

# Sus- tain- ability

**Geberit Group 2013**

# GRI reporting

In the 2013 financial year, Geberit's sustainability reporting is fully integrated in the online Annual Report for the third year running. 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. To this end, information is therefore made available at different levels:

- → **CEO Statement** on sustainability
- Current → **Highlights** and → **Highlights 2012** on the theme of sustainability
- Business and financial review, as part of the Annual Report integrated into the chapters → **Employees**, → **Customers**, → **Innovation**, → **Logistics and procurement**, → **Sustainability**, → **Compliance** and → **Social engagement**
- → **Sustainability Strategy** with objectives and measures
- → **Key figures sustainability**
- → **Communication on Progress UN Global Compact**

The **Sustainability Performance Report** brings together all the information and indicators in a systematic overview (GRI Index) in accordance with the guidelines of the Global Reporting Initiative (GRI). For more detailed information on individual aspects, reference is made in the Report to the above-mentioned elements. The Report is available in German and English. The German version is binding.

Geberit's sustainability reporting has been assessed with the GRI application level "A Level: GRI Checked" since the 2007 report. The information disclosed within the scope of this report fulfills this maximum transparency grade set out in the GRI G3 guidelines, as has been verified and confirmed by GRI, see → **GRI Statement**.

As part of sustainability reporting for 2012, Geberit for the first time initiated and consulted a panel of external stakeholders. Its mandate consisted of providing feedback on the company's Sustainability Strategy and reporting, as well as reviewing whether the key topics were included in the sustainability reporting and whether the needs of the stakeholder groups were taken into consideration. The results also served as a basis for the further development of the Sustainability Strategy and reporting for 2013 and are summarized here:

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

The next Stakeholder Panel consultation is due to be carried out in 2014 and is intended to support Geberit in identifying key sustainability topics for its reporting. This forms an essential part of the transition process for implementation of the new GRI G4 guidelines published in summer 2013.



## Statement GRI Application Level Check

GRI hereby states that **Geberit AG** has presented its report "Sustainability Performance Report for the financial year 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 19 February 2014

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo in the background.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 11 February 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

## CEO Statement: Long-term success through sustainable action

Sustainable business management is the basis for long-term success. The 50th birthday of the Geberit concealed cistern is a perfect example of how business success is compatible with environmentally friendly action and social commitment. This highly successful product, which has been sold over 60 million times, was a far-sighted strategic step on the journey from a sanitary unit to the modern bathroom. Water-saving technology, reliable quality and comfort for end users as well as the 25-year guaranteed spare parts availability for plumbers are all convincing aspects of a sustainable product.

Our sustainable business management has made it possible to increase the value of the company over the long term and minimize risks for its future development. This has paid off, with Geberit – as in previous years – once again among the 100 most sustainable companies in the world in 2013 according to Corporate Knights (CA).

### Water conservation on the political agenda

The EU is increasingly putting water conservation on its political agenda and is developing ecolabels for efficient toilets, urinals, washbasins and showers. With its products, Geberit is already well prepared in this respect. In the product classification system WELL (Water Efficiency Label) for water-saving and resource-efficient products introduced by the industry in 2011, seven Geberit product groups are already represented in the highest classification class A.

### System provider for green building

Green building has long been more than just a trend. European standards in this area are becoming more and more important and new standards are setting out the basic rules for environmental declarations for individual products and systems in buildings. Investors, project developers, owners and tenants are looking for system providers with holistic know-how regarding green building that can contribute to the respective desired standards being fulfilled in a targeted manner. This is opening up a future market with major potential in which Geberit is present with water- and energy-saving, low-noise and durable products. As the leading system provider of sanitary solutions, we are already offering products for numerous reference buildings.

### Minimizing the ecological footprint

We want to set standards: The completely new, state-of-the-art factory premises currently being built in Ruše (SI) are already serving as a model for green building and production throughout Slovenia. The site's sophisticated holistic energy concept includes the use of all waste heat from production processes as well as the complete

absence of fossil fuels. All of our production sites and logistics are subject to systematic, Group-wide environmental management and certified to ISO 14001 and ISO 9001. In 2013, the culmination of a wide range of measures resulted in a drop of 5.5% in the overall environmental impact per sales, which was calculated as part of the corporate eco-balance.

### Accepting social responsibility

More than 6,200 employees worldwide appreciate their outstanding working conditions and high level of training. With this in mind, the standardized global performance assessment, development and compensation process (PDC) started in 2012 was continued. Our goal here is to reinforce the performance culture, increase transparency and better recognize and promote talent than has been done to date. In 2013, the vision of an “accident-free company” was also set out in concrete terms. By 2020, the accident rates are to be reduced by 50% compared with 2010. Geberit realizes its corporate responsibility within the scope of global social projects relating to the topic of water and sanitary facilities, as well as in cooperation with partners.

### Long-term goals

In the coming years, we want to continue to roll out new products that set new standards in water conservation and sustainability. At the same time, we are pursuing ambitious goals throughout the Group. By 2020, we want to reduce CO<sub>2</sub> emissions by 20% compared with the year 2000 based on organic growth.

### Statement of continued support for the UN Global Compact

Geberit has been a member of the UN Global Compact since October 2008 as a sustainability leader in the area of environmental protection, responsible labor practices, human rights and the prevention of corruption. We provide customers, employees, investors and other stakeholders with information on our sustainability goals and performances in a transparent manner. Since 2007, our reporting on sustainability has been based on the GRI G3 Guidelines with the highest degree of transparency – the “A Level: GRI Checked” application level. The Communication on Progress UN Global Compact (COP) on 2013 can be found at [→ www.geberit.com](http://www.geberit.com) > Sustainability > UN Global Compact.



Albert M. Baehny  
Chairman and CEO

## Sustainability Strategy 2014 – 2015 with objectives and measures

Sustainability means meeting today's needs without limiting the options and resources available to future generations. Specifically, the objective is to combine economic growth and long-term business success with environmentally friendly action and social commitment.

The “Sustainability landscape” groups the current modules into four areas: Procurement and Logistics, Production, People and Products. The modules bundle current or future projects, initiatives or activities that aim to make a substantial contribution to sustainability. Each module contains clear responsibilities with measurable objectives, derived measures and quantified key figures for effective monitoring.



The following pages provide an overview of the sustainability modules with important facts and achievements for 2013 as well as the outlook for 2014 to 2015.

Procurement & Logistics

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p><b>Green Procurement</b></p> <p>Suppliers demonstrably comply with Geberit's high standards for eco-friendly and socially responsible production.</p>	<ul style="list-style-type: none"> <li>As of the end of 2013, 701 suppliers have signed the Code of Conduct for Suppliers (previous year 671 suppliers). This equates to 95% of the total procurement value (previous year 95%), thereby meeting the target value of 95% for 2013. Among the top 200 suppliers, the share of companies that have signed is 99% (previous year 99%).</li> <li>In 2012, the planning system for the performance of systematic audits was developed further. In addition to consistent quality audits, EHS audits (environment, health and safety) are performed in the highest risk class in particular. When a purchaser from Geberit next visits a supplier, he checks to ensure that the improvement measures agreed with the supplier have been implemented.</li> <li>A Group-wide portfolio analysis with regard to sustainability risks showed a higher risk for 40 suppliers (previous year 38), which is less than 5% of the total procurement value. 25 of these 40 suppliers have already been audited.</li> <li>Several third-party audits were carried out at suppliers in China for the second time in 2013. Discrepancies were discovered here and the necessary corrective measures were introduced.</li> </ul>	<ul style="list-style-type: none"> <li>All new suppliers have to sign the Code of Conduct.</li> <li>All suppliers with a higher sustainability risk due to their country of origin and production processes must be audited by the end of 2014.</li> <li>Following positive experiences, additional third-party audits of suppliers are to be carried out and the required improvement measures checked as part of re-audits.</li> <li>Sustainability risks in the supplier chain (second-tier and third-tier suppliers) are to be analyzed.</li> </ul>
<p><b>Green Logistics</b></p> <p>Geberit optimizes its logistics with regard to energy consumption, emissions and packaging.</p>	<ul style="list-style-type: none"> <li>In 2010, a logistics calculator was developed to measure the key transport and environmental figures for the most important transport service providers in Europe. The system boundaries were maintained compared to the previous year.</li> <li>In 2013, the transport service providers handled 176.6 million ton-kilometers (previous year 169.7 million ton-kilometers) resulting in 27,483 metric tons of CO<sub>2</sub> emissions (previous year 26,883 metric tons).</li> <li>At 87%, the share handled by Euro 5 trucks remained high (previous year 84%). State-of-the-art Euro 6 vehicles were used for the first time, with a share of 2.5%.</li> <li>Compared to the previous year, the number of mega-trailer trips between the production sites increased by 132 trips to a total of 2,150 in 2013. The use of mega-trailers enhances efficiency, as they can carry a load that is around 15% greater or 50% more pallets.</li> <li>At the end of 2012, the logistics center in Pfullendorf (DE) was successfully certified to ISO 9001 and 14001 for the first time.</li> <li>The pilot project with a natural gas truck running on the cross-border round trip between Rapperswil-Jona (CH) and Pfullendorf (DE) commenced at the end of 2013.</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of environmental monitoring and formulation of suitable measures in close collaboration with the transport service providers.</li> <li>Increased use of mega-trailers and optimization of loading capacity with technical equipment and organizational changes.</li> <li>Discontinuation of Euro 1, Euro 2 and Euro 3 trucks and more intensive use of Euro 6 trucks.</li> <li>Evaluation of the pilot project with natural gas truck and analysis of feasibility in further cases.</li> <li>Certification of the logistics center in Pfullendorf (DE) according to OHSAS 18001 by mid-2015.</li> </ul>

Production

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p><b>Environmental Management</b></p> <p>Geberit operates environmentally friendly, resource-efficient and economical production plants.</p>	<ul style="list-style-type: none"> <li>The absolute environmental impact declined by 2.1% in 2013. The environmental impact per sales (currency-adjusted) dropped by 5.5%. Relative water consumption decreased by 6.8%. Given that the long-term target is 5% per year, Geberit is on track with both these figures.</li> <li>All production plants (with the exception of the site in India) and logistics are certified to ISO 14001 and ISO 9001, and the Group certificate is valid until 2015.</li> <li>Continued roll-out of integrated Geberit management system for quality, environment, safety and energy at all plants.</li> <li>Conducting of pre-audits at three German plants for implementing the ISO 50001 standard (energy management).</li> </ul>	<ul style="list-style-type: none"> <li>Further improvement of eco-efficiency: The environmental impact per sales (currency-adjusted) is to be improved by 5% per year on average between 2006 and 2015.</li> <li>Same improvement in relative water consumption as for eco-efficiency, i.e. 5% per year on average between 2006 and 2015.</li> <li>First certification of new production company in India to ISO 9001/14001 and OHSAS 18001 by mid-2015.</li> <li>First certification of the production sites in Pfullendorf, Langenfeld and Lichtenstein (DE) to ISO 50001 (energy management) by the end of 2014.</li> </ul>
<p><b>CO<sub>2</sub> Strategy</b></p> <p>Geberit actively contributes to the protection of the climate and consistently reduces CO<sub>2</sub> emissions.</p>	<ul style="list-style-type: none"> <li>In 2013, CO<sub>2</sub> emissions dropped by 2.7% to 69,909 metric tons (previous year 71,853 metric tons). CO<sub>2</sub> emissions per sales (currency-adjusted) declined by 6.1%. This confirms that Geberit is on track with its long-term CO<sub>2</sub> strategy.</li> <li>The share of additionally purchased green electricity increased from 20 GWh to 21 GWh in 2013. In total, renewable energy sources accounted for 31.4% of electricity.</li> <li>CO<sub>2</sub> emissions caused by air travel amounted to 829 metric tons (previous year 769 metric tons).</li> <li>The implementation of the energy master plan and the measures to save energy and enhance energy efficiency focused on the following production sites: Pfullendorf, Langenfeld and Lichtenstein (DE), Pottenbrunn (AT), Jona and Givisiez (CH), Villadose (IT) and Ruše (SI).</li> </ul>	<ul style="list-style-type: none"> <li>Further implementation of CO<sub>2</sub> strategy: Reduction of relative CO<sub>2</sub> emissions by 5% per year on average between 2006 and 2015.</li> <li>Long-term objective: Reduction of absolute CO<sub>2</sub> emissions (Scope 1 and 2) by 20% by 2020 to less than 46,000 metric tons compared with the base year 2000 (based on organic growth).</li> <li>Increase in share of additionally purchased green electricity in 2014 by another 3 GWh and expansion of share of renewable energies to 60% by 2020.</li> <li>Increase in share of combustibles from renewable sources to 25% by 2020.</li> <li>Continuation of fuel-reduction plan: Reduce emissions of new vehicles to 100 grams of CO<sub>2</sub>/km by 2020 (based on EU targets) – this is equivalent to an annual reduction of 5%.</li> </ul>
<p><b>Infrastructure</b></p> <p>Geberit procures and operates durable and high-quality infrastructures such as buildings, equipment and tools.</p>	<ul style="list-style-type: none"> <li>Construction of new production plant in Slovenia with the highest energy standards and operation without fossil fuels.</li> <li>Number of injection molding machines with energy-efficient drive technology increased from 74 to 96.</li> <li>New heating system and deconstruction of hot-water network in Weilheim (DE); energy-efficient extruders and new cooling concept in Villadose (IT).</li> <li>Construction of a new PV system in Givisiez (CH) by an energy supplier, covering 3,050 m<sup>2</sup> and generating just under 0.5 GWh of electricity per year.</li> <li>Replacement of an old blow molding machine in Pfullendorf (DE) with the latest machine technology, with annual savings of over 0.6 GWh expected.</li> <li>Implementation of the “preheating of granulate” pilot project to use freely available waste heat, with annual electricity savings of around 0.6 GWh expected.</li> </ul>	<ul style="list-style-type: none"> <li>Consistent renewal of injection molding and blow molding machine fleet with energy-efficient technology. Further increase in the number of injection molding machines with energy-efficient drive technology (hybrid, fully electrical, standby) from 96 to 106 machines.</li> <li>Analysis of the feasibility of the “preheating of granulate” concept in other plants.</li> </ul>
<p><b>Occupational Safety</b></p> <p>Geberit operates safe production plants and promotes a safety culture at a high level.</p>	<ul style="list-style-type: none"> <li>Based on an in-depth analysis of accidents at all production plants, a comprehensive master plan for occupational safety has been developed and initiated with its implementation in the European plants.</li> <li>The accident frequency rate (AFR) dropped by 12.6% to 10.2 in 2013 (previous year 11.7). The accident severity rate (ASR) dropped significantly by 38.7% to 124.3 (previous year 203). Geberit is thus back on track to meet its target.</li> </ul>	<ul style="list-style-type: none"> <li>Long-term objective: AFR and ASR to be reduced by 50% between 2010 and 2020, targets AFR = 7 and ASR = 80.</li> <li>Implementation of master plan for occupational safety in production plants in China, India and the USA, and also in administration and sales.</li> <li>Integration of occupational safety in Geberit’s management system and certification of all production plants to OHSAS 18001 by mid-2016.</li> </ul>

People

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p><b>Code of Conduct</b></p> <p>Geberit safeguards human rights and complies with international labor standards.</p> <p>Geberit checks the effectiveness of its internal monitoring systems and guidelines and implements appropriate measures in the event of misconduct.</p>	<ul style="list-style-type: none"> <li>Compliance with the Code of Conduct has been checked with a binding Group-wide survey every year since 2008. In addition to comprehensive reporting, the Internal Audit Department carries out special interviews with the managing directors on the topics in the Code of Conduct. There was one case of workplace bullying in 2013, which led to the dismissal of the person responsible.</li> <li>No significant incidents were reported via the "Geberit Integrity Line", which was launched in 2013.</li> <li>A "Corporate Compliance Info Letter" for raising awareness across management levels 1 to 3 was sent for the first time in 2013.</li> <li>Training of employees (managing directors, employees in the sales companies at management level and field service employees) on antitrust legislation via a comprehensive e-learning program at the sites in China, India, South Africa, Southeast Asia, Australia and the USA.</li> </ul>	<ul style="list-style-type: none"> <li>The revision of the Geberit Code of Conduct dating from 2007 will be finalized in terms of content in 2014.</li> <li>Further promotion of the "Geberit Integrity Line", which gives all employees worldwide the opportunity to report irregularities anonymously.</li> <li>Updated training on antitrust legislation will be carried out again at all European sites in 2014.</li> <li>Development of a Code of Conduct for Geberit sales partners at locations where Geberit is not represented with its own sales companies.</li> </ul>
<p><b>Employer Responsibility</b></p> <p>Geberit is committed to providing attractive jobs.</p> <p>Geberit supports disadvantaged employees and apprentices.</p>	<ul style="list-style-type: none"> <li>The Group-wide employee survey carried out in 2011 had a high response rate of 87% and reported above-average identification with the company among the employees.</li> <li>A standardized global performance assessment, development and compensation process (PDC) was further optimized and applied for the extended Group management in 2013.</li> <li>The management course at the IMD in Lausanne (CH) tailored to the needs of Group management was continued.</li> <li>In 2013, Geberit employed 234 apprentices. The transfer rate to a permanent employment relationship was 59%. A concept for cross-border apprenticeships was also drawn up and the international deployment of apprentices was promoted.</li> <li>In 2013, the Geberit production plants supported a number of workshops for disabled persons where simple assembly and packaging work in the amount of CHF 4.4 million was carried out.</li> </ul>	<ul style="list-style-type: none"> <li>Continued roll-out of the performance assessment, development and compensation process (PDC) for lower management levels.</li> <li>Completion of management training at the IMD in Lausanne (CH) for Group management in 2014.</li> <li>Targeted support for transfer of apprentices to a permanent position: Target rate for transfer to a permanent position is 75%.</li> <li>Next Group-wide employee survey planned for 2015.</li> <li>Conducting of a volunteering project in a developing country with Geberit employees.</li> </ul>
<p><b>Social Engagement</b></p> <p>Geberit fulfills social responsibilities in society.</p>	<ul style="list-style-type: none"> <li>Donations and financial contributions, including product donations, totaled CHF 3.1 million in 2013.</li> <li>Geberit employees did around 1,340 hours of charitable work on social projects.</li> <li>Continuation of the partnerships with: <ul style="list-style-type: none"> <li>Helvetas on the topic of drinking water and sanitary facilities in developing countries.</li> <li>The Swiss WaterKiosk Foundation for cleaning polluted drinking water using a solar pasteurization process.</li> </ul> </li> <li>Conducting of a social project in Bucharest (RO) with apprentices. Construction of new sanitary facilities at a hospice for seriously ill patients and volunteering work with affected children.</li> </ul>	<ul style="list-style-type: none"> <li>Continuation of the partnership with Helvetas. Access to safe drinking water and sanitary facilities for people in developing countries.</li> <li>Financial support of the "LIV Village" project for orphans in South Africa.</li> <li>Implementation of a larger social project in India with apprentices in 2014.</li> <li>Review of the effectiveness of social projects two to three years after their implementation.</li> </ul>

