

Corporate Instruction 1086

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*This policy is published in English, German and Chinese.
In case of doubt, the English version shall prevail.*

Corporate Instruction 1086: Diversity, Engagement and Inclusion (DE&I)

This corporate instruction outlines Georg Fischer's (GF's) guiding principles on diversity, engagement and inclusion. It also defines roles and responsibilities to emphasize the guiding principles of this instruction in the operating environment. Further, it is strengthening GF's ambition to have engaged employees, which are satisfied in their job, and feel safe and valued for their contribution to the success of the business.

The scope of this policy applies to all GF operations and subsidiaries with direct management control.

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1. **Premise**

GF's success depends on a working environment where employees are able to perform at their best. Our success requires the ability to understand and satisfy the needs of a wide array of customers and their end-users. A diverse and inclusive culture not only offers new perspectives to business opportunities and challenges, but it also leads to creative and innovative problem solving, higher levels of motivation and collaboration between managers and employees, and supports GF's ambition to be a market leader in industry.

To attract and retain the best employees, GF must remain and be perceived as an employer of choice. It is our firm belief that this can truly be achieved when employees act as ambassadors for the company.

If country-specific laws and regulations impose additional requirements beyond those set out in this policy, then these laws and regulations apply.

2. **Purpose**

This policy serves a threefold purpose:

- reinforce – with visible, tangible and measurable steps – GF's commitment as a fair and attractive employer that promotes a respectful and diverse work environment
- support GF's strategy to become a sustainable leader by, among others, "fostering a diverse, engaging and safe working environment"
- reinforce GF values relating to caring, learning and performance with conditions that enable employees to:
 - show drive and ownership, and play to full potential – on all levels
 - keep an open mind so as to learn from and partner with the best in order to continuously improve and embrace change
 - create a caring and daring culture in which strong and diverse team players thrive and all feel a strong belonging to a winning team

3. **Definitions**

Diversity refers to the range of human differences, including but not limited to racial, ethnic or national origin, gender, gender identity, gender expression, sexual orientation, age, social class, physical or mental ability or attributes, religious or ethical value system, and political beliefs or associations.

Engagement refers to the level of enthusiasm and dedication an employee feels towards the company and their job. It manifests itself in measurable factors, such as pride in the company, employee net promoter score, employee satisfaction, morale and performance levels.

Inclusion refers to the achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and feel empowered to contribute fully to the organization's success.

4. **GF's ambition**

GF's ambition is to cultivate a diverse, engaging and inclusive workplace for its people. Therefore, GF management and employees strive to:

- promote a culture where people are treated fairly and with respect

- provide equal opportunity for all to develop professionally regardless of age, gender (including gender identity and gender expression), race, ethnicity, nationality, religious beliefs, sexual orientation, disability, and including any other forms protected by law
- be open-minded and aware of any form of unconscious bias
- actively seek different perspectives and ideas to generate better results
- adapt their behavior appropriate to a diverse, engaging and inclusive workplace
- build trust and ensure psychological safety

GF employees seeking a promotion have to demonstrate a clear ambition in this regard.

5. Governance

5.1. Executive Committee

Responsible for approving the DE&I policy.

5.2. HR Function

The Corporate Human Resources function is **responsible** for implementing the following at the corporate level and **accountable** for ensuring implementation at the divisional and local level:

- appointing a person managing GF's DE&I program in consultation with the divisional HR functions
- developing a DE&I strategy that are aligned to GF's business goals and are based on internal and external insights, including research and best practice
- designing DE&I measures for approval by the Executive Committee and monitor its effectiveness
- developing a standard employee engagement survey for incorporation in the division's existing surveys

5.3. Sustainability function

The Corporate Sustainability function is **accountable**, in consultation with the divisions, for the following:

- keeping the DE&I policy up to date and relevant against GF's strategic targets and annual objectives, especially those concerning sustainability
- ensuring that this policy is enacted, programs monitored and results reported in a timely manner, at least once a year as part of the corporate reporting cycle
- providing reporting expertise, frameworks and guidelines to meet GRI and SASB requirements

In addition, the Corporate Sustainability Team is **responsible** for the following:

- advising, as needed, the heads of corporate and divisional HR and other functions on DE&I strategies and programs
- inviting the designated DE&I responsible or the Head of Corporate HR to share plans and progress at regular intervals in the appropriate sustainability forum (e.g. at the Corporate Sustainability Council (CSC) meeting).

