec Verwaltungs GmbH, Gochsheim	EUR	0.0	36	E	M
	CS	GF Casting Solutions Leipzig GmbH, Leipzig	EUR	0.9	100	C	P
	CS	GF Casting Solutions Werdohl GmbH, Werdohl	EUR	0.3	100	C	P
	CS	GF Meco Eckel GmbH & Co KG, Biedenkopf-Wallau	EUR	0.2	75	C	P
	CS	Eckel & Co GmbH, Biedenkopf-Wallau	EUR	0.2	75	C	M
	CS	PEM Zerspanungstechnik GmbH, Schwarzenberg	EUR	0.1	75	C	P
	MS	GF Machining Solutions GmbH, Schorndorf	EUR	2.6	100	C	S
	MS	Symmedia GmbH, Bielefeld	EUR	1.4	100	C	P
Great Britain	PS	George Fischer Sales Ltd, Coventry[4]	GBP	4.0	100	C	S
	UP	Uponor Ltd, Watford	GBP	7.9	100	C	S
	CM	Oxford Flow Utility & Industries Ltd, Oxford[4]	GBP	0.1	23	E	P
	MS	GF Machining Solutions Ltd, Coventry[4]	GBP	2.0	100	C	S
Guernsey	UP	Uponor Insurance Ltd, Guernsey	EUR	0.5	100	C	M

Country	Division[1]	GF Corporate Company	Functional currency	Share capital million	Partici-pation %	Consol-idation[2]	Function[3]
Hungary	UP	Uponor Kft., Budapest	HUF	63.8	100	C	S
Italy	CM	Georg Fischer Holding Srl, Caselle di Selvazzano[4]	EUR	0.5	100	C	H
	PS	Georg Fischer TPA Srl, Busalla	EUR	0.7	100	C	P
	PS	Georg Fischer Omicron Srl, Caselle di Selvazzano	EUR	0.1	100	C	P
	PS	Georg Fischer Pfci Srl, Valeggio sul Mincio	EUR	0.5	100	C	P
	PS	Georg Fischer SpA, Agrate Brianza	EUR	1.3	100	C	S
	UP	Uponor Srl, Vimercate	EUR	0.2	100	C	S
	MS	GF Machining Solutions SpA, Agrate Brianza	EUR	3.0	100	C	S
	MS	Vam Control Srl, Onore	EUR	0.1	100	C	S
	MS	Tecnolaser Srl, Curtarolo	EUR	6.9	24	E	P
Latvia	UP	SIA Uponor Latvia, Riga	EUR	0.0	100	C	S
Lithuania	UP	UAB Uponor, Vilnius	EUR	0.0	100	C	S
Netherlands	CM	Georg Fischer Holding NV, Epe[4]	EUR	0.9	100	C	H
	CM	Georg Fischer Management BV, Epe[4]	EUR	0.1	100	C	M
	PS	Georg Fischer NV, Epe	EUR	0.9	100	C	S
	PS	Georg Fischer WAGA NV, Epe	EUR	0.4	100	C	P
Norway	PS	Georg Fischer AS, Rud[4]	NOK	1.0	100	C	S
	UP	Uponor AS, Moss	NOK	6.3	100	C	S
	UP	Uponor Infra AS, Moss	NOK	1.2	100	C	S
Poland	PS	Georg Fischer Sp.z.o.o., Sękocin Nowy[4]	PLN	18.5	100	C	S
	UP	Uponor Sp.z.o.o., Warsaw	PLN	109.9	100	C	V
	UP	Uponor Capricorn Sp.z.o.o., Świebodzice	PLN	0.4	100	C	P
	UP	Uponor Infra Sp.z.o.o., Warsawa	PLN	11.2	100	C	P
	MS	GF Machining Solutions Sp.z.o.o., Sękocin Nowy[4]	PLN	1.3	100	C	S
Portugal	UP	Uponor Portugal – Sistemas para Fluidos, Lda, V. N. de Gaia	EUR	0.5	100	C	S
Romania	UP	Uponor Romania SRL, Bucharest	RON	0.2	100	C	S
	CS	GF Casting Solutions SRL, Pitești[4]	RON	26.5	100	C	P
	CS	GF Casting Solutions Arad SRL, Arad	RON	24.5	100	C	P
Slovakia	UP	Uponor s.r.o., Bratislava	EUR	0.0	100	C	S
Spain	PS	Georg Fischer SA, Madrid[4]	EUR	1.5	100	C	S
	UP	Uponor Hispania SAU., Getafe	EUR	3.0	100	C	V
	MS	GF Machining Solutions SAU, Barcelona[4]	EUR	2.7	100	C	S
Sweden	PS	Georg Fischer AB, Stockholm[4]	SEK	1.6	100	C	S
	UP	Uponor Innovation AB, Boras	SEK	0.1	100	C	M
	UP	Uponor AB, Virsbo	SEK	10.0	100	C	P
	UP	Uponor Infra AB, Fristad	SEK	10.0	100	C	P
	MS	System 3R International AB, Vällingby[4]	SEK	17.1	100	C	P
Switzerland	CM	WIBILEA AG, Neuhausen[4]	CHF	1.0	43	E	M
	CM	Eisenbergwerk Gonzen AG, Sargans[4]	CHF	0.5	49	B	M
	CM	Georg Fischer AG, Schaffhausen	CHF	4.1		C	H
	CM	Munot Re AG, Schaffhausen[4]	EUR	3.0	100	C	M
	CM	Georg Fischer Finanz AG, Schaffhausen[4]	CHF	4.0	100	C	M
	CM	GF Casting Solutions Industrial SA, Novazzano[4]	CHF	1.0	100	C	H
	PS	Georg Fischer Rohrleitungssysteme AG, Schaffhausen[4]	CHF	20.0	100	C	P
	PS	GF Rohrleitungssysteme AG, Schaffhausen[4]	CHF	0.5	100	C	S
	PS	Georg Fischer Wavin AG, Schaffhausen[4]	CHF	17.8	60	C	P
	PS	Georg Fischer JRG AG, Sissach[4]	CHF	1.8	100	C	P
	CS	GF Casting Solutions AG, Schaffhausen[4]	CHF	1.0	100	C	M
	CS	GF Casting Solutions Novazzano SA, Novazzano	CHF	1.0	100	C	P
	CS	GF Ceramics Novazzano SA, Novazzano	CHF	1.2	100	C	P
	CS	GF Precicast Additive SA, Novazzano	CHF	0.2	100	C	P
	MS	Agie Charmilles SA, Losone[4]	CHF	10.0	100	C	P
	MS	GF Machining Solutions Services SA, Meyrin[4]	CHF	3.6	100	C	S
	MS	GF Machining Solutions Management SA, Meyrin[4]	CHF	0.5	100	C	M

Country	Division[1]	GF Corporate Company	Functional currency	Share capital million	Partici-pation %	Consol-idation[2]	Function[3]
	MS	GF Machining Solutions Sales Switzerland SA, Losone[4]	CHF	2.6	100	C	S
	MS	Mecartex SA, Muzzano	CHF	0.4	30	E	P
	MS	GF Machining Solutions AG, Biel[4]	CHF	3.5	100	C	P
Near East							
Bahrain	PS	Hepworth LLC, Bahrain	BHD	0.1	51	C	S
Egypt	PS	Egypt Gas GF-Corys Piping Systems SAE, Cairo	EGP	470.0	38	C	P
Oman	PS	Corys Pipe Industry LLC, Oman	OMR	0.1	51	C	P
Turkey	PS	Georg Fischer Hakan Plastik AS, Cerkezköy[4]	TRY	565.6	100	C	P
	MS	GF CNC Teknolojileri Ticaret Limited Şirketi[4]	TRY	7.0	100	C	S
UAE	CM	GF Corys Middle East Ltd, Abu Dhabi[4]	AED	62.8	50	C	H
	CM	Corys Piping Systems SPV Ltd, Abu Dhabi[4]	AED	0.0	51	C	H
	PS	Corys Piping Systems LLC, Dubai	AED	114.0	51	C	P
	PS	Georg Fischer Corys LLC, Dubai	AED	0.3	51	C	P
	PS	Corys MDS LLC, Dubai	AED	0.3	26	C	S
	PS	Corys Plastic Industries LLC, Abu Dhabi	AED	0.3	51	C	P
	PS	Corys Emirates Pipes & Fittings Trading LLC, Abu Dhabi	AED	0.0	46	C	S
Americas							
Argentina	PS	Georg Fischer Central Plastics Sudamerica SRL, Buenos Aires[4]	ARS	16.2	100	C	S
	PS	Polytherm Central Sudamericana SA, Buenos Aires	ARS	0.1	49	E	S
Brazil	PS	Georg Fischer F.G.S. Indústria e Comércio Ltda, Cajamar	BRL	225.4	100	C	P
	MS	GF Machining Solutions Máquinas Ltda, São Paulo[4]	BRL	153.7	100	C	S
Canada	PS	GF Piping Systems Canada Ltd, Quebec[4]	CAD	24.6	100	C	P
	UP	Uponor Ltd, Ontario	CAD	1.7	100	C	S
Mexico	PS	Georg Fischer SA de CV Mexico, Monterrey[4]	MXN	0.1	100	C	S
	PS	Chinaust Mexico Automotive Plastics S. de R. L. de CV, Puebla	MXN	65.4	50	P	P
	MS	GF Machining Solutions LLC, Monterrey[4]	MXN	15.1	100	C	S
US	CM	George Fischer Corporation, Irwindale, CA[4]	USD	0.1	100	C	H
	CM	Georg Fischer Export Inc, El Monte, CA[4]	USD	0.1	100	C	M
	PS	Georg Fischer LLC, Irvine, CA	USD	3.8	100	C	S
	PS	Georg Fischer Signet LLC, El Monte, CA	USD	0.1	100	C	P
	PS	Georg Fischer Central Plastics LLC, Shawnee	USD	1.1	100	C	P
	PS	Chinaust Automotive LLC, Troy, MI	USD	0.1	50	B	S
	UP	Uponor NA Holding Inc., Delaware	USD	135.3	100	C	M
	UP	Uponor NA Investment LLC, Delaware	USD	0.0	100	C	M
	UP	Uponor NA Asset Leasing Inc., Delaware	USD	4.3	100	C	M
	UP	Uponor North America Inc., Delaware	USD	26.0	100	C	M
	UP	Uponor Inc., Illinois	USD	0.0	100	C	P
	MS	GF Machining Solutions LLC, Lincolnshire	USD	0.1	100	C	S
	MS	Microlution Inc., Chicago	USD	2.6	100	C	P
Asia/Australia							
Australia	CM	George Fischer IPS Pty Ltd, Riverwood[4]	AUD	7.1	100	C	H
	PS	George Fischer Pty Ltd, Riverwood	AUD	3.8	100	C	S
China	CM	Georg Fischer Business Services (Shanghai) Co Ltd[4]	CNY	1.1	100	C	M
	PS	Changchun Chinaust Automobile Parts Corp Ltd, Changchun	CNY	10.0	50	P	P
	PS	Chinaust Plastics Corp Ltd, Zhuozhou City	CNY	200.0	50	P	P
	PS	Chinaust Plastics (Shenzhen) Co Ltd, Shenzhen[4]	CNY	80.0	50	P	P

