

GEBERIT GROUP

# SUSTAINABILITY

## 2019

# 1. INTRODUCTION

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. Overall, Geberit thus wishes to demonstrate to its stakeholders and shareholders the many and sustainable ways in which it creates added value. 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**, → **Production**, → **Logistics and procurement**, → **Sustainability**, → **Compliance** and → **Social Responsibility**
- → **Sustainability strategy** with objectives, measures and results
- → **Materiality analysis**
- → **SDG Reporting**
- → **Key figures sustainability**
- → **Communication on Progress UN Global Compact**

Since 2006, a sustainability performance review has been presented annually in accordance with the guidelines of the Global Reporting Initiative (GRI). In this reporting year, Geberit has once again implemented the "Comprehensive" option of the GRI Standards. For the reporting on Water and waste water (GRI 303: 2018) and on Occupational health and safety (GRI 403: 2018), the standards updated by GRI were used. For the Materiality Disclosures Service, the GRI inspected whether the GRI Content Index is clearly presented and the references for disclosures GRI 102-40 to GRI 102-49 match the corresponding parts of the report. For details on the successful inspection, see GRI label in the → **formal GRI Content Index**. The Report is available in German and English. The German version is binding.

As prescribed by the GRI, a → **Materiality analysis** based on the aspects defined by the GRI was the strategic starting point. As in 2012, 2014 and 2016, an external stakeholder panel was also consulted in 2018. Its mandate consisted of scrutinising the results of the internal materiality analysis and providing feedback on the sustainability strategy and sustainability communication. The external panel summarised the results 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. The next stakeholder panel is planned for 2020.

- → **Introduction to the Stakeholder Panel**
- → **Members of the Stakeholder Panel**
- → **Panel Statement**
- → **Response from Geberit to the Panel Statement**

# CEO STATEMENT ON SUSTAINABILITY



«For several decades, sustainability has been an integral part of Geberit's culture. Our focus is on consistent implementation on an ongoing basis and with measurable results.»  
Christian Buhl, CEO

## CONSISTENT AND QUANTIFIABLE

Climate change was one of the main social issues of 2019. In terms of climate change mitigation, Geberit wants to be proactive in setting itself the challenge of establishing long-term goals and achieving demonstrable improvements in this regard year after year. The groundwork for the current CO<sub>2</sub> strategy was laid over ten years ago in 2007. The goal here is to reduce relative CO<sub>2</sub> emissions by 5% each year. Back in 2017, we adopted the guidelines set out by the Science Based Targets Initiative in order to define a long-term reduction pathway and to reduce our absolute CO<sub>2</sub> emissions to below 240,000 tonnes by 2021 as an interim goal. We have already achieved this goal by focusing on technical measure – such as saving energy and increasing energy efficiency – and on the targeted sourcing of high-quality renewable energies in terms of electricity and combustibles.

## COMPREHENSIVE APPROACH TO SUSTAINABILITY

Although climate change mitigation is important to Geberit, it is just one of many key topics surrounding sustainability. For almost 150 years, our goal has been to improve people's quality of life and to generate sustainable added value. Since 1990, we have thus followed a long-term environmental and sustainability strategy that includes ongoing and future projects, initiatives and activities. Each module in our sustainability strategy contains clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring. For example, for more than 25 years we have consistently measured our ecological footprint as part of a comprehensive corporate eco-balance, and use this as a basis on which to define our goals. Since the acquisition of Sanitec in 2015, we have reduced our relative environmental impact by 27.5%. As a result, we have exceeded the goal of improving our eco-efficiency by 5% each year.

## ECO-DESIGN AND CIRCULAR THINKING

Our environmentally friendly, resource-saving and durable products make a crucial contribution towards sustainability. We are therefore firm advocates of eco-design and develop our products consistently in line with its principle: At every stage of its respective life cycle – from the provision of raw materials to disposal – each product must be better than its predecessor from an ecological perspective. Eco-design has been an integral part of our development processes since 2007 and has already been adopted in more than 125 development projects. The basic principle of a circular economy has played an important role at Geberit for many years. What is key here is that our products must have a very long industrial service life, as many of them will be installed in buildings for decades. We also aim to minimise our consumption of energy and resources, close internal and external material cycles to the greatest extent possible and constantly increase the use of internal and external recycled materials. Thanks to first-class materials and strict quality requirements, our products have a service life spanning several decades. In addition, they are in some instances backwards-compatible, can be cleaned and maintained easily, and spare parts are available for up to 25 years for a significant proportion of the product range. In terms of packaging, care is taken to keep material use as low as possible and to use recyclable cardboard.

## A RESPONSIBILITY TOWARDS YOUNG PEOPLE

Every day, 11,619 employees go about their daily work at Geberit. In this respect, it is important that the Geberit performance culture is embraced by every employee. A great deal of hard work therefore went into the development of the valYOU project in 2019. This next-generation performance management process has been designed to meet the current challenges faced by HR managers and focuses on the individual development of employees within the company.

It is also important to us that we empower and bring in young talents. According to an apprentice ranking carried out in 2019, Geberit is one of the leading companies for apprentices in Switzerland and makes an important contribution to vocational training and to maintaining Switzerland's reputation as a centre for training and education. Since 1963, Geberit has trained in excess of 500 apprentices in Switzerland and now trains apprentices in over eleven different skilled trades. Some 10% of the company's employees currently working in Switzerland completed their apprenticeship at Geberit. Apprentices are also involved in our social projects. In 2019, ten apprentices and two coaches travelled to Cambodia to help renovate two schools there, including the installation of a new drinking water supply and sanitary facilities.

## CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS AND SUPPORT FOR THE UN GLOBAL COMPACT

Through our operations, we are making a contribution to the UN 2030 Agenda for Sustainable Development, focussing on four of the 17 goals (see → **SDG Reporting**). Among these, the sixth goal "Clean water and sanitation" is especially important, with Geberit providing solutions for efficient water usage and sustainable building as a driving force in the field of sanitary technology.

Geberit has been a member of the UN Global Compact since 2008 and is engaged in the area of environmental protection, responsible labour practices, human rights and the prevention of corruption. We provide information on our sustainability goals and performances in a transparent manner and in accordance with the GRI Standards' "Comprehensive" reporting option as defined by the Global Reporting Initiative (GRI). The Communication on Progress UN Global Compact for the financial year 2019 is available at → [www.geberit.com](http://www.geberit.com) > **Company** > **Sustainability** > **UN Global Compact**.

A handwritten signature in black ink, appearing to read 'CB', located below the text of the CEO statement.

Christian Buhl, CEO

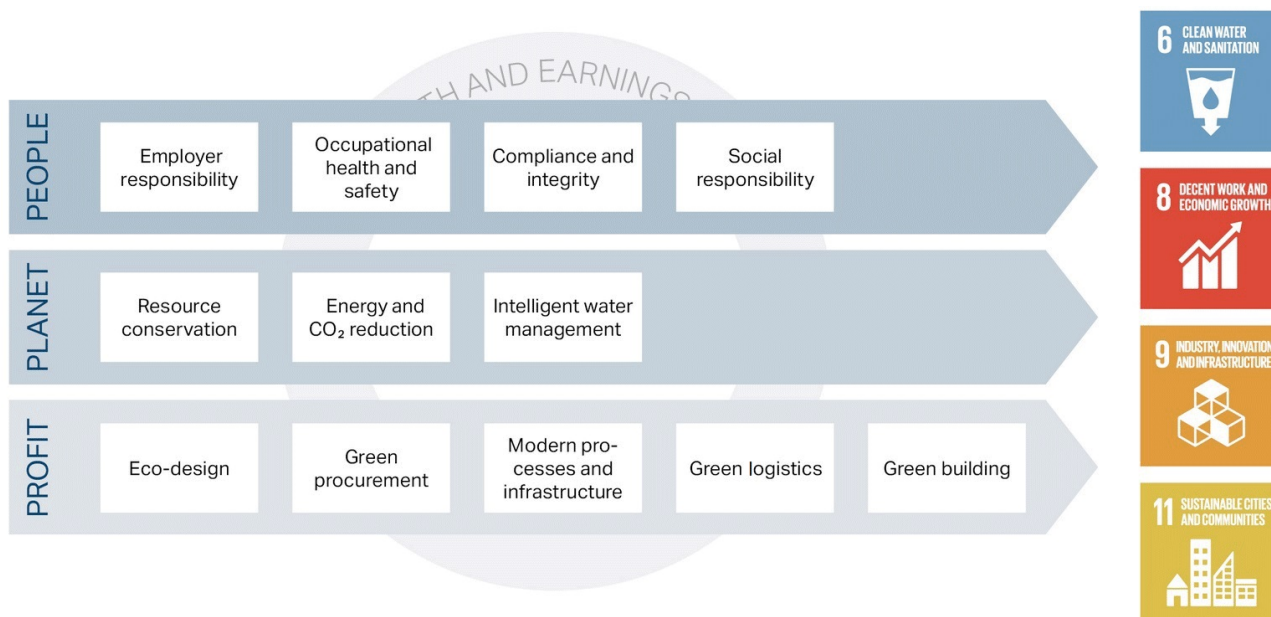
# SUSTAINABILITY STRATEGY 2020-2022

For Geberit, sustainability means being oriented towards the future as well as operating and being successful over the long term. A long-term orientation means striking a balance between economic, environmental and social aspects in all decision-making processes. In addition to sustained high profitability, value is simultaneously created for many other stakeholders: innovative, design-oriented and sustainable products; training and education of plumbers, sanitary engineers and architects; the smallest possible environmental footprint along the entire value chain; production plants with prospects for employees in numerous regions; a cooperation with suppliers and business partners that is based on fairness; and leadership for sustainable development in the sanitary industry.

The → **graphic below** shows how Geberit implements integrated sustainability and thus creates value. The vision of achieving sustained improvement in the quality of people's lives with innovative sanitary products represents the starting point. To bring this vision to fruition, Geberit continuously refines its products, systems and services and sets new standards as a market leader in the area of sanitary products. Values such as integrity, team spirit, enthusiasm, modesty and an ability to embrace change are core factors. The long-term core strategy is based on four pillars: Focus on sanitary products, Commitment to design and innovation, Selective geographic expansion and Continuous optimisation of business processes. This strategy is implemented on the basis of six growth and earnings drivers. The sustainability strategy supplements the core strategy and the growth and earnings drivers with twelve concrete modules. These modules strengthen the business model and generate added value for various stakeholders in the areas People, Planet and Performance in a targeted manner. The results of these activities show the diverse added value in the three dimensions of sustainability. At the same time, the results contribute to the UN Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development → **SDG Reporting**). Goal number 6 – "Clean Water and Sanitation" – and goal number 11 – "Sustainable Cities and Communities" – are a key focus for Geberit. However, significant contributions are also made when it comes to "Decent Work and Economic Growth" (goal number 8) and "Industry, Innovation and Infrastructure" (goal number 9).

The modules of the sustainability strategy bundle current and future projects, initiatives and activities. Each module contains clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring.

The following pages provide an overview of the sustainability modules with important facts and achievements from 2019 as well as the outlook for 2020 to 2022. The current sustainability strategy covers the entire Geberit Group and shows how Geberit intends to be a pioneer and leader in the area of sustainability in the sanitary industry.



# PEOPLE

## MODULES AND GOALS

## IMPORTANT FACTS AND ACHIEVEMENTS 2019

## OUTLOOK FOR 2020 TO 2022

### EMPLOYER RESPONSIBILITY

Geberit is committed to providing attractive jobs.

Geberit supports disadvantaged employees and apprentices.

- A pilot project was performed with the revised valYOU performance management process for white collar employees, which now also includes succession planning.
- The Potentials Management Programme was rolled out on a management level in collaboration with the Executive School of the University of St. Gallen (CH).
- Development of management personnel at the ceramics plants with the goal of promoting Geberit's performance culture.
- Continuation of the development programme for over 100 regional sales managers from European sales companies with external support based on standardised management principles and instruments.
- Employment of 264 apprentices with a transfer rate to a permanent employment relationship of 85%.

- Roll-out of valYOU in all companies and further development for blue collar employees.
- Start of the Operations Development Programme (ODP) for internal and external managerial staff in Operations (including Logistics and Purchasing).
- Group-wide employee survey in 2020.
- Targeted support for transfer of apprentices to a permanent position. Target rate is 75%.

### OCCUPATIONAL HEALTH AND SAFETY

Geberit operates safe production plants and promotes a health and safety culture at a high level.

- Global implementation of the Geberit Safety System: 28 of the 29 production plants are certified in accordance with the occupational health and safety standard ISO 45001 or OHSAS 18001.
- Roll-out of the software for capturing and monitoring accident data at six additional Geberit sites.
- Increase in the accident frequency rate (AFR) by 1.0% to 9.8 (number of accidents per million working hours) and in the accident severity rate (ASR) by 3.4% to 187.6 (number of days lost per million working hours).
- The comprehensive "Vital" healthcare programme is offered at six locations, which represent almost 40% of the entire workforce.
- Improvements have been made to ergonomics by adapting processes, using robots (in acrylic production) and using lifting aids (in the production of ceramics).
- Development of an eLearning programme to raise awareness of occupational safety, particularly in the area of behaviour-related accidents.
- Project launched to reduce quartz dust, including a measurement concept, evaluation matrix and a threshold that is valid throughout the Group, as well as the uniform implementation of measurement campaigns in all ceramics plants.

- Halving of the accident frequency rate and accident severity rate between 2015 and 2025; AFR target: 5.5; ASR target: 90.
- Certification of all production plants in accordance with ISO 45001 by the end of 2020.
- Roll-out of the software for capturing and monitoring accident data at additional sites.
- Pursuit of further improvement in ergonomics, particularly in the ceramics plants.
- Performance of a campaign to raise awareness of occupational safety by means of eLearning sessions in all production plants and in logistics.
- Implementation of the action plan for reducing quartz dust, regular measurements and monitoring of targets.

### COMPLIANCE AND INTEGRITY

Geberit complies with all laws, guidelines, norms and standards.

Geberit checks the effectiveness of its internal monitoring systems and guidelines and implements appropriate measures in the event of misconduct.

- No significant breaches were discovered in the review of adherence to the Geberit Code of Conduct in all organisational units, or in interviews conducted by the Internal Audit Department with managing directors on topics from the Code of Conduct.
- No significant incidents were reported via the Geberit Integrity Line for employees, and no incidents were reported via the Integrity Line for suppliers.
- Processing of enquires from various countries on the permissibility of marketing and sales campaigns under competition and anti-trust law.
- Further implementation of the General Data Protection Regulation (GDPR) in European companies along with additional measures, and data protection audits were carried out in 19 companies in seven countries.
- Further audits were carried out on antitrust legislation.

- Completion of the implementation of the General Data Protection Regulation (GDPR), further optimisation of the data protection organisation and the regular performance of data protection audits.
- Drafting of a revised version of the eLearning programme on antitrust legislation and its roll-out at management level and in all sales companies.
- Further antitrust audits to be carried out by Corporate Legal Services in collaboration with the Internal Audit Department.
- Roll-out of an EHS compliance tool in production plants and logistics in Europe.

## SOCIAL RESPONSIBILITY

Geberit fulfils social responsibilities in society within the scope of the UN Sustainable Development Goals.

- Geberit employees contributed 3,409 hours of charitable work as part of social projects.
- Continuation of the partnership with the Swiss development organisation Helvetas on the topic of drinking water and sanitary facilities in developing countries.
- Third volunteering project carried out in Nepal with employees from sites in the Nordic Countries in collaboration with Helvetas.
- Further development of the skill-sharing programme with projects taking place with participants in Nepal.
- A social project was carried out in Cambodia with Geberit apprentices. Water supplies and sanitary facilities were constructed, as well as classrooms and teachers' rooms at two schools with a total of 1,500 pupils.
- Different workshops for disabled persons were commissioned with simple assembly and packaging work totalling CHF 7.9 million, thus giving over 400 people meaningful work.
- Performance of an additional volunteering project in Nepal with Polish employees in collaboration with Helvetas.
- Implementation of a major social project in Romania with apprentices.
- Review of the effectiveness of social projects two to three years after their implementation.

## PLANET

### MODULES AND GOALS

#### RESOURCE CONSERVATION

Geberit conserves natural resources and practises the circular economy, both in production as well as with its products.

- The absolute environmental impact was reduced by 3.7% and the environmental impact per net sales (currency-adjusted) by 6.9%. This figure is above the target of 5% per year.
- 28 of the 29 production plants have ISO 14001 certification, with the Group certificate valid until 2021.
- The amount of hazardous substances used in the production plants was reduced by 12%.
- 850 tonnes of high-quality ABS regranulate and 65 tonnes of PE-LD (post-consumer waste) were used, and some 9,300 tonnes of plastic waste was recycled internally.
- Further optimisations were carried out for the ceramic product range. This reduces complexity and cuts down on resource usage.
- Resource efficiency was improved in ceramic production by 1.2% to 0.51 kg waste/kg ceramic.
- Over 6,000 tonnes of gypsum waste from the production of ceramics were reused as secondary material in the cement industry.
- Improvement of eco-efficiency (environmental impact per net sales, currency-adjusted) by 5% per year.
- Reduction of hazardous substances in production plants by 5% per year.
- Search for further high-quality plastic regranulates.
- Participation in "Operation Clean Sweep" to prevent the pollution of the environment with plastic pellets.
- Identification of ways in which to close internal material cycles and make production waste useful for others as secondary materials.
- Improvement of resource efficiency in ceramic production (kg waste/kg ceramic) by 10% from 2018 to 2021.

#### ENERGY AND CO<sub>2</sub> REDUCTION

Geberit actively contributes to climate change mitigation and consistently reduces its energy consumption and CO<sub>2</sub> emissions.

- Absolute CO<sub>2</sub> emissions were reduced by 3.8% to 222,639 tonnes and CO<sub>2</sub> emissions per net sales (currency-adjusted) by 7.0%.
- Relative CO<sub>2</sub> emissions improved by 26.4% since the acquisition of Sanitec, with the target for 2021 achieved ahead of schedule.
- The volume of purchased green electricity increased by 3 GWh to 53 GWh. Renewable energy sources accounted for 42.1% of electricity and 4.3% of combustibles.
- 3.7 GWh of green electricity was produced in Givisiez (CH) and Pfullendorf (DE).
- Five German production plants received ISO 50001 certification (energy management).
- Same improvement in relative CO<sub>2</sub> emissions as for eco-efficiency by 5% per year.
- Reduction of absolute CO<sub>2</sub> emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth).
- CO<sub>2</sub> target updated (compatible with the two-degree target set out in the Paris Agreement of 2015 – science-based, incl. Scope 3 emissions).
- Annual purchase of an additional 3 GWh of green electricity and an increase in the share of electricity and combustibles accounted for by renewable energy sources to 45% and 10% respectively by 2021.
- Fuel-reduction plan: further reduction of the emissions from new vehicles.

#### INTELLIGENT WATER MANAGEMENT

Geberit supports the economical and careful use of water along the entire value chain.

- Almost 100% of the water consumed by Geberit can be attributed to the product usage phase.
- Some 31,220 million m<sup>3</sup> of water has been saved to date through the use of water-saving flushing systems. In 2019 alone, the water saved amounted to 3,120 million m<sup>3</sup>.
- Work continued on the new European water label for sanitary products from the European Bathroom Forum (EBF).
- Water consumption in ceramic production increased by 3.3% to 6.8 l/kg ceramic.
- Registration of additional water-saving products in accordance with the new European water label.
- Reduction of the amount of water consumed in ceramic production (l water/kg ceramic) by 5% from 2018 to 2021.

