

GEBERIT GROUP

# SUSTAINABILITY

## 2020

# 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**
- → **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**
- → **Materiality analysis**
- → **Sustainability strategy** with objectives, measures and results
- → **Key figures sustainability**
- → **SDG Reporting**
- → **Communication on Progress UNGC**

Since 2006, a sustainability performance report 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 waste (GRI 306: 2020), the standard updated by GRI in 2020 was 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 → **GRI Content Index**. The Report is available in German and English. The German version is binding. A → **SASB Content Index** was also created for the first time for this reporting year.

As prescribed by the GRI, a → **Materiality analysis** based on the aspects defined by the GRI was the strategic starting point. Geberit consulted an external Stakeholder Panel for the fifth time in 2020. Its mandate consisted of providing feedback on the materiality analysis, sustainability performance, sustainability strategy and sustainability communication as well as on opportunities and risks associated with climate change. 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.

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

# CEO STATEMENT ON SUSTAINABILITY



**“In what has been a year like no other, we found the right balance between short-term crisis management and long-term thought and action in 2020.”**  
Christian Buhl, CEO

## GEBERIT WITH STRONG FOUNDATIONS AND A ROBUST CORPORATE CULTURE

2020 will go down in the history of the company as the year in which we dealt very well with an extraordinary crisis. This crisis has not weakened us up to now. Quite the opposite in fact, it has actually made us stronger in terms of competitiveness. Geberit is built on strong foundations – financially, strategically, culturally and in terms of its personnel. When the COVID-19 crisis hit in spring 2020, we therefore decided very early on not to restructure, to secure jobs and not to introduce short-time work where possible. Instead, we focused on continuing to invest and using the lockdown period consciously for tasks that are often neglected in everyday business. It was important to find the right balance between short-term crisis management and long-term thought and action. As a result, important long-term investments continued to be made in product and production innovations, and also in employee education and further training. We were also able to achieve our social commitments in full in this extraordinary year.

## ADDED EFFICIENCY AND RESILIENCE THANKS TO DIGITALISATION

We put the constraints enforced due to the pandemic to good use and made huge steps in the field of digitalisation. A large part of the company was then able to start working from home temporarily within a relatively short time. Moreover, we also used the time for training our employees and strengthening our skills. Digital training tools for our employees were developed and rolled out within a very short space of time. At the same time, we focused even more on communicating with our customers using digital tools. We now have to ensure that we continue to reap the benefits of working digitally in future, as increased efficiency and resilience combined with a simultaneous reduction in resource consumption in mobility are very much in line with the principles of sustainability.

## LONG-TERM STRATEGY AND CONSISTENT IMPLEMENTATION IN CLIMATE CHANGE

The fifth stakeholder panel took place as planned and focused on the opportunities and risks associated with climate change. The need for consistent and appropriate action was demonstrated here. Back in 2016, Geberit adopted the guidelines set out by the Science Based Targets Initiative in order to define a long-term CO<sub>2</sub> reduction pathway and to reduce our absolute CO<sub>2</sub> emissions to below 240,000 tonnes by 2021 as an interim goal. Geberit achieved this goal ahead of schedule back in 2018, with emissions of 206,553 tonnes in 2020. This corresponds to a sales-weighted reduction of 32.6% since 2015. Geberit will specify its goals for the next phase of the climate strategy in 2021. In doing so, we can also build on the successes seen in the development of new products. The eco-design approach has been consistently applied for over ten years and results in savings in materials used, the increased use of recycled materials and reduced water and energy consumption when using our products.

## A FOCUS ON LONG-TERM CHANGE IN THE SANITARY INDUSTRY

Geberit wants to take on a leading role in the change towards a more sustainable sanitary industry. The eco-design approach – which covers the entire product life cycle – plays a central role here. The goal is for products to be manufactured locally, where possible, using durable, sustainable raw materials from carefully selected, predominantly regional suppliers. As a result, transport routes can also be kept as short as possible. The developed products are optimised both in terms of the quantity of materials used and in resource and energy consumption during the usage phase. Furthermore, the service life of products is lengthened as far as possible and good reparability ensured thanks to a comprehensive range of spare parts with long-term availability. By following this life-cycle approach, we can achieve our overall goal of increased added value with the lowest possible consumption of resources.

## 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 and on the sixth goal “Clean Water and Sanitation” in particular (see → **SDG Reporting**). 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 (see → **Communication on Progress UNGC**) both within the company itself and in its supply chain. 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). A new element is the content index in line with the guidelines of the Sustainability Accounting Standards Board (see → **SASB Content Index**).








Christian Buhl, CEO

# 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 current materiality analysis was reviewed and approved by an external stakeholder panel in September 2020.

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

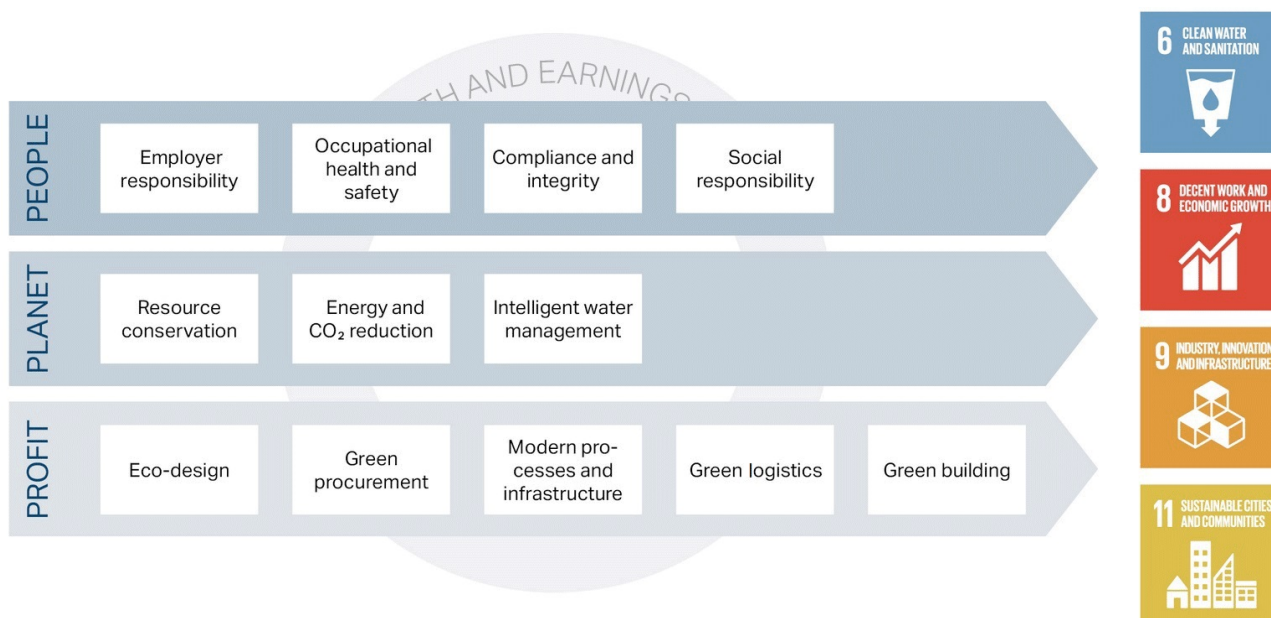
<b>PEOPLE</b>  	Employment	Occupational health and safety	Training and education	Diversity and equal opportunity	Non-discrimination	Freedom of association	
	Anti-corruption	Anti-competitive behaviour	Regional employer	Indirect economic impacts	Human rights, child and forced labour	Social responsibility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

# SUSTAINABILITY STRATEGY 2021-2023

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 Profit 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 (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).

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 2020 as well as the outlook for 2021 to 2023. 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 2020

## OUTLOOK FOR 2021 TO 2023

### EMPLOYER RESPONSIBILITY

Geberit positions itself as an attractive employer, and strives to offer jobs of the highest quality.

Geberit supports disadvantaged employees and apprentices.

- Group-wide roll-out of the revised valYOU performance management process for white collar employees and pilot phase for blue collar employees, combined with a two-day training course for managerial staff.
- Safety and protection of employees ensured in connection with the COVID-19 pandemic. Implementation of far-reaching protective measures and introduction of a Group-wide regulation for working from home.
- Continuation of the Potentials Management Programme for talented prospects within the company. Establishment and development of management, methodological and social skills in preparing for the next career step.
- Development of the Operations Development Programme (ODP) for talented internal and external prospects in Operations (including Logistics and Purchasing).
- Promotion of decentralised collaborations with universities, plus active participation in the international UNITECH network.
- Continuation of the development programme for over 100 regional sales managers from European sales companies based on standardised management principles and instruments.
- Employment of 262 apprentices with a transfer rate to a permanent employment relationship of 86%.

- Roll-out of the valYOU process in all companies for blue collar employees.
- Introduction of a standardised Group-wide management training course, particularly for new managerial staff.
- Group-wide employee survey in 2021.
- Continuation of the Operations Development Programme (ODP) for internal and external managerial staff in Operations (including Logistics and Purchasing).
- Roll-out of leadership programme with the Business School at the University of St. Gallen for around 200 members of senior management.
- Continuation of the development programme for managerial staff at the sales companies.
- Targeted support for transfer of apprentices to a permanent position. Target rate is 75%.

### OCCUPATIONAL HEALTH AND SAFETY

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

- Global certification of all production plants and central logistics in accordance with ISO 45001 (occupational health and safety).
- Implementation of audits across plants. Exchange of best practices and accident analyses encouraged.
- Decrease in the accident frequency rate (AFR) by 9.2% to 8.9 (accidents per million working hours) and in the accident severity rate (ASR) by 8.4% to 171.9 (days lost per million working hours). The absenteeism rate due to accidents and illness was 4.68%.
- Increased occupational health and safety and ergonomics as part of the continuous optimisation and modernisation of processes and systems, by replacement of hazardous substances, by reduction of noise emissions and by the use of robots and lifting aids.
- The comprehensive "Vital" healthcare programme is offered at six locations, which represent around 40% of the entire workforce. Creation of a concept for expanding this to the ceramics plants.
- Start of an eLearning programme to raise awareness of behaviour-related accidents.
- Implementation of the action plan for reducing quartz dust, including measurements and monitoring of targets in the ceramics plants.

- Halving of the accident frequency rate and accident severity rate between 2015 and 2025; AFR target: 5.5; ASR target: 90.
- Final roll-out of the software for capturing and monitoring accident data at additional sites.
- Further improvement in ergonomics, particularly in the ceramics plants.
- Expansion of the measures in the "Vital" programme to additional countries and sites.
- Continuation of the eLearning programme on occupational safety in the production plants and logistics.
- Continuation of the action plan for reducing quartz dust.

## 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.

- The review of adherence to the Geberit Code of Conduct in all organisational units and in interviews conducted by the Internal Audit Department with managing directors on topics from the Code of Conduct resulted in the discovery of one significant breach, which was investigated.
- One incident was reported via the Geberit Integrity Line for employees and was followed up on, 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 antitrust legislation.
- Completion of the implementation of the General Data Protection Regulation (GDPR) in European companies, comprehensive training activities and external audit of the data-protection compliance organisation.
- Revision and roll-out of the eLearning programme on antitrust legislation at management level and in all European sales companies. A further audit was carried out on antitrust legislation.
- Start of roll-out of an EHS (Environment, Health and Safety) compliance tool in five production plants in Switzerland, Poland and Ukraine.
- Data protection audits to be carried out and further development of compliance with data protection.
- Revision and roll-out of the eLearning programme on antitrust legislation for markets outside Europe.
- Further antitrust audits to be carried out by Corporate Legal Services in collaboration with the Internal Audit Department.
- Further roll-out of the 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 450 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.
- Continuation of the skill-sharing programme with projects taking place with participants in Nepal.
- A social project was carried out in Romania (without Geberit apprentices as a result of COVID-19). Construction of sanitary installations in a paediatric hospital for oncology.
- Different workshops for disabled persons were commissioned with simple assembly and packaging work totalling CHF 8.5 million, thus giving around 500 people meaningful work.
- Performance of an additional volunteering project in Nepal with Polish employees in collaboration with Helvetas.
- Implementation of a social project in Ukraine 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.