Country	Division[1]	GF Corporate Company	Functional currency	Share capital million	Partici-pation %	Consol-idation[2]	Function[3]
	PS	Chinaust Plastics (Sichuan) Corp Ltd, Dujiangyan City[4]	CNY	80.0	50	P	P
	PS	Hebei Chinaust Plastics Corp Ltd, Zhuozhou City[4]	CNY	58.2	50	P	P
	PS	Shanghai Chinaust Automotive Plastics Corp Ltd, Shanghai[4]	CNY	40.3	50	P	P
	PS	Shanghai Chinaust Plastics Corp Ltd, Shanghai	CNY	100.0	50	P	P
	PS	Shanghai Georg Fischer Chinaust Plastics Fittings Corp Ltd, Shanghai[4]	CNY	100.0	51	C	P
	PS	Georg Fischer Piping Systems Ltd, Shanghai[4]	CNY	41.4	100	C	P
	PS	Georg Fischer Piping Systems (Trading) Ltd, Shanghai[4]	CNY	1.7	100	C	S
	PS	Georg Fischer Piping Systems Ltd, Beijing[4]	CNY	36.7	100	C	P
	PS	Beijing Jingran Lingyun Gas Equipment Co Ltd, Langfang[4]	CNY	50.0	50	P	P
	PS	Langfang Shuchang Auto Parts Co Ltd, Langfang[4]	CNY	10.0	50	P	P
	PS	Haining Chinaust Plastics Piping System Co Ltd, Haining[4]	CNY	100.0	50	P	P
	PS	Xi'an Chinaust Plastics Co Ltd, Xi'an[4]	CNY	80.0	50	P	P
	PS	Georg Fischer Piping Systems Ltd Yangzhou, Yangzhou[4]	CNY	104.4	100	C	P
	PS	Ningbo Chinaust Fitting Manufacturing Co Ltd	CNY	2.0	10	E	P
	PS	Chinaust (Hong Kong) International Investments Limited, Hong Kong	HKD	27.2	50	P	H
	CS	GF Casting Solutions Suzhou Co Ltd, Suzhou[4]	CNY	279.5	100	C	P
	CS	GF Casting Solutions Kunshan Co Ltd, Kunshan[4]	CNY	149.5	100	C	P
	CS	GF Casting Solutions Shenyang Co Ltd, Shenyang[4]	CNY	108.2	100	C	P
	MS	GF Machining Solutions Ltd, Hong Kong[4]	HKD	57.8	100	C	S
	MS	GF Machining Solutions Ltd, Shanghai	CNY	2.5	100	C	S
	MS	Beijing Agie Charmilles Industrial Electronics Co Ltd, Beijing[4]	CNY	80.3	78	C	P
	MS	Beijing Agie Charmilles Technology & Service Ltd, Beijing	CNY	4.5	78	C	S
	MS	GF Machining Solutions Changzhou Co Ltd, Changzhou[4]	CNY	164.1	100	C	P
India	PS	Georg Fischer Piping Systems PVT Ltd, Mumbai[4]	INR	215.4	100	C	P
Indonesia	PS	PT Georg Fischer Indonesia, Karawang[4]	IDR	183.7	100	C	P
	PS	PT Georg Fischer Trading Indonesia, Karawang[4]	IDR	3.4	100	C	S
Japan	PS	Georg Fischer Ltd, Osaka[4]	JPY	480.0	81	C	S
	MS	GF Machining Solutions Ltd, Yokohama[4]	JPY	50.0	100	C	S
Korea	PS	Georg Fischer Korea Co Ltd, Yongin-si[4]	KRW	600.0	100	C	S
	MS	GF Machining Solutions Co Ltd, Anyang[4]	KRW	1'800.0	100	C	S
Malaysia	PS	George Fischer (M) SDN BHD, Petaling Jaya[4]	MYR	10.0	100	C	P
New Zealand	PS	Georg Fischer Ltd, Wellington[4]	NZD	0.1	100	C	S
Singapore	CM	Eurapipe Holdings Pte Ltd, Singapore[4]	SGD	6.2	100	C	H
	PS	George Fischer Pte Ltd, Singapore[4]	SGD	9.2	100	C	S
	UP	Uponor Pte Ltd, Singapore	SGD	0.1	100	C	S
	MS	GF Machining Solutions Pte Ltd, Singapore[4]	SGD	2.1	100	C	S
Taiwan	PS	Georg Fischer Co Ltd, New Taipei City[4]	TWD	1.0	100	C	S
	MS	GF Machining Solutions Ltd, San Chung, Taipei Hsien[4]	TWD	10.0	100	C	S
Vietnam	MS	GF Machining Solutions Co Ltd, Hanoi[4]	VND	15.1	100	C	S

1 Division: PS = GF Piping Systems, UP = GF Uponor, CS = GF Casting Solutions, MS = GF Machining Solutions, CM = Corporate Management
2 Consolidation: C = Fully consolidated, P = Proportionately consolidated, E = Stated based on the equity method, B = Stated at book value
3 Function: H = Holding, P = Production, M = Management and Services, S = Sales
4 Directly held by Georg Fischer AG

5 Other disclosures

This section provides other information and disclosures not included in the other sections, for example, information about employee benefit obligations and other non-current financial assets. It also includes an overview of the balance sheet-related deferred tax assets and liabilities and the events occurring after the balance sheet date.

5.1 Employee benefit obligations

The table shows the employee benefit obligations as well as the employee benefit expenses.

		Employee benefit plans				
CHF million	**Patronage funds**	**without surplus/deficit**	**with surplus**	**with deficit**	**without own assets**	**Total**
						2023
Balance at 1.1.2023				**5**	**38**	**43**
Change in scope of consolidation					15	15
Contributions to employee benefit plans		2	30	1	1	33
Increase/decrease in economic benefit of surplus/deficit				–2	0	–2
Payments of contributions to employee benefit plans		–2	–30	–1	–1	–33
Translation differences				–0	–2	–3
Balance at 31.12.2023				**4**	**50**	**54**
Surplus/deficit according to FER 26	29		73	–4		98
Employee benefits within personnel expenses		2	30	–1	0	31
						2022
Employee benefits within personnel expenses		2	27	–3	4	30

Employee benefit plans in Switzerland are overfunded by CHF 73 million (previous year: CHF 34 million). The increase is mainly due to the positive performance of the investments. The amount is still provisional and not yet based on audited financial statements of the pension institutions.

The employee benefit plan in the UK is underfunded by CHF 4 million (previous year: CHF 6 million). The amount of the underfunding depends significantly on the value of the securities and on the discount rate and the expected mortality rate used in the calculation of the pension liabilities. The total economic obligation, which represents the expected cash outflow in the medium term, amounts to CHF 4 million (previous year: CHF 5 million).

The recognized economic obligation from the employee benefit plan without own assets amounted to CHF 50 million (previous year: CHF 38 million) and primarily concerns plans in Germany and Sweden. The change in scope of consolidation of CHF 15 million reflects the GF Uponor employee benefit plans without own assets.

Changes in the recognized economic obligations from employee benefit plans and the employer-paid contributions for the year under review amounted to CHF 31 million (previous year: CHF 30 million) and are included in personnel expenses.

Accounting principles

The employee benefit plans of the GF Corporation comply with the legislation in force in each country. Employee benefit plans are mostly institutions and foundations that are independent of the GF Corporation. They are usually financed by both employee and employer contributions. The economic impact of the employee benefit plans is assessed each year. Surpluses or deficits are determined by means of the annual statements of each specific benefit plan, which are based either on Swiss GAAP FER 26 (Swiss benefit plans) or on the accepted methods in each foreign country (foreign plans). An economic benefit is capitalized if it is permitted and the intention is to use the surplus to reduce the employer contributions. Any employer contribution reserves are also capitalized. An economic obligation is recognized as a liability if the conditions for a provision are met. They are reported under "Employee benefit obligations". Changes in the economic benefit or economic obligation, as well as the contributions incurred for the period, are recognized in "Personnel expenses" in the income statement, see note 1.4.

5.2 Other financial assets

CHF million	31.12.2023	31.12.2022
Investments in associates	**8**	**1**
Non-current loans and receivables	98	128
Securities for the settlement of pension liabilities	3	2
Other securities	9	6
Other financial assets third parties	**110**	**136**
Total	**118**	**137**

In 2023, GF acquired a 24% stake in Tecnolaser S.R.L for the amount of CHF 8 million, and the investment was classified as an investment in associates. No material positive or negative goodwill resulted from this transaction. For further information see note 4.1.

The decrease in non-current loans and receivables was mainly explained by two factors. First, the valuation of the contingent purchase price component resulting from the divestment of GF Linamar LLC in 2022 was reduced by CHF 8 million. The payout continues to depend on the performance of the divested GF Corporate Company in the years of 2024-2027. Second, the loans to the former iron foundries in Germany and Austria further decreased mainly explained by technical value adjustments over the amount of CHF 23 million due to the postponement of interest and repayment expectations (previous year: CHF 24 million) as well as a decrease in exchange rates. The accumulated technical value adjustments amounted to CHF 62 million (previous year: CHF 39 million). In the previous year, investment properties used for production purpose by one of the divested German iron foundries was transferred in a non-cash transaction to the entity against granting of new mezzanine financing over the amount of CHF 29 million.

Other securities consist mainly of investment securities held in the captive insurance, non-consolidated investments without significant influence as well as non-current prepayments.

Accounting principle

Non-current loans and receivables are recognized at amortized cost. In addition, an impairment is recorded in case the assumed present value of expected cash flows is below the carrying value of the non-current loans and receivables.

In 2022, a material contingent consideration from a divestment resulted, which is linked to the future profitability of the divested business. The contingent consideration was recorded as “Other financial assets” at actual value and was appropriately discounted. The financial asset is re-measured at each subsequent reporting date.

Changes in the actual value of contingent consideration are recognized in the consolidated income statement in “Other operating income” or “Operating expenses”.

Associates are companies over which the GF Corporation exercises significant influence. Investments in associates are accounted for under the equity method. Any acquired goodwill is offset within equity. The share of results of associates is reported in the consolidated income statement.