# PROFIT

| MODULES AND GOALS   | IMPORTANT FACTS AND ACHIEVEMENTS 2019   | OUTLOOK FOR 2020 TO 2022  |
|---|---|---|
| <p><b>ECO-DESIGN</b></p> <p>During the development process, Geberit products are optimised with regard to their environmental friendliness, resource efficiency, recyclability and durability.</p> <p>Environmental aspects are already considered during technology development.</p> | <ul style="list-style-type: none"> <li>■ Over 125 eco-design workshops have been held in product development since 2007.</li> <li>■ A wide range of product improvements have been made with regard to environmental friendliness:               <ul style="list-style-type: none"> <li>- The Geberit ONE WC combines greater cleanliness with an optimal flush performance and minimal flush volume (4/2 l).</li> <li>- Expansion of the range of rimless WC pans, thus helping to simplify cleaning and cut down on cleaning agents.</li> <li>- The Geberit AquaClean Sela Comfort shower toilet with optimal flush performance and significantly lower energy consumption thanks to heating-on-demand technology.</li> <li>- Geberit SuperTube technology combined with Geberit Sovent saves on the resources used in the drainage systems of high-rise buildings thanks to the smaller pipe diameters.</li> </ul> </li> </ul>       | <ul style="list-style-type: none"> <li>■ Systematic continuation of eco-design workshops for product development.</li> <li>■ Integration of "Design for Recycling" principles in product development.</li> <li>■ Search for alternative materials or a combination of existing materials for optimising resource efficiency for integrated sanitary products.</li> <li>■ Expansion of the product portfolio to support green building.</li> </ul>   |
| <p><b>GREEN PROCUREMENT</b></p> <p>Suppliers demonstrably comply with Geberit's high standards for environmentally friendly and socially responsible production.</p>  | <ul style="list-style-type: none"> <li>■ The Code of Conduct was signed by 2,263 suppliers. This equates to over 90% of the total procurement value.</li> <li>■ No incidents were reported via the Integrity Line for suppliers.</li> <li>■ The supplier sustainability risk matrix was updated and expanded to include additional countries of origin and material groups.</li> <li>■ EHS (Environment, Health and Safety) audits were conducted and tracked, particularly in the highest sustainability risk category. This comprises 172 suppliers (some 8% of the procurement value).</li> <li>■ Four third-party audits were carried out at suppliers in China and Egypt.</li> </ul>   | <ul style="list-style-type: none"> <li>■ All new suppliers have to sign the Code of Conduct.</li> <li>■ Further EHS audits of suppliers are to be carried out by Geberit and external partners, with the required corrective measures being checked as part of re-audits.</li> </ul>  |
| <p><b>MODERN PROCESSES AND INFRASTRUCTURE</b></p> <p>Geberit procures, builds and operates durable and high-quality infrastructures such as buildings, equipment and tools.</p>   | <ul style="list-style-type: none"> <li>■ Demolition and safe disposal of infrastructure that was no longer required in Pfullendorf and Langenfeld (DE), and in Digoïn and La Villeneuve au Chêne (FR). New infrastructure was opened in Pfullendorf, Langenfeld (DE), Ozorków (PL) and Slavuta (UA).</li> <li>■ The number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) increased from 174 to 192. Third fully electrical blow-moulding facility was commissioned.</li> <li>■ Process optimisation for the manufacture of bent Mapress fittings in Langenfeld (DE) with a reduction in electricity and natural gas consumption, reduced use of lubricants and lower quantities of hazardous waste. Additional fully electrically driven production lines were realised.</li> <li>■ Insourcing of the manufacture of toilet seats and lids using thermoplastics.</li> </ul> | <ul style="list-style-type: none"> <li>■ Continuous renewal of machine fleet with energy-efficient technology.</li> <li>■ Further increase in the number of injection moulding machines with energy-efficient drive technology from 192 to 209. Commissioning of a fourth fully electrical blow-moulding facility.</li> <li>■ Process optimisation in the production of welded and straight Mapress fittings in order to improve efficiency, quality, waste and ergonomics, while also simultaneously reducing pickling step by step.</li> <li>■ Reduction of waste and energy consumption in the production of multilayer pipes thanks to the new laser-welding process in Givisiez (CH).</li> </ul> |
| <p><b>GREEN LOGISTICS</b></p> <p>Geberit optimises its logistics with regard to energy consumption, emissions and packaging.</p>  | <ul style="list-style-type: none"> <li>■ The logistics calculator was expanded to include six further sites with the aim of measuring the key transport and environmental figures for transport service providers in Europe.</li> <li>■ The transport service providers handled 560.5 million tkm (previous year 505.9 million tkm), which generated 69,729 tonnes of CO<sub>2</sub> emissions (previous year 55,802 tonnes) due to the additional sites and sales growth recorded.</li> <li>■ The share of trucks with the Euro 5 standard totalled 30%, with the share of state-of-the-art Euro 6 vehicles at 68%.</li> <li>■ The optimised calculation and better utilisation of freight capacity as well as the bundling of long-goods deliveries reduced the number of trips required.</li> <li>■ The eco-efficiency of logistics (environmental impact per tkm) has improved by around 25% since 2015.</li> </ul>                 | <ul style="list-style-type: none"> <li>■ Further optimisation of loading capacity through scheduling and organisational changes as well as the use of larger shipping containers.</li> <li>■ More intensive use of Euro 6 vehicles and identification of suitable alternative drive technologies.</li> <li>■ Optimisation of packaging quantities taking into account the optimal protection and transportability of the products.</li> </ul>   |

## GREEN BUILDING

Geberit has expertise in the fields of water conservation, quality of drinking water, sound insulation, hygiene and cleanliness.

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

- A broad range of Geberit products that 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, US, ZA and AU.
  - Environmental Product Declaration (EPD) created for Geberit AquaClean Sela in accordance with the European EN 15804 standard.
  - Attained Gold status as a supplier on the EcoVadis platform for sustainable supply chains.
  - Development of expertise in the field of green building.
  - Targeted search for green building reference projects in the European core markets and the Asia-Pacific markets.
  - All Geberit bathroom furniture is made of FSC® certified materials (FSC-C134279).
  - Creation of further Environmental Product Declarations (EPD).
  - More systematic recording of environmentally relevant product data, i.e. for BIM.
-










# MATERIALITY ANALYSIS

A review of the materiality analysis was carried out as part of the switchover to the GRI Standards. Some topics were aggregated (as required by the GRI Standards) and further relevant topics added. Like in the sustainability strategy, all material topics are assigned to the categories People, Planet and Profit. In the People category, the occupational safety topic was expanded to include the health aspect. In the Planet category, the resources topic was expanded to include the circular economy aspect. In the Profit category, the topics product management and innovation, quality as well as production and digitalisation/BIM were added as material topics. Furthermore, the topic of data protection was identified as relevant in connection with the introduction of the EU's General Data Protection Regulation (GDPR). This enabled a high degree of consensus on the selection of material topics with the key approaches in the corporate and sustainability strategy to be achieved.

The updated materiality analysis was reviewed and approved by an external stakeholder panel in September 2018.

Material aspects are deemed material if they are significant from the internal perspective of the company or the external perspective of stakeholders.

|   |                                   |                                |                        |   |                                       |                          |   |
|---|-----------------------------------|--------------------------------|------------------------|---|---------------------------------------|--------------------------|---|
| <b>PEOPLE</b><br><br>     | Employment                        | Occupational health and safety | Training and education | Diversity and equal opportunity   | Non-discrimination                    | Freedom of association   |   |
|   | Anti-corruption                   | Anti-competitive behaviour     | Regional employer      | Indirect economic impacts   | Human rights, child and forced labour | Social responsibility    |   |
| <b>PLANET</b><br>  | Resources and circular economy    | Energy                         | Water                  | CO <sub>2</sub> and other emissions   | Waste water and waste                 | Environmental compliance |   |
| <b>PROFIT</b><br><br> | Product management and innovation | Quality                        | Product compliance     |  | Procurement                           | Production               | Logistics   |
|   | Customer relations                | Customer health and safety     | Marketing and labeling |   | Digitalisation/ BIM                   | Data protection          |  |

# COMMUNICATION ON PROGRESS UNGC

## Human rights

### Principle 1:

Support and respect the protection of internationally proclaimed human rights

- When hiring 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 production sites and sales companies are paid well above the minimum wage range. This considerably reduces the risk of human rights violations. See → **GRI 202-1**
- In its Code of Conduct, 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. All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events. See → **Code of Conduct for Employees**, → **GRI 102-16**, → **GRI 412-2**
- Compliance with the Code of Conduct is monitored Group-wide as part of an annual survey and supplemented by internal audits on site. There were no significant breaches in 2019. See → **GRI 412**, → **GRI 419**
- The Geberit Integrity Line gives all employees the opportunity to report irregularities anonymously. No incidents were recorded by Geberit in 2019.

### Principle 2:

Make sure the company is not complicit in human rights abuses

- With respect to human rights abuses, 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. See → **Sustainability strategy**, → **Management Approach Procurement**
- 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 2019, a total of 2,263 suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value. In 2019, 172 existing suppliers were identified in the highest risk category as defined by Geberit, which corresponds to around 8% of the procurement value of Geberit. A systematic planning and performance of audits is conducted for these suppliers. See → **Code of Conduct for Suppliers**, → **Management Approach Procurement**
- In 2019, four third-party audits were carried out at suppliers in China and Egypt. The results showed that the majority of occupational safety and environmental standards are complied with. Appropriate corrective measures are agreed in cases of non-compliance. See → **GRI 308-2**, → **GRI 414-2**

## Labour practices

### Principle 3:

Uphold the freedom of association and the effective recognition of the right to collective bargaining

- No rights with respect to exercising the 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 Group-wide survey. No restrictions were in effect in 2019. See → **GRI 407**
- There are currently 8,646 employees (corresponding to 74% of the workforce) who are covered by collective agreements (e.g. collective labour agreements, wage agreements). In Germany, Austria, Switzerland, France, Italy, Finland, Sweden, Poland and Ukraine, over 90% of employees are subject to a collective labour or wage agreement. There are no collective agreements with employees in place in the USA and China. See → **GRI 102-41**

### Principle 4:

Uphold the elimination of all forms of forced and compulsory labour

- Geberit's exposure with respect to forced and child labour is considered low because of its industry, business model, the countries in which business activities are carried out, as well as its high level of vertical integration and high quality requirements. See → **GRI 408**, → **GRI 409**
- Geberit categorically rejects all forms of forced and child labour. According to the annual Group-wide survey, no cases of forced and compulsory or child labour were discovered in 2019, 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. See → **GRI 408** → **GRI 409**

### Principle 5:

Uphold the effective abolition of child labour

- 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. According to the annual Group-wide survey, there was one case of verbal sexual harassment reported in 2019. This incident was resolved and the employee responsible has left the company. See → **GRI 406-1**

### Principle 6:

Uphold the elimination of discrimination in respect of employment and occupation

- Geberit's personnel policy and recruitment practices do not differentiate between members of the local community and other applicants or employees. See → **GRI 202**, → **GRI 406**
- 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 2019 as part of the annual Group-wide survey. The proportion of female employees as of the end of 2019 was 24%; in management this figure was 11%. See → **GRI 405**, → **Geberit Code of Conduct**

---

## 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 operates an extensive system for monitoring and controlling the risks (incl. environmental risks) linked to the business activities. See → **GRI 102-11**
- Since 1990, Geberit has followed a long-term environmental strategy, plus a sustainability strategy that was developed later. It has 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. Environmental criteria are considered in all decision-making processes. A demonstrably high standard is achieved in this regard, one which often exceeds statutory requirements. See → **Geberit Compass**, → **Environmental policy**
- The carbon footprint – 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 (69.2%) and the provision of raw materials (16.8%) are by far the largest sources of CO<sub>2</sub> emissions. See → **Carbon footprint**
- In 2019, CO<sub>2</sub> emissions amounted to 222,639 tonnes, corresponding to a decrease of 3.8%. CO<sub>2</sub> emissions per net sales (currency-adjusted) fell by 7.0%, meaning that Geberit exceeded its target of 5% per year. See → **GRI 305-2**
- A long-term CO<sub>2</sub> target was defined in 2016 that is compatible with the two-degree target set out in the Paris Agreement and the Science Based Targets Initiative. Within this context, Geberit planned to reduce its absolute CO<sub>2</sub> emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth). This target was already achieved in 2018. See → **GRI 305**

### 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 ISO 45001 (occupational health and safety) that is valid until 2021. The annual preparation of a corporate eco-balance has been an established part of Geberit's environmental management since 1991. The absolute environmental impact was reduced by 3.7% in 2019. The environmental impact per net sales (currency-adjusted) dropped by 6.9%, meaning that Geberit exceeded its target of 5% per year. This progress is founded largely on continuous improvements in efficiency at the energy-intensive ceramics plants. Since the acquisition of Sanitec in 2015, the absolute environmental impact has been reduced by 14.9% and eco-efficiency increased by 27.5%. See → **ISO certificate**, → **Chapter 9 Planet**, → **Sustainability strategy**
- 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 infrastructure and machine fleet, the optimisation of the kilns used for ceramic production, the improved use of waste heat (heat recovery) as well as the careful use of compressed air. See → **GRI 302-4**, → **Facts and Figures**
- As part of the long-term CO<sub>2</sub> strategy, specific goals for the share of renewable energy sources by 2021 were also established: 45% for electricity and 10% for combustibles. The purchased green electricity was increased by 3 GWh to 53 GWh. In total, renewable energy sources account for 42.1% of electricity and 4.3% of combustibles. See → **GRI 305-5**
- 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 has been an integral part of the development processes since 2007 and has already been adopted in more than 125 development projects. 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. See → **Chapter 10.1 Products and innovation**

### 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 3,120 million m<sup>3</sup> of water in 2019 alone. See → **SDG Reporting**, → **Water footprint**
- Geberit supports the economical use of water in the sanitary industry and played a key role in establishing the European Bathroom Forum (EBF) in 2017. One of the first tasks was the launch of a new European water label as a voluntary and flexible instrument to support customers in the selection of resource-efficient products. See → **Chapter 10.1 Products and innovation**
- 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. See → **Reference magazine**

---

## Anti-corruption

---

### Principle 10:

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

- As a long-term member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption. In addition to the Code of Conduct, there are additional guidelines on prevention and employees receive training in this area. See → **GRI 205**
- In 2019, the Internal Audit Department audited a total of 21 companies and did not discover any cases of corruption.
- Since 2017, an Integrity Line has been available to suppliers for anonymously reporting irregularities in the procurement process. No cases were reported in the reporting year. See → **GRI 102-17**
- As a rule, Geberit does not make donations to parties or politicians. All donations are neutral from a party political point of view. This was verified and documented as part of the annual Group-wide survey.

# SDG REPORTING

As a driving force in the field of sanitary technology, Geberit provides solutions that ensure the maximum possible efficiency in water usage and, thus, sustainable building in cities and communities worldwide. Thanks to constant investment in research and development, the company is driving innovation in the sanitary industry. As a sound employer with attractive working conditions, the company is also a stabilising economic factor in many regions. Geberit is thus making a contribution to the UN 2030 Agenda for Sustainable Development, focussing primarily on four of the 17 goals (Sustainable Development Goals, SDG):



Ensure availability and sustainable management of water and sanitation for all.

Modules in the Geberit sustainability strategy that are relevant to this goal:

- **Intelligent water management**
- **Eco-design**

## RELEVANCE FOR GEBERIT

The biggest environmental contribution made by Geberit products lies in the conservation of water, which is one of the pivotal aspects in the company's contribution towards sustainable development. Innovative Geberit sanitary products reduce the amount of water consumed and help to systematically optimise the way in which water is used in buildings while maintaining the highest hygiene standards – including in terms of drinking water.

## GEBERIT'S CONTRIBUTION

- Geberit has a comprehensive range of products that facilitate sustainable sanitary solutions, and that contribute to increased quality of life with low water, resource and energy consumption and with environmentally friendly materials. Geberit's water footprint shows that nearly 100% of the water consumption is attributable to the use of products by customers. This is where Geberit's product portfolio comes into its own.
- The flushing cistern is the central element when it comes to water conservation. A model calculation shows that all Geberit dual-flush and flush-stop cisterns installed since 1998 saved over 3,120 million m<sup>3</sup> of water in 2019 alone in comparison with traditional flushing systems. Water conservation is the result of a balanced overall system. Reducing the flush volume in the cistern while at the same time ensuring that the WC pan is optimally flushed out is just as important as correctly dimensioning the drainage system.
- Stagnation and dirt in the drinking water system are among the greatest risks that can adversely affect the quality of the water in domestic installations. Geberit offers various solutions (e.g. hygiene filters, sanitary flush units) for ensuring drinking water hygiene in a reliable and economical manner.
- Thanks to targeted investments in research and development in areas such as hydraulics and virtual engineering, Geberit is working on developing innovations for the future. Here, Geberit regards eco-design as the key to environmentally friendly products and as an integral part of the development process. Eco-design has been an integral part of the development process since 2007 and has already been adopted in more than 125 development projects.
- For many years, Geberit has been supporting the development of standards initiated by the sanitary industry aimed at helping products that use resources and water as sparingly as possible to be a success on the market. In 2017, Geberit made a significant contribution to the launch of a new European water label for sanitary products from the European Bathroom Forum (EBF).



Promote sustainable economic growth, employment and decent work for all.

Modules in the Geberit sustainability strategy that are relevant to this goal:

- **Employer responsibility**
- **Occupational health and safety**
- **Social responsibility**

## RELEVANCE FOR GEBERIT

Motivated and skilled employees are one of the key pillars on which Geberit's long-term business success is built. Geberit has been committed to providing attractive jobs as an employer for almost 150 years and the company's profitable growth allows it to continuously generate added value for regional economic areas, suppliers and business partners. In doing so, Geberit assumes social responsibility across the board.

## GEBERIT'S CONTRIBUTION

- As a profitable company, Geberit is an attractive employer for its 11,619 employees worldwide and paid out a total of CHF 752 million in salaries and social benefits in 2019.
- Geberit sets particular store on solid education and further training and on equal opportunities for all employees. In 2019, employees across the Group attended on average 13.8 hours of internal and external education and further training.
- At the end of 2019, Geberit employed 264 apprentices in commercial, industrial and technical professions. 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. The transfer rate to a permanent employment relationship was 85%. Some 10% of the company's employees currently working in Switzerland completed their apprenticeship at Geberit.
- The health and occupational safety of employees has the highest priority at Geberit. Using 2015 as the reference year, the aim is to halve the number of accidents by 2025. Geberit also offers its employees precautionary healthcare opportunities through various offers and activities.
- The results of the last Group-wide employee survey, which was carried out in 2016, show that the commitment and performance of Geberit are perceived positively and upheld by the employees. The next survey is planned for 2020.

- The economy benefits from Geberit in several respects: through the contribution to better sanitary standards, a durable, resource-efficient sanitary infrastructure, through know-how transfer in the sanitary industry, via impetus for the economy in regional economic areas (particularly in Europe), and through orders with suppliers.
- Geberit has also supported facilities for disabled persons for many years, where simple assembly and packaging work is carried out. In 2019, this work amounted to CHF 7.9 million and gave over 400 people meaningful work.



Build resilient infrastructure, promote sustainable industrialisation and foster innovation.

Modules in the Geberit sustainability strategy that are relevant to this goal:

- **Conservation of resources**
- **Energy and CO<sub>2</sub> reduction**
- **Modern processes and infrastructure**
- **Eco-design**

#### RELEVANCE FOR GEBERIT

An efficient, innovative and sustainable industry requires a modern infrastructure that is fit for the future, plus innovations along the entire value chain. Geberit regularly upgrades its own infrastructure and facilities, and invests consistently in research and development.

#### GEBERIT'S CONTRIBUTION

- Thanks to the Geberit Production System (GPS), all Geberit production sites have a modern and future-oriented foundation. Continuous improvements are made by means of "lean manufacturing" and the shift in production philosophy from the workshop principle of step-by-step manufacturing to a comprehensive system of continuous flow production.
- In 2019, the infrastructure in Pfullendorf and Langenfeld (DE), and in Digoïn and La Villeneuve au Chêne (FR), that were obsolete and no longer required were demolished and safely disposed of. A new factory building was completed in Pfullendorf, Langenfeld (DE) and Ozorków (PL), as well as new buildings for logistics and technology in Slavuta (UA).
- The Geberit Group has a Group certificate in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2021. Five German plants are also certified according to ISO 50001 (energy).
- Since the acquisition of Sanitec in 2015, eleven tunnel kilns for ceramic production have been retrofitted with state-of-the-art burner technology. Each kiln can bring about energy savings of over 20%. Eco-efficiency has been improved by 27.5% since 2015.
- In 2019, CHF 77 million was invested in research and development. This helped consolidate Geberit's position as market leader and set trends in the industry with sanitary products. The investment was also further proof that Geberit is committed to the development of water-saving and sustainable products within the framework of eco-design. In addition to traditional product development, investments are made in ten relevant fields of competence for sanitary technology as the basis for future innovations: hydraulics, materials technology, hygiene, surface technology, electronics, sound insulation, statics, fire protection, process engineering and virtual engineering. The focus is on the collaboration between the various areas and the continuous testing of new, integrated product and system solutions, materials and concepts.



Make cities and communities safe, resilient and sustainable.

Module in the Geberit sustainability strategy that is relevant to this goal:

- **Green building**
- **Conservation of resources**

#### RELEVANCE FOR GEBERIT

The sustainable development of cities and areas relies on buildings that are sustainably planned, constructed, operated and dismantled. With a wide range of products, Geberit provides sustainable solutions for sanitary systems and water management in buildings. At the same time, Geberit is thus developing a sustainable market segment that is geared towards green building.

#### GEBERIT'S CONTRIBUTION

- With its wide range of products in front of and behind the wall, Geberit spans the entire flow of water within a building and helps to optimise significant aspects of the system as a whole, such as water and energy consumption or sound insulation. In addition to their quality and high degree of water and resource efficiency, Geberit products also impress with their good environmental compatibility and recyclability.
- Geberit products have a very long industrial service life, as many of them will be installed in buildings for decades. In addition, Geberit products are in some instances backwards-compatible, can be cleaned and maintained easily, and spare parts are available for up to 25 years for a significant proportion of the product range. This supports the circular economy approach in buildings.
- Geberit invests in digital tools such as the interdisciplinary planning method BIM (Building Information Modeling), with the aim of optimising the entire planning and building process. BIM facilitates an efficient exchange of information between architects, sanitary engineers and building owners, thus enabling sanitary systems in buildings to be holistically planned, simulated in the respective context and implemented as a complete solution. This is also entirely in keeping with the spirit of sustainability.
- More and more buildings are being constructed and certified in accordance with sustainability standards such as LEED, DGNB, Minergie or BREEAM. Geberit also offers comprehensive expertise and system solutions in the areas of sanitary technology and water management. This combination impresses investors, project developers, owners and tenants alike.

