

# Sus- tain- ability

**Geberit Group 2015**

# Sustainability Performance Report

Geberit's sustainability reporting is fully integrated in the online Annual Report, as it has been for some years. The company's systematic and transparent communication on the subject of sustainability is addressed to a range of target groups, including customers and partners, investors, the general public and company employees. To this end, information is made available at different levels:

- [→ CEO Statement on sustainability](#)
- [→ Current Highlights sustainability](#)
- Business and financial review, as part of the Annual Report integrated into the chapters [→ Employees](#), [→ Customers](#), [→ Innovation](#), [→ Produktion](#), [→ Logistics and procurement](#), [→ Sustainability](#), [→ Compliance](#) and [→ Social engagement](#)
- [→ Sustainability Strategy](#) with objectives, measures and results
- [→ Materiality analysis on sustainability](#)
- [→ Key figures sustainability](#)
- [→ Communication on Progress UN Global Compact](#)

Since 2007, a sustainability performance review has been published annually in accordance with the guidelines of the Global Reporting Initiative (GRI). In this regard, the switch from the GRI G3 to the new GRI G4 guidelines was made in 2014.

The information disclosed within the scope of this report fulfils the "comprehensive" transparency grade set out in the GRI G4 guidelines, as has been verified by GRI, see [→ formal GRI Content Index](#). The Report is available in German and English. The German version is binding.

As prescribed by the GRI, a [→ process to determine the material aspects of sustainability](#) based on the aspects defined by the GRI was the strategic starting point. An external stakeholder panel was consulted in September 2014 as part of a comprehensive materiality analysis. Its mandate consisted of scrutinising the results of the internal materiality analysis and providing feedback on the sustainability strategy and sustainability communication. The results were summarised in a panel statement. The response from Geberit to the panel statement illustrates how the recommendations are being taken into consideration in the further development of the sustainability strategy and reporting:

- [→ Introduction to the Stakeholder Panel](#)
- [→ Members of the Stakeholder Panel](#)
- [→ Panel Statement](#)
- [→ Response from Geberit to the Panel statement](#)

The next stakeholder panel is planned for 2016.

# CEO statement on sustainability



**“We have been setting standards in the area of sustainability for over 20 years – and will continue to do so in the future. In 2015, we therefore began systematically extending our tried-and-tested and ambitious sustainability strategy to the acquired Sanitec Group.”**

**Christian Buhl, CEO**

The term sustainability encompasses a wide range of topics – even in public perception. An indisputable aspect of this is the related long-term perspective. For companies, it's about their future viability in an increasingly complex world. Our strategy is geared towards sustainability and is an important compass for our development. This is particularly the case when looking at the challenges associated with the integration of the Sanitec Group. The goal here is to extend Geberit's proven standards for production, product development and management systems as well as its high ethical standards to almost twice the number of employees and production plants. To achieve this, we require know-how, commitment from all employees and time. I am proud of the great deal of progress that has already been made in 2015 with regard to the integration – and that our plan is being systematically implemented.

## Lean manufacturing for 35 sites

With the 18 new production plants from Sanitec, the Geberit Group has also acquired new processes and know-how. Our aim is to establish the principle of business excellence and continuous improvements at the new plants right from the outset. A central building block in this regard is the Geberit Production System (GPS 2.0), which comprises the main elements of "lean manufacturing" and can be universally applied to all Geberit plants. Because of the processes involved, the manufacture of sanitary ceramics – a new addition at Geberit – is resource- and energy-intensive. This results in an almost fivefold energy consumption in the Geberit Group and therefore in a significant rise in environmental impact and CO<sub>2</sub> emissions. At the same time, the potential to organise resource and energy consumption more efficiently is also increasing. As a result, Geberit is sticking to its ambitious goals of improving eco-efficiency by 5% per year and reducing relative CO<sub>2</sub> emissions by 5% per year. This can only be achieved through optimised processes, investments in energy-efficient production, intensive exchanges on best practice and an integrated management system. By the end of 2018, all new plants are to satisfy the requirements of the standards ISO 9001 (quality), ISO 14001 (environmental management) and OHSAS 18001 (occupational health and safety).

## Responsibility for over 12,000 employees

Following the completion of the acquisition of the Sanitec Group in February 2015, the planning of the integration work took centre stage. Initially, the focus was on defining the organisational structure and naming the key personnel within the Geberit Group, including the managing directors in the local sales companies. The goals for 2015 at an organisational level – such as the integration in the sales area – were achieved. We want to offer our over 12,000 employees worldwide outstanding working conditions and a high level of training. The health and safety of employees continues to have the highest priority and is guided by concrete long-term objectives. We will continue to realise our corporate social responsibility within the scope of global social projects relating to the topic of water and sanitary facilities, as well as in cooperation with partners.

## Water conservation continues to make a major contribution

Water scarcity, which was classified as a top risk by the World Economic Forum (WEF), shows that water management is a key issue for sustainable development. The biggest environmental contribution by Geberit products still lies in the conservation of water. Nine product groups – or over 500 products – already carry the water efficiency label "WELL", accounting for over 17% of Group sales.

## Sustainable system solutions – also in front of the wall

The construction sector is dominated globally by more and more sustainability standards and labels. The rapidly growing number of green building reference projects involving Geberit products attest to the great importance of this issue. Investors, project developers, owners and tenants are looking for system providers with holistic know-how regarding green building that can contribute to the respective desired standards being fulfilled in a targeted manner. This is opening up a future market with major potential in which Geberit is present with water-saving, energy-saving, low-noise and durable products – now in front as well as behind the wall. In 2015, the development of green building expertise within the Geberit Group was advanced in a targeted manner. In the long term, product catalogues and online information will be supplemented with the relevant data on green building.

## Statement of continued support for the UN Global Compact

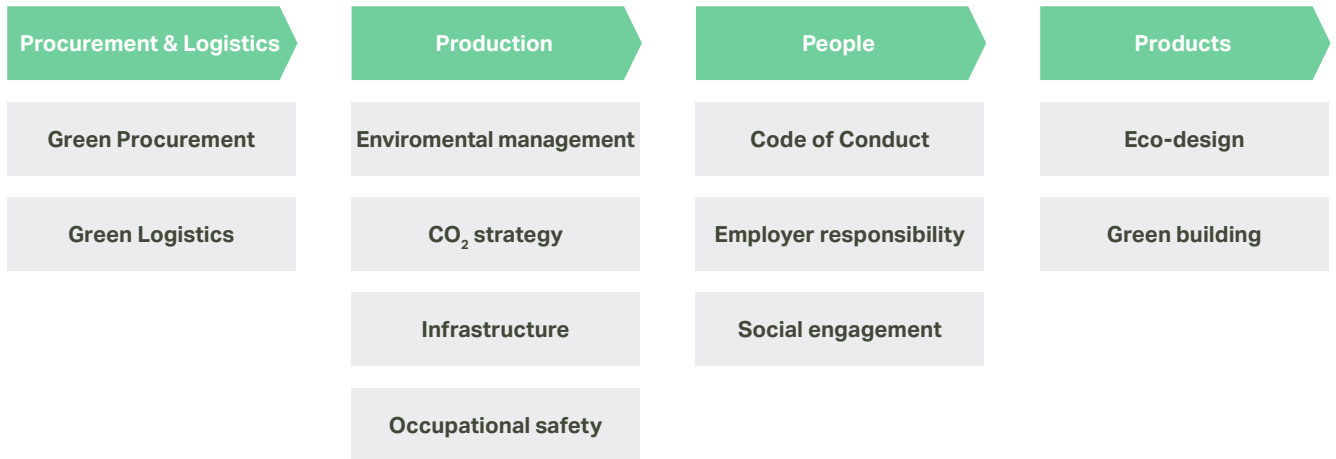
Geberit has been a member of the UN Global Compact since October 2008 as a sustainability leader in the area of environmental protection, responsible labour practices, human rights and the prevention of corruption. We provide customers, employees, investors and other stakeholders with information on our sustainability goals and performances in a transparent manner. Since 2007, our sustainability reporting has been based on the implementation of the GRI guidelines in their most comprehensive form. The Communication on Progress UN Global Compact (COP) on 2015 can be found at → [www.geberit.com](http://www.geberit.com) > Company > Sustainability > UN Global Compact.

Christian Buhl, CEO

# Sustainability strategy

Sustainability means meeting today's needs without limiting the options and resources available to future generations. Specifically, the objective is to combine economic growth and long-term business success with environmentally friendly action and social commitment.

The "Sustainability landscape" groups the current modules into four areas: Procurement and Logistics, Production, People as well as Products. The modules bundle current or future projects, initiatives or activities that aim to make a substantial contribution to sustainability. Each module contains clear responsibilities with measurable objectives, derived measures and quantified key figures for effective monitoring.



The following pages provide an overview of the sustainability modules with important facts and achievements for 2015 as well as the outlook for 2016 to 2018.

The current sustainability strategy covers the entire Geberit Group, including the Sanitec Group, which was acquired at the beginning of 2015. Although the ecological footprint and the number of employees increased significantly due to the integration of 18 additional production plants, the Geberit Group is sticking to its strategic approaches and ambitious goals. Geberit aims to be a pioneer and leader in the sanitary industry in the area of sustainability. The terms "organic" and "organically" refer to facts and figures that relate solely to the former Geberit.

## Procurement & Logistics

### Modules and goals

### Important Facts and Achievements 2015

### Outlook 2016-2018

#### Green Procurement

Suppliers demonstrably comply with Geberit's high standards for eco-friendly and socially responsible production.

- As of the end of 2015, 868 suppliers have signed the Code of Conduct for Suppliers (previous year 728 suppliers). This equates to over 90% of the total procurement value (previous year 95%). Among the top 200 suppliers, the share of companies that have signed is 93.1% (previous year 98.3%).
- Sanitec integration: Training of the new purchasing team, awareness rising among the top suppliers with regard to Geberit standards and processes (incl. sustainability), commencement of the signing of the Code of Conduct, among the top 100 suppliers, 52% have signed as of the end of 2015.
- In 2012, the planning system for the performance of systematic audits was developed further. In addition to consistent quality audits, EHS audits (environment, health and safety) are performed in the highest risk class in particular. When a purchasing agent from Geberit next visits a supplier, they check to ensure that the corrective measures agreed with the supplier have been implemented.
- A Group-wide portfolio analysis with regard to sustainability risks showed a higher risk for 42 existing suppliers (previous year 39), which is less than 5% of the total procurement value. 33 of these 42 suppliers have already been audited.
- In 2015, five third-party audits were carried out at suppliers in China for the fourth time.

- All new suppliers have to sign the Code of Conduct, which is to be extended to all existing suppliers of the former Sanitec.
- Additional third-party audits of suppliers are to be carried out and the required corrective measures checked as part of re-audits.
- Sustainability risks in the supply chain of the suppliers of the former Sanitec are to be analysed.

#### Green Logistics

Geberit optimizes its logistics with regard to energy consumption, emissions and packaging.

- In 2010, a logistics calculator was developed to measure the key transport and environmental figures for the most important transport service providers in Europe. The system scope was maintained compared to the previous year and does not yet include the former Sanitec Group.
- In 2015, the transport service providers handled 183.0 million tonne-kilometres (previous year 181.0 million tonne-kilometres), resulting in 29,671 tonnes of CO<sub>2</sub> emissions (previous year 29,526 tonnes).
- At 84.5%, the share handled by Euro 5 trucks remained high (previous year 83%). The share handled by state-of-the-art Euro 6 vehicles came to 11.7% (previous year 8.4%).
- Compared to the previous year, the number of mega-trailer trips between the production sites increased by 20 trips to a total of 2,200 in 2015. The use of mega-trailers enhances efficiency, as they can carry a load that is around 15% greater, or 50% more pallets.
- At the beginning of 2015, work began on the expansion of the logistics centre in Pfullendorf (DE). This is expected to commence operations in 2017 and facilitates further enhancements in efficiency, including with regard to the environment. In mid-2015, Logistics was also certified according to OHSAS 18001 for the first time.
- Sanitec integration: As part of the integration, the organisation, reporting and essential core processes were reviewed and adapted.

- Continuation of the environmental monitoring and formulation of suitable measures in close collaboration with the transport service providers.
- Increased use of mega-trailers and optimisation of loading capacity with technical equipment and organisational changes.
- Discontinuation of Euro 1, Euro 2 and Euro 3 trucks and more intensive use of Euro 6 trucks.
- Review of use of trucks with alternative drive technologies on further routes.
- Focus on intercompany transportation of the newly acquired plants: Implementation of Geberit processes and standards, including sustainability aspects.

Production

Modules and goals	Important Facts and Achievements 2015	Outlook 2016-2018
<p><b>Environmental management</b></p> <p>Geberit operates environmentally friendly, energy- and resource-efficient as well as economical production plants.</p>	<ul style="list-style-type: none"> <li>■ The absolute environmental impact increased in 2015 due to the acquisition by 279%; however, organically, it reduced by 2.1%. The environmental impact per net sales (organic, currency-adjusted) dropped by 4.7%. Given that the long-term target is 5% per year, Geberit is on track in organic terms.</li> <li>■ 16 of the 17 Geberit production plants and 13 of the 18 former Sanitec plants are certified to ISO 14001 – the Group certificate is valid until 2018.</li> <li>■ Continued roll-out of the integrated Geberit management system for quality, environment, occupational safety and energy (selective) at all plants.</li> </ul>	<ul style="list-style-type: none"> <li>■ Improvement of eco-efficiency: The environmental impact per net sales (currency-adjusted) shall continue to be improved by 5% per year on average.</li> <li>■ As before, same improvement in relative water consumption as for eco-efficiency, i.e. 5% per year on average.</li> <li>■ Integration of all new plants into the Geberit management system and certification according to ISO 9001/14001 and OHSAS 18001 by the end of 2018.</li> <li>■ Roll-out of approval process for hazardous substances in all new plants.</li> </ul>
<p><b>CO<sub>2</sub> strategy</b></p> <p>Geberit actively contributes to the protection of the climate and consistently reduces CO<sub>2</sub> emissions.</p>	<ul style="list-style-type: none"> <li>■ In 2015, CO<sub>2</sub> emissions increased by 296% to 251,430 tonnes as a result of the acquisition; organically, however, they decreased by 3.1%. CO<sub>2</sub> emissions per net sales (organic, currency-adjusted) declined by 5.6%. This confirms that Geberit is on track with its long-term CO<sub>2</sub> strategy.</li> <li>■ The share of purchased green electricity increased by 17.6 GWh to 41 GWh in 2015. In total, the share of renewable electricity accounted for 36.5%.</li> <li>■ 3.7 GWh of green electricity was produced in 2015 – 0.5 GWh from the PV installation in Givisiez (CH) and 3.2 GWh from the block heating station in Pfullendorf (DE).</li> <li>■ Implementation of the European Energy Efficiency Directive 2012/27/EU at all Geberit companies – three plants with an energy management system according to ISO 50001.</li> </ul>	<ul style="list-style-type: none"> <li>■ Revision of the long-term objectives as a result of the Sanitec acquisition: Reduction of absolute CO<sub>2</sub> emissions and increase in the share of renewable energy sources in electricity and combustibles.</li> <li>■ Continued reduction of relative CO<sub>2</sub> emissions (in relation to net sales, currency-adjusted) by 5% per year on average.</li> <li>■ Purchase of an additional 3 GWh of green electricity in 2016.</li> <li>■ Continuation of the fuel-reduction plan: Reduce emissions of new vehicles to 100 grams of CO<sub>2</sub>/km by 2020.</li> <li>■ Further certifications to ISO 50001 at selected locations.</li> </ul>
<p><b>Infrastructure</b></p> <p>Geberit procures and operates durable and high-quality infrastructures such as buildings, equipment and tools.</p>	<ul style="list-style-type: none"> <li>■ Opening of production plant in Slovenia with the highest energy standards and operation without fossil fuels.</li> <li>■ Demolition and safe disposal of infrastructure and systems that were obsolete and no longer required.</li> <li>■ Number of injection moulding machines with energy-efficient drive technology increased from 109 to 137.</li> <li>■ Ordering of the first fully electrically driven production line for fitting bends in Langenfeld – increases process stability while reducing the set-up time, electricity consumption and lubricant quantities needed.</li> <li>■ Process optimisation for the manufacture of the Mepla multilayer pipe in Givisiez (CH) with a planned reduction in water and natural gas consumption of around 50%.</li> <li>■ A new cooling system in Villadose (IT) reduces electricity consumption by 1.3 GWh per year – a saving of 8%.</li> </ul>	<ul style="list-style-type: none"> <li>■ Consistent renewal of machine fleet with energy-efficient drive technology. Further increase in the number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) from 137 to 150 machines.</li> <li>■ Process optimisation for the manufacture of Mapress fittings in Langenfeld (DE) with a reduction in electricity and natural gas consumption, reduced use of lubricants and lower quantities of hazardous waste.</li> <li>■ Retrofitting of nine tunnel kilns for ceramic production with EnerVit technology at six European plants, cutting NO<sub>x</sub> emissions, reducing gas consumption by around 27 GWh/a and saving some 6,500 tonnes of CO<sub>2</sub> emissions.</li> </ul>
<p><b>Occupational safety</b></p> <p>Geberit operates safe production plants and promotes a safety culture at a high level.</p>	<ul style="list-style-type: none"> <li>■ Further implementation of the Geberit Safety System, including integration into the Geberit management system and certification according to OHSAS 18001.</li> <li>■ The accident frequency rate (AFR) increased to 11.4 as a result of the acquisition; organically, the AFR was 10.4. The accident severity rate (ASR) increased to 206.2 as a result of the acquisition; organically, the ASR was 127.2.</li> </ul>	<ul style="list-style-type: none"> <li>■ Long-term objective: AFR and ASR to be reduced by 50% between 2015 and 2025, targets AFR = 5.5 and ASR = 90.</li> <li>■ Integration of the Geberit Safety System into the Geberit management system and certification of all production plants to OHSAS 18001 by the end of 2018.</li> </ul>

People

Modules and goals	Important Facts and Achievements 2015	Outlook 2016-2018
<p><b>Code of Conduct</b></p> <p>Geberit complies with all laws, guidelines, norms and standards.</p> <p>Geberit checks the effectiveness of its internal monitoring systems and guidelines and implements appropriate measures in the event of misconduct.</p>	<ul style="list-style-type: none"> <li>■ Roll-out of the Geberit Code of Conduct, which was revised in terms of content at the end of 2014.</li> <li>■ Update to the Geberit Compass, which contains key company values.</li> <li>■ Compliance with the Code of Conduct has been checked with a binding Group-wide survey every year since 2008; compliance at the former Sanitec companies has been checked since 2015. The Internal Audit Department carries out special interviews with the managing directors on the topics in the Code of Conduct. No significant breaches of the Code of Conduct were identified in 2015.</li> <li>■ No significant incidents were reported via the Geberit Integrity Line, which was launched in 2013 and extended to the former Sanitec in 2015.</li> <li>■ Training events on antitrust legislation for managing directors of the European sales companies and for new sales employees in Germany.</li> <li>■ The guidelines on antitrust legislation and donations were updated and communicated via the managing directors of all companies and the Geberit intranet (GIN).</li> <li>■ Communication of the Geberit compliance programme to the managing directors of all companies and via the GIN.</li> <li>■ Comprehensive review of the compliance programme at the former Sanitec companies and analysis of the Sanitec bonus and discount system in certain countries.</li> </ul>	<ul style="list-style-type: none"> <li>■ Further promotion of the Geberit Integrity Line.</li> <li>■ Identification and analysis of compliance risks with respect to the collaboration of sales companies with agents to be carried out in 2016.</li> <li>■ Renewed survey of the practice regarding donations at all Geberit companies (previous surveys carried out in 2009 and 2012).</li> <li>■ Training in antitrust legislation via a revised eLearning programme to be carried out in 2016.</li> </ul>
<p><b>Employer responsibility</b></p> <p>Geberit is committed to providing attractive jobs.</p> <p>Geberit supports disadvantaged employees and apprentices.</p>	<ul style="list-style-type: none"> <li>■ Expansion of the standardised global Performance Assessment, Development and Compensation process (PDC), including to the new companies of the former Sanitec. 1,900 employees were integrated at the end of 2015.</li> <li>■ Uniform re-evaluation of the majority of jobs of former Sanitec employees in accordance with the HAY method.</li> <li>■ In 2015, Geberit employed 255 apprentices. The transfer rate to a permanent employment relationship was 64%.</li> <li>■ In 2015, the Geberit production plants supported a number of workshops for disabled persons where simple assembly and packaging work in the amount of CHF 6.2 million was carried out.</li> </ul>	<ul style="list-style-type: none"> <li>■ Continued roll-out of the Performance Assessment, Development and Compensation process (PDC).</li> <li>■ Targeted support for transfer of apprentices to a permanent position: Target rate is 75%.</li> <li>■ Next Group-wide employee survey planned for 2016.</li> <li>■ Conducting of a volunteering project with Geberit employees in cooperation with Helvetas in Nepal in autumn 2016.</li> </ul>
<p><b>Social engagement</b></p> <p>Geberit fulfills social responsibilities in society.</p>	<ul style="list-style-type: none"> <li>■ Geberit employees contributed 1,657 hours of charitable work as part of social projects.</li> <li>■ Continuation of the partnership with Helvetas on the topic of drinking water and sanitary facilities in developing countries by a further two years.</li> <li>■ Social project carried out in Durban (ZA) with apprentices. Construction of a new sanitary facility at Cottonlands Primary School and volunteering work with children in "LIV Village".</li> <li>■ Review of the effectiveness of social projects reveals good results.</li> <li>■ Good overall ranking in the "GemeinwohlAtlas der Schweiz" (Common Good Atlas of Switzerland), which measures the contribution of companies to the common good of society.</li> </ul>	<ul style="list-style-type: none"> <li>■ Continuation of the partnership with Helvetas. Access to clean drinking water and sanitary facilities for people in developing countries.</li> <li>■ Implementation of a larger social project in Poland with apprentices in 2016.</li> <li>■ Review of the effectiveness of social projects two to three years after their implementation.</li> </ul>

Products

Modules and goals

Important Facts and Achievements 2015

Outlook 2016-2018

Eco-design

During the development process, all Geberit products are optimized with regard to their environmental friendliness, resource efficiency and durability.

Environmental aspects are already considered during technology development.