## IMPORTANT FACTS AND ACHIEVEMENTS 2020

- The absolute environmental impact was reduced by 8.9% and the environmental impact per net sales (currency-adjusted) by 10.1%. This figure is clearly above the target of 5% per year.
- Global certification of all production plants and central logistics in accordance with ISO 14001 (environment), with the Group certificate valid until 2021.
- The amount of hazardous substances used in the production plants was reduced by 6%.
- Internal recycling of around 9,200 tonnes of plastic waste from production, with 940 tonnes of high-quality ABS regranulate used. Additional PP (polypropylene) regranulate approved and in use.
- Participation in Operation Clean Sweep to prevent the pollution of the environment with plastic pellets.
- Further optimisations carried out for the ceramic product range, leading to reduced complexity and a cut in resource consumption. Reuse of products that are no longer required as part of social projects.
- Resource efficiency was improved in ceramic production by 6.4% to 0.48 kg waste/kg ceramic.

## OUTLOOK FOR 2021 TO 2023

- Improvement of eco-efficiency (environmental impact per net sales, currency-adjusted) by 5% per year.
- Extension of the ISO Group certificate until 2024.
- Reduction of hazardous substances in production plants by 5% per year.
- Search for further high-quality plastic regranulates.
- Identification of ways in which to close internal material cycles and make production waste useful for others as secondary materials.
- Reduction of scrap rate and improvement of resource efficiency in ceramic production (kg waste/kg ceramic) by 10% from 2018 to 2021 to 0.47 kg waste/kg ceramic.



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

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

- Absolute CO<sub>2</sub> emissions were reduced by 7.2% to 206,553 tonnes and CO<sub>2</sub> emissions per net sales (currency-adjusted) by 8.4%.
- Relative CO<sub>2</sub> emissions improved by 32.6% since the acquisition of Sanitec, with the target for 2021 achieved ahead of schedule.
- The volume of purchased green electricity increased by 15 GWh to 67.6 GWh. Renewable energy sources accounted for 46.1% of electricity and 4.5% of combustibles.
- 3.8 GWh of green electricity was produced in Givisiez (CH) and Pfullendorf (DE).
- New free-cooling system in Pottenbrunn (AT) for cooling the injection moulding machines with very high levels of energy efficiency.
- Five German production plants received ISO 50001 certification (energy).
- 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).
- Update to the CO<sub>2</sub> target.
- Annual purchase of an additional 3 GWh of certified 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 34,620 million m<sup>3</sup> of water has been saved to date through the use of water-saving flushing systems. In 2020 alone, the water saved amounted to 3,350 million m<sup>3</sup>.
- Water consumption in ceramic production reduced by 4.1% to 6.5 l/kg ceramic.
- Registration of additional water-saving products in accordance with the European water label.
- Reduction of the amount of water consumed in ceramic production (l water/kg ceramic) by 5% from 2018 to 2021 to 6.3 l/kg ceramic.

# PROFIT

## MODULES AND GOALS

### ECO-DESIGN

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

Environmental aspects are already considered during technology development.

- Over 150 eco-design workshops have been held in product development since 2007.
- A wide range of product improvements has been made with regard to environmental friendliness:
  - Expansion of the range of rimless WC pans, thus helping to simplify cleaning and cut down on cleaning agents.
  - New Geberit iCon toilet range with Rimfree Plus technology and new flush valve type 212 enables optimal setting of the flush volume and flush performance.
  - Geberit DuoFresh saves up to 50 litres of heating oil per year compared to opening the window for ventilation.
  - Geberit Inside cistern for the Nordic markets with flush volumes up to 4/2 litres and a high percentage of plastic regranulate used.

## OUTLOOK FOR 2021 TO 2023

- Systematic continuation of eco-design workshops for product development.
- Integration of "Design for Recycling" principles in product development.
- Search for alternative materials or a combination of existing materials for optimising resource efficiency in sanitary products.
- Expansion of the product portfolio to support green building.

### GREEN PROCUREMENT

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

- The Code of Conduct was signed by 2,098 suppliers. This equates to over 90% of the total procurement value.
- No incidents were reported via the Integrity Line for suppliers.
- The supplier sustainability risk matrix was updated and expanded to include additional countries of origin and material groups.
- Regular training of lead buyers on procurement and sustainability, plus exchanges with other industrial companies and participation in the UN Global Compact working group on sustainable supply chains.
- EHS (Environment, Health and Safety) audits were conducted and tracked, particularly in the highest sustainability risk category. This comprises 179 suppliers (some 7% of the procurement value).
- Five third-party EHS audits were carried out at suppliers in China and Ukraine.
- All new suppliers have to sign the Code of Conduct.
- 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.



## MODERN PROCESSES AND INFRASTRUCTURE

Geberit procures, builds and operates durable and high-quality infrastructures such as buildings, equipment and tools.

- Demolition and safe disposal of infrastructure that was no longer required in Daishan (CN). Construction of a new waste disposal centre in Villadose (IT).
- The number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) increased from 192 to 211. Commissioning of a fourth fully electrical blow-moulding machine.
- 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.
- Insourcing of the manufacture of WC seats and lids using thermoplastics instead of non-recyclable duroplast plastics.
- Continuous renewal of machine fleet with energy-efficient technology.
- Further increase in the number of injection moulding machines with energy-efficient drive technology from 211 to 219. Commissioning of further fully electrical blow-moulding machines.
- 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.
- Replacement of conventional plaster casting systems with modern high-pressure casting systems in Kolo (PL) and Slavuta (UA) in order to increase efficiency, improve ergonomics and reduce raw material consumption and plaster waste.

## GREEN LOGISTICS

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

- The transport service providers handled 528.6 million tkm, which was down on the previous year (560.5 million tkm) mainly due to a decline in deliveries to far-away countries. This resulted in CO<sub>2</sub> emissions of 61,653 tonnes (previous year 69,729 tonnes).
- Increased share of state-of-the-art Euro 6 trucks at 73% (previous year 68%).
- Two trucks powered by natural gas in operation on the Jona (CH) to Pfullendorf (DE) route and the use of electric trucks has been analysed.
- The optimised calculation and better utilisation of freight capacity as well as the bundling of long-goods deliveries reduced the number of trips required.
- The eco-efficiency of logistics (environmental impact per tkm) has improved by around 30% since 2015.
- An interdisciplinary project was carried out for analysing the product packaging at Geberit.
- Further optimisation of loading capacity through scheduling and organisational changes as well as the use of larger shipping containers.
- More intensive use of Euro 6 vehicles and identification of suitable alternative drive technologies.
- Optimisation of packaging quantities taking into account the optimal protection and transportability of the products.

## GREEN BUILDING

Geberit has in-depth 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 and AU.
- Around 40% of bathroom furniture of the Geberit brand is FSC® certified (FSC-C134279).
- Four new Environmental Product Declarations (EPD) created for Geberit FlowFit pipes and fittings in accordance with the EN 15804 standard. In total, products with an EPD account for around 20% of Group sales.
- Attained Platinum 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 bathroom furniture of the Geberit brand is FSC® certified (FSC-C134279).
- Creation of further Environmental Product Declarations (EPD).
- More systematic recording of environmentally relevant product data, i.e. for BIM (Building Information Modelling).

# 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):



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

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

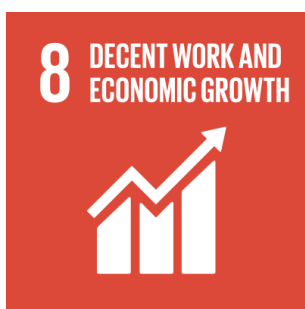
- **Intelligent water management**
- **Eco-design**

## 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 3,350 million m<sup>3</sup> of water in 2020 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 150 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 contributed 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 11,569 employees worldwide and paid out a total of CHF 750 million in salaries and social benefits in 2020.
- Geberit sets particular store on solid education and further training and on equal opportunities for all employees. In 2020, employees across the Group attended on average 15.7 hours of internal and external education and further training.
- At the end of 2020, Geberit employed 262 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 86%. 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 frequency and severity of accidents by 2025. Geberit also offers its employees precautionary healthcare opportunities through various offers and activities.
- The economy benefits from Geberit's leading role in the change towards a more sustainable sanitary industry: 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, 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 2020, this work amounted to CHF 8.5 million and gave some 500 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.
- Infrastructure in Daishan (CN) that was obsolete and no longer required was demolished and safely disposed of. A new waste disposal centre was constructed in Villadose (IT).
- 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. In addition, five German plants are certified in accordance with ISO 50001 (energy) and ten sales companies in accordance with ISO 9001 (quality).
- Since the acquisition of Sanitec in 2015, ten 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 34.8% since 2015.
- In 2020, CHF 75 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.
- Construction processes are complex and require a healthy working relationship between the various parties involved. With this in mind, Geberit has been passing on valuable expertise and training customers and partners for many years. In 2020, around 22,000 sanitary engineers and plumbers received education and further training on products, tools and software tools at 29 Geberit Information Centres.
- Geberit invests in digital tools such as the interdisciplinary planning method BIM (Building Information Modelling), 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.

# 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 breaches related to human rights in 2020. See → **GRI 412**, → **GRI 419**
- The Geberit Integrity Line gives all employees the opportunity to report irregularities anonymously. One case of workplace bullying was recorded by the Integrity Line for employees in 2020, which was investigated. The accused person has since left the company.

### 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 2020, a total of 2,098 suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value. In 2020, 179 existing suppliers were identified in the highest risk category as defined by Geberit, which corresponds to around 7% 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 is an important contribution to ensuring compliance with the duty of care in the supply chain at Geberit. See → **Code of Conduct for Suppliers**, → **Management Approach Procurement**
- In 2020, five third-party audits were carried out at suppliers in China and Ukraine. The results showed that the majority of obligations set out in the Code of Conduct for Suppliers are complied with. Appropriate corrective measures were 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 2020. See → **GRI 407**
- There are currently 8,483 employees (corresponding to 71% 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 2020, 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 were two cases of verbal sexual harassment revealed in 2020, and these were both investigated. In one case, the accused person received an official warning under applicable labour law; in the other, the accused person has since left the company. There was also one case of workplace bullying, which was investigated. The accused person has also since left the company. See → **GRI 406-1**
- 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 2020 as part of the annual Group-wide survey. The proportion of female employees as of the end of 2020 was 24%; in management this figure was 11%. See → **GRI 405**, → **Geberit Code of Conduct**

### Principle 6:

Uphold the elimination of discrimination in respect of employment and occupation

## Environmental protection

### Principle 7:

Support a precautionary approach to environmental challenges

- With the precautionary approach in mind, the Audit Committee of the Board of Directors operates an extensive system for monitoring and controlling the risks (including 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 (70.1%) and the provision of raw materials (16.0%) are by far the largest sources of CO<sub>2</sub> emissions. See → **Carbon footprint**
- In 2020, CO<sub>2</sub> emissions amounted to 206,553 tonnes, corresponding to a decrease of 7.2%. CO<sub>2</sub> emissions per net sales (currency-adjusted) fell by 8.4%, 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. Further goals for reducing CO<sub>2</sub> emissions will be defined and communicated in 2021 for the next period. 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 8.9% in 2020. The environmental impact per net sales (currency-adjusted) dropped by 10.1%, meaning that Geberit clearly exceeded its target of 5% per year. This progress is founded largely on continuous improvements in efficiency at the energy-intensive ceramics plants and on targeted purchasing of green electricity. Since the acquisition of Sanitec in 2015, the absolute environmental impact has been reduced by 22.5% and eco-efficiency increased by 34.8%. 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**
- 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 increased by 15 GWh to 68 GWh in 2020. In total, renewable energy sources now account for 46.1% of electricity, meaning that the target was met ahead of schedule. Renewable energy sources account for 4.5% 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 150 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 saved around 3,350 million m<sup>3</sup> of water in 2020 alone. See → **SDG Reporting**, → **Water footprint**
- Geberit supports the economical use of water in the sanitary industry and contributed to the establishment of 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 2020, the Internal Audit Department audited a total of 23 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.

# INTRODUCTION STAKEHOLDER PANEL

As part of the sustainability reporting on the financial year 2020, Geberit consulted a panel of external stakeholders for the fifth time in September 2020. The results of the external stakeholder panel's analysis are documented 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**.