# TABLE OF CONTENTS

|           |  |          |
|-----------|--|----------|
| <b>1.</b> | <b>INTRODUCTION</b>  | <b>1</b> |
| <b>2.</b> | <b>STRATEGY AND ANALYSIS</b>   | <b>1</b> |
|           | GRI 102-14 CEO STATEMENT ON SUSTAINABILITY   | 1        |
|           | GRI 102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES  | 1        |
| <b>3.</b> | <b>ORGANISATIONAL PROFILE</b>  | <b>2</b> |
|           | GRI 102-1 NAME OF THE ORGANISATION   | 2        |
|           | GRI 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES  | 2        |
|           | GRI 102-3 LOCATION OF HEADQUARTERS   | 2        |
|           | GRI 102-4 LOCATION OF OPERATIONS   | 2        |
|           | GRI 102-5 OWNERSHIP AND LEGAL FORM   | 2        |
|           | GRI 102-6 MARKETS SERVED   | 2        |
|           | GRI 102-7 SCALE OF THE REPORTING ORGANISATION  | 2        |
|           | GRI 102-8 COMPOSITION OF THE WORKFORCE   | 2        |
|           | GRI 102-10 STRUCTURAL CHANGES  | 2        |
|           | GRI 102-11 CONSIDERATION OF THE PRECAUTIONARY APPROACH   | 3        |
|           | GRI 102-12 EXTERNAL INITIATIVES  | 3        |
|           | GRI 102-13 MEMBERSHIP OF ASSOCIATIONS  | 3        |
| <b>4.</b> | <b>ETHICS AND INTEGRITY</b>  | <b>4</b> |
|           | GRI 102-16 VALUES, DIRECTIVES, STANDARDS AND CODES OF CONDUCT  | 4        |
|           | GRI 102-17 ETHICAL ADVICE AND CONCERNS   | 4        |
| <b>5.</b> | <b>GOVERNANCE</b>  | <b>5</b> |
|           | GRI 102-18 GOVERNANCE STRUCTURE  | 5        |
|           | GRI 102-19 DELEGATION OF AUTHORITY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL MATTERS   | 5        |
|           | GRI 102-20 RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL MATTERS   | 5        |
|           | GRI 102-21 CONSULTATION PROCESS BETWEEN STAKEHOLDERS AND THE BOARD OF DIRECTORS  | 5        |
|           | GRI 102-22 COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES   | 5        |
|           | GRI 102-23 SEPARATION OF CHAIR OF BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT  | 5        |
|           | GRI 102-24 NOMINATION AND SELECTION PROCESS OF THE BOARD OF DIRECTORS  | 6        |
|           | GRI 102-25 PROCESSES IN PLACE FOR THE BOARD OF DIRECTORS TO AVOID CONFLICTS OF INTEREST  | 6        |
|           | GRI 102-26 ROLE OF TOP MANAGEMENT AND BOARD OF DIRECTORS IN DEVELOPMENT OF GUIDING PRINCIPLES AND STRATEGIES                         | 6        |
|           | GRI 102-27 ENHANCEMENT OF THE TOP MANAGEMENT'S AND BOARD OF DIRECTORS' RELATED KNOW-HOW ON ECONOMIC, ENVIRONMENTAL AND SOCIAL ISSUES | 6        |
|           | GRI 102-28 PROCESSES FOR EVALUATION OF THE SUSTAINABILITY PERFORMANCE OF THE BOARD OF DIRECTORS                                      | 6        |
|           | GRI 102-29 BOARD LEVEL PROCEDURES FOR OVERSEEING SUSTAINABILITY PERFORMANCE  | 6        |
|           | GRI 102-30 EFFECTIVENESS OF THE RISK MANAGEMENT PROCESS  | 6        |
|           | GRI 102-31 FREQUENCY OF REVIEW OF IMPACTS, RISKS AND OPPORTUNITIES IN THE AREA OF SUSTAINABILITY                                     | 6        |
|           | GRI 102-32 REVIEW AND APPROVAL OF SUSTAINABILITY REPORTING   | 7        |
|           | GRI 102-33 PROCEDURE FOR COMMUNICATING CRITICAL CONCERNS TO THE BOARD  | 7        |
|           | GRI 102-34 NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS COMMUNICATED TO THE BOARD  | 7        |
|           | GRI 102-35 REMUNERATION POLICIES FOR GOVERNANCE BODIES   | 7        |
|           | GRI 102-36 PROCESS FOR DETERMINING REMUNERATION  | 7        |
|           | GRI 102-37 STAKEHOLDERS' INVOLVEMENT IN DECISIONS REGARDING REMUNERATION   | 7        |
|           | GRI 102-38 RATIO OF ANNUAL REMUNERATION PAID   | 7        |
|           | GRI 102-39 RATIO OF PERCENTAGE INCREASE IN ANNUAL REMUNERATION PAID  | 7        |
| <b>6.</b> | <b>STAKEHOLDER ENGAGEMENT</b>  | <b>8</b> |
|           | GRI 102-40 RELEVANT STAKEHOLDER GROUPS   | 8        |
|           | GRI 102-41 COLLECTIVE BARGAINING AGREEMENTS  | 8        |
|           | GRI 102-42 IDENTIFICATION AND SELECTION OF STAKEHOLDERS  | 8        |
|           | GRI 102-43 APPROACHES TO STAKEHOLDER ENGAGEMENT  | 8        |
|           | GRI 102-44 RESPONSE TO AND DEALING WITH KEY TOPICS AND CONCERNS OF STAKEHOLDERS  | 9        |

|             |   |           |
|-------------|---|-----------|
| <b>7.</b>   | <b>REPORTING PRACTICE</b>                                   | <b>10</b> |
|             | GRI 102-45 BASIS OF CONSOLIDATION                           | 10        |
|             | GRI 102-46 REPORT CONTENT AND TOPIC BOUNDARIES              | 10        |
|             | GRI 102-47 LIST OF MATERIAL TOPICS                          | 10        |
|             | GRI 102-48 RESTATEMENTS OF INFORMATION                      | 10        |
|             | GRI 102-49 CHANGES IN REPORTING                             | 10        |
|             | GRI 102-50 REPORTING PERIOD                                 | 11        |
|             | GRI 102-51 DATE OF MOST RECENT REPORT                       | 11        |
|             | GRI 102-52 REPORTING CYCLE                                  | 11        |
|             | GRI 102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT | 11        |
|             | GRI 102-54 COMPLIANCE WITH GRI STANDARDS                    | 11        |
|             | GRI 102-56 EXTERNAL ASSURANCE                               | 11        |
| <b>8.</b>   | <b>PEOPLE</b>   | <b>12</b> |
| <b>8.1</b>  | <b>EMPLOYEES</b>  | <b>12</b> |
|             | EMPLOYMENT (GRI 401)  | 12        |
|             | OCCUPATIONAL HEALTH AND SAFETY (GRI 403)                    | 12        |
|             | TRAINING AND EDUCATION (GRI 404)                            | 14        |
|             | DIVERSITY AND EQUAL OPPORTUNITY (GRI 405)                   | 15        |
|             | NON-DISCRIMINATION (GRI 406)                                | 15        |
|             | FREEDOM OF ASSOCIATION (GRI 407)                            | 16        |
| <b>8.2</b>  | <b>SOCIETY</b>  | <b>16</b> |
|             | ANTI-CORRUPTION (GRI 205)                                   | 16        |
|             | ANTI-COMPETITIVE BEHAVIOUR (GRI 206)                        | 16        |
|             | REGIONAL EMPLOYER (GRI 202)                                 | 17        |
|             | INDIRECT ECONOMIC IMPACTS (GRI 203)                         | 17        |
|             | CHILD LABOUR (GRI 408)                                      | 17        |
|             | FORCED OR COMPULSORY LABOUR (GRI 409)                       | 18        |
|             | HUMAN RIGHTS ASSESSMENT (GRI 412)                           | 18        |
|             | SOCIAL RESPONSIBILITY                                       | 18        |
| <b>9.</b>   | <b>PLANET</b>   | <b>20</b> |
|             | RESOURCES AND CIRCULAR ECONOMY (GRI 301)                    | 20        |
|             | ENERGY (GRI 302)  | 21        |
|             | WATER AND WASTE WATER (GRI 303)                             | 23        |
|             | CO <sub>2</sub> AND OTHER EMISSIONS (GRI 305)               | 23        |
|             | WASTE (GRI 306)   | 25        |
|             | ENVIRONMENTAL COMPLIANCE (GRI 307)                          | 25        |
| <b>10.</b>  | <b>PROFIT</b>   | <b>26</b> |
| <b>10.1</b> | <b>PRODUCTS AND INNOVATION</b>                              | <b>26</b> |
|             | PRODUCT MANAGEMENT AND INNOVATION                           | 26        |
|             | QUALITY   | 26        |
|             | PRODUCT COMPLIANCE  | 26        |
| <b>10.2</b> | <b>OPERATIONS</b>   | <b>27</b> |
|             | PROCUREMENT   | 27        |
|             | PRODUCTION  | 27        |
|             | LOGISTICS   | 28        |
| <b>10.3</b> | <b>ECONOMIC PERFORMANCE</b>                                 | <b>28</b> |
|             | ECONOMIC PERFORMANCE (GRI 201)                              | 28        |
|             | SOCIOECONOMIC COMPLIANCE (GRI 419)                          | 29        |
| <b>10.4</b> | <b>CUSTOMERS</b>  | <b>30</b> |
|             | CUSTOMER RELATIONS  | 30        |
|             | CUSTOMER HEALTH AND SAFETY (GRI 416)                        | 30        |
|             | MARKETING AND PRODUCT LABELLING (GRI 417)                   | 30        |
|             | DIGITALISATION/BIM  | 31        |
|             | DATA PROTECTION (GRI 418)                                   | 31        |
|             | <b>KEY FIGURES ENVIRONMENT</b>                              | <b>32</b> |
|             | <b>KEY FIGURES EMPLOYEES AND SOCIETY</b>                    | <b>35</b> |

## 2. STRATEGY AND ANALYSIS

### GRI 102-14 CEO STATEMENT ON SUSTAINABILITY

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

### GRI 102-15 KEY IMPACTS, RISKS AND OPPORTUNITIES

For Geberit, sustainability means bringing about a sustained improvement in the quality of people's lives through innovative sanitary products and thereby generating long-term added value for customers, society and investors. This means striking a balance in decision-making processes between economic, environmental and social aspects. One focal point of Geberit involves identifying important technological and social trends in good time in dialogue with stakeholders and developing suitable products and services for customers that also generate added value for other stakeholders. The long-term orientation minimises risks for business development that are not only of a purely financial nature but arise from social developments and environmental challenges, such as climate change and water scarcity. Geberit has a long commitment to sustainability and has thus followed a long-term environmental and sustainability strategy since 1990 that includes both ongoing and future projects, initiatives and activities. Each module in the strategy contains clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring. It thus sets 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. As a supplier, Geberit attained Gold status for sustainable supply chains on the EcoVadis platform.

Supplementary to the established → [Sustainability strategy](#), the → [Materiality analysis](#) – which is based on the GRI Standards – prioritises the key topics for Geberit and simultaneously highlights the areas in which added value for stakeholders is created. These are as follows: resource-efficient and sustainable systems for water management in buildings, water-saving and sustainable products, environmentally friendly and resource-efficient production, procurement and logistics in compliance with high environmental and ethical standards as well as good and safe working conditions for the 11,619 employees worldwide. 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 with long-term partnerships such as with the Swiss development organisation Helvetas.

The UN Sustainable Development Goals (SDGs) define concrete targets 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. As a result, major opportunities with growth potential are also arising for companies geared towards sustainable products and services – such as Geberit. In accordance with the → [external Stakeholder Panel](#), which was conducted for the fourth time in September 2018, Geberit sees its contribution above all in four UN Sustainable Development Goals. The contributions to goal number 6 "Ensure the availability and sustainable management of water and sanitation for all", number 8 "Promote sustainable economic growth, employment and decent work for all", number 9 "Build resilient infrastructure, promote sustainable industrialisation and foster innovation" and number 11 "Make cities safe, resilient and sustainable" are included in the → [SDG Reporting](#) from Geberit. The major economic, environmental and social effects of Geberit's operations also lie in these four areas.

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



## 3. ORGANISATIONAL PROFILE

### GRI 102-1 NAME OF THE ORGANISATION

Geberit Group

### GRI 102-2 ACTIVITIES, BRANDS, PRODUCTS AND SERVICES

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

The product area Installation and Flushing Systems comprises all sanitary installation technology plus a broad range of flushing systems for toilets and is divided into the two product lines Installation Systems and Cisterns & Mechanisms. 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 Bathroom Systems product area comprises virtually all relevant furnishings in a bathroom and is divided into the product lines Bathroom Ceramics & Furniture, Showers & Bathtubs, and Taps & Controls.

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

For net sales by product areas in 2019, see → **Business Report > Business and financial review > Financial Year 2019 > Net sales**.

### GRI 102-3 LOCATION OF HEADQUARTERS

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

### GRI 102-4 LOCATION OF OPERATIONS

Geberit has its own representatives in 50 countries. The products are sold in 120 countries throughout the world. The company has 29 specialised production companies in 14 different countries close to the most important sales markets and a central logistics centre in Pfullendorf (DE), as well as a network of 13 European distribution sites for the ceramics business.

For a list of the countries in which Geberit operates, see → **Financials > Consolidated financial statements Geberit Group > Notes > Note 33**.

### GRI 102-5 OWNERSHIP AND LEGAL FORM

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

### GRI 102-6 MARKETS SERVED

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

For net sales by markets and regions as well as by product areas, see → **Business Report > Business and financial review > Financial Year 2019 > Net sales**.

### GRI 102-7 SCALE OF THE REPORTING ORGANISATION

The Geberit Group's market capitalisation reached CHF 20.1 billion at the end of 2019 (previous year CHF 14.2 billion). For the consolidated balance sheet with details of current assets, non-current assets, equity and liabilities, see → **Financials > Consolidated financial statements Geberit Group > Balance Sheet**. In 2019, net sales amounted to CHF 3,083 million (previous year CHF 3,081 million).

At the end of 2019, the Group had 11,619 employees. For the number of business sites, see → **GRI 102-4**.

### GRI 102-8 COMPOSITION OF THE WORKFORCE

At the end of 2019, the Geberit Group employed 11,619 staff worldwide (previous year 11,630 employees), equivalent to a small decline of 11 employees or 0.1% compared to the previous year. An increase in personnel in various sales companies and an increasing number of apprentices in Germany and Switzerland was offset by a net reduction in staff numbers in production, which was primarily attributable to the termination of the remaining employment relationships as part of the closure of two ceramics plants in 2017.

For key figures on the workforce by employment type, employment contract, region and gender, see → **Key figures sustainability > Employees and society**.

### GRI 102-10 STRUCTURAL CHANGES

There were no major changes in the reporting year to the Group structure, see also → **Financials > Consolidated financial statements Geberit Group > Notes > Note 2**.

## GRI 102-11 CONSIDERATION OF THE PRECAUTIONARY APPROACH

The precautionary approach plays an important role for Geberit as a production company. This approach is described in the → **Geberit Code of Conduct**.

The Geberit Group has a → **Group certificate** in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2021. 28 of the 29 production plants, central logistics, and the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with these three standards or OHSAS 18001. By the end of 2020, all production plants will be covered by these standards. In addition, five German plants are certified according to ISO 50001 (energy) and ten sales companies according to ISO 9001 (quality).

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. In addition, a CO<sub>2</sub> target was developed in 2016 that is compatible with the two-degree target set out in the Paris Agreement and with the Science Based Targets Initiative. It comprises a reduction of absolute CO<sub>2</sub> emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth). In the area of occupational safety, the aim is to halve the frequency and severity of accidents by 2025 based on the reference year 2015.

The Geberit Production System (GPS) is implemented at all plants. Best-practice standards in production are 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 Group Executive Board**.

## GRI 102-12 EXTERNAL INITIATIVES

In 2017, Geberit played a key role in establishing a new platform for the European sanitary industry – the European Bathroom Forum (EBF). One of the first tasks was the launch of a new European water label as a voluntary and flexible instrument to support customers in the selection of resource-efficient products. This aims to help achieve the EU goals for resource efficiency. Geberit is also planning to take part in "Operation Clean Sweep" to prevent the pollution of the environment with plastic pellets, see also → **GRI 102-13**.

## GRI 102-13 MEMBERSHIP OF ASSOCIATIONS

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 green building, environmentally friendly production, energy, waste management and employee protection.

The company has been a member of the Transparency International organisation since June 2000 and supports its objectives for combating corruption. Since 2006, 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. Geberit has also been a formal member of the UN Global Compact since October 2008 and was a founding member of the local Swiss network in 2011. Geberit has been a member of the non-profit organisation Swiss Water Partnership since 2012. This platform seeks to bring together all those involved in the topic of water supply (from academic, economic as well as public and private spheres) to collectively address future challenges and promote international dialogue on water.

For major commitments see → **www.geberit.com > Company > Sustainability > UN Global Compact and Memberships**.

## 4. ETHICS AND INTEGRITY

### GRI 102-16 VALUES, DIRECTIVES, STANDARDS AND CODES OF CONDUCT

Geberit aims to act as a role model for ethically unimpeachable, environmentally friendly and socially responsible operations. The → **Geberit Compass** (what we do, what motivates us, how we work together, what is responsible for our success), which was updated in 2015, and the → **Geberit Code of Conduct for Employees**, updated in 2014 and implemented in 2015, serve as the applicable guidelines. The compliance system also includes the topic of data protection on the basis of the EU's General Data Protection Regulation (GDPR), see → **GRI 418**.

Other specific guidelines that are important to Geberit are:

- → **Geberit policy on occupational health and safety, environment and energy**
- → **Geberit Code of Conduct for Suppliers**
- → **Geberit Code of Conduct for Business Partners**
- → **Geberit antitrust legislation guidelines**
- → **Geberit compliance commitment for contractors**
- UN Guiding Principles on Business and Human Rights

### GRI 102-17 ETHICAL ADVICE AND CONCERNS

Geberit has established an effective compliance system to ensure that its conduct is both ethical and legally compliant. Action on compliance focuses on the following six key topics: antitrust legislation, corruption, product liability, data protection, employee rights and environmental protection, see → **Business Report > Business and financial review > Financial Year 2019 > Compliance**.

It is of utmost importance to Geberit that the Geberit Code of Conduct is adhered to. Non-compliance will be severely punished. A comprehensive review on compliance with the Code of Conduct takes place as part of the annual reporting. All companies receive over 60 questions on the above-mentioned key topics. 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 Board of Directors and Group Executive Board and are published in accordance with the guidelines of the GRI in this report.

Employees who openly address irregularities which represent breaches of applicable law, ethical standards or the 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 as a whistleblower hotline. The service is intended to enable employees to anonymously report misconduct in all compliance-relevant cases. The Integrity Line is operated by an external company with experience in this area, and is available around the clock seven days a week. In the reporting year, no significant incidents were reported via the Integrity Line for employees. Since 2017, an Integrity Line has also been available to suppliers for anonymously reporting irregularities in the procurement process. There were no reports from suppliers in the reporting year.

## 5. GOVERNANCE

### GRI 102-18 GOVERNANCE STRUCTURE

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 organisational structure.**

As of the end of 2019, the operating management structure of Geberit was broken down into seven Group Executive Areas:

- CEO Division
- Sales Europe
- Sales International
- Marketing & Brands
- Operations
- Product Management & Innovation
- Finance

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

### GRI 102-19 DELEGATION OF AUTHORITY ON ECONOMIC, ENVIRONMENTAL AND SOCIAL MATTERS

The Board of Directors determines the 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 Organisational 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. 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.

### GRI 102-20 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 → **GRI 102-18**. The responsible individuals report either directly to the CEO (including Corporate Human Resources, Corporate Communications and Investor Relations, Strategic Planning), or to other members of the Group Executive Board.

The way in which the topic of sustainability is approached has been further developed regularly within the company. For over 25 years, Geberit has had an Environment and Sustainability department, which has been reporting directly to the CEO for more than 15 years. This department coordinates the further development of the sustainability strategy and related activities, although the responsibility for planning and implementation lies within the individual areas themselves.

### GRI 102-21 CONSULTATION PROCESS BETWEEN STAKEHOLDERS AND THE BOARD OF DIRECTORS

For the participatory rights of the shareholders, see → **Business Report > Corporate Governance > Participatory rights of the 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.

### GRI 102-22 COMPOSITION OF THE HIGHEST GOVERNANCE BODY AND ITS COMMITTEES

At the end of 2019, the Board of Directors was composed of five non-executive, independent members. Up to the start of October 2019, the Board of Directors was composed of six non-executive, independent members. However, following the death of Thomas M. Hübner at the start of October, the Board was then reduced to five members. The composition of the Board of Directors should reflect strategic requirements, the company's targets, geographical presence and corporate culture. The Board of Directors should be diverse in every respect, i.e. in terms of gender, nationality, geographical/regional experience and business experience. 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.**

### GRI 102-23 SEPARATION OF CHAIR OF BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

Christian Buhl is Chief Executive Officer (CEO) and Chairman of the Board of Directors is Albert M. Baehny. For further details, see → **Business Report > Corporate Governance > Board of Directors.**

## GRI 102-24 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.**

## GRI 102-25 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 → **Organisational 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 governing bodies or related parties are subject to the principle of conclusion at conditions as with independent third parties.

## GRI 102-26 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 → **GRI 102-16**. The Board of Directors determines the corporate strategy. The Sustainability strategy is examined and approved by the Group Executive Board and the Board of Directors, see → **GRI 102-29**.

## GRI 102-27 ENHANCEMENT OF TOP MANAGEMENT'S AND BOARD OF DIRECTORS' RELATED KNOW-HOW ON ECONOMIC, ENVIRONMENTAL AND SOCIAL ISSUES

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 from the external 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 → **Organisational Regulations of the Board of Directors.**

## GRI 102-28 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 → **GRI 102-29**.

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.**

## GRI 102-29 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 the 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. Key figures on occupational safety are presented quarterly to the Group Executive Board and on a regular basis to the Board of Directors.

In 2018, Geberit consulted an → **external Stakeholder Panel** for the fourth 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. The next stakeholder panel is planned for 2020.

## GRI 102-30 EFFECTIVENESS OF THE RISK MANAGEMENT PROCESS

Based on the Organisational 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 topics, see → **Business Report > Business and financial review > Financial Year 2019 > Compliance.**

## GRI 102-31 FREQUENCY OF REVIEW OF IMPACTS, RISKS AND OPPORTUNITIES IN THE AREA OF SUSTAINABILITY

The impacts, risks and opportunities are discussed and reviewed by the Group Executive Board and Board of Directors annually in connection with the sustainability reporting and the sustainability strategy.

