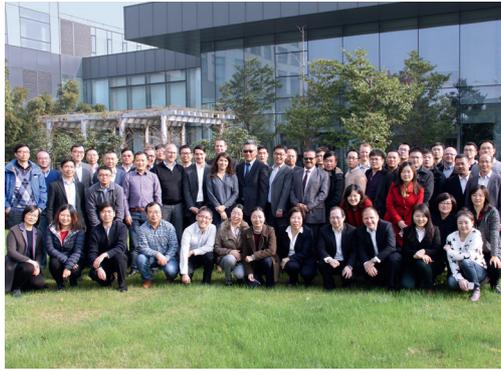


Sustainable
for you



Review 2016



Sustainability conferences in Europe and China

The sustainability targets 2016–2020 are an integral part of the GF Strategy 2020. In order to achieve these ambitious targets, the Sustainability strategy was revisited during 2016 in close collaboration with the divisions and companies on a global level. The goal was to raise awareness for certain topics, solicit input and provide the basis for the development of local action plans. Against this backdrop, sustainability conferences were held in Europe and in China with participation of nearly 90 sustainability specialists. The outcomes were a joint vision of how sustainability at GF should look like in the future and a clear action plan.

New Clean Water projects launched

Since 2002, GF has been supporting drinking water projects all over the world. In 2016, several projects were started in order to provide people in developing countries with an improved access to clean drinking water. In the context of the partnership with Caritas Switzerland, six new projects have been launched, including in Bangladesh and Ecuador.

Revolutionary system for efficient cooling of buildings

In 2016, GF Piping Systems successfully launched the revolutionary cooling system Cool-Fit 2.0. The pre-insulated, corrosion-free plastic piping system is perfectly suited for cooling of large buildings where special requirements apply in terms of safety and efficiency. The comprehensive system is for example being employed in the new assessment center of the University of Cambridge (UK). While the easy-to-install system helped to significantly shorten the construction time, once installed Cool-Fit 2.0 enables to considerably reduce the building's energy consumption.

Cool-Fit 2.0 – the revolution for efficient cooling: the solution is ideal for the transport of chilled water in buildings, in data centers, and for process cooling.



DRIVING SUSTAINABLE ECONOMICS

Again good position in CDP ranking

For the second time in a row, the CDP (Carbon Disclosure Project) has honored GF with the status of "Sector Leader Industry" in Germany, Austria, and Switzerland. According to CDP, GF is now positioned amongst the 13% of the top industrial companies in the DACH region. As a company ranked with a "B" score (scoring range A to F) by CDP, GF shows "above-average performance with regard to strategies and measures initiated to fight climate change".



For the new assessment center of the University of Cambridge (UK) energy efficiency is key. "The Triangle" will be finished in 2018. (Image: Cambridge Assessment Triangle Project Office).



CO₂-neutral plant in Sweden

GF Machining Solutions' System 3R production plant in Vällingby (Sweden) produces 100% CO₂ emission-free. The facility consists of a large machine shop with more than 40 machines as well as an assembly hall for automatic changers and robots. An in-house furnace completes the portfolio. The high-precision manufacturing requires a stable temperature with climate control, both in summer and winter. Despite these substantial electrical consumption requirements, the plant is CO₂-neutral. The electricity for power generation is derived exclusively from hydropower while heating comes from a heating plant that relies on wooden pellets as biomass.



Awards for sustainable products

GF places a high importance on collaborating closely with its customers. Areas focused on product development and innovation as well as the achievement of sustainability benefits. The awards that GF received in 2016 are a confirmation of the success of this strategy. GF Automotive, for example, was recognized at the Euroguss trade fair for the outstanding design and resource efficiency of its battery housing for electric cars.

Battery housing for e-mobility:
The lightweight component offers a high functional integration in one large part.

Facts and figures

The year 2016 marked the beginning of the implementation of the 2016–2020 sustainability targets which go hand in hand with GF's Strategy 2020.

The start of the implementation was accompanied by the publication of the targets in early 2016 and the subsequent internal alignment through conferences and an intensive internal dialogue on sustainability at all levels of the company. The results were a renewed vision on how social and environmental topics can be integrated into day-to-day operations as well as into product development and innovation. This dialogue will be continued in 2017 with an even stronger focus on engaging external stakeholders, in particular customers and suppliers.