Management assumptions and estimates

The recoverability of non-current loans and receivables is assessed based on the debtors’ ability to repay on time and in full. In order to build this assessment, management regularly observes the debtors’ adherence to the interest payments and principal amortization schedule. In case of investments in associates, management assesses their ability to continue as a going concern. Assessing the going concern assumptions requires management to assess the risk and opportunities of the business models, which are inherently subject to a higher level of estimation uncertainty. Such assessments may change in the following years.

To determine the actual value of the contingent consideration, the sales and EBITDA of the divested business must be estimated and these input factors are not directly observable for the GF Corporation. Changes in these input factors might result in a significantly higher or lower value.

5.3 Income taxes

Income tax expenses

CHF million	2023	2022
Effective income tax expense reconciliation		
Profit before taxes	313	354
Statutory tax rate in %	15	14
Income tax expense at statutory tax rate	**47**	**50**
Effect of income taxed at different rates[1]	30	28
Non-tax-deductible expenses/tax exempted income	–5	–5
Use of unrecognized tax loss carryforwards	–9	–12
Effect of non-recognition of tax losses in current year	9	5
Recognition of previously non-capitalized tax loss carryforwards	–1	
Derecognition of previously capitalized tax loss carryforwards		2
Tax adjustments related to previous periods, net	–8	1
Non-creditable foreign withholding tax	8	6
Effect of change in tax rates	1	
Other effects	–1	
Effective income tax expense	**71**	**74**
Effective income tax rate in %	23	21

1 The GF Corporation operates worldwide and is subject to income tax in many different tax jurisdictions. The effect of income taxed at different rates may vary from year to year due to varying results of the individual GF Corporate Companies and changes in local tax rates.

The table shows the main elements that cause the GF Corporation's effective tax rate to differ from the statutory tax rate. The statutory tax rate is the ordinary tax rate applicable in the canton of Schaffhausen (Switzerland), where the GF Corporation is headquartered. The statutory tax rate changed to 15% (previous year: 14%).

The GF Corporation's effective income tax rate amounts to 23% (previous year: 21%). The increase in the effective income tax rate is mainly due to the variation of results of individual GF Corporate Companies and the acquisition of Uponor.

In December 2021, the OECD published the Pillar Two model rules to introduce a global minimum corporate income tax of 15% for multinational companies with consolidated sales of more than EUR 750 million. Meanwhile, Pillar Two legislation has been enacted or substantially enacted in many jurisdictions in which the GF Corporation operates. The legislation will be effective for GF's financial year beginning 1 January 2024. GF performed an assessment of GF's potential exposure to Pillar Two income taxes. If the Pillar Two model rules would have been applicable in 2023, the profits of GF would not have been materially impacted. GF continues to monitor the development of the Pillar Two model rules and continually assesses the impact thereof on GF.

Accounting principles

Income taxes include current and deferred taxes. Current income taxes are calculated on the taxable profit. Deferred taxes are calculated by applying the balance sheet liability method for any temporary difference between the carrying amount according to Swiss GAAP FER and the tax basis of assets and liabilities. Tax loss carryforwards are recognized only to the extent that it is probable that future taxable profits or deferred tax liabilities will be available against which they can be offset. The calculation of deferred taxes is based on the country-specific tax rates.

Management assumptions and estimates

Current tax liabilities are calculated based on an interpretation of the tax regulations in place in the relevant countries. The adequacy of such an interpretation is assessed by the tax authorities in the course of the final assessment or tax audits. This can result in material changes to tax expense. Furthermore, in order to determine whether tax loss carryforwards may be capitalized, it is necessary to critically assess the probability of future taxable profits that can be offset. This assessment depends on a variety of influencing factors and developments.

Deferred tax assets and liabilities

CHF million	31.12.2023			31.12.2022		
	Tax assets	Tax liabilities	Net	Tax assets	Tax liabilities	Net
Investment properties		4	–4		5	–5
Property, plant, and equipment	8	69	–62	7	35	–28
Intangible assets	15	1	14	7	3	4
Tax loss carryforwards	6		6	5		5
Inventories	33	17	17	32	14	18
Provisions	28	4	25	9	3	6
Other interest-bearing liabilities	1	2	–1	1	1	0
Other non-interest-bearing liabilities	23	4	19	25	1	24
Other balance sheet items	22	8	15	10	3	7
Total before offsetting	**137**	**108**	**29**	**96**	**65**	**31**
Offsetting	–40	–40		–26	–26	
Total after offsetting	**97**	**68**	**29**	**70**	**39**	**31**

As of 31 December 2023, tax loss carryforwards of CHF 29 million (previous year: CHF 21 million) were capitalized, resulting in a deferred tax asset of CHF 6 million (previous year: CHF 5 million). Capitalized tax loss carryforwards increased by CHF 2 million due to the acquisition of Uponor.

The unrecognized tax loss carryforwards in 2023 totaling CHF 159 million (previous year: CHF 124 million) have a potential tax relief effect of CHF 34 million (previous year: CHF 28 million). Of the unrecognized tax loss carryforwards, CHF 45 million can be used indefinitely (previous year: CHF 58 million), while CHF 1 million is to expire within one year (previous year: 1 million). Unrecognized tax loss carryforwards increased by CHF 48 million due to the acquisition of Uponor.

Temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized, amounted to CHF 503 million as of 31 December 2023 (previous year: CHF 563 million).

Accounting principles

Deferred tax assets and liabilities are offset within GF Corporate Companies when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred taxes related to the same fiscal authority. Deferred tax assets and liabilities are calculated based on the expected income tax rates for each GF Corporate Company. No deferred tax is provided for temporary differences on investments in subsidiaries where the timing of the reversal of the temporary difference is controlled by the GF Corporation and where it is probable that the temporary difference will not be reversed in the foreseeable future. GF has adopted the Swiss GAAP FER accounting guidelines in relation to the Pillar Two model rules. In accordance with the guidelines, GF applies the exemption from deferred tax accounting in relation to Pillar Two corporate income taxes.

5.4 Non-operating result

The non-operating result of CHF –1 million (previous year: CHF 8 million) includes the result of investment properties. In the previous year, this includes the profit from the sale of an investment property, see also notes 2.6 and 5.2.

5.5 Related parties

Related parties include associated companies, members of the Board of Directors and the Executive Committee, pension funds and similar institutions.

Transactions with associated companies

There were no significant transactions with associates in the year under review or in the previous year. Hence, no material receivables or payables were outstanding.

Transactions with members of the Board of Directors and the Executive Committee

Total compensation of the Board of Directors and Executive Committee is broken down as follows:

CHF 1'000	2023	2022
Cash compensation	7'160	7'319
Pension funds	552	552
Social security	566	634
Share-based compensation[1]	3'701	3'637
Other compensation	2	12
Total compensation	**11'981**	**12'154**

1 The presented compensation of the Board of Directors and the Executive Committee corresponds to the disclosure in the Compensation Report.

A total of 375'576 shares (previous year: 392'684) were held by the Board of Directors and the Executive Committee, corresponding to 0.5% of issued shares (previous year: 0.5%).

No member of the Board of Directors or the Executive Committee or any persons related to them received any fees or other compensation for additional services to GF or its GF Corporate Companies in 2023 or 2022.

Neither GF nor any GF Corporate Company granted any guarantees, loans, advances or credit facilities to members of the Board of Directors or the Executive Committee or to any persons related to them in 2023 or 2022.

Significant shareholders

An overview can be found in the Corporate Governance Report (GF share and shareholders).

Transactions with pension funds and similar institutions

The GF Corporation holds current accounts with some of its related pension funds and similar institutions. As of the end of the financial year, it had a liability of CHF 2 million (previous year: CHF 0 million). The current accounts bear an interest of 2.7% (previous year: 1.0%). Furthermore, contributions of CHF 2 million were made to similar institutions (previous year: CHF 2 million).

5.6 Events after the balance sheet date

The consolidated financial statements were approved and authorized for publication by the Board of Directors on 18 March 2024. They must also be approved at the Annual Shareholders' Meeting.

There were no events between 31 December 2023 and 18 March 2024 that would require an adjustment to the carrying amounts of assets and liabilities and equity, or that would need to be disclosed under this heading.

Report of the statutory auditor

to the General Meeting of Georg Fischer AG

Schaffhausen

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Georg Fischer AG and its subsidiaries (the Group), which comprise the consolidated income statement for the year ended 31 December 2023, the consolidated balance sheet as at 31 December 2023, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 193 to 231) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Swiss GAAP FER and comply with Swiss law.

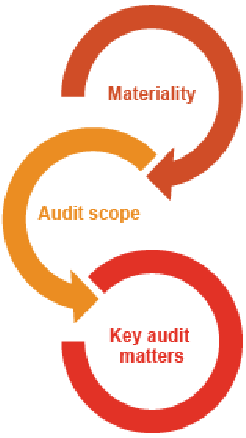
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor’s responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 15 million

We concluded full scope audit work at 47 reporting units. These companies contribute 64% of the Group's sales. In addition, specified procedures were performed on a further 3 reporting units representing a further 10% of the Group’s sales.

As key audit matters the following areas of focus have been identified:

Acquisition of Uponor Corporation

Valuation of non-current loans and receivables

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 15 million
Benchmark applied	Profit before taxes
Rationale for the materiality benchmark applied	We chose profit before taxes as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises four divisions, GF Piping Systems, GF Uponor, GF Casting Solutions and GF Machining Solutions, which operate across three main geographical regions – Europe, North/South America and Asia. The Group's financial statements are a consolidation of 186 reporting units, including the Group's operating businesses as well as central service functions. Each unit is considered a component for audit purposes.

We identified 47 reporting units that, in our view, required a full scope audit and three reporting units that required specified procedures owing to their size and other risk factors. These 50 reporting units contribute 74% of the Group's sales. The remaining 26% of the Group's sales are represented by a large number of smaller reporting units. None of these units individually contributes more than 2.5% to the Group's sales.

As the Group acquired control of Uponor Oyj ("Uponor Corporation") on 6 November 2023, we also instructed the auditors of Uponor Corporation to perform a full scope audit on the consolidated balance sheet of Uponor Corporation as at 31 December 2023. In addition, we instructed them to perform specified procedures on the balance sheet as at 31 October 2023 and on the profit and loss statement for the two-month period from 1 November 2023 to 31 December 2023 for selected reporting units of Uponor Corporation.

Where the work was performed by component auditors, we determined the necessary level of our further involvement in the audit work in addition to providing our instructions. This consisted of inquiries of component audit teams, inspecting their work in selected areas, conducting planning and closing calls, or reviewing their working papers and their final reporting.