### GRI 102-32 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. In doing so, attention is paid that all material aspects are covered.

### GRI 102-33 PROCEDURE FOR COMMUNICATING CRITICAL CONCERNS TO THE BOARD

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

### GRI 102-34 NATURE AND TOTAL NUMBER OF CRITICAL CONCERNS COMMUNICATED TO THE BOARD

Matters brought forward by shareholders within the context of the General Meeting are dealt with in accordance with the Articles of Incorporation. No matters were submitted directly to the Board of Directors outside the General Meeting in 2019.

### GRI 102-35 REMUNERATION POLICIES FOR THE GOVERNANCE BODIES

Geberit publishes a detailed annual Remuneration Report, which discloses the precise points of its remuneration policy, see → **Business Report > Remuneration Report**.

### GRI 102-36 PROCESS FOR DETERMINING REMUNERATION

Geberit publishes a detailed annual Remuneration Report, which discloses the precise points of remuneration paid to the Board of Directors and Group Executive Board, see → **Business Report > Remuneration Report**.

### GRI 102-37 STAKEHOLDERS' INVOLVEMENT IN DECISIONS REGARDING REMUNERATION

The remuneration to the Board of Directors and Group Executive Board disclosed in the detailed remuneration report addresses the concerns of stakeholders and shareholders, see → **Business Report > Remuneration Report**.

### GRI 102-38 RATIO OF ANNUAL REMUNERATION PAID

The ratio of the annual remuneration paid to the highest-paid employee to the average annual remuneration of all employees (excluding the highest-paid employee) was 26.6 in Switzerland, 7.2 in Germany, 5.2 in Austria and 4.9 in Italy.

### GRI 102-39 RATIO OF PERCENTAGE INCREASE IN ANNUAL REMUNERATION PAID

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) was 19.3 in Switzerland, 2.7 in Germany, 4.8 in Austria and 2.2 in Italy.

## 6. STAKEHOLDER ENGAGEMENT

### GRI 102-40 RELEVANT STAKEHOLDER GROUPS

Significant stakeholder groups for Geberit are customers, shareholders and analysts, the media, employees and trade unions, neighbours, municipalities and authorities, research institutes, suppliers, transport companies, associations, non-government organisations and the general public. For details on stakeholder engagement, see → **GRI 102-42**.

### GRI 102-41 COLLECTIVE BARGAINING AGREEMENTS

There are currently 8,646 employees (corresponding to 74% of the workforce) who are covered by collective agreements (e.g. collective labour agreements, wage agreements). In Germany, Austria, Switzerland, France, Italy, Finland, Sweden, Poland and Ukraine, over 90% of employees are subject to a collective labour or wage agreement. There are no collective agreements with employees in place in the USA and in China.

### GRI 102-42 IDENTIFICATION AND SELECTION OF STAKEHOLDERS

A 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. On national and international levels, the Geberit Group and its local companies maintain relations with organisations and institutions in the respective countries that direct requests and suggestions to the company. The stakeholders listed under → **GRI 102-40** have been identified as important for systematic stakeholder dialogue as they fulfil at least 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.

### GRI 102-43 APPROACHES TO STAKEHOLDER ENGAGEMENT

Geberit consulted an → **external Stakeholder Panel** for the fourth time in 2018. Its mandate consisted of providing feedback on the sustainability strategy and sustainability communication and also discussing the materiality analysis. The results are presented in the → **Panel Statement**. The external review and the recommendations contained therein are dealt with in detail in the → **Response from Geberit to the Panel Statement**. The next stakeholder panel is planned for 2020.

Based on the stakeholder analysis, Geberit identifies both potential for conflict and opportunities, and pursues a cooperative approach when it comes to discussing and further developing possible measures with the stakeholders concerned.

Engagement of stakeholders according to stakeholder group:

#### CUSTOMERS:

- Technical advisors working in the field who are in daily contact with plumbers, sanitary engineers and architects.
- During the reporting year, around 35,000 professionals were provided with training in products, tools, software tools and installation skills at the 29 Geberit Information Centres in Europe and overseas.
- Invitation of architects, interior designers and other market partners to visit an exhibition on the design pioneer Victor Papanek and the presentation of innovative Geberit bathroom solutions at the prestigious Vitra Design Museum in Weil am Rhein (DE).
- Around 85,000 customers became more familiar with Geberit know-how and products at external training events, many of which were organised in cooperation with local trading partners.
- Advertising campaign for AquaClean shower toilets in 15 campaign markets with the opportunity to try out a shower toilet. Support of numerous local events with a fleet of ten AquaClean trailers – each equipped with two toilets.
- “Test at home” campaign for potential customers in Germany, Switzerland, Belgium and Austria as the opportunity to try out a shower toilet at home free of charge.
- Launch of an end user campaign in Germany, Austria and Switzerland under the title “Better bathrooms, better lives”, see → **Business Report > Business and financial review > Financial Year 2019 > Customers**.

#### SHAREHOLDERS AND ANALYSTS:

- For the participatory rights of the shareholders, see → **Business Report > Corporate Governance > Participatory rights of shareholders**.
- Regular telephone conferences, bilateral meetings, conferences and roadshows by the CEO, CFO and Head Corporate Communications and Investor Relations.

#### MEDIA:

- Regular conference calls, bilateral meetings and interviews with the relevant media for Geberit.
- Sustainability topics and in particular Geberit’s performance in this area play an important role in the media activities of Geberit.

#### EMPLOYEES AND TRADE UNIONS:

- Geberit Europe Forum with employee representatives from most 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 to enable all employees across the world to report irregularities anonymously.
- Regular employee survey of all employees of the Geberit Group.

#### **NEIGHBOURS, MUNICIPALITIES AND AUTHORITIES:**

- 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 Sustainable Building Technologies) at Empa in Dübendorf (CH). In the Water Hub, systems are tested that use water and waste water as efficiently and diversely as possible.

- Cooperation on technological trends and developments directly related to sanitary technology with EAWAG and Empa Dübendorf, HSR Rapperswil (CH), Technical University (TU) Dresden, the Fraunhofer Institute (ILT) Aachen (DE) and others.

#### **SUPPLIERS:**

- Initial contact within the scope of the assessment procedure and implementation of the Code of Conduct for Suppliers, see → **Chapter 10.2 Operations > Procurement**.
- Regular discussions between buyers and suppliers on site.
- On-site audits (quality, environment, occupational health and safety) carried out by Geberit and external partners.
- Since 2017, Integrity Line for suppliers for anonymously reporting irregularities in the procurement process.

#### **TRANSPORT COMPANIES:**

- Discussions with transport service providers based on the results of environmental monitoring.

#### **ASSOCIATIONS:**

- Significant participation in the founding of a new platform for the European sanitary industry – the European Bathroom Forum (EBF) – and launch of a new European water label for sanitary products.
- Collaboration with FECS (European Sanitaryware Producers Federation) on a new voluntary European standard for assessing the sustainability of ceramic sanitary appliances (EN 16578).
- Involvement in various associations and organisations with participation in corresponding management bodies and programmes, see → **GRI 102-13**.

#### **NON-GOVERNMENT ORGANISATIONS AND THE GENERAL PUBLIC:**

- Partnership with the Swiss development organisation Helvetas.
- Membership of the charitable organisation Swiss Water Partnership.

Feedback from stakeholder dialogues is incorporated into the → **Materiality analysis** and into the → **Sustainability strategy**.

### **GRI 102-44 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**.

Some examples of important current topics that were introduced by stakeholders and have been implemented by Geberit include:

- Education and further training of employees as an important success factor, see → **Business Report > Business and financial review > Financial Year 2019 > Employees**.
- Best-in-class approach to occupational health and safety, see → **GRI 403**.
- Implementation of social projects, see → **Business Report > Business and financial review > Financial Year 2019 > Social Responsibility**.
- Expansion of the portfolio of water-saving products, see also → **Water footprint**.
- Circular economy, see → **GRI 301**.
- CO<sub>2</sub> target compatible with the two-degree target set out in the Paris Agreement and the Science Based Targets Initiative, see → **Management approach CO<sub>2</sub> and other emissions**.
- Holistic solutions for products and systems in front of and behind the wall, see → **Business Report > Business and financial review > Financial Year 2019 > Innovation**.
- Customer training, see → **Business Report > Business and financial review > Financial Year 2019 > Customers**.
- Transparency in the remuneration system, see → **Business Report > Remuneration Report**.



# 7. REPORTING PRACTICE

## GRI 102-45 BASIS OF CONSOLIDATION

In general, the report covers the entire Geberit Group and the 2019 financial year. 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 → **Financials > Consolidated financial statements Geberit Group > Notes > Note 33.**

## GRI 102-46 REPORT CONTENT AND TOPIC BOUNDARIES

Since 2006, Geberit has been reporting in accordance with the guidelines of the Global Reporting Initiative (GRI). In the present report, Geberit implements the GRI Standards. The starting point is a comprehensive → **Materiality analysis** based on the procedure described in the GRI Standards and the topics dealt with in the GRI Standards.

Material sustainability topics and related measures are already presented in compact form within the → **Sustainability strategy**. Also of a material nature are the principles of the UN Global Compact that Geberit has committed itself to uphold and that are presented in the → **Communication on Progress UN Global Compact**.

An initial internal materiality analysis was developed in 2014 as part of workshops with members of the Group Executive Board and later approved by the Group Executive Board. The results were then reviewed and amended slightly by an external stakeholder panel. As part of the integration of Sanitec, an initial review was carried out in 2015. There were no major changes in the material topics. A further review was carried out as part of the switchover to the GRI Standards. Some topics were aggregated (as required by the GRI Standards) and further relevant topics added. This enabled a high degree of consensus on the selection of material topics with the key approaches in the corporate and sustainability strategy to be achieved. The updated materiality analysis was again examined by an external stakeholder panel in 2018. It became clear that a high degree of consensus existed between the internal standpoint of the company and the assessment of the stakeholder panel, see → **Panel Statement** and → **Response from Geberit to the Panel Statement**.

## GRI 102-47 LIST OF MATERIAL TOPICS

Material aspects are deemed material if they are significant for Geberit from the internal perspective of the company and/or the external perspective of stakeholders and/or have significant economic, environmental or social effects. A differentiated assessment according to these different dimensions was not carried out. Instead, it was determined which topics were ultimately judged to be material following consultation with stakeholders, experts and management. The topics that Geberit identified as material in the economic, environmental and social dimensions can be seen in a → **dynamic chart**.

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

### GRI aspects that are not material or not requiring any 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.   |
| Biodiversity   | Geberit production sites do not endanger biodiversity in protected areas. Biodiversity plays a role when procuring mineral raw materials for ceramic production. This subject was addressed and examined as part of supplier audits. During these audits, it was found that the suppliers in this sector actively address the topic of biodiversity and take appropriate measures within the context of their licence to operate.  |
| Labour/management relations (in the narrower sense of formal notice periods)     | Geberit cultivates transparent internal communication and a close dialogue between management and employees. 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.  |
| Local communities  | The production sites do not entail special risks for local communities or adverse effects on the neighbourhood. Geberit attaches great importance to maintaining good relations with its neighbours in the vicinity of its production sites. Continuous exchanges with authorities and the local community are part of this process. Social commitment which also benefits local communities is described in the relevant chapter. |
| Politics   | 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.  |

## GRI 102-48 RESTATEMENTS OF INFORMATION

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 under the respective statements.

## GRI 102-49 CHANGES IN REPORTING

Geberit published extensive, magazine-like Sustainability Reports in 2004, 2007 and 2010. The annual sustainability reports were based on the GRI G3 guidelines for the 2006 to 2013 financial years and on the GRI G4 guidelines from 2014 to 2017, and were switched to the GRI Standards as of 2018. In this way, Geberit has developed a consistent reporting system in which individual statements are further developed

each year. For the reporting on Water and waste water (GRI 303: 2018) and on Occupational health and safety (GRI 403: 2018), the standards updated by GRI were used.

There were no significant changes during the reporting period for topics identified as material. If, in individual cases, a new measuring method is used, this is noted under the respective statement.

### GRI 102-50 REPORTING PERIOD

The reporting year is 2019.

### GRI 102-51 DATE OF MOST RECENT REPORT

The → **last report** for 2018 has been available online since 12 March 2019. For reports from previous years, see → [www.geberit.com](http://www.geberit.com) > **Media** > **Downloads** > **Publications**.

### GRI 102-52 REPORTING CYCLE

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

### GRI 102-53 CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

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

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

### GRI 102-54 COMPLIANCE WITH GRI STANDARDS

The report has been compiled in accordance with the GRI Standards: option "Comprehensive", see → **formal GRI Content Index**.

### GRI 102-56 EXTERNAL ASSURANCE

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

- The Stakeholder Panel examined the selection of material aspects (see → **GRI 102-46** and → **GRI 102-47**), see → **Panel Statement** and → **Response from Geberit to the Panel Statement**.
- Financial reporting is audited by an external auditor, see → **Financials** > **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.
- Since 2016, Geberit has also been publishing its detailed water balance as part of the CDP Water Program.
- The Geberit Group has a → **Group certificate** in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2021. 28 of the 29 production plants, central logistics, and the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with these three standards or OHSAS 18001. By the end of 2020, all production plants will be covered by these standards. In addition, five German plants are certified according to ISO 50001 (energy) and ten sales companies according to ISO 9001 (quality).
- In 2015, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU, with five German production plants currently certified to ISO 50001. There were no deviations in the 2019 audit.
- On-site audits (quality, environment, occupational health and safety) of suppliers are carried out by Geberit as well as certified third-party specialists, see → **Chapter 10.2 Operations** > **Procurement**.

## 8. PEOPLE

### 8.1 EMPLOYEES

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**. Geberit aims to act as a role model for ethically unimpeachable, environmentally friendly and socially responsible operations. The → **Geberit Code of Conduct** fills this objective with tangible content and offers an authoritative source of guidance.

The responsibility for all material aspects of the GRI Standards with respect to labour practices at the Geberit Group lies with the Head Corporate Human Resources, who reports directly to the CEO.

Committed, well-trained employees with comprehensive know-how are decisive to the company's future success. With this in mind, efforts continued in 2019 to position Geberit on the job market as a progressive employer with an open corporate culture and international development opportunities at the interface between craft, engineering and sales. Potential employees are increasingly being addressed via digital channels. Whilst classic job advertisements are still used, employee portraits and success stories are also utilised. Here, employees detail their everyday tasks and explain why they consider Geberit to be a good employer. This is increasingly taking place via short films. In addition, campus recruitment activities were continued in 2019 with appearances at trade fairs and an increased digital presence. There was a special focus here on universities of applied sciences who offer education and further training in the field of ceramics manufacturing.

#### EMPLOYMENT (GRI 401)

##### MANAGEMENT APPROACH EMPLOYMENT

Geberit's prime objective is to acquire and retain the right employees for the company. 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 → [www.geberit.com](http://www.geberit.com) > **Career** > **What we offer**.

Employees enjoy attractive employment conditions. In 2019, salaries and social benefits amounted to CHF 752 million (previous year CHF 744 million). The employees can also participate in share participation plans at attractive conditions, see → **Financials > Consolidated financial statements Geberit Group > Notes > Note 17** and → **Remuneration report**.

##### EMPLOYEE FLUCTUATION (GRI 401-1)

The average fluctuation rate (in terms of employees with permanent contracts, without natural departures and long-term leaves of absence) was 6.5% (previous year 9.0%). Including natural departures, it was 8.4% (previous year 10.6%). For key figures on fluctuation by age group, gender and region, see → **Key figures sustainability > Employees and society**.

##### BENEFITS PROVIDED TO FULL-TIME EMPLOYEES (GRI 401-2)

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.

##### PARENTAL LEAVE (GRI 401-3)

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 paid maternity leave, and 5.2% or 116 women made use of this in 2019. 66 women or around 57% returned to Geberit following their maternity leave.

99% of all permanently employed men are entitled to paid paternity leave, and 3.5% or 255 men made use of this in 2019. 249 men or around 98% returned to Geberit following their paternity leave.

In the reporting year, the Geberit production plant in Ruše (SI) received an award for its efforts and achievements in terms of being a family-friendly company.

#### OCCUPATIONAL HEALTH AND SAFETY (GRI 403)

##### MANAGEMENT APPROACH OCCUPATIONAL HEALTH AND SAFETY

The occupational health and safety of employees are of major importance. Geberit wants to gradually get nearer to the target of having healthy employees within an accident-free company and has therefore established a high level of health and safety for its employees. These efforts were rewarded in Switzerland in 2019: Geberit Fabrication SA in Givisiez (CH) took home the prize for health and occupational safety awarded by SUVA (the Swiss National Accident Insurance Fund). The company went up against around 100 other companies who were selected beforehand because of their good accident statistics.

Geberit cooperates with authorities, trade unions and employers' liability insurance associations on a country-specific basis. Most companies have written agreements with the trade unions. These normally cover topics such as personal protective equipment, complaints procedures, regular inspections, education and further training and the right to refuse unsafe work.

Using 2015 as the reference year, the aim is to halve the number and severity of accidents by 2025. In terms of the AFR (Accident Frequency Rate) the target is 5.5 (number of accidents per million working hours), and in terms of the ASR (Accident Severity Rate) the target is 90 (number of days lost per million working hours). These key figures are reviewed regularly at the plant cockpits and are part of the annual appraisal of plant managers. The Group Executive Board is also provided with a compact report on a quarterly basis and a comprehensive report is created for the management at the end of the year.

For objectives and measures concerning occupational health and safety, see also → **Sustainability strategy**.

## **OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (GRI 403-1) AND ITS DEGREE OF COVERAGE (GRI 403-8)**

All production plants and central logistics have a trained safety manager. The sites Rapperswil-Jona (CH) and Pfullendorf (DE) also have an appointed health manager. Since the beginning of 2017, the Geberit Safety Team – a team of experts from all production areas – has also been playing an active role in systematically developing occupational health and safety by defining key topics and highlighting examples of best practices, among others.

The Geberit Safety System (GSS) – which is valid in all production plants, in central logistics as well as in the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) – defines processes that are applicable throughout the Group for promoting the continuous improvement of work processes and workplaces. Special attention is also paid to elements of changes in behaviour, as the majority of occupational accidents and time lost are still attributable to carelessness. Generally valid principles on health, occupational safety and prevention are part of the Geberit Code of Conduct and apply to all employees.

28 of the 29 production plants or around 95% of the production employees (employees with temporary and permanent contracts), central logistics, and the Geberit management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with the standard for occupational health and safety ISO 45001, or OHSAS 18001 respectively. By the end of 2020, all production plants and thus 100% of the production employees will be covered.

## **RISK ASSESSMENT AND INVESTIGATION OF ACCIDENTS (GRI 403-2)**

The risk assessment of workplaces and the systematic investigation of accidents are a central part of the Geberit Safety System and are standardised across the Group. The execution of the risk assessment takes place systematically for all relevant workplaces and is based on a standard method and evaluation matrix.

Every accident is reported, regardless of the employment relationship and severity. A standardised accident investigation also takes place for all accidents which result in the employee being absent for one working day and more. Based on these reports, active measures are derived to eliminate deficits permanently and to avoid similar accidents happening again within the company. Where appropriate, the insights gained will be shared with other companies to avoid similar accidents in the Group. Launched in 2017, the software-based solution for capturing and systematically analysing accident data has been rolled out at 16 production plants to date. The aim is to create a sound, comprehensive process that can be integrated in the SAP environment.

## **OCCUPATIONAL HEALTH SERVICES (GRI 403-3)**

Geberit takes various steps in order to avoid health risks at the workplace. At several production sites, legal requirements require a company physician to be on hand. Depending on the risk classification of the particular activity, various measures are implemented for health provision. For example, occupational medical examinations (including auscultation of the lung, lung checks and X-rays) are regularly carried out in the ceramics plants due to the presence of quartz dust. Noise pollution and ergonomics are further focal points of the company physicians and external specialists.

## **EMPLOYEE PARTICIPATION AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY (GRI 403-4)**

88.5% 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. The occupational health and safety panels are created on behalf of the management and involve all levels of the organisation as well as various specialist roles and areas (including company physicians, works council, occupational safety specialists, representatives of occupational health and safety unions). In addition, employees are involved in relevant processes of the Geberit Safety System, such as the risk assessment of workplaces or accident investigation. Since the beginning of 2017, the Geberit Safety Team – a team of experts from all production areas – has also been playing an active role in systematically developing occupational health and safety by defining key topics and highlighting examples of best practices, among others.

## **TRAINING ON OCCUPATIONAL HEALTH AND SAFETY (GRI 403-5)**

Training sessions on occupational health and safety take place regularly in most Geberit companies. At Welcome events, new employees are given information about the valid, local health and safety regulations and internal directives. At production and logistics sites, supervisors also hold job-specific training sessions on work-related hazards.

A campaign on occupational health and safety was started in 2019 focusing on training and raising awareness on this topic. An eLearning programme aimed at employees in production and logistics should, among other things, help to correctly identify danger areas in the workplace and rectify them consistently.

## **PROMOTION OF EMPLOYEE HEALTH (GRI 403-6)**

Across the Group, Geberit carries out a wide range of activities and sets up programmes to support employees' health and well-being, and also offers its employees precautionary healthcare opportunities through various offers and activities. These include, for example, sports facilities, anti-smoking seminars, health check-ups, massage services, dietary and health tips, presentations on health-related issues and workshops on targeted and correct relaxation. With this in mind, a diverse vitality programme is offered at 17 production and sales sites in the fields of exercise, mental fitness, nutrition and the working environment. The most comprehensive programme "Geberit Vital" can be accessed at six sites by around 40% of the Geberit workforce.