- Eco-design workshops have been part of the development process for all new products since 2007, and since 2010 they have also been part of product modifications and technology projects.
- The successful continuation of this approach resulted in a number of ecological improvements to products, such as
  - New Geberit urinal system fulfils the most stringent water and energy consumption standards while minimising life-cycle costs
  - New shower channel with optimal user friendliness and ease of installation while reducing the resources used
  - Plastic components in the technical cistern and Monolith now made of approximately 50% regranulate
  - New concealed cistern Omega with the highest water efficiency class A, Home
- Comprehensive product life cycle assessment of the urinal system Preda, including creation of an Environmental Product Declaration (EPD).

- Systematic continuation of eco-design workshops for product development, including in the area Bathroom Ceramics and Ceramics Complementary Products.
- Creation of additional Environmental Product Declarations (EPD) in accordance with the European standard EN 15804.
- Expansion of the green building product portfolio.

Green building

Geberit has in-depth expertise in the fields of water conservation, quality of drinking water, sound insulation and green building.

Geberit is the leading partner in the planning and implementation of first-class sanitary solutions for green buildings.

- Geberit products are exemplary when it comes to water and energy consumption and sound insulation. A broad range of Geberit products help with the implementation of green building concepts and standards such as Minergie, DGNB, BREEAM and LEED.
- Member of various green building associations in CH, DE, ES, USA, ZA and AU.
- Nine Geberit product groups – a total of over 500 sales products – carry the water efficiency label WELL. Eight of these nine product groups carry the top A class label and account for more than 17% of Group sales.
- Collaboration with FECS (European Federation of Ceramic Sanitary Ware Manufacturers) on a new standard for assessing the sustainability of ceramic sanitary appliances (EN 16578).
- Internal workshops on and analysis of the topic green building – opportunity and risks.
- Support of the NEST project (Next Evolution in Sustainable Building Technologies) at EMPA in Dübendorf (CH).

- Use of the existing product portfolio and ex-pansion of the green building area of competence.
- Targeted search for green building reference projects in the European core markets and the Asia/Pacific region.
- Continuously expand the share of FSC-certified bathroom furniture.
- Classification of selected Ifö products according to the sustainability standard EN 16578.



# Materiality analysis

The materiality analysis was reviewed as part of the integration of Sanitec in 2015. There were no major changes in the material aspects. The results are shown in the following dynamic chart. Material aspects are deemed material if they are significant from the internal perspective of the company or the external perspective of stakeholders. The aspects were divided into four categories: most material, material, less material and not material or not requiring any action.

	Less material	Material	Most material
<b>Economy</b>	- Market Presence	- Indirect Economic Impacts	- Economic Performance
<b>Environment</b>	- Effluents and Waste	- Materials - Emissions - Compliance Environment - Transport	- Energy - Water - Products and Services
<b>Labor Practices</b>	- Diversity and Equal Opportunity - Equal Remuneration for Women and Men - Labor Practices Grievance Mechanisms	- Employment	- Occupational Health and Safety - Training and Education
<b>Human Rights</b>	- Investments - Non-discrimination - Freedom of Association and Collective Bargaining - Human Rights Assessment	- Child Labor - Forced or Compulsory Labor	
<b>Society</b>		- Anti-Corruption - Compliance	- Anticompetitive Behaviour
<b>Product Responsibility</b>		- Product and Service Labeling - Compliance Product Responsibility	- Customer Health and Safety
<b>Suppliers</b>	- Supplier Assessment for Impacts on Society - Supplier Environmental Assessment - Supplier Assessment for Labor Practices	- Supplier Human Rights Assessment	

## The following aspects were identified as not material or as not requiring any action:

<b>Procurement Practices</b>	Collaboration with local suppliers has no strategic significance for Geberit. Criteria such as reliability and price, quality and sustainability etc. are material, whereas the supplier's proximity to the production site is not (except in a handful of individual cases). As a result, there is no preferential treatment of local suppliers or special criteria for them. For comprehensive information on the subject of the supply chain, see → <a href="#">chapter Suppliers</a> .
<b>Biodiversity</b>	Geberit production sites do not endanger biodiversity in protected areas. The impact on biodiversity through the use of raw materials for the newly acquired ceramics production must be clarified further.
<b>Investments Environment</b>	Geberit plans holistically and integrates the aspect of environmental protection in the development of its products and production sites. In the context of integrated, sustainable planning, it makes no sense for Geberit to report investments in environmental protection separately.
<b>Environmental Grievance Mechanisms</b>	Any risks or problems cited by stakeholders are addressed and resolved directly. Formal grievance mechanisms are not relevant for Geberit.
<b>Labor/Management Relations</b>	Geberit cultivates transparent internal communication and a close dialogue between → <a href="#">Employees</a> and management.
<b>Security Practices</b>	Geberit is not active in any countries where special security precautions have to be taken.
<b>Indigenous Rights</b>	Geberit is not active in any countries or regions where the rights of indigenous people are endangered.
<b>Human Rights Grievance Mechanisms</b>	The risks of human rights violations by Geberit are low in general. Any risks or problems cited by stakeholders are addressed and resolved directly. Formal grievance mechanisms are not relevant for Geberit.
<b>Local Communities</b>	Geberit production sites do not entail special risks for local communities or adverse effects on the neighborhood. As a good corporate citizen, Geberit cultivates good relations with its neighbors.
<b>Public Policy</b>	No support is given to political parties or politicians. Participation in the political process is confined to membership in certain associations and is therefore limited.
<b>Social Grievance Mechanisms</b>	Any risks or problems cited by stakeholders are addressed and resolved directly. Formal grievance mechanisms are not relevant for Geberit.
<b>Marketing Communications</b>	Owing to its marketing strategy, Geberit is little exposed to risks from aggressive advertising or marketing. All external means of communication are checked for correctness and appropriateness.
<b>Customer Privacy</b>	Geberit does not possess sensitive data on end users. Data on customers and end users are safeguarded as required by statutory requirements.

# Communication on Progress UN Global Compact

## Human rights

<b>Principle 1:</b>	<ul style="list-style-type: none"> <li>When selecting employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. According to an annual, binding survey of all Geberit Group companies, applicable local minimum wages are well met. This considerably reduces the risk of human rights violations.</li> <li>The revised Code of Conduct was communicated to employees at the start of 2015. In this Code, Geberit undertakes to be an exemplary, reliable and fair business partner and employer at all times. As a fair partner, Geberit recognises all laws, directives and internationally recognised standards as well as the UN Guiding Principles on Business and Human Rights, and complies with them in full.</li> <li>In 2008, more than 98% of employees were informed of and trained in the Geberit Code of Conduct. Since then, new employees joining the original Geberit have been trained as part of the Welcome events. New companies from the former Sanitec Group are gradually implementing awareness-raising measures. The "Geberit Integrity Line" gives all employees the opportunity to report irregularities anonymously. Only a few cases were reported in 2015. One case of workplace bullying led to the dismissal of the accused party.</li> <li>Compliance with the Code of Conduct is monitored Group-wide as part of an annual, binding survey. Verification is supplemented by internal audits on site.</li> </ul>	<p>→ G4-EC5</p> <p>→ Code of Conduct for Employees</p>
Support and respect the protection of internationally proclaimed human rights.		<p>→ G4-HR2</p> <p>→ G4-HR3</p>
<b>Principle 2:</b>	<ul style="list-style-type: none"> <li>With respect to human rights violations, the greatest risk for Geberit lies with suppliers, who can be influenced only indirectly. Geberit does all it can to minimise this risk and requires that business partners and suppliers comply with comprehensive standards.</li> <li>The Code of Conduct for Suppliers is intended to ensure that Geberit's suppliers act in accordance with internal and external guidelines, such as the UN Guiding Principles on Business and Human Rights and the ILO core labour standards. As of the end of 2015, 868 suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value (incl. the former Sanitec Group).</li> <li>Audits focusing on sustainability are performed primarily on suppliers in the highest risk category. 42 suppliers, which equates to less than 5% of the total procurement value, were classified in this category in 2015. 33 of these 42 suppliers have already been audited. Five third-party audits were carried out at suppliers in China in 2015.</li> </ul>	<p>→ Sustainability Strategy</p> <p>→ Code of Conduct for Suppliers</p> <p>→ Suppliers, 14.2</p>
Make sure the company is not complicit in human rights abuses.		

## Labour practices

<b>Principle 3:</b>	<ul style="list-style-type: none"> <li>No rights with respect to exercising freedom of association or collective bargaining as defined in the ILO core labour standards are subject to restriction at the Geberit Group. This is verified annually as part of a binding Group-wide survey. No restrictions were in effect in 2015.</li> <li>Approximately 7,120 employees, and thus over half (57%) of all employees, are currently covered by collective agreements. The percentage is especially high in Germany, Austria, Switzerland, France, Italy, Ukraine, Finland and Sweden, where over 95% of employees are subject to a collective labour or wage agreement. There are no collective agreements with employees in the USA and China.</li> </ul>	<p>→ Chapter 11.3</p> <p>→ G4-11</p>
Uphold the freedom of association and the effective recognition of the right to collective bargaining.		
<b>Principle 4:</b>	<ul style="list-style-type: none"> <li>Geberit's exposure with respect to forced and child labour is considered low because of its industry sector and the countries in which business activities are carried out, as well as its high quality requirements.</li> <li>Forced and child labour are categorically rejected at Geberit. According to the annual, binding Group-wide survey, no cases of forced or child labour were discovered in 2015, nor were any cases revealed during the course of the audits performed among the suppliers. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labour standards for the exclusion of forced and child labour.</li> </ul>	<p>→ Chapter 11.4</p> <p>→ Chapter 11.5</p>
Uphold the elimination of all forms of forced and compulsory labour.		
<b>Principle 5:</b>	<ul style="list-style-type: none"> <li>The Geberit Code of Conduct clearly specifies how employees are to behave and how Geberit assumes responsibility as an employer in order to counteract discrimination in adherence with the ILO core labour standards. There was one case of sexual harassment, which was settled amicably with the parties concerned.</li> <li>Geberit's personnel policy and recruitment practices do not differentiate between members of the local community and other applicants or employees.</li> <li>Protection of the principles of equality is anchored in the Geberit Code of Conduct. This includes the prohibition of discrimination against any employee on the basis of gender. Fair and equal pay for men and women is a matter of course at Geberit, as was verified and documented in 2015 as part of the annual, binding Group-wide survey. The proportion of female employees as of the end of 2015 was 25%; in management this figure was 8.2%.</li> </ul>	<p>→ Code of Conduct for Employees</p> <p>→ Chapter 11.2</p> <p>→ Chapter 10.4, 10.5</p>
Uphold the effective abolition of child labour.		
<b>Principle 6:</b>		
Uphold the elimination of discrimination in respect of employment and occupation.		

## Environmental protection

### Principle 7:

Support a precautionary approach to environmental challenges.

- With the precautionary approach in mind, the Audit Committee of the Board of Directors has implemented an extensive system for monitoring and controlling the risks (incl. environmental risks) linked to the business activities.
- Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as to the development of water-saving and sustainable products. This is also defined as a management principle in the Geberit Compass, which was updated in 2015. Environmental criteria are considered in all decision-making processes. A demonstrably high standard is achieved in this regard, one which often greatly exceeds statutory requirements.
- An analysis of the carbon footprint over the entire value chain – from the provision of raw materials, combustibles and fuels, the manufacture of products at Geberit, logistics and use, right through to disposal – reveals that product use (63%) and the provision of raw materials (19%) are by far the largest sources of CO<sub>2</sub> emissions.
- Manufacture of the products by Geberit accounts for only 8% of total CO<sub>2</sub> emissions. CO<sub>2</sub> emissions increased in 2015 by 296% to 251,430 tonnes as a result of the Sanitec acquisition. Organically (excluding the new Sanitec companies), however, they were reduced by 3.1%. CO<sub>2</sub> emissions per net sales (organic, currency-adjusted) even declined by 5.6%.

- G4-46
- Geberit Compass
- Code of Conduct for Employees
- Carbon footprint
- G4-EC2
- Chapter 9.4

### Principle 8:

Undertake initiatives to promote greater environmental responsibility.

- The Geberit Group has a Group certificate in accordance with ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (occupational health and safety) that is valid until the end of 2018. The annual preparation of a corporate eco-balance has been an established part of Geberit's environmental strategy since 1991. The absolute environmental impact increased by 279% in 2015 as a result of the acquisition. The environmental impact per net sales (organic, currency-adjusted) dropped by 4.7%.
- Geberit places its faith in energy saving and energy efficiency: In addition to process optimisation – particularly in the newly acquired plants – important measures include the continuous modernisation of the machine fleet, the optimisation of cooling systems through the use of natural ambient cold (free cooling), the improved use of waste heat (heat recovery) as well as the careful use of compressed air. Furthermore, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU in 2015, with three plants already certified to ISO 50001.
- The share of purchased green electricity increased from 23.4 GWh to 41.0 GWh in 2015. In total, renewable energy sources accounted for 36.5% of electricity and 8.0% of combustibles.
- Geberit regards eco-design as the key to environmentally friendly products. Beginning with the development process, the most environmentally friendly materials and functional principles are used, risks are minimised and high resource efficiency is pursued. Eco-design is also implemented in product modifications and technology projects. Every new product is to be better than its predecessor with respect to environmental aspects. This also applies to all new products from the area Bathroom Ceramics and Ceramics Complementary Products.

- ISO-certificate
- Chapter 9
- Sustainability Strategy
- Chapter 9.2
- G4-EN19
- G4-EN19
- Chapter 9.6

### Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

- The "water footprint" throughout the Geberit value chain shows that nearly 100% of the water consumption is attributable to the use of Geberit products by customers. Water-saving solutions can therefore exert a major impact: All dual-flush and flush-stop cisterns produced since 1998 have saved around 2,280 million cubic metres of water in 2015.
- Nine Geberit product groups – a total of over 500 sales products – carry the water efficiency label "WELL". Eight of these nine product groups carry the top A class label and account for more than 17% of Group sales.
- Green building is a market of the future experiencing strong growth throughout the world. As a leading system provider of sanitary solutions, Geberit is already offering suitable products for this purpose.

- G4-2
- Water footprint
- Sustainability Strategy
- Reference magazine

## Anti-corruption

### Principle 10:

Work against corruption in all its forms, including extortion and bribery.

- As a long-time member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption.
- In 2015, the Internal Audit Department audited a total of 18 companies. Each company is audited at least every five years, or considerably more frequently if it has a heightened risk profile. No cases of corruption were discovered in 2015.
- As a rule, Geberit does not make donations to parties or politicians. All donations and related commitments are neutral from a party political point of view. This was verified and documented as part of the annual, binding Group-wide survey.

- Chapter 12.1

# Table of contents

<b>1. Strategy and analysis</b>	<b>1</b>
G4-1 CEO statement	1
G4-2 Key impacts, risks and opportunities with regard to sustainability	1
<b>2. Organizational profile</b>	<b>2</b>
G4-3 Name of the organization	2
G4-4 Brands, products and/or services	2
G4-5 Headquarters location	2
G4-6 Countries with business operations	2
G4-7 Ownership and legal form	2
G4-8 Markets served	2
G4-9 Scale of the reporting organization	2
G4-10 Total number of employees by employment type, employment contract, region and gender	2
G4-11 Employees covered by collective bargaining agreements	3
G4-12 Description of the organization's supply chain	3
G4-13 Significant changes regarding size, structure or ownership	3
G4-14 Precautionary approach	3
G4-15 External agreements and initiatives	3
G4-16 Membership in associations and organizations	3
<b>3. Material Aspects and Boundaries</b>	<b>4</b>
G4-17 Reporting boundaries in the consolidated financial statements	4
G4-18 Process for defining report content	4
G4-19 Material aspects	4
G4-20/21 Material aspects and report boundaries outside and within the organization	6
G4-22 Effects of any restatements of information provided in earlier reports	7
G4-23 Changes from previous reporting periods in scope, boundary or measurement methods	7
<b>4. Stakeholder Engagement</b>	<b>8</b>
G4-24 Relevant stakeholder groups	8
G4-25 Basis for selection of stakeholders	8
G4-26 Approaches to stakeholder engagement	8
G4-27 Response to and dealing with key topics and concerns of stakeholders	9
<b>5. Report profile</b>	<b>10</b>
G4-28 Reporting period	10
G4-29 Date of most recent previous report	10
G4-30 Reporting cycles	10
G4-31 Contact point for questions regarding the report or its contents	10
G4-32 Reporting option chosen	10
G4-33 External assurance for the report	10
<b>6. Governance</b>	<b>11</b>
G4-34 Governance structure, committees under the Board of Directors	11
G4-35 Delegation of authority on economic, environmental and social matters	11
G4-36 Responsibility for economic, environmental and social matters	11
G4-37 Consultation process between stakeholders and the Board	11
G4-38 Independent members of the Board of Directors	11
G4-39 Separation of chair of Board of Directors and Executive Management	11
G4-40 Nomination and selection process of the Board of Directors	12
G4-41 Processes in place for the Board of Directors to avoid conflicts of interest	12
G4-42 Role of top management and Board of Directors in development of guiding principles and strategies	12
G4-43 Measures to further enhance the top management's and Board of Directors' related know-how on economic, ecological, and social topics	12
G4-44 Processes for evaluation of the sustainability performance of the Board of Directors	12
G4-45 Board level procedures for overseeing sustainability performance	12
G4-46 Assessment of the effectiveness of sustainability related risk management procedures	12
G4-47 Frequency of review of risks and chances in the area of sustainability	12
G4-48 Review and approval of sustainability reporting	13
G4-49 Procedure for communicating crucial concerns to the Board	13
G4-50 Nature and total number of critical concerns communicated to the Board	13
G4-51 Remuneration policies for highest governance body's	13
G4-52 Process for determining remuneration	13
G4-53 Handling of stakeholder views on remuneration	13
G4-54 Annual total compensation ratios	13
G4-55 Annual compensation related percentage increase ratios	13

<b>7. Ethics and Integrity</b>	<b>14</b>	
G4-56	General principles and code of conduct	14
G4-57	Mechanisms for securing ethical and lawful behavior	14
G4-58	Mechanisms for reporting concerns regarding unethical or unlawful behavior	14
<b>8. Economy (EC)</b>	<b>15</b>	
8.1	Economic Performance (EC)	15
8.2	Market Presence (EC)	16
8.3	Indirect Economic Impacts (EC)	16
<b>9. Environment (EN)</b>	<b>18</b>	
9.1	Materials (EN)	18
9.2	Energy (EN)	19
9.3	Water (EN)	21
9.4	Emissions (EN)	21
9.5	Effluents and Waste (EN)	23
9.6	Products and Services (EN)	23
9.7	Compliance Environment (EN)	24
9.8	Transport (EN)	24
9.9	Supplier Environmental Assessment (EN)	25
<b>10. Labor practices (LA)</b>	<b>26</b>	
10.1	Employment (LA)	26
10.2	Occupational Health and Safety (LA)	26
10.3	Training and Education (LA)	27
10.4	Diversity and Equal Opportunity (LA)	28
10.5	Equal Remuneration for Women and Men (LA)	28
10.6	Supplier Assessment for Labor Practices (LA)	28
10.7	Labor Practices Grievance Mechanisms (LA)	28
<b>11. Human rights (HR)</b>	<b>29</b>	
11.1	Investments (HR)	29
11.2	Non-discrimination (HR)	29
11.3	Freedom of Association and Collective Bargaining (HR)	29
11.4	Child Labor (HR)	30
11.5	Forced or Compulsory Labor (HR)	30
11.6	Human Rights Assessment (HR)	30
11.7	Supplier Human Rights Assessment (HR)	30
<b>12. Society (SO)</b>	<b>31</b>	
12.1	Anti-Corruption (SO)	31
12.2	Anticompetitive Behavior (SO)	31
12.3	Compliance (SO)	32
12.4	Supplier Assessment for Impacts on Society (SO)	32
<b>13. Product responsibility (PR)</b>	<b>33</b>	
13.1	Customer Health and Safety (PR)	33
13.2	Product and Service Labeling (PR)	33
13.3	Compliance Product Responsibility (PR)	34
<b>14. Suppliers (SU)</b>	<b>35</b>	
14.1	Description of the organization's supply chain	35
14.2	Management Approach – supplier assessment using sustainability criteria	35
14.3	Percentage of new suppliers that were screened using sustainability criteria	35
14.4	Sustainability-related impacts in the supply chain	35
<b>Key figures environment</b>	<b>36</b>	
<b>Key figures employees and society</b>	<b>39</b>	

# 1. Strategy and analysis

## G4-1 CEO Statement

For the statement of Christian Buhl (CEO), see → [CEO Statement on sustainability](#).

## G4-2 Key impacts, risks and opportunities with regard to sustainability

A corporate culture in which sustainability is implemented in a measurable way enhances the value of the company and minimises the risks to its further development. Geberit has a decades-long commitment to sustainability and is a leader in this area, setting standards for customers, employees, suppliers and other partners. Various awards and rankings serve to confirm Geberit's role as a leader in sustainability in various stakeholder groups' perceptions. The "GemeinwohlAtlas für die Schweiz" (Common Good Atlas of Switzerland), for example, published a ranking of over 80 companies in 2015. Geberit performed well here, with 4.56 points on a scale from 1 (poor contribution to common good) to 6 (outstanding contribution to common good) and belongs to the leading group of exemplary companies.

Throughout the process of integrating the former Sanitec Group, Geberit aims to uphold these high sustainability standards and to expand upon them in the medium term. This is an ambitious goal, the achievement of which will make a significant contribution to long-term value creation for shareholders, customers, staff, suppliers and business partners, as well as for communities in numerous regions around the globe. The near doubling in the number of employees and production sites has led to a considerably larger ecological footprint. Because of the processes involved, the manufacture of sanitary ceramics – a new addition at Geberit – is resource- and energy-intensive. This almost results in a fivefold energy consumption in the Geberit Group and a nearly fourfold increase in environmental impact and CO<sub>2</sub> emissions, which illustrates how great these challenges are. However, against this backdrop in particular, Geberit is able to benefit from sophisticated production and management systems to leverage previously untapped potential for improvement, with initial results beginning to show in 2015 (see area → [Employees](#) and area → [Production](#)).

Supplementary to the established → [Sustainability Strategy](#) and based on the GRI guidelines, the → [Materiality analysis](#) carried out prioritises the key topics for Geberit: water-saving, sustainable products; environmentally friendly and resource-efficient production; procurement and logistics with high environmental and ethical standards; and good, safe working conditions for the more than 12,000 employees worldwide. The corporate social responsibility is realised among other things within the scope of global social projects relating to the core competencies of water and sanitary facilities, and is intensified through memberships such as that with the non-profit organisation "Swiss Water Partnership" aimed at promoting international dialogue on water. There is also a long-term partnership with the Swiss development organisation Helvetas.

