

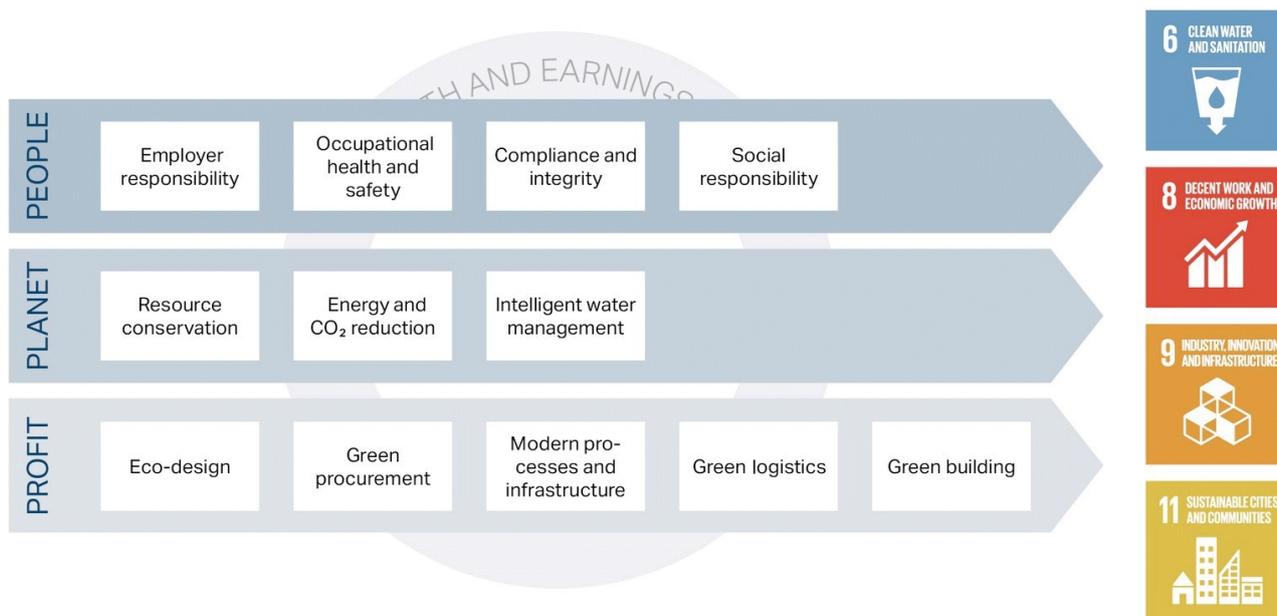
SUSTAINABILITY STRATEGY 2020-2022

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

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

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

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



PEOPLE

MODULES AND GOALS

IMPORTANT FACTS AND ACHIEVEMENTS 2019

OUTLOOK FOR 2020 TO 2022

EMPLOYER RESPONSIBILITY

Geberit is committed to providing attractive jobs.

Geberit supports disadvantaged employees and apprentices.

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

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

OCCUPATIONAL HEALTH AND SAFETY

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

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

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

COMPLIANCE AND INTEGRITY

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

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

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

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

SOCIAL RESPONSIBILITY

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

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

PLANET

MODULES AND GOALS

RESOURCE CONSERVATION

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

- The absolute environmental impact was reduced by 3.7% and the environmental impact per net sales (currency-adjusted) by 6.9%. This figure is above the target of 5% per year.
- 28 of the 29 production plants have ISO 14001 certification, with the Group certificate valid until 2021.
- The amount of hazardous substances used in the production plants was reduced by 12%.
- 850 tonnes of high-quality ABS regranulate and 65 tonnes of PE-LD (post-consumer waste) were used, and some 9,300 tonnes of plastic waste was recycled internally.
- Further optimisations were carried out for the ceramic product range. This reduces complexity and cuts down on resource usage.
- Resource efficiency was improved in ceramic production by 1.2% to 0.51 kg waste/kg ceramic.
- Over 6,000 tonnes of gypsum waste from the production of ceramics were reused as secondary material in the cement industry.

ENERGY AND CO₂ REDUCTION

Geberit actively contributes to climate change mitigation and consistently reduces its energy consumption and CO₂ emissions.

