

# Compensation Report



Introduction	168
Compensation at a glance	169
Contents of the report	172
Compensation governance	173
Compensation structure	176
Compensation for the financial year 2024	184
Outlook	195
Report of the statutory auditor	196

# Introduction by the Chairwoman of the Compensation Committee

## Dear Shareholders,

In 2024, the key topic for the Compensation Committee was the integration of Uponor and in particular its impact on earnings per share (EPS), which is a key performance metric of the long-term incentive plan (LTI). For the first time, the performance period included Uponor's earnings, which were not part of the original targets.

The Board of Directors ensured that the LTI performance assessments were fair and transparent, adjusting for like-for-like comparisons. The Board of Directors also considered the perspectives of major investors and proxy advisors. Further details can be found in this report under [Performance in 2024](#).

Uponor's former CEO, Michael Rauterkus, joined GF's Executive Committee on 1 January 2024. Joost Geginat left the Executive Committee on 9 October 2024. Both developments, along with related compensation matters, are detailed on the following pages.

The Compensation Committee and the Board of Directors also reviewed the company's future strategic focus and its impact on compensation. This will in particular be reflected in the annual short-term incentive (STI). While the structure will remain unchanged, the type and weighting of relevant performance metrics for the 2025 STI for the Executive Committee will be adjusted to better reflect the company's evolving strategy. Further details can be found in the section [Outlook](#) of this report.

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.

At the start of our current strategic cycle (2021–2025), GF updated its compensation system to support the goals of Strategy 2025. Now, four years into the strategic cycle, the Compensation Committee is satisfied that the current system has created challenging goals that balance performance and sustainability. With the strategic cycle ending in 2025, the Committee will focus this year on refining compensation design to align with GF's new strategic direction as a Flow Solutions organization.

The entire Board of Directors looks forward to a productive dialogue with our shareholders and stakeholders, and is very appreciative of your valuable feedback and support.

Sincerely,



**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
<b>Basis fee</b>		
Board membership	CHF 100'000	2'500 shares
<b>Additional fees</b>		
Board chairmanship <sup>1</sup>	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	

<sup>1</sup> 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 2024

The compensation awarded to the Board of Directors for the period from the Annual Shareholders' Meeting 2023 to the Annual Shareholders' Meeting 2024 is within the limits approved by the shareholders:

Compensation period	Amount approved	Effective amount
2023-2024	CHF 3'600'000 <sup>1</sup>	CHF 2'959'000 <sup>2</sup>
2024-2025	CHF 3'600'000 <sup>1</sup>	n/a <sup>3</sup>

<sup>1</sup> Based on a share value of CHF 80.00.

<sup>2</sup> Based on a share value of CHF 61.10 for the period in 2023 and CHF 68.65 for the period in 2024.

<sup>3</sup> Compensation period not yet completed; a conclusive assessment will be provided in the Compensation Report 2025.

## Compensation for the Executive Committee

Compensation elements	Purpose	Vehicle	Period	Performance measure
<b>Fixed compensation</b>				
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			
<b>Variable compensation</b>				
Short-term incentive (STI)	Pay for annual performance based on GF's strategic targets	Cash	Annual	Organic sales growth EBIT margin (comparable) ROIC (comparable) 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 2024

#### Short-term incentive (STI)

Geopolitical tensions, the strong Swiss franc and the weak construction and automotive sectors in Europe contributed to the fact that the sales growth targets could not be achieved. A corporate-wide performance improvement program to lower the cost base made a significant contribution to achieving a respectable result in terms of profitability, however, achievement was significantly below target due to increased targets set for the reporting year. The sustainability targets and the individual targets for 2024, which include measures in connection with the strategic transformation of GF, were clearly exceeded. Despite the high level of commitment in these areas, the STI for 2024 is clearly below the previous year as well as below target. The STI payout for 2024 for the Executive Committee (incl. CEO) is based on target achievements in the range of 80.4% to 90.5% (target level = 100%).

#### Long-term incentive (LTI)

The vesting level of the LTI plan 2022 (performance period ended at the end of 2024) amounted to 150.0% for the EPS-related performance shares and 106.1% of target for the rTSR-related performance shares, resulting in an overall vesting level of 128.0% (target level = 100%). 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 on the following pages.

#### Compensation awarded for 2024

The compensation awarded to the Executive Committee (including the CEO) for 2024 is within the limits approved by the shareholders at the 2023 Annual Shareholders' Meeting:

Compensation period	Amount approved	Effective amount
2024	CHF 11'686'000	CHF 10'911'000

The ratio between fixed and awarded variable compensation in 2024 was as follows:

## CEO compensation for 2024

in CHF 1'000 <b>3'096</b>	<b>Fixed base salary</b>	<b>Short-term incentive</b>	<b>Long-term incentive</b>	<b>Benefits</b>
	31%	28%	28%	13%

## Executive Committee compensation (incl. CEO) for 2024

in CHF 1'000 <b>10'911</b>	<b>Fixed base salary</b>	<b>Short-term incentive</b>	<b>Long-term incentive</b>	<b>Benefits</b>	<b>Other</b>
	35%	22%	26%	13%	4%

## 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 2024 financial 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
- Compensation Committee
- Levels of authority
- Method used to determine compensation