Targets were set in the areas of Environment and Energy, People and Safety, Procurement and Logistics, and Product and Innovations. The 2016 data show that GF is well on track in terms of achieving the social targets. Regarding the environmental targets, further efforts are still needed.

Increased energy efficiency, focus on further efforts

The company's total CO₂ emissions amounted to 659'000 tonnes in 2016. Considering the organic sales growth of 3% adjusted for metal price effects, this reflects an increase in CO₂ emissions of 4% on a like-for-like basis compared to the previous year. GF's most energy- and CO₂-intensive division Automotive was able to decrease its overall CO₂ emissions by 2%. GF has developed action plans to intensify efforts to achieve

the emission reduction target of 10% by 2020 (compared to the 2013–15 average). While GF was able to decrease the amount of non-recyclable waste by 15%, further actions are required in the area of energy consumption. The overall increase of 4% in energy consumption is mainly due to the integration of acquired companies, most notably Georg Fischer Hakan Plastik in Turkey – on a like-for-like basis the increase was 0.5%. Therefore an increase in energy efficiency has been achieved taken into account the organic sales growth. Full implementation of GF standards in these companies in combination with additional energy consumption reduction measures will further strengthen the increase in energy efficiency.

Progress on achieving social targets

The number of employees has increased by 3% to 14'808. Of these, 17% are women. Almost 80% of GF employees benefitted from training and professional development opportunities, on average 2.6 days per employee. The company's overall accident rate increased slightly also mainly due to the integration of new entities that still need to adjust to GF safety standards. On a like-for-like basis the accident rate decreased by 10% to 28 accidents per 1'000 employees. The results of GF Automotive's "Zero Risk" safety campaign along with other measures led to a reduction of accidents in this division by 13% in comparison to 2015.

Employees worldwide

14'808

employees were employed in 33 countries.

Apprentices worldwide

540

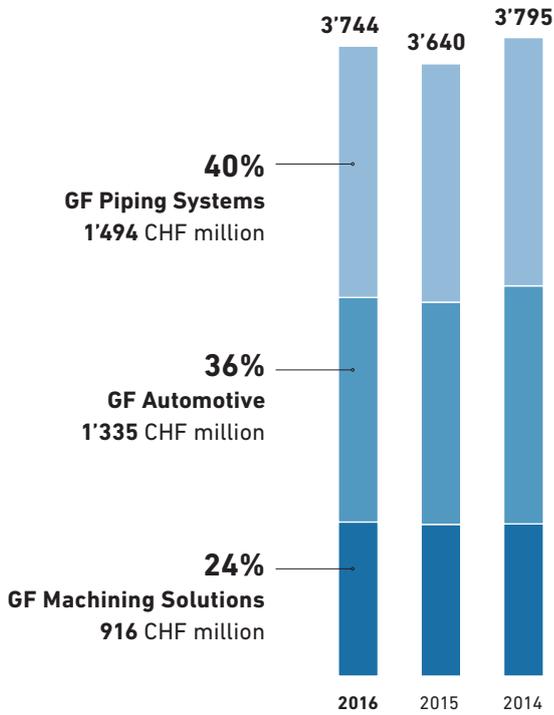
apprentices were trained in more than 30 professions.

Absence rate

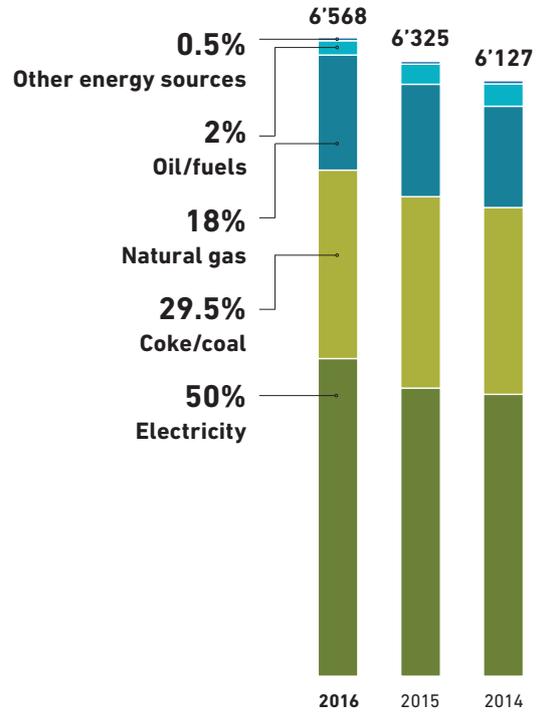
3.7%

of total working days counted as work- or non-work-related absences. This is a slight improvement over 2015.