Products

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p><b>Eco-design</b></p> <p>During the development process, all Geberit products are optimized with regard to their environmental friendliness, resource efficiency and durability.</p> <p>Environmental aspects are already considered during technology development.</p>	<ul style="list-style-type: none"> <li>• Eco-design workshops have been part of the development process for all new products since 2007, and since 2010 they have also been part of product modifications and technology projects.</li> <li>• The successful continuation of this approach in 2013 resulted in a number of ecologic improvements to products, such as               <ul style="list-style-type: none"> <li>– Touchless dual-flush actuator plate Sigma10 for concealed cisterns, WELL A-class</li> <li>– AquaClean Sela complete shower toilet solution: 65% less water consumption and 33% less electricity consumption compared to the top Geberit AquaClean 8000plus model</li> <li>– Hydraulic optimization of the Sovent fitting: 40% higher discharge capacity with 45% less material usage</li> <li>– Replacement of PVC protecting hose for the threaded rods on the installation elements → 100% halogen-free elements for WCs available</li> <li>– Consistent implementation of the new European Drinking Water Ordinance for the reduction of lead in copper materials</li> </ul> </li> <li>• Pilot project for the systematic recording of environmental data at the product level as the basis for creating product life cycle assessments and EPDs.</li> </ul>	<ul style="list-style-type: none"> <li>• Systematic continuation of eco-design workshops for the product development.</li> <li>• Creation of additional Environmental Product Declarations (EPD) in accordance with the new European standard EN 15804.</li> <li>• Expansion of the “green building” product portfolio.</li> <li>• Development of a concept for using rainwater in China.</li> </ul>
<p><b>Green Building</b></p> <p>Geberit has in-depth expertise in the fields of water conservation, quality of drinking water, sound insulation and green building.</p> <p>Geberit is the leading partner in the planning and implementation of first-class sanitary solutions for green buildings.</p>	<ul style="list-style-type: none"> <li>• Geberit products are exemplary when it comes to water and energy consumption and sound insulation. A broad range of Geberit products help with the implementation of green building concepts and standards such as Minergie, DGNB, BREEAM and LEED.</li> <li>• Member of various “green building” associations in CH, DE, ES, USA, ZA and AU.</li> <li>• Eight Geberit product groups – a total of over 370 sales products – carry the water efficiency label WELL. Since 2013, the labels have been displayed on all packaging and documented in catalogs. Seven of these eight product groups carry a class A label and contribute around 20% to the Group’s sales.</li> <li>• Significant work on the strengthening of the new VDI 4100 standard for enhanced sound insulation in Germany. Use of these skills to optimize the products and systems in order to improve the quality of life of residents and further increase their awareness.</li> <li>• 50 years of experience in concealed cisterns, 25-year guaranteed spare parts availability and focus on water saving as a sustainable basis for fulfilling green standards.</li> <li>• Substantial contribution to the ETH Foundation Zurich (CH) for green building activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of the “green building” product portfolio.</li> <li>• Targeted search for green building reference projects in the European core markets and the Asia/Pacific region.</li> <li>• Substantial contribution to the ETH Foundation Zurich (CH) for green building activities in 2014.</li> </ul>

## Communication on Progress UN Global Compact (COP) on 2013

Additional information is available in the referenced documents and the GRI indicators of the Sustainability Performance Report.

Human rights		
<p><b>Principle 1:</b> Support and respect the protection of internationally proclaimed human rights.</p>	<ul style="list-style-type: none"> <li>When selecting employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. Applicable local minimum wages are well met. This considerably reduces the risk of human rights violations.</li> <li>Geberit has a Code of Conduct in which the company undertakes to be an exemplary, reliable and fair business partner and employer at all times for all of the people with whom it has dealings. As a fair partner, Geberit recognizes local, national and international laws, directives and standards, and complies with them in full.</li> <li>Approximately 98% of all employees were trained in the Code of Conduct in 2008. Since then, new employees receive their training in the Code as part of their job orientation. The "Geberit Integrity Line" was launched on January 1, 2013, and gives all employees the opportunity to report irregularities anonymously. There were no significant incidents in 2013.</li> <li>Compliance with the Code of Conduct is monitored as part of an annual, binding Group-wide survey. Verification is supplemented by internal audits on site. There was one case of workplace bullying in the reporting year, which led to the dismissal of the person responsible.</li> </ul>	<p>→ EC5</p> <p>→ Code of Conduct for Employees</p> <p>→ HR3</p> <p>→ SO3</p> <p>→ DMA-HR</p> <p>→ HR4</p>
<p><b>Principle 2:</b> Make sure the company is not complicit in human rights abuses.</p>	<ul style="list-style-type: none"> <li>With respect to human rights violations, the greatest risk for Geberit lies with suppliers, who can be influenced only indirectly. Geberit does all it can to minimize this risk and requires that business partners and suppliers comply with comprehensive standards.</li> <li>The Code of Conduct for Suppliers is intended to ensure that Geberit's suppliers act in accordance with internal and external guidelines, as well as internationally recognized standards concerning human rights and the ILO core labor standards. As of the end of 2013, 701 suppliers had signed the Code of Conduct. This equates to 95% of the total procurement value.</li> <li>In 2012, the planning system for the performance of systematic audits underwent further development. Audits focusing on sustainability are performed primarily on suppliers in the highest risk category. 40 suppliers, which equates to less than 5% of the total procurement value, are classified in this category. 25 of these 40 suppliers have already been audited. Several third-party audits were carried out at suppliers in China in 2013. Discrepancies were discovered here and the necessary corrective measures were introduced.</li> </ul>	<p>→ Sustainability Strategy</p> <p>→ Code of Conduct for Suppliers</p> <p>→ HR2</p>
Labor practices		
<p><b>Principle 3:</b> Uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<ul style="list-style-type: none"> <li>No rights with respect to exercising freedom of association or collective bargaining as defined in the ILO core labor standards are subject to restriction at the Geberit Group. This is verified annually as part of a binding Group-wide survey. No restrictions were in effect in 2013.</li> <li>Approximately 4,050 employees, and thus around two-thirds of all employees, are currently covered by collective agreements. Above all in Germany, Austria and Switzerland, over 90% of employees are governed by a collective labor or wage agreement. There are no collective agreements with employees in the USA and China (14% of all employees).</li> </ul>	<p>→ HR5</p> <p>→ LA4</p>
<p><b>Principle 4:</b> Uphold the elimination of all forms of forced and compulsory labor.</p> <p><b>Principle 5:</b> Uphold the effective abolition of child labor.</p>	<ul style="list-style-type: none"> <li>Geberit's exposure with respect to forced and child labor is considered low because of its industry sector and the countries in which business activities are carried out as well as its high quality requirements.</li> <li>Forced and child labor are categorically rejected at Geberit. According to the annual, binding Group-wide survey, no cases of forced or child labor were discovered in 2013, 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 labor standards for the exclusion of forced and child labor.</li> </ul>	<p>→ HR6</p> <p>→ HR7</p>
<p><b>Principle 6:</b> Uphold the elimination of discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> <li>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 labor standards. No cases of discrimination were reported in 2013.</li> <li>Geberit has no personnel policy or employment practices providing for preferential treatment of persons from local vicinities.</li> <li>Protection of the principles of equality is anchored in the Geberit Code of Conduct. This includes the prohibition of discrimination against any employee on the basis of gender. Fair and equal pay for men and women is a matter of course at Geberit, as was verified and documented in 2013 as part of the annual, binding Group-wide survey. The proportion of female employees as of the end of 2013 was 31%; in management this figure was 6.5%.</li> </ul>	<p>→ Code of Conduct for Employees</p> <p>→ HR4</p> <p>→ EC7</p> <p>→ LA13-14</p>

Environmental protection		
<p><b>Principle 7:</b> Support a precautionary approach to environmental challenges.</p>	<ul style="list-style-type: none"> <li>• With the precautionary approach in mind, the Audit Committee of the Board of Directors has implemented an extensive system for monitoring and controlling the risks (incl. environmental risks) linked to the business activities.</li> <li>• Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as to the development of water-saving and sustainable products. Environmental criteria are considered in all decision-making processes. A demonstrably high standard is achieved in this regard, one which often greatly exceeds statutory requirements.</li> <li>• An analysis of the CO<sub>2</sub> footprint over the entire value chain – from the provision of raw materials, the manufacturing of products at Geberit, logistics and use, right through to disposal – reveals that product use (67%) and the provision of raw materials (21%) are by far the largest sources of CO<sub>2</sub> emissions.</li> <li>• Manufacture of the products by Geberit accounts for only 3% of total CO<sub>2</sub> emissions. In absolute terms, CO<sub>2</sub> emissions (Scope 1 and 2) decreased by 2.7% to 69,909 metric tons in 2013. The CO<sub>2</sub> emissions per sales (currency-adjusted) improved by 6.1%. This confirms that Geberit is on track with its long-term CO<sub>2</sub> strategy.</li> <li>• Approximately CHF 1.3 million was spent on environmental protection and preventative environmental management in 2013. This involved external consulting services and training, external certification and human resources expenditures.</li> </ul>	<p>→ 4.11</p> <p>→ Code of Conduct for Employees</p> <p>→ CO<sub>2</sub>-Footprint → EC2</p> <p>→ EN16 → EN18</p> <p>→ EN30</p>
<p><b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility.</p>	<ul style="list-style-type: none"> <li>• All production plants (with the exception of the new site in India) and logistics are certified according to ISO 14001 and ISO 9001, and the Group certificate is valid until 2015. The annual preparation of corporate eco-balances has been an established part of Geberit's environmental strategy since 1991. The absolute environmental impact decreased by 2.1% in 2013. The environmental impact per sales (currency-adjusted) has improved by 5.5%. Geberit is thus on track to meet its long-term target of 5% per year.</li> <li>• Geberit places its faith in energy saving and energy efficiency: In addition to the insulation of buildings, important measures include the continuous modernization of the machine fleet, increasing the efficiency of production installations, the optimization of cooling systems through the use of natural ambient cold (free cooling), the improved use of waste heat (heat recovery) as well as the careful use of compressed air. Pre-audits were carried out at three German plants for implementing the new ISO 50001 standard (energy management).</li> <li>• The share of purchased green electricity increased from 20 GWh to 21 GWh in 2013. In total, renewable energy sources accounted for 31.4% of electricity. At the plant in Givisiez (CH), a roof area of 3,050 m<sup>2</sup> was made available to an energy supplier in 2013 for the installation of a photovoltaic system with annual electricity production of just under 0.5 GWh.</li> <li>• Thanks to savings measures, fresh water consumption has been reduced by just under 40% since 2006 and is leveling out at a constantly low level, with 2013 seeing a reduction of 3.5%.</li> <li>• Geberit regards eco-design as the key to environmentally friendly products. Beginning with the development process, the most environmentally friendly materials and functional principles are used, risks are minimized and high resource efficiency is pursued. Eco-design is also implemented in product modifications and technology projects. Every new product is to be better than its predecessor with respect to environmental aspects.</li> </ul>	<p>→ DMA-EN → Sustainability strategy</p> <p>→ EN5 → EN18</p> <p>→ EN18</p> <p>→ EN8</p> <p>→ EN26</p>
<p><b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> <li>• 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 here: The entire dual-flush and flush-stop "fleet of cisterns" produced since 1998 has saved around 1,980 million cubic meters of water in 2013.</li> <li>• Eight Geberit product groups – a total of over 370 sales products – carry the water efficiency label WELL, which enables customers to consciously opt for water-saving products. Seven of these eight product groups carry the top A class label and account for around 20% of Group sales. This water-efficiency label has been added to packaging and specified in the catalogs since 2013.</li> <li>• Green building is a market of the future experiencing strong growth throughout the world. As the leading system provider of sanitary solutions, Geberit is already offering suitable products for this purpose.</li> </ul>	<p>→ 1.2 → Water footprint</p> <p>→ EN26</p> <p>→ Story Green Building</p>
Anti-corruption		
<p><b>Principle 10:</b> Work against corruption in all its forms, including extortion and bribery.</p>	<ul style="list-style-type: none"> <li>• As a long-time member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption.</li> <li>• In 2013, the Internal Audit Department audited a total of 16 companies. This represents almost one-third of all Geberit companies. In addition, approximately three to four in-depth audits are carried out each year, whereby the audit focus is on the processes of Group-wide functions (e.g. Purchasing, IT, etc.). No cases of corruption were discovered in 2013.</li> <li>• As a rule, Geberit does not make donations to parties or politicians. All donations and related commitments are neutral from a party political point of view. This was verified and documented as part of the annual, binding Group-wide survey.</li> </ul>	<p>→ DMA-SO</p> <p>→ SO2 → SO4</p> <p>→ SO5 → SO6</p>

## Care in the square

**Geberit is consistently geared towards sustainability – with green projects across the globe, innovative water management and social commitment.**



“Care in the square” means that – together with our skilled and dedicated employees and partners – we achieve our goal of being a leading sustainable company in the areas of production, procurement and logistics, as well as through our products and our social commitment.

Here are three examples: In the Slovenian town of Ruše, we are constructing a production plant that features a sophisticated energy concept. We also enable our graduate apprentices to gain valuable experience at Geberit locations around the globe. Another positive aspect is our use of trucks powered by natural gas, which transport goods between the Pfullendorf (DE) and Rapperswil-Jona (CH) sites.

Whether we are talking about environmentally friendly production, our responsibility as an employer or green logistics – sustainable business management pays off for people as well as for the environment. Every single project is a further step towards a successful future and implementation of our credo of “Care in the square”.

- How Geberit is building for the future.
- How young Geberit talents are successfully broadening their horizons.
- How Geberit is working with partners to provide access to clean water.
- How architects are building green with support from Geberit.
- How Geberit is stepping on the (natural) gas in pursuit of clean energy solutions.

## Simply exceptional

**Green building is the standard at Geberit – even when it comes to its own buildings. The new production plant in Ruše (SI) is a perfect example of this approach.**



The factory premises, which are currently being built in Ruše (SI), are already serving as a model for green production throughout Slovenia. The future Geberit production site – located only a few kilometers from the current plant – is a perfect example of how factory premises can be planned and realized in an ecologically and economically sustainable manner.

One of the site's special features is its sophisticated energy concept. Among other aspects, this includes the use of all waste heat from industrial processes as well as the complete absence of fossil fuels. The available ground water is used for cooling, while rainwater is collected and used both as extinguishing water and for watering the surrounding area.

An interdisciplinary Geberit team critically examined the entire production process and considered the special characteristics of the landscape when designing the new building. This resulted in the development of a unique concept that can be expanded step by step as required. The building itself features state-of-the-art design, sophisticated processes, environmentally friendly materials and an exceptional energy concept.



**Matjaz Lesjak is Managing Director of the Geberit production plant in Ruše (SI). In his interview, he explains the special features of the new building complex.**

# Simply exceptional



**"Thanks to the new plant, the future of our jobs is even safer."**

Andrej Ketis, tool maker and Chairman of the Employee Representation at Geberit Ruše (SI)



**"Geberit is one of the most important employers for Ruše and the surrounding area, and a partner that we can rely on at all times."**

Uroš Štanc, Mayor of Ruše (SI)



The new production plant will offer twice the capacity of the current site.



The entire building complex is heated exclusively by waste heat from the production processes.



The foundations for the office wing are laid. The preliminary work for future expansion has also been considered in the planning concept.



Geberit PE pipes and the Pluvia system ensure reliable roof drainage.

## Ready to take on the world

**International and mobile – two qualities that are the mark of successful professionals. Geberit gives its young graduate apprentices ample opportunities in these areas.**



It is becoming increasingly important for global companies to acquire employees for assignments abroad. In order to advance the internationalization of its training, Geberit is focusing on graduate apprentices who are willing to undertake an assignment lasting several months at one of its locations abroad.

The aim is to give the young people the opportunity to develop both personally and professionally in a new and unfamiliar environment. During these assignments, they not only broaden their horizons – as newly qualified professionals, they often come up with valuable recommendations for improvement. A good example of this is mechatronics engineer Manuel Krom (see picture), who gained practical work experience in the production plant in Shanghai (CN) on completion of his apprenticeship at Geberit Pfullendorf (DE). "During my apprenticeship, I realized that I wanted to gain work experience abroad and that I wanted to do so as quickly as possible on completion of my training," explains Krom. His supervisor Paul Wang emphasizes just how welcome Krom's specialized knowledge was: "Manuel was able to help us in areas that we are looking to further improve here," the assembly manager at the Shanghai plant explains. "This was particularly the case in the area of machine maintenance."

Getting young people interested in assignments abroad and enabling them to gain a wide range of experiences early on in their career increases their willingness to be mobile at a later stage, which is exactly what Geberit is hoping to achieve.



**Fabienne Huff and Stefanie Giger explain in this short film what they learned during their internship at Geberit in the Middle Kingdom.**



**"In addition to their specialized knowledge, the former apprentices bring along a high degree of enthusiasm and new approaches which also benefit the Chinese employees."**

Jörg Scherrer, Group Leader Product Development at Geberit Shanghai (CN) and intern Supervisor of the trainees.

# Ready to take on the world



**"I was impressed at how well my integration into the team in China went and how quickly I felt a part of this culture."**

Fabienne Huff, Bachelor of Arts in Logistics, back at Geberit Pfullendorf (DE) since the end of November 2013



**"I learned a great deal during this short time, both personally and professionally – probably more than I ever could in three years at home in familiar surroundings."**

Stefanie Giger, draftsman, was in China for six months in 2013

# Shaping the future

## Geberit assumes social responsibility – worldwide and in a range of projects that always center around our core topic of water.



### Social project Romania – Geberit apprentices in action in Bucharest

The organization “Hospice Casa Sperantei” cares for seriously ill people in Bucharest who are dependent on free support. The new hospice in the center of Bucharest provides in-patient care as well as day-care facilities. In 2013, Geberit funded the building of the hospice and the installation of the sanitary facilities. Eight Geberit apprentices were responsible for part of the sanitary work. In addition to technical installation tasks, the young apprentices also undertook valuable voluntary work.