## PANEL'S OBJECTIVE AND ROLE

The objective of the external stakeholder panel was to receive feedback on the sustainability performance, materiality analysis and sustainability strategy. The panel also aimed to examine whether the most important topics are included in sustainability communication and whether the concerns of the stakeholders are taken into consideration. The opportunities and risks of climate change that are of relevance to Geberit were also assessed.

The panel's review does not include an examination of the accuracy of the data and information presented by Geberit.

## PANEL COMPOSITION AND INDEPENDENCE

The stakeholder panel comprises six independent → **members** with different areas of expertise with respect to Geberit's core business. To ensure the panel's independence in this process, the discussions were overseen and moderated by an external party.

The → **Panel Statement** contains the review of all panel members. The panel is a consensus group. In cases where a consensus could not be reached, the diverging opinions were documented in the statement. As a basic principle, the views expressed by the panel members are their own and do not necessarily reflect the views of their respective organisation or employer.

## PROCESS AND RESULTS

The process comprised several steps and was conducted and documented in a systematic manner:

- Prior to the stakeholder dialogue, all panel members received access to all documents on sustainability reporting (including the sustainability strategy) for analysis. Additionally, the panel members were asked to assess the opportunities and risks for Geberit in terms of climate change using a questionnaire prior to the dialogue.
- In September 2020, the panel met with CEO Christian Buhl, members from Corporate Communications and the Sustainability team for a half-day externally moderated workshop.
- In February 2021, the panel was consulted once again, the revised sustainability strategy presented and the → **Panel Statement** finalised.
- Following this, the → **Response from Geberit to the Panel Statement** was finalised on the basis of current reporting on the financial year 2020.
- The next stakeholder panel is planned for 2022.



# MEMBERS STAKEHOLDER PANEL 2020



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Matthias Pestalozzi

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CEO and Member of the Board of Directors Pestalozzi Group, Dietikon (CH)



Moderator: Dr. Barbara Dubach

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CEO engageability, Zurich (CH)



# PANEL STATEMENT

## OVERALL IMPRESSION

The stakeholder panel considers Geberit's sustainability strategy and reporting to be very comprehensive. It is apparent that the sustainability approach is firmly established within the company: economic, environmental and social goals are pursued. The panel is impressed at how Geberit has consistently and continuously improved its sustainability performance over the years, and how it backs up achievements with facts. The successful integration of Sanitec is also seen as having made a significant contribution to sustainable development.

Geberit should continue to work on its goals and address new challenges. The panel sees Geberit as a beacon for sustainable transformation in the sanitary industry. The company should continue to take a visible leading role in the industry in terms of sustainability and climate change mitigation – what is built today still has to meet sustainability demands and be able to be dismantled decades down the line.

Another task is the commitment towards long-term goals. Above all, climate change mitigation incorporating a climate neutrality strategy will pose a challenge here. There is also a need for action in implementing the circular economy in the construction industry.

## OPPORTUNITIES AND RISKS ASSOCIATED WITH CLIMATE CHANGE

The panel members assume that the political and regulatory framework conditions in terms of climate change mitigation will change and become stricter. In connection with this, it is expected that the interest in environmental and sustainability data on the part of the various stakeholders will also continue to increase. The panel estimates a "moderate" demand for water-saving products as a result of climate change. The reasoning given for this is that Geberit is mainly active in Europe, while saving water is primarily of importance in non-OECD countries in the medium term. However, it is expected that there will be a general growth in demand for products that improve drinking water quality and hygiene. The market will also increasingly demand products that can be repaired and reused, or which are compatible with a circular economy.

Geberit has performed strongly in continuously reducing CO<sub>2</sub> emissions over the past 15 years. Of particular note is that the reduction of greenhouse gas emissions is upheld by all business areas, and that the CO<sub>2</sub> strategy is focused on important energy savings and energy efficiency potential. The presentation of the calculated CO<sub>2</sub> and water footprint across the entire value chain is considered as being important contextual information.

A long-term goal of climate neutrality can only be achieved if Geberit continues to follow this path consistently and aligns itself to the political framework conditions. In production, for example, renewable hydrogen could be considered as a combustible for the ceramic kilns. The kilns are currently still powered by natural gas. The company must align itself to current efforts from similar branches in the European Union here. In logistics, renewable hydrogen could also play a role in operating trucks with fuel cells. A systematic change in methods is needed to achieve climate neutrality within the company.

Outside the company, solutions should be sought primarily in collaboration with partners from the supply chain, logistics or the construction industry. The panel is sceptical of the value of CO<sub>2</sub> certificates for Geberit as the focus should be on the company's own efforts. Certificates can only be an interim solution. However, the panel believes it is a good idea to monitor this topic further.

## SUSTAINABILITY STRATEGY AND PERFORMANCE

In general, the sustainability strategy is assessed as "convincing". According to the panel, challenges exist above all in topics with a more fundamental and longer-term orientation: the need for a decoupling of economic growth and resource consumption was put forward, which may result in new approaches in terms of the business model. The panel also broached the issue of the dominance of ceramic as a product material in the bathroom, which brings challenges from an eco-balance perspective due to its energy-intensive production.

Strategically, Geberit should drive forward the transformation of the sanitary industry in its role as European market leader. Above all, this also applies to the circular economy. According to the panel, technical building systems must also quickly become compatible with the circular economy. This means that all products meet the requirements of the circular economy in full. In order to be able to fulfil these criteria, bonded and welded connections should be dispensed with and the declaration of materials ensured. Geberit should strive towards achieving zero waste and ensure that sold products can be returned to the manufacturer at the end of their service life or otherwise reused. Disruptive business models could also be considered here, such as renting products instead of selling them.

In terms of social aspects, in isolated cases the panel sees the need to address topics in a more strategic way or to take greater account of these in the performance specification. One example here is diversity in the Group Executive Board and in managerial positions. The company's performance could be illustrated more clearly under employer responsibility. Ergonomic aspects for plumbers during product installation should be explored in more detail.

## SUSTAINABILITY COMMUNICATION

According to the panel, Geberit's annual sustainability reporting is of a high standard. It includes all important areas, is transparent and documents the commitment of the company in a credible way. The commitment towards the Sustainable Development Goals (SDG) and the targeted reporting here were also met with positive feedback.

In the opinion of the panel, the comparison of sustainability performance across several years (up to ten years) is of particular interest and could be enhanced further. At some points, reporting on social aspects could be more concise. Additional information on how diversity is promoted among the workforce and which goals Geberit wishes to achieve here would also be desirable.

In discussions, it becomes clear that future challenges will be seen more in customer and marketing communications: Geberit is well positioned to convincingly demonstrate the challenges and sustainable solutions for the sanitary industry, investors and end users. A key topic here in communications is the long-term perspective, as what is built today will still be standing in 2050.

## FINAL REMARKS

The panel members thank Geberit for its open and respectful dialogue. They would like to see Geberit management implement topics such as climate neutrality within the company or the establishment of climate change mitigation in the remaining value chain, and promote sustainable innovations.

The continuation of a biennial stakeholder panel as proposed by Geberit is welcomed in order to provide input on the sustainable transformation of Geberit and the sanitary industry as part of a think tank.

# RESPONSE FROM GEBERIT TO THE PANEL STATEMENT

Geberit thanks the members of the stakeholder panel for the constructive discussions and valuable suggestions. For over 20 years, Geberit has been committed to sustainability and wants to take on a leading role in the change towards a more sustainable sanitary industry. The analyses and suggestions made by the panel offer welcome assistance in this regard.

In terms of the change towards a more sustainable sanitary industry, the acquisition and integration of the Sanitec Group was an important first step. As a result, all fixtures and fittings in the bathroom – from ceramic appliances and bathroom furniture in front of the wall to innovative, functional sanitary technology behind the wall – can be combined appropriately. Geberit supports green building in its broader sense primarily through its products, which are based on eco-design principles and meet many of the criteria for a circular economy. This also includes the support of holistic planning with the help of interdisciplinary Building Information Modelling (BIM).

Geberit invests constantly in new products and infrastructure, sets itself ambitious sustainability goals, monitors adherence to these goals and communicates on the achievement of objectives in a transparent way. The strategy also includes long-term goals, such as the halving of accidents by 2025 and climate change mitigation.

## OPPORTUNITIES AND RISKS ASSOCIATED WITH CLIMATE CHANGE

Geberit thanks the panel for their assessment of the challenges associated with climate change. Back in 2016, Geberit adopted the guidelines set out by the Science Based Targets Initiative in order to define a long-term CO<sub>2</sub> reduction pathway and to reduce absolute CO<sub>2</sub> emissions to below 240,000 tonnes by 2021. Geberit already reached this goal ahead of schedule by the end of 2018.

The current CO<sub>2</sub> strategy expires in 2021 and will be revised in the coming year. The suggestion of achieving climate neutrality within the company in the long term will be discussed internally. The topic of renewable hydrogen as a combustible in the high-temperature kilns used for producing ceramics is an interesting suggestion by the panel and will be followed up as part of an initiative in the ceramics industry. The company wants to achieve improvements by saving energy, increasing energy efficiency and gradually increasing the share of renewable energy sources.

## SUSTAINABILITY STRATEGY AND PERFORMANCE

The decoupling of economic growth and resource consumption as noted by the panel is already on Geberit's agenda, with a contribution made above all through consistent eco-design. A core aspect in product development is keeping the environmental impact of the materials used as low as possible. This can be achieved by eliminating unnecessary components, choosing alternative materials or redesigning components so that they require less material. High added value with the lowest possible consumption of resources is one of Geberit's overall goals. However, the success of such approaches also depends on the acceptance of internal and external customers. It must be made clear to these customers that less material or the use of recycled materials does not result in restricted functionality or poorer quality.

The panel points out the relatively high ecological footprint of ceramic as a product material. Geberit is unable to offer a viable alternative here for the time being as ceramic remains the preferred material with end users in terms of its durability, hygiene and cleaning properties. However, since the integration of the ceramics business, Geberit is now able to optimally combine systems in front of and behind the wall and use ceramic in combination with other materials in an appropriate and resource-saving way. Furthermore, the investments made in efficient, industrial ceramic production together with the retrofitted kilns also contribute to more environmentally friendly and climate-friendly production methods.

As part of the European vision for a resource-saving circular economy, efforts are being made to close internal and external material cycles. The aim is to further minimise resource and energy usage, lengthen the service life of products as far as possible, and ensure good product reparability thanks to a comprehensive range of spare parts with long-term availability of up to 25 years. It should be noted here that Geberit products already have a very long service life when in use, 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. Furthermore, Geberit products are usually backwards-compatible and can be cleaned and repaired easily.

As early as the product development phase, attention is paid towards ensuring simple, tool-free and ergonomic work where possible. Furthermore, numerous tools are available that simplify the installation process. This should be illustrated more clearly in future as part of reporting.

In terms of employer responsibility, Geberit wants to position itself as an attractive employer and strives to offer jobs of the highest quality. The corporate culture at Geberit is characterised by a simple, functional organisation with flat hierarchies and a high degree of personal responsibility and modesty. In this way, Geberit motivates every employee in exploiting their potential to the full and contributing to the success of the company. Geberit supports its employees here with long-term education and further training, for example.

When it comes to diversity, Geberit's attitude is a simple yet fundamental and natural one – the company offers all employees the same opportunities and strives towards finding the best candidate for every position. This is an integral part of the corporate culture. As recommended by the panel, this topic will be illustrated in more detail in future reports. Geberit would welcome more women in managerial positions. However, as is typical for the industry the number of women in management is only increasing slowly at present. Know-how and expertise also play a major role at Geberit. As a result, employees with extensive experience are an important part of the company. Around 20% of the employees have worked at the company for periods in excess of 15 years.

## SUSTAINABILITY COMMUNICATION

Geberit is pleased to note that its sustainability reporting is considered as being of a high standard. A ten-year comparison is already available in the annual report, and longer time periods can also be shown when needed. Geberit has also recognised that there is an increasing need for more communication on the topic of sustainability in the markets – both in terms of products and the company itself – and will focus on this area in future.

## FINAL REMARKS

Geberit thanks all the panel members for their valuable contribution. The next stakeholder panel is planned for 2022.