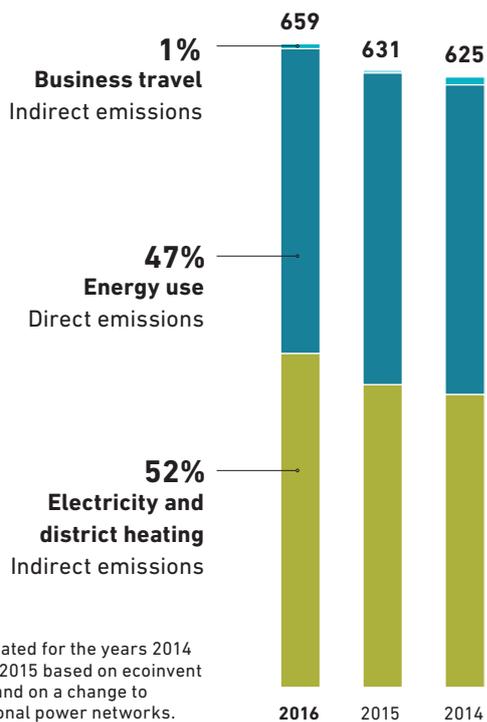
Sales
in CHF million



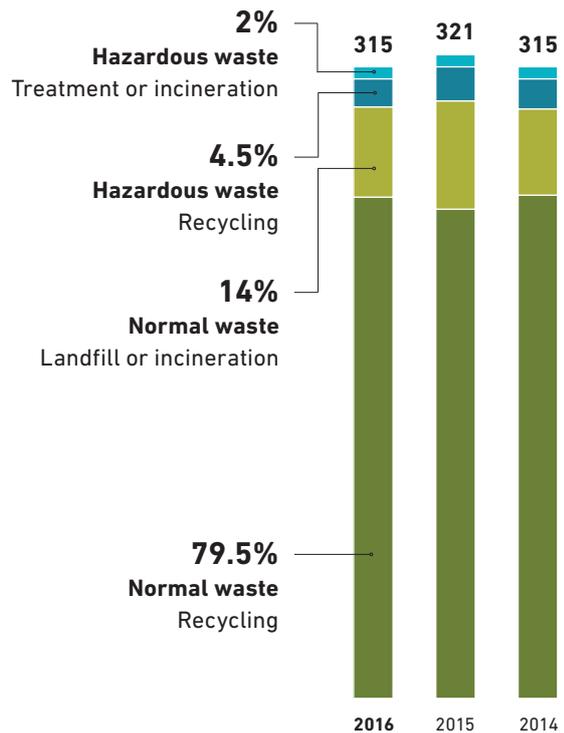
Energy consumption
in 1'000 gigajoules



CO₂ emissions*
in 1'000 tonnes



Waste and recycling
in 1'000 tonnes



* Restated for the years 2014 and 2015 based on ecoinvent 2.2 and on a change to national power networks.