### Helvetas and Geberit – working together to provide access to water

In 2010, Geberit and the Swiss development organization Helvetas agreed on a partnership to provide one million people with access to clean water by 2013. This goal was already reached by the end of 2012. The partnership has continued right through the “International Year of Water Cooperation” – as 2013 was declared by the United Nations. This success story highlights just what can be achieved by two partners in pursuit of a joint vision.

### The Swiss Water Kiosk Foundation – clean drinking water in Bangladesh

Clean drinking water means fewer diseases. The University of Applied Sciences Rapperswil (CH) has developed a solar water pasteurization system. Several water treatment systems are already in operation in Bangladesh. As we wish to improve the long-term quality of life for these people, Geberit has been supporting the project since 2012.



Geberit apprentices pitch in in Bucharest (RO) in summer 2013. Although not quite their normal everyday work, they show great commitment in carrying out their tasks.

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### Geberit social projects

2013 Romania

2012 South Africa

2011 Serbia

2010 India

2009 Solomon Islands

2008 Ecuador

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Since 2008, over 40 Geberit apprentices have taken part in our social projects all over the world. Thanks to this commitment, people living in developing regions gain access to clean drinking water and basic sanitation.

# Shaping the future



Geberit apprentices hard at work in the Hospice Casa Sperantei in Bucharest.



Whether commercial clerks, mechanics or plastics technicians – Geberit apprentices show their plumbing skills during the social project in Romania.



Many hands make light work: Geberit apprentices demonstrate their array of different talents.



Part of the social project in Romania involved allowing the children of seriously ill parents to enjoy several hours of carefree fun.



The Geberit team shared unforgettable moments with the Romanian children.

# The Green Giant

**When a visitor centre is a friend to the natural heritage site to which it is dedicated rather than a rival, sustainability has come into its own. Look to Northern Ireland's geological wonder, the Giant's Causeway, for proof.**



Gentle slopes and the thundering North Atlantic are the setting for one of the most awe-inspiring natural phenomena on the Irish isle: the "Giant's Causeway" is formed by myriad hexagonal basalt columns. Tightly grouped together, they look like a ramp that leads into the sea.

Is it possible for a manmade structure to sit seamlessly beside this UN World Heritage site without destroying its serenity? The answer is yes. The Visitor Centre designed by Dublin-based architects heneghan peng is the perfect example. Carefully embedded in the hillside, this award-winning building makes use of stone columns that flank the building and lines that stretch far into the rugged cliffs above the Causeway.

The Giant's Causeway Visitor Centre breathes sustainability from the outside and lives up to the same principle on the inside: all guidelines for the planning, construction and operation of the building, reaching from the criteria for energy efficiency, through to resource consumption and durability, and as far as the integration of local artisan craftwork are in line with one objective: to make the home of the Giant a true icon of sustainable architecture.



**"The National Trust's mission is to restore places of cultural and natural interest and then 'open them up for ever, for everyone'. Therefore there was an underlying commitment to develop a project that protects the environment for ever, for everyone, too."**

Róisín Heneghan, heneghan peng Architects, Dublin (IE)

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## Water saving

# -75%

**Only one fourth of the water used in standard approaches runs down the drains of the Visitor Centre. Geberit Sigma concealed cisterns 12cm with dual flush technology are part of the reason why. They are equipped with esthetic Sigma50 flush plates.**

# The Green Giant



The Giant's Causeway Visitor Centre is dedicated to the impressive basalt formations at Northern Ireland's northern shore.



heneghan peng say that its design can be understood as two folds in the landscape: one upward, holding the building, and one downward, on which the carpark is placed.



Local stonemasons delivered a total of 186 columns made of black basalt. The stone was quarried near the Giant's Causeway.



The energy efficient building boasts a number of interactive exhibition areas that unlock the geology and mythology of the World Heritage Site. On top, the grass roof offers 360 degree views of the Causeway coastline (view of the lobby shortly before the opening).



Across the centuries, the peculiar hexagonal basalt columns of the Giant's Causeway have stirred the imagination of residents and travellers. Legend says that they were carved from the coast by the mighty giant, Finn McCool.

## Natural gas – the way forward

**Natural gas vehicles are not just a sensible choice ecologically speaking – they are also a smart choice from a financial perspective.**



Vehicles powered by natural gas are already a regular feature on the streets in many places and are gaining in popularity, which is hardly surprising given that natural gas contributes significantly to protecting the environment. Thanks to a growing network of filling stations for natural gas vehicles and the related high security of supply, it is largely possible to travel in such vehicles without any restrictions.

At Geberit, green logistics refers to the company's continuous quest for improvements that benefit the environment. In line with this approach, a truck powered by natural gas has been traveling regularly between Geberit's production plant in Rapperswil-Jona (CH) and the logistics center in Pfullendorf (DE) since December 2013. The initial experience has proven highly convincing in every respect.

The natural gas truck is also an excellent choice in terms of cost-effectiveness. Although the initial outlay is higher, the fuel costs are 30% lower than with diesel or gasoline.

Geberit is in continuous discussion with all of its logistics partners with regard to gradually expanding the use of natural gas trucks. Finding intelligent solutions for transporting our products in a more eco-efficient manner demonstrates that we are on the right path.

**"Geberit is a unique partner for us to collaborate with on implementing pathbreaking ideas. Through this partnership, we are demonstrating that green logistics is not just some fancy concept we claim to stand behind, but something that we are actually putting into practice one step at a time."**

Gerhard Reger, Fleet Manager,  
Transco Süd GmbH, Konstanz (DE)

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### Diesel trucks vs. natural gas trucks

Particle

**-85%**

Methane

**-98%**

The reduction achieved by the natural gas truck is based on the 150,000 km traveled each year by the truck during its round trips between Rapperswil-Jona (CH) and Pfullendorf (DE).

# Natural gas – the way forward



Transco and Geberit had the natural gas truck specially made to meet their specific needs.



The eight natural gas tanks have a capacity of 640 liters. Fully tanked, the vehicle can travel a total of around 550 kilometers before it's time for a refill.



The driver's cabin of the natural gas truck is different to that of conventional diesel trucks, with the overall appearance and entrance reminiscent of a bus.



In comparison to traditional diesel trucks, the new natural gas truck still looks very out of the ordinary.

# Table of contents

<b>1. Strategy and analysis</b>		<b>1</b>
1.1	CEO statement	1
1.2	Key impacts, risks and opportunities with regard to sustainability	1
<b>2. Organizational profile</b>		<b>2</b>
2.1	Name of the organization	2
2.2	Brands, products and/or services	9
2.3	Organizational structure	2
2.4	Headquarters location	2
2.5	Countries with business operations	2
2.6	Ownership and legal form	2
2.7	Markets served	2
2.8	Scale of the reporting organization	2
2.9	Significant changes regarding size, structure or ownership	3
2.10	Awards received	3
<b>3. Report parameters</b>		<b>4</b>
3.1	Reporting period	4
3.2	Date of most recent previous report	4
3.3	Reporting cycles	4
3.4	Contact point for questions regarding the report or its contents	4
3.5	Process for defining report content	4
3.6	Boundary of the report	4
3.7	Specific limitations	4
3.8	Joint ventures, subsidiaries, outsourced operations, etc.	4
3.9	Data measurement techniques and bases for calculations	5
3.10	Effects of any restatements of information provided in earlier reports	5
3.11	Changes from previous reporting periods in scope, boundary or measurement methods	5
3.12	GRI Content index	5
3.13	External assurance for the report	5
<b>4. Governance, commitments, and engagement</b>		<b>7</b>
4.1	Governance structure, committees under the Board of Directors	7
4.2	Separation of chair of Board of Directors and Executive Management	7
4.3	Independent members of the Board of Directors	7
4.4	Mechanisms for shareholders and employees to address recommendations to the Board of Directors	7
4.5	Linkage between compensation for the highest bodies and the organization's performance	7
4.6	Processes in place for the Board of Directors to avoid conflicts of interest	7
4.7	Determining the qualifications of the Board of Directors with regard to sustainability issues	7
4.8	General principles and codes of conduct	7
4.9	Procedures of the Board of Directors for overseeing sustainability performance	7
4.10	Processes for evaluation of the sustainability performance of the Board of Directors	8
4.11	Precautionary approach	8
4.12	External agreements and initiatives	8
4.13	Membership in associations and organizations	8
4.14	Relevant stakeholder groups	8
4.15	Basis for selection of stakeholders	8
4.16	Approaches to stakeholder engagement	8
4.17	Response to and dealing with key topics and concerns of stakeholders	10
<b>5. Economy (EC)</b>		
DMA-EC Management approach economy		11
EC1	Economic performance	11
EC2	Financial implications of climate change	11
EC3	Scope of the organization's defined benefit plan obligations	12
EC4	Significant financial assistance received from government	12
EC5	Ratio of standard entry-level wage compared to local minimum wage	12
EC6	Selection of locally-based suppliers	12
EC7	Procedures for local hiring	12
EC8	Investments in infrastructure and services primarily for public benefit	12
EC9	Indirect economic impacts	12
<b>6. Ecology (EN)</b>		<b>14</b>
DMA-EN Management approach ecology		14
EN1	Materials used	14
EN2	Percentage of recycled material	14
EN3	Direct energy consumption	15
EN4	Indirect energy consumption	15
EN5	Energy saved	15
EN6	Energy-efficient products	16

EN7	Reduction of indirect energy consumption	16
EN8	Water consumption	16
EN9	Water sources significantly affected by withdrawal of water	16
EN10	Water recycling	17
EN11	Parcels in biodiversity reserves	17
EN12	Impacts on biodiversity in protected areas	17
EN13	Protected or restored natural habitats	17
EN14	Management of impact on biodiversity	17
EN15	Influence on IUCN Red List species	17
EN16	Direct and indirect greenhouse gas emissions	17
EN17	Other relevant greenhouse gas emissions	17
EN18	Initiatives to reduce greenhouse gas emissions	18
EN19	Ozone-depleting substances	18
EN20	NOx, SOx and other air emissions	18
EN21	Total water discharge	18
EN22	Waste	18
EN23	Significant spills of chemicals	19
EN24	Transport of hazardous waste	19
EN25	Effects of water discharges on bodies of water	19
EN26	Mitigation of environmental impact of products	19
EN27	Reclaimed packaging material	19
EN28	Sanctions due to non-compliance with environmental laws and regulations	20
EN29	Environmental impacts of transport	20
EN30	Costs of environmental protection	20
<b>7. Employer responsibility (LA)</b>		<b>21</b>
DMA-LA Management approach to employer responsibility		21
LA1	Total workforce by employment type, employment contract, and region	21
LA2	Employee fluctuation	21
LA3	Benefits	22
LA4	Employees covered by collective bargaining agreements	22
LA5	Notice periods regarding operational changes	22
LA6	Percentage of total workforce represented in health and safety committees	22
LA7	Accidents, occupational illness and lost time	22
LA8	Assistance regarding serious illnesses	22
LA9	Health and safety topics covered in agreements with trade unions	22
LA10	Employee education and further training	23
LA11	Programs for skills management and lifelong learning	23
LA12	Performance and career development of employees	23
LA13	Workforce diversity	23
LA14	Gender-based differences in salaries	23
<b>8. Human rights (HR)</b>		<b>24</b>
DMA-HR Management approach human rights		24
HR1	Human rights aspects in investment agreements	24
HR2	Screening of suppliers with regard to human rights aspects	24
HR3	Human rights training for employees	24
HR4	Cases of discrimination	25
HR5	Guarantee of freedom of association and collective bargaining	25
HR6	Risk of and precautionary measures against child labor	25
HR7	Risk of and precautionary measures against forced labor	25
HR8	Human rights training for security personnel	25
HR9	Violation of rights of indigenous peoples	25
<b>9. Community (SO)</b>		<b>26</b>
DMA-SO Management approach society		26
SO1	Impact on the community and public interests	26
SO2	Analysis of business units for risks of corruption	26
SO3	Training on anti-corruption policies	26
SO4	Actions taken in response to incidents of corruption	26
SO5	Political positions and exercise of influence	26
SO6	Political contributions	27
SO7	Anti-competitive behavior	27
SO8	Sanctions due to non-compliance with regulations	27
<b>10. Product responsibility (PR)</b>		
DMA-PR Management approach to product responsibility		28
PR1	Health and safety impact along the product life cycle	28
PR2	Non-compliance with health and safety regulations	28
PR3	Product labeling	28
PR4	Non-compliance with labeling requirements	28
PR5	Customer satisfaction	29
PR6	Compliance with laws and standards with regard to marketing communications	29
PR7	Non-compliance with communications requirements	29
PR8	Complaints regarding customer privacy	29
PR9	Sanctions due to non-compliance with product liability regulations	29
<b>Key figures environment</b>		<b>30</b>
<b>Key figures employees and society</b>		<b>33</b>

# 1. Strategy and analysis

## 1.1 CEO statement

For the statement of Albert M. Baehny, Chairman and CEO, see → [www.geberit.com](http://www.geberit.com) > Sustainability > CEO Statement

## 1.2 Key impacts, risks and opportunities with regard to sustainability

A sustainable corporate culture makes it possible to increase the value of the company over the long term and minimize risks for its future development. Geberit aims to be a role model and to set standards for customers, suppliers and other partners. This applies to water-saving, sustainable products; environmentally friendly and resource-efficient production; procurement and logistics with high environmental and ethical standards; and good, safe working conditions for the more than 6,200 committed and qualified employees worldwide. The corporate social responsibility is realized among other things within the scope of global social projects relating to the core competence of water and is intensified through partnerships such as that with Swiss WaterKiosk aimed at cleaning polluted drinking water in Bangladesh. There is also a long-term → [partnership with the Swiss development organization Helvetas](#).

The → [50th anniversary of the Geberit concealed cistern](#) is a perfect example of how long-term business success is compatible with environmentally friendly action. This highly successful product, which has been sold over 60 million times, was a far-sighted strategic step on the journey from a sanitary unit to the bathroom of today in its modern form. Water saving through reduced flush volumes, reliable quality and comfort for end users as well as the 25-year guaranteed spare parts availability for plumbers are all convincing aspects of a sustainable product.

Sustainability means satisfying the needs of today's generation in a manner that will ensure a solid basis for the livelihoods of future generations. With its Millennium Development Goals from the year 2000, the United Nations aims to halve the number of people without access to clean drinking water and sanitary facilities by 2015. This demonstrates the great importance of the topic of water for world health, world nutrition and peacekeeping. The increase in the world's population, migration, urbanization, climate change and natural disasters can lead to regions that are currently well supplied with water becoming problem regions in the future. These global trends will have a significant impact on future sanitary technology: Water-saving, resource-efficient products are becoming even more important. The study published in 2013 by the European Commission on the criteria for an ecolabel aimed at reducing water consumption in European toilets was therefore broadly received and discussed. The EU is increasingly putting water conservation on its political agenda and is developing ecolabels for efficient toilets, urinals, washbasins and showers. As an industry leader in the area of sustainability, Geberit imposes stricter standards on its products than those prescribed by the European ecolabels. Leading Geberit WC flushing systems therefore already meet the requirements for this ecolabel. According to the product classification system WELL (Water Efficiency Label) for water-saving and resource-saving products introduced by the industry back in 2011, seven out of eight certified Geberit product groups are represented in the highest classification class A. The analysis of the entire value chain in the form of a → [water footprint](#) shows that nearly 100% of the water consumption is attributable to the product usage phase. The water savings are impressive: According to one model calculation, the entire dual-flush and flush-stop "fleet of cisterns" produced since 1998 has so far saved around 15,800 million cubic meters of water in comparison with traditional flushing systems. In 2013 alone, the water saved amounted to 1,980 million cubic meters. This is more than half of the annual consumption of all German households.

However, the continuous reduction of the ecological footprint of Geberit products goes beyond water saving. Since 2007, Geberit has been implementing the → [eco-design approach](#). This means that concepts are tested in their entirety during a product's early development phase in order to examine how water, energy and material consumption in the product and value chain can be optimized. At the same time, production processes can often also be simplified and cost savings made. Thanks to its pioneering work on the topic of eco-design, Geberit is well equipped in terms of possible requirements as envisaged as part of an EU ecodesign directive.

→ [Green building](#) has long been more than just a trend. European standards in this area are becoming more and more important and new standards are setting out the basic rules for environmental declarations for individual products and systems in buildings. Geberit published the first Environmental Product Declaration for lavatory taps in 2012 and a pilot project for the systematic and simpler development of environmental declarations and ecological product information was launched in 2013. At the same time, more and more buildings are being constructed in accordance with voluntary sustainability standards such as DGNB, Minergie, BREEAM and LEED. Investors, project developers, owners and tenants are looking for system providers with holistic expertise regarding green building that can contribute to the respective desired standards being fulfilled in a targeted manner. This is opening up a future market with major potential in which Geberit is present with water-saving, energy-saving, low-noise and durable products. The Group is well positioned as a leading system provider of sanitary solutions in green building and plays an active role in the relevant associations. The importance of the topic is also reflected in the increasing number of green building reference projects in which Geberit products are installed.

For further information on key sustainability topics and objectives for the long-term development of Geberit, see → [www.geberit.com](http://www.geberit.com) > Sustainability > Sustainability Strategy

## 2. Organizational profile

### 2.1 Name of the organization

Geberit Group.

### 2.2 Brands, products and/or services

Geberit offers customers high-quality system solutions for applications in private residential construction and public buildings. The systems are used in both renovation projects and new buildings. A broad range of products is offered within the two product areas of Sanitary Systems and Piping Systems. This ranges from installation systems, cisterns and mechanisms, taps, flushing systems, waste fittings and traps to supply and building drainage systems.

For further information on the product range, see → [www.geberit.com > Products > Product Range](#).

For 2013 sales by product areas and product lines, see → [Business report > Business and financial review > Sales](#).

### 2.3 Organizational structure

The operational management structure of Geberit is divided into the Group Divisions:

- CEO
- Sales Europe
- Sales International
- Products
- Finance

The assignment of clearly distinguished responsibilities minimizes the number of interfaces. The structure takes into account the increasing globalization and is designed to enhance further the effectiveness of the Geberit Group in a changed environment. For more details about the organizational structure, see → [Business report > Management structure](#).

### 2.4 Headquarters location

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

### 2.5 Countries with business operations

Geberit has its own representatives in 41 countries. The products are sold in over 100 countries throughout the world. The company has 17 specialized production companies in eight different countries close to the most important sales markets and a central Logistics Center in Pfullendorf (DE).

For a list of the countries in which Geberit operates, see → [Financial report > Consolidated financial statements Geberit Group > Notes > Note 33](#).