Further focal points are the ergonomic organisation of the workplace, training courses for managerial staff in health-conscious management and reintegration counselling, with the aim of getting people back to work as soon as possible after a long-term absence due to illness. 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. Geberit also promotes fitness in the community with its support of the Geberit sports club, for example. This club features eleven different sports sections and has around 620 members in Rapperswil-Jona (CH) who regularly meet up and exercise together.

## **AVOIDING AND MINIMISING DANGER FOR BUSINESS PARTNERS (GRI 403-7)**

Geberit also sets great store by the occupational health and safety of business partners. For example, contractors who carry out work on the factory premises receive a safety briefing and are obliged to observe these rules. In the corresponding Code of Conduct, suppliers also undertake to ensure occupational safety and health-promoting working conditions in their company and supply chain. This is systematically examined as part of supplier audits, see also the chapter → **Suppliers**.

In terms of customers, Geberit takes great care – including as part of the eco-design workshop – to ensure that all products are ergonomic and safe during installation and their final use. The assembly of Geberit products is easy and often tool-free. If special tools are needed, these have been optimised in terms of their ergonomics and safety, and their correct handling is trained accordingly.

### ACCIDENTS AND DAYS LOST (GRI 403-9)

The manufacture of sanitary products can generally be said to have a low level of risks at the workplace. Nevertheless, there are still some individual activities which entail an increased risk of accidents. Typical workplace risks are the lifting and carrying of heavy loads, working at heights and in noisy environments, as well as handling hot media and hazardous substances. As part of the Geberit Safety System, the workplace risks are assessed systematically and appropriate measures implemented to protect the employees.

In the reporting year, a total of 193 accidents were recorded (previous year 191 accidents), equivalent to 3,688 lost working days due to occupational accidents (previous year 3,584 lost working days). The statistics show only those occupational accidents that occur during working hours or business travel and lead to lost working time of one working day or more. The most frequent injuries are cuts and stab wounds on hands and bruising to the body. There were no severe or fatal accidents. In 2019, the Accident Frequency Rate AFR (number of accidents per million working hours) increased slightly by 1.0% to 9.8 (previous year 9.7) and the Accident Severity Rate ASR (number of days lost per million working hours) by 3.4% to 187.6 (previous year 181.5). In terms of the Group-wide absenteeism rate, work-related accidents account for just 2.6% of all absenteeism at 0.12% (previous year 0.12%).

In the reporting year, the Group-wide absenteeism rate due to accidents and absences due to illness based on regular working hours was 4.64% (previous year 4.89%). Illness-related absences accounted for 4.52% of this rate.

Further key figures can be found under → **Key figures sustainability > Employees and society.**

### WORK-RELATED ILLNESS (GRI 403-10)

There are certain operational activities at Geberit, particularly in ceramic production, involving an increased risk of work-related illness (silicosis/dust disease). The risks lie primarily in slip and glaze preparation, casting and glazing as well as in the processing of unfired and fired ceramic parts. Around 50% of employees in ceramic production are regularly exposed to increased levels of quartz dust. Technical, organisational and personal protection measures are implemented for the protection of these employees. The employees also regularly undergo occupational medical examinations (including auscultation of the lung, lung checks and X-rays). Geberit makes substantial efforts towards either avoiding the exposure of employees to these risks (e.g. through the installation of glazing robots) or minimising this exposure (e.g. through the use of special extraction devices, dust masks or the provision of training in correct behaviour at the workplace). The topic is also systematically addressed as part of the Geberit Safety System and certification according to ISO 45001.

In the reporting year, the subject of quartz dust was addressed in detail as part of a project where a standard threshold for dust was also specified. At various sites, this threshold is lower than the legally prescribed levels. Furthermore, a uniform measurement and evaluation procedure was developed to allow for comparisons to be made between the plants and form the basis for further measures. In the area of personal protective equipment, as well as in hygiene and cleaning, minimum standards were defined and implemented at the sites. As part of this project, comprehensive dust measurements were taken in all ceramics plants based on standard measuring methods. On the basis of these consolidated results, further focal points were defined for the reduction of dust pollution. Furthermore, Geberit participates in the NEPSI programme (The European Network on Silica) as a member of FECS, a sub-organisation of Cerame-Unie (European Ceramic Industry Association). This includes monitoring the exposure of employees to quartz dust and the implementation of best practices.

Further key figures can be found under → **Key figures sustainability > Employees and society.**

### TRAINING AND EDUCATION (GRI 404)

#### 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.

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 standard Performance assessment, Development and Compensation (PDC) process has been in place since 2012. Except for the employees who work directly in production at the plants, all employees have been incorporated into the PDC process. valYOU – a new Performance assessment, Development and Compensation process – was developed in the reporting year. A new, key element of valYOU is succession planning for each individual position. Furthermore, the further development of individual employees is also actively supported through systematic feedback discussions. At the end of 2019, management personnel from the participating pilot companies visited a two-day workshop and became familiar with the new processes, the associated managerial tasks and the new IT tool.

Training apprentices is of great significance at Geberit. According to an apprentice ranking carried out in 2019, Geberit is one of the leading companies for apprentices in Switzerland and makes an important contribution to vocational training and to maintaining Switzerland's reputation as a centre for training and education. Since 1963, Geberit has trained in excess of 500 apprentices in Switzerland and now trains apprentices in over eleven different skilled trades. Some 10% of the company's employees currently working in Switzerland completed their apprenticeship at Geberit. Young people can start their careers at Geberit with a commercial, industrial or technical apprenticeship. 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. For example, in Rapperswil-Jona (CH) there are currently in excess of 70 apprentices being trained in eleven trades. State-of-the-art and in particular digital learning methods are used here. Since 2018, Geberit's leading position in this area has also been used in corresponding image films for apprentice recruitment.

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. Geberit continues to offer its support in completing internships, plus Bachelor and Master theses.

For further information, see → **Business Report > Business and financial review > Financial Year 2019 > Employees.**

## SCOPE OF TRAINING AND EDUCATION (GRI 404-1)

In the reporting year, employees across the Group attended on average 13.8 hours of internal and external education and further training (previous year 13.7 hours). For key figures by gender and employee category, see → **Key figures sustainability > Employees and society**.

## PROGRAMMES FOR SKILLS MANAGEMENT AND LIFELONG LEARNING (GRI 404-2)

A two-stage Potentials Management Programme aims to identify talents throughout the company and support them along their path to middle or senior management. The programme includes topics such as strategy, digitalisation and the management of change processes. Furthermore, the issues investigated as part of project work are geared towards strategic tasks of relevance to Geberit and provide the decision-makers involved with concrete bases for action. Part of the programme was carried out for the second time in collaboration with the University of St. Gallen (CH). The Potentials Management Programme is intended to help fill at least half of all vacant managerial positions with internal candidates. In 2019, this was achieved for 58% of all Group management vacancies (previous year 57%).

In 2019, the ceramics plants in Poland, Germany, Ukraine, Finland, Italy, France and Portugal saw the continuation of an initiative aimed at improving leadership skills at various hierarchical levels. This initiative is planned at Group level, adapted to local requirements and put into practice in multi-day workshops involving local coaches. During the reporting year, the programme targeting the development of managerial staff was continued within the sales organisations in the European countries. The aim of these courses was to strengthen the leadership skills for more than 100 regional sales managers on the one hand, and, on the other, to standardise the role of these managers in order to drive sales as a whole.

In 2019, the Operations Development Programme (ODP) was introduced as a development programme for talented external and internal junior managers in the area of operations (production, logistics and purchasing). The aim is to recruit internationally mobile people with a technical background or who have studied engineering and who, in the medium term, should take up a managerial position at Geberit. The programme is divided into several phases. In the initial onboarding phase, candidates get to know the culture, philosophy and processes at Geberit. This is followed by a second and third phase in which the participants are assigned responsibility for exciting, international projects under close supervision by a member of senior management. Initially, this will take place at established Geberit sites, and later also at other sites that are not as established but have the corresponding need.

In 2019, 264 apprentices (previous year 247) were employed. The transfer rate to a permanent employment relationship was 85% (previous year 89%). Furthermore, 98 internships were made available and 29 Bachelor and Master theses supervised.

For further information, see → **Business Report > Business and financial review > Financial Year 2019 > Employees**.

## PERFORMANCE EVALUATION AND CAREER PLANNING (GRI 404-3)

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 80% of all employees took part in appraisal interviews in 2019 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.

## DIVERSITY AND EQUAL OPPORTUNITY (GRI 405)

### 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 develop their full potential in 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.

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, thinking ability and accountability. All jobs are pooled in a Group-wide grading system. The resulting grade is the basis for determining an employee's pay. This guarantees gender-neutral, fair salary structures.
- Binding wage agreements with set pay grades at many Geberit sites.

### DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES (GRI 405-1)

The proportion of female employees at the end of 2019 was 24% (previous year 24%), and for senior management this figure was 11% (previous year 9%). The five-member Board of Directors has two female members. No further data on diversity of governance bodies and employees is currently being collected as Geberit and its stakeholders do not consider this to be relevant. For key figures on diversity in terms of gender and age structure, see → **Key figures sustainability > Employees and society**.

### RATIO OF REMUNERATION BETWEEN WOMEN AND MEN (GRI 405-2)

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

## NON-DISCRIMINATION (GRI 406)

### 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 employ-

ees. 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 Group-wide survey.

According to the Geberit Code of Conduct, employees who openly address irregularities which represent breaches of applicable law, ethical standards or the Code of Conduct are acting correctly. 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.

If issues should occur, employees should seek a personal meeting with their supervisor. The Geberit Integrity Line is available to all employees 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.

#### **CASES OF DISCRIMINATION (GRI 406-1)**

According to the annual Group-wide survey, there was one case of verbal sexual harassment revealed in 2019. This incident was resolved and the employee responsible has left the company.

#### **FREEDOM OF ASSOCIATION (GRI 407)**

##### **MANAGEMENT APPROACH FREEDOM OF ASSOCIATION**

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.

##### **NON-COMPLIANCE WITH THE RIGHT TO FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (GRI 407-1)**

According to the annual Group-wide survey, no infringements of the guarantee of freedom of association and collective bargaining were identified in 2019.

## **8.2 SOCIETY**

#### **ANTI-CORRUPTION (GRI 205)**

##### **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. Corruption is categorically rejected. There are clear guidelines on prevention and employees receive training in this area. Compliance with the guidelines is monitored as part of an annual survey at all Geberit Group companies. The Internal Audit Department conducts additional on-site audits. In the case of misconduct, corrective measures are taken. For further information about the compliance system, see → **GRI 419**.

##### **OPERATIONS SUBJECTED TO REVIEWS ON THE RISK OF CORRUPTION (GRI 205-1)**

An annual survey is carried out at all Geberit Group companies to identify incidents of corruption. The topic of corruption is also a component of the audit programme for the periodic inspections of the production plants, sales, logistics and management 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 high risk profile. In 2019, the Internal Audit Department audited a total of 21 companies.

##### **COMMUNICATION AND TRAINING ON ANTI-CORRUPTION (GRI 205-2)**

All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events, with specific training films on the topics of corruption, IT misuse, workplace bullying and sexual harassment deployed especially for this.

All employees are also provided with information via the intranet about what is permitted and what is not. Guidance on the correct handling of donations (i.e. anti-corruption guidelines) were updated in 2015 and made accessible to the relevant employees in Purchasing and Sales via the various communication channels.

##### **INCIDENTS OF CORRUPTION (GRI 205-3)**

According to the annual survey carried out at all Geberit Group companies and the audits conducted by the Internal Audit Department, there were no cases of corruption in 2019.

#### **ANTI-COMPETITIVE BEHAVIOUR (GRI 206)**

##### **MANAGEMENT APPROACH ANTI-COMPETITIVE BEHAVIOUR**

The prevention of anti-competitive behaviour is a matter of priority for Geberit. Cartels of any kind and other anti-competitive behaviour are categorically rejected.

eLearning programmes represent an efficient way to train staff on and raise their awareness of antitrust legislation, an issue that is particularly sensitive for Geberit. Training campaigns are carried out on a regular basis. Internal antitrust audits were also carried out in 2019 to ensure compliance in this area and also improve it.

As part of enquiries from various Geberit markets, the Group's legal department dealt with the permissibility of bonus and discount systems, plus marketing and sales campaigns, under competition law. In this advisory role, the legal department is able to quickly eliminate any uncertainties and confusion. On the whole, the enquiries demonstrate a marked sensibility among the employees in the area of antitrust legislation.

## LEGAL PROCEEDINGS DUE TO ANTI-COMPETITIVE BEHAVIOUR (GRI 206-1)

According to the annual survey carried out at all Geberit Group companies, there were no proceedings due to anti-competitive behaviour in the reporting year.

## REGIONAL EMPLOYER (GRI 202)

### MANAGEMENT APPROACH REGIONAL EMPLOYER

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, Geberit's aim is to ensure that sales companies, production plants, logistics and management companies function well as units which enjoy a high degree of autonomy. The 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 management level.

### RATIO OF STANDARD ENTRY LEVEL WAGE COMPARED TO LOCAL MINIMUM WAGE (GRI 202-1)

Geberit pays market-rate wages, taking into account local circumstances and laws. When hiring 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 production sites and sales companies are paid well above the minimum wage range. Stability and a high level of motivation among employees are important to Geberit.

### PROCEDURES FOR LOCAL HIRING OF MANAGEMENT (GRI 202-2)

Geberit follows a personnel policy that does not provide for the preferential treatment of persons from the region 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 managerial staff recruited locally.

## INDIRECT ECONOMIC IMPACTS (GRI 203)

### MANAGEMENT APPROACH INDIRECT ECONOMIC IMPACTS

Indirect economic impacts arise primarily due to positive side effects from direct economic action. With its innovative solutions for sanitary products, Geberit aims to achieve sustained improvement in the quality of people's lives. The economy benefits from this in several respects: through the contribution to better sanitary standards, a durable, resource-efficient sanitary infrastructure, know-how transfer in the sanitary industry, impetus for the economy in regional economic areas, and 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.

For further information, see also → **GRI 201**.

### SIGNIFICANT INDIRECT ECONOMIC IMPACTS (GRI 203-2)

Geberit forms part of the value chain in the construction industry. It has significant indirect economic impacts downstream on the customer side at sanitary engineers, plumbers and end users, as well as upstream at suppliers and transport companies. Continuous investment in the 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 31,220 million m<sup>3</sup> of water in comparison with traditional flushing systems. In 2019 alone, the water saved amounted to 3,120 million m<sup>3</sup>. 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. Similar to its work in the field of waste water hydraulics, Geberit also played a major part in ensuring that sound insulation and fire protection, as well as hygiene in drinking water and sanitary facilities, have been developed to the benefit of the end user and laid down in standards and recommendations. In 2017, Geberit played a major role in the foundation of a new platform for the European sanitary industry – the European Bathroom Forum (EBF).

Geberit lends impetus to the sanitary industry with innovation and new products that are sold and implemented worldwide by wholesalers, plumbers and sanitary engineers. During the reporting year, around 35,000 professionals were provided with training on Geberit products, tools, software tools and installation skills at 29 Geberit information centres in Europe and overseas, see → **Business Report > Business and financial review > Financial Year 2019 > Customers**.

At the end of 2019, Geberit employed 264 apprentices, thus supporting training in different countries, see also → **GRI 404**.

The indirect economic impact on suppliers and transport companies is also significant. The Group's cost of materials in 2019 amounted to CHF 882 million (previous year CHF 920 million). The Group has business relations with a total of 1,751 direct suppliers here. Geberit does not have its own transport fleet and therefore generates orders for external transport companies.

## CHILD LABOUR (GRI 408)

### MANAGEMENT APPROACH CHILD LABOUR

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, its high level of vertical integration as well as its high quality requirements in the supply chain. 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 Geberit Code of Conduct for Suppliers explicitly include compliance with the ILO core labour standards for the exclusion of child labour.



## **CASES OF CHILD LABOUR (GRI 408-1)**

According to the annual Group-wide survey there were no cases of child labour revealed in 2019. There were likewise no such cases uncovered during the audits carried out at suppliers.

## **FORCED OR COMPULSORY LABOUR (GRI 409)**

### **MANAGEMENT APPROACH FORCED OR COMPULSORY LABOUR**

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, its high level of vertical integration 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 Geberit Code of Conduct for Suppliers explicitly include compliance with the ILO core labour standards for the exclusion of forced or compulsory labour.

### **CASES OF FORCED OR COMPULSORY LABOUR (GRI 409-1)**

According to the annual Group-wide survey there were no cases of forced or compulsory labour revealed in 2019. There were likewise no such cases uncovered during the audits carried out at suppliers.

## **HUMAN RIGHTS ASSESSMENT (GRI 412)**

### **MANAGEMENT APPROACH HUMAN RIGHTS ASSESSMENT**

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 System, 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 → **GRI 419**.

### **ASSESSMENT OF OPERATIONS REGARDING HUMAN RIGHTS RISKS (GRI 412-1)**

The upholding of human rights at all Geberit Group companies is subject to a survey each year as part of the verification of the Code of Conduct. Human rights as part of compliance are also a component of the audit programme for the periodic inspections of the production, sales and management companies by the Internal Audit Department. In 2019, the Internal Audit Department audited a total of 21 companies. In the reporting year, no evidence of human rights violations was found during the various inspections.

### **EMPLOYEE TRAINING ON HUMAN RIGHTS (GRI 412-2)**

All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events, with specific training films on the topics of corruption, IT misuse, workplace bullying and sexual harassment deployed especially for this.

The subject of compliance is uniformly positioned throughout the Geberit Group. The joint Geberit intranet 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 in a circular letter to ensure that all employees without intranet access receive the same information via a suitable channel.

### **HUMAN RIGHTS CRITERIA IN INVESTMENTS AND CONTRACT AGREEMENTS (GRI 412-3)**

In 2019, there was no investment agreement in countries or areas that pose a special risk in terms of human rights violations.

Suppliers are fundamentally required by contractual agreement to comply with the Geberit Code of Conduct for Suppliers, which contains provisions for the protection of human rights.

## **SOCIAL RESPONSIBILITY**

### **MANAGEMENT APPROACH SOCIAL RESPONSIBILITY**

Social responsibility is exercised both within the scope of long-term partnerships and programmes with partners and in the annual social projects that Geberit has been carrying out for over ten years. These projects 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, apprentices become familiar with other cultures and also acquire new social, linguistic and professional competencies. Furthermore, these social projects make a tangible contribution to the Sustainable Development Goals (SDGs) of the United Nations, which include giving all humans access to clean drinking water and basic sanitation by 2030. A review of what has been achieved is carried out on a regular basis.

### **INFRASTRUCTURE INVESTMENTS AND PROMOTED SERVICES (GRI 203-1)**

Donations and financial contributions, including product donations, totalling CHF 4.1 million (previous year CHF 4.1 million) were made during the reporting year. In addition, Geberit employees contributed 3,409 hours of charitable work (previous year 1,380 hours). Geberit also supports facilities for disabled persons and long-term unemployed, where simple assembly and packaging work in the amount of around CHF 7.9 million was carried out in 2019 (previous year CHF 8.1 million). This gave more than 400 people meaningful work.

The focus was on the following projects and partnerships in 2019:

- Implementation of a → **social project** in Cambodia with apprentices in collaboration with a Swiss NGO: New infrastructure elements – including classrooms and staff rooms, a drinking water supply as well as sanitary facilities – were established in two schools close to Siem Reap. A total of almost 1,500 school children and 50 teachers are thus given help in fulfilling basic needs in their daily school routine. In autumn 2019, ten Geberit apprentices and their two coaches built sanitary facilities on site.

- The partnership with Helvetas on projects relating to clean drinking water and sanitary facilities, plus supporting the new Helvetas campaign for clean drinking water and latrines. In 2019, a group of 16 Geberit employees from the Nordic Countries travelled to Nepal and helped build a drinking water supply at a village community in the west of the country as part of a Helvetas volunteering project. A major donation was also made to support Helvetas-run water projects around the world.
- Participation in the charitable organisation Swiss Water Partnership to promote international dialogue on the topic of water.
- Further development of the project Change of Perspective, in which two Swiss plumbers travelled to Nepal and worked together with two Nepalese colleagues for one week.
- Various local initiatives and collection campaigns in Germany, Austria, Belgium, UK, Poland and Singapore to round off the Geberit Group's social engagement.

## 9. PLANET

Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-saving production as well as the development of water-saving and sustainable products. Systematic, Group-wide environmental management takes centre stage here. This is the remit of Sustainability and Process Management. Guidelines and measures pertaining to all significant environmental issues 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. The environmental and occupational safety managers from all production plants meet once a year to discuss best practice and further develop Group-wide standards.

Eco-design has been an integral part of the product development process since 2007, with the aim of making each product more environmentally friendly than its predecessor throughout the entire product life cycle, see → **Chapter 10.1 Products and innovation**. Environmental criteria are considered in all decision-making processes. These 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**.

The Geberit Group has a → **Group certificate** in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2021. 28 of the 29 production plants, central logistics, and the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with these three standards or OHSAS 18001. By the end of 2020, all production plants will be covered by these standards. In addition, five German plants are certified according to ISO 50001 (energy) and ten sales companies according to ISO 9001 (quality).

The annual preparation of a corporate eco-balance has been an established part of Geberit's environmental management since 1991. It covers all production plants worldwide, the logistics centre in Pfullendorf (DE), other smaller logistics units and the larger sales companies. The corporate eco-balance permits an overall assessment of environmental impact in terms of eco-points. For the reporting in 2019, as in the previous year, the basic data from the internationally recognised Ecoinvent database (version 3.1) and the method of ecological scarcity (version 2013) were used. The calculation was based on the national electricity mix.