## Compensation structure

### Compensation of the Board of Directors

- Compensation principles
- Compensation model
- Shareholding ownership guideline

### Compensation of the Executive Committee

- Compensation principles
- Compensation model
- Compensation mix and caps
- Fixed base salary
- Short-term incentive
- Long-term incentive (share-based compensation)
- Clawback and malus provisions
- Benefits
- Contractual terms
- Shareholding ownership guideline

## Compensation for the financial year 2024

- Board of Directors
- Executive Committee
- Performance in 2024
- Shareholdings of the members of the Board of Directors and of the Executive Committee
- Loans to members of the governing bodies
- Functions of the members of the Board of Directors
- Functions of the members of the Executive Committee
- Outlook
- Report of the statutory auditor



# 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 2024 Annual Shareholders' Meeting, Eveline Saupper (Chairwoman) and Michelle Wen were re-elected as members of the Compensation Committee. Former member Roger Michaelis was replaced by Annika Paasikivi, 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 2024, the Compensation Committee performed the following tasks:

- Conducted an update of the benchmark analysis prepared in 2022 for the compensation of the Board of Directors and, based on the outcomes, no adjustments were proposed to the Board of Directors;
- Conducted an update of the 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 2023 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 2024 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;
- Evaluated the performance of the LTI awards vested end 2023 against the objectives, and prepared a proposal for the Board of Directors on the long-term incentive to be allocated to the CEO and to the other members of the Executive Committee;
- Further observed and assessed the impacts of the Uponor acquisition on the ongoing compensation models;
- Reviewed the Compensation Report 2023 and prepared the compensation motions to be submitted for a vote at the 2024 Annual Shareholders' Meeting;
- Reviewed and discussed the voting results for the compensation-related motions at the 2024 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 2024.

The Compensation Committee convenes as often as necessary, but at least twice per year. In 2024, the Committee held four meetings of approximately two hours each, according to the schedule below:

**Overview of meeting schedule 2024**

January (26 January)	February (21 February)	July (11 July)	December (13 December)
Business performance 2023; approval of the STI 2023 (business and individual objectives) for CEO and EC	Approval of the LTI vesting at the end of 2023 and of the LTI 2024 grant	Analysis of the voting outcomes for compensation motions at the Annual Shareholders' Meeting	Review of compensation for the Board of Directors for the next compensation period
Target setting for the STI 2024 (business and individual objectives) for CEO and EC	Approval of the Compensation Report 2023	Discussion of the results of the meetings with proxy advisors and investors on compensation	Benchmarking of compensation for the CEO and EC members
Review of draft of the Compensation Report 2023	Determination of maximum amounts of compensation for the Board of Directors until the next Annual Shareholders' Meeting	Further assessment on impact of acquisitions on LTI compensation models	Review of target compensation for the CEO and EC members for the coming financial year; decision upon change of LTI grant amount for the CEO (for details, see Outlook section)
	Determination of maximum amounts of compensation for the EC for the financial year 2025	Evaluation of the inclusion of ESG elements in LTI compensation models	Review of proxy advisors' and investors' feedback on compensation
			Review of draft of the Compensation Report 2024

In 2024, 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 if 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 2024.

### 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

Responsibility	Fee	Restricted shares
<b>Basis fee</b>		
Board membership	CHF 100'000	2'500 shares
<b>Additional fees</b>		
Board chairmanship <sup>1</sup>	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	

<sup>1</sup> The Chairman of the Board of Directors is not eligible for additional committee fees.

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.

## 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 an update of the benchmarking analysis prepared in 2022 for the Board of Directors' compensation using the same approach as in prior years. The result confirmed that compensation structure and levels are in line with market practice. For 2024, there were no changes to the structure or level of Board of Directors' compensation. Consequently, the following compensation structure and levels continue to apply:

## 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 shareholder 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)
- Retention bonuses may be granted in consideration of special events and for a limited period of time, subject to ongoing employment

	Fixed compensation elements		Variable compensation elements	
	Fixed base salary	Benefits	STI performance 2024	LTI performance 2024
<b>Purpose</b>	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
<b>Drivers</b>	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
<b>Performance/ vesting period</b>	–	–	Year 2024	3 years Grant date: 1 January 2024 Vesting period: 2024–2026
<b>Blocking period</b>	–	–	–	Additional 2 years: 2027–2028
<b>Performance measures</b>	Skills, experience and performance of the individual	–	Organic sales growth EBIT margin (comparable) ROIC (comparable) Sustainability (ESG) Individual objectives (MBO)	All LTI-related awards depend on performance: 50% EPS, 50% rTSR  EPS-related achievement determination: Ø (EPS value years 2024, 2025, 2026) divided by Ø (EPS value years 2021, 2022, 2023)  rTSR-related achievement determination: Ø (ranking in 2024, 2025, 2026 of GF within the SMI MID)
<b>Delivery</b>	Monthly cash	Contributions to social security, pension and insurances	Cash, one-off payment in March 2025	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](#) for details about the peer group).

The compensation model of the Executive Committee remained unchanged in 2024 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 for the CEO and 90% of the amount of the annual fixed base salary for the other members of the Executive Committee;
- 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, 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;
- Special retention bonuses are not taken into consideration for the above overview because they do not form part of the regular annual compensation structure. In principle, however, special retention bonuses are taken into account within the limits of the maximum compensation amount approved by the shareholders.