### 2.6 Ownership and legal form

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

### 2.7 Markets served

In terms of market cultivation, Geberit relies on a three-stage distribution channel. The products are distributed via the wholesale trade. Dealerships then sell them to plumbers and present them at exhibitions and other venues where end customers can gain information. At the same time, Geberit provides plumbers and sanitary engineers with intensive support through training and advice, which in turn leads to increased demand for Geberit products from wholesalers. Since 2012, there has been a → [web shop](#) for the direct procurement of Geberit AquaClean and Geberit DuoFresh consumables.

For sales by markets and regions as well as by product areas and product lines, see → [Business report > Business and financial review > Sales](#).

### 2.8 Scale of the reporting organization

The Geberit Group's market capitalization reached CHF 10,224 million as of the end of 2013 (previous year CHF 7,819 million). The 2013 sales of CHF 2,292 million (previous year CHF 2,188 million) were achieved with products in the two product areas Sanitary Systems and Piping Systems. At the end of 2013, the Group had 6,226 employees (previous year 6,134 employees). For the consolidated balance sheet with details of current assets, non-current assets, equity and liabilities, see → [Financial report > Consolidated financial statements Geberit Group](#).

## 2.9 Significant changes regarding size, structure or ownership

There were no significant changes to the Group structure in 2013 (see also → 3.8). In the second half of 2013, the → **17th production site in Pune (India)** commenced operations.

For further information, see → **Financial report > Consolidated financial statements Geberit Group > Notes > Note 2.**

## 2.10 Awards received

In 2013, Geberit was once again awarded numerous prizes. For a list of important prizes, see → **www.geberit.com > Sustainability > Awards.**

## 3. Report parameters

### 3.1 Reporting period

2013 reporting period; comparative figures from the previous year are generally shown.

### 3.2 Date of most recent previous report

Sustainability reporting for 2013 is fully integrated in the online Annual Report. Geberit published extensive magazine-like Sustainability Reports in 2004, 2007 and 2010. GRI reporting regarding all GRI G3 guideline requirements at the Level A application stage has been published annually since 2007. The [→ last report](#) is available online; for reports from previous years, see [→ www.geberit.com > Infocenter > Publications](#).

### 3.3 Reporting cycles

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

### 3.4 Contact point for questions regarding the report or its contents

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

Roland Högger  
Head of Environment and Sustainability  
Geberit International AG  
Schachenstrasse 77, CH-8645 Jona  
Tel: +41 55 221 63 56, Fax: +41 55 221 67 47  
[→ sustainability@geberit.com](mailto:sustainability@geberit.com)

### 3.5 Process for defining report content

The GRI G3 guidelines serve as the basis for this report. An expansion of the materiality analysis for defining report content is planned for 2014 as part of the switch to the GRI G4 guidelines.

The "GRI Guidance for Defining Report Content" and related principles have been implemented as extensively as possible. The basis for sustainability reporting is a materiality analysis for the identification of those aspects that are of significance for Geberit and its stakeholders. The concerns of the stakeholders are addressed in the interactions and dialogs named under [→ 4.16](#).

All topics classed as significant and related measures are presented in compact form primarily within the [→ Sustainability Strategy](#). The aspects of the 10 principles of the UN Global Compact which Geberit has committed itself to uphold and which are presented in the [→ Communication on Progress UN Global Compact](#) are also material. In terms of completeness, all of the company's economic, environmental or social effects that appear to be of relevance have been included in the reporting based on the GRI G3 guidelines, insofar as corresponding information was available.

As part of sustainability reporting on the 2012 financial year, Geberit for the first time initiated and consulted a panel of external stakeholders. The objective of the work performed by the external Stakeholder Panel was to review Geberit's Sustainability Strategy and reporting and support further development. This involved analyzing whether the most important topics were included in sustainability reporting and whether the concerns of the stakeholders were taken into consideration. In particular, the panel examined the extent to which the principles of "inclusivity" (participation of stakeholders), "materiality" (relevance and significance to stakeholders) and "responsiveness" (response to stakeholder issues) were considered in the reporting. The results of the Stakeholder Panel are presented in the [→ Panel statement](#). Some recommendations of the panel were already included in the sustainability reporting for 2012. Please also refer to the [→ Response from Geberit to the Panel statement](#). They also served as a basis for the further development of the Sustainability Strategy and reporting for 2013.

### 3.6 Boundary of the report

The report covers the entire Geberit Group (see [→ 2.3](#), [→ 2.4](#), [→ 2.5](#) and [→ 2.6](#)). If only part of the company is meant as an example or due to the availability of data, this is clearly indicated.

### 3.7 Special limitations

There are no special limitations.

### 3.8 Joint ventures, subsidiaries, outsourced operations, etc.

There were no material changes in the Group structure during the period under review which significantly influence reporting.

### 3.9 Data measurement techniques and bases for calculations

The guidelines and assessment rules of the GRI G3 Standard were applied wherever the data situation permitted.

#### Environmental area:

- All relevant environmental and occupational safety data is recorded in a Group-wide software program newly implemented in 2012 and analyzed within the scope of the corporate eco-balance, energy master plan and Geberit Safety System (GSS).
- The Swiss Ecological Scarcity Method (2006 version) is used as the assessment method for analyzing the environmental impact (see → **DMA-EN**). There are plans in 2014 to switch to the new 2013 version and the most recent data from the Ecoinvent database (version 3.0).
- The calculation of the relative environmental impact and relative CO<sub>2</sub> emissions is based on currency-adjusted sales.
- The calculation of energy (see → **EN3** and → **EN4**) and greenhouse gas data (see → **EN16**) is based on the internationally recognized Ecoinvent database (version 2.0) and the continental electricity mix for Europe, the US and China. The data covers Scope 1 and 2 as well as Scope 3 to a certain extent as per the GHG Protocol (see The Greenhouse Gas Protocol (GHG) Initiative – A Corporate Accounting and Reporting Standard (revised edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)). A separate life cycle assessment (LCA) was drawn up for the production and use of biogas in Pfullendorf (DE). There are plans in 2014 to switch to the most recent version of the Ecoinvent database (version 3.0) and the national electricity mix.
- The calculation of other air emissions (see → **EN19** and → **EN20**) is based on the Ecoinvent database (version 2.2), the continental electricity mix for Europe, the US and China and also takes into account specific emission factors for diesel vehicles with particle filters. "Direct emissions" comprise emissions from the burning of combustibles and fuels as well as the consumption of solvents. "Indirect emissions" comprise emissions from the production of electricity. There are plans in 2014 to switch to the most recent version of the Ecoinvent database (version 3.0) and the national electricity mix.
- Since 2010, data on the transport services (Intercompany and Distribution) of the most important transport service providers has been recorded by the new Logistics Center in Pfullendorf (DE), and the environmental impact calculated along the same lines as the corporate eco-balance. In addition to direct emissions (emissions at the tail pipe), the assessment also includes the provision of fuel, vehicles and infrastructure. The Ecoinvent database (version 2.1) is used as the basis for the data. The system scope has been retained for the 2013 data (see → **EN29**).
- 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. The CO<sub>2</sub> emissions comprise direct and indirect emissions and are based on the Ecoinvent database (version 2.2).
- The water footprint calculated since 2012 that covers the entire value chain is a simplified balance sheet based on the Ecoinvent database (version 2.1). All water flows contained in Ecoinvent except for turbine water were taken into account. The calculation includes water consumption for the provision of raw materials, production at Geberit, use of the manufactured products (WC cisterns, urinal flush controls and lavatory taps) during their entire service life, and disposal.
- The CO<sub>2</sub> footprint calculated since 2012 is based on the same assumptions as the water footprint. Emissions from logistics were additionally taken into consideration. In the usage phase, both water consumption (energy for water supply and the disposal of non-polluted waste water) and energy for the provision of hot water (lavatory taps) were taken into account.

#### Employees area:

Quantitative data on employees (see → **Employer Responsibility (LA)**) is collected using a central management information system, with the indicators calculated in accordance with GRI standards. Data collection on occupational accidents and monitoring of the long-term objectives regarding occupational safety is carried out since 2012 using a Group-wide software program as part of the Geberit Safety System.

Additional qualitative data on the topics of "attractive employer", "conduct with integrity", "fair business partner", "environmental protection" and "product liability" are collected in accordance with GRI standards by means of an annual binding survey at all Geberit Group companies.

### 3.10 Effects of any restatements of information provided in earlier reports

The annual sustainability reporting for the 2006 to 2013 financial years is based on the GRI G3 guidelines in force since October 2006. In this way, Geberit has developed a consistent reporting system in which individual indicators are further developed each year. If, in individual cases, a new form of presentation, calculation method or optimized data collection has led to other results for the previous years, then this is noted as a restatement under the respective indicator.

### 3.11 Changes from previous reporting periods in scope, boundary or measurement methods

There were no significant changes during the reporting period with regard to scope, reporting limits or measuring methods. If, in individual cases, a new measuring method is used, then this is noted under the respective indicator or under → **3.9**.

### 3.12 GRI Content index

This extensive Sustainability Performance Report is classified in accordance with the requirements of the GRI G3 guidelines and therefore serves simultaneously as a GRI content index.

### 3.13 External assurance for the report

Geberit did not initiate and consult a panel of external stakeholders in order to review the Sustainability Strategy and reporting as part of sustainability reporting on the 2013 financial year. Annual consultation is not considered necessary. The next Stakeholder Panel consultation is due to be carried out in 2014 and is intended to support Geberit in identifying key sustainability topics for its reporting. This forms an essential part of the transition process for implementation of the new GRI G4 guidelines. The results of the 2012 Stakeholder Panel consultation are presented in the [→ Panel statement](#). In the [→ Response from Geberit to the Panel statement](#), Geberit deals in detail with the external assessment and the recommendations contained therein.

# 4. Governance, commitments and engagement

## 4.1 Governance structure, committees under the Board of Directors

For details about the internal organization of the Board of Directors and its committees, see → [Business report > Corporate governance > Board of directors > Internal organizational structure](#).

## 4.2 Separation of chair of Board of Directors and Executive Management

The Chief Executive Officer (CEO), Albert M. Baehny, has also been Chairman of the Board of Directors since 2011. For further information, see → [Business report > Corporate governance > Board of directors](#).

## 4.3 Independent members of the Board of Directors

The Board of Directors consisted of six members in 2013, of whom only the Chairman, Albert M. Baehny, is simultaneously involved in operative management in his capacity as CEO. All of the committees formed by the Board of Directors are comprised exclusively of independent members. For further information, see → [Business report > Corporate governance > Board of directors](#).

## 4.4 Mechanisms for shareholders and employees to address recommendations to the Board of Directors

For the participatory rights of the shareholders, see → [Business report > Corporate governance > Participatory rights of shareholders](#). There is no employee representative on the Board of Directors. The employee representatives of the European sites meet regularly within the context of the Geberit Europe Forum 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.

## 4.5 Linkage between compensation for the highest bodies and the organization's performance

For information about the remuneration of the management bodies, see → [Business report > Corporate governance > Compensations, shareholdings and loans](#).

## 4.6 Processes in place for the Board of Directors to avoid conflicts of interest

The Articles of Incorporation and Organizational Regulations of the Board of Directors stipulate how conflicts of interest of members of the Board of Directors are avoided; see → [Business report > Corporate governance > Board of directors > Definition of areas of responsibility](#).

## 4.7 Determining the qualifications of the Board of Directors with regard to sustainability issues

There are no formal procedures for determining the qualifications of members of the Board of Directors in environmental and social matters. For further information, see → [Business report > Corporate governance > Board of directors > Elections and terms of office](#).

## 4.8 General principles and codes of conduct

Among the most important mission statements and principles are the following:

- Geberit Compass with the central ideals, see → [www.geberit.com > Company > Vision and Strategy](#).
- Geberit Code of Conduct for Employees, see → [www.geberit.com > Company > Vision and Strategy](#).
- → [Geberit safety policy and principles](#).
- Geberit Code of Conduct for Suppliers, see → [www.geberit.com > Company > Sustainability > Purchasing and Logistics](#).
- SQS and IQNet Certificate ISO 9001/14001 (including Appendix), see → [www.geberit.com > Company > Sustainability > Production](#).
- UN Global Compact, see → [www.geberit.com > Company > Sustainability > UN Global Compact and Memberships](#).

## 4.9 Procedures of the Board of Directors for overseeing sustainability performance

Geberit's longstanding success is based on the fact that, together with the Board of Directors, the Group Executive Board pursues a long-term perspective, thus enabling the company to demonstrate its performance clearly in areas also including environmental protection and sustainability. The → [Sustainability Strategy](#) is examined and approved by the Group Executive Board and the Board of Directors. Results and the achievement of objectives are submitted to the Group Executive Board and Board of Directors for verification at least once annually. This also comprises the → [Communication on Progress UN Global Compact](#) and the Geberit Compliance Report, including the audit results with respect to the Code of Conduct.

The way in which the topic of sustainability is approached has been regularly reviewed within the company. For around 20 years, Geberit has had an Environment/Sustainability department, which has been reporting directly to the CEO for the past nine years. In recent years, this department has coordinated the further development of the Sustainability Strategy and related activities, although the responsibility for planning and implementation lies with the individual areas themselves.

#### 4.10 Processes for evaluation of the sustainability performance of the Board of Directors

There is no formal procedure for assessing the performance of the Board of Directors from an integrated sustainability perspective.

For information about the remuneration of the management bodies, see → [Business report > Corporate governance > Compensations, shareholdings and loans](#).

#### 4.11 Precautionary approach

The precautionary principle plays an important role for Geberit as a production company. This is defined in the → [Geberit Code of Conduct](#) and reflected in the integrated Geberit management system (quality, environment, safety). In operations it is implemented by means of preventive approaches for environmental protection, occupational safety and quality assurance, see → [combined Group certificate for quality and environment in accordance with ISO 9001 and ISO 14001](#). In line with the "best-in-class" approach, ambitious long-term goals were drawn up at the end of 2012. For example, by the year 2020 the aim is to reduce absolute CO<sub>2</sub> emissions by 20% compared with the base year 2000 (based on organic growth) and to halve accident rates compared with 2010.

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](#).

#### 4.12 External agreements and initiatives

Geberit has been a formal member of the UN Global Compact since October 2008 and was a founding member of the local Swiss network in 2011. The company has been a member of the Transparency International organization since June 2000 and supports its objectives for combating corruption. Through the voluntary application, introduced in 2007, of the G3 Guidelines of the Global Reporting Initiative (GRI) in the Sustainability Report and GRI Report, Geberit makes an active contribution towards ensuring transparency and comparability in sustainability reporting. Furthermore, the company became a member of the non-profit organization "Swiss Water Partnership" in 2012. The goal of this platform is to bring together all those involved in the topic of water supply (from the academic, business, public and private spheres) in order to address future challenges in this area jointly. This partnership also aims to promote international dialog on water.

#### 4.13 Membership in associations and organizations

Geberit is involved in various associations and organizations that make a contribution toward sustainability. In addition, various Geberit companies are members of national associations on topics such as environmentally friendly production, energy, waste management and employee protection. For major commitments, see → [www.geberit.com > Company > Sustainability > UN Global Compact and Memberships](#).

#### 4.14 Relevant stakeholder groups

Significant stakeholder groups for Geberit are customers, shareholders and analysts, banks, the media, employees, trade unions, neighbors and municipalities, suppliers, transport companies, competitors, associations, non-government organizations and the general public, governments and regulators, and research institutes. Details on stakeholder engagement can be found under → [4.16](#).

#### 4.15 Basis for selection of stakeholders

Systematic dialog with stakeholders helps Geberit to identify possible conflict issues and opportunities for further development and to respond to these in good time. At the national and international levels, the Geberit Group and the Group companies maintain relations with organizations and institutions in the respective countries that direct requests and suggestions to the company. The stakeholders listed under → [4.14](#) have been identified as important for systematic stakeholder dialog as they fulfill 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.

#### 4.16 Approaches to stakeholder engagement

As part of sustainability reporting on the 2012 financial year, Geberit for the first time initiated and consulted a panel of external stakeholders. The objective of the work performed by the external Stakeholder Panel was to review Geberit's Sustainability Strategy and sustainability reporting. This involved analyzing whether the most important topics were included in sustainability reporting and whether the concerns of the stakeholders were taken into consideration. The results of the Stakeholder Panel are presented in the → [Panel statement](#). In the → [Response from Geberit to the Panel statement](#), Geberit deals in detail with the external statement and the recommendations contained therein. The next Stakeholder Panel consultation is due to be carried out in 2014 and is intended to support Geberit in identifying key sustainability topics for its reporting in accordance with GRI G4.

A stakeholder analysis is performed at all production plants as part of environmental management in accordance with ISO 14001. Requirements are recorded situationally in stakeholder dialogs. Based on this information, Geberit identifies potential for conflict or opportunities and essentially pursues a cooperative approach in order to discuss and further develop possible measures with the stakeholders concerned.

Engagement of stakeholders according to stakeholder group and type:

**Customers:**

- Customer contacts: Around 500 technical advisors working in the field are in daily contact with plumbers, planners and architects in particular.
- Training: During the reporting year, around 30,000 customers were provided with basic and further training in Geberit systems and software tools at the 25 information centers in Europe and overseas.
- → **"Geberit On Tour"**: Mobile exhibition that presented the advantages of Geberit products at more than 1,150 events throughout Europe in 2013. Around 34,000 visitors were registered at the events in total.
- → **"Geberit Challenge"**: The competition took place in Switzerland, Finland and twice in the United Kingdom in the reporting year. Garnering much media attention, the best team of plumbers in each of these countries was chosen by Geberit.
- Trade fairs and customer surveys: see → **Business report > Business and financial review > Customers**.
- A trend study entitled "Changes in Body Awareness and Hygiene" was carried out by Zukunftsinstitut GmbH in Frankfurt (DE).