Sustainability means satisfying the needs of today's generation in a manner that will ensure a solid basis for the livelihoods of future generations. The external challenges and objectives associated with this primarily pose an opportunity for Geberit. In September 2015, the United Nations defined the follow-up programme to the millennium development goals from the year 2000: the Sustainable Development Goals (SDGs) define concrete targets and indicators for 17 different themes which the states are required to implement by 2030. Integration of the economy plays a pivotal role in implementing these targets and indicators. Goal number six states that access to clean drinking water and basic sanitation must be available to all people around the world, under fair conditions. Improving resource efficiency when handling water plays an important role in this. The importance of the subject of water management for sustainable development is still undisputed. A growing world population, migration, urbanisation, climate change and natural disasters can lead to regions that are currently well supplied with water becoming problem regions in future. These global trends will have a major impact on future sanitary technology: water-saving and resource-efficient products are becoming ever more important. The EU is increasingly putting water conservation and sustainability on its political agenda and has for example developed ecolabels for efficient toilets, urinals, washbasin taps and showers.

The biggest environmental contribution by Geberit products also lies in the conservation of water. The analysis of the entire value chain (excluding products of the former Sanitec Group) in the form of a → [water footprint](#) shows that nearly 100% of the water consumption is attributable to the product usage phase. The water savings are impressive: According to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 20,200 million cubic metres of water in comparison with traditional flushing systems. In 2015 alone, the water saved amounted to around 2,280 million cubic metres. This is more than half of the annual consumption of all German households.

However, the continuous reduction of the ecological footprint of Geberit products goes beyond water saving. They impress with their quality, durability, resource efficiency, good environmental compatibility and high recyclability. Since 2007, Geberit has been consistently focussing on → [eco-design](#), meaning new products are systematically examined and optimised in terms of environmental and safety aspects. This takes place along the entire value chain – from the selection of raw materials and utilisation right through to disposal. Thanks to this pioneering work, Geberit is well positioned in terms of EU requirements. The eco-design approach will also be applied gradually to the new product areas Bathroom Ceramics and Ceramics Complementary Products.

→ [Green building](#) has become the standard in recent years in both the public and private construction sector. European standards are thus prescribing the use of sustainable products and systems in buildings. At the same time, more and more buildings are being constructed in accordance with sustainability standards such as DGNB, Minergie, BREEAM and LEED. Investors, project developers, owners and tenants are demanding system providers with holistic know-how regarding green building in order to satisfy the relevant standards. Geberit is addressing these issues with water and energy-saving, low-noise and durable products, consistently positioning itself in the frontline with regard to green building. (For reference projects, see the → [reference magazine View](#) In a next step, Geberit plans to create an internal area of competence as well as raising awareness among, and training, the technical advisors. In the long term, product catalogues and online information will be supplemented with the relevant data on green building.

Geberit combats risks posed by increasing regulation and changing framework conditions with an effective → [compliance system](#) that focusses on compliance in the five key topic areas of antitrust legislation, corruption, employee rights, product liability and environmental protection.

## 2. Organizational profile

### G4-3 Name of the organization

Geberit Group.

### G4-4 Brands, products and/or services

Geberit offers customers high-quality system solutions for applications in private residential construction and public buildings. The systems are used in both renovation projects and new buildings.

The product area Sanitary Systems comprises all sanitary technology found in buildings (with the exception of pipelines) and is divided into four product lines: Installation Systems, Cisterns and Mechanisms, Faucets and Flushing Systems and Waste Fittings and Traps. The product area Piping Systems comprises all piping technology found in buildings for drinking water, heating, gas and other media and is divided into the product lines Building Drainage Systems and Supply Systems. The product area Sanitary Ceramics comprises nearly all relevant equipment in the bathroom and is divided into the product lines Bathroom Ceramics and Ceramics Complementary Products.

For further information on the product range, see → [www.geberit.com](http://www.geberit.com) > Products > Product range.

For 2015 net sales by product area and product line, see → [Business Report > Business and financial review > Financial Year 2015 > Net sales](#).

### G4-5 Headquarters location

The Geberit Group has its headquarters in Rapperswil-Jona (CH).

### G4-6 Countries with business operations

Geberit has its own representatives in 44 countries. The products are sold in over 113 countries throughout the world. Following the integration of the former Sanitec Group, the company has 35 specialised production companies in 14 different countries close to the most important sales markets and a central logistics centre in Pfullendorf (DE).

For a list of the countries in which Geberit operates, see → [Financial Report > Consolidated financial statements Geberit Group > Note 33](#).

### G4-7 Ownership and legal form

Geberit AG, the parent company of the Geberit Group, is a stock corporation (AG) under Swiss law.

### G4-8 Markets served

In terms of market cultivation, Geberit relies on a three-stage distribution channel. Numerous products are distributed via the wholesale trade. Dealerships then sell them to plumbers and present them at exhibitions and other venues where end customers can gain information. At the same time, Geberit provides plumbers and sanitary planners with intensive support through training and advice, which in turn leads to increased demand for Geberit products from wholesalers.

With the takeover of Sanitec, the number of advisors employed in the sales force in Europe was increased by around 200, and now totals more than 800. They are in daily contact with customers and decision-makers. When aligning the future sales organisation, the focus was on meeting the specific needs of wholesalers, plumbers, planners, architects, building owners and end users. In other words: a clear focus on the key customer groups in the respective markets takes precedence over advisors specialising in particular product groups such as ceramic appliances or piping systems.

For net sales by markets and regions as well as by product areas and product lines, see → [Business Report > Business and financial review > Financial Year 2015 > Net sales](#).

### G4-9 Scale of the reporting organization

As a result of the acquisition, greater changes were seen in the key figures compared with the previous year.

The Geberit Group's market capitalisation reached CHF 12,859 million as of the end of 2015 (previous year CHF 12,791 million). For the consolidated balance sheet with details of current assets, non-current assets, equity and liabilities, see → [Financial Report > Consolidated financial statements Geberit Group > Balance sheet](#). In 2015, net sales amounted to CHF 2,593.7 million (previous year CHF 2,089.1 million).

At the end of 2015, the Group had 12,126 employees (previous year 6,247 employees). For the number of business sites, see → [G4-6](#).

### G4-10 Total number of employees by employment type, employment contract, region and gender

The number of employees nearly doubled as a result of the acquisition. At the end of 2015, the Geberit Group employed 12,126 staff worldwide, which equates to an increase of 5,879 people or 94.1% year on year.

For key figures on the workforce by employment type, employment contract, region and gender, see → [Key figures sustainability > Employees and society](#).



#### G4-11 Employees covered by collective bargaining agreements

Approximately 7,120 employees, and thus over one-half of the workforce (57%), are currently covered by collective agreements (e.g. collective labour agreements, wage agreements). The percentage is especially high in Germany, Austria, Switzerland, France, Italy, Ukraine, Finland and Sweden, where over 95% of employees are subject to a collective labour or wage agreement. There are no collective agreements with employees in the USA and China.

#### G4-12 Description of the organization's supply chain

See → [chapter Suppliers](#).

#### G4-13 Significant changes regarding size, structure or ownership

There were significant changes as a result of the acquisition of the Sanitec Group, see → [Sanitec acquisition](#). Their impact has been noted individually for each theme and the associated key figures.

For further information, see → [Financial Report > Consolidated financial statements Geberit Group > Notes > Note 2](#).

#### G4-14 Precautionary approach

The precautionary approach plays an important role for Geberit as a production company. This approach is described in the → [Code of Conduct](#).

The Geberit Group has a → [Group certificate](#) in accordance with ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (health and safety) that is valid until the end of 2018. 16 of the 17 Geberit production plants and 13 of the 18 former Sanitec plants are certified to ISO 14001. By the end of 2018, all new plants will be integrated into the Geberit management system and certified according to ISO 9001 and 14001, as well as OHSAS 18001. Three plants have already been certified according to ISO 50001. Furthermore, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU in 2015.

In the environmental area, the company remains committed to its ambitious goals of improving the relative environmental impact and relative CO<sub>2</sub> emissions by 5% annually. The long-term target values defined at the end of 2012 for absolute CO<sub>2</sub> emissions and the share of renewable energy sources must be adjusted in 2016 owing to the acquisition of Sanitec. In the area of occupational safety, the aim is to halve the frequency and severity of accidents based on the reference year 2015 by 2025.

The European production plants are gradually implementing a uniform Geberit Production System (GPS) 2.0. Best-practice standards in production will be uniformly implemented using methods such as SMED (Single Minute Exchange of Dies), TPM (Total Production Maintenance), 5S (Workplace Organisation Methodology) and CIP (Continuous Improvement Process).

An extensive system for the control and management of all risks involved in business activities is in place throughout the Group. For further information, see → [Business report > Corporate governance > Board of directors > Information and control instruments vis-à-vis the Groupe Executive Board](#).

#### G4-15 External agreements and initiatives

Geberit has been a formal member of the UN Global Compact since October 2008 and was a founding member of the local Swiss network in 2011. The company has been a member of the Transparency International organisation since June 2000 and supports its objectives for combating corruption. Since 2007, Geberit has voluntarily applied the comprehensive guidelines of the Global Reporting Initiative (GRI) for sustainability reporting and has thereby made an active contribution towards ensuring transparency and comparability in this reporting.

Furthermore, the company became a member of the non-profit organisation "Swiss Water Partnership" in 2012. The goal of this platform is to bring together all stakeholders involved in the topic of water supply (from the academic, business, public and private spheres) in order to address future challenges in this area jointly. This partnership also aims to promote international dialogue on water.

#### G4-16 Membership in associations and organizations

Geberit is involved in various associations and organisations that make a contribution toward sustainability. In addition, various Geberit companies are members of national associations on topics such as environmentally friendly production, energy, waste management and employee protection. For major commitments, see → [www.geberit.com > Company > Sustainability > UN Global Compact and Memberships](#).

## 3. Material Aspects and Boundaries

### G4-17 Reporting boundaries in the consolidated financial statements

In general, the report covers the entire Geberit Group and the 12 months of the 2015 reporting year. With regard to the net sales figures, it must be noted that these only contain 11 months of business figures from the former Sanitec.

If only part of the company is meant as an example or due to the availability of data, this is clearly indicated.

For the reporting limits in the consolidated financial statements, see → [Financial Report > Consolidated financial statements Geberit Group > Notes > Note 33](#).

### G4-18 Process for defining report content

The GRI G4 guidelines serve as the basis for this report for the second time. Geberit implements the report option “comprehensive” and adheres closely to the GRI guidelines regarding the determination of material aspects and boundaries. The starting point is a comprehensive → [Materiality analysis](#) based on the sustainability topics described in the GRI aspects.

For the materiality analysis, these efforts were able to build on the substantial basis that has been created in recent years. Material sustainability topics and related measures are already presented in compact form within the → [Sustainability Strategy](#). Also material are the principles of the UN Global Compact, which Geberit has committed itself to uphold and which are presented in the → [Communication on Progress UN Global Compact](#).

An internal materiality analysis was first developed on this basis from June to August 2014. The GRI aspects to be reviewed were divided into seven areas. They were then analysed, assessed and prioritised in detail in seven workshops, each with one member of the Group Executive Board and further specialists from the respective area present. The total results from all workshops were consolidated, then examined and approved by the Group Executive Board. An external stakeholder panel was consulted in September 2014. This was the second such consultation following the first in 2012. Its mandate consisted of scrutinising the results of the internal materiality analysis. The majority of these results showed a high degree of consensus between the internal standpoint of the company and the assessment of the stakeholder panel, → [Panel statement](#).

The results of the materiality analysis were reviewed as part of the integration of Sanitec in 2015. There were no major changes in the material aspects.

### G4-19 Material aspects

Material aspects are deemed material if they are significant from the internal perspective of the company and/or the external perspective of stakeholders. No differentiation was made between internal and external dimensions. The aspects were divided into four categories: most material, material, less material and not material or not requiring any action. The GRI aspects that Geberit identified as material in the economic, environmental and social dimensions can be seen in a → [dynamic chart](#).

The results of the internally conducted materiality analysis were reviewed by the external stakeholder panel and approved, see → [Panel statement](#).

The following aspects were identified as not material or as not requiring any action:

GRI aspects that are not material or that require no action	Reason
Procurement practices (in the narrower sense in connection with local suppliers)	Collaboration with local suppliers has no strategic significance for Geberit. Criteria such as reliability and price, quality and sustainability etc. are material, whereas the supplier's proximity to the production site is not (except in a handful of individual cases). As a result, there is no preferential treatment of local suppliers or special criteria for them. For comprehensive information on the subject of the supply chain, see <a href="#">→ chapter Suppliers</a> .
Biodiversity	Geberit production sites do not endanger biodiversity in protected areas. The impact on biodiversity through the use of raw materials for the newly acquired ceramics production must be clarified further.
Investments environment	Geberit plans holistically and integrates the aspect of environmental protection in the development of its products and production sites. In the context of integrated, sustainable planning, it makes no sense for Geberit to report investments in environmental protection separately.
Environmental grievance mechanisms	Any risks or problems cited by stakeholders are addressed and resolved directly. Formal grievance mechanisms are not relevant for Geberit.
Labour/Management relations (in the narrower sense of formal notice periods)	Geberit cultivates transparent internal communication and a close dialogue between <a href="#">→ employees</a> and management. There are no formally binding agreements on communication in case of severe measures.
Security practices	Geberit is not active in any countries where special security precautions have to be taken.
Indigenous rights	Geberit is not active in any countries or regions where the rights of indigenous people are endangered.
Human rights grievance mechanisms	The risks of human rights violations by Geberit are low in general. Any risks or problems cited by stakeholders are addressed and resolved directly. Formal grievance mechanisms are not relevant for Geberit.
Local communities	Geberit production sites do not entail special risks for local communities or adverse effects on the neighbourhood. As a good corporate citizen, Geberit cultivates good relations with its neighbours.
Public policy	No support is given to political parties or politicians. Participation in the political process is confined to membership in certain associations and is therefore limited.
Social grievance mechanisms	Any risks or problems cited by stakeholders are addressed and resolved directly. Formal grievance mechanisms are not relevant for Geberit.
Marketing communications	Owing to its marketing strategy, Geberit is little exposed to risks from aggressive advertising or marketing. All external means of communication are checked for correctness and appropriateness.
Customer privacy	Geberit does not possess sensitive data on end users. Data on customers and end users are safeguarded as required by statutory requirements.

#### G4-20/21 Material aspects and report boundaries outside and within the organization

The GRI aspects determined to be material pertain to different internal areas and external players. The table below shows which areas and players are primarily covered in this report. They therefore determine the reporting limits.

Material GRI aspects	Reporting limits inside the organisation			Reporting limits outside the organisation			
	Company, total	Employees	Production/ logistics	Customers	Suppliers, partners	Society	Others
Economic performance	x	x				x	Shareholders
Market presence		x				x	
Indirect economic impacts		x		x	x	x	Regional economy
Materials			x	x	x		
Energy	x			x		x	
Water			x	x		x	
Emissions			x	x		x	
Effluents and waste			x			x	
Products and services	x			x	x	x	
Compliance environment			x			x	
Transport			x		x	x	
Supplier environmental assessment					x		
Employment		x				x	Regional economy
Occupational health and safety		x				x	Regional economy
Education and further training		x				x	Regional economy
Diversity and equal opportunity		x					
Equal remuneration for women and men		x					
Supplier assessment for labour practices					x		
Labour practices grievance mechanisms		x				x	
Investments	x					x	
Non-discrimination		x					
Freedom of association and right to collective bargaining		x					Unions
Child labour		(x)			x	x	
Forced or compulsory labour		(x)			x	x	
Human rights assessment	x				x	x	
Supplier human rights assessment					x	x	
Anti-corruption	x			x	x	x	
Anti-competitive behaviour	x			x		x	Competitors
Compliance	x					x	
Supplier assessment on impacts on society					x	x	
Customer health and safety	x			x			
Product and service labelling	x			x			
Compliance Product Responsibility	x			x			

#### **G4-22 Effects of any restatements of information provided in earlier reports**

For the financial year 2015 sales was changed to net sales as the relevant sales figure. The net sales contain, in comparison to sales, no bonus nor discounts. If, in individual cases, a new form of presentation, calculation method or optimised data collection has led to other results for the previous years, then this is noted as a restatement under the respective indicator.

#### **G4-23 Changes from previous reporting periods in scope, boundary or measurement methods**

The annual sustainability reporting for the 2006 to 2013 financial years is based on the GRI G3 guidelines in force since October 2006. The 2014 financial year was the first time the GRI G4 guidelines were followed, and they were applied in turn to the 2015 financial year. In this way, Geberit has developed a consistent reporting system in which individual indicators are further developed each year.

With the exception of the updated calculation for the environmental impact and CO<sub>2</sub> emissions, there were no significant changes during the reporting period for topics identified as material (GRI aspects). If, in individual cases, a new measuring method is used, this is noted under the respective indicator. With regard to the change to reporting limits, see → [G4-17](#).

## 4. Stakeholder engagement

### G4-24 Relevant stakeholder groups

Significant stakeholder groups for Geberit are customers, shareholders and analysts, banks, the media, employees and trade unions, neighbours, research institutes, suppliers, transport companies, competitors, associations, non-government organisations and the general public, as well as regulators. Details on stakeholder engagement can be found under → [G4-26](#).

### G4-25 Basis for selection of stakeholders

Systematic guided dialogue with stakeholders helps Geberit to identify possible conflict issues and opportunities for further development and to respond to these in good time. At the national and international levels, the Geberit Group and the Group companies maintain relations with organisations and institutions in the respective countries that direct requests and suggestions to the company. The stakeholders listed under → [G4-24](#) have been identified as important for systematic stakeholder dialogue as they fulfil one of two criteria: Either the stakeholder group exerts a strong influence on the economic, environmental or social performance of Geberit and/or the stakeholder group is strongly affected by the economic, environmental or social performance of Geberit. An → [external Stakeholder Panel](#) helps Geberit to review its assessment of important stakeholder groups and their concerns.

### G4-26 Approaches to stakeholder engagement

As part of sustainability reporting on the financial year 2014, Geberit consulted a panel of external stakeholders for the second time in the second half of 2014. Its mandate consisted of scrutinising the results of the internal materiality analysis from the standpoint of external stakeholders and providing feedback on the sustainability strategy and sustainability communication. The results are presented in the → [Panel statement](#). In the → [Response from Geberit to the Panel statement](#) Geberit deals in detail with the external assessment and the recommendations contained therein.

A stakeholder analysis is performed at all production plants as part of environmental management in accordance with ISO 14001. Based on this information, Geberit identifies potential for conflict or opportunities and essentially pursues a cooperative approach in order to discuss and further develop possible measures with the stakeholders concerned.

Engagement of stakeholders according to stakeholder group:

#### Customers:

- More than 800 technical advisors working in the field are in daily contact with plumbers, planners and architects in particular.
- During the reporting year, around 30,000 customers were provided with basic and further training in Geberit systems and software tools at the 25 information centres in Europe and overseas.
- "Geberit On Tour": Mobile exhibition that presented the advantages of Geberit products at more than 1,000 events in 18 countries in 2015. More than 31,000 visitors were registered at the events in total.
- For trade fairs and customer services, see → [Business Report > Business and financial review > Financial Year 2015 > Customers](#).
- A trend study entitled "Changes in Body Awareness and Hygiene" was carried out by Zukunftsinstitut GmbH in Frankfurt (DE).

#### Shareholders, analysts:

- For the participatory rights of the shareholders, see → [Business Report > Corporate governance > Participatory rights of shareholders](#).
- Regular conference calls, bilateral meetings, conferences and roadshows by the CEO, CFO and Head Corporate Communications and Investor Relations.

#### Media:

- Regular conference calls, bilateral meetings/interviews with the relevant media for Geberit
- Sustainability issues and in particular the proof of performance of Geberit in this area play an important role in Geberit's media relations.

#### Employees, trade unions:

- Regular meetings of the employee representatives of the European sites with a member of the Group Executive Board and the Head Corporate Human Resources as part of the Geberit Europe Forum. Meetings with the European works council of former Sanitec took place in parallel with this. Merging of the two committees from 2016 to create a new Europe Forum with employee representatives from all European countries, during which a member of the Group Executive Board and the Head Corporate HR meet with the delegates.
- Training and feedback opportunities on topics regarding the Code of Conduct.
- Group-wide Geberit Integrity Line in place since 2013 to enable all employees across the world to report internal irregularities anonymously. As of 2015, this already includes all employees of the former Sanitec Group.
- Employee survey every four years, with the next one in 2016.

#### Neighbors, municipalities:

- Consultation with and inclusion of the neighbours of production plants in larger construction projects.
- Open days at various production sites.

#### Research institutes:

- Partner of the → [research platform NEST](#) (Next Evolution in Green Building Technologies) at EMPA in Dübendorf (CH).
- Cooperation with Tongji University (CN) on technological trends and developments directly related to sanitary technology.

#### Suppliers:

- Initial contact within the scope of the assessment procedure and implementation of the Code of Conduct for Suppliers, see → [chapter Suppliers](#).
- Regular discussions between buyers and suppliers on site.
- On-site audits (quality, environment, safety) carried out by Geberit and since 2012 also by certified third-party specialists.
- Cooperation with manufacturers of infrastructure equipment, e.g. pilot project for the use of waste heat for the preheating of granulate in Pfullendorf (DE).

#### Transport companies:

- Discussions with transport service providers concerning the results of the environmental monitoring, see → [G4-EN29](#).

#### Associations:

- Collaboration with FECS (European Federation of Ceramic Sanitary Ware Manufacturers) on a new voluntary European standard for assessing the sustainability of ceramic sanitary appliances (EN 16578).
- Involvement in various → [associations and organizations](#) with participation in corresponding management bodies and programmes.

#### Non-government organizations, general public:

- Partnership with the Swiss development organisation Helvetas.

Feedback from stakeholder dialogues is incorporated into the → [Materiality analysis](#) and into the → [Sustainability Strategy](#)

#### G4-27 Response to and dealing with key topics and concerns of stakeholders

The topics introduced by the external → [Stakeholder Panel](#) have been integrated into the updated sustainability strategy and reporting by Geberit, see → [Panel statement](#) and the → [Response from Geberit to the Panel statement](#).