### 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 <sup>1</sup>	Minimum <sup>1</sup>	Maximum <sup>1</sup>
CEO	100%	0%	150%
Other members of the Executive Committee	60%	0%	90%

<sup>1</sup> In percent of annual fixed base salary.

#### Business objectives for the STI

The business objectives include organic sales growth (excluding acquisitions and divestitures), EBIT margin and return on invested capital (ROIC) on a comparable basis. 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

The sustainability objectives are based on environmental, social and governance (ESG) criteria that are significant to the company and its stakeholders. These corporate sustainability goals are explicitly outlined in the sustainability roadmaps of the four divisions and are prominently featured in the objective-setting process of the Executive Committee.

Sustainability objectives are aligned with the targets of the Sustainability Framework 2025. The previous targets were adjusted for the impact of acquisitions. Additional information is available in section [Updating the Targets of the Sustainability Framework 2025](#) of the [Sustainability Statement](#).

The annual restated sustainability targets in the STI include:

- A product portfolio where 74% of sales (by the end of 2025) are derived from offerings with social or environmental benefits
- A 30% reduction (compared to 2019 baseline) in absolute CO<sub>2</sub>e emissions to help limit global warming to 1.5°C for Scope 1 and 2 emissions
- A 30% reduction (compared to 2019 baseline) in the accident rate (LTIFR), measured on divisional level

### 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 adaptations
- 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
<b>Business objectives</b>			
<b>Corporation level</b>	<b>65%</b>	<b>25%</b>	<b>65%</b>
Organic sales growth (30%)	19.5%	7.5%	19.5%
EBIT margin (comparable) (40%)	26.0%	10.0%	26.0%
ROIC (comparable) (30%)	19.5%	7.5%	19.5%
<b>Division level</b>		<b>40%</b>	
Organic sales growth (30%)		12.0%	
EBIT margin (comparable) (40%)		16.0%	
ROIC (comparable) (30%)		12.0%	
<b>Sustainability</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
ESG	10.0%	10.0%	10.0%
<b>Individual objectives</b>	<b>25%</b>	<b>25%</b>	<b>25%</b>
MBO	25.0%	25.0%	25.0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## 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 GF share closing price of the last 60 trading days of the previous year. For financial year 2024, the PS were granted on 1 January 2024. 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
	Target: 45% of ABS <sup>1</sup> Vesting: 0%-150%	Target: 45% of ABS <sup>1</sup> Vesting: 0%-150%	Target: 90% of ABS <sup>1</sup> Vesting: 0%-150%
CEO	Target: 30% of ABS <sup>1</sup> Vesting: 0%-150%	Target: 30% of ABS <sup>1</sup> Vesting: 0%-150%	Target: 60% of ABS <sup>1</sup> Vesting: 0%-150%
Other members of the Executive Committee	Target: 30% of ABS <sup>1</sup> Vesting: 0%-150%	Target: 30% of ABS <sup>1</sup> Vesting: 0%-150%	Target: 60% of ABS <sup>1</sup> Vesting: 0%-150%

<sup>1</sup> 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.

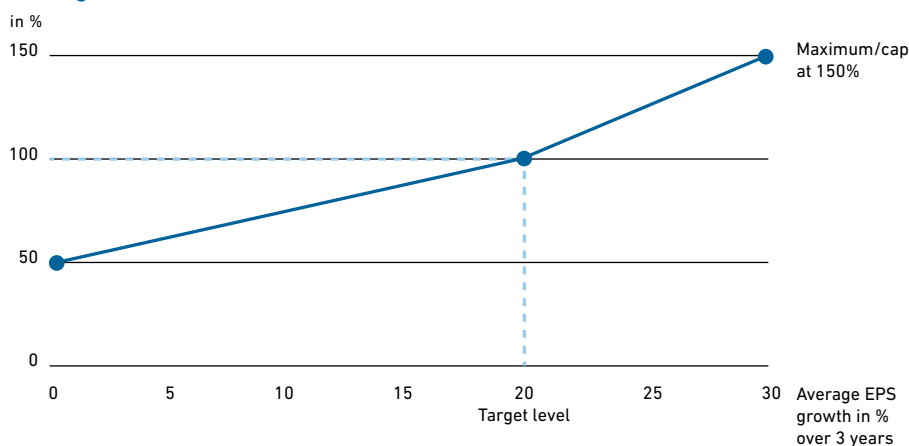
Both EPS and rTSR are measured separately. The vesting of the PS(EPS) cannot therefore be compensated by the vesting of PS(rTSR) and vice-versa.