**Shareholders, analysts:**

- Participatory rights of shareholders, see → **Business report > Corporate governance > Participatory rights of shareholders**
- Regular conference calls, bilateral meetings, conferences and roadshows by the CEO, CFO and Head Corporate Communications & Investor Relations

**Media:**

- Regular conference calls, bilateral meetings/interviews with the relevant media for Geberit
- Sustainability issues and in particular the proof of performance and role model status of Geberit in this area are playing an increasingly important role in Geberit's media relations

**Employees:**

- Geberit Europe Forum: Regular meetings of the employee representatives of the European sites with a member of the Group Executive Board and the Head Corporate Human Resources
- Training and feedback opportunities on topics regarding the Code of Conduct, see → **SO3**
- Introduction of Group-wide → **"Geberit Integrity Line"** from January 2013 enabling all employees worldwide to report internal irregularities anonymously
- Employee survey every four years

**Neighbors, municipalities:**

- Consultation with and inclusion of the neighbors of production plants in larger construction projects
- Open days at various production sites

**Research and universities:**

- Financial support of the ETH Zurich Foundation with its key strategic area entitled "Sustainable Construction"
- Cooperation with Tongji University (CN) on technological trends and developments directly related to sanitary technology
- Cooperation with the University of Applied Sciences Rapperswil (CH) on the efficiency of production machines

**Suppliers:**

- Initial contact within the scope of the assessment procedure and implementation of the Code of Conduct for Suppliers
- Regular discussions between buyers and suppliers on site
- On-site audits (quality, environment, safety) carried out by Geberit and since 2012 by certified third-party specialists
- Cooperation with manufacturers of infrastructure facilities, e.g. pilot project for the use of waste heat for the preheating of granulate in Pfullendorf (DE), see → **EN5**

For further information, see → **HR2**

**Transport companies:**

- Discussions with transport service providers concerning the implementation of environmental monitoring, see → **EN29**
- Joint planning and implementation of a → **pilot project for a natural gas truck** with a vehicle manufacturer and transport service provider

**Associations:**

- Involvement in the associations listed under → **4.13** with participation in corresponding management bodies and programs at least once a year, generally more frequently

**Non-government organizations, general public:**

- Partnership with the Swiss WaterKiosk Foundation
- Partnership with the → **Swiss development organization Helvetas**

Feedback from stakeholder dialogs is incorporated into the → **Sustainability Strategy** and associated measures.

#### 4.17 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**.

Examples of important topics that were introduced by stakeholders and have been implemented by Geberit include:

- Expansion of the portfolio of water-saving products: see → **EN26**.
- → **Water footprint**, which covers Geberit's entire value chain.
- Transparency with "WELL" in the selection of water-saving products: see → **Business report > Business and financial review > Sustainability**.
- Customer training: see → **Business report > Business and financial review > Customers**.
- Content-related adjustments to the remuneration system: see → **Business report > Corporate governance > Compensations, shareholdings and loans**.
- Long-term CO<sub>2</sub> strategy: see → **Sustainability Strategy**.
- Transparency in the eco-balance results of logistics services: see → **Business report > Business and financial review > Logistics and procurement**.
- "Best-in-class" approach to occupational safety: see → **Business report > Business and financial review > Employees**.
- Implementation of social projects: see → **Business report > Business and financial review > Social engagement**.

## 5. Economy (EC)

### DMA-EC Management approach economy

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 (aspects economic performance, market presence, indirect economic effects).

A clear business strategy and its consistent implementation are crucial for sustainable success. The focused, tried-and-tested strategy rests on four strategic pillars:

1. Focus on sanitary technology
2. Commitment to innovation
3. Selective geographic expansion
4. Continuous optimization of business processes

For detailed explanations of the four strategic pillars, see → [www.geberit.com](http://www.geberit.com) > Company > Vision and Strategy.

For a discussion of the economic position of the Geberit Group, see → [Business report > Business and financial review](#).

### EC1 Economic performance

Significant indicators for the generation and distribution of value in accordance with the GRI requirements can be found in the financial report:

#### Direct Economic Value Added

Sales and operating profit, see → [Financial report > Consolidated financial statements Geberit Group > Income statements](#).

#### Economic Values Passed On

- Operating expenses excl. personnel expenses, see → [Financial report > Consolidated financial statements Geberit Group > Income statements](#).
- Personnel expenses, see → [Key figures sustainability > Employees and society](#).
- Payments to providers of capital, see → [Financial report > Consolidated financial statements Geberit Group > Statements of cashflows](#).
- Social commitment, see → [EC8](#).

#### Retained Economic Values

- Investments in and divestments of property, plant and equipment, see → [Financial report > Consolidated financial statements Geberit Group > Statements of cashflows](#).
- Share buyback, see → [Financial report > Consolidated financial statements Geberit Group > Notes > Note 22](#).

### EC2 Financial implications of climate change

Climate change is influencing the availability of water resources throughout the world. In 2010, the World Bank forecast that the adjustment to an increase in temperature of the global climate of two degrees Celsius between 2020 and 2050 would cost between USD 70 and 100 billion per year. 20 percent of this is attributable to water supply and flood protection measures. The fourth UN World Water Development Report published in 2012 underlines the necessity to integrate the topic of water more prominently into global governance in view of the global trends. Sustainable water use is essential for ensuring viable social and economic development around the world. Water is of central importance for nutrition, health, the environment, the economy and energy production. Sensible water management therefore calls for cross-sector solutions.

These trends will determine the sanitary technologies of the future. 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 → [Business report > Business and financial review > Sustainability](#)

Compared to this relatively big opportunity, Geberit is exposed to an average risk of natural disasters triggered by climate change which can fundamentally affect production areas or transport areas. None of the production sites is particularly at risk in this respect. As Geberit does not operate in the classically energy-intensive industries, there are currently no special CO<sub>2</sub> regulations such as statutory emission limitations, etc. On the other hand, Geberit is indirectly affected by higher energy or raw materials prices and by generally increasing requirements in terms of energy management. With its internal energy master plan and the measures related to its CO<sub>2</sub> strategy (see → [EN18](#)), Geberit is reacting proactively and is working continuously on saving energy, improving its energy efficiency and reducing its CO<sub>2</sub> emissions. In this way, the company is saving on energy costs and reducing the risks associated with CO<sub>2</sub> emissions.

As far as corporate risks are concerned, the Audit Committee of the Board of Directors introduced a comprehensive system for the monitoring and management of the risks associated with the company's business activities, including the risk category CO<sub>2</sub> emissions, see → [Financial report > Consolidated financial statements Geberit Group > Notes > Note 4](#).

There is no systematic, data-supported analysis of the financial consequences of climate change for Geberit.

### EC3 Scope of the organization's defined benefit plan obligations

The Geberit Group sponsors defined benefit plans for its employees in Switzerland, Germany, Austria and the US.

For more information, see

→ [Financial report > Consolidated financial statements Geberit Group > Notes > Note 3 > Retirement benefit plans.](#)

→ [Financial report > Consolidated financial statements Geberit Group > Notes > Note 17.](#)

### EC4 Significant financial assistance received from government

Significant assistance received from the public sector includes:

- For information on income taxes, see → [Financial report > Consolidated financial statements Geberit Group > Notes > Note 26.](#)
- Because of new investments to promote the respective business location and secure jobs, Geberit received government investment subsidies totaling approximately CHF 2.15 million in the reporting year (Switzerland: CHF 0.65 million, Germany: CHF 1.5 million).
- Contributions received to support training and part-time employment prior to retirement amounted to CHF 0.34 million (Germany: CHF 0.07 million, Austria: CHF 0.2 million, US: CHF 0.07 million).

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

### EC5 Ratio of standard entry-level wage compared to local minimum wage

Geberit pays market-rate wages, taking into account local circumstances and laws. When selecting employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. Applicable local minimum wages are well met.

This information partially covers the requirements of the GRI indicator.

### EC6 Selection of locally based suppliers

Geberit pursues a procurement policy that focuses on low costs, safety and independence. Before a collaboration agreement can be concluded, a multiple-stage risk analysis and assessment including environmental and social risks is carried out for every new supplier (see also → [HR2](#)). Taking account of all aspects relevant to purchasing (guidelines in the Geberit Group's purchasing manual), there are no directives concerning preferential treatment of local suppliers, especially from certain countries. However, Geberit supports regional organizations for disabled persons and the long-term unemployed (see → [EC8](#)).

### EC7 Procedures for local hiring

Geberit has no personnel policy or employment practices providing for the preferential treatment of persons from local vicinities in connection with the hiring of members of management boards for the respective country organizations.

### EC8 Investments in infrastructure and services primarily for public benefit

Donations and financial contributions, including product donations, totaling CHF 3.1 million (previous year CHF 2.7 million) were made during the reporting year. In addition, Geberit employees contributed 1,340 hours of charitable work as part of social projects (previous year 2,335 hours). Geberit also supports facilities for disabled persons and long-term unemployed, where simple assembly and packaging work in the amount of around CHF 4.4 million was carried out in 2013 (previous year CHF 4.8 million). See also → [Key figures sustainability > Employees and society.](#)

Geberit aims to achieve sustained improvement in the quality of people's lives through innovative solutions in sanitary technology. To this end, various social projects are supported on site with products, know-how and financial contributions. Care is taken to ensure that the topic of water plays a central role and that the projects exhibit a substantial relationship to Geberit's core competencies and corporate culture. The focus was on the following projects and partnerships in 2013:

- Execution of a → [social project in Bucharest](#) in Romania: Installation of sanitary facilities in a hospice for seriously ill adults and children, plus the voluntary care of patients (social work).
- Continuation of → [the partnership with Helvetas](#) (renewal of contract for three years) on the topic of clean drinking water and sanitary facilities.
- Continuation of the partnership with the Swiss WaterKiosk Foundation to clean polluted drinking water using a solar pasteurization process.
- Support with products and know-how in rebuilding a sports facility for the rugby team in Villa Sant'Angelo (IT) destroyed by the earthquake in 2009.

For more information, see → [Business report > Business and financial review > Social engagement.](#)

### EC9 Indirect economic impacts

There is no systematic, data-supported analysis concerning indirect economic impacts. Geberit nevertheless pursues a long-term approach in dealings with its customers and stakeholders, thereby making a significant contribution to their economic development.

Geberit sets important trends for the sanitary industry: With innovation and new products that are sold and implemented worldwide by wholesalers, plumbers and planners and make a contribution to economic development. This is supplemented by providing training, advice and intensive support to plumbers and planners, see → [Business report > Business and financial review > Customers](#). For example, this includes the training of over 3,000 planners and plumbers in 2013 on the implementation of new drinking water directives in Switzerland. Furthermore, the education of students and research on sanitary technology and sustainable construction are supported by cooperation with institutions such as the Swiss Federal Institute of Technology (ETH) in Zurich (CH), the University of Applied Sciences Rapperswil (CH) and Tongji University (CN).

Geberit uses its know-how to set industry-wide standards for water conservation and the relief of water and waste water systems. For example, Geberit actively worked on adapting the applicable standard for the dimensioning of waste water piping to smaller diameters. This is important so that the full functionality of the piping system is ensured even with lower quantities of waste water. Geberit also supported the launch of WELL (Water Efficiency Label), a product classification system for water-saving and resource-efficient sanitary products that was introduced in 2011.

Also to be emphasized are the economic impacts on suppliers, transport companies and the local economic regions of the production sites. The Group's cost of materials in 2013 was CHF 597.2 million (previous year CHF 590.7 million). Geberit has relations with a total of more than 1,200 suppliers. The company does not have its own transport fleet and contracts external transport companies for logistics services. Geberit places its faith in its 17 production plants in Europe, China, India and the US as well as in its Logistics Center in Pfullendorf (DE), in which it continuously invests.

This information partially covers the requirements of the GRI indicator.

## 6. Ecology (EN)

### DMA-EN Management approach ecology

Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as the development of water-saving and sustainable products. Environmental criteria are considered in all decision-making processes. In addition, processes are continuously being optimized 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](#).

Systematic, Group-wide environmental management takes center stage. This is the remit of the central Environment and Sustainability department that reports directly to the CEO. Guidelines and measures pertaining to all aspects of the GRI environmental guidelines are coordinated here. Since 1992, a network of environmental managers has been practicing active environmental protection at the production plants, thus ensuring that the measures are implemented worldwide. For objectives and measures for production, see → [www.geberit.com > Sustainability > Sustainability Strategy](#).

Since the beginning of 2007, Geberit has had a → [combined Group certificate for quality and environment in accordance with ISO 9001 and ISO 14001](#), which by now covers all production locations (with the exception of the site in India) and logistics services. This certificate is valid until 2015. The persons in charge at all locations meet at least once every year to exchange experiences and share best practice. The most recent meeting took place in September 2013.

The preparation of an annual corporate eco-balance has been an integral part of Geberit's environmental strategy since 1991. The corporate eco-balance covers 16 production plants worldwide, the Logistics Center in Pfullendorf (DE) and the eight largest sales companies. The → [production plant in Pune \(India\)](#), which commenced operations in the second half of 2013 and represents Geberit's 17th production site across the globe, will be included in the assessment as of 2014. The corporate eco-balance enables an overall assessment of the environmental impact and its largest contributing factors. This makes it possible to calculate the total environmental impact of the Geberit Group in terms of eco-points and monitor the implementation of the environmental targets. Key figures for environmental impact, energy consumption and the CO<sub>2</sub> emissions triggered by the transport of Geberit products are reported separately. The CO<sub>2</sub> emissions generated by air travel have also been recorded since 2012. In 2013, the roll-out of the integrated management system for quality, environment, energy and safety was continued at all plants. This includes the further implementation of the software program launched in 2012 for the Group-wide monitoring of the corporate eco-balance, the energy master plan and occupational safety. Among other things, this enables energy consumption to be monitored on a monthly basis.

The absolute environmental impact for the Group declined by 2.1% in the reporting year (previous year decrease of 5.1%). This is explained by improved electricity efficiency, an increase in the share of green electricity and the use of biogas to replace natural gas. Sales after currency adjustment grew by 3.6% in the same period. The relative environmental impact with respect to sales (currency-adjusted) improved by 5.5% and exceeded the target figure of 5%.

Detailed key figures on the environmental impact are provided at → [Key figures sustainability > Environment](#). Longer time series are now also provided for individual key figures.

### EN1 Materials used

The most important materials for production are plastics, metals, semi-finished and finished products. A total of 184,216 metric tons of materials were used in 2013 (previous year 177,762 metric tons). Detailed key figures on the use of materials can be found at → [Key figures sustainability > Environment](#).

For packaging materials used, see → [EN27](#).

### EN2 Percentage of recycled material

When estimating the share of recycled material in production, a distinction is made between external and internal sources of raw materials for reasons of expediency.

#### External sources:

The share of recycled material in purchased metals is relatively high. The data is based on Geberit's product life cycle assessments for supply pipes for buildings (2009). Extrapolated, the raw material metal purchased contains around 54% or 26,000 metric tons of recycled material.

With plastics, virgin material is primarily used. The search for suitable, high-quality regranulate from external plastic waste is an integral part of Geberit's procurement strategy. In terms of the material ABS, a suitable alternative made of 100% recycled material was found. This alternative is based on high-quality plastic waste from the electronics industry (e.g. used computer cases). According to the supplier, the manufacture of this regranulate consumes over 80% less energy compared to the manufacture of a metric ton of new petrochemical-based plastic. Furthermore, between one to three metric tons less CO<sub>2</sub> are released into the atmosphere, depending on the material. In 2013, over 350 metric tons of ABS regranulate were used for the mounting frames for concealed cisterns. The use of plastic regranulate is to be increased further and applied to other product areas.

#### Internal sources:

In terms of the raw material plastic, recycled material is primarily generated internally and is ground on site or via a decentralized mill and fed back into the process. The proportion fluctuates depending on the manufacturing process. For blow molding it is around 35%, for injection molding around 15%, depending on product class, and for pipe extrusion around 3%. This corresponds to a total of around 7,700 metric tons.

### EN3 Direct energy consumption

Geberit generally uses energy purchased externally. The direct energy carriers (Scope 1) include heating oil extra light, natural gas and the fuels diesel and gasoline. Consumption of natural gas was increased by 4.8% (previous year reduction of 11.1%) and heating oil consumption was reduced by 31.0% (previous year reduction of 39.9%). Fuel consumption increased slightly by 1.6% (previous year increase of 3.8%).

Since 2012, a → **block heating station** has been in use in Pfullendorf (DE). This plant was fed by 10.6 GWh of regionally produced biogas in 2013. The electricity generated by the plant (3.9 GWh) is fed into the transmission grid and the resulting heat (4.9 GWh) can be used in production, thereby substantially reducing the use of natural gas. The efficiency of the plant is 82%.

For detailed key figures on energy consumption, see → **Key figures sustainability > Environment**.

### EN4 Indirect energy consumption

At Geberit, only electricity consumption is significant for indirect energy consumption (Scope 2), and it simultaneously represents the greatest environmental impact. In terms of end energy, electricity consumption declined by 1.5% in spite of higher production (previous year decrease of 0.7%). The share of purchased green electricity was increased by 1 GWh to 21 GWh in 2013 and now accounts for 19% of total electricity consumption.

Since 2012, the Group has also been generating electricity in a → **block heating station powered by regional biogas in Pfullendorf (DE)**. This electricity is fed into the transmission grid, with this figure amounting to 3.9 GWh in 2013. Furthermore, the roof area at the plant in Givisiez (CH) was made available to an energy services provider in 2013 for the construction of a 3,050 m<sup>2</sup> photovoltaic system with projected annual electricity production of 0.5 GWh. However, this contribution is not included in the energy balance as the energy produced is managed by the regional energy supplier.

For detailed key figures on electricity consumption and the electricity mix, see → **Key figures sustainability > Environment**.

### EN5 Energy saved

Important energy-saving measures in production include:

- the insulation of buildings
- the continuous modernization of the machine fleet
- increasing the efficiency of production installations
- the optimization of cooling systems through the use of natural ambient cold (free cooling)
- the improved use of waste heat (heat recovery)
- the careful use of compressed air

Concrete examples show the clear efficiency gains that the reduction in relative energy consumption has been contributing to for years:

- The number of injection molding machines retrofitted or purchased new with energy-efficient drive technology was increased from 74 to 96 in 2013, with the two Chinese plants in Shanghai and Daishan benefiting particularly from this development. The analysis on site showed that a modified machine consumed an average of over 40% less energy. This measure enables the Chinese plants to save approximately 2 GWh of electricity per year.
- Replacing an old blow molding machine in Pfullendorf (DE) with the latest machine technology contributes to a reduction in energy consumption of around 0.6 GWh per year.
- A pilot project for the preheating and drying of plastic granulate was started at the same site. Using the waste heat from the block heating station as opposed to additional heating energy enables the plant to save around a further 0.6 GWh per year.
- By carefully planning new buildings, the company is also investing in the energy-efficient infrastructure of the future. The completely → **new, state-of-the-art factory premises currently being built in Ruše (SI)** are already serving as a role model in all of Slovenia in the area of green building and production. The site's sophisticated holistic energy concept includes the use of all waste heat from industrial processes as well as the complete absence of fossil fuels. The available ground water is used for cooling, while rainwater is collected and used both as fire fighting water and for watering the surrounding area.