Examples of important topics that were introduced by stakeholders and have been implemented by Geberit include:

- Transparency for employees with regard to the integration of the former Sanitec Group, see → [Business Report > Business and financial review > Financial Year 2015 > Employees](#).
- Geberit standards for production plants of the former Sanitec Group: see → [Business Report > Business and financial review > Financial Year 2015 > Production](#).
- Expansion of the portfolio of water-saving products: see → [G4-EN27](#). → [Water footprint](#), which covers the entire Geberit value chain (excluding former Sanitec products).
- Transparency with "WELL" in the selection of water-saving products: see → [Business Report > Business and financial review > Financial Year 2015 > Sustainability](#).
- Uniform sales organisation: see → [Business Report > Business and financial review > Financial Year 2015 > Customers](#).
- Customer training: see → [Business Report > Business and financial review > Financial Year 2015 > Customers](#).
- Transparency of the remuneration system: see → [Business Report > Remuneration report](#).
- Long-term CO<sub>2</sub> strategy: see → [Management Approach Emissions](#).
- Transparency in the environmental impact of logistics: see → [Management Approach Transport](#).
- "Best-in-class" approach to occupational safety: see → [Business Report > Business and financial review > Financial Year 2015 > Employees](#).
- Implementation of social projects: see → [Business Report > Business and financial review > Financial Year 2015 > Social engagement](#).

## 5. Report profile

### G4-28 Reporting period

2015 reporting year.

### G4-29 Date of most recent previous report

Geberit published extensive magazine-like Sustainability Reports in 2004, 2007 and 2010. GRI reporting regarding all GRI G3 guideline requirements at the Level A application stage was published annually for the financial years 2006 to 2013. Reports were prepared in accordance with the GRI G4 guidelines with the report option "comprehensive" for the first time for the financial year 2014. The → [last report](#) for 2014 is still available online; for reports from previous years, see → [www.geberit.com > Downloadcenter > Publications](#).

### G4-30 Reporting cycles

Annually as part of the integrated online reporting for a given financial year.

### G4-31 Contact point for questions regarding the report or its contents

Should you have any questions concerning sustainability at Geberit, please contact:

Roland Högger  
Head of Environment and Sustainability  
Geberit International AG  
Schachenstrasse 77, CH-8645 Jona  
Tel: +41 55 221 63 56, Fax: +41 55 221 67 47  
[sustainability@geberit.com](mailto:sustainability@geberit.com)

### G4-32 Reporting option chosen

The reporting implements the GRI G4 reporting option "comprehensive". For the formal GRI index, see → [formal GRI-Index](#).

### G4-33 External assurance for the report

There is no external review of the sustainability reporting in its entirety. Instead, individual processes, results and indicators are inspected in detail by external parties:

- The → [Stakeholder Panel](#) examined the selection of material aspects (see → [G4-18](#) and → [G4-19](#)), see → [Panel statement](#) and → [Response from Geberit to the Panel statement](#).
- Financial reporting is audited by an external auditor, see → [Financial Report > Financial statements Geberit AG > Report of the statutory auditor](#).
- Reporting on the energy and greenhouse gas balance sheet is submitted as part of the Carbon Disclosure Project (CDP) and reviewed and assessed as part of the usual evaluation. In this, the world's largest climate protection ranking, Geberit has achieved the status of "Sector Leader Industrials" in reporting, meaning that it is one of the ten best companies in the sector in Germany, Austria and Switzerland.
- The Geberit Group has a → [Group certificate](#) in accordance with ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (health and safety) that is valid until the end of 2018. 16 of the 17 Geberit production plants and 13 of the 18 former Sanitec plants are certified to ISO 14001. By the end of 2018, all new plants will be integrated into the Geberit management system and will be certified according to ISO 9001 and 14001, as well as OHSAS 18001.
- In 2015, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU, with three production plants already certified to ISO 50001.
- On-site audits (quality, environment, safety) are carried out by Geberit and since 2012 also by certified third-party specialists as part of on-site supplier auditing, see → [chapter Suppliers](#).



## 6. Governance

### G4-34 Governance structure, committees under the Board of Directors

The Board of Directors determines the strategic objectives and the general resources for achieving these, and decides on major business transactions. For details about the internal organisation of the Board of Directors and its committees, see [→ Business Report > Corporate governance > Board of directors > Internal organizational structure](#).

The operational management structure of Geberit is divided into six Group Divisions:

- CEO division
- Sales Europe
- Sales International
- Marketing and Brands
- Products
- Finance

The assignment of clearly distinguished responsibilities minimises the number of interfaces. For more details about the organisational structure, see [→ Business Report > Management structure](#).

### G4-35 Delegation of authority on economic, environmental and social matters

The Board of Directors determines the overall strategy. This includes the corporate strategy, see [→ Business Report > Business and financial review > Strategy and goals > Strategy](#) and the [→ Sustainability Strategy](#). To the extent legally permissible and in accordance with the Organisation Regulations, the Board of Directors has assigned the operational management and the implementation of the strategy to the Chief Executive Officer. Within the operational management structure, responsibility for specific economic, environmental and social issues is delegated further, see [→ Business Report > Management structure](#).

At every meeting, the members of the Group Executive Board inform the Board of Directors of current business developments and major business transactions of the Group or Group companies, as the case may be. Between meetings, the Board of Directors is comprehensively informed in writing about current business developments and the company's financial situation on a monthly basis.

### G4-36 Responsibility for economic, environmental and social matters

The Board of Directors determines the strategic objectives and the general resources for achieving these, and decides on major business transactions. Within the operational management structure, responsibility is determined for specific economic, environmental and social issues, see [→ Business Report > Management structure](#). The responsible individuals report either directly to the CEO (including Corporate Human Resources, Corporate Communications and Investor Relations, Marketing, Strategic Planning), or to other members of the Group Executive Board.

The way in which the topic of sustainability is approached has been regularly reviewed within the company. For over 20 years, Geberit has had an Environment and Sustainability department, which has been reporting directly to the CEO for more than a decade. In recent years, this department has coordinated the further development of the Sustainability Strategy and related activities, although the responsibility for planning and implementation lies with the individual areas themselves.

### G4-37 Consultation process between stakeholders and the Board

For the participatory rights of the shareholders, see [→ Business Report > Corporate governance > Participatory rights of shareholders](#).

There is no employee representative on the Board of Directors. The employee representatives of the European sites meet regularly with a member of the Group Executive Board and the Head Corporate Human Resources. Selected concerns can be addressed to the Board of Directors through this channel. This was the case for the former sites as part of the Europe Forum in 2015. There was a similar forum for the former Sanitec companies. From 2016, the two forums are to be merged to form one organisation.

### G4-38 Independent members of the Board of Directors

The Board of Directors consisted of six members at the end of 2015. Albert M. Baehny is Chairman of the Board of Directors. All of the committees formed by the Board of Directors are comprised exclusively of independent members. For further details, see [→ Business Report > Corporate governance > Board of directors](#).

### G4-39 Separation of chair of Board of Directors and Executive Management

Christian Buhl has been Chief Executive Officer (CEO) since the start of 2015. Albert M. Baehny is Chairman of the Board of Directors. For further details, see [→ Business Report > Corporate governance > Board of directors](#).

#### **G4-40 Nomination and selection process of the Board of Directors**

With regard to the election and terms of office of members of the Board of Directors, see → [Business Report > Corporate governance > Board of directors > Elections and terms of office](#).

#### **G4-41 Processes in place for the Board of Directors to avoid conflicts of interest**

Detailed information on all members of the Board of Directors, including their memberships in other organisations, can be found in → [Business Report > Corporate governance > Board of directors](#).

The Articles of Incorporation and the → [organizational regulations of the board of directors](#) stipulate how conflicts of interest of members of the Board of Directors are avoided. The members of the Board of Directors are obliged to refrain from involvement in the handling of matters affecting either their personal interests or those of a company with which they have an affiliation. This obligation to refrain from involvement has no influence on the requirements for a quorum when passing resolutions. Business dealings between the company and members of the executive or governing bodies or related parties are subject to the principle of conclusion at conditions as with independent third parties.

#### **G4-42 Role of top management and Board of Directors in development of guiding principles and strategies**

Geberit's long-standing success is based on the fact that, together with the Board of Directors, the Group Executive Board pursues a long-term perspective. The Board of Directors and Group Executive Board have defined and adopted key mission statements and principles such as the Geberit Compass and the Geberit Code of Conduct, see → [G4-56](#). The → [Sustainability Strategy](#) is examined and approved by the Group Executive Board and the Board of Directors, see → [G4-45](#).

#### **G4-43 Measures to further enhance the top management's and Board of Directors' related know-how on economic, ecological, and social topics**

Internal business processes are designed to ensure continuous improvement and innovation. These values are closely associated with the Geberit brand. At the same time, stakeholder concerns are taken seriously, and the Group Executive Board and Board of Directors receive feedback and input for the continued development of the sustainability strategy as part of the stakeholder panel, for example.

Every year, the Board of Directors undertakes at least one assessment of the way in which it works together. This includes an assessment of how well-informed the members of the Board of Directors are about the Group and its business performance, see → [organizational regulations of the board of directors](#).

#### **G4-44 Processes for evaluation of the sustainability performance of the Board of Directors**

Geberit's long-standing success is based on the fact that, together with the Board of Directors, the Group Executive Board pursues a long-term perspective, thus enabling the company to demonstrate its performance clearly in areas including sustainability. There is no formal procedure for assessing the performance of the Board of Directors from an integrated sustainability perspective. As part of the annual review of the sustainability strategy, findings are discussed and areas where action is needed are determined, see → [G4-45](#).

Geberit's remuneration policy states that remuneration programmes must be balanced between the reward of short-term success and long-term value creation. For information about the remuneration of the management bodies, see → [Business Report > Remuneration report](#).

#### **G4-45 Board level procedures for overseeing sustainability performance**

The → [Sustainability Strategy](#) is examined and approved by the Group Executive Board and the Board of Directors. Results and the achievement of objectives are submitted to the Group Executive Board and Board of Directors for verification at least once annually. This also comprises the → [Communication on Progress UN Global Compact](#) and the Geberit Compliance Report, including the audit results with respect to the Code of Conduct.

In the second half of 2014, Geberit consulted an → [external Stakeholder Panel](#). for the second time. Its mandate consisted of providing feedback on the sustainability strategy and sustainability communication, as well as the associated risks and opportunities. This input is used for the strategic review and continued development of the company. A third external stakeholder panel is planned for 2016.

#### **G4-46 Assessment of the effectiveness of sustainability related risk management procedures**

Based on the Organisation Regulations of the Board of Directors, the Audit Committee has implemented a comprehensive system for monitoring and controlling the risks linked to the business activities. This process includes risk identification, analysis, control and reporting.

Operationally, the Group Executive Board is responsible for controlling risk management. In addition, responsible persons are designated in the company for significant individual risks. These responsible parties decide on specific actions for risk mitigation and monitor their implementation. Every other year, the Internal Audit Department issues a risk report for the attention of the Board of Directors. Significant risks are also constantly discussed in the meetings of the Group Executive Board and Board of Directors, which take place on a regular basis.

For an overview of the Geberit compliance system, see → [Business Report > Business and financial review > Financial Year 2015 > Compliance](#).

#### **G4-47 Frequency of review of risks and chances in the area of sustainability**

The impacts, risks and opportunities are discussed by the Group Executive Board and Board of Directors annually in connection with the sustainability reporting and the → [Sustainability Strategy](#).

#### **G4-48 Review and approval of sustainability reporting**

Sustainability reporting is examined and approved by the Board of Directors and Group Executive Board as part of the integrated annual report.

#### **G4-49 Procedure for communicating crucial concerns to the Board**

The Board of Directors is available at any time to address the concerns of stakeholders and shareholders.

#### **G4-50 Nature and total number of critical concerns communicated to the Board**

Matters brought by shareholders before the General Meeting will be dealt with in accordance with the Articles of Incorporation. Only a very small number of matters were submitted directly to the Board of Directors in 2015. It proved possible to discuss and to settle these matters directly with the individuals concerned. There are no significant matters outstanding at the present time.

#### **G4-51 Remuneration policies for highest governance body's**

Geberit publishes a detailed annual Remuneration Report, which discloses the precise points of its remuneration policy, see [→ Business Report > Remuneration report](#).

#### **G4-52 Process for determining remuneration**

Geberit publishes a detailed annual Remuneration Report, which discloses the precise points of remuneration to the Board of Directors and Group Executive Board, see [→ Business Report > Remuneration report](#).

#### **G4-53 Handling of stakeholder views on remuneration**

The remuneration to the Board of Directors and Group Executive Board disclosed in the detailed Remuneration Report (see [→ Business Report > Remuneration report](#)) addresses the concerns of stakeholders and shareholders.

#### **G4-54 Annual total compensation ratios**

The ratio of the annual remuneration paid to the highest-paid employee to the level of annual remuneration for all employees (excluding the highest-paid employees) was (excluding the former Sanitec) 10.2 in Switzerland, 4.3 in Germany, 3.6 in Austria and 2.8 in Italy.

#### **G4-55 Annual compensation related percentage increase ratios**

The ratio of the percentage increase in annual remuneration paid to the highest-paid employee to the level of the percentage increase in annual remuneration for all employees (excluding the highest-paid employee) for 2015 cannot be reproduced as a figure. This is because the salaries of the highest-paid employees decreased whereas the annual remuneration paid to the rest of the workforce slightly increased.

## 7. Ethics and Integrity

### G4-56 General principles and code of conduct

Geberit aims to act as a role model for ethically unimpeachable, environmentally friendly and socially responsible operations. In this regard, the → [Geberit Compass](#) (what we do, what motivates us, how we work together, what is responsible for our success) and the → [Geberit Code of Conduct for Employees](#) serve as the applicable guidelines. At the end of 2015, a physical copy of the Compass, together with a letter from the CEO, was delivered to the homes of all our employees. Furthermore, the Compass was also explained by the CEO in the Employee Magazine. The revised Code of Conduct was communicated to employees at the start of 2015.

Other specific guidelines that are important to Geberit are the:

- → [Geberit safety policy and principles](#)
- → [Geberit Code of Conduct for suppliers](#)
- → [SQS and IQNet certificate ISO 9001/14001 and OHSAS 18001](#)
- UN Guiding Principles on Business and Human Rights

### G4-57 Mechanisms for securing ethical and lawful behavior

Geberit has established an effective compliance system to ensure that its conduct is both ethical and in compliance with the law. Action on compliance focuses on the following five key topics: antitrust legislation, corruption, employee rights, product liability and environmental protection, see → [Business Report > Business and financial review > Financial Year 2015 > Compliance](#).

Conformity with the Code of Conduct for Employees is subject to binding controls each year. All Geberit Group companies - including the new companies from the former Sanitec Group - receive around 50 questions on the five above-mentioned topic areas. In addition, on-site audits are performed by the Internal Audit Department and corrective measures taken in the event of misconduct. The audits also comprise special interviews with the managing directors of the individual companies on the topics mentioned in the Code of Conduct. The respective information is verified. The findings from the survey and audits form the basis for the annual Compliance Report submitted to the Group Executive Board and are published in accordance with the guidelines of the Global Reporting Initiative (GRI) in this report.

### G4-58 Mechanisms for reporting concerns regarding unethical or unlawful behavior

The Board of Directors and Group Executive Board are available at any time to address the concerns of stakeholders.

Employees who openly address irregularities which represent breaches of applicable law, ethical standards or this Code of Conduct are acting correctly and in accordance with the Geberit Code of Conduct. As a general rule, employees should seek a personal meeting with their supervisor. The Geberit Integrity Line is available to all employees – and, since 2015, also to employees from the former Sanitec companies – as a whistleblower hotline. This service is intended to enable employees to anonymously report cases such as sexual harassment or when a corrupt payment is being covered up. The Integrity Line is operated by an external company with experience in this area, and is available around the clock seven days a week.

## 8. Economy (EC)

### 8.1 Economic Performance (EC)

#### Management Approach - Economic Performance

As a key objective of the company, the economic performance of the Geberit Group is under the strategic control of the Board of Directors and the operational management of the Group Executive Board (aspects economic performance, market presence, indirect economic effects).

With its innovative solutions for sanitary products, Geberit aims to achieve sustained improvement in the quality of people's lives. Its proven, focused strategy for doing so is based on four pillars: Focus on sanitary products, Commitment to innovation and design, Selective geographic expansion and Continuous optimisation of business processes.

For detailed explanations of the four strategic pillars, see → [Business Report > Business and financial review > Strategy and goals](#).

For a discussion of the economic position of the Geberit Group, see → [Business Report > Business and financial review](#).

#### G4-EC1 Economic performance

Significant indicators for the generation and distribution of value in accordance with the GRI requirements can be found in the financial report:

##### Direct Economic Value Added

- Net sales and operating profit, see → [Financial Report > Consolidated financial statements Geberit Group > Income statements](#).

##### Economic Values Passed On

- Operating expenses excl. personnel expenses, see → [Financial Report > Consolidated financial statements Geberit Group > Income statements](#).
- Personnel expenses, see → [Key figures Sustainability > Employees and society](#).
- Payments to providers of capital, see → [Financial Report > Consolidated financial statements Geberit Group > Statements of cashflows](#).
- Social engagement, see → [G4-EC7](#).

##### Retained Economic Values

- Investments in and divestments of property, plants and equipment, see → [Financial Report > Consolidated financial statements Geberit Group > Income statements](#).
- Share buyback, see → [Financial Report > Consolidated financial statements Geberit Group > Notes > Note 22](#).

#### G4-EC2 Financial implications of climate change

The UN climate change conference in Paris (COP21) and the agreement reached by its participants to limit global warming to well below 2 °C – and to 1.5 °C if possible – represent far-reaching goals for limiting climate change. Now, there is a growing need to take action to minimise climate change and its consequences. One of the most visible effects of climate change that we are already experiencing is the limited availability of water resources in many areas, which is becoming a major issue in the eyes of the public. In the 2015 Global Risks Report published by the World Economic Forum (WEF), water scarcity was classified as the top risk in terms of impact for the first time. Consequently, one of the Sustainable Development Goals drawn up by the UN in September 2015 focuses on ensuring the availability and sustainable management of water and sanitation for all.

By 2010, the World Bank had already forecast that the adjustment to an increase in temperature of the global climate of two degrees Celsius between 2020 and 2050 would cost between USD 70 and 100 billion per year. 20 percent of this is attributable to water supply and flood protection measures. Around a third of the global population is already living in regions in which water resources are scarce. Europe is increasingly affected, especially the southern and eastern Mediterranean region where, according to the European Commission's Green Book, available water resources will halve within the next 50 to 100 years. For people in economically weak regions in particular, this trend is often associated with a lack of drinking water, hygiene problems caused by waste water and slower economic growth. Sustainable water use is essential for ensuring viable social and economic development around the world. Water is of central importance for nutrition, health, the environment, the economy and energy production. Sensible water management therefore calls for cross-sector solutions.

These trends will determine the sanitary technologies of the future. Water-saving, resource-efficient products will become increasingly important. Geberit is taking advantage of the opportunity to meet the growing worldwide demand for water-saving products and to contribute towards the diligent handling of water, thus making a name for itself as a leader in sustainability. Products classified as special water-saving products already make a substantial contribution to Group sales.

Compared to these relatively high chances of success, Geberit is exposed to an average risk of natural disasters triggered by climate change which can fundamentally affect production areas or transport areas. None of the production sites are particularly at risk in this respect, however.

As Geberit does not operate in the classically energy-intensive industries, there are currently no special CO<sub>2</sub> regulations such as statutory emission limitations. However, the acquisition of the former Sanitec Group increases the company's exposure to such regulations, meaning that their future development must be carefully monitored.

In addition, Geberit is indirectly affected by higher energy or raw materials prices and by generally increasing requirements in terms of energy management. With its internal energy master plan, the targeted introduction of the ISO 50001 energy management system, and the measures related to its CO<sub>2</sub> strategy, see → [aspect emissions](#)), Geberit is reacting proactively and is working continuously on saving energy, improving its energy efficiency and reducing its CO<sub>2</sub> emissions.

As far as corporate risks are concerned, the Audit Committee of the Board of Directors introduced a comprehensive system for the monitoring and management of the risks associated with the company's business activities, including the risk category CO<sub>2</sub> emissions, see [→ Financial Report > Consolidated financial statements Geberit Group > Notes > Note 4](#)).

#### **G4-EC3 Scope of the organization's defined benefit plan obligations**

The Geberit Group sponsors defined benefit plans for its employees in Switzerland, Germany, Austria and the USA. For further details on pension and benefit plans, see [→ Financial Report > Consolidated financial statements Geberit Group > Notes > Note 3 > Retirement benefit plans](#) and [→ Financial Report > Consolidated financial statements Geberit Group > Notes > Note 17](#).

#### **G4-EC4 Significant financial assistance received from government**

Significant assistance received from the public sector includes:

- For information on income taxes, see [→ Financial Report > Consolidated financial statements Geberit Group > Notes > Note 26](#).
- Investment subsidies for new investments to promote the respective business location and secure jobs: CHF 0.88 million (Slovenia: CHF 0.8 million, remainder in Germany and Austria)
- Contributions received to support training and part-time employment prior to retirement: CHF 1.2 million
- Support for apprentices and subsidies for severely disabled persons: CHF 0.07 million

The public sector is not represented on the Board of Directors of the Geberit Group.

## **8.2 Market Presence (EC)**

### **Management Approach - Market Presence**

Geberit has grown from a family-run firm into a listed global company that has proven its ability to adapt to a rapidly changing environment. Within its core strategy, see [→ Management approach economic performance](#), Geberit's aim is to ensure that production plants and sales companies alike function well as units which enjoy a high degree of autonomy. A high level of acceptance among the local workforce is a fundamental part of this, thanks in part to an attractive pay structure and the involvement of local know-how at the management level.

#### **G4-EC5 Ratio of standard entry-level wage compared to local minimum wage**

Geberit pays market-rate wages, taking into account local circumstances and laws. When selecting employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. In accordance with their qualifications, the majority of Geberit employees at the 35 production sites and at the sales companies are paid well above the minimum wage range. Stability and a high level of motivation among employees are important to Geberit. This is being encouraged at the new site in India, for example, by means of a comparatively attractive pay structure. The applicable requirements on minimum wages are well met.

#### **G4-EC6 Procedures for local hiring**

Geberit has no personnel policy or employment practices providing for the preferential treatment of persons from local vicinities in connection with the hiring of members of management boards for the respective country organisations. However, Geberit would like to establish organisations at its production and sales sites that function on a local basis, which is why it often integrates locally appointed managers. For example, the sales companies in India and China are both headed by managing directors who have been recruited locally.

