





## Sustainability Targets 2020 – our progress

### Products and innovations

Modules and targets	Targets 2020	Level of achievement	Progress status (year-end 2017)
<b>Product responsibility</b> GF products support the customer in saving energy and reducing CO <sub>2</sub> -emissions during use of products.	GF provides CO <sub>2</sub> -efficient and safe products to the customer.		All divisions place a strong focus on innovation and continuously work on developing new solutions that provide CO <sub>2</sub> -efficiency benefits to our customers. Detailed examples of such products can be found in the section "Products and innovation" of this report.
<b>Ecodesign</b> GF products are optimized with regard to their environmental friendliness, resource efficiency, and durability.	Systematic introduction of ecodesign measures in product development in order to promote energy- and resource-efficient products. Each division monitors its environmentally friendly products, which enable reduced energy consumption and/or CO <sub>2</sub> -emissions.  GF Piping Systems optimizes its products regarding their environmental friendliness, resource efficiency, and durability.  GF Casting Solutions focuses on bionic design and lightweight construction.  GF Machining Solutions joins the Blue Competence Initiative and reduces the average energy consumption by 15% for milling machines and by 20% for EDM machines.		While there is continuous room for improvement (e.g. in optimizing the choice of materials that are used in the products to facilitate their re-purposing at the end-of-life phase), the company is already on a good track with regard to the range of environmentally friendly products and solutions it offers. All divisions have made a commitment to increasing focus on the sustainability of their offering and to positioning it as such for their respective customer segments.  GF Machining Solutions has joined the Blue Competence Initiative and made a commitment that the portfolio of all GF Machining Solutions machines sold by 2020 will have reduced average energy consumption during usage as per defined targets. To this effect, a multi-technology team was created and investments were made to create a necessary measurement infrastructure. The machines will be measured and compared, with initial results being expected in Q3 2018.

### Procurement and logistics

Modules and targets	Targets 2020	Level of achievement	Progress status (year-end 2017)
<b>Procurement</b> GF suppliers demonstrably comply with GF's Supplier Code for eco-friendly and socially responsible supply.	All key suppliers have signed the GF Supplier Code.  Systematically integrate sustainability aspects into supplier audits. At least ten audits focused on sustainability are carried out every year per division.		In 2017, the majority of GF suppliers signed the Code of Conduct. Therefore the target is on track to being achieved.
<b>Logistics</b> GF optimizes its logistics with regard to energy consumption, emissions, and packaging.	Systematically measure and analyze key transport and environmental figures together with the most important transport service providers in Europe.  Define and implement improvement measures together with transport service providers.		Supplier audits do not yet systematically incorporate social and environmental criteria. Development of detailed criteria relevant to specific commodity groups is on the agenda of GF for 2018, with subsequent audits to follow.  GF works closely with its logistics partners to evaluate and implement improvement measures. Therefore, target achievement was on track in 2017.

Reduce GF product deliveries by air freight by 20% worldwide.







Efforts are being made to continuously decrease the share of air freight. In 2017, we saw an increase, however, due to the closure of one of our GF Piping Systems warehouses in China, complemented by an increase in production volume. Concrete strategic measures are being discussed to shift the transportation of products to rail and sea freight whenever possible.