Although no quantitative summarized breakdown of energy savings according to the measure implemented is available, systematic energy management has been expanded further. In 2013, work commenced on the development of a systematic energy management system at the three sites in Pfullendorf, Lichtenstein and Langenfeld (DE) and pre-audits have already been conducted by SQS. The certification of these production plants according to ISO 50001 (energy management) is planned for 2014 within the scope of the existing integrated management system according to ISO 9001, ISO 14001 and OHSAS 18001.

This information partially covers the requirements of the GRI indicator.

## EN6 Energy-efficient products

The biggest environmental contribution by the Geberit products lies in the conservation of water, which indirectly also saves on energy:

- The creation of the infrastructure for drinking water supply and waste water disposal, the conveyance, processing and distribution of water and the subsequent purification of the waste water in a wastewater treatment plant also consume resources and energy. According to the Ecoinvent database (version 2.1), 9.3 MJ of energy are required per cubic meter of water and 0.61 kg of CO<sub>2</sub> emissions are released (reference values for Europe).
- The → **water footprint**, which has been prepared since 2012, covers the entire value chain and shows that almost 100% of water consumption occurs during the usage of the products. The picture is similar for the CO<sub>2</sub> emissions: Around 67% of the total CO<sub>2</sub> footprint occurs during usage.
- The total water savings achieved by Geberit products in use throughout the world are impressive: According to one model calculation, the entire dual-flush and flush-stop "fleet of cisterns" produced since 1998 has saved around 15,800 million cubic meters of water to date in comparison with traditional flushing systems. In 2013 alone, the water saved amounted to 1,980 million cubic meters.

Direct energy savings when using the products are made possible thanks to systematically improved energy efficiency. Current examples include:

- With its simple, modern lines and wealth of innovative technology, the new → **Geberit AquaClean Sela** shower toilet launched in April 2013 is a compelling product offering a high level of convenience. In adding this model, Geberit is supplementing its line of shower toilets with a complete solution that has been fundamentally redesigned and fits into nearly any style of bathroom. The spray functionality, which uses aerated water for cleaning, is the main feature of the new shower toilet. Enrichment with air not only gives a pleasant feeling of cleanliness, but also reduces water and energy consumption. With the spray intensity at the maximum setting, just 0.5 liters of hot water are required for the entire shower procedure. This results in around 65% less water consumption and 33% less electricity consumption compared to the top Geberit AquaClean 8000plus model. For further information, see → **Business report > Business and financial review > Innovation**.
- With the → **electronic lavatory taps type 185 and 186**, the company has for several years been offering environmentally friendly products for public facilities that reduce water consumption. The taps, which were awarded the top A category by the WELL water efficiency label, ensure economical water-saving consumption thanks to their control electronics. Since spring 2012, a new generator unit has been using the energy of the flowing tap water to generate the required electricity, thus making the electronic taps independent of mains current or batteries.
- The → **Geberit actuator plate Sigma70**, which will be launched on the market in 2014, distinguishes itself through its refined elegance and a patented servo technology that does not require an external energy source due to its use of pipe pressure. Thanks to this technology, a gentle press suffices to trigger the dual flush.

## EN7 Reduction of indirect energy consumption

- Raw materials: The eco-design workshop in product development generally pursues the approach of using as few materials as possible (see → **EN6** and → **EN26**). No quantitative analyses on the resulting energy savings are available.
- Logistics: For information on the reduction of energy consumption, see → **EN29**.
- Business trips: Travel using company vehicles is covered in → **EN3**. As part of the CO<sub>2</sub> strategy, an ambitious fuel reduction plan for new vehicles has been defined. The emissions caused by business trips by air travel have also been captured and calculated since 2012 (for both these figures, see → **EN18**).

This information partially covers the requirements of the GRI indicator.

## EN8 Water consumption

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 0.01% of water consumption. Geberit nevertheless also serves as a role model with respect to its internal water consumption in production and goes to great lengths to further optimize its processes with regard to water consumption every year.

Geberit mainly uses fresh water from the public water system, together with well water and rainwater. Thanks to targeted savings measures, the consumption of fresh and well water has been reduced by nearly 40% since 2006 and is now leveling out at a low level. Consumption decreased by 3.5% in 2013. Water consumption per sales (currency-adjusted) has declined by over 50% since 2006, confirming that Geberit is on track to meet its long-term target of reducing consumption by 5% per year.

Geberit also advocates the economical use of water beyond processes and products. This can be seen by its collaboration in the development of the product classification system → **WELL** (Water Efficiency Label) introduced in 2011, its collaboration within the standard group for the development of the new ISO 14046 water footprint standard and its active role in the dialog with stakeholders on the European ecolabel for WCs, urinals and lavatory taps.

Key figures concerning water consumption by source can be found at → **Key figures sustainability > Environment**.

## EN9 Water sources significantly affected by withdrawal of water

Geberit production plants' water consumption does not place a considerable burden on water sources as defined in the GRI guidelines.

### EN10 Water recycling

Throughout the Group, two processes are responsible for much of the water requirements:

1. During the production of multilayer pipes in Givisiez (CH), the pipes are cross-linked in autoclaves. A total of 30,670 m<sup>3</sup> of water was used for this purpose in 2013. Around 31% or 9,380 m<sup>3</sup> of this is fresh water; the remaining 69% was recycled internally.
2. Newly developed products are tested at the Geberit sanitary laboratory in Jona (CH). The tests require some 130,700 m<sup>3</sup> of water annually. Only about 2% or 2,280 m<sup>3</sup> of this is fresh water. The remaining 98% is used in a closed-circuit system. Based on these two processes, the estimated proportion of recycled water in the Geberit Group is almost 55%.

### EN11 Parcels in biodiversity reserves

This indicator is not relevant to Geberit. The typical activities at Geberit's production sites and the company's products and services do not endanger any sanctuaries or areas of significant biodiversity.

### EN12 Impact on biodiversity in protected areas

This indicator is not relevant to Geberit. The typical activities at Geberit's production sites and the company's products and services do not endanger any sanctuaries or areas of significant biodiversity.

### EN13 Protected or restored natural habitats

This indicator is not relevant to Geberit. The typical activities at Geberit's production sites and the company's products and services do not endanger any natural habitats or areas of significant biodiversity.

### EN14 Management of impact on biodiversity

This indicator is not relevant to Geberit. The typical activities at Geberit's production sites and the company's products and services do not endanger any sanctuaries or areas of significant biodiversity.

### EN15 Influence on IUCN Red List species

This indicator is not relevant to Geberit. The typical activities at Geberit's production sites and the company's products and services do not endanger any sanctuaries, areas of significant biodiversity or species on the IUCN Red List.

### EN16 Direct and indirect greenhouse gas emissions

A comprehensive CO<sub>2</sub> footprint has been calculated since 2012. The CO<sub>2</sub> footprint covers the entire value chain – from the provision of raw materials, the manufacturing of products at Geberit, logistics and use, right through to disposal. An analysis of the CO<sub>2</sub> footprint revealed that product use (67%) and the provision of raw materials (21%) are by far the largest sources of CO<sub>2</sub> emissions. During product use, the provision of water, treatment of waste water and generation of hot water play a central role. Production by Geberit accounts for only 3% of total CO<sub>2</sub> emissions. In a relative comparison, the transport (1%) and disposal (8%) of the products also cause fewer emissions.

CO<sub>2</sub> emissions are calculated as part of the annual preparation of the corporate eco-balance. The six leading substances as per the Kyoto Protocol (CO<sub>2</sub> fossil, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC and SF<sub>6</sub>) were used for the greenhouse gas emissions and shown as a sum parameter (CO<sub>2</sub> equivalents or simply CO<sub>2</sub>). The calculation includes both direct emissions (Scope 1) from the burning of combustibles and fuels (see → EN3) and indirect emissions (Scope 2) resulting from electricity consumption (see → EN4). The emissions from the preparation of combustibles and fuels in the upstream chain (Scope 3) are included in the cumulative value (see → EN17).

Key figures on the CO<sub>2</sub> emissions are available at → [Key figures sustainability > Environment](#).

In absolute terms, CO<sub>2</sub> emissions (Scopes 1 and 2) decreased by 2.7% to 69,909 metric tons in 2013 (previous year 71,853 metric tons). If one relates these emissions to sales (currency-adjusted), there is an improvement of 6.1%. At 75%, electricity consumption is by far the largest source of CO<sub>2</sub>, followed by combustibles and fuels. Just the purchase of 21 GWh of green electricity in Pfullendorf (DE), Daishan (CN), Givisiez (CH) and Weilheim (DE) reduces the CO<sub>2</sub> emissions by more than 12,200 metric tons.

### EN17 Other relevant greenhouse gas emissions

Other relevant greenhouse gas emissions (Scope 3) result from:

- The provision of combustibles and fuels (in → EN16) which accounted for some 2,000 metric tons of combustibles and around 2,250 metric tons of fuels in 2013.
- The raw materials used and the "gray energy" purchased along with them. This is estimated for the corporate eco-balance, and amounted to around 10,720 TJ in 2013 (previous year 10,500 TJ) and caused around 491,000 metric tons of CO<sub>2</sub> emissions (previous year 478,000 metric tons).
- Logistics (see → EN29), which caused a total of 27,483 metric tons of CO<sub>2</sub> emissions in 2013 (previous year 26,883 metric tons).
- Business travel by air, which caused 829 metric tons of CO<sub>2</sub> emissions (previous year 769 metric tons).

## EN18 Initiatives to reduce greenhouse gas emissions

Under the established → **CO<sub>2</sub> strategy** the CO<sub>2</sub> emissions per sales (currency-adjusted) should be reduced by 5% per year on average between 2006 and 2015. With an improvement in this key figure of 6.1%, Geberit outstripped this annual target in 2013 and is well on track with its strategy (see → **EN16**). In line with the “best-in-class” approach, ambitious long-term goals were drawn up at the end of 2012. Based on organic growth, CO<sub>2</sub> emissions should be reduced by 20% by 2020 compared with the base year 2000, in line with the EU target values. In addition, the share of combustibles from renewable sources should be increased to 25% and the share of electricity from renewable sources to 60% by 2020.

The measures for implementing the CO<sub>2</sub> strategy are based on the three pillars “energy saving”, “increased energy efficiency” (see → **EN5**) and the “targeted expansion of the share of renewable energy sources”. An energy master plan is being implemented in the largest plants to manage and plan energy consumption. This provides a forward-thinking illustration of the development of energy consumption and CO<sub>2</sub> emissions. In Switzerland, Geberit works with the Business Energy Agency and has also obtained corresponding CO<sub>2</sub> certificates.

In 2013, another 2 GWh of certified green electricity was purchased by the largest production plant in Pfullendorf (DE), bringing the total for green electricity to 14 GWh. The plan is to increase this by another 3 GWh in 2014. The Daishan (CN) plant purchased around 2 GWh of wind energy in the reporting year, which accounted for around 60% of the plant’s total energy consumption. In addition, the plant in Givisiez (CH) converted to 100% green electricity and purchased approximately 4.6 GWh of green electricity in 2013. In 2013, the consumption of green electricity amounted to 21 GWh (previous year 20 GWh). Renewable energy sources accounted for 31% of total electricity consumption (previous year 30%). Furthermore, the roof area at the plant in Givisiez (CH) was made available to an energy services provider in 2013 for a 3,050 m<sup>2</sup> → **photovoltaic installation** with projected annual electricity production of nearly 0.5 GWh.

The share of renewable energies when it comes to combustibles is also being increased gradually. An important milestone was reached in 2012 with the commissioning of the → **block heating station in Pfullendorf (DE)**, which was fed by 10.6 GWh of regionally generated biogas in 2013. This already brought the share of renewable energies for combustibles to 21% in 2013 (target figure 25%).

The efficiency of the in-house fleet of vehicles is enhanced with a consistent purchasing policy. Since early 2008, binding guidelines have applied for the purchase of new vehicles with the goal of reducing consumption by 10% every three years until 2012. Since 2013, this fuel reduction plan for new vehicles has been increased to 5% per year to reach an emission value of 100 grams of CO<sub>2</sub>/km by 2020 as targeted by the EU. At the same time, emission-reducing measures are being implemented. Currently 99% of all Geberit diesel vehicles have particle filters.

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

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

## EN19 Ozone-depleting substances

Emissions of ozone-depleting substances, measured in CFC11 equivalents, can be calculated based on the Geberit Group’s corporate eco-balance. The calculation includes both direct emissions from the burning of combustibles and fuels and process emissions (solvents), as well as indirect emissions resulting from electricity consumption.

Key figures on ozone-depleting substances can be found at → **Key figures sustainability > Environment**. The increase at a very low level is due to the increase in coolant losses.

## EN20 NO<sub>x</sub>, SO<sub>x</sub> and other air emissions

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 Geberit Group’s corporate eco-balance. The calculation includes both direct emissions from the burning of combustibles and fuels and process emissions (solvents), as well as indirect emissions resulting from electricity consumption.

Key figures on these emissions are available at → **Key figures sustainability > Environment**.

## EN21 Total water discharge

Geberit does not engage in the unplanned discharge of water. All resulting domestic waste water and all process waste water is treated. In 2013, 116,719 m<sup>3</sup> of waste water was generated (previous year 114,932 m<sup>3</sup> of waste water). Of this, 75% is domestic waste water that passes into the communal wastewater treatment plant (previous year 65%), and 2% (previous year 12%) is domestic waste water that is pretreated and fed into receiving waters. The remaining 23% (previous year 23%) is waste water that is pretreated and fed to a communal wastewater treatment plant. Waste water is not directly reused by third-party companies.

Key figures on waste water can also be found at → **Key figures sustainability > Environment**.

## EN22 Waste

In 2013, the total waste was 12,118 metric tons (previous year 11,460 metric tons). Of this, 84% was channeled to external recycling processes (previous year 84%). The measures focused above all on the further separation of waste and the reduction of mixed waste and hazardous waste. The following examples show that considerable progress was made in the past few years: In Weilheim (DE), the manufacturing waste was reduced by 80% in five years, mainly through the use of a new foaming facility. This pioneer project was tested and implemented in several stages. Central aspects include the use of rainwater for cleaning, which is then added to the foaming process as process water, and optimized cleaning cycles to prevent residues in the plant.

Key figures concerning waste by category are provided at → [Key figures sustainability > Environment](#).

### EN23 Significant spills of chemicals

There were no spills of chemicals in the reporting period.

### EN24 Transport of hazardous waste

In 2013, approximately 269 metric tons of hazardous waste (previous year 179 metric tons) were disposed of by incineration and 956 metric tons (previous year 1,199 metric tons) were recycled. At Geberit, all waste is disposed of and recycled by licensed disposal companies.

This information partially covers the requirements of the GRI indicator.

### EN25 Effects of water discharges on bodies of water

This indicator is not relevant to Geberit as no bodies of water are affected by significant water discharge from Geberit facilities as defined in the GRI guidelines.

### EN26 Mitigation of environmental impact of products

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 minimized and a high level of resource efficiency is targeted for the production process as well as the product itself. → [Eco-design workshops](#), in which different disciplines cooperate and ensure that every new product exceeds its predecessor in environmental aspects, are an integral part of the early development phase.

Specially created product life cycle assessments are important decision-making tools for development and provide arguments for the use of resource-efficient products. Detailed life cycle assessments have already been prepared for the following products: drainage/supply pipes, AquaClean 8000plus, electronic lavatory taps type 185/186, concealed cisterns and urinal flush control. An Environmental Product Declaration (EPD) was issued in accordance with the new European standard EN 15804 for the first time in 2012. The → [EPD for lavatory taps](#) provides relevant, comparable and verified information about the product's environmental performance. New ways of more efficiently creating product life cycle assessments and EPDs for other products are currently being sought. A pilot project for the systematic recording of environmental data at the product level was therefore started, which should greatly simplify a further processing to EPDs and ecological product information. This further supports the visible positioning of the company as a provider of system solutions in the area of green building. Examples from the product range that help to reduce the environmental impact:

- Since 2011, a new technological solution has been deployed to simplify the conversion of the large flush volume on nearly all concealed cisterns from 6 or 9 liters to 4.5 liters. The gradual conversion of the product range is creating great potential for even more water conservation.
- The new WELL water efficiency label, which was introduced by the European umbrella organization for valve manufacturers (EUnited) in 2011 and which determines the water efficiency of products in line with the European energy label, provides more transparency in the area of water conservation (see also → [PR3](#)). Of the eight Geberit product groups already certified, seven are represented in the A, one in the B class. These product groups account for around 20% of Group sales.
- Swift implementation of the European Drinking Water Directive 98/93/EC, which is valid as of December 1, 2013 and defines a maximum allowable lead concentration in drinking water: In 2013, Geberit adapted all components made of copper materials that come into contact with drinking water – some 1,800 products – to the new requirements and did so ahead of time, thus ensuring that customers with Geberit products are on the safe side.
- The Geberit Sovent fitting, which facilitates an optimal layout of waste water discharge stacks in high-rises, was streamlined and optimized thanks to the leading know-how of Geberit's flow specialists. The new flow-optimized fitting causes the water to rotate in the discharge stack, which creates a continuous column of air in the center. This ensures optimum pressure compensation and increases the discharge rate by 40%, while at the same time taking up less space and using 45% less material. The Sovent fitting also permits the use of relatively small-sized discharge stacks even in very high buildings.
- Since 2010, eco-design has also been included in product modifications and technology projects, thus ensuring that opportunities to reduce the ecological footprint are always utilized to their full potential: From the end of 2013, the elements for WCs, urinals and washbasins will receive new halogen-free protecting hoses for the threaded rods. By replacing around 6.7 million hoses, 110 metric tons of polyvinyl chloride (PVC) can be replaced by 35 metric tons of environmentally friendly polyethylene (PE).

Advances in the reduction of the environmental impact were not only made at product level, but also with regard to product information. From 2013, the user manuals for the shower toilet will only be provided to the main markets in five instead of 22 languages. This change, which was initiated by environmentally conscious customers, is very effective, as it reduces paper consumption by some 19 metric tons per year.

### EN27 Reclaimed packaging material

The following quantities are based on an internal survey at the sites: On the product side, approximately 13.3 metric tons of used products (mainly electrical equipment) were taken back and disposed of appropriately in 2013 (previous year 7 metric tons). In some markets (DE, CH), parts of the multilayer drinking water pipes (Mepla) are also taken back. The exact quantity is not known, but is estimated to be just under around 10 metric tons Group-wide (previous year 7 metric tons). In 2013, approximately 13,360 metric tons (previous year 12,320 metric tons) of packaging material were used, over 49% (previous year 45%) of which was collected and recycled by Geberit itself or by financed contract partners. The rest is disposed of and recycled on a country-specific basis.