Environmental performance indicators

	Unit	2016	2015*	2014*	2013	2012
Energy						
Total energy consumption	1'000 GJ	6'568	6'325	6'127	6'326	6'309
Electricity	1'000 GJ	3'268	2'964	2'900	3'015	2'957
Natural gas	1'000 GJ	1'184	1'156	1'042	1'195	1'200
Coke/coal	1'000 GJ	1'939	1'970	1'922	1'853	1'918
Oil/fuels	1'000 GJ	148	207	230	229	210
Other energy sources	1'000 GJ	29	28	32	34	24
CO₂ emissions*						
Total CO ₂ emissions	1'000 tonnes	659	631	625	713	713
Scope 1 (Direct emissions: energy consumption)	1'000 tonnes	312	319	317	250	250
Scope 2 (Indirect emissions: electricity and district heating)	1'000 tonnes	342	310	300	455	455
Scope 3 (Indirect emissions: business travel)	1'000 tonnes	5	2	8	8	8
Air emissions						
Nitrogen oxides (NO _x)	1'000 tonnes	1.63	1.49	1.47	1.35	1.33
Sulphur oxides (SO _x)	1'000 tonnes	4.13	3.76	3.72	2.62	2.65
Methane (CH ₄)	1'000 tonnes	2.10	1.90	1.83	1.04	0.98
Volatile organic compounds (VOC)	1'000 tonnes	0.31	0.30	0.33	0.18	0.18
Water and wastewater						
Total water consumption	1'000 m ³	2'859	2'926	2'749	2'841	2'835
City water from public supply	1'000 m ³	677	693	608	639	630
Cooling/industrial water from own supply	1'000 m ³	2'182	2'233	2'142	2'202	2'205
Wastewater volume	1'000 m ³	907	911	850	868	874
Waste and recycling						
Total waste	1'000 tonnes	315	321	315	324	314
Normal waste, recycling	1'000 tonnes	250	244	251	269	248
Normal waste, landfill, or incineration	1'000 tonnes	45	54	43	36	45
Hazardous waste	1'000 tonnes	20	23	21	19	21
Hazardous waste, recycling	1'000 tonnes	14	17	15	13	14
Hazardous waste, storage, or incineration	1'000 tonnes	6	6	6	6	7
Monetary values						
Expenditure for environmental protection	million CHF	16	16	14	14	20
Energy cost	million CHF	110	127	134	146	140
Water and wastewater costs	million CHF	3	3	3	4	3
Waste disposal costs and recycling credits	million CHF	8	7	9	8	5

The environmental performance indicators include all GF production companies.

* Restated for the years 2014 and 2015 based on ecoinvent 2.2 and on a change to national power networks.

Social performance indicators

	Unit	2016	2015	2014	2013	2012
Employees						
Headcount	Number	14'808	14'424	14'140	14'066	13'412
Female employees	Number	2'570	2'491	2'305	2'275	2'165
	%	17.4	17.3	16.3	16.3	16.1
Women on management boards	Number	91	76	74	73	75
	%	14.5	12.4	11.8	11.7	12.1
Departures, total	Number	1'790	1'435	1'642	1'692	1'363
Departures, unwanted by GF	Number	593	526	519	475	514
Employee fluctuation, total	%	12.0	9.9	11.6	12.1	10.2
Employee fluctuation, unwanted by GF	%	4.0	3.6	3.7	3.4	3.8
Part-time employees	Number	367	334	307	324	311
	%	2.5	2.3	2.2	2.3	2.3
Employees with disabilities	Number	295	277	279	264	247
	%	2.0	1.9	2.0	1.9	1.8
Employee surveys	Number of employees surveyed	1'300	8'000	7'400	6'700	6'500
	Number of companies	10	41	44	46	52
Investigated incidents of discrimination	Number	1	2	0	0	0
Training and professional development						
Training and professional development	Number of GF employees with training	11'900	11'900	10'900	10'700	11'000
	Number (% of total workforce)	80	83	77	76	82
Training days	Number	37'800	39'400	36'700	32'400	33'800
	Days per employee	2.6	2.7	2.6	2.3	2.5
Interns	Number	146	104	194	219	152
Apprentices	Number	540	509	506	476	455
Health and safety						
Work-related accidents involving injury	Number	468	449	543	627	675
Accident rate	per 1'000 employees	32	31	39	45	50
Fatalities, work-related	Number	0	1	1	6	0
Absence days due to work-related accidents or illness	Number	7'600	7'700	7'800	10'600	10'500
	Number (% of total working days)	0.21	0.23	0.24	0.32	0.33
Absence days, work-related and non-work-related	Number	136'000	124'000	124'000	139'000	146'000
	Number (% of total working days)	3.7	3.8	3.8	4.2	4.6
Community						
Order volume from workshops employing disabled people	CHF million	2.2	2.1	2.7	2.5	3.0
Charitable donations	CHF million	2.0	1.6	2.8	2.2	2.2

The social performance indicators include all GF companies with ten or more employees.

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Disclaimer

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