## **8.3 Indirect Economic Impacts (EC)**

### **Management Approach - Indirect Economic Impacts**

Indirect economic impacts arise primarily due to positive side-effects from direct economic action. Geberit aims to achieve sustained improvement in the quality of people's lives through innovative solutions in sanitary technology. The economy benefits from this in several respects: through the contribution to a durable, resource-efficient sanitary infrastructure, through know-how transfer in the sanitary industry, via impetus for the economy in regional economic areas, and through orders with suppliers. There is no management approach to indirect economic impacts in the narrower sense. Instead, the company works with the stakeholders concerned to identify the best solutions in each case.

Geberit pursues a clear strategy as part of its social engagement, and therefore supports social projects each year that exhibit a relationship to the topic of water and sanitary facilities, as well as to Geberit's core competencies and corporate culture. Equally important is the aspect of personal and professional education: by getting actively involved in the social projects in developing regions across the world, apprentices become familiar with other cultures as well as acquiring new social, linguistic and professional competencies. Furthermore, the Group's social engagement in the form of social projects makes a tangible contribution to implementing the follow-up programme to the United Nations millennium development goals, which seeks to give all humans access to clean drinking water and basic sanitation by 2030.

The "GemeinwohlAtlas" (Common Good Atlas), which was initiated by the University of St. Gallen in 2014, was also used in 2015 to systematically investigate and represent with transparency the social benefits of Swiss organisations and companies. Geberit once again had a good overall ranking in the survey and even placed first among the private companies.

#### **G4-EC7 Investments in infrastructure and services primarily for public benefit**

Donations and financial contributions, including product donations, totalling CHF 2.6 million (previous year CHF 3.3 million) were made during the reporting year. In addition, Geberit employees contributed 1,657 hours of charitable work (previous year 2,770 hours). Geberit also supports facilities for disabled persons and long-term unemployed, where simple assembly and packaging work in the amount of around CHF 6.2 million was carried out in 2015 (previous year CHF 5.5 million), see also [→ Key figures Sustainability > Employees and society](#).

The focus was on the following projects and partnerships in 2015:

- Conducting a **social project** near Durban in South Africa: renovation of the sanitary installations at Cottonlands Primary School – a school attended by around 1,000 children, plus voluntary work for supporting orphan children in the neighbouring “Liv Village” by the team of Geberit apprentices.
- Renewal of the partnership with Helvetas on projects relating to clean drinking water and sanitary facilities for a further two years, and supporting the Helvetas campaign for clean drinking water and latrines with a substantial contribution.
- Cooperation with the charitable organisation “Swiss Water Partnership” to promote international dialogue on the topic of water.
- Various local initiatives and collection campaigns in Poland, England, France, Germany and Switzerland round off the Geberit Group’s social engagement at the local level.
- The volunteering project in Nepal that was planned for 2015 in cooperation with Helvetas and with the involvement of Geberit employees was postponed by one year due to the earthquake in the spring of 2015.

#### G4-EC8 Indirect economic impacts

Geberit forms part of the value chain in the construction industry. It has significant indirect economic impacts “downstream” on the customer side at planners, plumbers and end users, as well as “upstream” at suppliers and transport companies. Continuous investment in 35 production plants in Europe, China, India and the USA, as well as the logistics centre in Germany, will strengthen these individual economic areas.

Geberit know-how and products significantly reduce the burden on water and waste water systems. According to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 20,200 million cubic metres of water in comparison with traditional flushing systems. In 2015 alone, the water saved amounted to 2,280 million cubic metres. This is more than half of the annual consumption of all German households.

Geberit is committed to sustainable sanitary systems which, as elements in construction, help to shape the infrastructure as a whole. For example, Geberit actively worked on adapting the applicable standard for the dimensioning of waste water piping to smaller diameters. This is important so that the full functionality of the piping system is ensured even with lower quantities of waste water. Geberit also supported WELL (Water Efficiency Label), a product classification system for water-saving and resource-efficient sanitary products that was introduced in 2011. Similar to its work in the field of waste water hydraulics, Geberit also played a major part in ensuring that topics such as noise insulation and fire protection, as well as hygiene in drinking water and sanitary areas, have been developed to the benefit of the end user and laid down in standards and recommendations.

Geberit lends impetus to the sanitary industry with innovation and new products that are sold and implemented worldwide by wholesalers, plumbers and planners. In 2015 alone, around 30,000 customers were provided with education and further training on Geberit products and software tools in the 25 information centres in Europe and overseas, see → [Business Report > Business and financial review > Financial Year 2015 > Customers](#). Education and training for 255 apprentices and students continues to be supported, as does research on sanitary technology and green building through cooperation with Tongji University (CN).

The indirect economic impacts on suppliers and transport companies are also significant. The Group’s cost of materials in 2015 was CHF 755.0 million (previous year CHF 646.0 million). Geberit has relations with a total of approximately 2,200 suppliers. The company does not have its own transport fleet and contracts external transport companies for logistics services.

## 9. Environment (EN)

Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as the development of water-saving and sustainable products. Environmental criteria are considered in all decision-making processes. In addition, processes are continuously being optimised so that a proven high standard is achieved which often greatly exceeds legal requirements. Geberit's environmental principles are defined in the → [Code of Conduct](#).

Systematic, Group-wide environmental management takes centre stage. This is the remit of Corporate Environment and Sustainability. Guidelines and measures pertaining to all aspects of the GRI guidelines are coordinated here. A network of environmental managers practises active environmental protection at the production plants, thus ensuring that the targets and measures laid down in the → [Sustainability Strategy](#) are implemented worldwide.

In June 2015, all environmental and occupational safety managers from the production plants of the former Sanitec Group were invited to a kick-off workshop in Rapperswil-Jona (CH) for the first time, where they learned about Geberit's existing processes and standards and found out about the activities relating to the sustainability strategy that are planned for the future. The first important measure was to establish a comprehensive reporting structure in the areas of environment and occupational safety so that useful key figures could already be collected for 2015. On this basis, it was then possible to identify potential areas for improvement for the new plants and to implement these improvements within a framework that is comparable to that of the network of existing plants.

The Geberit Group has a → [Group certificate](#) in accordance with ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (health and safety) that is valid until the end of 2018. Out of 35 production plants, 29 were certified to ISO 14001, 18 to OHSAS 18001 and three to ISO 50001 at the end of 2015. By the end of 2018, all new plants will be integrated into the Geberit management system and will be certified according to ISO 9001 and 14001 as well as OHSAS 18001. Furthermore, the European Energy Efficiency Directive 2012/27/EU was implemented at all Geberit companies in 2015.

The annual preparation of a corporate eco-balance has been an established part of Geberit's environmental strategy since 1991. It covers the existing 17 production plants worldwide, the logistics centre in Pfullendorf (DE), the largest sales companies and, for the first time, the 18 new European production plants of the former Sanitec Group. The corporate eco-balance permits an overall assessment of environmental impact in terms of eco-points. For the reporting in 2015, new basic data from the internationally recognised Ecoinvent database (version 3.1) and the latest version of the method of ecological scarcity (version 2013) were used, while the national electricity mix was used instead of the continental electricity mix. This meant that the figures from the previous year had to be adjusted.

The acquisition of Sanitec – in particular the twelve ceramics plants – has a significant impact on Geberit's ecological footprint. Because of the processes involved, the manufacture of ceramic sanitary appliances is very resource- and energy-intensive, with the result that Geberit's energy consumption for 2015 increased almost fivefold due to the acquisition. Its environmental impact and CO<sub>2</sub> emissions also increased significantly. Its absolute environmental impact increased due to the acquisition by 279%; however, organically, it reduced by 2.1%. The environmental impact per net sales (organic, currency-adjusted) dropped by 4.7%.

Detailed key figures on the environmental impact are provided at → [Key figures Sustainability > Environment..](#)

### 9.1 Materials (EN)

#### Management Approach - Materials

The use of raw materials, semi-finished products and finished products with a global procurement value of CHF 755.0 million is a significant production factor for Geberit. At around 11,500 TJ (previous year 12,200 TJ) – based on the updated basic data from Ecoinvent (version 3.1) – the consumption of "grey energy" associated with purchased materials (including mineral raw materials at the new ceramics plants) is 3.6 times the entire energy consumption of the production plants themselves. This emphasises the importance of treating raw materials with care. The resource-efficient use of raw materials is determined as early as the product development process as part of eco-design workshops, see → [Management approach products and services](#).

#### G4-EN1 Materials used

The way that materials are used has changed significantly following the acquisition of the Sanitec Group. The existing 17 plants for processing plastic and metal were joined by 18 sites, twelve of which produce ceramic sanitary appliances. The six others process acrylic, mineral casting compound as well as aluminium and glass (in the case of shower partition walls). The range of manufacturing technologies used thus includes the areas of injection moulding, blow moulding, extrusion, metalforming and thermoforming, assembly and ceramic production.

The most important materials for production are plastic and metal raw materials, mineral raw materials and various semi-finished products and finished products. A total of 384,807 tonnes of materials were used in 2015 (previous year 198,229 tonnes). This includes at present only the mineral raw materials from the former Sanitec Group. Detailed key figures on the use of materials can be found at → [Key figures Sustainability > Environment](#).

For packaging materials used, see → [G4-EN28](#).

#### G4-EN2 Percentage of recycled material

When estimating the share of recycled material in production, a distinction is made between external and internal sources.

##### External sources:

The share of recycled material in purchased metals is relatively high. This data originates from the Wuppertal Institute for Climate, Environment and Energy (2008). Extrapolated, the raw material metal purchased contains around 28,000 tonnes of recycled material.

With plastics, virgin material is primarily used. The search for suitable, high-quality regranulate from external plastic waste is an integral part of Geberit's procurement strategy. In terms of the material ABS, a suitable alternative made of 100% recycled material was found. This alternative is based on high-quality plastic waste from the electronics industry (e.g. used computer cases). According to the supplier, the manufacture of this regranulate consumes over 80% less energy compared to the manufacture of a tonne of new petrochemical-based plastic. Furthermore, between one to three tonnes less CO<sub>2</sub> are released into the atmosphere, depending on the material. In 2015, over 450 tonnes of ABS regranulate were used for the mounting frames for concealed cisterns and the new OEM flush valve.



Thanks to an intelligent redesign, half of the material used here can be made of high-quality ABS regranulate. The use of plastic regranulate is generally to be increased further and applied to other product areas, such as the technical cisterns or Monolith.

#### Internal sources:

In terms of the raw material plastic, recycled material is primarily generated internally and is ground on site or via a decentralised mill and fed back into the process. The proportion fluctuates depending on the manufacturing process. For blow moulding it is around 35%, for injection moulding around 15%, depending on product class, and for pipe extrusion around 3%. This corresponds to a total of around 7,900 tonnes.

Raw materials are also recycled internally and fed back into the process in ceramic production. The recycling rate for the ceramic slip is around 10%, while this figure is 20 to 40% for the glaze.

## 9.2 Energy (EN)

### Management Approach - Energy

A software introduced in 2012 permits monthly monitoring of water and energy consumption, as well as the Group-wide monitoring of environmental impact and CO<sub>2</sub> emissions. The new sites of the former Sanitec have already been fully integrated. With a share of 96.9%, the consumption of energy in the form of electricity, combustibles and fuels represents Geberit's greatest environmental impact. This is continuing to grow, primarily due to the twelve newly added ceramics plants. In addition a systematic energy monitoring and an energy master plan are being implemented in the most energy-intensive plants to manage and plan energy consumption. This is based on the three pillars "energy saving", "increased energy efficiency" and the "targeted expansion of the share of renewable energy sources". The long-term targets relating to the share of renewable energy sources in electricity and combustibles must be adapted to the new situation and revised in 2016.

Following on from Lichtenstein (DE), the Pfullendorf (DE) and Langenfeld (DE) plants are currently also certified according to the ISO 50001 standard for energy management. Furthermore, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU in 2015.

For the development of energy-efficient products, see → [Management approach products and services](#).

### G4-EN3 Energy Consumption within the Organization

Geberit generally uses energy purchased externally. The direct energy carriers (Scope 1) include natural gas, biogas, liquefied petroleum gas (LPG), diesel for power generation, heating oil extra light, solid combustibles and the fuels diesel, gasoline and liquefied petroleum gas (LPG). The indirect energy carriers (Scope 2) include electricity and now also district heating.

Because of the processes involved, the manufacture of ceramic sanitary appliances is very resource- and energy-intensive. Consequently, Geberit's energy consumption increased fivefold in 2015 due to the acquisition. However, organically, total energy consumption decreased by 1.2%.

The major changes in energy consumption are briefly presented and explained below:

- Owing to the acquisition, electricity consumption approximately doubled, while organically it increased by 0.4%. The environmental impact caused by electricity consumption has decreased significantly, dropping from 76.1% to 41.6% of the overall impact.
- Consumption of combustibles has increased by a factor of around thirteen due to the acquisition. This is primarily due to the firing of ceramic sanitary appliances in the twelve ceramics plants. Natural gas consumption is around 14 times higher than before. The figures now also include liquefied petroleum gas (LPG) and solid combustibles. The environmental impact caused by combustibles has increased significantly, rising from 8.0% to 47.5% of the overall impact. Consumption of combustibles has decreased organically by 4.3%.
- Fuel consumption has approximately doubled due to the acquisition, while organically it decreased by 3.4%. The environmental impact caused by fuel consumption has remained roughly the same and has decreased slightly from 9.0% to 7.8% of the overall impact.

Since 2012, a block heating station has been in use in Pfullendorf (DE). This plant was fed by 8.3 GWh of regionally produced biogas in 2015. The electricity generated by the plant (3.2 GWh) is fed into the transmission grid and the resulting heat (4.0 GWh) can be used in production, thereby substantially reducing the use of natural gas.

The share of purchased green electricity was increased by 17.6 GWh to 41.0 GWh in 2015 – meaning that renewable sources of energy now account for 36.5% of total electricity consumption.

Since 2013, the roof area at the plant in Givisiez (CH) has been made available to an energy services provider for a 3,050 m<sup>2</sup> photovoltaic installation. It generated 0.5 GWh of electricity in 2015. However, this contribution is not included in the energy balance as the energy produced is managed by the regional energy supplier.

For detailed key figures on the consumption of combustibles and fuels (Scope 1), as well as electricity and district heating (Scope 2) and the electricity mix, see → [Key figures Sustainability > Environment](#).

### G4-EN4 Energy Consumption outside of the Organization

Where the energy balance outside the organisation is concerned, Geberit concentrates on purchased materials, intercompany and distribution logistics, and business travel.

In 2015, purchased materials (including mineral raw materials at the new ceramics plants) resulted in "grey energy" consumption of around 11,500 TJ.

For the environmental impact caused by logistics, see → [G4-EN30](#).

Business flights have been recorded and included in the assessment since 2012. The flight distances are calculated according to the respective departure and arrival airports. The CO<sub>2</sub> emissions comprise direct and indirect emissions and are based on the Ecoinvent database (version 3.1) and the IPCC conversion factors from 2013, see → [G4-EN17](#).

### G4-EN5 Energy Intensity

Energy intensity is an important performance indicator at the production plants, and is monitored monthly in the form of a key figure in the management cockpit. Those plants which are ISO 50001-certified have also introduced a more refined system of monitoring.

#### G4-EN6 Energy saved

Important energy-saving measures in production include:

- The optimisation of production processes in terms of efficiency, waste, stability, energy and resource consumption
- The continuous modernisation of the machine fleet and the purchase of energy-efficient systems
- Increasing the capacity utilisation and efficiency of production installations
- The optimisation of cooling systems through the use of natural ambient cold (free cooling, ground water)
- The improved use of waste heat available internally (heat recovery)
- The careful use of compressed air
- The insulation of buildings

Concrete examples which show the reduction in energy consumption:

- The number of injection moulding machines retrofitted with energy-efficient drive technology was increased in the reporting year from 109 to 134. Analyses show that a modified machine consumes over 40% less energy on average.
- In 2015, the first fully electrically driven production line for fitting bends was ordered in Langenfeld (DE). This increases process stability while reducing the set-up time, electricity consumption and lubricant quantities needed.
- A new cooling system in Villadose (IT) reduces electricity consumption by 1.3 GWh per year – a saving of 8% of total energy consumption.
- Since 2015, a new raw material for the inner layer of Mepla pipes is being used at the plant in Givisiez (CH). While maintaining the very highest product quality for customers, this reduces the consumption of water and natural gas by around 50%.
- By carefully planning new buildings, the company is also investing in the energy-efficient infrastructure of the future, for example at the new, top-modern plant in Ruše (SI). The site's sophisticated holistic energy concept includes the use of all waste heat from industrial processes as well as the complete absence of fossil fuels. The available ground water is used for cooling. Rain water is collected and used both as fire-fighting water and for watering the surrounding area.
- Retrofitting of nine tunnel kilns for ceramic production with EnerVit technology at six European plants started in 2015. This will cut NO<sub>x</sub> emissions, reduce gas consumption by around 27 GWh/a and save some 6,500 tonnes of CO<sub>2</sub>.

#### G4-EN7 Energy-efficient products

The biggest environmental contribution by Geberit products lies in the conservation of water, which indirectly also saves on energy. A number of estimates illustrate the scale of this saving: According to the Ecoinvent database (version 3.1), some 10.3 MJ of energy are required and 0.64 kg of CO<sub>2</sub> emissions are released per cubic metre for the conveyance, processing and distribution of water and the subsequent treatment of the unpolluted waste water in a wastewater treatment plant. The → **water footprint** calculated for Geberit (excluding former Sanitec products) shows that nearly 100% of water consumption is attributable to the usage phase. The water volume saved owing to Geberit products is enormous: According to a model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 20,200 million cubic metres of water in comparison with traditional flushing systems. These water savings go hand-in-hand with substantial energy savings.

Direct energy savings when using the products are made possible thanks to systematically improved energy efficiency. Current examples include:

- The → **shower toilet Geberit AquaClean Mera Comfort**, which debuted at the ISH 2015 in Frankfurt, is a premium-class complete solution featuring the highest levels of comfort. The patented WhirlSpray shower technology ensures particularly thorough, gentle cleaning while virtually halving water and energy consumption. The hybrid hot water technology with continuous flow heater and boiler only heats the water spray when required. The odour extraction unit now works with a long-life catalytic filter that needs to be replaced less often. Despite these additional comfort functions, the energy consumption is comparable to that of the AquaClean 8000 plus.
- The → **Monolith Plus** sanitary module sets new standards in both comfort and style, while permitting a high degree of energy efficiency. Its integrated odour extraction unit means window ventilation is no longer required and a considerable amount of energy can be saved.
- The new Geberit urinal system comprises urinals with electronic flush controls but also with completely waterless operation. The central elements are the two rimless urinal ceramics Preda and Selva, which were developed by Geberit. Thanks to the low consumption of resources and the option of a control system supplied with electricity by an autonomous energy source, the urinals satisfy the most stringent requirements for green building and economic operation.

### 9.3 Water (EN)

#### Management Approach – Water

The → **water footprint**, which covers Geberit's entire value chain (excluding former Sanitec products), shows that nearly 100% of water consumption is attributable to the use of the products, while the manufacture of the products by Geberit accounts for less than 0.1% of water consumption. For the development of water-saving products and Geberit's commitment beyond product development, see → **Management approach products and services**.

The corporate eco-balance shows a similar picture. Here, the environmental impact caused by water consumption and subsequent waste water treatment also accounts for only a minor share of the company's overall impact (1.2%). Despite this, Geberit also aims to serve as a role model with respect to its own water consumption and to further optimise its water consumption every year. This includes measures such as reusing water in laboratories and production processes.

#### G4-EN8 Water consumption

The manufacture of ceramic sanitary appliances requires a great deal of water, both for preparing the ceramic slip and glaze and for cleaning the moulds and systems. Consequently, water consumption increased more than eightfold in comparison with the previous year due to the acquisition, reaching 1,170,356 m<sup>3</sup> (previous year 138,156 m<sup>3</sup>).

Water consumption can be categorised into drinking water (28%), well water (46%), lake and river water (25%) and rain water (1%).

Key figures concerning water consumption by source can be found at → **Key figures Sustainability > Environment**.

#### G4-EN9 Water sources significantly affected by withdrawal of water

Geberit production plants' water consumption does not place a considerable burden on water sources as defined in the GRI guidelines.

#### G4-EN10 Water recycling

Throughout the Group, three processes are responsible for much of the water requirements:

- Newly developed products are tested at the Geberit sanitary laboratory in Rapperswil-Jona (CH). The tests required some 229,798 m<sup>3</sup> (previous year 222,173 m<sup>3</sup>) of water. Only around 4% or 8,836 m<sup>3</sup> of this is fresh water. The remaining 96% is used in a closed-circuit system.
- During the production of multilayer pipes in Givisiez (CH), the pipes are cross-linked in autoclaves. A total of 14,558 m<sup>3</sup> (previous year 26,405 m<sup>3</sup>) of water was used for this purpose in 2015. Around 31% (previous year 31%) or 6,576 m<sup>3</sup> of this is fresh water; the remaining 69% was recycled internally.
- Relatively large quantities of water are used in ceramic production and are also recycled internally. However, the amounts for recycled water are not yet quantifiable at present.

### 9.4 Emissions (EN)

#### Management Approach – Emissions

Production emissions are recorded and analysed in detail as part of the corporate eco-balance – CO<sub>2</sub> emissions are particularly crucial to Geberit. → **other air emissions** (NO<sub>x</sub>, SO<sub>2</sub>, hydrocarbons etc.) are also recorded and calculated, but have a comparatively minor impact on the environment. Under the established → **CO<sub>2</sub>-strategy** the CO<sub>2</sub> emissions per net sales (currency-adjusted) should be reduced annually by 5% per year on average. Geberit is organically on track here, see → **G4-EN18**. The long-term target values for absolute CO<sub>2</sub> emissions and the share of renewable energy sources in electricity and combustibles will have to be re-evaluated in 2016 owing to the acquisition of Sanitec. They must be oriented towards the EU target values.