Further specific audit procedures on central service functions, Group consolidation and areas of significant judgement (including M&A transactions, taxation, treasury and litigation) were carried out under the direct supervision of the Group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Acquisition of Uponor Corporation

Key audit matter	How our audit addressed the key audit matter
On 6 November 2023, the Group obtained control in the piping system company Uponor Oyj ("Uponor Corporation"). Uponor Corporation consists of a group of 41 subsidiaries and three investments in associates. The total purchase price of Uponor amounted to CHF 2'020 million. The identifiable assets and liabilities of Uponor have been measured at fair value and the excess of the purchase price over net assets was recorded as goodwill (CHF 1'638 million), which was offset against equity. The acquisition of Uponor Corporation is of significant magnitude and is considered complex in terms of initial recognition, fair value measurement of the assets and liabilities initially recognized in the Group's consolidated financial statements as well as required audit procedures. Due to these reasons, we consider the acquisition of Uponor as a key audit matter. For further details, please refer to note 4.1 'Changes in scope of consolidation' and 4.2 'Acquisition of Uponor'.	We performed the following audit procedures: • Instruction of Uponor Corporation's auditors to perform specified procedures on the closing balance sheet as at 31 October 2023 and on the income statement period from 1 November 2023 to 31 December 2023 of Uponor Corporation and assessment of their deliverables and working papers. • Instruction of Uponor Corporation's auditors to perform a full scope audit on the consolidated balance sheet as at 31 December 2023 of Uponor Corporation and assessment of their deliverables and working papers. • Examination of the Purchase Price Allocation as well as management estimates and underlying assumptions with the support of PwC external valuation experts. • Assessment of material Uponor accounting policy to the Group accounting policy conversion adjustments. • Evaluation of manual closing entries and material first-time consolidation entries. • Consideration whether presentation and disclosure are in accordance with the requirements of Swiss GAAP FER. Based on the audit evidence obtained, we consider the Board of Director's and Management's approach to account for the acquisition of Uponor Corporation to be reasonable.

Valuation of non-current loans and receivables

Key audit matter	How our audit addressed the key audit matter
The Group had disposed of automotive iron foundries in Germany (Singen and Mettmann) and in Austria (Herzogenburg) in prior years. To finance the transactions, the new owners in Germany and in Austria were granted loans in the amounts of CHF 61 million and CHF 10 million, respectively. The financing of the divested companies was adjusted in subsequent years and has a carrying amount of CHF 84 million as at 31 December 2023. The loans are recorded under other financial assets within non-current loans and receivables. Impairment testing of other financial assets arising from the financing of the divestments in Germany and Austria requires estimates and assumptions regarding the borrowers' ability to repay the loans and whether the interest rates attached to the loans are in line with market conditions. For further details, please refer to note 5.2 'Other financial assets'.	We performed the following audit procedures: • We assessed the contractual agreements and estimates (incl. underlying assumptions) used by Management as well as the calculation it performed in connection with the impairment testing of other financial assets. The significant assumptions concern the assessment of the borrowers' ability to repay the loans and whether the interest rates applied to the loans are in line with market conditions. We used observable market data in our assessment of whether the interest rates attached to the loans are in line with market conditions. • We examined whether the presentation and disclosure were in accordance with the requirements of Swiss GAAP FER. Based on the audit evidence obtained, we consider the approach chosen by the Board of Directors and Management for the valuation of the remaining financial assets and the corresponding disclosure to be appropriate.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Swiss GAAP FER and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse's website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Beat Inauen	Tobias Handschin
Licensed audit expert Auditor in charge	Licensed audit expert

Zürich, 18 March 2024

Georg Fischer AG income statement

CHF 1'000	Notes	2023	2022
Dividend income		275'225	197'152
Income from GF Corporate Companies	3.1	69'615	68'931
Commission income from GF Corporate Companies	3.2	3'811	4'633
Other income		1'318	1'255
Total income		**349'969**	**271'971**
Value adjustment on investments	3.3	–35'822	–40'583
Other expenses for investments		–5'311	–2'840
Cost of services provided by GF Corporate Companies		–4'494	–2'775
Personnel expenses		–34'271	–30'442
Other operating expenses	3.4	–20'470	–20'547
Depreciation on tangible and intangible fixed assets		–672	–514
Operating result		**248'929**	**174'270**
Financial income	3.5	18'642	10'548
Financial expenses	3.5	–59'438	–31'368
Profit before taxes		**208'133**	**153'450**
Direct taxes		–6'291	–3'723
Net profit for the year		**201'842**	**149'727**

Georg Fischer AG balance sheet

CHF 1'000	Notes	31.12.2023	31.12.2022
Cash and cash equivalents	3.6	75'228	337'923
Current receivables GF Corporate Companies		48'098	29'637
Current receivables third parties		4'023	724
Accrued income and prepaid expenses		12'421	11'197
Current assets		**139'770**	**379'481**
Financial assets GF Corporate Companies	3.7	192'464	160'129
Financial assets third parties	3.7	75'016	92'663
Investments	3.8	3'467'944	1'431'257
Tangible fixed assets		169	192
Intangible fixed assets		1'185	1'364
Non-current assets		**3'736'778**	**1'685'605**
Assets		**3'876'548**	**2'065'086**
Short-term interest-bearing liabilities GF Corporate Companies		59'253	51'189
Other current liabilities third parties		14'051	8'476
Deferred income and accrued expenses	3.9	93'988	24'258
Current liabilities		**167'292**	**83'923**
Long-term interest-bearing liabilities GF Corporate Companies		15'742	6'893
Long-term interest-bearing liabilities third parties	3.10	2'023'145	401'674
Provisions	3.11	29'021	27'606
Non-current liabilities		**2'067'908**	**436'173**
Liabilities		**2'235'200**	**520'096**
Share capital	3.12	4'101	4'101
Statutory capital reserves		89'506	89'506
Statutory retained earnings		59'234	59'234
Profit carried forward		1'293'430	1'249'492
Net profit for the year		201'842	149'727
Result from treasury shares		–233	768
Treasury shares	3.13	–6'532	–7'838
Equity		**1'641'348**	**1'544'990**
Liabilities and equity		**3'876'548**	**2'065'086**

Notes to the financial statements

1 General information

These annual financial statements were prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations. The main principles applied that are not prescribed by law are described below. Georg Fischer AG (GF), Schaffhausen (Switzerland), reports its consolidated financial statements on the basis of a recognized standard (Swiss GAAP FER) and has therefore, in accordance with the legal provisions, decided to not to provide a management report, a cash flow statement or a note on the audit fees.

2 Significant accounting principles

2.1 Financial income and expenses

Financial assets and interest-bearing liabilities from GF Corporate Companies in foreign currencies are valued at year-end exchange rates. Realized currency gains and losses, and all unrealized losses are recognized, whereas unrealized gains on non-current balance sheet positions are not recognized.

2.2 Financial assets

Financial assets are valued at nominal values, taking into account any value adjustments required.

2.3 Investments

Investments are valued according to the principle of individual valuation. In addition, further overall value adjustments can be made.

2.4 Interest-bearing liabilities

Interest-bearing liabilities are recognized at nominal value. Placement costs of bonds and bond premiums are accrued over the duration of the bond. Fees incurred in relation to interest-bearing loans are offset against the loan and recognized over the duration of the loan.

2.5 Derivative financial instruments

Derivative financial instruments are used for hedging purposes. These instruments are measured at actual value together with the underlying transaction. Changes in actual value are recognized in the income statement.

2.6 Treasury shares

Treasury shares are recognized at cost and deducted from shareholder’s equity. The gain or loss from the sale or transfer of treasury shares is recognized in shareholder’s equity as an increase or reduction in retained earnings.

3 Disclosure on income statement and balance sheet positions

3.1 Income from GF Corporate Companies

The income from GF Corporate Companies consisted primarily of licensing income for the use of the corporate brand as well as income for other services provided centrally.

3.2 Commission income from GF Corporate Companies

This position contains commission income from GF Corporate Companies for guarantees issued.

3.3 Value adjustments on investments

This position includes value adjustments on investments held by Georg Fischer AG.

3.4 Other operating expenses

The main expense items relate to external consulting services, marketing expenses, compensation for the Board of Directors and IT costs.

3.5 Financial income and expenses

Financial income mainly includes interest income on the loans granted to GF Corporate Companies and dividend income. Financial expenses include value adjustments of CHF 23 million on non-current loans that were mainly explained by technical valuation adjustments due to the postponement of interest and repayment expectations (previous year: CHF 24 million). Furthermore, the position mainly includes interest expenses for the outstanding interest-bearing liabilities and foreign currency exchange losses.

3.6 Cash and cash equivalents

This balance sheet item includes bank accounts in the amount of CHF 75 million (previous year: CHF 103 million). In the previous year, this position also included fixed-term deposits in the amount of CHF 235 million.

3.7 Financial assets GF Corporate Companies and third parties

Financial assets GF Corporate Companies contain long-term loans to GF Corporate Companies.

Financial assets third parties mainly include loans in the form of mezzanine financing and loans secured by properties in the amount of CHF 71 million (previous year: CHF 92 million). The net decrease includes the drawdown of existing credit lines, negative currency effects as well as value adjustments.

3.8 Investments

Direct and indirect investments in GF Corporate Companies include the companies listed in note 4.3 in the consolidated financial statements. The increase is mainly related to the acquisition of Uponor and GF Corys.

3.9 Deferred income and accrued expenses

This balance sheet item includes the outstanding payments for the remaining Uponor shares in the amount of CHF 55 million.

3.10 Long-term interest-bearing liabilities third parties

CHF 1'000	**31.12.2023**	**31.12.2022**
1.05% Georg Fischer AG Bond, 2018–2028 (20 April), CHF 200 million, CH0373476636	200'000	200'000
0.95% Georg Fischer AG Bond, 2020–2030 (25 March), CHF 200 million, CH0536893230	200'000	200'000
2.4% Syndicated bridge loan (variable interest rate)	636'329	
3.8% Syndicated term loan (variable interest rate)	985'612	
Other loans	1'204	1'674
Total	**2'023'145**	**401'674**

The syndicated loans are provided by a consortium of banks and have a maximum maturity of 12 June 2025 for the bridge loan and 12 June 2028 for the term loan. The syndicated loans can be repaid prior to their maturities. As per 31 December 2023, Georg Fischer AG also maintained an additional undrawn syndicated credit line of CHF 400 million.

3.11 Provisions

The provisions mainly concern currency risks.

3.12 Share capital

As of 31 December 2023, the share capital of Georg Fischer AG amounts to CHF 4'100'898 and is divided into 82'017'960 registered shares with a par value of CHF 0.05. Total dividend-bearing nominal capital amounted to CHF 4'100'898.

The Board of Directors is authorized to increase the share capital within the upper limit of the capital band of CHF 4'500'898 and the lower limit of the capital band of CHF 4'100'898, until no later than 18 April 2028, by a maximum amount of CHF 400'000 by issuing a maximum of 8'000'000 fully paid-in registered shares with a nominal value of CHF 0.05 each. Furthermore, the share capital may be increased by a maximum amount of CHF 400'000 by the issue of a maximum of 8'000'000 fully paid-in registered shares with a nominal value of CHF 0.05 each, through the exercise of conversion rights and/or warrants granted in connection with the issuance of bonds in the capital markets or similar debt instruments.