### EN28 Sanctions due to non-compliance with environmental laws and regulations

No significant fines or non-monetary penalties were imposed in the reporting year.

### EN29 Environmental impact of transport

In the area of logistics, in addition to cost effectiveness and punctuality, it is increasingly important to customers that transport services be as environmentally friendly as possible. Geberit does not maintain its own fleet of vehicles. Because external logistics equates to around 35% of the Geberit Group's total environmental impact (production plants and sales companies), collaboration with the transport service providers that work with Geberit is central. Partners agree to actively support Geberit in its efforts to use energy and packaging material efficiently and to reduce emissions, and undertake to provide the data needed for Geberit's environmental reporting.

The logistics calculator developed in 2010 facilitates the 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 annual eco-balance. In the reporting year, the twelve largest transport service providers handled 176.6 million ton-kilometers (previous year 169.7 million ton-kilometers). This generated 27,483 metric tons of CO<sub>2</sub> emissions (previous year 26,883 metric tons). The increase in transport services and CO<sub>2</sub> emissions was mainly caused by the increase in sales and the related increase in transport volumes. The share of Euro 5 vehicles remains high at 87%. Euro 6 vehicles (compulsory for new vehicles from January 1, 2014) were also used for the first time. As a result, Euro 5 and Euro 6 vehicles account for a total of nearly 90% of the entire truck fleet.

Another important step in reducing the environmental impact is switching from road to rail. For instance, 80% of the goods transported from Italy and 50% of those transported to Italy are moved by train. The use of → **mega-trailers**, which can carry an approximately 15% greater load volume, also increases energy efficiency: In 2013, about 1,350 such transport runs (previous year 1,280) between Rapperswil-Jona (CH) and Pfullendorf (DE) and around 800 transport runs (previous year 800) between Pottenbrunn (AT) and Pfullendorf (DE) were completed in this way. This translates into a reduction of 134,000 kilometers compared with conventional transport runs. As a result, diesel consumption was reduced by 39,900 liters and CO<sub>2</sub> emissions were lowered by 164 metric tons. Geberit is also working on innovative solutions aimed at enabling a higher goods per truck ratio – i.e. increasing capacity utilization of the transport volume.

Furthermore, the pilot project with an → **environmentally friendly, natural gas truck** running between Pfullendorf (DE) and Rapperswil-Jona (CH) commenced at the end of 2013. This pioneering project is being conducted in collaboration with a transport service provider and a truck manufacturer.

This information partially covers the requirements of the GRI indicator.

### EN30 Costs of environmental protection

Approximately CHF 1.3 million was spent on environmental protection and preventive environmental management in 2013 (previous year CHF 1.2 million). This involved external advisory services and training, external certification and personnel expenditures on environmental management activities. The costs of disposal of hazardous and other waste, in turn, amounted to approximately CHF 0.6 million in 2013 (previous year CHF 0.6 million).

## 7. Employer responsibility (LA)

### DMA-LA Management approach to employer responsibility

Responsibility for all important aspects of the GRI guidelines with respect to labor practices at the Geberit Group lies with the Head Corporate Human Resources who reports directly to the CEO.

Geberit's most important ambassadors are its employees. They shape the company's image and represent Geberit in their day-to-day contact with customers and many other stakeholders. This task can only be performed by employees who are 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 impeccable, environmentally friendly and socially responsible operations. The → [Code of Conduct](#) fills this objective with tangible content and to this end serves as an authoritative source of guidance. The Code applies worldwide and is available on the intranet in 14 languages. Revision of the Code was started in 2013 and will be completed in 2014.

A fundamental goal is to reinforce the performance culture, increase transparency and promote talent. The standardized global performance assessment, development and compensation process (PDC) started in 2012 was therefore continued. Remuneration policies are based on standardized job assessments and salary levels for the relevant country. A central element of the process is that several supervisors assess the performance, development and salary of an employee together. The process is concluded with a feedback interview between the employee and their direct supervisor. A total of around 1,000 employees or 15% of the entire workforce are involved in this PDC process.

The priority in terms of internal employee communications is for interactive, real-time communication that is accessible to all. The intranet introduced in 2009 plays a central role here. Special solutions have been developed for production employees in the form of newsletters and/or large screens for joint use. The CEO, Albert M. Baehny, regularly informs the employees of the current state of the business, the economic parameters, the future prospects and general topics of interest in videos that are accessible on the intranet as well as via electronic newsletters. The → ["Geberit Integrity Line"](#) that was designed in 2012 and launched on January 1, 2013 enables all employees to anonymously report internal irregularities in their mother tongue (35 languages), thereby making an important contribution towards the upholding of high compliance standards within the Group. There were no significant incidents in 2013. The few registered complaints were all dealt with and issues were cleared up swiftly.

Geberit has formulated the vision of an "accident-free company". To meet the Group's ambitious standards, the objective is to reduce the accident frequency rate (AFR) and accident severity rate (ASR) by 5% per year and thus by 50% between 2010 and 2020. For this purpose, a comprehensive master plan for occupational safety including a package of measures for the period 2013 to 2015 has been developed and adopted. This will be implemented and checked as part of the Geberit Safety System (GSS). The basis for the monitoring is the monthly recording of all accidents from January 1, 2013 onward. Important elements of the Geberit Safety System include: a vision, safety policy and site-specific safety principles as well as the definition of rules in the event of breaches, the development of a suitable organization structure, awareness-raising and training as well as the planning of regular internal and external audits. The Geberit Safety System is to be integrated into the Geberit management system by mid-2014 and all production plants including logistics are to be certified according to OHSAS 18001 in combination with ISO 9001/14001 by mid-2016. The two Chinese production plants have been certified according to OHSAS 18001 since 2009, the sales company in the UK since 2010, the production plant in Givisiez (CH) since 2011 and the plant in Pottenbrunn (AT) since 2013.

The ability to win and retain the right employees for the company is becoming more and more important for the future. Employer branding is a component of superordinate corporate branding and creates a unique employer identity. Geberit continued the roll-out of its employer branding concept in 2013 and intensified its presence at job fairs in particular. In doing so, Geberit sharpened its profile as a company that offers attractive international development opportunities at the interface between the craft, engineering and sales sectors.

For objectives and measures concerning employees and occupational safety, see also → [www.geberit.com > Sustainability > Sustainability Strategy](#).

### LA1 Total workforce by employment type, employment contract, and region

The number of employees rose once again in the reporting year. At the end of 2013, the Geberit Group employed 6,226 people worldwide – 92 persons or 1.5% more than in the previous year. This increase is primarily due to the – to some extent temporary – adjustment of capacities in the production plants, the start of operation at the new plant in India and the development of various emerging markets. A reduction in capacity in the Chinese plants offsets this growth slightly.

For key figures on the workforce by employment type, employment contract and region, see → [Key figures sustainability > Employees and society](#).

### LA2 Employee fluctuation

The average fluctuation rate (in terms of employees with permanent contracts, without natural departures and long-term leaves of absence) was 4.1% (previous year 5.0%). Including natural departures, it was 5.5% (previous year 6.5%). For key figures on fluctuation by age group, gender and region, see → [Key figures sustainability > Employees and society](#).

### LA3 Benefits

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.

### LA4 Employees covered by collective bargaining agreements

Approximately 4,050 employees, and thus around two-thirds of the workforce, are currently covered by collective agreements (e.g. collective labor agreements, wage agreements). Above all in Germany, Austria and Switzerland, over 90% of employees are governed by a collective labor or wage agreement. There are no collective agreements with employees in the US and China (14% of all employees).

### LA5 Notice periods regarding operational changes

Apart from country-specific obligations (arising from statutory requirements or collective agreements), there are no formal rules as to when and how often employees are to be informed. In cases of major structural changes, Geberit makes every effort to involve the employees at an early stage. The completely revamped intranet introduced in the autumn of 2009 has become a central channel for all electronic employee communications within the Group.

### LA6 Percentage of total workforce represented in health and safety committees

Each of the 17 production companies and logistics has a safety manager. Wherever possible and sensible, this function is combined with that of the environmental manager or closely linked from an organizational point of view. 96% of the employees at all production sites and 85% of all employees worldwide are represented through an occupational health and safety panel or safety committee at their production site, in which employer and employee representatives can discuss occupational health and safety issues. As a rule, national standards for the country concerned are implemented.

This information partially covers the requirements of the GRI indicator.

### LA7 Accidents, occupational illness and lost time

The Group-wide absenteeism rate for the reporting year was 4.10% (previous year 3.53%); illness-related absences accounted for 4.00% of this rate (previous year 3.37%) and 0.10% was related to occupational accidents (previous year 0.16%). These figures are based on the hours effectively worked. In 2013, these amounted to 10,661,572 hours (previous year 10,680,389 hours). The statistics show only those occupational accidents that occur during working hours or business travel and lead to lost working time of more than one day. A total of 109 accidents were recorded (previous year 125 accidents), equivalent to 1,325 lost working days due to occupational accidents (previous year 2,164 lost working days). There were no serious or fatal accidents. Employees at Geberit are not exposed to a particularly significant extent with regard to occupational illnesses. This category is therefore not covered.

Furthermore, the accident frequency rate (AFR) and the accident severity rate (ASR) are recorded in a standardized manner. These rates are calculated as the number of accidents or the number of lost working days per one million hours worked. The AFR was 10.2 (previous year 11.7); the ASR dropped significantly to 124.3 (previous year 203). Geberit is therefore back on track with regard to its long-term objective of reducing the frequency and severity of accidents by 5% per year or by 50% between 2010 and 2020.

All key figures concerning the absenteeism rate by region can be found under → [Key figures sustainability > Employees and society](#).

For the goals and measures for the enhancement of occupational safety, see → [www.geberit.com > Sustainability > Sustainability Strategy](#).

### LA8 Assistance regarding serious illnesses

At Geberit, there are no operational activities involving a particularly high risk of contracting a serious illness or with a high incidence of illness.

As part of its Group-wide efforts to support employees' health and well-being, Geberit offers its employees precautionary healthcare opportunities through various offers and activities. These include, for example, sports facilities, anti-smoking training, massage services, dietary and health tips, and presentations on health-related issues. They also include reintegration counseling, which aims to get people back to work as soon as possible in the event of long-term illness. Managers are specifically trained in this respect. Examples of individual support include counseling 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 US to discuss problems at work in complete confidentiality.

For further information, see → [Business report > Business and financial review > Employees](#).

### LA9 Health and safety topics covered in agreements with trade unions

Geberit attaches great importance to a high level of health and safety for its employees. To this end, it cooperates with authorities, trade unions and employers' liability insurance associations on a country-specific basis. Written agreements exist at all production companies and individual sales companies with parties such as trade unions and employee representatives that normally cover topics such as personal protective equipment, complaints procedures, regular inspections, education and further training and the right to refuse unsafe work.

This information partially covers the requirements of the GRI indicator.

### LA10 Employee education and further training

Education and further training are a central theme at the company. In the reporting year, employees across the Group attended on average around 17 hours of internal and external education and further training events (previous year 17 hours). For training hours as part of the Potentials Management process, see → [LA11](#).

In 2013, 234 apprentices (previous year 229) were employed. The transfer rate to a permanent employment relationship was 59%. See → [Business report > Business and financial review > Employees](#).

This information partially covers the requirements of the GRI indicator.

### LA11 Programs for skills management and lifelong learning

For the management team, the watchword is continuous training. The goal of the Potentials Management process is to identify talent within the company and support selected candidates on their way to middle or upper management, or to their first management, project management or specialist functions. These measures are intended to ensure that at least half of the open management positions can be filled by internal candidates. In 2013, it was even possible for 70% of all positions in Group management to be filled internally (previous year 54%).

The management training program at the International Institute for Management Development (IMD) in Lausanne was continued in 2013 for the some 160 members of Group management and the Geberit Group companies worldwide. The course's key topics include strategic management, leadership and finance. As of the end of 2013, 130 members of Group management had completed this program. See also → [Business report > Business and financial review > Employees](#).

### LA12 Performance and career development of employees

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 93% of all employees received appraisal interviews in 2013, and around 59% had objective-agreement meetings at which development opportunities were also identified and discussed.

### LA13 Workforce diversity

The proportion of female employees at the end of 2013 was 31% (previous year 31%), and for senior management this figure was 6.5% (previous year 6.5%). The Board of Directors consists of six men.

For key figures on diversity in terms of gender and age structure, see → [Key figures sustainability > Employees and society](#).

No further data on minority group membership is currently being collected as Geberit and its stakeholders do not consider this to be relevant.

This information partially covers the requirements of the GRI indicator.

### LA14 Gender-based differences in salaries

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. According to the annual binding survey of all Geberit Group companies, no differences between the basic salaries of women and men exist anywhere within the Group. Fair and equal pay for women and men is guaranteed as follows:

- Determination of salaries primarily according to function, evaluated in accordance with the proven Hay method. A score is calculated based on the assessment criteria know-how, problem-solving and accountability. The resulting number of points is the basis for determining the salary. This guarantees fair salary structures irrespective of gender.
- Binding wage agreements with set pay grades at many Geberit sites.
- An in-depth investigation carried out at four production companies in 2011 revealed no differences between the salaries of men and women. The investigation covered the pay levels of production employees within an established site in employee-friendly Germany, at a production site of many years' standing in Slovenia and at the two Chinese sites where employee protection and fair wages are largely the responsibility of the company itself.

## 8. Human rights (HR)

### DMA-HR Management approach to human rights

In terms of information, the promotion of awareness and controlling, human rights issues related to the business activities of the Geberit Group are the responsibility of Corporate Human Resources for internal topics (equal treatment, freedom of association and the right to collective bargaining) and of Corporate Purchasing with regard to procurement practices.

The → **Geberit Code of Conduct** is authoritative in the area of human rights, among other things stipulating the exclusion of child and forced labor. Compliance with the Code of Conduct is monitored as part of a binding annual survey of all Geberit Group companies.

Long-term cooperation, reciprocal commitment, sustainability and social responsibility are important guidelines for Geberit. These acquire particular importance in the procurement of raw materials, semi-finished products, finished products and services. The high standards with respect to fair business practices, environmental protection and safe working conditions are therefore also expected from suppliers. The → **Code of Conduct for Suppliers** applies to all Geberit suppliers worldwide. Verification is the responsibility of Corporate Purchasing.

With respect to measures and objectives regarding the Code of Conduct and procurement, see also → [www.geberit.com](http://www.geberit.com) > **Sustainability > Sustainability Strategy**.

### HR1 Human rights aspects in investment agreements

There are no significant investment agreements which include human rights clauses or which have been audited in terms of human rights aspects. Agreements with suppliers include human rights clauses which must be audited and upheld by Geberit suppliers, see → **HR2**.

### HR2 Screening of suppliers with regard to human rights aspects

With respect to human rights violations, the greatest risk lies with suppliers, who can only be influenced indirectly. Geberit does all it can to minimize this risk and requires its business partners and suppliers to comply with comprehensive standards, above all with respect to consistent environmental protection, socially acceptable working conditions and fair business practices.

At the end of 2007, a → **Code of Conduct for Suppliers** was introduced for the first time which is geared, among other things, to the principles of the United Nations Global Compact. Upon request by Geberit, the supplier must prepare corresponding records in order to demonstrate compliance with the standards of the Code and make these available at any time. Should the supplier fail to comply with the regulations set out in this Code, then corrective measures are taken wherever possible. Failure to comply on the part of the supplier is regarded as a serious obstacle to the continuation of the business relationship. If the supplier does not correct this non-compliance, Geberit can terminate the cooperation. As of the end of 2013, 701 suppliers had signed the Code of Conduct (previous year 671). This is equivalent to 95% of the total procurement value (previous year 95%), thereby meeting the target value of 95% for 2013. Among the top 200 suppliers, the share of companies that have signed is 99% (previous year 99%). The Code of Conduct is binding for each new supplier.

In the interests of the systematic planning and performance of audits, which are generally conducted every three years, the existing risk management approach was further developed in 2012 based on the division of suppliers into risk classes – depending on production location (country) and production processes. In the reporting year, 40 companies were identified in the highest risk category. This is equivalent to less than 5% of the entire procurement value. To ensure neutrality and the expertise required for the audits, Geberit also works with an external partner. In China, the carrying out of audits by independent experts has proven effective. Performing such audits makes an important contribution to enhancing credibility in supplier management. Any shortcomings exposed by audits give rise to sanctions. As a rule, a deadline is imposed for remedying the situation. For example, shortcomings were revealed at three Chinese suppliers in 2013, primarily in the areas of occupational safety, working hours and remuneration. Action plans were agreed upon with these three companies, the implementation of which will be checked and demanded during a re-audit in 2014.

Only in a few justified exceptional cases are there plans to impose complete regulations on the second tier and third tier in the supply chain by getting them to sign a Code of Conduct, as this would result in a disproportionately high level of additional administration with little added benefit. Geberit pursues a pragmatic yet effective approach. When auditing suppliers in the highest risk category, an analysis of their most important suppliers is included in the risk analysis and the audit investigations on site. At the end of the day, Geberit's goal is modern supplier management, where the relationship with the supplier is actively managed and sustainability risks in the supply chain are jointly analyzed.

For further information, see → **Business report > Business and financial review > Logistics and procurement**.

### HR3 Human rights training for employees

In 2008, more than 98% of all employees received training on the topics contained in the → **Geberit Code of Conduct**. The Code applies worldwide and is available on the intranet in 14 languages. Since 2009, all new employees have been receiving training in the Code as part of their induction, with media such as training films developed especially for this. All employees worldwide have access to the Code of Conduct via the intranet. In addition, since 2012 contributions toward increasing awareness of the Geberit Code of Conduct have been published on the intranet. For further details, see → **SO3**.

This information partially covers the requirements of the GRI indicator.

#### **HR4 Cases of discrimination**

The Code of Conduct forbids discrimination as defined in the ILO core labor standards. Compliance with the Code is verified annually as part of a binding Group-wide survey. In addition, the "Geberit Integrity Line" allows all employees to anonymously report irregularities such as discrimination in their mother tongue (35 languages). There was one case of workplace bullying in 2013, which led to the dismissal of the person responsible.

#### **HR5 Guarantee of freedom of association and collective bargaining**

Employees are completely free to join trade unions, associations and similar organizations. No rights with respect to exercising freedom of association or collective bargaining as defined in the ILO core labor standards are subject to restriction at the Geberit Group.