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 30 trading days and ending value of the VWAP over 30 trading days. 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 a 2-year blocking period on vested shares	3 years Followed by a 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

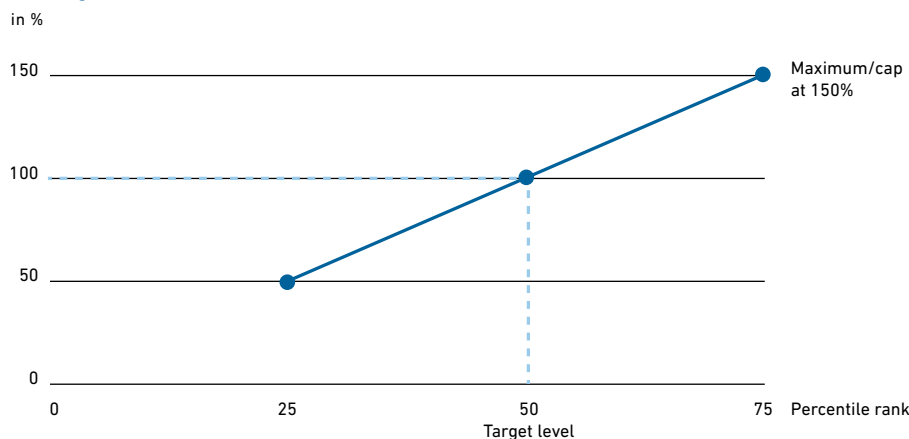
## Vesting curve earnings per share (EPS)

### Vesting



## Vesting curve relative total shareholder return (rTSR)

### Vesting





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 GF'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.

## 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 of 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 of 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 in such cases. 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.

GF allows the granting of special retention bonuses in extraordinary circumstances, for example in consideration of strategically relevant special projects, subject to ongoing employment, in order to ensure seamless and stable operations for a limited period of time. The possibility to grant additional special retention awards was used for the first time in 2024. Details are disclosed in the section Compensation of the members of the Executive Committee 2024.

## 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.



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# Compensation for the financial year 2024

Audited by PwC Switzerland

## Board of Directors

The members of the Board of Directors received cash compensation of CHF 1.362 million in the year under review (previous year: CHF 1.299 million). In addition, a total of 23'502 GF registered shares with a total market value of CHF 1.616 million were allocated (previous year: 24'566 GF shares with a market value of CHF 1.501 million). Together with other benefits, the total compensation paid to the Board of Directors in 2024 amounted to CHF 3.078 million (previous year: CHF 2.914 million).



## Compensation of the members of the Board of Directors 2024

	Cash compensation		Share-based compensation			Total compensation 2024 <sup>7</sup>	Total compensation 2023 <sup>7</sup>
	Basis fee	Committee fees	Number of shares	Share-based compensation <sup>5</sup>	Other benefits <sup>6</sup>		
<b>Yves Serra</b>	100	260	6'000	412	34	806	759
Chairman Board of Directors							
Chairman Nomination and Sustainability Committee							
<b>Eveline Saupper</b>	100	76	2'500	172	15	363	327
Vice-Chairman Board of Directors <sup>2</sup>							
Independent Lead Director <sup>2</sup>							
Chairwoman Compensation Committee							
<b>Hubert Achermann<sup>1</sup></b>	30	36	744	51	5	122	392
Vice-Chairman Board of Directors							
Independent Lead Director							
Chairman Audit Committee							
Member Nomination and Sustainability Committee							
<b>Riet Cadonau<sup>4</sup></b>							87
Member Compensation Committee							
<b>Peter Hackel</b>	100	30	2'500	172	15	317	297
Member Audit Committee							
<b>Roger Michaelis<sup>1</sup></b>	30	6	744	51	3	90	287
Member Compensation Committee							
<b>Annika Paasikivi<sup>2</sup></b>	70	14	1'757	121	0	205	
Member Compensation Committee							
<b>Stefan Räsamen<sup>2,3</sup></b>	70	70	1'757	121	13	274	
Chairman Audit Committee							
Member Nomination and Sustainability Committee							
<b>Ayano Senaha</b>	100	20	2'500	172	15	307	287
Member Nomination and Sustainability Committee							
<b>Jasmin Staiblin<sup>4</sup></b>							90
Member Audit Committee							
<b>Monica de Virgiliis</b>	100	30	2'500	172	0	302	197
Member Audit Committee <sup>2</sup>							
<b>Michelle Wen</b>	100	20	2'500	172	0	292	190
Member Compensation Committee <sup>2</sup>							
<b>Total</b>	<b>800</b>	<b>562</b>	<b>23'502</b>	<b>1'616</b>	<b>100</b>	<b>3'078</b>	<b>2'914</b>

All in CHF 1'000 and stated in gross amounts, except the "Number of shares" column.

1 Until 17 April 2024.

2 As of 18 April 2024.

3 Assumed role at the beginning of July 2024.

4 Former member of the Board of Directors until 19 April 2023.

5 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 30 December 2024, ie CHF 68.65.

6 Other benefits represent employer contributions to social insurance funds.

7 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 2024 was higher compared with the previous year, due to the higher value of the shares (CHF 68.65 on 30 December 2024 compared with CHF 61.10 on 29 December 2023). 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. The proportion of share-based compensation was reduced from the Annual Shareholders' Meeting 2023 onwards. As a result, less shares were allocated in 2024 compared to 2023. No changes to the compensation structure of the Board of Directors were implemented in 2024.

At the 2023 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 2023 Annual Shareholders' Meeting until the 2024 Annual Shareholders' Meeting. For this period, the effective compensation amounted to CHF 2.959 million (based on a share value of CHF 61.10 for the period in 2023 and CHF 68.65 for the period in 2024), and is thus within the approved limits.