The absolute environmental impact fell by 3.7% and CO<sub>2</sub> emissions by 3.8%. The environmental impact per net sales (currency-adjusted) dropped by 6.9%. This figure is above the long-term target of 5% per year. This progress is founded largely on continuous improvements in efficiency at the energy-intensive ceramics plants. Since the acquisition of Sanitec in 2015, the absolute environmental impact has been reduced by 14.9% and eco-efficiency improved by 27.5%.

Detailed key figures on the environmental impact are provided at → **Key figures sustainability > Environment**.

### RESOURCES AND CIRCULAR ECONOMY (GRI 301)

#### MANAGEMENT APPROACH RESOURCES AND CIRCULAR ECONOMY

The use of raw materials, semi-finished products and finished products with a global procurement value of CHF 882 million is a significant production factor for Geberit. At around 13,800 TJ (previous year 12,900 TJ) – based on basic data from Ecoinvent (version 3.1) – the consumption of grey energy associated with purchased materials (including mineral raw materials of the ceramic plants and raw materials of the plant in Ozorków (PL)) is 5.3 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 → **Chapter 10.1 Products and innovation > Product management and innovation**. In the area of ceramic production, Geberit's goal is to improve resource efficiency (kg ceramic waste/kg ceramic) by 10% by 2021.

As part of the European vision for a resource-saving circular economy, efforts are being made to identify and implement options in the area of closed material cycles. The aim is to minimise resource and energy usage, lengthen the service life of products as far as possible, close internal and external material cycles to the greatest extent possible, and constantly increase the use of internal and external recycled materials. Of key importance here is that Geberit products must have a very long industrial service life, as many of them will be installed in buildings for decades. This is guaranteed through the use of top-class materials and the application of strict quality requirements. An important factor here is the availability of spare parts for up to 25 years for a significant proportion of the product range. Furthermore, Geberit products are usually backwards-compatible and can be cleaned and repaired easily. Attention is also paid to using as little packaging material as possible. All these features combine sustainability aspects and support the circular economy, both in production as well as the use of the products in buildings.

Conserving resources also means making appropriate use of products that, although in mint condition, can no longer be sold. The 2019 brand switch from Keramag to Geberit, coupled with major efforts to reduce the complexity of the product portfolio, gave rise to residual items of stock still in mint condition. Rather than scrapping these products, attempts were made to put them to good use, such as in social projects.

#### MATERIALS USED (GRI 301-1)

The use of materials depends on the various manufacturing processes: ten plants for manufacturing sanitary ceramics, twelve plants for processing plastic and metal, and seven other plants in the area of metal composites and metal. The range of manufacturing technologies used thus includes the areas of ceramic production, injection moulding, blow moulding, extrusion, metal-forming and thermoforming, and assembly.

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 419,713 tonnes of materials were used in 2019 (previous year 409,573 tonnes). These amounts include the mineral raw materials from the former Sanitec Group and materials from the plant in Ozorków (PL). Detailed key figures on the use of materials can be found at → **Key figures sustainability > Environment**. In 2019, more than 6,000 tonnes of gypsum waste from ceramic production were used as secondary material in the cement industry, thus making a contribution to the circular economy.

In 2017, the implementation of a software-based solution for managing hazardous substances began. This solution had been rolled out at 16 production plants by the end of 2019. The aim here is to implement a standardised process in all production plants, improve efficiency in the management of hazardous operating and auxiliary materials, and scale down the use of hazardous substances in the long term. The aim is to reduce the volume of hazardous substances used in the production plants by 5% per year in total. In 2019, a 12% reduction was achieved here.

#### PERCENTAGE OF RECYCLED MATERIAL (GRI 301-2)

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

#### 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 9,300 tonnes. 2019 saw the launch of the "back to mould" initiative in the production plants. The aim is to use plastic waste that cannot be externally recycled for the in-house manufacture of components with low quality requirements.

Raw materials are also recycled internally and fed back into the process in ceramic production. The recycling rate for the ceramic slip is 5 to 10% and 20 to 40% for the glaze, corresponding to around 24,600 tonnes in total. Another goal is to further enhance resource efficiency in ceramic production, with a ratio of 0.51 kg ceramic waste/kg ceramic achieved in the reporting year.

#### 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. Extrapolated, the raw material metal purchased contains around 36,900 tonnes of recycled material.

With plastics, virgin material is primarily used. The search for suitable, high-quality regranulate from external plastic waste is, however, 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, while releasing around three tonnes less CO<sub>2</sub> into the atmosphere. In 2019, some 850 tonnes of ABS regranulate were used for various components in exposed and concealed cisterns. Thanks to an intelligent redesign, half of the material used for the flush valve type 240 can be made of high-quality ABS regranulate, for example. The use of plastic regranulate is generally to be increased further and applied to other product areas. In 2019, around 65 tonnes of PE-LD regranulate (post-consumer waste) were used for the manufacture of protective caps at the plant in Rapperswil-Jona (CH).

### REUSE OF PRODUCTS AND PACKAGING MATERIALS (GRI 301-3)

In 2019, around 38,000 tonnes of packaging material (including the former Sanitec) were used, of which around 60% was collected and recycled by Geberit or by financed contractual partners. The rest was disposed of and recycled on a country-specific basis.

## ENERGY (GRI 302)

### MANAGEMENT APPROACH ENERGY

Representing a 96.2% share of the corporate eco-balance, the consumption of energy in the form of electricity, combustibles and fuels represents Geberit's greatest environmental impact. Software introduced in 2012 permits monthly monitoring of water and energy consumption, as well as the Group-wide calculation of environmental impact and CO<sub>2</sub> emissions. 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. Targets were also defined for the share of renewable energy sources as part of the development of a long-term CO<sub>2</sub> target that is compatible with the two-degree target set out in the Paris Agreement and the Science Based Targets Initiative. By 2021, the share of renewable energy sources should account for 45% for electricity and 10% for combustibles.

At present, the five German plants in Lichtenstein, Pfullendorf, Langenfeld, Wesel and Haldensleben are 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, which was reviewed again in 2019.

For the development of energy-efficient products, see → **Chapter 10.1 Products and innovation.**

### ENERGY CONSUMPTION WITHIN THE ORGANISATION (GRI 302-1)

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

Energy consumption decreased by 3.5% in the reporting year and is now 762.3 GWh. Since the acquisition of Sanitec in 2015, it has been possible to reduce energy consumption by 16.4%, making a significant contribution to reductions in the environmental impact.

Combustibles (primarily for ceramic production), including district heating, still account for the greatest share of energy consumption at 66.9%, followed by electricity with 29.2% and fuels with 3.9%.

Renewable sources of energy are to be expanded continuously as part of the sustainability strategy. Since 2012, a block heating station has been in use in Pfullendorf (DE). In 2019, this plant was fed by 8.7 GWh of regionally produced biogas. The electricity generated by the plant (3.3 GWh) is fed into the transmission grid and the resulting heat (4.3 GWh) can be used in production, thereby reducing the use of natural gas. In total, renewable energy sources accounted for 4.3% of combustibles.

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 0.4 GWh of electricity in 2019. However, this contribution is not included in the energy balance as the energy produced is managed by the regional energy supplier. Overall, the volume of purchased green electricity was increased by 3 GWh to 53 GWh in 2019 – meaning that renewable sources of energy accounted for 42.1% of total electricity consumption.

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.**

### ENERGY CONSUMPTION OUTSIDE THE ORGANISATION (GRI 302-2)

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

In 2019, purchased materials resulted in grey energy consumption of around 13,800 TJ.

Logistics services are provided by external transport service providers. A logistics calculator developed by Geberit is used for monitoring purposes. Compared to the previous year, the logistics calculator was expanded to include six locations from the former Sanitec and now covers

logistics in its entirety. In the reporting year, the transport service providers handled 560.5 million tonne-kilometres (previous year 505.9 million tonne-kilometres). This gave rise to energy consumption of 1,148 TJ (previous year 918 TJ). The increase in transport services and energy consumption was mainly caused by the increase in locations included, as well as the rise in net sales and the related expansion in transport volumes.

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. Business flights resulted in energy consumption of 23.2 TJ in the reporting year.

### ENERGY INTENSITY (GRI 302-3)

Energy intensity is an important performance indicator at the production plants, and is monitored monthly in the management cockpit. Those plants which are certified to ISO 50001 (energy) have also introduced a more refined system of monitoring. At Group level, net sales constitute a key indicator alongside environmental impact and CO<sub>2</sub> emissions. In 2019, energy consumption per net sales improved by 6.7% compared to the previous year.

### ENERGY SAVED (GRI 302-4)

Important energy-saving measures in production include:

- The optimisation of production processes in terms of efficiency, scrap, stability, energy and resource consumption
- The continuous modernisation of the machine fleet and the purchase of energy-efficient equipment
- Increasing the capacity utilisation and efficiency of production equipment
- 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), see → **Facts & Figures**
- The careful use of compressed air
- The insulation of buildings

Concrete examples which show the reduction in energy consumption in production:

- Demolition and safe disposal of infrastructure that was no longer required in Pfullendorf and Langenfeld (DE), and in Digoïn and La Vil-  
leneuve au Chêne (FR). Opening of new infrastructure in Pfullendorf, Langenfeld (DE), Ozorków (PL) and Slavuta (UA).
- Number of injection moulding machines with energy-efficient drive technology increased from 174 to 192.
- Commissioning of a third fully electrical blow-moulding machine in Pfullendorf (DE).
- Process optimisation for the manufacture of bent Mapress fittings in Langenfeld (DE) with a reduction in electricity and natural gas  
consumption, reduced use of lubricants and lower quantities of hazardous waste. Implementation of additional fully electrically driven  
production lines.
- The project to retrofit a total of eleven tunnel kilns for ceramic production with state-of-the-art burner technology is now concluded.  
This will bring about long-term savings of more than 20% natural gas per kiln, which corresponds to some 27 GWh of natural gas and  
approximately 6,500 tonnes of CO<sub>2</sub> every year.

Measures to reduce energy consumption in (outsourced) logistics operations:

- Great importance is attached to central transport management as the interface between plants, markets and transport service  
providers in order to enable cost- and resource-optimised transport solutions. By integrating the distribution of the Mapress range,  
customers now receive their entire sanitary technology order in a single truck delivery. This not only reduces the number of empty  
kilometres, it also increases truck capacity utilisation and reduces CO<sub>2</sub> emissions. The share of transport services handled by Euro 5  
trucks was 30% and the share handled by state-of-the-art Euro 6 vehicles 68%.
- Where possible, Geberit takes the opportunity to shift truck traffic to rail. From Pfullendorf, almost 100% of ocean freight shipments  
to Hamburg (DE), 80% of shipments to Italy, and 15% of shipments to Switzerland are conducted by rail. The percentage of rail con-  
signments from Italy to Pfullendorf is 55%.
- With regard to transportation by truck, Geberit continues to look for options for making more efficient use of freight compartments  
and using bigger shipping containers. As such, the percentage of "high cube swap bodies" (offering around 10% more capacity) de-  
ployed from the logistics centre in Pfullendorf is being successively increased. In addition, the use of long trucks (with a length of up  
to 25 metres and a total weight of up to 60 tonnes) in Scandinavia increased load volumes and the number of transported pallets per  
truck by around 40%.

### REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES (GRI 302-5)

The biggest environmental contribution by Geberit products lies in the conservation of water, which indirectly also saves on energy. 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 released per cubic metre for the conveyance, processing and distribution of water and the subsequent treatment of the unpolluted waste water in a treatment plant. The water footprint calculated for Geberit 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 one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 31,220 million m<sup>3</sup> 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. Specific examples include:

- The → **Geberit energy retaining valve ERV** uses a magnetic diaphragm system to cap the ventilation pipe for waste water above the roof. This opens only when required and ensures pressure compensation only when this is necessary. This helps avoid unnecessary heat loss and can save up to 50 l of heating oil a year, see → **Facts & Figures**.
- The → **Geberit AquaClean Sela Comfort** shower toilet uses innovative WhirlSpray and heating-on-demand technology to considerably reduce energy consumption compared to its predecessor.

- The → **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. For this purpose, a proprietary environmental and cost calculator was developed for various sales companies, see → [www.international.geberit.com](http://www.international.geberit.com) > **Products** > **Geberit urinal system** > **Urinal system sustainability calculator**.
- The modular → **Geberit tap system** is the ultimate in sophisticated installation technology, different energy concepts and elegant tap housings for wall-mounted and deck-mounted taps. The product boasts both optimal user-friendliness and ease of installation as well as minimal water and energy consumption.

## WATER AND WASTE WATER (GRI 303)

### MANAGEMENT APPROACH WATER AND WASTE WATER

The biggest environmental contribution made by Geberit products lies in the conservation of water with customers, which is one of the pivotal aspects in the company's contribution towards sustainable development. Innovative Geberit sanitary products reduce the amount of water consumed and help to systematically optimise the way in which water is used in buildings while maintaining the highest hygiene standards – including in terms of drinking water. According to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 31,220 million m<sup>3</sup> of water in comparison with traditional flushing systems. In 2019 alone, the water saved amounted to 3,120 million m<sup>3</sup>. This is more than half of the annual consumption of all German households. Since 2016, Geberit has been publishing its detailed water balance as part of the CDP's Water Program.

For the development of water-saving products and Geberit's commitment beyond product development, see → **Chapter 10.1 Products and innovation**.

### HANDLING AND USE OF WATER (GRI 303-3, GRI 303-5)

The → **Water footprint**, which covers Geberit's entire value chain, 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.

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 this every year. This includes measures such as reusing water in laboratories and production processes. Ceramic production accounts for the biggest share of water consumption. Geberit's goal in this area is to reduce water consumption (l water/kg ceramic) by 5% by 2021 compared with 2018.

In the reporting year, water consumption in production amounted to 1,036,947 m<sup>3</sup> (previous year 1,032,501 m<sup>3</sup>) and is categorised into drinking water (36%), well water (40%), lake and river water (23%) and rain water (1%). Key figures concerning water consumption by source can be found at → **Key figures sustainability** > **Environment**.

### WATER WITHDRAWAL AND WATER CONSUMPTION (GRI 303-1)

Waste water of varying quality accounts for around 80% of the water withdrawn, see → **GRI 303-4**. The remaining 20% evaporates into the atmosphere either during cooling processes or when the ceramic parts and gypsum moulds dry.

The manufacture of ceramic sanitary appliances accounts for around 80% of water consumption, i.e. during preparation of the ceramic slip and glaze, and cleaning the moulds and systems. On average, 6.8 l of water are needed for every kilo of ceramic produced. Around 5 to 10% of the water used in ceramic production is recycled internally, corresponding to around 81,300 m<sup>3</sup> in 2019.

Another major consumer is the Geberit sanitary laboratory in Rapperswil-Jona (CH), where newly developed products are tested. The tests required 96,730 m<sup>3</sup> of water, of which only around 3% (3,068 m<sup>3</sup>) was fresh water. The remaining 97% was reused in a closed-circuit system.

Other processes that consume water are steam foaming of expandable polystyrene (EPS), cleaning work, powder coating, and water used in staff sanitary facilities.

### HANDLING OF WASTE WATER (GRI 303-2)

All resulting process waste water and domestic waste water is treated. Process waste water can contain inorganic substances (e.g. mineral raw materials). This water is cleaned in a two-stage process involving sedimentation and filtration before being returned to surface waters. Only few Geberit processes (e.g. powder coating, electroplating, cleaning of metal fittings) produce waste water that is more heavily contaminated. This waste water is treated in a separate stage before being fed into the public sewage system.

### WASTE WATER (GRI 303-4)

The 2019 figure for waste water was 799,639 m<sup>3</sup> (previous year 808,158 m<sup>3</sup>). At 70%, process waste water from the production of sanitary ceramics accounted for the largest share of the total. Other important categories are domestic waste water (28%), which passes into the communal waste water treatment plant or is pretreated and fed into receiving waters, and other waste water (2%), which is pretreated and fed to a communal waste water treatment plant. Waste water was not directly reused by third-party companies. Detailed key figures on waste water can be found at → **Key figures sustainability** > **Environment**.

## CO<sub>2</sub> AND OTHER EMISSIONS (GRI 305)

### MANAGEMENT APPROACH CO<sub>2</sub> AND OTHER EMISSIONS

Production emissions are recorded, calculated and analysed in detail as part of the corporate eco-balance. CO<sub>2</sub> emissions are particularly important 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 current → **CO<sub>2</sub> strategy**, the aim is to reduce CO<sub>2</sub> emissions per net sales (currency-adjusted) by 5% per year on average. Geberit remains on track here, see → **GRI 305-2**. In 2016, a long-term CO<sub>2</sub> target was established that is compatible with the two-degree target set out in the Paris Agreement and the Science Based Targets Initiative. Within this context, Geberit plans to reduce its absolute CO<sub>2</sub> emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth). This target was al-

ready achieved at the end of 2018. Specific goals for the share of renewable energy sources were also established: 45% for electricity and 10% for combustibles by 2021. Further goals for reducing CO<sub>2</sub> emissions will be defined in 2020 for the next period.

A CO<sub>2</sub> footprint across the entire value chain has been calculated since 2012. This carbon footprint covers the provision of raw materials, combustibles and fuels, the manufacturing of products at Geberit, logistics, use and disposal. With regard to the former Sanitec, only mineral raw materials and raw materials from the plant in Ozorków (PL) are taken into account. An analysis revealed that product use (69.2%) and the provision of raw materials (16.8%) 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 at Geberit accounts for only 5.2% of total CO<sub>2</sub> emissions. Similarly, transport (1.6%), the provision of combustibles and fuels (0.9%) and the disposal (6.3%) 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 → **GRI 302**.

The calculation of greenhouse gas emissions is based on the internationally recognised Ecoinvent database (version 3.1), with the IPCC (Intergovernmental Panel on Climate Change) factors from 2013 used, production-related process emissions included, and the national electricity mix taken into account. 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>) are 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>).

## **DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1) (GRI 305-1) AND INDIRECT, ENERGY-RELATED GREENHOUSE GAS EMISSIONS (SCOPE 2) (GRI 305-2)**

In 2019, CO<sub>2</sub> emissions amounted to 222,639 tonnes (previous year 231,484 tonnes), corresponding to a decrease of 3.8%. At 48.1%, electricity is the largest source of CO<sub>2</sub>, followed by combustibles at 47.9% and fuels at 3.5%, as well as process emissions and district heating at 0.5% in total. The purchase of 53 GWh of green electricity in Givisiez (CH), Pfullendorf (DE), Bromölla and Mörrum (SE), Kolo (PL) and Daishan (CN) meant that it was possible to reduce CO<sub>2</sub> emissions by around 27,900 tonnes.

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

## **OTHER INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 3) (GRI 305-3)**

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

- Raw materials used and the resulting CO<sub>2</sub> emissions at 717,221 tonnes (previous year 665,087 tonnes).
- The provision of combustibles and fuels, which accounted for 32,066 tonnes from combustibles and 5,613 tonnes from fuels in 2019.
- CO<sub>2</sub> emissions of power generation from the upstream chain are included in → **GRI 305-1**.
- Logistics (see → **GRI 302-2**) gave rise to CO<sub>2</sub> emissions of 69,729 tonnes in 2019 (previous year 55,802 tonnes). The increase was mainly caused by the increase in locations included, as well as the rise in net sales and the related expansion in transport volumes. Since 2015, Geberit has managed to improve the eco-efficiency of its logistics operations (environmental impact per tkm) by around 25%.
- Business travel by air, at 1,663 tonnes of CO<sub>2</sub> emissions (previous year 1,588 tonnes). These 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.

## **INTENSITY OF GREENHOUSE GAS EMISSIONS (GRI 305-4)**

CO<sub>2</sub> emissions (Scopes 1 and 2) in relation to net sales (currency-adjusted) decreased by 7.0%. This figure is above the target of 5% per year. Since the acquisition of Sanitec in 2015, the CO<sub>2</sub> emissions per net sales have fallen by 26.4%.

## **REDUCTION OF GREENHOUSE GAS EMISSIONS (GRI 305-5)**

In 2019, Geberit purchased another 3 GWh of certified green electricity, bringing the total to 53 GWh. Overall, renewable energy sources thus accounted for 42.1% of electricity (previous year 40.6%). According to the CO<sub>2</sub> strategy, an additional 3 GWh of green electricity is to be purchased each year so that the share of renewable energy sources for electricity reaches 45% by 2021.

For combustibles, the share of renewable energy sources should be increased to 10% by 2021. The block heating station in Pfullendorf (DE), which was commissioned in 2012 and which was fed by 8.7 GWh of regionally generated biogas in 2019, makes a key contribution. An additional 13.3 GWh of district heating was sourced from a paper factory and a block heating station powered by wood. This brought the share of renewable energies for district heating and combustibles to 4.3% in total in 2019 (previous year 5.2%).

Fuel consumption is determined primarily by the company's own and leased fleet of cars and delivery vans. Since early 2008, binding guidelines have also applied for the purchase of new vehicles. As of 2019, these guidelines were adjusted to take into account the new Worldwide Harmonised Light Vehicles Test Procedure (WLTP).

Substantial CO<sub>2</sub> emissions can also be saved by consistently applying eco-design principles in new product development. One concrete example is the flush valve type 240 for cisterns. Half of the material used is made of high-quality ABS regranulate. Indirectly, this means that almost 500 tonnes of CO<sub>2</sub> can be saved annually, corresponding to savings of about 1 GWh of average European electricity, see → **Facts & Figures**.

Geberit also 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. There are also local initiatives, e.g. tree planting work, forestry projects, environmental competitions and environmental newsletters.

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

## **EMISSIONS OF OZONE-DEPLETING SUBSTANCES (GRI 305-6)**

Emissions of ozone-depleting substances, measured in CFC-11 equivalents, can be calculated based on the eco-balance using the base data from the Ecoinvent database (version 3.1). 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. Key figures on ozone-depleting substances can be found at → **Key figures sustainability > Environment**.