3.13 Treasury shares

	2023			2022		
	Number of shares	Ø transaction price in CHF	Total in CHF 1'000	Number of shares	Ø transaction price in CHF	Total in CHF 1'000
Balance at 1.1.	**132'373**	**59.21**	**7'838**	**186'020**	**61.67**	**11'471**
Purchases	124'370	57.62	7'166	89'948	57.55	5'176
Transfers (share-based compensation)	–143'486	59.04	–8'472	–143'595	61.35	–8'809
Balance at 31.12.	**113'257**	**57.68**	**6'532**	**132'373**	**59.21**	**7'838**

Treasury shares were allocated as part of the share-based compensation as follows:

	2023		2022	
	Allocated treasury shares	Total in CHF 1'000	Allocated treasury shares	Total in CHF 1'000
Board of Directors	24'566	1'417	26'084	1'544
Executive Committee	15'324	922	10'940	686
Senior Management	103'596	6'133	106'571	6'578
Total	**143'486**	**8'472**	**143'595**	**8'809**

4 Additional information

4.1 Contingent liabilities

CHF 1'000	31.12.2023	31.12.2022
Guarantees and pledges to GF Corporate Companies in favor of third parties	1'307'957	1'342'541
Guarantees to third parties	74'102	63'657
Guaranteed maximum amount	**1'382'058**	**1'406'198**
Thereof utilized	566'120	549'894

Georg Fischer AG bears joint liability with regard to the Swiss Federal Tax Administration for the amounts due of value-added tax of all the Swiss GF Corporate Companies.

4.2 Pension fund obligations

As in the previous year, there were no pension fund obligations.

4.3 Residual amounts of lease liabilities

As in the previous year, there were no material lease liabilities that could not be terminated within twelve months.

4.4 Significant shareholders

An overview can be found in the Corporate Governance Report (GF share and shareholders).

4.5 Information on the requirements of the Gender Equality Act

In 2022, GF conducted the equal pay analysis for Georg Fischer AG with a certified external partner. The outcome confirms compliance with GF's internal equal pay for equal work practices and guidelines. The analysis was verified by an independent external auditing company in 2023, which confirmed compliance with the requirements.

In 2023, Georg Fischer AG employed 144 full-time equivalents on average (previous year: 123).

Proposal by the Board of Directors
for the appropriation of retained earnings 2023

CHF 1'000	2023	2022
Net profit for the year	201'842	149'727
Earnings carried forward	1'293'430	1'249'492
Result from treasury shares	–233	768
Retained earnings	**1'495'039**	**1'399'987**
Proposed/paid dividend[1]	–106'623	–106'557
To be carried forward	**1'388'416**	**1'293'430**

1 No distribution will be made for treasury shares held by Georg Fischer AG.

The Board of Directors will propose to the Annual Shareholders' Meeting of 17 April 2024 to pay a dividend of CHF 1.30 per registered share (previous year: CHF 1.30) out of retained earnings.

Report of the statutory auditor

to the General Meeting of Georg Fischer AG

Schaffhausen

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Georg Fischer AG (the Company), which comprise the income statement for the year 2023, the balance sheet as at 31 December 2023, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 237 to 242 and 223 to 226) comply with Swiss law and the company's articles of incorporation.

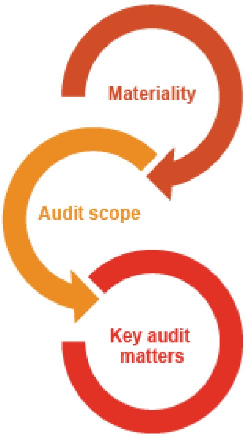
Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 2.5 million

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

As key audit matters the following areas of focus have been identified:

Valuation of investments

Impairment testing of financial assets GF Corporate Companies

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 2.5 million
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it is a relevant benchmark against which a holding company can be assessed, and it is a generally accepted benchmark.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investments

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2023, the Company had investments in GF Corporate Companies in the amount of CHF 3'468 million (prior year: CHF 1'431 million). These investments are stated at acquisition cost in accordance with the commercial accounting and financial reporting provisions of the Swiss Code of Obligations. The investments are valued on an individual basis. Management calculates the valuation of each GF Corporate Company based on the value of the underlying net assets at book value (for one third of the valuation) and the value of capitalised earnings (for the remaining two thirds). Where necessary, impairment charges are recognised for a loss in value. Moreover, general impairment allowances may be created in addition (see significant accounting principles in the notes to the financial statements and note 3.8 Investments). We consider the valuation of investments in GF Corporate Companies as a key audit matter due to their significance on the balance sheet.	To verify the appropriateness of the assessment, we performed the following: • We compared the book value of the investments in GF Corporate Companies as at year-end 2023 to the companies' valuations as determined by Management. • We compared the underlying value of the net assets with the value of the shareholder's equity of the company concerned. • We compared the earnings used for the capitalised earnings estimate with the prior year's figures and with the actual figures. • We verified the capitalisation rate used against country-specific, long-term interest rate forecasts and a company-specific risk premium. We consider Management's approach to be an appropriate and sufficient basis to value the investments.

Impairment testing of financial assets GF Corporate Companies

Key audit matter	How our audit addressed the key audit matter
As at 31 December 2023, the Company had long-term loans to GF Corporate Companies of CHF 192 million (prior year: CHF 160 million). These loans to GF Corporate Companies were stated at nominal value in accordance with the commercial accounting and financial reporting provisions of the Swiss Code of Obligations. Management checks whether the GF Corporate Companies concerned have positive equity. If this is not the case, an impairment test is performed on the individual asset concerned. Where necessary, impairment charges are recognised for a loss in value (see significant accounting principles in the notes to the financial statements and note 3.7 Financial assets GF Corporate Companies and third parties). We consider the impairment testing of loans to GF Corporate Companies to be a key audit matter due to the significance of these assets.	We compared the companies' equity values as used by Management with the values used for Group consolidation purposes. We reperformed the individual impairment tests, discussed them in detail with Management and checked them for plausibility. We consider Management's approach to be an appropriate and sufficient basis to value the loans to GF Corporate Companies.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A more detailed description of our responsibilities for the audit of the financial statements can be found on the EXPERTsuisse website: http://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of retained earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Beat Inauen	Tobias Handschin
Audit expert Auditor in charge	Audit expert

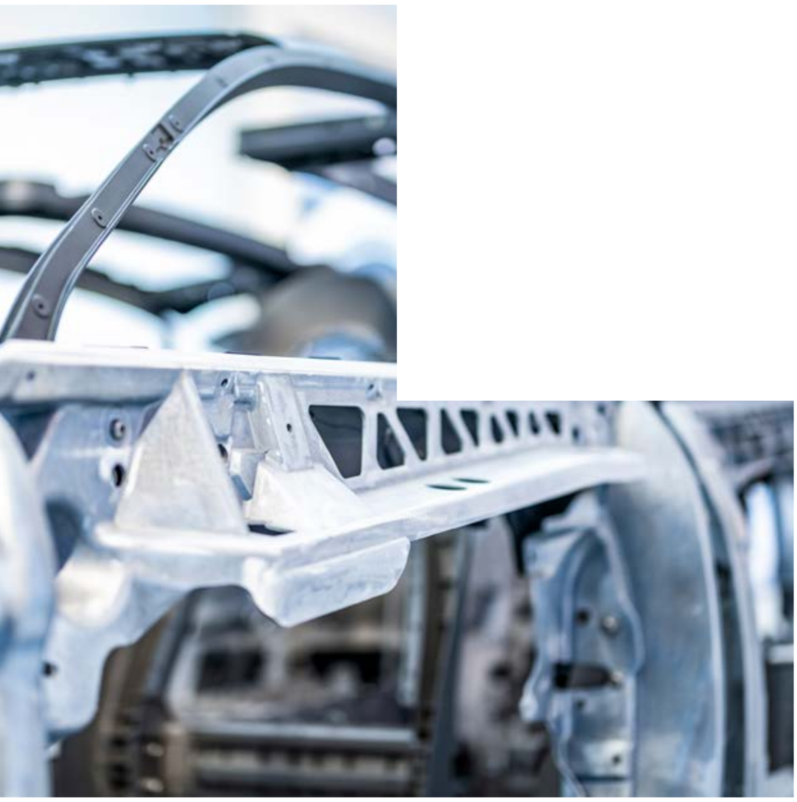
Zürich, 18 March 2024

Five-year overview GF Corporation

CHF million	2023	2022	2021	2020	2019
Orders					
Order intake	3'938	4'227	4'058	3'160	3'692
Orders on hand at year-end	827	931	814	514	563
Income statement					
Sales	4'026	3'998	3'722	3'184	3'720
Sales growth %	0.7	7.4	16.9	–14.4	–18.6
Organic growth %	3.7	13.5	15.9	–8.4	–4.1
EBITDA (comparable)[1]	511	507	412	299	374
EBITDA margin (comparable)[1] %	12.7	12.7	11.1	9.4	10.1
EBITDA	486	507	412	299	374
EBITDA margin %	12.1	12.7	11.1	9.4	10.1
Depreciation and amortization	–122	–116	–134	–133	–140
Operating result (EBIT) (comparable)[1]	389	391	278	166	235
EBIT margin (comparable)[1] %	9.7	9.8	7.5	5.2	6.3
Operating result (EBIT)	365	391	278	166	235
EBIT margin %	9.1	9.8	7.5	5.2	6.3
Net profit shareholders GF	235	276	214	116	173
Basic earnings per share in CHF	2.87	3.37	2.62	1.41	2.12
Balance sheet as at 31.12.					
Current assets	2'530	2'489	2'459	2'142	1'999
Non-current assets	1'589	1'209	1'308	1'303	1'345
Assets	4'119	3'698	3'767	3'445	3'344
Current liabilities	1'464	1'202	1'318	986	1'012
Non-current liabilities	2'632	840	953	1'070	894
Liabilities	4'097	2'042	2'271	2'056	1'906
Equity	22	1'656	1'496	1'389	1'438
Equity ratio %	0.5	44.8	39.7	40.3	43.0
Net working capital	1'148	876	781	707	856
Invested capital (IC)	1'707	1'277	1'355	1'313	1'473
Return on invested capital (ROIC) (comparable)[1] %	21.5	23.4	16.4	9.3	12.4
Return on invested capital (ROIC) %	19.8	23.4	16.4	9.3	12.4
Net debt (+)/Net cash (-)	1'879	–159	54	117	232
Cash flow statement					
Cash flow from operating activities	338	326	288	342	318
Cash flow from operating activities in % of sales	8.4	8.1	7.7	10.7	8.5
Additions to property, plant, and equipment	–196	–160	–135	–137	–178
Cash flow from investing activities	–2'124	–125	–178	–118	–186
Free cash flow before acquisitions/divestments	134	146	151	230	137
Free cash flow	–1'785	201	110	224	132
Employees as at 31.12.					
Europe	11'243	8'224	7'941	7'792	8'373
– Thereof Germany	2'031	1'214	1'153	1'177	1'490
– Thereof Switzerland	3'600	3'565	3'412	3'344	3'397
– Thereof rest of Europe	5'612	3'445	3'376	3'271	3'486
Asia	4'104	4'079	3'814	3'604	3'545
– Thereof China	3'469	3'462	3'246	3'055	2'997
– Thereof rest of Asia	635	617	568	549	548
Americas	3'113	2'225	2'554	1'938	1'922
Rest of world	1'364	679	802	784	838
Total number of employees	**19'824**	**15'207**	**15'111**	**14'118**	**14'678**

1 Without PPA effects on inventory and items affecting comparability out of the Uponor acquisition.

TCFD Report



TCFD Report 2023

GF aligns its reporting with the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and International Financial Reporting Standards S2 Climate-related Disclosures (IFRS S2), which was issued by the International Sustainability Standards Board (ISSB) in mid-2023. Doing so reflects the growing importance of these disclosures for investors and businesses. GF also adheres to the Swiss Climate Ordinance, which recommends that companies align their climate-risk assessment with the TCFD requirements.