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## 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. For example, as a supplier Geberit attained Platinum status on the EcoVadis platform for sustainable supply chains.

The → **Materiality analysis**, which is used as a basis for the established → **Sustainability strategy** and 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 sanitary systems for water management in buildings, water-saving and sustainable products, environmentally friendly and resource-efficient production, a supply chain and logistics which satisfy high environmental and ethical standards as well as good and safe working conditions for the 11,569 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 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 feedback of the → **external Stakeholder Panel**, which was conducted for the fifth time in September 2020, 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 including cisterns and fittings. The product area Piping Systems includes building drainage and supply systems and comprises all piping technology found in buildings for drinking water, heating, gas and other media. The Bathroom Systems product area comprises virtually all relevant furnishings in a bathroom such as bathroom ceramics, furniture, showers, bathtubs, taps and controls and shower toilets.

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 2020, see → [Business Report > Business and financial review > Financial Year 2020 > 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 119 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 32](#).

### 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/regions as well as by product areas, see → [Business Report > Business and financial review > Financial Year 2020 > Net sales](#).

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

The Geberit Group's market capitalisation reached CHF 20.5 billion at the end of 2020 (previous year CHF 20.1 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 2020, net sales amounted to CHF 2,986 million (previous year CHF 3,083 million).

At the end of 2020, the Group had 11,569 employees. For the number of business sites, see → [GRI 102-4](#).

### GRI 102-8 COMPOSITION OF THE WORKFORCE

At the end of 2020, the Geberit Group employed 11,569 staff worldwide (previous year 11,619 employees), equivalent to a small decline of 50 employees or 0.4% compared to the previous year. Above all, this reduction was due to the lower number of temporary staff and natural fluctuations seen in production and logistics. In contrast, there was an increase in employees in IT, marketing and development. The additional employees were mainly employed in digitalisation projects.

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. All 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. In addition, five German plants are certified in accordance with ISO 50001 (energy) and ten sales companies in accordance with ISO 9001 (quality). In 2020, an audit tool was developed (implementation in 2021), which enables the digital management of internal and external audits and provides an overview of the measures and their implementation status as part of the process improvement. The Group-wide availability of the platform makes it easier to share best practices.

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. Furthermore, back in 2016, Geberit adopted the guidelines set out by the Science Based Targets Initiative in order to define a long-term reduction pathway and to reduce absolute CO<sub>2</sub> emissions (Scopes 1 and 2) to below 240,000 tonnes by 2021 as an interim goal. Geberit already reached this goal ahead of schedule by the end of 2018. The current CO<sub>2</sub> strategy expires in 2021 and is currently being revised. 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 contributed to the establishment of 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 targets for resource efficiency. Furthermore, Geberit joined the Operation Clean Sweep initiative in 2020 with the aim of preventing pollution of the environment with plastic pellets from production.

## 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 2000, Geberit has also been an active member of TEPPFA, the European organisation for plastic pipes and fittings, where the topics of sustainability and circular economy are central. 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) and the → **Geberit Code of Conduct for Employees** 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. Compliance measures focus 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 2020 > Compliance**.

It is of utmost importance to Geberit that the Geberit Code of Conduct is adhered to. Non-compliance will be systematically sanctioned. 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 in the corresponding language. 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. One case of workplace bullying was recorded by the Integrity Line for employees in the reporting year, which was investigated. The accused person has since left the company. Since 2017, an Integrity Line has also been available to suppliers for anonymously reporting irregularities in the procurement process or non-compliance with the Code of Conduct for Suppliers. 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.**

The operating management structure of Geberit is broken down into six Group Executive Areas:

- CEO Division
- Sales Europe
- Sales International
- Marketing & Brands
- Products & Operations
- 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. Since 2020, this department has also been responsible for Group-wide process management as well as ISO certification. Among other things, it 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 2020, the Board of Directors was composed of six non-executive, independent members. In April 2020, Werner Karlen became the latest person to join the Board of Directors. 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. With two women on the Board of Directors, the proportion of females is more than 30%. 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 the Board of Directors and the Group Executive Board pursue 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 Board of Directors and the Group Executive Board, 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 the Board of Directors and the Group Executive Board pursue 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 Board of Directors and the Group Executive Board. Results and the achievement of objectives are submitted to the Board of Directors and to the Group Executive Board 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 2020, Geberit consulted an → **external Stakeholder Panel** for the fifth time. Its mandate consisted of providing feedback on the materiality analysis, sustainability performance, sustainability strategy and sustainability communication as well as on opportunities and risks associated with climate change. This input is used for the strategic review and continued development of the company. The next stakeholder panel is planned for 2022.

## 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 Board of Directors and Group Executive Board, which take place on a regular basis. In the reporting year, the risk management process was reviewed and approved by an external auditing company.

For an overview of the Geberit compliance topics, see → **Business Report > Business and financial review > Financial Year 2020 > 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 Board of Directors and the Group Executive Board 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 PROCEDURES 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 2020.

### 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**. Geberit has undertaken to integrate targets and measures concerning environmental protection, social responsibility and good corporate governance, also known as "Environmental, Social and Governance" (ESG) criteria, into the remuneration of the Group Executive Board from 2022.

### GRI 102-36 PROCESSES 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 26.1 in Switzerland, 5.6 in Germany, 3.5 in Austria and 4.8 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) for 2020 cannot be reproduced as a figure. This is because the salaries of the highest-paid employees partly decreased whereas the annual remuneration paid to the rest of the workforce slightly increased.

## 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 8,483 employees (corresponding to 71% 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 fifth time in 2020. Its mandate consisted of providing feedback on the materiality analysis, sustainability performance, sustainability strategy and sustainability communication as well as on opportunities and risks associated with climate change. 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 2022.

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 22,000 professionals (previous year 35,000) were provided with training on products, tools, software tools and installation skills at the 29 Geberit Information Centres in Europe and overseas. This decline was compensated for by a wide range of webinars and alternative training formats with 52,000 people (previous year 2,000) taking part.
- Virtual 360° visits to booths at trade fairs that were cancelled because of the COVID-19 pandemic, as well as increased contacts over the phone and digital visit and meeting formats.
- Live transmission of the first virtual showrooms, which provide a good overview of the wide range of products and market-specific innovations in the form of short videos, graphics and links.
- Continuation of the end user campaign in a further twelve European markets under the title "Better bathrooms, better lives", see → **Business Report > Business and financial review > Financial Year 2020 > 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 with 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 Human Resources 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 in the corresponding language.
- 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.

## RESEARCH INSTITUTES:

- Partner of the → **research platform NEST** (Next Evolution in Sustainable Building Technologies) at EAWAG and 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, University of Applied Sciences OST Rapperswil, University of Zurich (CH), Technical University Dresden (DE) and others.
- Exchange with the University of Antwerp (BE) on the subject of eco-design and plastic in the circular economy.

## 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 or non-compliance with the Code of Conduct for Suppliers.

## TRANSPORT COMPANIES:

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

## ASSOCIATIONS:

- 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.
- 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 2020 > Employees**.
- Best-in-class approach to occupational health and safety, see → **GRI 403**.
- Transparency in the remuneration system, see → **Business Report > Remuneration Report**.
- Customer training, see → **Business Report > Business and financial review > Financial Year 2020 > Customers**.
- Holistic solutions for products and systems in front of and behind the wall, see → **Business Report > Business and financial review > Financial Year 2020 > Innovation**.
- Expansion of the portfolio of water-saving products, see → **Water footprint**.
- Eco-design approach for decoupling resource consumption and economic growth, as well as implementing circular economy approaches in production and product development, see → **GRI 301**, → **Chapter 10.1 Products and innovation**.
- Reduction of the amount of packaging while taking the optimum protection of the products into account, see → **GRI 306**.
- CO<sub>2</sub> strategy 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**.
- Reporting on the opportunities and risks associated with climate change, see → **GRI 201-2**.
- Implementation of social projects, see → **Business Report > Business and financial review > Financial Year 2020 > Social Responsibility**.

# 7. REPORTING PRACTICE

## GRI 102-45 BASIS OF CONSOLIDATION

In general, the report covers the entire Geberit Group and the 2020 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 32.**

## 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 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 individual 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, a further review was carried out in 2015. There were no major changes in the material topics. Another review was carried out as part of the switchover to the GRI Standards. Some topics were aggregated (as required by the GRI Standards) and new 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 2020. 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.
Taxes	As part of its reporting, Geberit provides information on income taxes, see → <b>Financials &gt; Consolidated financial statements Geberit Group &gt; Notes &gt; Note 25</b> . Further discussion on the topic of taxes is not considered as material.
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. In the present report, the updated GRI standard for Waste (GRI 306: 2020) was 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 2020.

## GRI 102-51 DATE OF MOST RECENT REPORT

The → **last report** for 2019 has been available online since 10 March 2020. 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  
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## GRI 102-54 COMPLIANCE WITH GRI STANDARDS

This report has been compiled in compliance with GRI Standards: option "Comprehensive", see → [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 once again examined the selection of material aspects (see → [GRI 102-46](#) and → [GRI 102-47](#)) in 2020, 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. All 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. In addition, five German plants are certified in accordance with ISO 50001 (energy) and ten sales companies in accordance with ISO 9001 (quality).
- In 2015, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU. There were no deviations in the last review in 2019.
- On-site audits (quality, environment, occupational health and safety) of suppliers are carried out by Geberit as well as certified third-party specialists. In 2020, five external audits were carried out, see → [Chapter 10.2 Operations](#) > [Procurement](#).

## 8. PEOPLE

### 8.1 EMPLOYEES

Geberit aims to position itself as an attractive employer, and strives to offer jobs of the highest quality. The corporate culture at Geberit is characterised by a simple, functional organisation as well as a high degree of personal responsibility. In this way, Geberit motivates every employee in exploiting their potential to the full and contributing to the success of the company.

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.

Committed, well-trained employees with comprehensive know-how are decisive to the company's future success. Geberit positions itself on the job market as an 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 2020, the corresponding activities were also expanded to include IT specialists in addition to engineers and sales staff.

Campus recruitment activities were also continued in 2020 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.

Furthermore, a mobile app for the Geberit Intranet (GIN) was launched in the reporting year. This means that information is now available via smartphone or tablet to all employees all over the world at any time – whether those working on PCs, others in production and logistics, or sales representatives.

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.

#### 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**.

Working conditions, such as the maximum number of working hours, are governed in accordance with legal requirements on a country-specific basis and are complied with by Geberit. Employees enjoy attractive employment conditions. In 2020, salaries and social benefits amounted to CHF 750 million (previous year CHF 752 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 5.2% (previous year 6.5%). Including natural departures, it was 6.8% (previous year 8.4%). 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 5.8% or 133 permanently employed women made use of this in 2020. Of these, 82 women or around 62% returned to Geberit following their parental leave.

99% of all permanently employed men are entitled to paid paternity leave, and 3.0% or 222 permanently employed men made use of this in 2020. Of these, 217 men or around 98% returned to Geberit following their parental leave.

#### 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. There was a focus on the health and safety of employees during the COVID-19 pandemic, with hygiene and social distancing measures introduced at an early stage. Other measures, such as the obligation to wear masks, directives for business trips, rapid tests or carrying out meetings, were also adapted according to local regulations and in line with the corresponding stages of the pandemic. In order to contain the pandemic further and protect the workforce, employees were also given the possibility of working from home if their work and circumstances permitted.

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 frequency 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)**

The topic of occupational health and safety falls under the remit of Sustainability and Process Management, which reports directly to the CEO. The responsibility for implementation lies with each company. 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.

The Geberit Safety System – 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.

All 29 production plants and thus 100% 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.

### **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, effective 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)**

93.7% 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, the accident investigation or as part of behavioural inspections. 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 workplace-specific training sessions on work-related hazards.

Geberit continues to use an eLearning programme aimed at employees in production and logistics which 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 promote 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 18 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. The programme was adapted to the demands of the ceramics plants and will now be gradually rolled out.