A comprehensive carbon footprint has been calculated since 2012. The carbon footprint covers the entire value chain – from the provision of raw materials, the combustibles and fuels, the manufacturing of products at Geberit, logistics and use, right through to disposal (with regard to the former Sanitec Group, only production and mineral raw materials are currently taken into account). An analysis of the carbon footprint revealed that product use (63%) and the provision of raw materials (19%) are by far the largest sources of CO<sub>2</sub> emissions. During product use, the provision of water, treatment of unpolluted waste water and generation of hot water play a central role. Production by Geberit accounts for only 8% of total CO<sub>2</sub> emissions. In comparison, transport (1%), the provision of combustibles and fuels (2%) and the disposal (7%) of the products also cause only few emissions.

The measures for implementing the CO<sub>2</sub> strategy are based on the three pillars energy saving, increased energy efficiency and targeted expansion of the share of renewable energy sources, see also → **Management approach energy**.

The calculation of greenhouse gas emissions was updated in the 2015 financial year, with the result that the old values from previous years also had to be amended. The following changes were implemented: New basic data from the internationally recognised Ecoinvent database (version 3.1), new assessment according to the 2013 IPCC factors, the incorporation of production-based process emissions, the switchover to the national electricity mix and the adjustment of Scope 3 emissions. The seven leading substances (CO<sub>2</sub> fossil, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC, SF<sub>6</sub> and NF<sub>3</sub>) were used for the calculation of the greenhouse gas emissions and shown as a sum parameter according to IPCC (CO<sub>2</sub> equivalents or simply CO<sub>2</sub>).

#### G4-EN15 Direct greenhouse gas emissions (Scope 1) and G4-EN16 Indirect greenhouse gas emissions (Scope 2)

CO<sub>2</sub> emissions increased in 2015 by 296% to 251,430 tonnes as a result of the Sanitec acquisition. Organically, however, they were reduced by 3.1%. CO<sub>2</sub> emissions per net sales (organic, currency-adjusted) declined by 5.6%, with Geberit thus remaining on track to meet its long-term target in organic terms.

At 50.8%, combustibles are the largest source of CO<sub>2</sub>, followed by electricity at 45.4% and fuels at 3.6%, as well as process emissions and district heating at 0.2% in total. The purchase of 41.0 GWh of green electricity in Pfullendorf and Weilheim (DE), Bromölla and Mörrum (SE), Givisiez (CH) and Daishan (CN) reduces the CO<sub>2</sub> emissions by more than 16,500 tonnes.

Key figures concerning greenhouse gas emissions can be found at → **Key figures Sustainability > Environment**.

### G4-EN17 Other relevant greenhouse gas emissions (Scope 3)

Where other indirect greenhouse gas emissions (Scope 3) are concerned, Geberit concentrates on the following categories:

- The raw materials used (including mineral raw materials from ceramic production) and the CO<sub>2</sub> emissions that result from them: Increase to 598,946 tonnes due to the acquisition.
- The provision of combustibles and fuels, which accounted for some 39,506 tonnes from combustibles and around 6,440 tonnes from fuels in 2015.
- CO<sub>2</sub> emissions of power generation from the upstream chain are included in → [G4-EN15](#)
- Logistics, see → [G4-EN30](#), which caused a total of 29,671 tonnes of CO<sub>2</sub> emissions in 2015 (previous year 29,526 tonnes). Emissions from the logistics activities of the former Sanitec plants are not yet included in these figures.
- Business travel by air, at 1,956 tonnes of CO<sub>2</sub> emissions (previous year 711 tonnes) – this includes the whole of Geberit.

### G4-EN18 Greenhouse gas emissions intensity

In relation to currency-adjusted net sales, CO<sub>2</sub> emissions (Scopes 1 and 2) increased in 2015 by 186% due to the acquisition, from 30.4 g CO<sub>2</sub>/CHF net sales to 86.8 g CO<sub>2</sub>/CHF. Organically, relative CO<sub>2</sub> emissions fell by 5.6%, meaning that Geberit is on track to meet its long-term targets in organic terms. For the consolidated value, it must be noted that the CO<sub>2</sub> emissions cover the entire financial year, while the net sales of the former Sanitec business only apply to eleven months.

### G4-EN19 Initiatives to reduce greenhouse gas emissions

The massive increase in CO<sub>2</sub> is solely due to the acquisition; organically, emissions decreased by 3.1%.

In 2015, Geberit purchased another 17.6 GWh of certified green electricity, bringing the total to 41.0 GWh. Overall, renewable energy sources thus accounted for 36.5% of electricity.

The share of renewable energies when it comes to combustibles is also being increased gradually. An important milestone was reached in 2012 with the commissioning of the block heating station in Pfullendorf (DE), which was fed by 8.3 GWh of regionally generated biogas in 2015. In addition, 24.8 GWh of wooden pellets were burned and 16.9 GWh of district heating were obtained from a paper mill. This brought the share of renewable energies for district heating and combustibles to 8.0% in total in 2015 (previous year 19%).

Fuel consumption is determined primarily by the company's own and leased fleet of cars and delivery vans. Since early 2008, binding guidelines have applied for the purchase of new vehicles. An emission value of 100 grams of CO<sub>2</sub>/km is to be reached by 2020, as targeted by the EU.

Substantial volumes of CO<sub>2</sub> emissions can also be saved by consistently applying eco-design principles in new product development. A current example is the new OEM flush valve type 240. Thanks to an intelligent redesign, it was possible to increase the flush performance by 40% while also reducing the quantity of material used. In addition, half of the material is made of high-quality ABS regranulate. Indirectly, this means that almost 500 tonnes of CO<sub>2</sub> can be saved, corresponding to a saving of about 1 GWh of average European electricity.

Geberit promotes awareness among all employees for the promotion of environmentally friendly behaviour. New employees receive training on the subject of sustainability at Geberit as part of their job orientation programme. In the largest plants, this is also tailored to the target group of production employees.

All targets and measures for improving the CO<sub>2</sub> balance sheet are disclosed in detail as part of the company's participation in the Carbon Disclosure Project (CDP).

### G4-EN20 Ozone depleting substances

Emissions of ozone-depleting substances, measured in CFC11 equivalents, can be calculated based on the Geberit corporate eco-balance. In comparison to the previous year's report, new basic data from the Ecoinvent database (version 3.1) was used. The calculation includes both direct emissions (Scope 1) from the burning of combustibles and fuels and process emissions (solvents), as well as indirect emissions (Scope 2) resulting from electricity consumption and the provision of district heating. Both direct and indirect emissions rose considerably due to the acquisition.

Key figures on ozone-depleting substances can be found at → [Key figures Sustainability > Environment](#).

### G4-EN21 NO<sub>x</sub>, SO<sub>x</sub> and other air emissions

Emissions of NO<sub>x</sub>, SO<sub>2</sub>, NMVOC (non-methane VOC) and dust (PM10) can be calculated on the basis of the Geberit corporate eco-balance. In comparison to the previous year's report, new basic data from the Ecoinvent database (version 3.1) was used. The calculation includes both direct emissions (Scope 1) from the burning of combustibles and fuels and process emissions (solvents), and indirect emissions (Scope 2) resulting from electricity consumption and the provision of district heating. Both direct and indirect emissions rose considerably due to the acquisition.

Key figures on these emissions are available at → [Key figures Sustainability > Environment](#).

## 9.5 Effluents and Waste (EN)

### Management Approach - Effluents and Waste

According to the corporate eco-balance, waste disposal accounted for 1.3% of the environmental impact of production in 2015. The reduction and safe handling of waste water and waste is promoted at the plants within the scope of the environmental management system according to ISO 14001. Where waste is concerned, it is ensured that this is sorted so that as much as possible is recycled, and as little as possible has to be incinerated or sent to landfill sites.

### G4-EN22 Water discharge

As with the water consumption, the waste water quantities also increased considerably on account of the acquisition, with the consolidated value for 2015 reaching 927,053 <sup>3</sup> (previous year 112,521 m<sup>3</sup>). The processes involved in manufacturing ceramic sanitary appliances are now generating process waste water, which makes up the largest share at 66% of the total. Other important categories are domestic waste water, which passes into the communal wastewater treatment plant or is pretreated and fed into receiving waters (31%), and other waste water, which is pretreated and fed to a communal wastewater treatment plant (3%). Waste water was not directly reused by third-party companies. Geberit does not engage in the unplanned discharge of water. All resulting process waste water and domestic waste water is treated.

Key figures on waste water can be found at [→ Key figures Sustainability > Environment](#).

### G4-EN23 Waste

In 2015, waste increased significantly on account of the acquisition, totalling 83,405 tonnes (previous year 11,587 tonnes). The categories inert waste landfill and waste to external recycling saw a strong increase in particular owing to the ceramic manufacturing processes.

72% of waste was channelled to external recycling processes (previous year 85%). The measures focused above all on the further separation of waste and the reduction of mixed waste and hazardous waste.

Key figures concerning waste by category are provided at [→ Key figures Sustainability > Environment](#).

### G4-EN24 Significant spills and contamination

There were no significant spills of chemicals in the reporting period.

### G4-EN25 Transport of hazardous waste

In 2015, 479 tonnes of hazardous waste (previous year 262 tonnes) were disposed of by incineration and 729 tonnes (previous year 505 tonnes) were recycled. At Geberit, all waste is disposed of and recycled by licensed disposal companies.

### G4-EN26 Effects of water discharges on bodies of water

This indicator is not relevant to Geberit as no bodies of water are affected by significant water discharge from Geberit facilities as defined in the GRI guidelines.

## 9.6 Products and Services (EN)

### Management Approach - Products and Services

In addition to their quality, durability and high degree of water and resource efficiency, Geberit products also impress with their good environmental compatibility and high recyclability. The basis for sustainable products is a systematic innovation process in which the most environmentally friendly materials and functional principles possible are chosen, risks are minimised and a high level of resource efficiency is targeted for the production process as well as the product itself. Geberit regards eco-design as the key to environmentally friendly products and an integral part of the development process. Employees from different disciplines take part in eco-design workshops so that each new product outperforms its predecessor in environmental aspects. The workshops involve systematic product analysis that covers the entire life cycle, a review of legal requirements and an analysis of competing products. Based on the findings of these eco-design workshops, new solutions are developed which are then adopted into the specifications for that product.

Specially created product life cycle assessments are important decision-making tools for the development processes and provide arguments for the use of resource-efficient products. Detailed life cycle assessments have already been prepared for the following products: drainage/supply pipes, AquaClean 8000plus, AquaClean Mera, electronic washbasin tap type 185/186, concealed cisterns, urinal flush controls and the new Geberit urinal system. The environmental product declarations (EPDs) in accordance with the new European standard EN 15804 are becoming increasingly important and can also be used directly for green building standards such as LEED. For example, the EPD for the Geberit urinal system Preda and Selva presents relevant, comparable and verified information about the product's environmental performance in a transparent manner.

The biggest environmental contribution by Geberit products also lies in the conservation of water. The analysis of the entire value chain in the form of a [→ water footprint](#) shows (excluding former Sanitec products) that nearly 100% of the water consumption is attributable to the product usage phase. The water savings are impressive: According to a model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 20,200 million cubic metres of water in comparison with traditional flushing systems. In 2015 alone, the water saved amounted to 2,280 million cubic metres. This is more than half of the annual consumption of all German households.

Geberit also advocates the economical use of water beyond processes and products. This can be seen by its collaboration in the development of the product classification system "WELL" introduced in 2011 and its work (in collaboration with FECS (European Federation of Ceramic Sanitary Ware Manufacturers) on a new voluntary European standard for assessing the sustainability of ceramic sanitary appliances (EN 16578).

#### G4-EN27 Mitigation of environmental impact of products

The environmental impacts of Geberit's products are improved continually through the consistent application of eco-design principles in product development. Examples that make a particular contribution to reducing environmental impact include:

- Since 2011, a new technological solution has been developed to simplify the conversion of the large flush volume on nearly all concealed cisterns from 6 or 9 litres to 4.5 litres. The gradual conversion of the product range is creating great potential for even more water conservation.
- The new Geberit urinal system fulfils the most stringent water and energy consumption standards while minimising life-cycle costs. For example, the spray head is precisely aligned with the sophisticated inner geometry of the ceramic appliance, meaning that optimal flushing out can be achieved even with just 0.5 litres of water. The flushing programmes, such as the intelligent interval flush, can be set individually for even lower water consumption.
- The new shower channel is designed to allow optimal user friendliness and ease of installation while reducing the resources used.
- The plastic components in the technical cistern and in the Monolith are made up of approximately 50% regranulate.
- The new concealed cistern Omega is available in three installation heights, and with extra-small actuator plates. In addition, the large flush volume can be set to 4.5 litres, meaning the product conforms to WELL class A.
- A new WhirlSpray shower technology was developed for the AquaClean Mera complete shower toilet. This reduces water and energy consumption while improving cleaning performance. Despite more comfort functions, the energy consumption remains unchanged and the flushing volume can be reduced down to 4.5 litres thanks to TurboFlush flush technology.
- Thanks to an intelligent redesign of the new OEM flush valve type 240 – which was launched on the market in 2015 – it was possible to increase the flush performance by 40% while also reducing the quantity of material used. In addition, half of the material is made of high-quality ABS regranulate.

#### G4-EN28 Reclaimed packaging material

The following quantities are based on internal estimates from the sales companies: On the product side, approximately 23.8 tonnes of old products (mainly electrical equipment) were taken back and disposed of professionally in 2015. In some markets (DE, CH), parts of the multi-layer drinking water pipes (Mepla) are also taken back. The exact quantity is not known, but is estimated to be almost five tonnes Group-wide.

In 2015, approximately 16,000 tonnes of packaging material were used at the former Geberit, over 40% of which was collected and recycled by Geberit itself or by financed contract partners. The rest is disposed of and recycled on a country-specific basis.

### 9.7 Compliance Environment (EN)

#### Management Approach - Compliance Environment

In its → **Code of Conduct**, Geberit states that it will limit the environmental impact of its business activities to a minimum. This is achieved by means of consistent compliance with all applicable laws, internationally recognised guidelines and industry standards. With many of the initiatives that it implements, Geberit goes above and beyond legal and official requirements. Reviewing and ensuring compliance with the law, which is a mandatory element of ISO 14001 certification, is monitored as part of the annual, binding Group-wide survey on compliance with the Code of Conduct.

#### G4-EN29 Sanctions due to non-compliance with environmental laws and regulations

In the reporting year, there were three cases among the former Sanitec companies where fines or sanctions were announced or imposed. The first case concerned the omission of a sewer inspection, while the second related to an incident regarding a sewer which led to an unplanned discharge of storm water and process water into a body of surface water. The third case concerned an incomplete production licence, which led to fines totalling approximately CHF 50,000.

### 9.8 Transport (EN)

#### Management Approach - Transport

Reliable, on-time product deliveries to the customer are an important core competence. For this reason, Geberit opened a state-of-the-art logistics centre in Pfullendorf (DE) in 2010 and established an independent logistics unit a year later. With a view to future growth and the continued optimisation of existing logistics processes, Geberit decided to further expand the capacities of the logistics centre in Pfullendorf and invest around EUR 40 million in this by 2017.

In contrast to this centralisation strategy, the logistics organisation at the former Sanitec had a rather more decentralised structure and was oriented towards the needs of the various brands and regions. Nonetheless, it was still possible to forge the first synergies and start various integration measures in 2015. For example, former Sanitec's logistics organisation and reporting were incorporated in Geberit's Group logistics, while a start was also made on integration into the Geberit ERP system. The logistics infrastructure at the former Sanitec comprises 15 distribution centres of varying sizes across Europe, with a total capacity of almost 250,000 pallet spaces.

Geberit does not have its own fleet of vehicles, having outsourced this to external transport service providers. Intercompany and distribution logistics play a major part in Geberit's environmental impact, amounting to a significant proportion of the total figure. Cooperation with the transport service providers is therefore of key importance. Partners agree to actively support Geberit in its efforts to use energy and packaging material efficiently and to reduce emissions. Furthermore, the partners support Geberit by providing the data needed for the environmental reporting. The logistics calculator developed in 2010 facilitates the annual capture of data on the vehicle fleet composition, transportation performance and fuel consumption of all transport service providers, as well as the preparation of the eco-balance.

#### **G4-EN30 Environmental impact of transport**

In the reporting year, the largest transport service providers for the former Geberit handled 183.0 million tonne-kilometres (previous year 181.0 million tonne-kilometres). This generated 29,671 tonnes of CO<sub>2</sub> emissions (previous year 29,526 tonnes). The increase in transport services and CO<sub>2</sub> emissions was mainly caused by the increase in sales and the related increase in transport volumes. The share handled by Euro 5 vehicles is high at 84.5%. The share handled by state-of-the-art Euro 6 vehicles came to 11.7%.

Where possible, Geberit takes the opportunity to shift truck traffic to rail. Alongside road transport, rail consignments have been used for around 20% of traffic transported on the longest overland route in Europe – from Pfullendorf (DE) to Turkey – since 2014. 80% of the goods transported to Italy and 30% of those transported from Italy are moved by train. The use of mega-trailers, which can carry an approximately 15% greater load volume, also increases energy efficiency: Compared with the previous year, the number of such transport runs was increased by 20 to 2,200. Geberit is also working on innovative solutions aimed at enabling a higher goods per truck ratio – i.e. increasing capacity utilisation of the transport volume.

### **9.9 Supplier Environmental Assessment (EN)**

#### **Management Approach - Supplier Environmental Assessment**

See → [chapter Suppliers](#)

#### **G4-EN32 Screening of suppliers using environmental criteria**

See → [chapter Suppliers](#)

#### **G4-EN33 Environmental impacts in the supply chain**

See → [chapter Suppliers](#)

## 10. Labor practices (LA)

Geberit's most important ambassadors are its employees. They represent Geberit in their day-to-day contact with customers and many other stakeholders. To do so, they need to be aware of what their company stands for and what its objectives are. Geberit's central corporate and brand values are defined in the → [Geberit compass](#), which was updated in 2015. Geberit aims to act as a role model for ethically unimpeachable, environmentally friendly and socially responsible operations. The → [Geberit Code of Conduct](#) updated in 2014 and implemented in 2015 fills this objective with tangible content and offers an authoritative source of guidance.

Responsibility for all important aspects of the GRI guidelines with respect to labour practices at the Geberit Group lies with the Head Corporate Human Resources, who reports directly to the CEO.

### 10.1 Employment (LA)

#### Management Approach Employment

First-rate employees are key to the success of Geberit. Not only the best, but also the right employees are to be acquired and retained. Geberit sees itself as an attractive employer with an open corporate culture that offers international development opportunities at the interface between the craft, engineering and sales sectors, see → [geberit.com > Career > What we offer](#).

Employees enjoy attractive employment conditions. In 2015, salaries and social benefits amounted to CHF 671.6 million (previous year CHF 483.9 million). The employees can also participate in share participation plans at attractive conditions, see → [Financial Report > Consolidated financial statements Geberit Group, 18. Participation plans](#) and → [Remuneration report](#).

#### G4-LA1 Employee fluctuation

The average fluctuation rate (in terms of employees with permanent contracts, without natural departures and long-term leaves of absence) was 7.5% (previous year 5.2%). Including natural departures, it was 9.0% (previous year 6.5%). For key figures on fluctuation by age group, gender and region, see → [Key figures Sustainability > Employees and society](#).

#### G4-LA2 Benefits

Geberit essentially grants the same benefits to full-time and part-time employees. However, employees with temporary contracts are not always entitled to the same benefits as permanent employees. For example, employees in Switzerland with temporary employment contracts of less than three months are not insured in the pension fund. Geberit bases its employee benefits on country-specific standards.

#### G4-LA3 Return to work and retention rates after parental leave

Geberit implements the currently applicable legal framework conditions. It also attempts in individual cases to find solutions that are as suitable as possible for the affected person and their team.

100% of all permanently employed women are entitled to maternity leave, and 5.6% or 140 women made use of this in 2015. 57 (or around 40%) returned to Geberit following their maternity leave.

98% of all permanently employed men are entitled to paternity leave, and 2.8% or 206 men made use of this in 2015. 203 (or around 98%) returned to Geberit following their paternity leave.

### 10.2 Occupational Health and Safety (LA)

#### Management Approach – Occupational Health and Safety

The health and safety of employees is of major importance. The vision of a zero-accident company still holds after the takeover of the Sanitec Group. However, the targets have had to be revised to take account of the new situation: based on the 2015 reference year, the aim is to halve the number of accidents by 2025. By then, the AFR (Accident Frequency Rate) is to be reduced to a value of 5.5 (accidents per million working hours) and the ASR (Accident Severity Rate) to 90 (number of days lost per million working hours). In addition, all plants are to implement the OHSAS 18001 standard for occupational health and safety by the end of 2018.

The greatest potential lies in preventing accidents due to carelessness, and a focus is therefore being placed here on changes in behaviour. To this end, as part of the Geberit Safety System (GSS), a comprehensive masterplan on occupational safety including a catalogue of measures was devised and adopted for the period from 2013 to 2015. Occupational safety has also been part of the annual appraisal of plant managers since 2013. Occupational safety is monitored at the production plants by means of monthly key figures.

The health managers at Rapperswil-Jona (CH) and Pfullendorf (DE) provide fresh impetus to occupational health management. Successful occupational health management builds bridges between the objectives of the company and the needs of its employees. In particular, this also strengthens the vitality of the individual and of the team as a whole. A vitality programme was established to round off the areas of exercise and nutrition.

For objectives and measures concerning employees and occupational safety, see also → [Sustainability Strategy](#).

#### G4-LA5 Percentage of total workforce represented in health and safety committees

Each of the 35 production companies and logistics has a safety manager. Wherever possible and sensible, this function is combined with that of the environmental manager or closely linked from an organisational point of view. 69% of all employees worldwide are represented through an occupational health and safety panel or safety committee at their site in which employer and employee representatives can discuss occupational health and safety issues. As a rule, national standards for the country concerned are implemented.



#### G4-LA6 Accidents, occupational illness and lost time

The Group-wide absenteeism rate for the reporting year was 4.33% (previous year 3.85%); illness-related absences accounted for 4.20% of this rate (previous year 3.75%) and 0.13% was related to occupational accidents (previous year 0.10%). The statistics show only those occupational accidents that occur during working hours or business travel and lead to lost working time of more than one day. As a result of the acquisition, both the number of accidents and the number of days lost increased. A total of 238 accidents were recorded (previous year 103 accidents), equivalent to 4,314 lost working days due to occupational accidents (previous year 1,405 lost working days). There were no serious or fatal accidents. Employees at Geberit are not exposed to a particularly significant extent with regard to occupational illnesses. This category is therefore not covered.