At the 2024 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 2024 Annual Shareholders' Meeting until the 2025 Annual Shareholders' Meeting. This compensation period has therefore not yet been completed, and a conclusive assessment will be provided in the 2025 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.

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## Executive Committee

The members of the Executive Committee received cash, share-based compensation, social security and pension contributions amounting to CHF 10.911 million for the year under review (previous year: CHF 9.067 million), compared with a total amount of CHF 11.686 million approved by shareholders at the 2023 Annual Shareholders' Meeting.

Under the LTI plan, 52'710 performance shares with a total value at grant of CHF 2.843 million were granted to members of the Executive Committee for the year under review (previous year: 39'190 performance shares with a total value of CHF 2.200 million).

## Compensation of the members of the Executive Committee 2024

	Fixed base salary in cash	Short-term incentive (STI) in cash <sup>1</sup>	EPS-dependent performance shares PS(EPS) <sup>2</sup>	rTSR-dependent performance shares PS(rTSR) <sup>2</sup>	Share-based compensation (LTI) <sup>2</sup>	Social insurance funds <sup>3</sup>	Pension funds <sup>4</sup>	Other compensation <sup>5</sup>	Total compensation 2024 <sup>6</sup>	Total compensation 2023
Executive Committee <sup>7</sup>	3'796	2'399	26'355	26'355	2'843	429	1'002	442	10'911	9'067
Of whom										
Andreas Müller, CEO <sup>8</sup>	957	866	7'988	7'988	862	144	267	0	3'096	3'220

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. For amounts paid in euro, the exchange rate applied was EUR 1 to CHF 0.9526.

1 The STI is based on the STI plan. The STI for the 2024 financial year was approved by the Board of Directors on 20 February 2025. Payment will be made in March 2025.

2 The share-based compensation is based on the LTI plan. The number of PS granted corresponds to the target LTI amount divided by the average GF share closing price of the last 60 trading days prior to the grant date on 1 January 2024, ie CHF 53.94.

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 Other compensation includes a special retention bonus payment which was paid in 2024 in connection with the Uponor acquisition, as well as the pro-rata portion earned in 2024 for further special retention bonus grants in connection with the planned divestitures of two divisions at GF.

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 The Executive Committee consisted of six members for most of the year (previous year five members). As of 1 January 2024, the number of Executive Committee members increased by one, with one member leaving the Executive Committee on 9 October 2024. The remuneration for the fixed base salary and for the STI is recognized pro rata, whereas the grant amount for the LTI is considered in full for 2024.

8 Highest individual compensation.

In 2024, the total compensation for the CEO and the other members of the Executive Committee was higher than in 2023. The main reason for this is that the Executive Committee consisted of six members (previous year: five members) for most of the year. As of 1 January 2024, the number of Executive Committee members increased by one, with one member leaving the Executive Committee on 9 October 2024. The remuneration for the fixed base salary and for the STI is recognized pro rata, whereas the full grant amount for the LTI is considered for 2024.

- 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. 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 at target level) is slightly lower compared with the peer group;
- STI: In 2024, the STI target achievement of the Corporation and the divisions was lower compared with 2023. Geopolitical tensions, the strong Swiss franc and the weak construction and automotive sectors in Europe contributed to the fact that the sales growth targets could not be achieved. A corporate-wide performance improvement program to lower the cost base made a significant contribution to achieving a respectable result in terms of profitability, however, achievement was clearly below target due to increased targets set for the reporting year. The sustainability targets and the individual targets for 2024, which include measures in connection with the strategic transformation of GF, were clearly exceeded. Despite the high level of commitment in these areas, the STI for 2024 is significantly below the previous year as well as below target (see details in the section [Performance in 2024](#)). For the year under

review, the STI payout for the CEO was CHF 866'000 (STI for the CEO in 2023 was CHF 1'131'000) and CHF 2'399'000 for the Executive Committee (incl. CEO; STI for the Executive Committee incl. CEO in 2023 was CHF 2'665'000). The overall payout for the Executive Committee is based on target achievements in the range from 80.4% to 90.5% (96.4% to 122.1% in 2023);

- 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. Furthermore, this remuneration element includes the grant for six compared to five Executive Committee members the year before;
- Other compensation: Special retention bonuses were allocated in two cases and one retention bonus was paid in 2024 (there were no such compensation elements in 2023). In general terms, the size of the retention bonuses is approximately equal to one annual fixed base salary. Retention periods, during which the individuals have to remain employed in order to actually receive payment, range from 17 to 38 months. Actual payment is subject to ongoing employment through the planned payment date; no performance conditions apply. For the 2024 compensation report, the pro rata portion of the retention bonuses is included in the compensation table in this category. Michael Rauterkus, now a member of GF's Executive Committee, received a retention bonus grant under the previous owner in June 2023, when he was the CEO of Uponor. The main objective was to retain him at the company and to ensure continuity in leadership. As the grant was made before the acquisition, it was not relevant for GF's earlier annual reports. Payment was made 12 months after the closing of the acquisition, subject to ongoing employment and further conditions. Hence, a portion of the total payment is linked to the beneficiary's ongoing services since becoming a member of GF's Executive Committee on



1 January 2024. Consequently, the reported compensation for 2024 includes the pro-rata portion of the retention bonus for the part earned in 2024.