Among others, there is a focus on the ergonomic organisation of the workplace, particularly in the ceramics plants. The automation of production processes is promoted in keeping with the idea of the "flowing factory". In Bromölla (SE), a conveyor system now ensures that, after firing, the ceramic parts are taken to the quality check and then on to subsequent process steps without any manual lifting and carrying. Using lifting aids further minimises the manual lifting and carrying of heavy ceramic parts. This can be seen in Carregado (PT), for example, where the lifting aids used during casting considerably reduce the physical burden on employees.

Further focal points are training courses for managerial staff in health-conscious management as well as 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 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 workshops – 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. With the new Geberit FlowFit supply system, Geberit has gone one step further. The system was developed together with plumbers to make the installation process simpler, safer and more ergonomic. In the process, Geberit has succeeded in developing a pressing technology that makes it possible to fit the drinking water system of a multifamily house without the need for a single tool changeover.

### **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 surfaces and hazardous substances. As part of the Geberit Safety System, the workplace risks are assessed systematically and appropriate measures implemented to protect the employees.

Geberit continued to press ahead with the design of safe workplaces in the reporting year. This was carried out by further optimising and modernising the systems and processes (e.g. an appliance for deburring sharp sheet edges when manufacturing installation modules), the replacement of hazardous substances (e.g. substitution of the pickling process in the manufacture of metal fittings) and the reduction of dust and noise emissions (e.g. by using more efficient extraction devices and filters in ceramic production). Workstations are also being further optimised from an ergonomic point of view through the increasing use of robots or lifting aids.

Thanks to standardised reporting on occupational health and safety, it is ensured that the efforts made achieve their desired effect and that corrective measures can be initiated at an early stage. In the reporting year, a total of 170 accidents were recorded (previous year 193 accidents), equivalent to 3,294 lost working days due to occupational accidents (previous year 3,688 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 was one severe accident. There were no fatal accidents. In 2020, the Accident Frequency Rate AFR (number of accidents per million working hours) decreased by 9.2% to 8.9 (previous year 9.8) and the Accident Severity Rate ASR (number of days lost per million working hours) by 8.4% to 171.9 (previous year 187.6). In terms of the Group-wide absenteeism rate, work-related accidents account for just 2.4% of all absenteeism at 0.11% (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 4.68% (previous year 4.64%). Illness-related absences accounted for 97.6% 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. Geberit has specified a standard threshold for dust emissions, which is lower than the legally prescribed levels at various sites. Dust measurements are taken in the plants on a regular basis with a uniform measurement and evaluation procedure. The results of the site-specific measurements are used as the basis for local corrective measures. In the reporting year, a quartz dust working group was formed in collaboration with the Geberit Ceramic Network Center to develop best-practice solutions, identify optimisation potential in production processes and exchange knowledge. The topic is also systematically addressed as part of the Geberit Safety System and certification according to ISO 45001. 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.

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. In the area of personal protective equipment, as well as in hygiene and cleaning, minimum standards were defined and implemented. 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 and filters, dust masks or the provision of training in correct behaviour at the workplace). Furthermore, the employees regularly undergo occupational medical examinations (including auscultation of the lung, lung checks and X-rays).

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. With valYOU, a new software tool for performance assessment, development and compensation was launched and the process further developed. 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. The Group-wide roll-out of the revised performance management process for all white collar employees took place in 2020. In connection with this, all management personnel received training on the process and assessment tool. Additionally, a special, dedicated annual assessment process was developed for employees working in production and logistics, and was launched at selected companies in the reporting year. From the end of 2021, the valYOU process should be established for all employees across the Group.

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 more than 500 apprentices in Switzerland. 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 (22 new apprentices in 2020) 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. Furthermore, the collaboration with universities as well as active participation in the international UNITECH engineer network is relevant for Geberit to acquire talented prospects and gain new insights.

For further information, see → [Business Report > Business and financial review > Financial Year 2020 > Employees](#).

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

In the reporting year, employees across the Group attended on average 15.7 hours of internal and external education and further training (previous year 13.8 hours). In connection with COVID-19, the range of in-house digital training courses was expanded and saw widespread use by employees. 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. Around 70 employees were nominated to take part in the programmes by their supervisors in the reporting year. The Potentials Management Programme is intended to help fill at least half of all vacant managerial positions with internal candidates. In 2020, this was achieved for 47% of all Group management vacancies (previous year 58%).

The Operations Development Programme was set up at the start of 2020. It is aimed at 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 2020, 262 apprentices (previous year 264) were employed. The transfer rate to a permanent employment relationship was 86% (previous year 85%). Furthermore, 102 internships were made available and 27 Bachelor and Master theses supervised.

For information, see → [Business Report > Business and financial review > Financial Year 2020 > 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 85% of all employees took part in appraisal interviews in 2020 at which development opportunities were also identified and discussed. As part of the standardised global Performance assessment, Development and Compensation process, 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

Geberit offers all employees the same opportunities and strives towards finding the best candidate for every position. Geberit supports diversity and promotes equal opportunities irrespective of gender, ethnic origin, skin colour, age, religion and nationality. 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.

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 2020 was 24% (previous year 24%), and for senior management this figure was 11% (previous year 11%). The six-member Board of Directors has two female members, which represents a share of more than 30%. In the reporting year, a woman took over as Managing Director of Geberit Vertriebs GmbH in Germany, which has the largest share of sales in the Group at 32%.

Geberit would welcome more women in managerial positions. However, as is typical for the industry, the number of women in management is only increasing slowly at present. The proportion of females in Geberit's most important customer target group – plumbers – is extremely low. For example, in Switzerland the proportion of female plumbers is lower than 3%.

Know-how and expertise play a major role at Geberit. As a result, employees with extensive experience are also an important part of the company. Around 20% of employees have worked at the company for periods in excess of 15 years.

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 (ILO = International Labour Organization) core labour standards. Geberit does not tolerate either discrimination or workplace bullying on the basis of race, gender, religion, creed, nationality, age, sexual orientation, physical or mental handicap, marital status, political views or other characteristics protected by law. Geberit aims to ensure a safe working environment for its employees. All forms of workplace violence, including threats, threatening gestures, intimidation, attacks and similar forms of behaviour are forbidden. Compliance with the Code is verified annually as part of a 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 in the corresponding language. 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 were two cases of verbal sexual harassment revealed in 2020, and these were both investigated. In one case, the accused person received an official warning under applicable labour law; in the other, the accused person has since left the company. There was also one case of workplace bullying, which was investigated. The accused person has also since 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 2020.



## 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 2020, the Internal Audit Department audited a total of 23 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) are being updated 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 2020.

### 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. A further internal antitrust audit was carried out in 2020 to ensure compliance in this area and also to improve it.

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. In 2020, the eLearning programme on antitrust legislation was revised and rolled out for all European sales companies.

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)

After a suspected case of conduct in violation of antitrust law, the company concerned reported the incident to the local antitrust authority on its own initiative. Internal investigation of the case is ongoing and Geberit is cooperating fully with the authorities.

### 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. Furthermore, 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.



## 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 Geberit's leading role in the change towards a more sustainable sanitary industry: 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, and through orders with suppliers. There is no management approach to indirect economic impacts in the narrower sense. Instead, the company works with the stakeholders concerned to identify the best solutions in each case.

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 34,620 million m<sup>3</sup> of water in comparison with traditional flushing systems. In 2020 alone, the water saved amounted to 3,350 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 drainage 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 contributed to 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 installed worldwide by wholesalers, plumbers and sanitary engineers. During the reporting year, around 22,000 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 2020 > Customers**.

At the end of 2020, Geberit employed 262 apprentices, thus supporting training in different countries, see also → **GRI 404**.

The indirect economic impact on suppliers and transport companies is also significant. In 2020, Geberit had business relations with a total of 1,721 direct suppliers, corresponding to a cost of materials of CHF 798 million (previous year CHF 882 million). 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 2020. 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 2020. 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 em-

employee protection and human rights. In addition, internal audits with compliance reviews take place at all companies of the Geberit Group, with the supply chain also being carefully reviewed, see → **GRI 419** and → **Chapter 10.2 Operations > Procurement**.

### **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 2020, the Internal Audit Department audited a total of 23 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, which since 2020 has also been available to all employees as a mobile app, serves as an important basis for this. The compliance organisation and Code of Conduct are presented and explained here on a dedicated page.

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

In 2020, 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 4.0 million (previous year CHF 4.1 million) were made during the reporting year. In addition, due to COVID-19 Geberit employees contributed just 450 hours of charitable work (previous year 3,409 hours). Geberit also supports facilities for disabled persons and long-term unemployed, where simple assembly and packaging work in the amount of around CHF 8.5 million was carried out in 2020 (previous year CHF 7.9 million). This gave around 500 people meaningful work.

The focus was on the following projects and partnerships in 2020:

- Implementation of a → **social project** in Romania in 2020, with support given to the construction of a hospital for children with cancer. Due to the COVID-19 pandemic, the team of Geberit apprentices was unable to travel to Romania as originally planned. Geberit delivered all the sanitary products, such as installation elements, drainage pipes and ceramic appliances, and contributed financially to the creation of the sanitary installations.
- The partnership with Helvetas on the subject of clean drinking water and sanitary facilities was continued, with support offered to the Helvetas campaign for clean drinking water and latrines. A major donation was also made to support Helvetas-run water projects around the world.
- The "Change of Perspective" project aimed at the promotion of vocational training and young talent was continued. In 2020, two Geberit employees travelled to Nepal to engage in a professional exchange with teachers at training centres there and to share their basic know-how in sanitary technology. For two weeks, a group of Nepalese vocational school teachers were trained by Geberit employees. Afterwards, the teachers were able to pass on their knowledge to future plumbers.
- Participation in the charitable organisation Swiss Water Partnership to promote international dialogue on the topic of water.
- Various local initiatives and collection campaigns in Germany, Austria, Belgium, UK, Poland and Romania to round off the Geberit Group's social engagement. For example, support for homeless and hospice projects in the UK with construction products, for which the sales company received an award.

## 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**. The goal here is for products to be manufactured locally, where possible, using durable, sustainable raw materials from carefully selected, predominantly regional suppliers in order to keep transport routes as short as possible. The developed products are optimised both in terms of the amount of materials used and in resource and energy consumption during the usage phase. Returning products to an appropriate material cycle after removal is becoming increasingly important here.

Environmental criteria are considered in all decision-making processes. These processes are continuously being examined 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. All 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. 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 2020, 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 environmental impact fell by 8.9% and CO<sub>2</sub> emissions by 7.2% in the reporting year. The environmental impact per net sales (currency-adjusted) dropped by 10.1%, and sales-related CO<sub>2</sub> emissions by 8.4%. These figures are well 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 and on the targeted purchasing of green electricity. Since the acquisition of Sanitec in 2015, the absolute environmental impact has been reduced by 22.5% and CO<sub>2</sub> emissions by 19.9%. Eco-efficiency (environmental impact per net sales) improved by 34.8% in the same period, while sales-related CO<sub>2</sub> emissions fell by 32.6%.

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 798 million is a significant production factor for Geberit. The grey energy associated with purchased materials (including mineral raw materials of the ceramic plants and raw materials of the plant in Ozorków (PL)) results in around 13,100 TJ (previous year 13,800 TJ). This is 5.3 times the entire energy consumption of Geberit's operations. 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% from 2018 to 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.

Geberit supports the Operation Clean Sweep initiative, which is committed to ensuring that plastic granules do not pollute the environment. To this end, a review was carried out at all plastics-processing plants worldwide, and measures for improvement defined and implemented. These include raising staff awareness and verifying the implementation of measures as part of the internal and external ISO audits.

In addition, an internal workshop on eco-design and plastic in the circular economy was held in collaboration with the University of Antwerp (BE) during the reporting year. The primary aim here was to show where the risks and opportunities lie in the area of plastics recycling, what Geberit is already doing in this regard, and what influence product design has on the use of recycled plastics.

Conserving resources also means making appropriate use of products that, although in mint condition, can no longer be sold. The brand switch from Sphinx to Geberit, coupled with major efforts to reduce the complexity of the ceramic-product portfolio, gave rise to residual items of stock still in mint condition. Rather than scrapping these products, attempts were also made in 2020 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 production processes used thus includes the areas of ceramic production, injection moulding, blow moulding, extrusion, metal- 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 408,861 tonnes of materials were used in 2020 (previous year 419,713 tonnes). These amounts include the mineral raw materials of the ceramic plants 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 2017, the implementation of a software-based solution for managing hazardous substances began, with roll-out due for completion in 2021. 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 by 5% every year. In 2020, a 6% reduction was achieved here. An adjustment to the production process at the plant in Langenfeld (DE) in 2020 meant that the pickling process could be partially omitted, resulting in a substantial reduction in the use of hazardous substances in the form of acids and bases. When fully implemented, omission of the pickling process altogether will allow around 64 tonnes of hazardous substances to be saved each year.