## People and safety

Modules and targets	Targets 2020	Level of achievement	Progress status (year-end 2017)
<b>Accidents at work</b> GF strives to reduce its severe accidents to zero and to reduce the accident rate by at least 20% in every division by the end of 2020.	Zero severe accidents <sup>1</sup>		While the number and rate of accidents decreased over the last years because of the strong push of the Zero Risk campaign, 38 severe accidents occurred in 2017. Therefore, further efforts are needed to continuously reduce the probability of such cases.
	Reduce accident rate by 20%		Accident rate reduced by 35% from the baseline of 25.0 to 15.9 accidents per one million working hours in 2017 – significantly below the target rate for 2017 and even the one for 2020. Therefore, the target has been achieved but we need to make sure we continue to be vigilant about ensuring the culture of safety.
	All companies comply with GF safety standards		The GF safety audits will start in the majority of companies in 2018. We consider the target achievement to be on track.
<b>Safety audits</b> GF regularly conducts cross-site safety audits in order to constantly improve its safety culture.	Cross-site safety audits are performed per production plant and warehouse at least once a year		In 2017, the focus was on planning the audits and providing training for the auditors. GF Machining Solutions already conducted safety audits in every production plant. Therefore, target achievement is on track.
	<b>Employer responsibility</b> GF strives to be an attractive employer to be able to attract talents, retain our performing employees, and develop our workforce. Furthermore, GF acts as a respectful and socially responsible employer.	Be recognized in our industry as an attractive employer	
	Fill 70% of vacant leadership positions with internal candidates		The various professional development programs implemented by GF created a stable base within the company. GF filled 62% of vacancies in management in the period 2016–2017 with internal candidates. As of the end of 2017, 75% of all senior management positions came from within the GF ranks.
	Take actions to increase and promote diversity relative to gender, age, and origin		In June 2017, GF introduced a new and progressive policy for its employees in Switzerland, whereby the company offers parents of newborns three additional weeks of parental leave. This policy and other measures also facilitate the easier return of women to work after maternity leave.
<b>Absences</b> GF strives to lower the absence rate by implementing supportive measures.	Reduce absence rate by 10% across the organization		The absence rate decreased in 2017 very slightly to 4.02% as compared to 4.09% in 2016, with a total reduction of 5% against the baseline of 4.41%. We are on track to reach the absence reduction target by 2020.

1 Work-related accidents with injuries of GF employees and third party employees which cause at least 24 hours of hospitalization and need medical treatment.

## Environment and energy

Modules and targets	Targets 2020	Level of achievement	Progress status (year-end 2017)
<b>Energy</b> GF production companies actively apply energy efficiency measures and define local targets in order to realize the Corporate goal of increasing energy efficiency by 10% in every division by the end of 2020.	Increase energy efficiency by 10%		On the Group level, energy efficiency was above the expected target line (at 106 vs expected 104), but we observed a slight decrease from the 2016 level (108). As a strategic step, in 2017, several sites of GF Casting Solutions installed and ramped up new production equipment. The initial setup and testing of these machines ran in parallel to normal operations, thus leading to increased energy consumption. The old equipment will be decommissioned, and the new machines are expected to deliver efficiencies of up to 20% in the mid-term. The performance of GF Casting Solutions is decisive for that of GF as a whole, and ramping up of efficiencies of the new equipment and other facilities will be the focus for the division to meet the 2020 target for the Corporation.
<b>CO<sub>2</sub>e</b> GF strives to reduce its CO <sub>2</sub> e emissions from production by at least 10% in every division by the end of 2020.	Reduce CO <sub>2</sub> e emissions by 10%		In 2017, CO <sub>2</sub> e intensity was slightly above the target line (at 98 vs expected 96) being strongly influenced by the development of energy use. Systematic efforts will be made to reach the set CO <sub>2</sub> e reduction target by 2020.
<b>Materials and waste</b> GF strives to reduce its non-recycled waste from production by at least 10%.	Reduce non-recycled waste by 10%		In 2017, non-recycled waste intensity declined by over 17% as compared to the baseline. The result was achieved mainly because of the high recycling rates of GF Casting Solutions' production sites. For the years to come, we need to ensure that we continue this positive trend and try to increase the proportion of reused materials even further (even in cases of production volume growth).
<b>Water</b> GF strives to reduce its fresh water consumption in water-scarce and -stressed areas by at least 10% by volume in every division by the end of 2020.	Reduce fresh water consumption in water-scarce and -stressed areas by 10%		The six production sites in water-stressed and water-scarce areas decreased their water consumption according to the target achievement path. Therefore, we are on track to meet the 2020 target.