In connection with the planned divestment of the GF Machining Solutions and GF Casting Solutions divisions, retention bonuses were granted to the relevant Division Presidents, in order to ensure seamless and stable operations for a limited period of time (not subject to any performance conditions or to the actual success of the divestments). The reported remuneration of the Executive Committee for 2024 includes the pro rata amount of these retention bonuses earned in 2024.

- It should be noted that a significant portion of the social security payments of the employer to the Swiss social security system is a solidarity payment, as the individuals will never receive any return or benefit from these payments.

No compensation was paid to parties closely related to members of the Executive Committee.

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The ratio between fixed and awarded variable compensation in 2024 was as follows:

## CEO compensation for 2024

in CHF 1'000	<b>Fixed base salary</b> 31%	<b>Short-term incentive</b> 28%	<b>Long-term incentive</b> 28%	<b>Benefits</b> 13%
<b>3'096</b>				

## Executive Committee compensation (incl. CEO) for 2024

in CHF 1'000	<b>Fixed base salary</b> 35%	<b>Short-term incentive</b> 22%	<b>Long-term incentive</b> 26%	<b>Benefits</b> 13%	<b>Other</b> 4%
<b>10'911</b>					

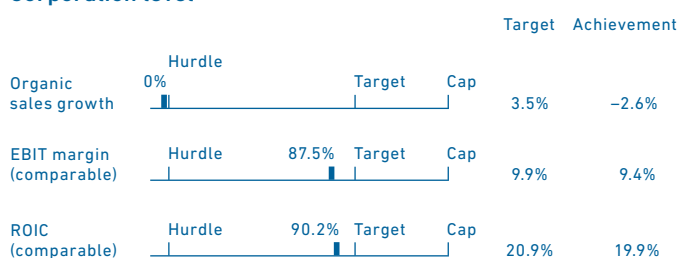


## Performance in 2024

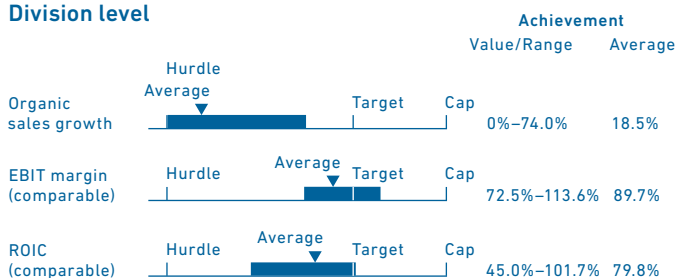
### Short-term incentive – Business objectives

The annual targets for the short-term incentive were derived from the five-year strategic goals, which envisaged sales of between CHF 5–5.5 billion (incl. acquisitions), an EBIT margin on a comparable basis in the range of 10% to 12% and a return on invested capital on a comparable basis of 20% to 24%. These strategic goals were adjusted at the beginning of 2024 with the inclusion of the acquired companies and serve as a reference 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



#### Division level



### Short-term incentive – Sustainability

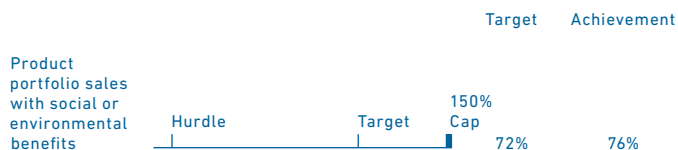
Sustainability initiatives were effectively executed throughout 2024, with GF Building Flow Solutions and GF Piping Systems Corys incorporated into the objectives and data-gathering processes. This integration is the primary rationale for the adjustment of certain targets. Additionally, the organization has once again made substantial advancements on its roadmap towards fulfilling its long-term objectives.

Scope 1 and 2 emissions have decreased significantly, surpassing the corporate targets set (adjusted for the impact of acquisitions) for 2024 by a significant margin.



Further details can be found in the section [Environmental performance indicators of the Sustainability Statement](#).

The corporate target regarding the product portfolio, which aimed for 72% of sales with social and environmental benefits (adjusted for the impact of acquisitions), has been surpassed.



Further details can be found in the section [Sustainable product portfolio of the Sustainability Statement](#).

In 2024, GF once again achieved outstanding performance ratings, which includes recognition in the DJSI Europe Index and an A rating in the CDP Climate assessment. Furthermore, significant progress has been made towards the objectives outlined in the Sustainability Framework. Additional information regarding these measures can be found in the Sustainability Statement.

GF exceeded its ambitious individual sustainability targets, achieving a range of 100.0% to 150.0% of the targets.



### Short-term incentive – Individual objectives

The Executive Committee exceeded the individual objectives set for 2024 and reached 130.5% of target on average. Key individual achievements include:

#### Strategic objectives

- Successful integration and further development of recently acquired businesses;
- Increase of businesses in resilient end markets;
- Development of new business segments;
- Successful preparation of divestment projects;
- Successful implementation of the activities on the roadmap for the strategic transition to become a provider of flow solutions.

