



# Sustainability Targets 2020

In 2019 GF achieved substantial progress towards achieving the Sustainability Targets 2020.

# Products and innovations

Modules and targets	Targets 2020	Level of achievement	Progress status (year-end 2019)
<p><b>Product responsibility</b> GF products support the customer in saving energy and reducing CO<sub>2</sub>-emissions during its use phase.</p>	<p>GF provides CO<sub>2</sub>-efficient and safe products to the customer.</p>		<p>All divisions place a strong focus on innovation and continuously work on developing new solutions that provide social (e.g. hygiene) and/or environmental (e.g. energy efficiency, CO<sub>2</sub> reduction, etc.) benefits to the customers.</p>
<p><b>Eco-design</b> GF products are optimized with regard to their environmental friendliness, resource efficiency, and durability.</p>	<p>Systematic introduction of ecodesign measures in product development in order to promote energy- and resource-efficient products.</p> <p>Each division monitors its environmentally friendly products, which enable reduced energy consumption and/or CO<sub>2</sub>-emissions.</p> <p>GF Piping Systems optimizes its products regarding their environmental friendliness, resource efficiency, and durability.</p> <p>GF Casting Solutions focuses on bionic design and lightweight construction.</p> <p>GF Machining Solutions joins the Blue Competence Initiative and reduces average energy consumption by 15% for Milling machines and by 20% for EDM machines.</p>		<p>GF's products and solutions offer a variety of social and environmental benefits to its customers and end consumers. In 2019, 54% of GF's sales were attributed to products with such features. All divisions are committed to deepening the focus on sustainability of their products and solutions with collaboration across the value chain.</p> <p>GF Piping Systems introduced questions on the expected sustainability benefits of their products into the targeted customer interviews conducted by the division to ensure best value added in product and solution development.</p> <p>As a participant of the Blue Competence initiative, GF Machining Solutions continued developing eco-design features across its entire product range with specific focus on increasing energy efficiency of its machines during customer usage.</p>

# Procurement and logistics

Modules and targets	Targets 2020	Level of achievement	Progress status (year-end 2019)
<p><b>Procurement</b> GF suppliers demonstrably comply with GF's Code for Business Partners for eco-friendly and socially responsible supply.</p>	<p>All key suppliers have signed the GF Code for Business Partners.</p>		<p>As of the end of 2019, the majority of GF's key suppliers had signed the Code for Business Partners. The target is on track to be achieved.</p>
	<p>Systematically integrate sustainability aspects into supplier audits. At least ten audits focused on sustainability are carried out every year per division.</p>		<p>During 2019, GF defined a high-level approach on how to systematically address sustainability aspects in its supply chain. Further details will be defined during the course of 2020. A number of pilot sustainability audits of suppliers were conducted during 2019 with lessons learned translated into a broader rollout program.</p>
<p><b>Logistics</b> GF optimizes its logistics in terms of energy consumption, emissions, and packaging.</p>	<p>Systematically measure and analyze key transport and environmental figures together with the most important transport service providers in Europe.</p>		<p>GF works closely with its logistics partners to evaluate and implement improvement measures. In 2019, the logistics teams of GF Piping Systems and GF Machining Solutions took steps toward gaining better transparency on the environmental footprint of the logistics network in areas where GF has a possibility for influence.</p>
	<p>Define and implement improvement measures together with transport service providers.</p> <p>Reduce GF product deliveries by air freight by 20% worldwide.</p>		<p>Efforts are taken to continuously decrease the share of transportation by air. In 2019, the measures implemented by GF Piping Systems resulted in a 20% reduction of air freight shipments (by switching to sea freight). Both GF Piping Systems and GF Machining Solutions initiated tracking of the CO<sub>2</sub> footprint of their logistics networks.</p>

# People and safety

Modules and targets <sup>1,2</sup>	Targets 2020	Level of achievement	Progress status (year-end 2019)
<b>Accidents at work</b> GF strives to reduce its severe accidents to zero and bring down the accident rate by at least 20% in every division by the end of 2020.	Zero severe accidents		As a result of continuous efforts to reduce the work-related accidents in the last two years, a continuous reduction in the number of severe injuries was observed. In 2019, 16 severe accidents occurred compared to 24 in 2018 (i.e. a 33% reduction).
	Reduce accident rate by 20%		After a slight increase in 2018, the accident rate was reduced by 30% from the baseline of 14.3 to 10.1 accidents per one million working hours in 2019 – significantly below the set target rate. Efforts to establish a safety culture at GF will remain a high priority in the years to come.
	All companies comply with GF safety standards		As accidents still happen, GF is conscious of further measures needed to ensure compliance with its safety standards. The GF Safety Standards were revised during 2019 and provide up-to-date occupational health and safety information that serves to help GF locations to create safe and secure conditions for all employees and visitors.
<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 2019, as in the previous two years, safety audits were conducted at most of the production locations of GF. The learnings of the assessments were analyzed and improvements were put in place.
	<b>Employer responsibility</b> GF strives to be an attractive employer to be able to attract talents, retain our high-performing employees, and develop our workforce. Furthermore, GF acts as a respectful and socially responsible employer.	GF recognized in its 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 2016–2019 with internal candidates. As of the end of 2019, 67% of all senior management representatives came from within the GF ranks.
Take action to increase and promote diversity in terms of gender, age, and origin			GF sees diversity as an important topic for the organization, especially in the context of boosting its innovation potential. Measures launched to increase greater flexibility at work and thus greater attractiveness of GF, especially for women, were promoted. GF is also using targeted networks to strengthen career development opportunities for women in the organization.
<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 increased in 2019 to 3.5% compared to 3.2% in 2018. Further actions are necessary to ensure the target achievement in a timely manner.

<sup>1</sup> In order to provide newly acquired GF companies with a realistic timeframe for target achievement, those that commenced sustainability reporting after 2017 are not included in the calculation of the achievement of the Sustainability Targets 2020. Instead, they have individual targets.

<sup>2</sup> The target achievement graphs are shown in the section "Our performance" - "Key figures 2019".

# Environment and energy

Modules and targets <sup>1,2</sup>	Targets 2020	Level of achievement	Progress status (year-end 2019)
<p><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.</p>	Increase energy efficiency by 10%		On the overall level, energy efficiency exceeded the expected index target line. In the last years, all three divisions continuously increased their energy efficiency. The main drivers of this result are the investment in new buildings and infrastructure and the continuous implementation of efficiency measures.
<p><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.</p>	Reduce CO <sub>2</sub> e emissions by 10%		The GHG emission intensity index in 2019 was below the index target line. It was strongly influenced by the reduction of energy consumption and the purchase of Guarantees of Origin for the sites of GF Casting Solutions in Austria.
<p><b>Materials and waste</b> GF strives to reduce its non-recycled waste (i.e. waste sent to landfill or incineration) from production by at least 10%.</p>	Reduce non-recycled waste by 10%		Due to increased production volume and a slight change in the waste categorization at one site of GF Casting Solutions, the amount of non-recycled waste increased in 2019 compared to 2018. As a result, GF did not reach the expected target. As the availability of recycling markets varies among the countries, GF needs to further analyze its waste streams and establish re-use possibilities. Further evaluation will be conducted in the coming year. In 2019, on a Corporation-wide level, 71% of the total amount of waste was recycled.
<p><b>Water</b> GF strives to reduce its volume of fresh water consumption in water-scarce and water-stressed areas by at least 10% in every division by the end of 2020.</p>	Reduce fresh water consumption in water-scarce and water-stressed areas by 10%		In 2019, the six GF sites in water-stressed areas reached the expected water intensity target.

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