For more information on the TCFD, visit www.fsb-tcfd.org

GF has committed to disclosing its climate-related financial reporting annually and has aligned its enterprise risk management process with the TCFD's recommendations. In 2023, the company further integrated its climate-risk assessment into its enterprise risk management and assessed its compliance with IFRS S2.

This report presents the eleven disclosures recommended by the TCFD in the section's governance, strategy, risk management, and metrics and targets. In addition, it reflects the structure of IFRS S2. For more detailed information, please follow the links provided as they refer to GF's existing disclosures in its annual and sustainability reports, including its response to CDP's 2023 climate change questionnaire.

Governance

1.1 Describe the board's oversight of climate-related risks and opportunities

Embedding sustainability into a company's business activities and corporate culture requires a diligent and transparent approach to business governance. GF therefore regularly evaluates its operations to maintain and continually improve its oversight. Respect and responsibility toward our stakeholders and the environment underpin the sustainable growth of our business.

GF's well-defined sustainability governance structure enables the company to continually enhance sustainability across its product portfolio. The Sustainability Committee is responsible for the company's overall sustainability performance. It supports the Board of Directors in sharpening the company's focus on environmental, social and governance (ESG) topics. The Sustainability Committee is part of the Nomination Committee. The Charter of the Nomination and Sustainability Committee stipulates that regular meetings are held at least twice a year. The committee met three times in 2023 to discuss, among other things, climate-related issues. Its agenda explicitly refers to GF's eight sustainability targets for 2025, which include climate change. Climate change has been discussed at every meeting since the committee's founding. GF measures overall progress on its sustainability targets against a timeline specified by the GF Strategy 2025.

One of the Sustainability Committee's key responsibilities is to ensure that executive remuneration is linked to ESG targets and aligned with the eight targets of the GF Sustainability Framework 2025. Executive remuneration is therefore linked to the achievement of GF's company-wide CO_2e target. Implementing the TCFD's recommendations and publishing the company's first TCFD report in March 2022 was also defined as a target for Executive Committee members.

The Executive Committee has direct oversight over the progress made against strategic goals and targets, including those that are climate related. In addition, the committee conducts performance reviews on a regular basis (two to four times a year) and at its management meetings with each division. These reviews enable the committee to take the necessary strategic and operational measures to ensure that target achievement remains on track.

Sustainability remained a strategic topic in 2023. The Corporate Sustainability Council (CSC) is chaired by the CEO. Its task is to coordinate and oversee all activities relating to sustainability and advise the Executive Committee. The CSC consists of the CEO, CFO, divisional presidents, corporate and divisional sustainability teams, and other members of GF's top management team. The CSC's key responsibilities include tracking and reporting on the progress made and the measures of the framework, supporting the Executive Committee on decisions on cross-divisional strategic sustainability projects and initiatives, coordinating and supervising sustainability projects and initiatives, and reporting on their progress to the Executive Committee. The CSC meets at least biannually.

For more information, see:

- Sustainability Report 2023: Environment: Climate and resources, Climate and energy, Net-zero ambitions
- Sustainability Report 2023: Governance, Sustainability governance
- Corporate Governance Report 2023
- CDP Climate Change, Questionnaire 2023, Georg Fischer, C1.1a/C1.1b/C1.2

1.2 Describe management's role in assessing and managing risks and opportunities

GF has a clear governance structure in place to assess and manage risks related to sustainability. As mentioned, GF formed the Sustainability Committee in 2020 and the Corporate Sustainability Council in 2021. Their roles and responsibilities are described above.

GF's wider sustainability organization includes Corporate Sustainability, which is led by the Head of Corporate Sustainability, who reports to the CFO. The department oversees strategic, cross-functional sustainability projects and initiatives globally, and is responsible for sustainability reporting as well as dialogue with external stakeholders, such as ESG rating agencies. The Head of Corporate Sustainability participates in Sustainability Committee meetings.

Corporate Sustainability works closely with the three divisions' sustainability teams to ensure they track the progress of the divisions' facilities and business units against their respective 2025 sustainability targets. The department is responsible for reinforcing the organization's awareness of sustainability and thus of climate-related risks.

The sustainability teams evaluate their division's sustainability performance on a quarterly basis and present their findings to their corresponding management teams. The following aspects are reviewed: the achievement of sustainability targets, the implementation status of agreed actions, the monitoring of business partners' sustainability performance, and the development and marketing of products and solutions offering sustainability benefits to GF customers.

The divisions define a set of measures each year to contribute to the achievement of GF's sustainability targets. Each divisional sustainability manager is responsible for ensuring that the individual facilities define and implement measures to meet their respective targets, for compiling an aggregated overview for their division to track progress and for coordinating with Corporate Sustainability on experience sharing across divisions and, where needed, for escalating climate-related challenges and new customer requirements.

Target achievement – including the achievement of sustainability-related targets, such as the reduction of greenhouse gas (GHG) emissions – is incentivized at various levels. For example, individual targets are defined for Executive Committee members as well as for the corporate and divisional sustainability teams.

For more information, see:

- Sustainability Report 2023: Governance, Sustainability governance
- Corporate Governance Report 2023
- CDP Climate Change, Questionnaire 2023, Georg Fischer, C1.2

Board of Directors
Nomination and Sustainability Committee

The Board of Directors is represented by Nomination and Sustainability Committee (NSC).

The NSC strategically consults and oversees the GF sustainability program. In addition it aligns in close collaboration with the Executive Committee the compensation targets and releases the annual sustainability report.

Corporate Sustainability Council

Executive Committee

The Corporate Sustainability Council assists the Executive Committee in strategic cross-divisional decisions and steers the rollout of Sustainability Framework 2025. It monitors and reports progress of GF's targets.

The Executive Committee drives the implementation and update of the Sustainability programm, prepared in consultation with the Board of Directors.

Coporate and divisional Sustainability teams

The Corporate and divisional Sustainability teams manages and coordinates the operative sustainability measures following GF's material topics. They connect local actions with strategic goals to ensure alignement across the company and external stakeholder requests.

Strategy

2.1 Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term

GF has identified hazards in categories relevant to its business model and in the context of climate-related risks and opportunities. These risks include both acute and chronic physical risks and opportunities that result from changing climatic conditions. They also include transition risks and opportunities that arise in the transition to low-carbon economies in an evolving policy and regulatory environment, and amid changing technological, market and reputational developments. Although physical risks already exist today, they will manifest themselves with greater frequency and severity over the medium and long term as climate change impacts materialize. Hazards include tropical cyclones, sea level rise, river flooding, heavy precipitation, fire, drought, and heat. For more information, please refer to the in-depth analysis and conclusions drawn from this report.

Transition risks include carbon prices, the reliability of the energy supply, process security, regulations, taxes, litigation, consumer preferences, the availability of capital, the energy transition itself and raw materials. Most of these risks are likely to materialize in the medium term when regulatory, technological, and societal changes become apparent. Section 3.1 contains more information.

Climate-related opportunities arise from energy transition or physical changes of climatic conditions. For GF, they include transportation, production and distribution processes, recycling, low-emissions energy sources, the carbon market, rising consumer demand, the diversification of business activities, the availability of capital and substitutes for existing resources. Section 3.1 contains further information on these opportunities.

For more information, see:

+ CDP Climate Change, Questionnaire 2023, Georg Fischer, C2.2a/C2.3a/C2.4a

2.2 Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

GF's product portfolio includes many solutions that help customers mitigate their climate impacts. All three GF divisions have significant opportunities in this space, as changing consumer preferences and growing investor attention require GF's customers to make their product portfolios more energy efficient and sustainable. GF provides its customers with sustainable products and enters new markets in which the demand for sustainable alternatives is increasing.

GF procures the majority of its raw materials, goods and services locally. With this approach, GF aims to ensure that its raw material deliveries reduce the impact of intercontinental distribution networks while recognizing the consequences of these activities and the effect that a changing climate may have on supply chains. In addition, GF's manufacturing facilities are in close proximity to their customers and strive to continually optimize their logistics footprints. Examples include GF's two new factories in China: GF Piping Systems in Yangzhou (China) and GF Casting Solutions in Shenyang. GF relies heavily on the timely delivery of raw materials, goods, and services. Acute physical risks, such as heavy rain, wildfires, or floods, can lead to the destruction of key infrastructure, thereby impeding transportation and potentially resulting in product supply shortages. Consequently, it is important to have adaptation measures in place to mitigate the negative impact of physical hazards. One example in 2023 was GF Indonesia's site in Jawa Barat, which celebrated the inauguration of a new water supply system for the plant. With the completion of the project, the factory has now reliable access to clean municipal water which substitutes the usage of groundwater and the coverage of shortages with water trucks.

The GF Code for Business Partners, which contains strict ESG standards, is mandatory for suppliers to all three GF divisions.

GF is committed to delivering solutions that help customers mitigate their contribution to climate change and enhance their resilience and adaptation to it. GF also emphasizes innovation and research and development (R&D). It therefore invests in R&D to create innovative new products and solutions that provide customers with environmental, climate and social benefits during the products' use phase. GF invested a total of CHF 120 million on R&D in 2023.