Furthermore, the accident frequency rate (AFR) and the accident severity rate (ASR) are recorded in a standardised manner. These rates are calculated as the number of accidents or the number of lost working days per one million hours worked. Due to the acquisition, the accident frequency rate rose to 11.4 in 2015 (previous year 9.6). The accident severity rate increased during the same period to 206.2, again due to the acquisition (previous year 130.5).

All key figures concerning the absenteeism rate by region can be found under → [Key figures Sustainability > Employees and society](#).

#### G4-LA7 Assistance regarding serious illnesses

At Geberit, there are no operational activities involving a particularly high risk of contracting a serious illness or with a high incidence of illness.

As part of its Group-wide efforts to support employees' health and well-being, Geberit offers its employees precautionary healthcare opportunities through various offers and activities. These include, for example, sports facilities, anti-smoking training, health check-ups, massage services, dietary and health tips, and presentations on health-related issues. They also include reintegration counselling, which aims to get people back to work as soon as possible in the event of long-term illness. Managers are specifically trained in this respect. Examples of individual support include counselling in Rapperswil-Jona (CH) to assist with problems ranging from on-the-job pressure, partnership and family problems to debt issues, and the telephone helpline created in the USA to discuss problems at work in complete confidentiality.

#### G4-LA8 Health and safety topics covered in agreements with trade unions

Geberit attaches great importance to a high level of health and safety for its employees. To this end, it cooperates with authorities, trade unions and employers' liability insurance associations on a country-specific basis. Written agreements exist at the majority of production and sales companies with parties such as trade unions and employee representatives that normally cover topics such as personal protective equipment, complaints procedures, regular inspections, education and further training and the right to refuse unsafe work.

### 10.3 Training and Education (LA)

#### Management Approach – Training and Education

Qualified and committed employees are essential for the future success of Geberit. The company therefore sets particular store on the solid education and further training of all employees and on equal opportunities.

Young people can start their careers at Geberit with a commercial, industrial or technical apprenticeship. Whether plastics technologist or industrial clerk, the aim is to impart all the skills that are required for apprentices to pursue their chosen careers in a professional, independent and responsible manner.

New employees are introduced to the company and its products through various job orientation programmes on joining the company. These range from individually designed introduction talks in various departments to the one-week basic course that provides practical knowledge about Geberit in small groups.

A focus is placed on the standardised global Performance Assessment, Development and Compensation process (PDC). The goal here is to reinforce the performance culture, increase transparency and better recognise and promote talent. Remuneration policies are based on standardised job assessments and salary levels for the relevant country. A central element of the process is that several supervisors assess the performance, development and compensation of an employee together. Although this group process is time-consuming, experience suggests a high level of acceptance and effectiveness. Almost all employees of the previous Geberit Group – with the exception of manual workers – are now incorporated in the PDC process. The circle of participants is currently being extended to include managers of the former Sanitec Group; their employees in non-productive areas are to be fully incorporated in the near future.

#### G4-LA9 Employee education and further training

In the reporting year, employees across the Group attended on average around 15 hours of internal and external education and further training (previous year 16 hours). For key figures by gender and employee category, see → [Key figures Sustainability > Employees and society](#).

The transfer rate of apprentices to a permanent employment relationship was 64% in 2015 (previous year 82%). The target is 75%.

#### G4-LA10 Programs for skills management and lifelong learning

The Potentials Management Programme remains a priority. The aim is to selectively identify talents throughout the company and support them along their path to middle or senior management. Initial experience of managerial or project management responsibility are part of this. The problems compiled as part of the programme are geared towards the reality at the company and sometimes provide decision-makers with concrete bases for action. The programme is intended to help fill at least half of all vacant managerial positions within the company with internal candidates. In 2015, this was achieved for 40% of all Group management vacancies (previous year 69%).

All apprentices are essentially required to work at several sites during their training. As a global company, Geberit promotes the internationalisation of employees. Experience abroad and the transfer of know-how are an advantage for both employees and the company. Therefore, apprentices have the option of working abroad for a period of six months on completion of their apprenticeship. Owing to a restrictive practice in the granting of work visas, the Chinese sites are not currently included in this. Due to this situation, such apprenticeship programmes increasingly took participants to the USA, India and South Africa.

There were also 158 internships (previous year 128) and 47 diploma placements (previous year 27) offered in 2015.

For further information, see → [Business Report > Business and financial review > Financial Year 2015 > Employees](#).

#### G4-LA11 Performance and career development of employees

In everyday working life, the personal and professional development of each individual employee is encouraged in a variety of ways. This covers all areas of work, functions and age groups. Around 70% of all employees received appraisal interviews in 2015 at which development opportunities were also identified and discussed. As part of the standardised global performance assessment, development and compensation process (PDC), employees receive a performance assessment and/or agreement of objectives at least once a year. This process is gradually being introduced at the former Sanitec companies.

### 10.4 Diversity and Equal Opportunity (LA)

#### Management Approach – Diversity and Equal Opportunity

In its Code of Conduct, Geberit sets store on promoting diversity and creating a culture that enables all employees to contribute their full potential to the company. The company strives for diversity and promotes equal opportunities irrespective of gender, ethnic origin, skin colour, age, religion and nationality.

Geberit pursues a fair and non-discriminatory employment practice in accordance with prevailing national and international law. Recruitment, training courses and promotions depend solely on individual achievements, skills and potential regarding the requirements of the position in question.

#### G4-LA12 Workforce diversity

The proportion of female employees at the end of 2015 was 25% (previous year 31%), and for senior management this figure was 8.2% (previous year 6.9%). The Board of Directors consists of six men.

For key figures on diversity in terms of gender and age structure, see → [Key figures Sustainability > Employees and society](#).

No further data on minority group membership is currently being collected as Geberit and its stakeholders do not consider this to be relevant.

### 10.5 Equal Remuneration for Women and Men (LA)

#### Management Approach - Equal Remuneration for Women and Men

Protection of the principles of equality is anchored in the → [Geberit Code of Conduct](#). This includes the prohibition of discrimination against any employee on the basis of gender. Fair and equal pay for women and men is guaranteed as follows:

- Job assessment by function in accordance with the proven Hay method on the basis of know-how, problem-solving and accountability. All jobs are pooled in a Group-wide grading system. The resulting grade is the basis for determining the salary. This guarantees fair salary structures irrespective of gender.
- Binding wage agreements with set pay grades at many Geberit sites.

#### G4-LA13 Gender-based differences in salaries

According to the annual, binding survey of all Geberit Group companies, no differences between the basic salaries of women and men exist anywhere within the Group.

### 10.6 Supplier Assessment for Labor Practices (LA)

#### Management Approach – Supplier Assessment for Labor Practices

See → [chapter Suppliers](#)

#### G4-LA14 Screening of suppliers using labor practices criteria

See → [chapter Suppliers](#)

#### G4-LA15 Impacts for labor practices in the supply chain

See → [chapter Suppliers](#)

### 10.7 Labor Practices Grievance Mechanisms (LA)

#### Management Approach - Labor Practices Grievance Mechanisms

Employees who openly address irregularities which represent breaches of applicable law, ethical standards or this Code of Conduct are acting correctly and in accordance with the Geberit Code of Conduct. The Group Executive Board of Geberit must be informed of problems in the area of integrity in order to be able to manage these swiftly and reliably. By openly addressing such issues, Geberit employees are contributing to their own protection, that of their colleagues and the protection of Geberit's rights and interests.

As a general rule, employees should seek a personal meeting with their supervisor. The Geberit Integrity Line is available to all employees – including those of the former Sanitec Group – as a whistleblower hotline. The service is intended to enable employees to anonymously report cases such as sexual harassment or when a corrupt payment is being covered up. The Integrity Line is operated by an external company with experience in this area, and is available around the clock seven days a week.

#### G4-LA16 Grievances about labor practices

Few cases were reported via the anonymous Integrity Line and other informal complaints procedures in 2015. There was one case of sexual harassment, which was settled amicably with the parties concerned. Three cases of workplace bullying were reported and investigated. Two cases were settled following discussions and one case resulted in the dismissal of the accused party.

# 11. Human rights (HR)

As part of the → **Geberit Code of Conduct**, Geberit undertakes to comply with all laws, guidelines, norms and standards. This also includes assuming responsibility along the value chain, see → **chapter suppliers**. Geberit commits itself to upholding human rights. As a member of the UN Global Compact and on the basis of the UN Guiding Principles on Business and Human Rights, Geberit supports compliance with human rights both internally and at suppliers and partners. Geberit deploys a comprehensive process for the implementation of the Code of Conduct and its review of compliance, see → **chapter Society**.

In terms of information, the promotion of awareness and controlling, human rights issues related to the business activities of the Geberit Group are the responsibility of Corporate Human Resources for internal topics (aspects equal treatment, freedom of association and the right to collective bargaining).

With respect to measures and objectives in the Code of Conduct, see also → **Sustainability Strategy**.

## 11.1 Investments (HR)

### Management Approach – Investments

The UN Guiding Principles on Business and Human Rights apply to the business activities of Geberit. Geberit is active across the world, including in regions posing a certain degree of risk with regard to the upholding of fundamental employee and human rights. However, all Geberit Group companies throughout the world are integrated in the Geberit Compliance Program, which includes the upholding of fundamental employee protection and human rights. In addition, internal audits with compliance reviews take place at all companies of the Geberit Group, see also → **chapter Society**.

### G4-HR1 Human rights aspects in investment agreements

In 2015, there was no investment agreement in countries or areas that pose a special risk in terms of human rights violations. The integration of the former Sanitec Group only comprised the integration of European sites. The Geberit Group's Compliance Programme was extended to the companies of the former Sanitec Group in 2015.

Suppliers are fundamentally required by contractual agreement to comply with the special Code of Conduct for Suppliers that contains provisions for the protection of human rights, see → **Code of Conduct for suppliers**.

### G4-HR2 Human rights training for employees

In 2008, more than 98% of employees were informed of and trained in the Geberit Code of Conduct. Since then, new employees joining the old Geberit have been trained as part of the Welcome events, with training films on the topics of corruption, IT misuse, workplace bullying and sexual harassment deployed especially for this. New companies from the former Sanitec Group are gradually adopting the implementation of Welcome events and other measures.

The subject of compliance had to be uniformly positioned throughout the Geberit Group as a result of the acquisition of the Sanitec Group. In particular, the former Sanitec employees need to be made aware of this issue. The joint intranet GIN serves as an important basis for this, presenting and explaining the compliance organisation and Code of Conduct on a dedicated page. In parallel to this, management have been requested by means of a circular letter to ensure that all employees without intranet access receive the same information via a suitable channel.

## 11.2 Non-discrimination (HR)

### Management Approach – Non-discrimination

The → **Geberit Code of Conduct** forbids discrimination as defined in the ILO core labour standards. Geberit does not tolerate either discrimination or workplace bullying on the basis of race, gender, religion, creed, nationality, disability, age, sexual orientation, physical or mental handicap, marital status, political views or other characteristics protected by law. Geberit aims to ensure a safe working environment for its employees. All forms of workplace violence, including threats, threatening gestures, intimidation, attacks and similar forms of behaviour are forbidden. Compliance with the Code is verified annually as part of a binding Group-wide survey. The is available to all employees as a whistleblower hotline, see → **Labor practices grievance mechanisms**.

### G4-HR3 Cases of discrimination

Few cases were reported via the anonymous Integrity Line and other informal complaints procedures in 2015. There was one case of sexual harassment, which was settled amicably with the parties concerned. Three cases of workplace bullying were reported and investigated. Two cases were settled following discussions and one case resulted in the dismissal of the accused party.

## 11.3 Freedom of Association and Collective Bargaining (HR)

### Management Approach – Freedom of Association and Collective Bargaining

Employees are completely free to join trade unions, associations and similar organisations. No rights with respect to exercising freedom of association or collective bargaining as defined in the ILO core labour standards and the UN Global Compact are subject to restriction at the Geberit Group.

### G4-HR4 Guarantee of freedom of association and collective bargaining

According to the annual, binding and Group-wide survey, no infringements of the guarantee of freedom of association and collective bargaining were identified in 2015.

#### 11.4 Child Labor (HR)

##### Management Approach – Child Labor

Geberit's exposure with respect to child labour is considered low because of its industry, business model and the countries in which business activities are carried out as well as its high quality requirements. Geberit commits itself to the protection of human rights in its Code of Conduct. Child labour is categorically rejected.

The basic principles set out in the → [Code of Conduct for suppliers](#) explicitly include compliance with the ILO core labour standards for the exclusion of child labour.

##### G4-HR5 Risk of and precautionary measures against child labor

According to the annual, binding Group-wide survey there were no cases of child labour revealed in 2015. There were likewise no such cases arising during the audits carried out at suppliers.

#### 11.5 Forced or Compulsory Labor (HR)

##### Management Approach – Forced or Compulsory Labor

Geberit's exposure with respect to forced or compulsory labour is considered low because of its industry, business model and the countries in which business activities are carried out as well as its high quality requirements. Geberit commits itself to the protection of human rights in its Code of Conduct. Forced or compulsory labour is categorically rejected.

The basic principles set out in the → [Code of Conduct for suppliers](#) explicitly include compliance with the ILO core labour standards for the exclusion of forced or compulsory labour.

##### G4-HR6 Risk of and precautionary measures against forced labor

According to the annual, binding Group-wide survey there were no cases of forced or compulsory labour revealed in 2015. There were likewise no such cases arising during the audits carried out at suppliers.

#### 11.6 Human Rights Assessment (HR)

##### Management Approach – Human Rights Assessment

With respect to the requirements and implementation of the Geberit compliance system, see → [chapter Society](#).

##### G4-HR9 Operations subjected to human rights reviews or impact assessments

The upholding of human rights is subject to a binding survey at all Geberit Group companies each year as part of reporting on the Code of Conduct.

The topic of human rights as part of compliance is a component of the audit programme for the periodic inspections of the production and sales companies by the Internal Audit Department. In 2015, the Internal Audit Department audited a total of 18 companies. In the reporting year, no evidence was found on human rights violations in the context of the various inspections.

#### 11.7 Supplier Human Rights Assessment (HR)

##### Management Approach – Supplier Human Rights Assessment

See → [chapter Suppliers](#)

##### G4-HR10 Screening of suppliers using human rights criteria

See → [chapter Suppliers](#)

##### G4-HR11 Human Rights related impacts in the supply chain

See → [chapter Suppliers](#)

## 12. Society (SO)

The → **Geberit Code of Conduct** describes the basic principles that have to be met in order to be an exemplary, reliable and fair business partner and employer. The content of the Code of Conduct was updated in 2014 and implemented at Geberit – including the former Sanitec Group – in 2015.

In 2015, the → **Geberit Compass**, a key compliance element, was updated. It describes the cornerstones of the corporate culture, namely the joint mission, the shared values, the operational principles and the success factors to be considered by all employees. This was presented and explained in the Group-wide employee magazine, which is published in six languages.

In order to guarantee compliance with the requirements of the Code of Conduct, Geberit has established an effective compliance system that focuses on compliance in the five following key topics: antitrust legislation, corruption, employee rights, product liability and environmental protection. In practice, the system comprises various elements such as guidelines, continuous training, job orientation for new employees, eLearning campaigns, info circulars, compliance-related audits and the Geberit Integrity Line, a whistleblower hotline for employees launched in 2013. A thorough review of the compliance organisation at the end of 2014 yielded a very satisfactory result. The Internal Audit department and external auditors concluded that responsibilities are clearly regulated within the various Group functions and the mechanisms are geared towards effectiveness. Once an assessment of the existing compliance structures had been completed, the Geberit Group's Compliance Programme was also extended to the companies of the former Sanitec Group.

Anti-corruption, anti-competitive behaviour and statutory compliance requirements are particularly important aspects in the GRI category Society. Legal Services is responsible for their implementation.

As part of the annual reporting on the Code of Conduct for Employees, compliance with the requirements set out there is subject to binding controls. All companies – including the new companies from the former Sanitec Group – receive around 50 questions on the five above-mentioned topic areas. In addition, on-site audits are performed by the Internal Audit Department and corrective measures taken in the event of misconduct. The audits also comprise special interviews with the managing directors of the individual companies on the topics mentioned in the Code of Conduct. The respective information is verified. The findings from the survey and audits form the basis for the annual Compliance Report submitted to the Group Executive Board and are published in this Sustainability Performance Report.

With respect to measures and objectives in the Code of Conduct, see also → **Sustainability Strategy**.

### 12.1 Anti-Corruption (SO)

#### Management Approach – Anti-Corruption

As a member of Transparency International Switzerland and the UN Global Compact, Geberit is committed to high standards in combating corruption. There are clear guidelines on prevention and employees receive training in this area. Compliance with the guidelines is monitored as part of an annual, binding survey at all Geberit Group companies (see the individual indicators for the results). Internal auditing is supplemented by on-site audits. In the event of misconduct, corrective measures are taken.

The guidelines on donations were updated and communicated in 2015 via the managing directors of all companies and the Geberit intranet.

#### G4-SO3 Analysis of business units for risks of corruption

According to the annual, binding survey carried out at all Geberit Group companies, there were no cases of corruption in 2015.

The topic of corruption is also a component of the audit programme for the periodic inspections of the production plants and sales companies by the Internal Audit Department. The annual audit planning of the Internal Audit Department is oriented to risks. Each company is audited at least every five years, or considerably more frequently if it has a heightened risk profile. In 2015, the Internal Audit Department audited a total of 18 companies. No cases of corruption were discovered in these audits.

#### G4-SO4 Training on anti-corruption policies

In 2008, more than 98% of employees were informed of and trained in the Geberit Code of Conduct. Since then, new employees joining the old Geberit have received training as part of Welcome events, with media such as training films on the topics of corruption, IT misuse, workplace bullying and sexual harassment developed especially for this. The companies from the former Sanitec Group are gradually adopting the implementation of Welcome events and other measures.

Employees throughout Geberit, including the former Sanitec Group, are provided with information via the intranet about what is permitted and what is not. Supplementary guidelines for the prevention of corruption have been updated and made accessible to the relevant employees (Purchasing, Sales) via the various communication channels.

#### G4-SO5 Actions taken in response to incidents of corruption

No measures were necessary, as no cases of corruption were identified in 2015.

### 12.2 Anticompetitive Behavior (SO)

#### Management Approach – Anticompetitive Behavior

According to the → **Materiality analysis**, the prevention of anti-competitive behaviour is a most material aspect. Cartels of any kind and other anti-competitive behavior are categorically rejected.

The guidelines on antitrust legislation were updated and communicated in 2015 via the managing directors of all companies and the Geberit intranet.

Ongoing training in antitrust legislation was continued in 2015. Training events geared specifically towards antitrust legislation matters were held in 2015 for the managing directors of the European sales companies and the sales employees in Germany. In order to reach a wider group of employees in this matter, an eLearning course on the subject of compliance in the sphere of antitrust legislation will be held in the first quarter of 2016. This will enable the eLearning approach already conducted successfully in previous years to be continued.

#### **G4-SO7 Anti-competitive behavior**

One accusation was lodged by a wholesaler at the Swedish competition authorities in the reporting year. The proceedings are still pending. There was also one case in Germany of unlawful comparative advertising, which resulted in a declaration to cease and desist issued to a competitor. The appeal proceedings before the European Court of Justice initiated by the European Commission against a ruling by the European Court of first instance remain pending. These concern the known "bathroom antitrust proceedings" dating from 2010 that affected companies of the former Sanitec Group.

### **12.3 Compliance (SO)**

#### **Management Approach – Compliance**

The → **Geberit Code of Conduct** requires Geberit to comply with all laws, directives and internationally recognized standards. The minimum statutory requirements are often exceeded here.

Geberit deploys a comprehensive process for the implementation of the Code of Conduct and its review of compliance, see → **chapter society**.

#### **G4-SO8 Sanctions due to non-compliance with regulations**

Geberit incurred no fines in 2015 resulting from violations of statutory requirements, with the exception of the case cited under EN29.

### **12.4 Supplier Assessment for Impacts on Society (SO)**

#### **Management Approach – Supplier Assessment for Impacts on Society**

See → **chapter Suppliers**

#### **G4-SO9 Screening of suppliers using criteria for impacts on society**

See → **chapter Suppliers**

#### **G4-SO10 Significant impacts on society within the supply chain**

See → **chapter Suppliers**

# 13. Product responsibility (PR)

## 13.1 Customer Health and Safety (PR)

### Management Approach – Customer Health and Safety

For Geberit, high quality standards mean fulfilling customers' requirements in terms of functionality, reliability and application safety to the greatest possible extent. The company is guided by the zero-error principle. Corporate Quality Management is responsible for ensuring that suitable framework conditions promote a quality culture throughout the company, and that all employees act in a quality-conscious and independent manner.

Products undergo a defined optimisation process from the first draft. Product Development is responsible for ensuring that the products developed are safe and user-friendly, and that they comply with all standards and statutory requirements. As an independent department, Quality Management is responsible for defining, arranging and monitoring all necessary inspections to ensure that these requirements are met. A clear organisational distinction is drawn between development and quality management. In addition, many products are also examined by external authorisation bodies.

Following market launch, an efficient handling of complaints with integrated error analysis, the initiation of sustained corrective measures and the continuous development of concepts for customer support takes place in cooperation with Sales, Production and Development. Geberit has achieved a high standard in the processing of complaints, and reacts directly and in a solution-oriented manner in each individual case.

When it comes to training its employees on Geberit products, competition, standards, industry or core topics, Geberit relies on a bundle of measures. These include a Group-wide eLearning platform rolled out in the autumn of 2012 as well as global product training by specially trained instructors. E-learning modules on the topics of drinking water hygiene, acoustics, fire protection, sanitary systems and piping systems were successfully developed in 2015 in connection with the integration of Sanitec. In addition, a multi-part eLearning module was created for innovation training.

Product Development and Quality Management are responsible for customer health and safety.

### G4-PR1 Health and safety impact along the product life cycle

Generally speaking, Geberit products and services involve low risks for customers in terms of health and safety. Geberit nevertheless adopts a preventive approach within the scope of its comprehensive quality planning in order to test and ensure the health and safety requirements of all products from development to certification, through manufacture and storage, to use and disposal. Among other things, Quality and Safety Management include an FMEA (Failure Mode and Effects Analysis) as a precautionary measure to prevent errors and increase the technical reliability of products. Eco-design workshops are held in the course of product development in order to optimise the use of suitable and ecological materials. If the products or their use involve an increased risk to health or safety, Geberit's technical editorial staff ensures that this is communicated appropriately to customers, see → G4-PR3.