## 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 around 9,200 tonnes in total. In addition, old, non-standard small load carriers were collected, shredded and used to manufacture fastening components for the Duofix installation elements. As a result, it was possible to recycle around 12,500 small load carriers or 30 tonnes of plastic in 2020.

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 27,900 tonnes in total. Another goal is to improve resource efficiency in ceramic production to 0.47 kg ceramic waste/kg ceramic by 2021. A value of 0.48 kg ceramic waste/kg ceramic was 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 37,000 tonnes of recycled material.

With plastics, virgin material is primarily used. The search for suitable, high-quality regranulate from external plastic waste (post-consumer waste) is, however, an integral part of Geberit's procurement strategy. In terms of the material Acrylonitrile Butadiene Styrene (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 2020, 940 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. Since 2020, a second high-quality recycled plastic (post-consumer waste) in the form of polypropylene (PP) has been available, 1.2 tonnes of which were used in the reporting year.

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

Due to their long service life and the way in which they are installed, Geberit products can only be reused to a very limited extent. In the case of packaging materials, Geberit's goal – also as part of eco-design workshops – is to keep amounts as low as possible, to continuously increase the share of recycled material, and to simplify the recycling and return processes. In a preliminary study, potential for optimisation in the amount of packaging was identified from both an ecological perspective and from the customer's point of view. Efforts to reduce packaging amounts are already starting to bear fruit. For example, certain packaging levels are being omitted, bags reduced in size or thinner foils used, while instructions are printed directly on the packaging rather than on paper, or replaced by a QR code. In addition, care is being taken to avoid the use of polystyrene (EPS) wherever possible and, where necessary, to replace it with recyclable cardboard. As part of a project at the production plant in Rapperswil-Jona (CH), some 2.5 tonnes of plastic can be saved each year by switching to thinner foils. Application in other plants is under consideration.

In 2020, around 36,100 tonnes of packaging material 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 96.4% 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 5.1% in the reporting year and is now 723.1 GWh. Since the acquisition of Sanitec in 2015, it has been possible to reduce energy consumption by 20.7%, 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 67.0%, followed by electricity with 29.8% and fuels with 3.2%.

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 2020, this plant was fed by 8.8 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 4.5% 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 0.5 GWh of electricity in 2020. 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 15 GWh to 68 GWh in 2020 – meaning that renewable sources of energy accounted for 46.1% 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 2020, purchased materials resulted in grey energy consumption of around 13,100 TJ.

Logistics services are provided by external transport service providers. A logistics calculator developed by Geberit is used for monitoring purposes and covers all intercompany and distribution logistics. In the reporting year, the transport service providers handled 528.6 million tonne-kilometres (previous year 560.5 million tonne-kilometres). This gave rise to energy consumption of 1,015 TJ (previous year 1,148 TJ). The decrease in transport services and energy consumption was mainly due to a decline in deliveries to far-away countries.

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. Due to the COVID-19 pandemic, energy consumption arising from business flights fell sharply to 6.2 TJ in the reporting year (previous year 23.2 TJ).

### **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 2020, energy consumption per net sales improved by 6.4% 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, and the systematic switchover of lighting to LED technology
- 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, e.g. for the pre-heating of plastic granules)
- The careful use of compressed air
- Improved 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 Daishan (CN) and construction of a new waste disposal centre in Villadose (IT).
- Increase in the number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) from 192 to 211 machines, and commissioning of a fourth fully electrical blow-moulding machine.
- Process optimisation for the manufacture of bent Mapress fittings in Langenfeld (DE) through flow production and full automation leading to a reduction in electricity and natural gas consumption, reduced use of lubricants and lower quantities of hazardous waste.
- Reduction of waste quantities and energy consumption in the production of plastic-aluminium multilayer pipes thanks to the new laser-welding process in Givisiez (CH).

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. The efficient utilisation of freight capacity is of key importance here. In the case of product deliveries from the logistics centre in Pfullendorf, the capacity of the loading vessels can now be utilised more efficiently thanks to the optimised calculation of loading space and implementation of organisational measures. This leads to a reduction in the number of transport runs and in CO<sub>2</sub> emissions. The share of transport services handled by Euro 5 trucks was 26% and the share handled by state-of-the-art Euro 6 vehicles 73%. In addition, two trucks powered by natural gas are in operation on the Jona (CH) to Pfullendorf (DE) route, and the use of electric trucks has been analysed.
- 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 consignments from Italy to Pfullendorf is 59%.

- 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) deployed from the logistics centre in Pfullendorf and the use of double-decker systems 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 increases 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 processing 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 34,620 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 DuoFresh module** removes unpleasant odours by extracting the air directly from the WC ceramic appliance and purifying it using a ceramic honeycomb filter. This can save up to 50 litres of heating oil per year compared to opening the window for ventilation.
- 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 litres of heating oil a year.
- 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.
- The Geberit Control App enables product configuration via smartphone, meaning appliances can be operated simply and also continuously optimised in terms of energy management and water consumption, among other aspects.

## 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 at 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 34,620 million m<sup>3</sup> of water in comparison with traditional flushing systems. In 2020 alone, the water saved amounted to 3,350 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 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 953,284 m<sup>3</sup> (previous year 1,036,947 m<sup>3</sup>) and is categorised into drinking water (38%), well water (41%), lake and river water (20%) and rain water (1%). According to the Water Risk Atlas from the World Resources Institute (WRI), the production sites in Lichtenstein (DE), Gaeta (IT), Kolo (PL), Wlowlawek (PL), Shanghai (CN) and Pune (IN) are located in areas with high or very high water stress, and account for 28% of total water consumption. 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 75% of the water withdrawn, see → **GRI 303-4**. The remaining 25% evaporates into the atmosphere either during cooling processes or when the ceramic parts and plaster 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, 6.5 litres 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 73,700 m<sup>3</sup> in 2020.

Another major consumer is the Geberit sanitary laboratory in Rapperswil-Jona (CH), where newly developed products are tested. The tests required 146,097 m<sup>3</sup> of water, of which only around 1% (1,683 m<sup>3</sup>) was fresh water. The remaining 99% 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 fed into the public sewage system or 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 2020 figure for waste water was 709,743 m<sup>3</sup> (previous year 799,639 m<sup>3</sup>). At 69%, process waste water from the production of sanitary ceramics accounted for the largest share of the total. Other important categories are domestic waste water (29%), 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 reused by external 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. The reduction of these emissions is directly related to the reduction targets of the CO<sub>2</sub> strategy. 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 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 had already been achieved by the end of 2018. Specific goals for the share of renewable energy sources by 2021 were also established: 45% for electricity and 10% for combustibles. Further goals for reducing CO<sub>2</sub> emissions will be defined and communicated in 2021 for the next period.

A CO<sub>2</sub> footprint across the entire value chain (Scopes 1 to 3) 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 (70.1%) and the provision of raw materials (16.0%) are by far the largest sources of CO<sub>2</sub> emissions. During product use, the provision of water, processing of unpolluted waste water and generation of hot water play a central role. All in all, manufacturing of the products at Geberit accounts for only 5.3% of total CO<sub>2</sub> emissions. Similarly, transport (1.7%), the provision of combustibles and fuels (0.8%) and the disposal (6.1%) 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 2020, CO<sub>2</sub> emissions (Scopes 1 and 2) amounted to 206,553 tonnes (previous year 222,639 tonnes), corresponding to a decrease of 7.2%. At 48.9%, combustibles are the largest source of CO<sub>2</sub>, followed by electricity at 47.9 % and fuels at 2.9%, as well as process emissions and district heating at 0.3% in total. The purchase of 68 GWh of green electricity in Jona (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 32,500 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 670,192 tonnes (previous year 717,221 tonnes).
- The provision of combustibles and fuels, which accounted for 30,487 tonnes from combustibles and 4,342 tonnes from fuels in 2020.
- 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 total CO<sub>2</sub> emissions of 61,653 tonnes in 2020 (previous year 69,729 tonnes). The decrease in CO<sub>2</sub> emissions was mainly due to a decline in deliveries to far-away countries. Since 2015, Geberit has managed to improve the eco-efficiency of its logistics operations (environmental impact per tkm) by around 30%.
- Business travel by air, at 445 tonnes of CO<sub>2</sub> emissions (previous year 1,663 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 8.4%. This figure is above the target of 5% per year. Since the acquisition of Sanitec in 2015, CO<sub>2</sub> emissions per net sales have fallen by 32.6%.

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

In 2020, Geberit purchased another 15 GWh of green electricity, bringing the total to 68 GWh. Overall, renewable energy sources thus accounted for 46.1% of electricity (previous year 42.1%).

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 8.8 GWh of regionally generated biogas in 2020, makes a key contribution. An additional 12.7 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 4.5% in total in 2020 (previous year 4.3%).

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 volumes of 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, where 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 each year, corresponding to a saving of 1 GWh of average European electricity.

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

All targets and measures for improving the carbon footprint are disclosed in detail as part of the company's participation in the 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 concerning 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 concerning 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 1.8% of the overall environmental impact. The avoidance, reduction and safe handling of waste is promoted at the plants within the scope of environmental management 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.

### WASTE GENERATION AND MANAGEMENT OF WASTE-RELATED IMPACTS (GRI 306-1 AND GRI 306-2)

Waste occurs along Geberit's entire value chain: during the manufacture of purchased raw materials and of semi-finished and finished products, during transportation and production, as well as during the installation and utilisation of products right through to their ultimate disposal when a building is renovated or dismantled.

Production waste at suppliers can only be influenced by Geberit to a limited extent. By complying with the binding Code of Conduct, suppliers undertake – among other things – to reduce the quantity of waste they produce. The matter is also addressed during visits to suppliers and audits. Packaging waste that occurs when raw materials and semi-finished products are delivered to production and logistics can be influenced to a greater extent. For example, agreements with suppliers can stipulate that reusable containers are used instead of disposable ones, or that silo deliveries are made rather than supplying goods in sacks.

Consistent efforts are made to minimise waste in Geberit's production plants, with actions prioritised as follows: avoid and reduce waste, sort the waste and, if possible, recycle it internally or externally; if this is not possible, use the waste for energy recovery by burning it as fuel at an incineration plant or dispose of it in an inert waste landfill. Wherever possible, hazardous waste requiring special disposal and treatment is avoided. The same applies to waste that has to be sent to a mixed waste landfill. As part of a resource-saving circular economy, efforts are being made to generate secondary material for other processes from waste. The type and quantity of waste generated depends to a large degree on the relevant production processes. The most important production processes at Geberit are:

- Plastics processing (injection moulding, blow moulding, extrusion): these processes primarily generate plastic waste, most of which can be processed and recycled internally (either directly at the machine or via a decentralised mill). The proportion that can be recycled internally fluctuates according to the manufacturing process, see → **GRI 301-2**.
- Metalworking (bending, stamping, drilling, welding, forming): these processes primarily generate metal waste that can be recycled and reused externally. In addition, typical waste from metal processing – such as lubricating oils, machine oils and emulsions – are produced.
- Ceramic production: this process generates the largest volume of waste in terms of weight. The waste mainly comprises fired ceramic scrap, mineral sludge (from waste water treatment), and plaster (from used ceramic moulds). As well as minimising the volume of waste through efficient, stable process management, ways of recycling waste internally or externally are also being explored. Trials are underway to examine the possibility of grinding fired ceramic scrap externally and then feeding them back into the production process. In addition, it is possible to dispense with plaster moulds altogether as part of the high-pressure casting process, thus

avoiding this waste fraction, see → **GRI 301-2**. As far as external recycling is concerned, fired ceramic scrap can be recycled for use in tile production or road building. In 2020, more than 17,000 tonnes of plaster were delivered to the cement industry as a by-product for further use, which reduced the amount of waste sent to landfill accordingly.