For more information, see:

+ CDP Climate Change, Questionnaire 2023, Georg Fischer, C3.3/C3.4
+ Sustainability Report 2023: Product portfolio

2.3 Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

The resilience of GF's future business strategy is affected by the transition to a low-carbon economy, which presents both opportunities and risks. GF has therefore analyzed a range of climate scenarios that show possible outcomes under different climatic conditions. It used the International Energy Agency's (IEA's) Sustainable Development Scenario as a scenario aligned with the Paris Agreement's goal of limiting global warming to 2°C or lower. GF's assessment analyzes various factors that could impact GF's future business strategy and its ability to achieve long-term profitability.

In addition, GF's assessment of its exposure to physical risks was based on the Intergovernmental Panel on Climate Change's (IPCC's) representative concentration pathways (RCP) in a business-as-usual scenario (RCP 4.5) and a 4°C scenario (RCP 8.5) by 2050. The reference year for the assessment was 2050 in line with the Paris Agreement's 2050 target for net-zero emissions. The Sustainability Committee made a conscious decision not to use climate scenarios that go beyond 2050.

At the time of the assessments in 2021, both scenarios were aligned to latest international agreements on energy transition and climate change, such as IPCC's 5th Assessment Report (AR5). The analysis will be updated at regular intervals to reflect latest scientific findings on climate change. An update to AR6 is planned for reporting 2024.

For more information, see:

+ CDP Climate Change, Questionnaire 2023, Georg Fischer, C3.2/C3.2a/C3.2b

In-depth analysis: Physical climate risks

This climate risk analysis was prepared using the Climate Change Edition of reinsurer Munich Re's Location Risk Intelligence software. It found that physical risks such as tropical cyclones and sea level rise are immaterial to GF's operations, whereas river flooding and precipitation posed a high risk to some operations. The percentages below refer to the proportion of GF's global production facilities that are exposed to a specific risk category.

Undefended River Flood

Undefended river flood describes the risk of flooding in areas where no flood protection systems or defense structures (such as dams) are in place. Under a 4°C scenario in 2050, the proportion of GF facilities that face high flood risks increases from 21% in 2021 to 28%. Although river flood can be experienced in all parts of the world, river flooding is a particularly strong hazard in the majority of all of GF's divisions' facilities in China.

Precipitation Stress Index

Due to global warming and rising ocean temperatures, air contains more moisture, which leads to an increase in heavy precipitation events. Heavy rainfall increases the risk of floods, which often leads to the destruction of infrastructure. The share of facilities with a high risk of heavy rain increases from 24% in 2021 to 28% in 2050 under a 4°C scenario. A strong impact is projected for facilities in China, Switzerland and the United States.

Fire Weather Stress Index

Wildfires are destructive hazards that can occur naturally or be caused by humans. Fires destroy vegetation and lead to the destruction of infrastructure and economic resources. No GF facilities are in the high-risk category, but the share of its medium-to-high-risk facilities increases from 12% in 2021 to 19% in 2050 under a 4°C scenario. All other sites face only minor hazards.

Drought Stress Index

Increasing temperatures combined with changes in precipitation patterns could cause drier weather conditions and more frequent and intense droughts that have severe economic, environmental, and social impacts. Bakersfield, CA (US) was identified as the only facility with a high drought risk, but the number of medium-risk facilities increases from 12% in 2021 to 31% in 2050 under a 4°C scenario.

Heat Stress Index

Global warming leads to increasing temperatures and more intense and frequent heatwaves. Heat stress affects humans, infrastructure, and ecosystems. Only 3% of GF facilities were in the high-risk range in 2021, but this increases to 10% in 2050 under a 4°C scenario. GF's projections show heat stress is of particular significance for all of its divisions' facilities in China.

Risk management

3.1 Describe the organization's processes for identifying and assessing climate-related risks

Risks identified at GF are based on a biannual risk mapping analysis and assessed for their likelihood of occurrence and potential impacts. Where possible and appropriate, the consequences of the identified risks are evaluated quantitatively, taking into consideration the frequency of consequences and any mitigation measures already implemented. Where not, risk exposure is assessed qualitatively. Risk consequences are then classified by their potential financial cost to the business:

- minor (less than CHF 10 million)
- major (between CHF 10 million and CHF 50 million)
- critical (between CHF 50 million and CHF 150 million)
- catastrophic (more than CHF 150 million)

The same classification is used for financial impacts arising from climate-related opportunities, albeit with different labels: minor, major, large and extreme. GF determines the potential overall impact of identified risks by combining their likelihood of occurrence with their potential financial cost and factoring in any other relevant concerns, such as reputational damage or legal impacts. Material impacts are evaluated based on a tiered system of threshold amounts, depending on the risk scope. Risks at the corporate, divisional and facility level have different sets of thresholds, since facilities vary in size.

In general, GF considers an impact to be substantive if:

- a catastrophic risk is possible, probable or likely
- a critical risk is probable or likely
- a major risk is likely

GF conducted a workshop in 2021 attended by experts from all three divisions, Corporate Risk Management and Corporate Sustainability. Its purpose was to define the main climate-related risks and opportunities and assess their possible impacts. The workshop considered impacts on GF's business activities that could result from the physical effects of climate change and transition risks such as political, technological, market and reputational developments. It also identified relevant climate-related opportunities resulting from resource efficiencies, energy sources, products and services, and market demands.

For more information, see:

+ CDP Climate Change, Questionnaire 2023, Georg Fischer, C2.1b/C2.2

In-depth analysis: Quantification of transitory risks and opportunities

In 2022, GF quantified financially its material transitory risks and opportunities and classified them as described above. This enables the company to prioritize defined climate-related risks and opportunities and compare their impact with that of other risk categories.

The security of the energy supply and energy prices are two risks deemed to have a major to critical financial impact. Some of GF's business is energy intensive, and energy costs are therefore critical. Although energy price fluctuations are normal, sustained higher prices would challenge GF's competitiveness. Analyses of historical energy prices, such as the IEA's Energy Prices Data Explorer, do not indicate any clear price trends. In 2022, for example, Europe experienced an unprecedented energy crisis due to Russia's war of aggression against Ukraine. The war's repercussions have caused energy prices to increase by more than 100%. An increase of just 25% would result in about CHF 17 million in additional costs for GF and thus constitute a critical financial impact.

The automotive industry is currently shifting to more sustainable forms of mobility, by transitioning from internal combustion engines (ICEs) to electric and other alternative drivetrains like fuel cells. For GF's Casting Solutions division, this will lead to a shift in automotive customers' demand. If consumers embrace alternative forms of mobility, the demand for products for ICE-powered vehicles will most likely decline, whereas the demand for new components for electric drivetrains will increase. GF quantified these changes using different scenarios for the period 2021 to 2030, which are based on governments' e-mobility targets or a net-zero world.

However, most of GF's automotive products are independent of a vehicle's drivetrain and hence not affected by the change in customer demand. The shift to e-mobility represents an attractive business opportunity for GF, offering it the possibility to contribute to the automotive industry's low-emission products, specifically products that propel the growth of e-mobility. GF Casting Solutions' long-standing expertise in lightweight design and functional integration is well-aligned with the trend toward sustainable mobility.

Financial quantification of risks and opportunities is GF's preferred approach. For some impacts, however, little data are available, and the assumptions made about them are therefore highly uncertain. In these cases, GF adopts a qualitative approach. One such example is the opportunity to diversify business activities, such as entering markets for sustainable products or expanding GF's position in such markets. These include e-mobility, lightweight products, carbon blades and hydrogen products.

Hydrogen is seen as a key energy carrier that can help propel the global energy transition. GF Piping Systems is continually evolving its solutions to support this growing industry along the entire hydrogen value chain, from production and storage to distribution and use. Its hydrogen expertise is founded on decades of experience in gas supply, industrial water treatment and the general transport of substances in multiple industrial applications. While the growing popularity of hydrogen presents numerous and promising opportunities, the pace of growth is still uncertain. It is therefore currently not possible to quantify these opportunities.

Transition risk	Impact on GF	Significance for GF	Financial impact
GHG price	Increasing energy and electricity usage costs decrease GF's competitiveness.	The potential costs of GF's carbon-neutral transition are being considered due to the diverse production facility locations and the fact it operates in different regulatory markets.	Major
Security of energy supply and prices	Fluctuations in energy prices and abrupt and unexpected shifts in energy costs	Some of GF's business is energy intensive. Consequently, energy costs are critical. Although energy price fluctuations are normal, sustained higher prices might negatively impact GF's competitiveness.	Minor-major
Regulations and taxes	Regulations on limits for GHG emissions and/or higher taxes on energy sources such as non-renewable electricity or fuels	Energy efficiency standards are already commonplace in all countries where GF has operations. However, it is anticipated that standards will continue to become stricter in the future.	Minor
Litigation	Involvement in litigations may result in higher costs and reputational damage.	GF can at times be involved in litigation, especially through its production facilities. Climate-related litigation is expected to increase, thus increasing GF's risk exposure.	Rather minor
Consumer preferences	Changes in demand, especially in products considered "unsustainable"	GF is a B2B manufacturer. The demand for its products depends on changing demand in various markets, such as can currently be observed in the automotive industry's transition from ICEs to e-mobility.	Major
Reduced capital availability	Due to the requirements of the EU taxonomy, the availability of capital is becoming increasingly dependent on a company's climate performance.	The GF product portfolio will be screened for eligibility for the EU taxonomy to indicate its contribution to the taxonomy's six environmental objectives. In addition, GF will identify the share of turnover contributing to socially or environmentally beneficial activities and how much of GF's operating expenses are devoted to it.	Minor
Energy transition	Research and development expenditures in new and alternative low-carbon technologies	One-quarter of GF's business is energy-intensive and requires a variety of energy sources to function. Switching to renewable energy will amount to a CAPEX investment of over CHF 52 million over the next five years to transition to lower-carbon energy sources.	Critical
Raw materials	Fluctuations in raw material prices as well as abrupt and unexpected shifts in raw material costs lead to unreliable supply chains.	GF is a manufacturer, and shifts in raw materials pose a significant risk for the company because they can impact supply chain stability. The increasing costs and scarcity of some raw materials may pose a risk to all three GF divisions.	Rather minor
Low-emissions sources of energy	Additional costs for buying renewable electricity	Renewable energy met 31% of GF's total energy consumption needs in 2022. Substituting electricity from fossil fuels with renewable sources will be a high priority for GF in the years ahead and will increase operating costs.	Minor

Opportunity	Impact on GF	Significance for GF	Financial impact
Modes of transportation	Being a manufacturer makes GF dependent on reliable transportation. GF launched an e-mobility policy in 2021 to transition its car fleet to an electrified fleet while also utilizing subsidies in selected markets.	As a manufacturer, GF depends on reliable transportation. GF launched an e-mobility policy in 2021 to transition its car fleet to an electrified fleet while also utilizing subsidies in selected markets.	Minor