### G4-PR2 Non-compliance with health and safety regulations

Throughout the Group, there were no court judgements or warnings against Geberit in the reporting period involving contraventions of regulations on the health and safety of products and services or product and service information.

## 13.2 Product and Service Labeling (PR)

### Management Approach – Product and Service Labeling

Corporate Marketing is responsible for the labelling of products and services.

Conveying product and application information in accordance with laws, standards and target groups is one of the main tasks of the Product Communication department (Technical Documentation) that forms part of Corporate Marketing at Geberit. A comprehensive portfolio of various document types and publication channels is available for this purpose. In the area of assembly and installation, Geberit focuses on multi-cultural and generally understandable images comprising detailed illustrations and guiding symbols. On top of this, more far-reaching information is provided for the plumber, architect and engineer target groups via various handbooks and skills brochures. In addition, product and safety data sheets are available for all products and target groups.

The end user target group is becoming more and more important in the conveying of product information, as Geberit is addressing end users with more and more products. Geberit ensures safe handling and correct labelling by means of detailed operating documentation based on the prevailing standards and laws.

With the takeover of Sanitec, the number of advisors employed in the sales force in Europe was increased by around 200, and now totals more than 800. They are in daily contact with customers and decision-makers. When aligning the future sales organisation, the focus was on meeting the specific needs of wholesalers, plumbers, planners, architects, building owners and end users. A clear focus on the key customer groups in the respective markets therefore takes precedence over advisors specialising in particular product groups such as ceramic appliances or piping systems. This resulted in all advisors having to expand their product knowledge; while the advisors from the old Geberit familiarised themselves with the world of ceramic products, the advisors from the former Sanitec had to immerse themselves in the sanitary technology sold by Geberit.

By the end of the year, all local sales companies had realigned their organisations and effectively ceased to operate two separate businesses.

Another central instrument for retaining customers is Geberit's broad range of training opportunities. During the reporting year, around 30,000 customers were once again provided with education and further training on Geberit products and software tools at the 25 Geberit information centres in Europe and overseas. Geberit training for customers is not designed as pure product training but includes a high level of knowledge transfer on important core topics.

This range of opportunities was expanded by a large number of activities at the showrooms of the former Sanitec in which the current ceramic appliance and matching furniture series are exhibited. These showrooms – many of which are situated at good pedestrian locations – will continue to be used for training and information events as well as general sales support.

#### G4-PR3 Product labeling

Products involving the use of electricity, gas or dangerous substances – or those containing such substances – need to be appropriately labelled in accordance with the prevailing standards and laws. This includes providing information about the target group and its qualifications as well as the intended use and the existence of substances subject to labelling requirements. The distributor/supplier must publish this information in a national language of the target market in accordance with the prevailing laws and regulations. Whenever possible, plastic components must feature material labelling in order to facilitate recycling.

Nine Geberit product groups – a total of over 500 sales products – carry the WELL-Label (Water Efficiency Label) of the European umbrella organisation for valve manufacturers EUnited which was introduced in 2011 and in doing so represent over 17% of Group sales. In addition, collaboration took place with FECS (European Federation of Ceramic Sanitary Ware Manufacturers) to draw up a new European standard for assessing the sustainability of ceramic sanitary appliances (EN 16578).

#### G4-PR4 Non-compliance with labeling requirements

In the reporting period, there were no known cases of violation of applicable laws or voluntary codes. The need to translate product information into more languages was identified in some cases.

#### G4-PR5 Customer satisfaction

The close contact with plumbers and sanitary planners remained a focus of numerous marketing activities. Existing and proven measures such as customer visits, training and the publication of regularly updated technical documentation and apps were continued. The “Geberit On Tour” campaign, which has been organised in numerous markets since 2011, was also continued. This involved specially fitted-out showroom mobiles visiting local and regional wholesalers and offering plumbers the opportunity to assess Geberit innovations and solutions directly on site. In this way, over 31,000 visitors were addressed at more than 1,000 events in 18 countries in 2015.

A high degree of customer satisfaction in the regional markets is central to Geberit’s success as a company. Surveys of the Geberit AquaClean brand and the shower toilet category were therefore once again carried out at end users in all 13 campaign markets in 2015. In addition to sociodemographic data, information is also provided on the respective awareness of the products, attitude and behavioural parameters, and also the perception of the brand and the most important competitors. With a view to sustainable customer satisfaction, the studies document a very high recommendation rate: An average of over 70 percent of all Geberit AquaClean owners would recommend the purchase of a Geberit AquaClean shower toilet. The repurchase rate – i.e. the number of end users who would buy another shower toilet from Geberit – is equally high at just under 71 percent (on average). These results even exceed 85 percent in some individual markets. The consistently positive survey results reflect the success of market cultivation in the individual countries. As well as the high product satisfaction, the intensive customer support provided by trained specialists and Geberit’s customer service have proven to be sustainable success factors for company growth.

For further information, see → [Business Report > Business and financial review > Financial Year 2015 > Customers](#).

### 13.3 Compliance Product Responsibility (PR)

#### Management Approach – Compliance – Product Responsibility

See → [Management approach customer health and safety](#) and → [chapter Society](#).

#### G4-PR9 Sanctions due to non-compliance with product liability regulations

No sanctions have been imposed in connection with Geberit products and services or their use.



## 14. Suppliers (SU)

### 14.1 Description of the organization's supply chain

Corporate Purchasing (CPU) is responsible for the procurement in all production plants worldwide (except the USA) and manages the procurement organisation through a team of lead buyers who are strategically responsible for various material groups. The Corporate Purchasing department became even more visible and important when the purchasing specialists of the former Sanitec were integrated. Operational purchasing is based locally at the plants.

Geberit's production processes entail a high degree of skill, i.e. it largely purchases raw materials and semi-finished products with a high share of raw materials. In so doing, material costs represent a relatively low share of Geberit net sales.

The raw materials and semi-finished products primarily come from suppliers in Western Europe (78.6% of procurement value). The share of the procurement volume from Asia and from Eastern Europe amounts to 9.5% each, that from America 1.9% and that from Africa 0.5%. Owing to the "upstream" purchasing in the supply chain and high level of in-house production as well as the very high share of Western European suppliers, the general risk profile of the supply chain is relatively low. The active pursuit of a "dual source strategy" – i.e. the procurement of a resource from two providers – serves additionally to reduce dependencies.

Geberit procured raw materials (28.1%), semi-finished products (43.9%) and finished products (28.0%) with a procurement value of CHF 755.0 million (previous year CHF 646.0 million) from some 2,200 suppliers across the world in 2015.

### 14.2 Management Approach – supplier assessment using sustainability criteria

Geberit's business partners and suppliers are obligated to maintain comprehensive standards. The basis for the cooperation is the → [Code of Conduct for suppliers](#). This Code is aligned with the principles of the United Nations Global Compact and is binding for every new supplier. Suppliers to the former Sanitec are now also obligated to comply with these standards. The Code comprises specific guidelines on quality and meeting environmental, labour law and social requirements and sets out compliance with human rights. Upon request by Geberit, the supplier must prepare corresponding records in order to demonstrate compliance with the standards of the Code and make these available at any time. Should the supplier fail to comply with the regulations set out in this Code, then corrective measures are taken wherever possible. Failure to comply on the part of the supplier is regarded as a serious obstacle to the continuation of the business relationship. If the supplier does not correct this non-compliance, Geberit can terminate the cooperation.

When evaluating suppliers, Geberit strives to achieve the greatest possible degree of transparency. All new and existing partners are thus assessed by means of standardised processes and according to the same criteria: company as a whole, quality, sustainability, price, procurement chain, delivery reliability, production and technology. As a rule, the selection of suppliers is required to include a quality audit covering clarification on environmental and occupational safety issues. Where an audit reveals inconsistencies in these criteria, an additional, in-depth audit is conducted.

Supplier management has integrated a risk management approach that is based on the division of suppliers into risk classes – depending on the production location (country) and type of production process. Owing to the high share of procurement from Western Europe, the risk in Geberit's supply chain is relatively low. In the reporting year, 42 companies were identified in the highest risk category. This is equivalent to less than 5% of the entire procurement value. 33 of these 42 suppliers have already been audited. Within this risk class, the focus is placed on independent suppliers such as those which are not part of a larger company with recognised sustainability management. The systematic planning and performance of audits is conducted for these suppliers, generally every three years. To ensure neutrality and the expertise required for the audits, Geberit also works with an external partner. In China, the carrying out of audits by independent experts has proven effective. Performing such audits makes an important contribution to enhancing credibility in supplier management. Any shortcomings exposed by audits give rise to sanctions. As a rule, a deadline is imposed for remedying the situation.

### 14.3 Percentage of new suppliers that were screened using sustainability criteria

All new suppliers undertake to comply with the Code of Conduct and hence also to international standards governing environmental protection, labour practices and human rights.

### 14.4 Sustainability-related impacts in the supply chain

As of the end of 2015, a total of 868 suppliers have signed the Code of Conduct for Suppliers (previous year 728). This equates to over 90% of the total procurement value. Among the top 200 suppliers, the consolidated share of companies that have signed has already reached 93.1% (previous year 98.3%), as awareness of the Geberit standards and processes had already been raised among a significant proportion of the top suppliers to the former Sanitec Group.

For audits in China, Geberit cooperated with SGS in 2015 too. The five audits conducted in total concluded that standards governing occupational safety and environmental protection were complied with.

Only in a few justified exceptional cases are there plans to impose complete regulations on the second tier and third tier in the supply chain by getting them to sign a Code of Conduct, as this would result in a disproportionately high level of additional administration with little added benefit. Geberit pursues a pragmatic yet effective approach. When auditing suppliers in the highest risk category, an analysis of the most important suppliers is included in the risk analysis and the audit investigations on site. At the end of the day, Geberit's goal is modern supplier management, where the relationship with the supplier is actively managed and sustainability risks in the supply chain are jointly analysed.

# Key figures environment

## Environmental impact

Environmental impact	2014 UBP	2015 UBP	Deviation %
Electricity	43,622	101,508	132.7
Combustibles	8,042	115,934	1,341.6
Fuels	10,074	18,944	88.0
Disposal	1,396	3,183	128.0
Solvents	734	1,492	103.3
Water and waste water	486	2,948	506.6
<b>Total environmental impact</b>	<b>64,354</b>	<b>244,009</b>	<b>279.2</b>

UBP = Ecopoints in million UBP in accordance with the Swiss Ecological Scarcity Method (upgraded version 2013)

## Material usage

Material usage	2014 Metric tons	2015 Metric tons	Deviation %
Raw material plastics	61,014	62,734	2.8
Raw material metal	52,276	52,591	0.6
Raw material mineral	–	186,237	–
Other raw materials	609	531	-12.8
Semi-finished products	36,501	36,505	0.0
Finished products	47,829	46,209	-3.4
<b>Total material usage</b>	<b>198,229</b>	<b>384,807</b>	<b>94.1</b>

## Energy consumption

Energy consumption	Unit	2014	2015	Deviation %
<b>Electricity</b>	GWh	113.7	222.3	95.5
<b>District heating</b>	GWh	–	16.9	–
<b>Combustibles</b>				
Natural gas	m <sup>3</sup>	3,463,869	48,266,747	1293.4
Biogas	m <sup>3</sup>	826,781	817,436	-1.1
Liquified petroleum gas (LPG)	Metric tons	–	6,227.4	–
Diesel for electricity generation	l	240,549	220,693	-8.3
Heating oil extra light	Metric tons	9.0	57.6	540.0
Solid fuels	Metric tons	–	6,641.3	–
<b>Fuels</b>				
Gasoline	l	172,383	241,861	40.3
Diesel	l	1,631,889	3,004,475	84.1
Liquified petroleum gas (LPG)	kg	–	184,875	–

	2014	2015	Deviation
	TJ	TJ	%
<b>Energy consumption</b>			
<b>Electricity</b>	409.2	800.4	95.5
<b>District heating</b>	–	61.0	–
<b>Combustibles</b>	166.9	2,200.9	1,218.7
Natural gas	126.1	1,756.9	1,293.4
Biogas	31.8	29.8	-1.1
Liquified petroleum gas (LPG)	–	288.3	–
Diesel for electricity generation	8.6	7.9	-8.3
Heating oil extra light	0.4	2.5	540.0
Solid fuels	–	115.5	–
<b>Fuels (gasoline, diesel, LPG)</b>	65.0	124.1	90.9
<b>Total energy consumption</b>	<b>641.1</b>	<b>3186.4</b>	<b>397.0</b>

#### Electricity mix

		Renewable	Fossil	Nuclear	Others
Electricity mix 2015	GWh	%	%	%	%
Europe	168.8	22.8	53.2	22.7	1.3
USA	6.8	9.7	70.2	19.4	0.7
China	4.6	19.1	78.8	2.1	0.0
India	1.1	16.4	81.8	1.8	0.0
Green electricity	41.0	100.0	0.0	0.0	0.0
<b>Total electricity mix</b>	<b>222.3</b>	<b>36.5</b>	<b>44.6</b>	<b>17.9</b>	<b>1.0</b>

		Renewable	Fossil	Nuclear	Others
Electricity mix 2014	GWh	%	%	%	%
Europe	78.8	16.0	45.2	35.6	3.2
USA	6.8	8.8	70.0	19.6	1.6
China	4.4	16.1	81.8	2.1	0.0
India	0.3	16.3	80.1	1.8	1.8
Green electricity	23.4	100.0	0.0	0.0	0.0
<b>Total electricity mix</b>	<b>113.7</b>	<b>32.9</b>	<b>38.9</b>	<b>25.9</b>	<b>2.3</b>

#### Water and waste water

	2014	2015	Deviation
Water	m <sup>3</sup>	m <sup>3</sup>	%
Drinking water	124,369	330,744	165.9
Well water	6,920	545,049	7,776.4
River- and lake water	–	289,003	–
Rain water	6,867	5,560	-19.0
<b>Total water</b>	<b>138,156</b>	<b>1,170,356</b>	<b>747.1</b>

	2014	2015	Deviation
Waste water	m <sup>3</sup>	m <sup>3</sup>	%
Domestic waste water	82,601	291,039	252.3
Process water ceramic	–	607,529	–
Other waste water	29,920	28,485	-4.8
<b>Total waste water</b>	<b>112,521</b>	<b>927,053</b>	<b>723.9</b>

## Emissions

Absolute CO <sub>2</sub> emissions	2014 Metric tons	2015 Metric tons	Deviation %
from combustibles (Scope 1)	8,286	127,789	1,442.2
from fuels (Scope 1)	4,829	9,162	89.7
from process emissions (Scope 1)	260	308	18.5
from electricity (Scope 2)	50,150	114,105	127.5
from district heating (Scope 2)	–	66	–
<b>Total absolute CO<sub>2</sub> emissions</b>	<b>63,525</b>	<b>251,430</b>	<b>295.8</b>

Upgrade of source data to Ecoinvent Version 3.1 (2014) and calculation of CO<sub>2</sub> emissions according to IPCC2013

Air emissions		2014 Kilogram	2015 Kilogram	Deviation %
NO <sub>x</sub>	direct	12,992	74,709	475.0
	indirect	81,383	155,366	90.9
	<b>Total NO<sub>x</sub></b>	<b>94,375</b>	<b>230,075</b>	<b>143.8</b>
SO <sub>2</sub>	direct	836	2,094	150.5
	indirect	167,342	296,956	77.5
	<b>Total SO<sub>2</sub></b>	<b>168,178</b>	<b>299,050</b>	<b>77.8</b>
NMVOC	direct	46,009	107,565	133.8
	indirect	10,032	20,443	103.8
	<b>Total NMVOC</b>	<b>56,401</b>	<b>128,008</b>	<b>127.0</b>
Dust (PM10)	direct	392	6,329	1,514.5
	indirect	15,860	32,736	106.4
	<b>Total dust</b>	<b>16,252</b>	<b>39,065</b>	<b>140.4</b>
CFC11 equivalents	direct	0.4	0.4	0.0
	indirect	4.6	9.5	104.3
	<b>Total CFC11 equivalents</b>	<b>5.0</b>	<b>9.9</b>	<b>95.6</b>

Upgrade of source data to Ecoinvent Version 3.1 (2014)

## Waste

Waste	2014 Metric tons	2015 Metric tons	Deviation %
to incineration	635	1,686	165.4
to inert waste landfill	396	20,127	4,982.6
to mixed waste landfill	428	1,023	139.0
to external recycling	9,361	59,361	534.1
to hazardous waste incineration	262	479	83.0
to hazardous waste recycling	505	729	44.3
<b>Total waste</b>	<b>11,587</b>	<b>83,405</b>	<b>619.8</b>

# Key figures employees and society

## Workforce

Workforce as of December 31	2014	Share %	2015	Share %
Germany	2,413	38.6	3,319	27.4
Poland	58	0.9	1,532	12.6
Switzerland	1,262	20.2	1,333	11.0
Ukraine	–	–	1,089	9.0
France	76	1.2	693	5.7
China	688	11.0	665	5.5
Austria	507	8.1	541	4.5
Sweden	22	0.4	431	3.5
Italy	118	1.9	425	3.5
Others	1,103	17.7	2,098	17.3
<b>Total</b>	<b>6,247</b>	<b>100.0</b>	<b>12,126</b>	<b>100.0</b>
Production	3,380	54.1	7,596	62.6
Marketing and sales	1,841	29.5	2,903	23.9
Administration	559	8.9	939	7.8
Research and development	235	3.8	433	3.6
Apprentices	232	3.7	255	2.1
<b>Total</b>	<b>6,247</b>	<b>100.0</b>	<b>12,126</b>	<b>100.0</b>
Permanent	5,067	81.1	9,723	80.2
Temporary	1,180	18.9	2,403	19.8
<b>Total</b>	<b>6,247</b>	<b>100.0</b>	<b>12,126</b>	<b>100.0</b>
Full-time	5,926	94.9	11,723	96.7
Part-time	321	5.1	403	3.3
<b>Total</b>	<b>6,247</b>	<b>100.0</b>	<b>12,126</b>	<b>100.0</b>
Management	159	2.5	195	1.6
Employees	6,088	97.5	11,931	98.4
<b>Total</b>	<b>6,247</b>	<b>100.0</b>	<b>12,126</b>	<b>100.0</b>

Information in full-time equivalents

## Diversity

Diversity as of December 31, 2015	Management %	Employees %	Total %	
Proportion of female employees	8.2	25	25	
Age structure				
	> 45 years	72	39	40
	30 - 45 years	28	44	44
	< 30 years	0	17	16

Diversity as of December 31, 2014		Management %	Employees %	Total %
Proportion of female employees		6.9	31	31
Age structure	> 45 years	69	38	39
	30 - 45 years	31	41	40
	< 30 years	0	21	21

### Fluctuation

Fluctuation excl. attrition		2014	Rate %	2015	Rate %
Age group	> 45 years	74	3.3	271	5.9
	30 - 45 years	122	6.0	332	7.8
	< 30 years	62	8.8	141	14.2
Gender	Male	181	5.0	503	6.8
	Female	77	5.6	241	9.7
Region	Germany	24	1.2	79	2.8
	Poland	3	5.6	19	2.9
	Switzerland	91	7.8	105	8.6
	Ukraine	–	–	220	18.8
	France	4	5.4	39	5.8
	China	13	7.4	15	6.1
	Austria	19	4.0	28	5.6
	Sweden	3	13.5	18	4.3
	Italy	4	3.7	42	9.5
	Others	97	10.2	179	10.4
	<b>Total fluctuation excl. attrition</b>		<b>258</b>	<b>5.2</b>	<b>744</b>

Fluctuation incl. attrition		2014	Rate %	2015	Rate %
Age group	> 45 years	140	6.2	411	8.9
	30 - 45 years	123	6.1	336	7.8
	< 30 years	63	8.9	143	14.4
Gender	Male	232	6.4	610	8.2
	Female	94	6.8	280	11.3
Region	Germany	59	3.0	139	4.9
	Poland	3	5.6	25	3.8
	Switzerland	111	9.6	126	10.3
	Ukraine	–	–	221	18.9
	France	4	5.4	53	7.9
	China	17	9.7	23	9.4
	Austria	22	4.7	29	5.8
	Sweden	3	13.5	21	5.0
	Italy	4	3.7	46	10.4
	Others	103	10.8	207	12.0
	<b>Total fluctuation incl. attrition</b>		<b>326</b>	<b>6.5</b>	<b>890</b>

Information in headcounts  
attrition includes retirements

## Training and education

Training and education	Hours per employee	2014	2015	Deviation %
Women		11.4	13.0	14.0
Men		17.6	15.0	-14.8
Management		28.0	22.4	-20.0
Other employees		15.3	14.4	-5.9
<b>Total training and education</b>		<b>15.6</b>	<b>14.5</b>	<b>-7.1</b>

## Personnel expenses

Personnel expenses	2014 MCHF	2015 MCHF	Deviation %
Wages and salaries	366.1	508,8	39,0
Pension contributions	23.7	37,2	57,0
Other social benefits	63.5	94,4	48,7
Other personnel expenses	30.6	31,2	2,0
<b>Total personnel expenses</b>	<b>483.9</b>	<b>671,6</b>	<b>38,8</b>

## Social engagement

Social engagement	Unit	2014	2015	Deviation %
Donations and contributions	MCHF	3.3	2.6	-21.2
Orders to social institutions	MCHF	5.5	6.2	12.7
Charitable work	Hours	2,770	1,657	-40.2

## Health and Safety

Health and Safety	2014	2015	Deviation %
Number of occupational accidents	103	238	131.1
Accident frequency rate (AFR)	9.6	11.4	18.8
Lost days due to occupational accidents	1,405	4,314	207.0
Accident severity rate (ASR)	130.5	206.2	58.0

Accident frequency rate (AFR) = Number of occupational accidents per million performed total working hours

Accident severity rate (ASR) = Number of lost working days due to accidents per million performed total working hours

Absenteeism rate per region 2015	Illness %	Accident %	Total %
Europe	4.54	0.14	4.68
Asia	1.26	0.03	1.29
USA	0.48	0.22	0.70
Others	0.72	0.00	0.72
<b>Total absenteeism rate</b>	<b>4.20</b>	<b>0.13</b>	<b>4.33</b>

Absenteeism rate per region 2014	Illness %	Accident %	Total %
Europe	4.54	0.11	4.65
Asia	0.93	0.06	0.99
USA	1.99	0.00	1.99
Others	0.61	0.00	0.68
<b>Total absenteeism rate</b>	<b>3.75</b>	<b>0.10</b>	<b>3.85</b>