#### 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.

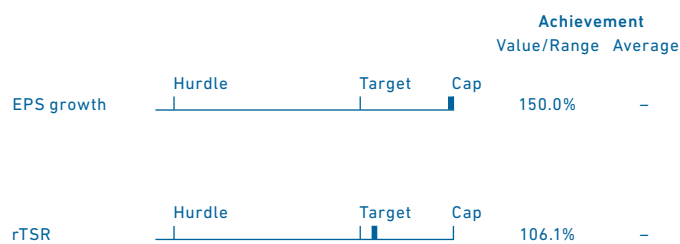






### Short-term incentive – Overall payout

The overall payout of the business, sustainability and individual objectives amounts to 80.4% to 90.5% of the target range for the Executive Committee (incl. CEO). No discretionary adjustments have been made.



### Long-term incentive vesting overview LTI 2022

The performance period for the LTI 2022 ended at the end of 2024. In 2023, GF acquired the Uponor Corporation. The impact of the acquisition on the net income is considered significant. As indicated in the previous Compensation Report and based on discussions with investors and proxy advisors, the vesting mechanism of the LTI program remains unchanged. However, considering that the LTI performance conditions require a comparison of the EPS performance measure before and at the end of the relevant performance period, the Board of Directors ensures that the EPS performance measure is considered on a like-for-like basis, based on comparable underlying financial numbers.

The effects of the acquisition of Uponor are taken into account in the comparison period for the same period in which the acquired company is included in the vesting period of the LTI program. As the acquired Uponor corporation is included for the first time from beginning 2024 (1 year), the LTI plan vesting end of 2024 therefore takes into account one year of the comparable performance metrics in the comparison period as well. Therefore, Uponor’s net income was added to the EPS performance measure for 2021 in the comparison period, divided by the number of GF shares outstanding.

For 2024, the EPS performance measure was adjusted for acquisition-related cost, acquisition-related purchase price allocation effects and their corresponding tax effects. The adjusted EPS in 2024 was CHF 3.44 instead of CHF 2.61 prior to adjustment.

### Performance period

(Average)

2022 GF (as reported)	2023 GF (as reported)	2024 GF incl. acquired businesses, adjusted for acquisition-related effects
2019 GF (as reported)	2020 GF (as reported)	2021 GF plus Uponor

### Comparison period

(Average)

The EPS performance measure calculated based on the average EPS in the years 2022, 2023, 2024 (performance period) and the average EPS in 2019, 2020, 2021 (comparison period), resulted in a growth ratio of 31.2%, which corresponds to a vesting level of 150.0%.

In terms of rTSR performance, GF ranked at 40.7<sup>th</sup> for 2022, at 48.1<sup>th</sup> for 2023 and at 70.3<sup>th</sup> for 2024 in the SMI MID. The rTSR average percentile ranking of GF in 2022, 2023 and 2024 (performance period) in the SMI MID was 53.0% (GF outperformed 53.0% of peers) and resulted in a vesting level of 106.1% of target.

This resulted in an overall vesting level of 128.0%.



Audited by PwC Switzerland

## Shareholdings of the members of the Board of Directors and of the Executive Committee

As of 31 December 2024, a total of 395'219 shares (previous year: 375'576 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	31.12.2024	31.12.2023
Yves Serra	Chairman Board of Directors	198'700	192'700
Eveline Saupper	Vice Chairman Board of Directors <sup>2</sup> Independent Lead Director <sup>2</sup>	38'492	35'992
Hubert Achermann <sup>1</sup>	Vice Chairman Board of Directors Independent Lead Director		23'432
Peter Hackel	Member	13'292	10'792
Roger Michaelis <sup>1</sup>	Member		34'772
Annika Paasikivi <sup>2</sup>	Member	1'757	
Stefan Räsamen <sup>2,3</sup>	Member	1'757	
Ayano Senaha	Member	7'236	4'736
Monica de Virgiliis	Member	4'244	1'744
Michelle Wen	Member	4'244	1'744
<b>Total Board of Directors</b>		<b>269'722</b>	<b>305'912</b>

1 Until 17 April 2024.

2 As of 18 April 2024.

3 Assumed role at the beginning of July 2024.

Member	Function	31.12.2024	31.12.2023
Andreas Müller	CEO and President of GF Piping Systems (a. i.)	49'679	21'925
Mads Joergensen	CFO	25'641	11'101
Michael Rauterkus <sup>1</sup>	President of GF Building Flow Solutions	13'450	
Joost Geginat <sup>2</sup>	Former President of GF Piping Systems		15'689
Carlos Vasto	President of GF Casting Solutions	21'037	6'549
Ivan Filisetti	President of GF Machining Solutions	15'690	14'400
<b>Total Executive Committee</b>		<b>125'497</b>	<b>69'664</b>

1 Joined the Executive Committee on 1 January 2024.

2 Left the Executive Committee on 9 October 2024.

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. GF 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 2024, 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

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### Further professional activities and functions

Chairman of the Board of Directors of Stäubli Holding AG; member of the Board of BNP Paribas Switzerland (both Switzerland); Advisor Sustainability Committee of Recruit Holdings and of Asset Management One, Tokyo (both Japan)