Opportunity	Impact on GF	Significance for GF	Financial impact
Production and distribution processes	Efficiency gains in production processes and logistics	As a manufacturer using heavy machinery for production, there are many opportunities for efficiency gains across all divisions. For example, GF identified several opportunities to make its production capacity more energy-efficient by replacing extruders and molding machines with more economical units.	Major
Recycling	Purchase of alternative materials or reuse of existing materials	GF is currently embarking on a circular economy program that identifies products reusing materials from other processes, such as bio-based PVC. The program is currently being trialed in projects in the UK.	Rather minor
Low-emissions energy sources	Switching to renewable electricity and energy sources	Low-emissions energy sources and renewable electricity lead to reduced exposure in fossil fuel markets.	Minor-major
Carbon market	Participation in carbon market reduces exposure to GHG emissions.	Participation in carbon markets can reduce CO_2 emissions and generate income when CO_2 emissions are decreased.	Major-large
Consumer preferences	Attracting and retaining customers with preferences for low-emission products while gaining a competitive advantage.	Stronger demand for GF's sustainable products reflects consumers' low-emission preferences and leads to a more competitive market position, such as GF's hydrogen shipping project in the Netherlands or its lightweight components for the automotive industry.	Major to extreme
Ability to diversify business activities	Establishing a foothold and expanding GF's position in future-oriented markets for sustainable products	The development of new products and services leads to a diversification of the GF product portfolio and attracts new customer segments. Increasing demand for e-mobility products/lightweight products, new turbines and carbon blades diversify the GF product portfolio.	Rather large
Capital availability	Demands from investors in line with the EU taxonomy increase investment in companies with sustainable products.	The EU taxonomy's relevance is expected to increase in the future. GF believes EU taxonomy-aligned products will increase its attractiveness as an investment and lead to increased capital availability.	Minor-major
Resource substitutes or diversification	Increased supply chain reliability and the ability to maintain operation in various conditions	The diversification of GF's energy supply and the decentralization of its power generation increase supply chain reliability and improve flexibility in cases of natural disasters.	Rather major

3.2 Describe the organization's processes for managing climate-related risks

GF employs various tools to manage internal and external risks, including those directly related to climate change. For example, Thomson Reuters Accelus, an enterprise risk management (ERM) tool, is used at the corporate and facility/asset level and along the company's value chain to assess specific upstream and downstream risks. The assessment encompasses the systematic identification, evaluation and reporting of strategic, operational, financial, social, environmental and climate-related risks as well as the maintenance of commensurate insurance coverage. In 2023, GF initiated the selection process for a new risk management tool that can also incorporate climate-related risks. The implementation is underway, with rollout scheduled for 2024.

GF also identifies climate-related risks, particularly physical risks, using the afore mentioned Munich Re tool. In addition, GF's Corporate Sustainability team conducts independent research in collaboration with consulting firms.

For more information, see:

+ CDP Climate Change, Questionnaire 2023, Georg Fischer C2.2

3.3 Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management

Climate-related risks are integrated into GF's risk management system via its combined ERM process. The clear organization of climate activities and governance roles ensures that GF works efficiently and improves continually. In 2023, the company further aligned its on-site risk management process with the TCFD risk management process in order to adopt a single approach for all risk categories.

GF also defined a cycle of regular updates to ensure that its climate-risk assessment is updated on an ongoing basis. This will ensure the complete integration of climate-related risks and opportunities into GF's ERM system.

Metrics and targets

4.1 Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process

GF believes it must take great care to avoid potentially adverse environmental impacts and has identified "climate and energy" as one of its most relevant material topics. GF therefore intends to reduce GHG emissions across its value chain and decrease energy consumption throughout its global operations. In practical terms, this means improving energy efficiency, promoting the use of renewable energy sources, evaluating measures to self-generate renewable energy on-site and procuring renewable energy certificates.

In addition, GF assessed the environmental impact of its direct operations and found that waste generated during production is one of the largest components of its environmental footprint. Although the majority of GF's waste is non-hazardous, the company has a responsibility to minimize both hazardous and nonhazardous waste. GF therefore continually monitors waste-related KPIs and strives to implement circular economy principles wherever possible, including finding new and effective ways to reuse and recycle materials.

Water consumption at GF's manufacturing operations has a smaller impact on its environmental footprint than GHG emissions and waste generation, as most of its processes are not water intensive. Nonetheless, GF's latest materiality analysis indicated that sustainably managing its water footprint is a growing priority for its stakeholders and customers.

GF continued its quarterly sustainability reporting in 2023 (internally only) and, since October 2021, it has included specific references to its progress in reducing its CO_2e footprint. GF's quarterly reporting focuses on approximately 37 production facilities responsible for over 90% of its total CO_2e emissions (Scope 1 and 2).

For more information, see:

+ Sustainability Report 2023: Environmental performance indicators

4.2 Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and their related risks

In 1'000 tonnes of CO_2e emissions	2023	2022[1]	2021
Total CO_2e emissions (market-based approach)	1'596	1'836[2]	2'013[2]
Scope 1 (fuel-related energy consumption)	80	81	84
Scope 2 market-based (electricity and district heating from site-specific energy mix)	134	155	189
Scope 2 location-based (electricity and district heating from country grid)	266	269	293
Scope 3* total	1'382	1'600[2]	1'740[2]
Purchased goods and services	918	1'034[2]	1'214[2]
Energy and fuel-related activities	58	59	55
Upstream transportation and distribution	40	46	43
Business travel	6	4	2
Employee commuting	18	19	17
Downstream transportation and distribution	33	35	32
Processing of sold products	16	17	16
Use phase of sold products	281	373	349
End-of-life treatment of sold products	12	13	12

1 All FC 2022 data has now been updated with actual data, explanations to potential deviations of forecasted and actuals data are listed in the technical paper – environmental performance indicators.
2 In 2023, the accredited lifecycle database used for emission factors at GF adapted its methodology and included further emission sources. This led to a significant, increase in Scope 3.1 emissions; thus, it was decided to adapt historic emissions data accordingly and for this reason total GHG emissions have changed slightly.
* Four Scope 3 categories deemed to be irrelevant to GF are excluded: leased assets (both upstream and downstream), franchises and investments.

Scope 3 emissions data were calculated using a combination of methods for each category as prescribed by the GHG Protocol. Primary supplier data (if available) were used for those categories that contribute most to emissions, whereas secondary data were used for those activities that contribute least to emissions. For "purchased goods and services," supplier-specific data based on GHG inventory sources for raw materials were obtained. For the "use phase of sold products," activity data were used based on the electricity consumed during operating hours for each type of machine.

For more information, see:

+ Sustainability Report 2023: Environmental performance indicators

4.3 Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets

In October 2021, the GF Nomination and Sustainability Committee (NSC) approved a more ambitious science-based target aligned with the 1.5°C warming scenario. This target was validated by the Science Based Targets initiative (SBTi) in 2022. This means that GF's ambition level is aligned with the latest climate science and the IPCC's recommendation.

By 2026, GF commits to reducing its Scope 1 and 2 emissions by 30% in absolute terms. The company also commits to reducing its Scope 3 emissions from purchased goods and services and from the use of sold products by 34.6% per metric ton of processed material by 2030. Both targets are relative to 2019. These targets are fully aligned with the Paris Agreement to limit global warming to 1.5°C.

GF will reduce its Scope 3 emissions by working closely with its suppliers to implement dedicated CO_2e reduction measures and transition its energy portfolio to renewable energy. GF's product portfolio offers clear advantages to customers, as it provides numerous sustainable products that can help them reduce their CO_2e footprint. In addition, GF has set a target for its product portfolio to generate 70% of sales with social and environmental benefits by 2025 compared with 58% in 2020. For GF Piping Systems, this target includes replacing raw materials with bio-based alternatives, deploying automated flow solutions to reduce non-revenue water and maintaining leakage-free piping systems for the safe transport of water, gases and chemicals. GF Casting Solutions' focus remains on manufacturing lightweight mobility and energy components. For GF Machining Solutions, milling and electrical discharge machining (EDM) will become even more energy-efficient, and it will employ laser technology to replace hazardous chemical etching.

Another key step for GF in reducing its GHG impact is to increase energy efficiency across its operations. The company's leadership has prioritized this effort and supports all divisions in pursuing efficiency projects and upgrades. In 2023, GF implemented research and design initiatives to decrease energy consumption in manufacturing processes and incorporated energy efficiency measures in renovations and the constructions of facilities. The target is to have facilities compliant with ISO 50001 energy management. Other measures include proactive detection of compressed air leakage in machinery and installation of energy monitoring systems at numerous facilities. GF is currently also evaluating the implications of the SBTi's Net-Zero Standard of 28 October 2021, to assess the options and roadmap for setting a net-zero target. In 2023, GF's sustainability team conducted a net-zero feasibility study.

The goal of the study was to understand the feasibility of a net-zero ambition by evaluating the opportunities and challenges that GF is likely to encounter in striving to achieve net zero. As an engineering company, responsible, science-based and transparent communication is part of GF's DNA, and it thus wants to have a solid, vetted program in place before committing to the 30-year timeline needed to achieve net-zero emissions.

For more information, see:

+ Sustainability Report 2023: Climate and energy

In-depth display: Transition plan

GF has developed a detailed transition plan to meet the requirements of the Swiss Climate Ordinance. The plan describes the path toward achieving the company's climate targets and defines detailed action plans. As part of the SBTi process, GF evaluated measures to reduce its energy consumption and emissions and included them in the target achievement process. For the company's own operations for example, GF will decrease Scope 1 and 2 emissions by increasing its use of renewable energy, which requires investments in existing machines and infrastructure and further supporting self-generated renewable electricity. Furthermore, the processes that are currently powered by fossil fuels must be transformed so that they can be powered using renewable energy.

Because the company's three divisions operate in different business areas, the action plans are broken down to the divisional level and contain division-specific roadmaps. The aim is to enable GF to meet the individual challenges of each division's business model and define realistic measures to reduce carbon emissions. Feasibility studies helped GF set realistic yet ambitious targets.

For more information, see:

+ Sustainability Report 2023: Environment: Climate and resources, Climate and energy
+ CDP Climate Change, Questionnaire 2023, C3.1

Contacts

Nadine Gruber

Head Investor Relations & Enterprise Risk Management

Phone: +41 (0) 79 698 14 87
nadine.gruber@georgfischer.com

Beat Römer

Head Corporate Communications

Phone: +41 (0) 79 290 04 00
beat.roemer@georgfischer.com

Lindsay Zingg

Head Corporate Sustainability

Phone: +41 (0) 76 349 23 62
lindsay.zingg@georgfischer.com

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Disclaimer

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The Corporate Reports 2023 of GF are also available in German. In the event of any discrepancy, the English version shall prevail.

We thank our customers for their consent to publish the joint success stories.

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