## **NITROGEN OXIDES (NO<sub>x</sub>), SULPHUR OXIDES (SO<sub>x</sub>) AND OTHER AIR EMISSIONS (GRI 305-7)**

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 eco-balance using the base data from the Ecoinvent database (version 3.1). 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. Key figures on these emissions can be found at → **Key figures sustainability > Environment**.

## **WASTE (GRI 306)**

### **MANAGEMENT APPROACH WASTE**

According to the corporate eco-balance, waste disposal accounted for just 2.0% of the overall environmental impact. The reduction and safe handling of waste is promoted at the plants within the scope of the environmental management system according to ISO 14001. Waste is sorted so that as much as possible is recycled, and as little as possible has to be incinerated or sent to landfill sites.

As part of a resource-saving circular economy, efforts are being made to generate secondary material for other processes from waste. In both the Kolo and Wloclawek ceramic plants in Poland, for example, gypsum waste from ceramic production, which had previously been disposed of as waste to landfills, has been used as secondary material in the cement industry since the end of 2016. This reduces waste quantities for landfills by over 6,000 tonnes per year.

### **VOLUME OF WASTE (GRI 306-2)**

The total quantity of waste in 2019 was 80,049 tonnes (previous year 84,074 tonnes).

78.3% of waste was channelled to external recycling processes (previous year 74.8%). The measures focused on the further separation of waste and the reduction of mixed waste and hazardous waste, as well as the utilisation as secondary material. Increasing resource efficiency in ceramic production leads to a reduction in ceramic waste.

Key figures concerning waste by category can be found at → **Key figures sustainability > Environment**.

### **SPILLS OF HAZARDOUS SUBSTANCES (GRI 306-3)**

In the reporting year, there was an incident of process waste water that was unintentionally discharged from a ceramics plant into receiving waters leading to official requirements, and these were handled accordingly.

### **TRANSPORT OF HAZARDOUS WASTE (GRI 306-4)**

In 2019, 957 tonnes of hazardous waste (previous year 777 tonnes) were disposed of by incineration and 516 tonnes of hazardous waste (previous year 588 tonnes) were recycled. At Geberit, all waste is disposed of and recycled by licensed disposal companies.

### **WATER BODIES AFFECTED BY WASTE WATER DISCHARGES (GRI 306-5)**

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 Standards.

## **ENVIRONMENTAL COMPLIANCE (GRI 307)**

### **MANAGEMENT APPROACH ENVIRONMENTAL COMPLIANCE**

In its → **Code of Conduct**, Geberit states that it will limit the environmental impact of its business activities to a minimum. This calls for 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 is a mandatory element of ISO 14001 certification (environment), and this will be further strengthened from 2020 onwards with the roll-out of an EHS compliance tool in the production plants and logistics. Monitoring is also part of the annual Group-wide survey on compliance with the Code of Conduct at all companies, see → **GRI 419**.

### **SANCTIONS DUE TO NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS (GRI 307-1)**

In the reporting year, official requirements relating to the incident of unintentional discharge of process waste water from a ceramics plant were handled accordingly, see → **GRI 306-3**.



# 10. PROFIT

## 10.1 PRODUCTS AND INNOVATION

### PRODUCT MANAGEMENT AND INNOVATION

#### MANAGEMENT APPROACH PRODUCT MANAGEMENT AND INNOVATION

Sustainable products play a pivotal role for Geberit in generating added value for customers and society and for contributing to sustainable development as set out by the UN Sustainable Development Goals. With its wide range of products in front of and behind the wall, Geberit spans the entire flow of water within a building and helps to optimise significant aspects of the system as a whole, such as water and energy consumption or sound insulation. In addition to its quality, durability and high degree of water and resource efficiency, the Geberit product range also impresses with its good environmental compatibility and 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.

For an overview of product development topics, see → **Business Report > Business and financial review > Financial Year 2019 > Innovation**. For an overview of new products, see → **New products**.

Geberit regards eco-design as the key to environmentally friendly products, which is why eco-design has been an integral part of the development process since 2007. 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. In addition, they ensure that environmentally relevant data is collected and made available for later use, something which is of particular benefit to digital planning using BIM (Building Information Modeling). Based on the findings of these eco-design workshops, new solutions are developed and, where fit for purpose, adopted into the specifications for that product.

Specially created product life cycle assessments are important decision-making tools for the development process and provide arguments for the use of resource-efficient products. Detailed life cycle assessments have already been prepared for the following products: waste water and drinking water pipes, AquaClean Mera and Sela, electronic washbasin taps, concealed cisterns, urinal control systems, urinal systems and sanitary ceramics. The environmental product declarations (EPDs) in accordance with the European standard EN 15804 are also important and can also be used directly for green building standards such as LEED. These show relevant, comparable and verified environmental data on products in a transparent manner. Since the last report, another EPD has been created for AquaClean Sela.

The biggest environmental contribution by Geberit products lies in the conservation of water. An analysis of the entire value chain in the form of a → **Water footprint** shows that nearly 100% of water consumption is attributable to the product use phase.

Geberit also advocates the economical use of water beyond processes and products. In 2017, Geberit played a key role in establishing the European Bathroom Forum (EBF). One of the first tasks was the launch of a new European water label as a voluntary and flexible instrument to support customers in the selection of resource-efficient products. This aims to help achieve the EU goals for resource efficiency. In addition, Geberit collaborated with FECS (European Sanitaryware Producers Federation) to draw up a voluntary European standard for assessing the sustainability of ceramic sanitary appliances (EN 16578).

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

- Geberit ONE. This comprehensive solution combines Geberit's know-how in sanitary technology and design expertise, offering optimal flush performance and a minimum flush volume (4/2 l).
- Ongoing optimisation of the ceramic product range helps reduce the number of different products, thus cutting down on resource usage in manufacture, storage and distribution.
- Expansion of the range of rimless WC pans helps to simplify cleaning and cut down on cleaning agents.
- Thanks to an intelligent redesign, the fill valve type 333 for cisterns is both flow-optimised and very quiet. It uses 15% less materials in the manufacturing process, with 20% of the plastic in the valve made up of regranulate.
- Geberit's SuperTube technology in combination with Geberit Sovent saves both space and resources in discharge systems installed in high-rise buildings. Taking the Lobby 33 reference project (a 30-storey high-rise building in Mexico) as an example, it was calculated that the new technology saved over 2,000 metres of pipes corresponding to more than 3 tonnes of material.

### QUALITY

#### MANAGEMENT APPROACH QUALITY

See → **GRI 416**.

### PRODUCT COMPLIANCE

#### MANAGEMENT APPROACH PRODUCT COMPLIANCE

See → **GRI 416** and → **GRI 417**.

#### SANCTIONS DUE TO NON-COMPLIANCE WITH PRODUCT LIABILITY REGULATIONS

In 2019, no sanctions were imposed in connection with Geberit products and services due to non-compliance with product liability regulations.

## 10.2 OPERATIONS

### PROCUREMENT

#### SUPPLY CHAIN (GRI 102-9)

Corporate Purchasing is responsible for 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.

Geberit's production processes entail a high in-house production depth, i.e. it largely purchases raw materials and semi-finished products with a high share of raw materials. As such, material costs constitute a relatively low share of Geberit's net sales.

The raw materials and semi-finished products primarily come from suppliers in Western Europe (81.1% of procurement value). The share of the procurement volume from Eastern Europe amounts to 7.8%, that from Asia 9.0%, from America 1.8% and from Africa 0.3%. The 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 implementation of a dual-source strategy – i.e. the procurement of a resource from two providers – serves additionally to reduce dependencies.

In 2019, Geberit procured raw materials (27.8%), semi-finished products (44.0%), and finished products (28.2%) with a procurement value of CHF 882 million (previous year CHF 920 million) from 1,751 direct suppliers around the globe.

#### MANAGEMENT APPROACH PROCUREMENT

Geberit's suppliers are obligated to maintain comprehensive standards. The basis for the cooperation is the → **Code of Conduct for Suppliers**, which was amended in 2016 and translated into a further 13 languages. The Code is aligned with the principles of the UN Global Compact and is binding for every new supplier. It 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 incorporates a risk management approach on environmental and occupational safety that is based on the assignment of suppliers to a particular risk class within a risk matrix depending on production location (country) and material group (type of production process). As such, suppliers in the highest risk category pose an increased risk both in terms of production location and type of production process. In 2017, suppliers and material groups that had been added due to the acquisition of Sanitec were systematically assessed and included in risk management. In addition, the classification of existing material groups into certain risk categories was reviewed. Since then, the risk matrix has been updated on an annual basis. In the reporting year, 172 existing suppliers were identified in the highest risk category which corresponds to around 8% of the procurement value of Geberit. A systematic planning and performance of audits is conducted for these suppliers. To ensure neutrality and the expertise required for the audits, Geberit also works with an external partner. This procedure has been carried out for years and has proven effective, and makes an important contribution towards 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. New employees in procurement receive training in the process of sustainable procurement.

For further information, see → **Business Report > Business and financial review > Financial Year 2019 > Logistics and procurement.**

#### ASSESSMENT OF NEW SUPPLIERS BASED ON SUSTAINABILITY CRITERIA (GRI 308-1 / GRI 414-1)

All new suppliers undertake to comply with the Code of Conduct for Suppliers and hence also to international standards governing environmental protection, labour practices and human rights. Since 2017, an Integrity Line has also been available to suppliers for anonymously reporting irregularities in the procurement process. No cases were reported in the reporting year. As of the end of 2019, a total of 2,263 direct and indirect suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value.

#### SUSTAINABILITY-RELATED IMPACTS IN THE SUPPLY CHAIN (GRI 308-2 / GRI 414-2)

In 2019, four third-party audits were carried out at suppliers in China and Egypt. The results showed that the majority of occupational safety and environmental standards are complied with. Appropriate corrective measures are agreed in cases of non-compliance.

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, an analysis of the most important second tier 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.

### PRODUCTION

#### MANAGEMENT APPROACH PRODUCTION

See → **Business Report > Business and financial review > Financial Year 2019 > Production.**

## LOGISTICS

### MANAGEMENT APPROACH LOGISTICS

Group logistics is being further standardised and harmonised. The logistics centre in Pfullendorf is the hub for almost all Geberit sanitary technology products. Man and technology work hand in hand in the new logistics centre. Touchscreens, glove scanners, integrated voice control systems and built-in lift tables as well as lifting devices make the work efficient, safe and ergonomic. Logistics processes are improved continually, while both quality and productivity are further optimised.

The logistics infrastructure of the ceramic business comprises 13 distribution sites of varying sizes across Europe. The integration of the ceramics business into Group logistics continued in 2019. The Geberit Logistics Operation System (GLOS) was successfully introduced. GLOS is the standard system for logistics and is used to continuously improve business processes.

Geberit does not have its own transport fleet, 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. Developed in 2010 and continuously expanded since then, the logistics calculator 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.

For further information, see → **Business Report > Business and financial review > Financial Year 2019 > Logistics and procurement.**

For information on the eco-balance of logistics, see → **GRI 302-2.**

## 10.3 ECONOMIC PERFORMANCE

### ECONOMIC PERFORMANCE (GRI 201)

#### 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.

How Geberit implements integrated sustainability and thus creates value is shown in a → **separate graphic**. The vision of achieving sustained improvement in the quality of people's lives with innovative sanitary products represents the starting point. To bring this vision to fruition, Geberit continuously refines its products, systems and services and sets new standards as a market leader in the area of sanitary products. Values such as integrity, team spirit, enthusiasm, modesty and an ability to embrace change are core factors. The long-term core strategy is based on four pillars: Focus on sanitary products, Commitment to design and innovation, Selective geographic expansion and Continuous optimisation of business processes. This strategy is implemented on the basis of six growth and earnings drivers. The sustainability strategy supplements the core strategy and the growth and earnings drivers with twelve concrete modules. These modules strengthen the business model and the added value for various stakeholders in the areas People, Planet and Profit in a targeted manner. The results of Geberit's activities show the diverse added value in the three dimensions of sustainability. At the same time, the results contribute to the UN Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development (see → **SDG reporting**). Goal number 6 – "Clean Water and Sanitation" – and goal number 11 – "Sustainable Cities and Communities" – are a key focus for Geberit. However, significant contributions are also made when it comes to "Decent Work and Economic Growth" (goal number 8) and "Industry, Innovation and Infrastructure" (goal number 9).

For detailed explanations of the four strategic pillars and the medium-term goals, see → **Business Report > Business and financial review > Strategy and goals.**

For a description of the economic position of the Geberit Group, see → **Business Report > Business and financial review > Financial Year 2019.**

#### VALUE ADDED AND ITS DISTRIBUTION (GRI 201-1)

Significant indicators for the creation 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 → **Financials > Consolidated financial statements Geberit Group > Statements of cashflows.**

Economic Values Passed On:

- Operating expenses excluding personnel expenses, see → **Financials > Consolidated financial statements Geberit Group > Income statements.**
- Personnel expenses, see → **Key figures sustainability > Employees and society.**
- Payments to providers of capital, see → **Financials > Consolidated financial statements Geberit Group > Statements of cashflows.**
- Social engagement, see → **Chapter 8.2 Social responsibility.**

Retained Economic Values:

- Investments in and divestments of property, see → **Financials > Consolidated financial statements Geberit Group Statements of cashflows.**
- Share buyback, see → **Financials > Consolidated financial statements Geberit Group > Notes > Note 22.**

## OPPORTUNITIES AND RISKS DUE TO CLIMATE CHANGE (GRI 201-2)

One of the visible effects of climate change is the limited local availability of water resources in many places. In the risk analyses periodically published by the World Economic Forum (WEF), water scarcity was classified as one of the five highest risks in terms of impact, according to the 2020 Global Risk Report. This trend has an influence on the development of sanitary technology. 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 big opportunities, Geberit is exposed to an average risk of natural disasters potentially 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.

The manufacture of ceramic sanitary appliances is a resource-intensive and energy-intensive process that has become a part of Geberit production. This increases the company's exposure to CO<sub>2</sub> regulations, meaning that their future development must be carefully monitored. However, these risks are currently still low – only one ceramic plant in Sweden pays CO<sub>2</sub> taxes. In 2016, a long-term CO<sub>2</sub> target was formulated that is compatible with the two-degree target set out in the Paris Agreement and the Science Based Targets Initiative. The aim is for Geberit to reduce its absolute CO<sub>2</sub> emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth). This target was already achieved at the end of 2018 and further long-term targets are being planned. Since the acquisition of Sanitec in 2015, CO<sub>2</sub> emissions per net sales have fallen by 26.4%.

In addition, Geberit is indirectly affected by higher energy or raw material 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 → **GRI 305**), Geberit is reacting proactively and working continuously on saving energy, improving its energy efficiency and reducing its CO<sub>2</sub> emissions. For example, Geberit is continuously investing in the infrastructure of ceramic production. By the end of 2018, eleven tunnel kilns for ceramic production had been equipped with state-of-the-art burner technology, bringing the scheduled retrofitting project to a conclusion. Each kiln can bring about energy savings of over 20%.

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 → **Financials > Consolidated financial statements Geberit Group > Notes > Note 4**.

## BENEFIT PLAN OBLIGATIONS (GRI 201-3)

The Geberit Group sponsors defined benefit plans for its employees in Switzerland and the USA, amongst others. For further details on pension and benefit plans, see → **Financials > Consolidated financial statements Geberit Group > Notes > Note 3** and → **Financials > Consolidated financial statements Geberit Group > Notes > Note 17**.

## FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (GRI 201-4)

Assistance received from the public sector includes:

- Income taxes, see → **Financials > Consolidated financial statements Geberit Group > Notes > Note 25**.
- Investment subsidies to promote the respective business location and secure jobs: CHF 0.5 million.
- Contributions received to support training and part-time employment prior to retirement: CHF 0.5 million.
- Various other subsidies: CHF 0.1 million.

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

## SOCIOECONOMIC COMPLIANCE (GRI 419)

### MANAGEMENT APPROACH SOCIOECONOMIC COMPLIANCE

The → **Geberit Code of Conduct** describes the basic principles that have to be met in order for Geberit to be an exemplary, reliable and fair business partner and employer. The → **Geberit Compass**, a key compliance element, 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. The Geberit Compass 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 the following six key topics: antitrust legislation, corruption, product liability, data privacy, employee rights 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, annual reporting on the Code of Conduct and the Geberit Integrity Line – a whistleblower hotline for employees. A separate Integrity Line has been available for suppliers since 2017.

As only very few companies work with agents, there is no significant risk exposure in this area. Nevertheless, a → **Code of Conduct for business partners** was drawn up in 2016 based on the Geberit Code of Conduct and communicated to the agents by the managing directors of the local sales companies.

Corporate Legal Services is responsible for implementing the compliance topics of antitrust legislation, corruption, product liability and data protection, while Corporate Human Resources is responsible for employee rights, and environmental protection falls under the remit of Sustainability and Process Management.

As part of the annual reporting on the Code of Conduct for Employees, compliance with the requirements set out there is subject to controls. All companies receive over 60 questions on the above-mentioned key topics. 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 Board of Directors and the Group Executive Board, and are published in the annual report.

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

## **SANCTIONS DUE TO NON-COMPLIANCE (GRI 419-1)**

In the reporting year, an incident relating to the unintentional discharge of process waste water from a ceramics plant was handled appropriately, see also → **GRI 307-1**.

## **10.4 CUSTOMERS**

### **CUSTOMER RELATIONS**

#### **MANAGEMENT APPROACH CUSTOMER RELATIONS**

Geberit provides its customers – notably plumbers and sanitary engineers – with a wide, proven range of training courses. In the reporting year, some 35,000 professionals were provided with education and further training on Geberit products, tools, software tools and installation skills at 29 Geberit Information Centres in Europe and overseas. Furthermore, Geberit gave support to plumbers, architects and sanitary engineers via webinars on fire protection and sound insulation, drinking water hygiene and other issues. Around 85,000 customers were introduced to Geberit's know-how and products at external events, some of which were organised in cooperation with market partners.

Geberit's product portfolio comprises around 40,000 articles, a range that calls for extensive know-how on the procurement, assembly and functionality of each product. This knowledge is essential in order to hone the specialist skills of the employees and prepare them for the challenges posed by the market, as well as to stand out as a company with qualified specialist personnel. In order to ensure that this know-how is kept up-to-date, Geberit has developed the Geberit Campus – an international learning platform for employees that can be used in every market. The Campus enables Geberit to centrally collect and provide know-how. Furthermore, interactive eLearning courses and seminars are offered at the Geberit Information Centres. Geberit products and areas of expertise such as fire protection and sound insulation are focal points of knowledge transfer.

For further information, see → **Business Report > Business and financial review > Financial Year 2019 > Customers**.

### **CUSTOMER HEALTH AND SAFETY (GRI 416)**

#### **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. Corporate Product Quality 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 quality assurance 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, Product Quality is responsible for defining, arranging and monitoring all necessary inspections to ensure that these requirements are met. A clear organisational distinction is drawn between Product Development and Product Quality. 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.

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

#### **CONDUCTED HEALTH AND SAFETY ASSESSMENTS (GRI 416-1)**

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 installation, use and disposal. Among other things, quality management includes 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 products or their use result in an increased risk to health or safety, Geberit's technical editorial staff ensures that this is communicated appropriately to customers, see → **GRI 417**.

#### **NON-COMPLIANCE WITH HEALTH AND SAFETY REQUIREMENTS (GRI 416-2)**

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.

### **MARKETING AND PRODUCT LABELLING (GRI 417)**

#### **MANAGEMENT APPROACH MARKETING AND PRODUCT LABELLING**

Most of Geberit's marketing activities continued to target plumbers and planning offices. Besides new or revamped digital tools, proven measures were continued – such as customer visits, training, and the publication of regularly updated technical documents, catalogues, brochures and magazines. Geberit is constantly increasing its activities in the area of Building Information Modeling (BIM), an interdisciplinary planning method that helps to optimise the entire planning and building process while enabling architects, sanitary engineers, building owners and building material manufacturers to share information efficiently, see → **Digitalisation/BIM**.

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 Technical Documentation department that forms part of Corporate Marketing. 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 multicultural 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 increasingly important in the conveying of product information, as Geberit is addressing end users directly 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.

#### **REQUIREMENTS FOR PRODUCT INFORMATION AND LABELLING (GRI 417-1)**

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.

Geberit has joined forces with the European Bathroom Forum (EBF) founded in 2017 to work on a new European water label that is to be used for a wide range of sanitary products. This is an all-encompassing, voluntary and flexible instrument launched by the sanitary industry to support EU goals on resource efficiency.

#### **NON-COMPLIANCE WITH PRODUCT INFORMATION AND LABELLING REQUIREMENTS (GRI 417-2)**

Three cases of incorrect labelling came to light in the reporting year, and these were all corrected.

#### **NON-COMPLIANCE WITH MARKETING COMMUNICATIONS REQUIREMENTS (GRI 417-3)**

In the reporting year, there were no known violations of marketing communications requirements.

### **DIGITALISATION/BIM**

#### **MANAGEMENT APPROACH DIGITALISATION/BIM**

A significant share of the company's varied marketing activities is targeted at plumbers and sanitary engineers. This especially applies to the ongoing, personalised and frequently project-related support given to installation companies and planning offices by Geberit sales representatives. Digital tools are playing an increasingly important role here. As part of the digitalisation initiative, a dedicated team at Group level and in selected test markets is involved in developing and launching digital tools that are tailored to the different needs of the respective target groups.