- Absolute CO₂ emissions were reduced by 3.8% to 222,639 tonnes and CO₂ emissions per net sales (currency-adjusted) by 7.0%.
- Relative CO₂ emissions improved by 26.4% since the acquisition of Sanitec, with the target for 2021 achieved ahead of schedule.
- The volume of purchased green electricity increased by 3 GWh to 53 GWh. Renewable energy sources accounted for 42.1% of electricity and 4.3% of combustibles.
- 3.7 GWh of green electricity was produced in Givisiez (CH) and Pfullendorf (DE).
- Five German production plants received ISO 50001 certification (energy management).

INTELLIGENT WATER MANAGEMENT

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

- Almost 100% of the water consumed by Geberit can be attributed to the product usage phase.
- Some 31,220 million m³ of water has been saved to date through the use of water-saving flushing systems. In 2019 alone, the water saved amounted to 3,120 million m³.
- Work continued on the new European water label for sanitary products from the European Bathroom Forum (EBF).
- Water consumption in ceramic production increased by 3.3% to 6.8 l/kg ceramic.

OUTLOOK FOR 2020 TO 2022

- Improvement of eco-efficiency (environmental impact per net sales, currency-adjusted) by 5% per year.
- Reduction of hazardous substances in production plants by 5% per year.
- Search for further high-quality plastic regranulates.
- Participation in "Operation Clean Sweep" to prevent the pollution of the environment with plastic pellets.
- Identification of ways in which to close internal material cycles and make production waste useful for others as secondary materials.
- Improvement of resource efficiency in ceramic production (kg waste/kg ceramic) by 10% from 2018 to 2021.
- Same improvement in relative CO₂ emissions as for eco-efficiency by 5% per year.
- Reduction of absolute CO₂ emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth).
- CO₂ target updated (compatible with the two-degree target set out in the Paris Agreement of 2015 – science-based, incl. Scope 3 emissions).
- Annual purchase of an additional 3 GWh of green electricity and an increase in the share of electricity and combustibles accounted for by renewable energy sources to 45% and 10% respectively by 2021.
- Fuel-reduction plan: further reduction of the emissions from new vehicles.

PROFIT

MODULES AND GOALS

IMPORTANT FACTS AND ACHIEVEMENTS 2019

OUTLOOK FOR 2020 TO 2022

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 125 eco-design workshops have been held in product development since 2007.
- A wide range of product improvements have been made with regard to environmental friendliness:
 - The Geberit ONE WC combines greater cleanliness with an optimal flush performance and minimal flush volume (4/2 l).
 - Expansion of the range of rimless WC pans, thus helping to simplify cleaning and cut down on cleaning agents.
 - The Geberit AquaClean Sela Comfort shower toilet with optimal flush performance and significantly lower energy consumption thanks to heating-on-demand technology.
 - Geberit SuperTube technology combined with Geberit Sovent saves on the resources used in the drainage systems of high-rise buildings thanks to the smaller pipe diameters.

- 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 for integrated 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 2,263 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.
- EHS (Environment, Health and Safety) audits were conducted and tracked, particularly in the highest sustainability risk category. This comprises 172 suppliers (some 8% of the procurement value).
- Four third-party audits were carried out at suppliers in China and Egypt.

- 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 Pfullendorf and Langenfeld (DE), and in Digoïn and La Villeneuve au Chêne (FR). New infrastructure was opened in Pfullendorf, Langenfeld (DE), Ozorków (PL) and Slavuta (UA).
- The number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) increased from 174 to 192. Third fully electrical blow-moulding facility was commissioned.
- 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 toilet seats and lids using thermoplastics.

- Continuous renewal of machine fleet with energy-efficient technology.
- Further increase in the number of injection moulding machines with energy-efficient drive technology from 192 to 209. Commissioning of a fourth fully electrical blow-moulding facility.
- 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.
- Reduction of waste and energy consumption in the production of multilayer pipes thanks to the new laser-welding process in Givisiez (CH).

GREEN LOGISTICS

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

- The logistics calculator was expanded to include six further sites with the aim of measuring the key transport and environmental figures for transport service providers in Europe.
- The transport service providers handled 560.5 million tkm (previous year 505.9 million tkm), which generated 69,729 tonnes of CO₂ emissions (previous year 55,802 tonnes) due to the additional sites and sales growth recorded.
- The share of trucks with the Euro 5 standard totalled 30%, with the share of state-of-the-art Euro 6 vehicles at 68%.
- 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 25% since 2015.

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

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

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