Geberit also aims to minimise the volume of packaging waste for customers, see → **GRI 301-3**.

Construction site waste is waste that is generated during the installation and processing of products. Apart from product packaging, this typically includes pipe sections that remain after drinking water and waste water pipes have been assembled, protective caps on fittings and pipes that have to be removed prior to assembly, pressing indicators that fall off when the fittings are pressed, various protective components that are removed after tiling is completed, and sections of GIS profiles or plaster panels left over after a prewall has been installed. This waste is disposed of either by the plumber or by local waste management at the construction site. From 2021, as part of the roll-out of the new Geberit FlowFit supply system, Geberit will also offer the possibility of returning protective caps from drinking water fittings and pipes to a Geberit recycling partner. New protective caps or other products can then be made from this waste depending on how clean it is.

Only small quantities of waste are produced during the use phase of Geberit products. This is because Geberit products have a very long service life, the majority of them require little maintenance, and they can be repaired easily in the event of a problem. They are also easy to clean, which means less cleaning work for end users and reduces the amount of cleaning agents used. Waste includes used active carbon filters, batteries, seals and defective components. Geberit has a very large selection of spare parts offering a high degree of backwards compatibility, with availability of up to 25 years for a significant proportion of the product range. This ensures the durability and functionality of the products while simultaneously saving resources.

Waste is also produced when a sanitary installation or bathroom is renovated or dismantled. Since Geberit products can have a service life of up to 50 years, they will often be dirty or blocked with limescale upon removal (e.g. WC ceramic appliances, waste water and drinking water pipes) or may be connected to other parts of a building (e.g. a tiled prewall or waste water systems embedded in concrete). This makes the products more difficult to recycle. The obligation to take back used electrical equipment such as tools, electronic washbasin taps and control systems, shower toilets and other electronic components is regulated by the WEEE Directive (Waste Electrical and Electronic Equipment). As part of the eco-design initiative, Geberit ensures that its products are easy to sort and recycle, and that product materials are clearly labelled.

#### **VOLUME OF WASTE (GRI 306-3, GRI 306-4, GRI 306-5)**

The total volume of waste (including recycling) amounted to 73,969 tonnes in 2020 (previous year 80,049 tonnes). 18.3% of the waste was disposed of, while 81.7% (previous year 78.3%) was recycled externally. The total amount includes 1,263 tonnes (previous year 1,473 tonnes) of hazardous waste, of which 59% was disposed of by incineration and 41% was able to be recycled.

The reduction and safe handling of waste is promoted at the plants within the scope of environmental management according to ISO 14001. At Geberit, all waste is disposed of and recycled by licensed disposal companies and inspected as part of external audits.

Key figures concerning waste by category are provided at → **Key figures sustainability > Environment**.

### **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); as of 2020, this process was simplified with the roll-out of a new EHS (environment, occupational health and safety) compliance tool in logistics and the production plants in Switzerland, Poland and Ukraine. 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)**

There were no sanctions due to non-compliance with environmental laws and regulations in the reporting year.

# 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 2020 > 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. More than 150 eco-design workshops have already been held as part of the development process for new products. 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 Modelling). 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 four EPDs have been created for Geberit FlowFit pipes and fittings in accordance with EN 15804. There was also an EPD update for the AquaClean Mera shower toilet. This means that products with an EPD now account for around 20% of Group sales.

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 contributed to the foundation of 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 targets for resource efficiency.

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 flush volumes of 4/2 litres.
- Expansion of the range of rimless WC pans helps to simplify cleaning and cut down on cleaning agents.
- 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.
- New Geberit Inside cistern for the Nordic markets, with flush volumes of 4/2 litres and over 50% of the plastic in the fill and flush valve made up of regrunulate.
- Thanks to an intelligent redesign, the fill valve type 333 for cisterns is both flow-optimised and very quiet. It uses 11% less materials in the manufacturing process, with around 20% of the plastic in the valve made up of regrunulate.
- The new Geberit FlowFit flow-optimised piping system for drinking water and heating applications made of halogen-free materials. Geberit also offers a system for returning used protective caps and pressing indicators.

### QUALITY

#### MANAGEMENT APPROACH QUALITY

See → **GRI 416**.

### PRODUCT COMPLIANCE

#### MANAGEMENT APPROACH PRODUCT COMPLIANCE

See → **GRI 416** and → **GRI 417**.

## 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. As Geberit neither directly imports nor processes conflict minerals (tin, tantalum, tungsten, gold), it is not deemed to be an "importer" within the meaning of EU Regulation 2017/821. If products containing such metals are shipped to the USA, the provisions of the Dodd-Frank Act (Sec. 1502) apply.

The raw materials and semi-finished products primarily come from suppliers in Western Europe (81.2% of procurement value). The share of the procurement volume from Eastern Europe amounts to 7.8%, that from Asia 9.1%, from America 1.7% and from Africa 0.2%. Owing to the high level of vertical integration 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 2020, Geberit procured raw materials (26.6%), semi-finished products (45.6%), and finished products (27.9%) with a procurement value of CHF 798 million (previous year CHF 882 million) from 1,721 direct suppliers around the globe.

#### MANAGEMENT APPROACH PROCUREMENT

Geberit's suppliers are obligated to maintain comprehensive standards. The basis for cooperation is the → **Code of Conduct for Suppliers**, which is available in 15 languages, to which an Integrity Line for suppliers was added in 2017. The Code is guided by the principles of the UN Global Compact, which itself is based on the Universal Declaration of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The Code of Conduct is binding for every supplier. These include direct suppliers of raw materials and semi-finished products for use in production, as well as indirect suppliers such as those providing services or office materials. The Code comprises specific guidelines on quality and meeting environmental, labour law and social requirements and sets out compliance with human rights. The supplier must prepare appropriate documentation in order to demonstrate – upon request by Geberit – compliance with the provisions of the Code and ensure that these papers are available for inspection at all times. Should the supplier fail to comply with the obligations set out in this Code, then measures for improvement are implemented. 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, occupational safety and human rights matters 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, 179 existing suppliers were identified in the highest risk category, which corresponds to around 7% 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 tried-and-tested procedure has been carried out for years and makes an important contribution to ensuring compliance with the duty of care in the supply chain at Geberit. New employees in procurement also receive training in the process of sustainable procurement. Regular training of lead buyers on procurement and sustainability takes place, plus proactive exchanges with other industrial companies and participation in a working group of the UN Global Compact on sustainable supply chains.

For further information, see → **Business Report > Business and financial review > Financial Year 2020 > 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 or non-compliance with the Code of Conduct for Suppliers. No cases were reported in the reporting year. As of the end of 2020, a total of 2,098 direct and indirect suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value. In the Code of Conduct for Suppliers, suppliers undertake – wherever possible and appropriate – to ensure that their own suppliers and second tier suppliers also adhere to the terms of the Code. Geberit may explicitly demand of a supplier that this Code also be extended to selected second tier suppliers. When auditing suppliers, an analysis of the most important second tier suppliers is included in the risk analysis and the audit investigations on site. Geberit's goal is long-term, collaborative supplier management, where the relationship with the supplier is actively managed and sustainability risks in the supply chain are jointly analysed and minimised.

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

In 2020, five third-party audits were carried out at suppliers in China and Ukraine. The results showed that the majority of obligations set out in the Code of Conduct for Suppliers were complied with. Appropriate corrective measures were agreed in cases of non-compliance.

### PRODUCTION

#### MANAGEMENT APPROACH PRODUCTION

See → **Business Report > Business and financial review > Financial Year 2020 > Production**.



## LOGISTICS

### MANAGEMENT APPROACH LOGISTICS

Group logistics is being further standardised and harmonised. Man and technology work hand in hand at the logistics centre in Pfullendorf (DE), which is the hub for almost all Geberit sanitary technology products. 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, quality and productivity are further optimised, and the environmental impact is reduced, see → **Sustainability strategy**.

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 2020. The Geberit Logistics Operation System (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 2020 > 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 2020**.

#### 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 Society > 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 21**.



## 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 conducted periodically by the World Economic Forum (WEF) and published in its Global Risk Report 2021, water scarcity (a central topic in the context of scarcity of natural resources) was classified as one of the five highest risks in terms of impact. 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- and energy-intensive process that has become a part of Geberit production. This has increased the company's exposure to CO<sub>2</sub> regulations, meaning that their future development must be carefully monitored. However, these risks are currently 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. 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 had already been achieved by 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 32.6%.

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. In total, ten tunnel kilns for ceramic production have been equipped with state-of-the-art burner technology, with each kiln achieving energy savings of over 20% as a result.

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 environmental and climate risks, 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 0.3 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. In addition, training concepts and tools were developed further and professionalised in the reporting year, a focal point being antitrust legislation and data privacy.

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)**

There were no sanctions due to non-compliance in the reporting year.

## **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 22,000 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. Notably due to the COVID-19 pandemic, the reporting year saw much greater use made of webinars and alternative training formats than in previous years, with more than 52,000 participants in attendance.

Geberit's product portfolio comprises around 60,000 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 are offered, as well as seminars 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 2020 > 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. 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. Furthermore, no sanctions were imposed in connection with Geberit products and services due to non-compliance with product liability regulations.

### **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 Modelling (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. In order to meet the increased demand for digitally available data, a medium- to long-term goal is the creation of a “material passport” for each individual product. This contains information on the product materials used and the associated ecological footprint.

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 targets on resource efficiency. Moreover, 40% of bathroom furniture of the Geberit brand is FSC® certified (FSC-C134279).

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

Two cases of incorrect labelling came to light in the reporting year, and these were both 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.

In order to respond to the needs of end users as effectively as possible, various digital tools were launched and further developed. An “inspiration tool” for end users is now in use in 15 markets in Europe. 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 all main markets allows Geberit to tailor its offer to the requirements of prospective end users who are interested in sanitary products. Potential customers are made aware of Geberit's websites through a campaign in digital media, where they can then find inspirations, information and digital tools. In the reporting year, the campaign generated over 2.5 million sessions on the corresponding websites and 17,000 end user registrations in the CRM system.

Geberit's online catalogue has been set up on an extremely high-performance platform. Information relating to products and spare parts is 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.

A digital specification tool has been developed to offer even better support to architects, sanitary engineers and plumbers when planning and configuring bathrooms. It is used to assist the specialists in selecting the right products for a customer-specific project, from the installation and sanitary technology all the way through to the various bathroom products. Another tool designed for everyday use is 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 a plug-in for the 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 small size of the individual files allows them to be used efficiently. Following the roll-out for the most important product categories in the first markets in autumn 2019, the plug-in is now available worldwide and has already been downloaded over 4,000 times by planning and engineering companies.

As a result of the restrictions enforced due to the COVID-19 pandemic, it was only possible to provide around 22,000 (previous year 35,000) professionals with face-to-face training on products, tools, software tools and installation skills at the 29 Geberit Information Centres in Europe and overseas. However, this was more than compensated for by a wide range of webinars and alternative training formats. Whereas webinars were visited by just 2,000 specialists in the previous year, there were around 52,000 participants at these online training courses in the reporting year. Additionally, the range of in-house digital training courses was expanded and saw widespread use by employees.

Geberit responded quickly to the spate of trade fair cancellations in 2020 due to COVID-19. For example, the German sales organisation decided to offer trade professionals a virtual 360° tour of the booth that had been planned for the cancelled trade fair in Essen (DE). A similar approach was taken in Spain, where the Casa Decor in Madrid (ES) – a renowned trade fair for interior design – was cancelled to visitors. Here too, the local sales company offered the interested professional audience the opportunity of visiting the Geberit booth online.

At the same time, Geberit also developed a virtual showroom that can be tailored to the needs of the individual markets with relative ease. These showrooms offer a good overview of the wide range of products and new products in the respective market. They also provide additional information in the form of short videos, graphics and links, and offer visitors the opportunity of tailoring their own showroom experience. The first virtual showrooms went live in the second quarter of the reporting year and have already been visited by over 30,000 interested parties.

