

# 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.