

# Communication on Progress UN Global Compact

## Human rights

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

## Labour practices

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

## Environmental protection

### Principle 7:

Support a precautionary approach to environmental challenges.

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

→ G4-46

→ Geberit  
Compass  
→ Code of  
Conduct for  
Employees

→ Carbon  
footprint  
→ G4-EC2

→ Chapter 9.4

### Principle 8:

Undertake initiatives to promote greater environmental responsibility.

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

→ ISO-certificate  
→ Chapter 9  
→ Sustainability  
Strategy

→ Chapter 9.2  
→ G4-EN19

→ G4-EN19

→ Chapter 9.6

### Principle 9:

Encourage the development and diffusion of environmentally friendly technologies.

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

→ G4-2  
→ Water  
footprint

→ Sustainability  
Strategy

→ Reference  
magazine

## Anti-corruption

### Principle 10:

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

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

→ Chapter 12.1