**Eveline Saupper**  
Vice Chairwoman and Independent Lead Director

### Current professional activities and involvement in governing bodies of other listed corporations

Member of the Board of Directors of Clariant AG and Forbo Holding AG (both 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 Val Surses Savognin Bivio AG; Chairwoman of Mentex Holding AG; member of the Board of Trustees of Foundation Piz Mitgel Val Surses (all Switzerland)

**Peter Hackel**  
Member of the Board of Directors

### Current professional activities and involvement in governing bodies of other listed corporations

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### Further professional activities and functions

Board member of the Association of Swiss CFOs (Switzerland)

**Annika Paasikivi**  
Member of the Board of Directors

### 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 (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) (Finland)

**Stefan Räbsamen**  
Member of the Board of Directors

### Current professional activities and involvement in governing bodies of other listed corporations

Member of the Supervisory Board and Member of the Audit Committee, Takkt AG (since 2024) (Germany)

### Further professional activities and functions

Independent Director in private investment entities under the administration of Golden Arc, Inc., New York (since 2024) (USA); Member of the Foundation Board, Stars – for Leaders of the Next Generation, Weinfelden and Member of the Executive Board, Zürcher Handelskammer (both since 2019) (both 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, USA; Director of Glassdoor Inc; Non-Executive Board of RGF Staffing B.V. Almere, Netherlands

### Further professional activities and functions

Director, AI Governance Association (as voluntary organization since 2023 and as General Incorporated Association since 2024)

**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)

### 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

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### Further professional activities and functions

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## Functions of the members of the Executive Committee

### Andreas Müller

Chief Executive Officer, CEO and President of GF Piping Systems (a.i.) as of 11 October 2024

#### Current professional activities and involvement in governing bodies of other listed corporations

CEO of Georg Fischer AG (since 2019); President of GF Piping Systems (a.i.) as of 11 October 2024

#### 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 the 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

### Michael Rauterkus

President of GF Building Flow Solutions

#### Current professional activities and involvement in governing bodies of other listed corporations

President of GF Building Flow Solutions (since 2024); Chairman of the Advisory Board of SLV GmbH (since 2017); Board Director of AB Electrolux since 2024

#### Further professional activities and functions

Board member of Climate Leadership Coalition (since 2024)

### Carlos Vasto

President of GF 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

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### Ivan Filisetti

President of 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

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# Outlook

The Board of Directors decided to increase the target LTI amount for the CEO from 90% to 100% of the annual fixed base salary with effect from 2025. The annual fixed base salary was not changed from 2024 to 2025. The target LTI amount was previously lower than the STI target amount, which raised conceptual concerns for institutional investors in the discussion of the compensation report 2023. No changes were made to the target LTI amounts of other members of the Executive Committee.

In the course of 2024, the Compensation Committee and the Board of Directors also looked into the company's future strategic focus and decided that the STI should place greater focus on the Flow Solutions business going forward. The STI weighting will therefore be shifted from the previous "Corporate" level to the newly defined "Flow Solutions" level, containing the GF Piping Systems (GFPS) and GF Building Flow Solutions (GFBFS) divisions, where GF's strategic focus lies. The general structure of the STI remains unchanged. The CEO and CFO, as well as the Division Presidents will have a strong "Flow Solutions" metric and weighting in their 2025 STI. Division Presidents for GF Casting Solutions (GFCS) and GF Machining Solutions (GFMS) will have division-specific KPIs and weightings as shown in this overview:

	Division President		
	CEO & CFO	GFPS & GFBFS	GFCS & GFMS
<b>Business objectives</b>			
<b>Flow solutions (PS &amp; BFS only)</b>	<b>65.0%</b>	<b>25.0%</b>	<b>-</b>
Organic sales growth (30%)	19.5%	7.5%	-
EBIT margin (comparable) (40%)	26.0%	10.0%	-
ROIC (comparable) (30%)	19.5%	7.5%	-
<b>Division level</b>	<b>-</b>	<b>40%</b>	<b>65.0%</b>
Organic sales growth (30%)	-	12.0%	19.5%
EBIT margin (comparable) (40%)	-	16.0%	26.0%
ROIC (comparable) (30%)	-	12.0%	19.5%
<b>Sustainability</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>
<b>Individual</b>	<b>25.0%</b>	<b>25.0%</b>	<b>25.0%</b>

As the strategic cycle ends in 2025, the Compensation Committee will review the current compensation design in 2025 in order to adapt it to the new strategic cycle, particularly in connection with GF's new strategic direction.



## Report of the statutory auditor to the General Meeting of Georg Fischer AG, Schaffhausen

### Opinion

We have audited the compensation report of Georg Fischer AG (the Company) for the year ended 31 December 2024. The audit was limited to the information pursuant to article 734a-734f CO in the tables marked 'Audited by PwC Switzerland' on pages 184 to 188 and pages 192 to 194 of the compensation report.

In our opinion, the information pursuant to article 734a-734f CO in the accompanying 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' 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 charged with structuring the remuneration principles and specifying the individual remuneration components.

### 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 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:

PricewaterhouseCoopers AG, Birchstrasse 160, 8050 Zürich  
Telefon: +41 58 792 44 00, [www.pwc.ch](http://www.pwc.ch)

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- 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

Beat Inauen  
Licensed audit expert  
Auditor in charge

Tobias Handschin  
Licensed audit expert

Zürich, 24 February 2025