6. Roles and responsibilities

6.1. Divisional and local management

The divisional presidents and local Human Resources departments are responsible for the following:

- implementing the DE&I strategy and measures and monitoring against defined measures
- enabling line management to rollout the DE&I strategy and measures
- incorporate the standard employee engagement questions from Corporate HR in existing division-specific surveys
- managing the employee engagement process: from conducting the engagement survey on a regular basis to interpreting the results and implementing local remedial actions
- reporting the status of results of remedial actions to Corporate Human Resources

6.2. Line management

Line managers are responsible for the following:

- communicating and implementing the DE&I policy, solutions and measures
- building a DE&I culture in their own teams
- identifying and addressing barriers to attract, advance and retain a DE&I team
- engaging in open two-way dialogues with their team and encourage feedback
- acting on feedback
- consulting with local HR when needed
- ensuring alignment with GF's Code of Conduct
- ensuring adherence to this policy

6.3. Employees

Employees are responsible for the following:

- treating colleagues fairly and respectfully regardless of their differences
- contributing to an inclusive work environment where individuals have equal access to opportunities and resources so they can contribute fully to the organization's success
- actively participating in the rollout of the DE&I program
- providing feedback, both positive and negative, to their line manager, thus ultimately enabling a culture of trust

7. Building awareness and understanding

To ensure GF management and employees are aware of and understand DE&I and the related challenges, training is vital to facilitate an active DE&I program. As training needs differ from one subsidiary to the next, it is important that a comprehensive set of training programs is developed and offered.

The heads of divisional HR are responsible to assess training needs and, in consultation and co-operation with Corporate HR, provide training programs. In cases where training programs are a common requirement, Corporate HR is both accountable and responsible for developing and rolling out such programs. They may include unconscious bias training, mentorship and coaching, women in leadership, facilitating employee DE&I initiatives (e.g. creating women networks), etc.

8. Reporting

Active leadership in DE&I requires constant feedback on progress towards GF's ambition, as well as its corporate and sustainability strategies. In order to achieve this, it is an explicit requirement that Corporate Human Resources define an appropriate set of DE&I key performance indicators (KPIs), monitor progress and report on outcomes on a regular and timely basis.

Report progress on KPI's using GF's financial reporting tool.

Progress on these KPIs should be reported internally to the Board of Directors and the Executive Committee and externally in GF's annual and sustainability reports.

9. Communication

GF management and employees are committed to a communication style that is diversity-friendly and inclusive. We are also committed to avoiding stereotypes in words and images.

10. Disclaimer

This Corporate Instruction is subject to change and does not constitute the base for any claims by any employees or third parties with regard to Georg Fischer AG or any of its corporate subsidiaries.



11. Attachment

The RACI matrix provides a summary of roles - regarding being responsible, accountable, consulted or informed – and actions.

	BoD	Executive Committee	Corporate HR	Corporate Sustainability	Division/local management	Line management	Employees
Implement DE&I policy	I	R	A	C	I	I	I
Appoint DE&I responsible			R/A		C		
Develop DE&I strategy and design measures		C	R/A		C		
Develop engagement survey			R/A				
Update and enact DE&I policy, monitor programs and report results			C	A	C		
Advise on frameworks, guidelines, strategy and programs			I	A	I		
Invite to CSC			I	R			
Implement strategy					R	I	
Incorporate standard survey in local surveys					R	C	
Manage survey and report results					R		
Communicate, implement and adhere to DE&I policy						R	
Build DE&I culture, identify barriers, engage in dialogue and act on feedback					C	R	
Fair treatment, active contribution and participation, and providing feedback							R