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

### **MANAGEMENT APPROACH DATA PROTECTION**

With the EU's General Data Protection Regulation (GDPR) coming into force, data protection has become an even more important issue for Geberit. It was incorporated into the Geberit Compliance System in 2019, and the data protection processes and tools were expanded and optimised during implementation of the GDPR, which was concluded in the reporting year. In addition, comprehensive training activities were organised and Geberit's data-protection compliance organisation was reviewed by external auditors.

### **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	2020 UBP	2019 UBP	Deviation %
Electricity	84,586	93,736	-9.8
Combustibles	88,711	93,641	-5.3
Fuels	12,601	16,280	-22.6
Disposal	3,539	4,312	-17.9
Solvents	1,064	1,214	-12.3
Water and waste water	2,271	2,531	-10.3
<b>Total environmental impact</b>	<b>192,772</b>	<b>211,714</b>	<b>-8.9</b>

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

## MATERIAL USAGE

Material usage	2020 Tonnes	2019 Tonnes	Deviation %
Raw material plastics	72,430	75,889	-4.6
Raw material metal	68,443	68,349	0.1
Raw material mineral	159,033	170,647	-6.8
Other raw materials	2,592	2,759	-6.1
Semi-finished products	58,957	52,431	12.4
Finished products	47,406	49,638	-4.5
<b>Total material usage</b>	<b>408,861</b>	<b>419,713</b>	<b>-2.6</b>

## ENERGY CONSUMPTION

Energy consumption	Unit	2020	2019	Deviation %
<b>Electricity</b>	GWh	215.7	222.3	-2.9
<b>District heating</b>	GWh	13.8	14.9	-7.1
<b>Combustibles</b>				
Natural gas	m <sup>3</sup>	38,876,794	40,817,278	-4.8
Biogas	m <sup>3</sup>	888,535	878,974	1.1
Liquified petroleum gas (LPG)	Tonnes	5,310.5	5,747.4	-7.6
Diesel for electricity generation	l	8,456	19,375	-56.4
Heating oil extra light	Tonnes	26.4	5.1	421.7
<b>Fuels</b>				
Gasoline	l	199,205	249,292	-20.1
Diesel	l	1,956,398	2,536,977	-22.9
Liquified petroleum gas (LPG)	kg	119,905	141,646	-15.3
Natural gas (CNG)	kg	0	3,281	-100.0

	2020 TJ	2019 TJ	Deviation %
<b>Energy consumption</b>			
<b>Electricity</b>	776.6	800.2	-2.9
<b>District heating</b>	49.8	53.5	-7.1
<b>Combustibles</b>	1,694.7	1,784.8	-5.0
Natural gas	1,415.1	1,485.8	-4.8
Biogas	32.3	32.0	1.1
Liquified petroleum gas (LPG)	245.9	266.1	-7.6
Diesel for electricity generation	0.3	0.7	-56.4
Heating oil extra light	1.1	0.2	421.7
<b>Fuels (gasoline, diesel, LPG, CNG)</b>	82.1	105.7	-22.3
<b>Total energy consumption</b>	<b>2,603.2</b>	<b>2,744.2</b>	<b>-5.1</b>

## ELECTRICITY MIX

Electricity mix 2020	GWh	Renewable %	Fossil %	Nuclear %	Others %
Europe	135.5	22.2	58.3	18.2	1.3
USA	6.3	9.6	70.3	19.4	0.7
China	4.8	19.1	78.8	2.1	0.0
India	1.5	16.4	81.8	1.8	0.0
Green electricity	67.6	100.0	0.0	0.0	0.0
<b>Total electricity mix</b>	<b>215.7</b>	<b>46.1</b>	<b>41.0</b>	<b>12.1</b>	<b>0.8</b>

Electricity mix 2019	GWh	Renewable %	Fossil %	Nuclear %	Others %
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>

## WATER AND WASTE WATER

Water	2020 m <sup>3</sup>	2019 m <sup>3</sup>	Deviation %
Drinking water	363,599	376,430	-3.4
Well water	387,188	414,902	-6.7
River and lake water	195,560	238,037	-17.8
Rain water	6,937	7,578	-8.5
<b>Total water</b>	<b>953,284</b>	<b>1,036,947</b>	<b>-8.1</b>

Waste water	2020 m <sup>3</sup>	2019 m <sup>3</sup>	Deviation %
Domestic waste water	207,108	223,404	-8.8
Process water ceramic	485,460	558,128	-13.0
Other waste water	17,175	18,107	-5.1
<b>Total waste water</b>	<b>709,743</b>	<b>799,639</b>	<b>-11.2</b>



## EMISSIONS

<b>CO<sub>2</sub> emissions</b>	<b>2020 Tonnes</b>	<b>2019 Tonnes</b>	<b>Deviation %</b>
from combustibles (Scope 1)	101,094	106,609	-5.2
from fuels (Scope 1)	6,065	7,807	-22.3
from process emissions (Scope 1)	244	608	-59.9
from electricity (Scope 2)	98,825	107,160	-7.8
from district heating (Scope 2)	325	455	-28.6
<b>Total CO<sub>2</sub> emissions</b>	<b>206,553</b>	<b>222,639</b>	<b>-7.2</b>

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

<b>Air emissions</b>		<b>2020 kg</b>	<b>2019 kg</b>	<b>Deviation %</b>
NO <sub>x</sub>	direct	47,737	51,686	-7.6
	indirect	130,304	147,915	-11.9
	<b>Total NO<sub>x</sub></b>	<b>178,041</b>	<b>199,601</b>	<b>-10.8</b>
SO <sub>2</sub>	direct	1,319	1,366	-3.4
	indirect	250,278	286,047	-12.5
	<b>Total SO<sub>2</sub></b>	<b>251,597</b>	<b>287,413</b>	<b>-12.5</b>
NMVOC	direct	75,138	74,797	0.5
	indirect	16,896	19,059	-11.4
	<b>Total NMVOC</b>	<b>92,034</b>	<b>93,856</b>	<b>-1.9</b>
Dust (PM10)	direct	371	435	-14.8
	indirect	27,342	30,916	-11.6
	<b>Total dust</b>	<b>27,713</b>	<b>31,351</b>	<b>-11.6</b>
CFC11 equivalents	direct	0.3	0.7	-62.4
	indirect	7.6	8.8	-12.5
	<b>Total CFC11 equivalents</b>	<b>7.9</b>	<b>9.5</b>	<b>-16.7</b>

Calculation based on Ecoinvent data version 3.1

## WASTE

<b>Waste</b>	<b>2020 Tonnes</b>	<b>2019 Tonnes</b>	<b>Deviation %</b>
to incineration	1,122	1,308	-14.2
to inert waste landfill	10,216	13,580	-24.8
to mixed waste landfill	917	971	-5.6
to external recycling	60,451	62,717	-3.6
to hazardous waste incineration	742	957	-22.5
to hazardous waste recycling	521	516	0.9
<b>Total waste</b>	<b>73,969</b>	<b>80,049</b>	<b>-7.6</b>

# KEY FIGURES EMPLOYEES AND SOCIETY

## WORKFORCE

Workforce as of December 31	2020	Share %	2019	Share %
Germany	3,297	28.5	3,267	28.1
Poland	1,647	14.2	1,658	14.3
Switzerland	1,454	12.6	1,435	12.4
Ukraine	602	5.2	639	5.5
Austria	565	4.9	555	4.8
Italy	538	4.6	533	4.6
China	495	4.3	531	4.6
Others	2,971	25.7	3,001	25.7
<b>Total</b>	<b>11,569</b>	<b>100.0</b>	<b>11,619</b>	<b>100.0</b>
Production	6,901	59.7	6,960	59.8
Marketing and sales	3,067	26.5	3,041	26.2
Administration	958	8.2	958	8.3
Research and development	381	3.3	396	3.4
Apprentices	262	2.3	264	2.3
<b>Total</b>	<b>11,569</b>	<b>100.0</b>	<b>11,619</b>	<b>100.0</b>
Permanent	9,797	84.7	9,696	83.4
Temporary	1,772	15.3	1,923	16.6
<b>Total</b>	<b>11,569</b>	<b>100.0</b>	<b>11,619</b>	<b>100.0</b>
Full-time	11,012	95.2	11,066	95.2
Part-time	557	4.8	553	4.8
<b>Total</b>	<b>11,569</b>	<b>100.0</b>	<b>11,619</b>	<b>100.0</b>
Management	213	1.8	216	1.9
Employees	11,356	98.2	11,403	98.1
<b>Total</b>	<b>11,569</b>	<b>100.0</b>	<b>11,619</b>	<b>100.0</b>

Information in full-time equivalents

## DIVERSITY

Diversity as of December 31, 2020	Management %	Employees %	Total %
Proportion of female employees	11	25	24
Age structure			
> 45 years	75	42	42
30 - 45 years	24	42	42
< 30 years	1	16	16
Diversity as of December 31, 2019	Management %	Employees %	Total %
Proportion of female employees	11	24	24
Age structure			
> 45 years	76	41	42
30 - 45 years	24	42	42
< 30 years	0	17	16

## FLUCTUATION

Fluctuation excl. natural departures		2020	Rate %	2019	Rate %
Age group	> 45 years	146	3.2	206	4.6
	30 - 45 years	256	6.2	292	7.1
	< 30 years	102	10.0	133	13.0
Gender	Male	381	5.1	474	6.4
	Female	123	5.4	157	7.1
Region	Germany	80	2.9	74	3.3
	Poland	59	4.7	62	5.1
	Switzerland	81	6.2	91	7.1
	Ukraine	86	14.2	88	14.0
	Austria	41	7.8	42	7.9
	Italy	12	2.5	6	1.3
	China	13	5.9	17	7.4
	Others	132	5.9	251	11.5
<b>Total fluctuation excl. natural departures</b>		<b>504</b>	<b>5.2</b>	<b>631</b>	<b>6.5</b>

Fluctuation incl. natural departures		2020	Rate %	2019	Rate %
Age group	> 45 years	304	6.6	380	8.4
	30 - 45 years	258	6.2	297	7.2
	< 30 years	102	10.0	133	13.0
Gender	Male	505	6.8	590	8.0
	Female	159	7.0	220	9.9
Region	Germany	145	5.3	154	6.9
	Poland	69	5.5	66	5.5
	Switzerland	104	7.9	115	8.9
	Ukraine	91	15.0	90	14.3
	Austria	51	9.7	54	10.2
	Italy	15	3.1	10	2.2
	China	19	8.6	26	11.3
	Others	170	7.6	295	13.5
<b>Total fluctuation incl. natural departures</b>		<b>664</b>	<b>6.8</b>	<b>810</b>	<b>8.4</b>

Information in headcounts  
Natural departures includes retirements

## TRAINING AND EDUCATION

Training and education	Hours per employee	2020	2019	Deviation %
Women		16.9	12.7	33.1
Men		15.3	14.2	7.7
Management		11.1	14.0	-20.7
Other employees		15.8	13.8	14.5
<b>Training and education group</b>		<b>15.7</b>	<b>13.8</b>	<b>13.8</b>

## PERSONNEL EXPENSES

Personnel expenses	2020 MCHF	2019 MCHF	Deviation %
Wages and salaries	570.9	578.9	-1.4
Pension contributions	42.0	31.5	33.3
Other social benefits	105.8	108.5	-2.5
Other personnel expenses	31.7	33.2	-4.5
<b>Total personnel expenses</b>	<b>750.4</b>	<b>752.1</b>	<b>-0.2</b>

## SOCIAL ENGAGEMENT

Social engagement	Unit	2020	2019	Deviation %
Donations and contributions	MCHF	4.0	4.1	-2.4
Orders to social institutions	MCHF	8.5	7.9	7.6
Charitable work	Hours	450	3,409	-86.6

## HEALTH AND SAFETY

Health and safety	2020	2019	Deviation %
Number of occupational accidents	170	193	-11.9
Accident frequency rate (AFR)	8.9	9.8	-9.2
Lost days due to occupational accidents	3,294	3,688	-10.7
Accident severity rate (ASR)	171.9	187.6	-8.4

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 2020	Illness %	Accident %	Total %
Europe	4.82	0.12	4.94
Asia	2.19	0.01	2.19
USA	2.14	0.03	2.17
Others	0.55	0.00	0.55
<b>Absenteeism rate group</b>	<b>4.57</b>	<b>0.11</b>	<b>4.68</b>

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 based on regular working hours