The reporting year saw the launch and further development of various digital tools designed to respond to the needs of end users as effectively as possible. An "inspiration tool" for end users, which had been piloted in the previous year, is now in use in Switzerland, Germany, Austria and France. A 3D planning tool was also developed, providing a precise and realistic platform for end users to design their future bathroom. Meanwhile, a new CRM system introduced in Germany, Switzerland, Austria and the United Kingdom allows Geberit to tailor its offer to the requirements of potential end users who are interested in sanitary products.

Geberit set up its online catalogue on a new high-performance platform. Information relating to products and spare parts will now be available from a single source and can be displayed on various devices. Information searches are intuitive, also enabling easy navigation on mobile devices at the construction site.

The reporting year also saw the release of a revised version of another tool designed for everyday use, namely the Geberit Pro app for craftsmen. This offers sanitary professionals support when it comes to the correct installation of Geberit products. Things are rounded off by other digital helpers, such as a calculator for using Mapress pipes in industrial applications or a self-learning programme for detecting actuator plates and concealed cisterns.

Building Information Modelling (BIM) is an interdisciplinary planning method that aims to optimise the entire planning and building process, while enabling architects, sanitary engineers, building material manufacturers and building owners to share information efficiently. This helps them to avoid planning errors and improve productivity. For a number of years now, Geberit has been providing BIM users with support in the form of product data and calculation modules. The team of BIM experts was completed in 2019 and forged ahead with its job of processing BIM data for Geberit's entire product range. The team also developed and launched a plug-in for the Autodesk Revit planning software, which gives sanitary engineers direct access to compact 3D models that are always kept up to date, plus the corresponding planning parameters. The roll-out for the most important product categories took place in autumn 2019 in Germany, Austria and Switzerland, and also in markets outside Europe.

### **DATA PROTECTION (GRI 418)**

#### **MANAGEMENT APPROACH DATA PROTECTION**

With the EU's General Data Protection Regulation (GDPR) coming into force, data protection has also become an important issue for Geberit. As a result, the topic was incorporated into the Geberit Compliance System in 2019. Expansion and optimisation of the data protection processes and tools also continued in the reporting year. At the start of the year, an own, individual privacy policy was introduced in recruiting in the HR department. The eLearning module on data protection for employees is now available in 13 languages. Moreover, the topic of data protection was also incorporated in the management system and in reporting on the Code of Conduct. A further 19 Geberit companies were audited on data protection, including Portugal, Spain, Italy, France and Germany. Furthermore, the Group's central data protection organisation was also audited.

#### **COMPLAINTS CONCERNING VIOLATIONS OF CUSTOMER DATA PRIVACY (GRI 418-1)**

In the reporting year, there were no known complaints concerning violations of customer data privacy.

# KEY FIGURES ENVIRONMENT

## ENVIRONMENTAL IMPACT

| Environmental impact              | 2019<br>UBP    | 2018<br>UBP    | Deviation<br>% |
|-----------------------------------|----------------|----------------|----------------|
| Electricity                       | 93,736         | 97,762         | -4.1           |
| Combustibles                      | 93,641         | 98,070         | -4.5           |
| Fuels                             | 16,280         | 16,532         | -1.5           |
| Disposal                          | 4,312          | 3,844          | 12.2           |
| Solvents                          | 1,214          | 1,165          | 4.2            |
| Water and waste water             | 2,531          | 2,489          | 1.7            |
| <b>Total environmental impact</b> | <b>211,714</b> | <b>219,862</b> | <b>-3.7</b>    |

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

## MATERIAL USAGE

| Material usage              | 2019<br>Tonnes | 2018<br>Tonnes | Deviation<br>% |
|-----------------------------|----------------|----------------|----------------|
| Raw material plastics       | 75,889         | 73,276         | 3.6            |
| Raw material metal          | 68,349         | 66,010         | 3.5            |
| Raw material mineral        | 170,647        | 176,211        | -3.2           |
| Other raw materials         | 2,759          | 3,457          | -20.2          |
| Semi-finished products      | 52,431         | 43,168         | 21.5           |
| Finished products           | 49,638         | 47,451         | 4.6            |
| <b>Total material usage</b> | <b>419,713</b> | <b>409,573</b> | <b>2.5</b>     |

## ENERGY CONSUMPTION

| Energy consumption                | Unit           | 2019       | 2018       | Deviation<br>% |
|-----------------------------------|----------------|------------|------------|----------------|
| <b>Electricity</b>                | GWh            | 222.3      | 224.1      | -0.8           |
| <b>District heating</b>           | GWh            | 14.9       | 13.3       | 11.5           |
| <b>Combustibles</b>               |                |            |            |                |
| Natural gas                       | m <sup>3</sup> | 40,817,278 | 43,076,216 | -5.2           |
| Biogas                            | m <sup>3</sup> | 878,974    | 809,171    | 8.6            |
| Liquified petroleum gas (LPG)     | Tonnes         | 5,747.4    | 5,635.0    | 2.0            |
| Diesel for electricity generation | l              | 19,375     | 36,019     | -46.2          |
| Heating oil extra light           | Tonnes         | 5.1        | 7.6        | -33.3          |
| Solid fuels                       | Tonnes         | 0.0        | 1,307.1    | -100.0         |
| <b>Fuels</b>                      |                |            |            |                |
| Gasoline                          | l              | 249,292    | 242,845    | 2.7            |
| Diesel                            | l              | 2,536,977  | 2,557,879  | -0.8           |
| Liquified petroleum gas (LPG)     | kg             | 141,646    | 165,684    | -14.5          |
| Natural gas (CNG)                 | kg             | 3,281      | 4,847      | -32.3          |

|   | 2019<br>TJ     | 2018<br>TJ     | Deviation<br>% |
|---|----------------|----------------|----------------|
| <b>Energy consumption</b>                 |                |                |                |
| <b>Electricity</b>                        | 800.2          | 806.7          | -0.8           |
| <b>District heating</b>                   | 53.5           | 48.0           | 11.5           |
| <b>Combustibles</b>                       | 1,784.8        | 1,882.9        | -5.2           |
| Natural gas                               | 1,485.8        | 1,567.9        | -5.2           |
| Biogas                                    | 32.0           | 29.5           | 8.6            |
| Liquified petroleum gas (LPG)             | 266.1          | 260.9          | 2.0            |
| Diesel for electricity generation         | 0.7            | 1.3            | -46.2          |
| Heating oil extra light                   | 0.2            | 0.3            | -33.3          |
| Solid fuels                               | 0.0            | 23.0           | -100.0         |
| <b>Fuels (gasoline, diesel, LPG, CNG)</b> | 105.7          | 107.4          | -1.6           |
| <b>Total energy consumption</b>           | <b>2,744.2</b> | <b>2,845.0</b> | <b>-3.5</b>    |

## ELECTRICITY MIX

| Electricity mix 2019         | GWh          | Renewable<br>% | Fossil<br>% | Nuclear<br>% | Others<br>% |
|------------------------------|--------------|----------------|-------------|--------------|-------------|
| Europe                       | 155.3        | 25.0           | 53.8        | 19.8         | 1.4         |
| USA                          | 6.9          | 9.6            | 70.3        | 19.4         | 0.7         |
| China                        | 5.6          | 19.1           | 78.8        | 2.1          | 0.0         |
| India                        | 1.8          | 16.4           | 81.8        | 1.8          | 0.0         |
| Green electricity            | 52.7         | 100.0          | 0.0         | 0.0          | 0.0         |
| <b>Total electricity mix</b> | <b>222.3</b> | <b>42.1</b>    | <b>42.4</b> | <b>14.5</b>  | <b>1.0</b>  |

| Electricity mix 2018         | GWh          | Renewable<br>% | Fossil<br>% | Nuclear<br>% | Others<br>% |
|------------------------------|--------------|----------------|-------------|--------------|-------------|
| Europe                       | 159.7        | 24.3           | 54.8        | 19.5         | 1.4         |
| USA                          | 6.6          | 9.6            | 70.3        | 19.4         | 0.7         |
| China                        | 5.9          | 19.1           | 78.8        | 2.1          | 0.0         |
| India                        | 1.8          | 16.4           | 81.8        | 1.8          | 0.0         |
| Green electricity            | 50.1         | 100.0          | 0.0         | 0.0          | 0.0         |
| <b>Total electricity mix</b> | <b>224.1</b> | <b>40.6</b>    | <b>43.8</b> | <b>14.6</b>  | <b>1.0</b>  |

## WATER AND WASTE WATER

| Water                | 2019<br>m <sup>3</sup> | 2018<br>m <sup>3</sup> | Deviation<br>% |
|----------------------|------------------------|------------------------|----------------|
| Drinking water       | 376,430                | 271,311                | 38.7           |
| Well water           | 414,902                | 517,658                | -19.9          |
| River and lake water | 238,037                | 232,096                | 2.6            |
| Rain water           | 7,578                  | 11,436                 | -33.7          |
| <b>Total water</b>   | <b>1,036,947</b>       | <b>1,032,501</b>       | <b>0.4</b>     |

| Waste water              | 2019<br>m <sup>3</sup> | 2018<br>m <sup>3</sup> | Deviation<br>% |
|--------------------------|------------------------|------------------------|----------------|
| Domestic waste water     | 223,404                | 201,427                | 10.9           |
| Process water ceramic    | 558,128                | 583,883                | -4.4           |
| Other waste water        | 18,107                 | 22,846                 | -20.7          |
| <b>Total waste water</b> | <b>799,639</b>         | <b>808,156</b>         | <b>-1.1</b>    |



## EMISSIONS

| <b>CO<sub>2</sub> emissions</b>       | <b>2019<br/>Tonnes</b> | <b>2018<br/>Tonnes</b> | <b>Deviation<br/>%</b> |
|---------------------------------------|------------------------|------------------------|------------------------|
| from combustibles (Scope 1)           | 106,609                | 111,291                | -4.2                   |
| from fuels (Scope 1)                  | 7,807                  | 7,927                  | -1.5                   |
| from process emissions (Scope 1)      | 608                    | 229                    | 165.4                  |
| from electricity (Scope 2)            | 107,160                | 111,973                | -4.3                   |
| from district heating (Scope 2)       | 455                    | 64                     | 612.3                  |
| <b>Total CO<sub>2</sub> emissions</b> | <b>222,639</b>         | <b>231,484</b>         | <b>-3.8</b>            |

Calculation of CO<sub>2</sub> emissions according to IPCC 2013

| <b>Air emissions</b> |                                | <b>2019<br/>kg</b> | <b>2018<br/>kg</b> | <b>Deviation<br/>%</b> |
|----------------------|--------------------------------|--------------------|--------------------|------------------------|
| NO <sub>x</sub>      | direct                         | 51,686             | 55,858             | -7.5                   |
|                      | indirect                       | 147,915            | 151,373            | -2.3                   |
|                      | <b>Total NO<sub>x</sub></b>    | <b>199,601</b>     | <b>207,231</b>     | <b>-3.7</b>            |
| SO <sub>2</sub>      | direct                         | 1,366              | 1,468              | -7.0                   |
|                      | indirect                       | 286,047            | 293,364            | -2.5                   |
|                      | <b>Total SO<sub>2</sub></b>    | <b>287,413</b>     | <b>294,832</b>     | <b>-2.5</b>            |
| NMVOC                | direct                         | 74,797             | 84,086             | -11.0                  |
|                      | indirect                       | 19,059             | 19,471             | -2.1                   |
|                      | <b>Total NMVOC</b>             | <b>93,856</b>      | <b>103,557</b>     | <b>-9.4</b>            |
| Dust (PM10)          | direct                         | 435                | 1,578              | -72.4                  |
|                      | indirect                       | 30,916             | 31,720             | -2.5                   |
|                      | <b>Total dust</b>              | <b>31,351</b>      | <b>33,298</b>      | <b>-5.8</b>            |
| CFC11 equivalents    | direct                         | 0.7                | 0.4                | 70.5                   |
|                      | indirect                       | 8.8                | 9.0                | -2.5                   |
|                      | <b>Total CFC11 equivalents</b> | <b>9.5</b>         | <b>9.4</b>         | <b>0.8</b>             |

Calculation based on Ecoinvent data version 3.1

## WASTE

| <b>Waste</b>                    | <b>2019<br/>Tonnes</b> | <b>2018<br/>Tonnes</b> | <b>Deviation<br/>%</b> |
|---------------------------------|------------------------|------------------------|------------------------|
| to incineration                 | 1,308                  | 1,434                  | -8.8                   |
| to inert waste landfill         | 13,580                 | 18,082                 | -24.9                  |
| to mixed waste landfill         | 971                    | 933                    | 4.1                    |
| to external recycling           | 62,717                 | 62,260                 | 0.7                    |
| to hazardous waste incineration | 957                    | 777                    | 23.3                   |
| to hazardous waste recycling    | 516                    | 588                    | -12.3                  |
| <b>Total waste</b>              | <b>80,049</b>          | <b>84,074</b>          | <b>-4.8</b>            |

# KEY FIGURES EMPLOYEES AND SOCIETY

## WORKFORCE

| Workforce as of December 31, 2019 | 2019          | Share %      | 2018          | Share %      |
|-----------------------------------|---------------|--------------|---------------|--------------|
| Germany                           | 3,267         | 28.1         | 3,282         | 28.2         |
| Poland                            | 1,658         | 14.3         | 1,655         | 14.2         |
| Switzerland                       | 1,435         | 12.4         | 1,395         | 12.0         |
| Ukraine                           | 639           | 5.5          | 660           | 5.7          |
| Austria                           | 555           | 4.8          | 557           | 4.8          |
| Italy                             | 533           | 4.6          | 520           | 4.5          |
| China                             | 531           | 4.6          | 530           | 4.6          |
| Portugal                          | 426           | 3.7          | 381           | 3.3          |
| Others                            | 2,575         | 22.0         | 2,650         | 22.7         |
| <b>Total</b>                      | <b>11,619</b> | <b>100.0</b> | <b>11,630</b> | <b>100.0</b> |
| Production                        | 6,960         | 59.8         | 7,103         | 61.1         |
| Marketing and sales               | 3,041         | 26.2         | 2,928         | 25.2         |
| Administration                    | 958           | 8.3          | 932           | 8.0          |
| Research and development          | 396           | 3.4          | 420           | 3.6          |
| Apprentices                       | 264           | 2.3          | 247           | 2.1          |
| <b>Total</b>                      | <b>11,619</b> | <b>100.0</b> | <b>11,630</b> | <b>100.0</b> |
| Permanent                         | 9,696         | 83.4         | 9,625         | 82.8         |
| Temporary                         | 1,923         | 16.6         | 2,005         | 17.2         |
| <b>Total</b>                      | <b>11,619</b> | <b>100.0</b> | <b>11,630</b> | <b>100.0</b> |
| Full-time                         | 11,066        | 95.2         | 11,071        | 95.2         |
| Part-time                         | 553           | 4.8          | 559           | 4.8          |
| <b>Total</b>                      | <b>11,619</b> | <b>100.0</b> | <b>11,630</b> | <b>100.0</b> |
| Management                        | 216           | 1.9          | 207           | 1.8          |
| Employees                         | 11,403        | 98.1         | 11,423        | 98.2         |
| <b>Total</b>                      | <b>11,619</b> | <b>100.0</b> | <b>11,630</b> | <b>100.0</b> |

Information in full-time equivalents

## DIVERSITY

| Diversity as of December 31, 2019 | Management %  | Employees % | Total % |
|-----------------------------------|---------------|-------------|---------|
| Proportion of female employees    | 11            | 24          | 24      |
| Age structure                     | > 45 years    | 76          | 41      |
|                                   | 30 - 45 years | 24          | 42      |
|                                   | < 30 years    | 0           | 17      |

| Diversity as of December 31, 2018 |               | Management % | Employees % | Total % |
|-----------------------------------|---------------|--------------|-------------|---------|
| Proportion of female employees    |               | 9            | 24          | 24      |
| Age structure                     | > 45 years    | 80           | 40          | 41      |
|                                   | 30 - 45 years | 20           | 43          | 42      |
|                                   | < 30 years    | 0            | 17          | 17      |

## FLUCTUATION

| Fluctuation excl. natural departures |   | 2019 | Rate %     | 2018       | Rate %     |
|--------------------------------------|---|------|------------|------------|------------|
| Age group                            | > 45 years  | 206  | 4.6        | 259        | 6.0        |
|                                      | 30 - 45 years                                     | 292  | 7.1        | 393        | 9.9        |
|                                      | < 30 years  | 133  | 13         | 190        | 18.7       |
| Gender                               | Male  | 474  | 6.4        | 634        | 8.9        |
|                                      | Female  | 157  | 7.1        | 208        | 9.5        |
| Region                               | Germany   | 74   | 3.3        | 153        | 5.7        |
|                                      | Poland  | 62   | 5.1        | 73         | 8.1        |
|                                      | Switzerland                                       | 91   | 7.1        | 113        | 8.9        |
|                                      | Ukraine   | 88   | 14         | 116        | 18.9       |
|                                      | Austria   | 42   | 7.9        | 44         | 8.3        |
|                                      | Italy   | 6    | 1.3        | 2          | 0.4        |
|                                      | China   | 17   | 7.4        | 21         | 8.7        |
|                                      | Portugal  | 21   | 8.5        | 22         | 8.8        |
|                                      | Others  | 230  | 8.2        | 298        | 12.4       |
|                                      | <b>Total fluctuation excl. natural departures</b> |      | <b>631</b> | <b>6.5</b> | <b>842</b> |

| Fluctuation incl. natural departures |   | 2019 | Rate %     | 2018       | Rate %     |
|--------------------------------------|---|------|------------|------------|------------|
| Age group                            | > 45 years  | 380  | 8.4        | 404        | 9.3        |
|                                      | 30 - 45 years                                     | 297  | 7.2        | 396        | 9.9        |
|                                      | < 30 years  | 133  | 13.0       | 190        | 18.7       |
| Gender                               | Male  | 590  | 8.0        | 732        | 10.2       |
|                                      | Female  | 220  | 9.9        | 258        | 11.8       |
| Region                               | Germany   | 154  | 6.9        | 220        | 8.2        |
|                                      | Poland  | 66   | 5.5        | 76         | 8.4        |
|                                      | Switzerland                                       | 115  | 8.9        | 133        | 10.5       |
|                                      | Ukraine   | 90   | 14.3       | 116        | 18.9       |
|                                      | Austria   | 54   | 10.2       | 54         | 10.2       |
|                                      | Italy   | 10   | 2.2        | 2          | 0.4        |
|                                      | China   | 26   | 11.3       | 32         | 13.2       |
|                                      | Portugal  | 24   | 9.8        | 28         | 11.2       |
|                                      | Others  | 271  | 9.6        | 329        | 13.7       |
|                                      | <b>Total fluctuation incl. natural departures</b> |      | <b>810</b> | <b>8.4</b> | <b>990</b> |

Information in headcounts  
Natural departures includes retirements

## TRAINING AND EDUCATION

| Training and education              | Hours per employee | 2019        | 2018        | Deviation % |
|-------------------------------------|--------------------|-------------|-------------|-------------|
| Women                               |                    | 12.7        | 11.8        | 7.6         |
| Men                                 |                    | 14.2        | 14.3        | -0.7        |
| Management                          |                    | 14.0        | 9.0         | 55.6        |
| Other employees                     |                    | 13.8        | 13.8        | 0.0         |
| <b>Training and education group</b> |                    | <b>13.8</b> | <b>13.7</b> | <b>0.7</b>  |

## PERSONNEL EXPENSES

| Personnel expenses              | 2019 MCHF    | 2018 MCHF    | Deviation % |
|---------------------------------|--------------|--------------|-------------|
| Wages and salaries              | 578.9        | 561.3        | 3.1         |
| Pension contributions           | 31.5         | 36.9         | -14.6       |
| Other social benefits           | 108.5        | 107.6        | 0.8         |
| Other personnel expenses        | 33.2         | 38.2         | -13.1       |
| <b>Total personnel expenses</b> | <b>752.1</b> | <b>744.0</b> | <b>1.1</b>  |

## SOCIAL ENGAGEMENT

| Social engagement             | Unit  | 2019  | 2018  | Deviation % |
|-------------------------------|-------|-------|-------|-------------|
| Donations and contributions   | MCHF  | 4.1   | 4.1   | 0.0         |
| Orders to social institutions | MCHF  | 7.9   | 8.1   | -2.5        |
| Charitable work               | Hours | 3,409 | 1,380 | 147.0       |

## HEALTH AND SAFETY

| Health and safety                       | 2019  | 2018  | Deviation % |
|---|-------|-------|-------------|
| Number of occupational accidents        | 193   | 191   | 1.0         |
| Accident frequency rate (AFR)           | 9.8   | 9.7   | 1.0         |
| Lost days due to occupational accidents | 3,688 | 3,584 | 2.9         |
| Accident severity rate (ASR)            | 187.6 | 181.5 | 3.4         |

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

| Absenteeism rate per region 2019 | Illness %   | Accident %  | Total %     |
|----------------------------------|-------------|-------------|-------------|
| Europe                           | 4.79        | 0.13        | 4.92        |
| Asia                             | 2.02        | 0.03        | 2.05        |
| USA                              | 1.43        | 0.02        | 1.45        |
| Others                           | 1.49        | 0.00        | 1.49        |
| <b>Absenteeism rate group</b>    | <b>4.52</b> | <b>0.12</b> | <b>4.64</b> |

| Absenteeism rate per region 2018 | Illness %   | Accident %  | Total %     |
|----------------------------------|-------------|-------------|-------------|
| Europe                           | 5.07        | 0.11        | 5.18        |
| Asia                             | 1.46        | 0.05        | 1.51        |
| USA                              | 4.31        | 0.77        | 5.08        |
| Others                           | 0.86        | 0.00        | 0.86        |
| <b>Absenteeism rate group</b>    | <b>4.77</b> | <b>0.12</b> | <b>4.89</b> |

Absenteeism rate based on regular working hours