#### **HR6 Risk of and precautionary measures against child labor**

Geberit's exposure with respect to child labor is considered low because of its industry and the countries in which business activities are carried out as well as its high quality requirements. Geberit commits itself to the protection of human rights in its Code of Conduct. Child labor is categorically rejected. According to the annual, binding Group-wide survey there were no cases of child labor revealed in 2013. There were likewise no such cases arising during the audits carried out at suppliers. The basic principles set out in the Code of Conduct for Suppliers explicitly include compliance with the ILO core labor standards for the exclusion of child labor.

#### **HR7 Risk of and precautionary measures against forced labor**

Geberit's exposure with respect to forced labor is considered low because of its industry and the countries in which business activities are carried out as well as its high quality requirements. Geberit commits itself to the protection of human rights in its Code of Conduct. Forced labor is categorically rejected. According to the annual, binding Group-wide survey there were no cases of forced labor revealed in 2013. There were likewise no such cases arising during the audits carried out at suppliers. The basic principles set out in the Code of Conduct for Suppliers explicitly include compliance with the ILO core labor standards for the exclusion of forced labor.

#### **HR8 Human rights training for security personnel**

At its production sites in Europe, the US and China, Geberit is not confronted with the need for special security measures that increase the risk of human rights violations. To date, this problem has therefore not been relevant to Geberit within the scope of its global activities.

#### **HR9 Violation of rights of indigenous peoples**

To date, this problem has not been relevant to Geberit within the scope of its global activities.

## 9. Community (SO)

### DMA-SO Management approach society

The corporate departments Environment and Sustainability (community aspect) and Legal Services (corruption, anti-competitive behavior, compliance with other basic laws) are responsible for questions of social responsibility related to the business activities of the Geberit Group.

Both internally and externally, Geberit places great value on dialog. The suggestions and needs of the local stakeholders are recorded at all production sites in order to counter potential problems such as noise emissions and exploit opportunities for cooperation. Thus, for example, a → **round table with regional farmers** served to reach agreement on guidelines for the generation of biogas for the Pfullendorf (DE) production site. The introduction of a → **Stakeholder Panel** is another important measure aimed at integrating the perspectives of stakeholders. Following on from the first panel in 2012, the next Stakeholder Panel consultation is due to be carried out in 2014.

Geberit aims to be a model of ethical, environmental and socially responsible operations. The → **Geberit Code of Conduct** is the definitive guide for conduct with integrity in the corporate environment. For instance, fair competition throughout the world is an important principle here. Cartels of any kind and other competition-distorting activities are rejected. As a member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption. There are clear guidelines for the purposes of prevention and employees receive continuous training in this area. Compliance with the guidelines is monitored as part of an annual binding survey at all Geberit Group companies (see the individual indicators for the results). Internal auditing is supplemented by on-site audits. In the event of misconduct, corrective measures are taken.

Key areas are focused on during training on compliance. In 2013, comprehensive training on antitrust legislation via an e-learning program was carried out as planned at the sites in China, India, South Africa, Southeast Asia, Australia and the USA. During this training, the respective members of management and the field service employees were brought up to the same level of knowledge and prepared for the market challenges. As in 2011, all sites in Europe will take part in the updated e-learning program in 2014.

With respect to measures and objectives in the Code of Conduct, see also → [www.geberit.com](http://www.geberit.com) > **Sustainability > Sustainability Strategy**.

### SO1 Impact on the community and public interests

The potential for conflict with public interests in the vicinity of Geberit sites is generally regarded as low. As part of environmental management in accordance with ISO 14001, a stakeholder analysis is performed at all production sites. Based on this analysis, the effects of the business activities and production on local communities and regions are assessed.

Geberit maintains good relations with its neighbors and carries out appropriate measures at its sites: for example, open days, involvement in associations, etc.

For further information, see → 4.16 and → 4.17.

### SO2 Analysis of business units for risks of corruption

According to the annual binding survey carried out at all Geberit Group companies, there were no cases of corruption in 2013.

The topic of corruption is also a component of the audit program for the periodic inspections of the production plants and sales companies by the Internal Audit department. Various audit activities and interviews are carried out as part of these inspections. The annual audit planning of the Internal Audit Department is oriented to risks. Each company is audited at least every four years, or more frequently if it has a heightened risk profile. In 2013, the Internal Audit Department audited a total of 16 companies. This represent approximately one-third of all Geberit companies. In addition, approximately three to four in-depth audits are carried out each year, whereby the audit focus is on the processes of Group-wide functions (e.g. Purchasing, IT, etc.). No cases of corruption were discovered in 2013.

### SO3 Training on anti-corruption policies

In 2008, more than 98% of employees were informed of and trained in the Code of Conduct. With the aid of short films ("animatics"), the training focuses on gray areas in four topics of relevance: bribery (corruption), sexual harassment, workplace bullying and IT misuse. In 2013, as before, new employees were also trained accordingly as part of the Welcome events. In addition, since 2012 contributions toward increasing awareness of the Geberit Code of Conduct have been published on the intranet.

To raise awareness on the topic of compliance, a "Corporate Compliance Info Letter" was sent to all managers on management levels 1 to 3 in 2013 for the first time. This letter contained information on the latest developments in case law, legislation and practice in the areas of antitrust legislation, product liability and corruption.

### SO4 Actions taken in response to incidents of corruption

No measures were necessary, as no cases of corruption were revealed in 2013.

### SO5 Political positions and exercise of influence

As a rule, Geberit does not issue political statements and does not involve itself in political lobbying.

### **SO6 Political contributions**

As a rule, Geberit does not make donations to parties or politicians. All donations and related commitments (see → **EC8**) are neutral from a party political point of view.

### **SO7 Anti-competitive behavior**

Cartels of any kind and other competition-distorting activities are categorically rejected. There are no pending complaints alleging anti-competitive behavior. Skills in dealing with this topic are promoted as part of comprehensive training (see → **DMA-SO**)

### **SO8 Sanctions due to non-compliance with regulations**

Geberit incurred no fines in 2013 resulting from violations of statutory requirements.

# 10. Product responsibility (PR)

## DMA-PR Management approach to product responsibility

At Geberit, product responsibility lies with several corporate departments: customer health and safety with Product Development and Quality Management, product labeling and services, advertising and customer data with Marketing, and compliance with statutory requirements with Legal Services.

For Geberit, high quality standards mean fulfilling customers' requirements in terms of functionality, reliability and application safety to the greatest possible extent. The company is guided by the zero-error principle. Corporate Quality Management 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 optimization 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, Quality Management is responsible for defining, arranging and monitoring all necessary inspections to ensure that these requirements are met. A clear organizational distinction is drawn between development and quality management. In addition, many products are also examined by external authorization 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.

When it comes to training its employees on Geberit products, competition, standards, industry or core topics, Geberit relies on a bundle of measures: These include a Group-wide e-learning platform rolled out in the fall of 2012 as well as global product training by specially trained instructors.

## PR1 Health and safety impact along the product life cycle

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 use and disposal. Among other things, Quality and Safety Management include an FMEA (Failure Mode and Effects Analysis) as a precautionary measure to prevent errors and increase the technical reliability of products. Eco-design workshops are held in the course of product development in order to optimize the use of suitable and ecological materials. If the products or their use involve an increased risk to health or safety, Geberit's technical editorial staff ensures that this is communicated appropriately to customers (see → PR3).

## PR2 Non-compliance with health and safety regulations

Throughout the Group, there have been no court judgments or warnings against Geberit involving contraventions of regulations on the health and safety of products and services or product and service information.

## PR3 Product labeling

Most of the installation instructions are non-verbal, consisting of detailed illustrations in order to provide the most important customer-relevant information. For all products that involve the use of electricity, gas or dangerous substances, comprehensive instructions regarding target group, qualifications, use, maintenance, safety, disposal and constituent materials are provided and translated into all languages required in the respective markets. Where possible, all plastic components feature material labeling in order to facilitate recycling.

The WELL label (Water Efficiency Label) introduced in 2011 by the European umbrella organization for valve manufacturers (EUnited) is intended to address the growing environmental awareness of consumers. It takes its direction from the well-known and well-established energy labels for electrical household appliances and fulfills a similar function. WELL provides consumers with information about a product's water efficiency at a glance. The new classification system will also encourage responsible use of water as a resource. In 2013, eight Geberit product groups (comprising over 370 sales products) bore the WELL label, seven of which are represented in the top A class and one in the B class.

Geberit was involved in the revision of SIA recommendation 493 ("Declaration of environmental attributes of building products") from the Swiss Society of Engineers and Architects (SIA). This recommendation defines which attributes have to be declared for various building product groups and is thus – similar to Environmental Product Declarations (EPD) – an important instrument for green building in Switzerland.

## PR4 Non-compliance with labeling requirements

In the reporting period, there were no known cases of violation of applicable laws or voluntary codes.

### PR5 Customer satisfaction

A high degree of customer satisfaction in the regional markets is central to Geberit's success. Of particular importance in 2013 was the new cross-media Geberit AquaClean advertising campaign in a total of eleven markets – including Italy and Poland for the first time. The Geberit AquaClean Sela shower toilet was also introduced at the start of the new Geberit AquaClean campaign. Water is the key element of this campaign. Brand tracking studies for end users were carried out in all eleven markets where the campaign took place in 2013. In addition to sociodemographic data, the studies also provided information on the respective awareness of the shower toilet product category, attitude and behavioral parameters, and also the perception of the Geberit AquaClean brand and the most important competitors. In all affected markets, the awareness of the product category and the perception of the Geberit AquaClean brand in particular have significantly increased since the start of the campaign – and the upward trend shows no signs of abating. The study reflects the success of market cultivation and the campaign in the individual markets. The intensive branding is thus proving a significant success factor for company growth.

The → **"Geberit Challenge"** took place in Switzerland, Finland and twice in the United Kingdom in 2013. Garnering much media attention, the best team of plumbers in each of these countries was chosen by Geberit. The Challenge was most popular in Finland, where 850 participants were registered. The Geberit Challenge was awarded the → **"Xaver"** in 2013, the Swiss event industry's most important award. The format won over the independent jury and stole the show from other high-profile competitors.

In recent years, Geberit has built up a standardized Customer Relationship Management (CRM) process for all markets with the aim of further boosting customer satisfaction. Thanks to this system, which is specially tailored to Geberit, customers benefit from more targeted communication with the relevant contact persons. From 2014, the CRM system will be gradually migrated to a new technological platform to enable a deeper integration into daily business processes.

For more information, see → **Business report > Business and financial review > Customers.**

### PR6 Compliance with laws and standards with regard to marketing communications

Geberit adheres to the Group-wide Code of Conduct and the statutory requirements with respect to advertising. All advertising materials worldwide are inspected from this point of view prior to each publication. Geberit does not sell any products whose sale is forbidden on certain markets or which are the subject of public controversy.

### PR7 Non-compliance with communications requirements

There were no incidents in the 2013 reporting period.

### PR8 Complaints regarding customer privacy

There are no known cases of complaints based on violations of data protection.

### PR9 Sanctions due to non-compliance with product liability regulations

No fines have been imposed in connection with Geberit products and services or their use.

# Key figures environment

## Environmental impact

Environmental impact	2012 UBP	2013 UBP	Deviation %
Electricity	54,407	52,256	-4.0
Combustibles	5,020	5,264	4.9
Fuels	6,148	6,218	1.1
Disposal	4,047	4,303	6.3
Solvents	760	828	8.9
Water and waste water	518	523	1.2
<b>Total environmental impact</b>	<b>70,900</b>	<b>69,392</b>	<b>-2.1</b>

UBP = Ecopoints in accordance with the Swiss Ecological Scarcity Method (2006 version)

## Material usage

Material usage	2012 Metric tons	2013 Metric tons	Deviation %
Raw material plastics	57,320	57,362	0.1
Raw material metal	46,141	48,735	5.6
Other raw materials	770	625	-18.9
Semi-finished products	28,742	31,348	9.1
Finished products	44,789	46,146	3.0
<b>Total material usage</b>	<b>177,762</b>	<b>184,216</b>	<b>3.6</b>

## Energy consumption

Energy consumption	Unit	2012	2013	Deviation %
Electricity	GWh	113.4	111.7	-1.5
Heating oil extra light	Metric tons	20.2	13.9	-31.0
Natural Gas	m <sup>3</sup>	3,771,199	3,950,408	4.8
Biogas	m <sup>3</sup>	878,297	994,997	13.3
Gasoline	Liter	214,990	187,303	-12.9
Diesel	Liter	1,577,960	1,631,305	3.4

Energy consumption	2012 TJ	2013 TJ	Deviation %
Electricity	408.2	402.1	-1.5
Heating oil extra light	0.9	0.6	-31.0
Natural Gas	137.3	143.8	4.8
Biogas	33.8	38.3	13.3
Fuels (Gasoline, Diesel)	64.5	65.6	1.6
<b>Total energy consumption</b>	<b>644.7</b>	<b>650.4</b>	<b>0.9</b>

## Electricity mix

Electricity mix 2013	GWh	Renewable %	Fossil %	Nuclear %	Others %
Europe	79.3	16.0	45.2	35.6	3.2
USA	6.6	8.8	70.0	19.6	1.6
China	4.8	16.1	81.8	2.1	-
Green electricity	21.0	100.0	-	-	-
<b>Total electricity mix</b>	<b>111.7</b>	<b>31.4</b>	<b>39.7</b>	<b>26.5</b>	<b>2.4</b>

Electricity mix 2012	GWh	Renewable %	Fossil %	Nuclear %	Others %
Europe	79.7	16.0	45.2	35.6	3.2
USA	7.7	8.8	70.0	19.6	1.6
China	6.0	16.1	81.8	2.1	-
Green electricity	20.0	100.0	-	-	-
<b>Total electricity mix</b>	<b>113.4</b>	<b>30.3</b>	<b>40.9</b>	<b>26.5</b>	<b>2.3</b>

## Water and waste water

Water and waste water	2012 m <sup>3</sup>	2013 m <sup>3</sup>	Deviation %
Fresh water	136,669	131,938	-3.5
Rain water	5,949	6,796	14.2
Waste water	114,932	116,719	1.6

## Emissions

Absolute CO <sub>2</sub> emissions	2012 Metric tons	2013 Metric tons	Deviation %
from combustibles	9,717	10,158	4.5
from fuels	6,994	7,096	1.5
from electricity	55,142	52,655	-4.5
<b>Total absolute CO<sub>2</sub> emissions</b>	<b>71,853</b>	<b>69,909</b>	<b>-2.7</b>

Relative CO <sub>2</sub> emissions	2012 g CO <sub>2</sub> / CHF	2013 g CO <sub>2</sub> / CHF	Deviation %
from combustibles	4.4	4.5	0.9
from fuels	3.2	3.1	-2.1
from electricity	25.2	23.2	-7.8
<b>Total relative CO<sub>2</sub> emissions</b>	<b>32.8</b>	<b>30.8</b>	<b>-6.1</b>

CO<sub>2</sub> emissions in relation to sales in CHF, currency adjusted

Air emissions		2012 Kilogram	2013 Kilogram	Deviation %
NO <sub>x</sub>	direct	19,317	19,745	2.2
	indirect	102,006	95,635	-6.2
	<b>Total NO<sub>x</sub></b>	<b>121,323</b>	<b>115,380</b>	<b>-4.9</b>
SO <sub>2</sub>	direct	1,379	1,419	2.9
	indirect	215,768	200,403	-7.1
	<b>Total SO<sub>2</sub></b>	<b>217,147</b>	<b>201,822</b>	<b>-7.1</b>
NMVOC	direct	44,678	46,222	3.5
	indirect	9,597	9,321	-2.9
	<b>Total NMVOC</b>	<b>54,275</b>	<b>55,543</b>	<b>2.3</b>
Dust (PM10)	direct	394	394	0.0
	indirect	18,422	17,364	-5.7
	<b>Total dust</b>	<b>18,816</b>	<b>17,758</b>	<b>-5.6</b>
CFC11 equivalents	direct	0.9	1.2	33.3
	indirect	2.1	2.0	-4.8
	<b>Total CFC11 equivalents</b>	<b>3.0</b>	<b>3.2</b>	<b>6.7</b>

## Waste

Waste	2012 Metric tons	2013 Metric tons	Deviation %
to incineration	697	671	-3.7
to inert waste landfill	360	394	9.4
to mixed waste landfill	606	628	3.6
to external recycling	8,419	9,200	9.3
to hazardous waste incineration	179	269	50.3
to hazardous waste recycling	1,199	956	-20.3
<b>Total waste</b>	<b>11,460</b>	<b>12,118</b>	<b>5.7</b>

# Key figures employees and society

## Workforce

Workforce as of December 31	2012	Share %	2013	Share %
Germany	2,351	38	2,422	38
Switzerland	1,259	21	1,255	20
China	758	12	718	12
Austria	491	8	503	8
USA	237	4	227	4
Slovenia	224	4	248	4
Italy	113	2	113	2
Others	701	11	740	12
<b>Total</b>	<b>6,134</b>	<b>100</b>	<b>6,226</b>	<b>100</b>
Production	3,361	55	3,364	53
Marketing and sales	1,784	29	1,843	30
Administration	545	8	563	9
Research and development	215	4	222	4
Apprentices	229	4	234	4
<b>Total</b>	<b>6,134</b>	<b>100</b>	<b>6,226</b>	<b>100</b>
Permanent	4,918	80	4,865	78
Temporary	1,216	20	1,361	22
<b>Total</b>	<b>6,134</b>	<b>100</b>	<b>6,226</b>	<b>100</b>
Full-time	5,856	95	5,924	95
Part-time	278	5	302	5
<b>Total</b>	<b>6,134</b>	<b>100</b>	<b>6,226</b>	<b>100</b>
Management	153	3	155	2.5
Employees	5,981	97	6,071	97.5
<b>Total</b>	<b>6,134</b>	<b>100</b>	<b>6,226</b>	<b>100</b>

Information in full-time equivalents

## Diversity

Diversity as of December 31, 2013	Management %	Employees %	Total %
Proportion of female employees	6.5	31	30
Age structure	> 45 years	39	40
	30 - 45 years	61	40
	< 30 years	0	20

  

Diversity as of December 31, 2012	Management %	Employees %	Total %
Proportion of female employees	6.5	31	30
Age structure	> 45 years	39	54
	30 - 45 years	61	25
	< 30 years	0	21

## Fluctuation

Fluctuation		2012	Rate %	2013	Rate %
Fluctuation		243	5.0	198	4.1
<b>Fluctuation incl. attrition</b>		<b>2012</b>	<b>Rate %</b>	<b>2013</b>	<b>Rate %</b>
Age group	> 45 years	116	5.5	117	5.3
	30 - 45 years	115	5.5	94	4.5
	< 30 years	87	12.6	55	7.8
Gender	Male	204	5.9	177	5.0
	Female	114	8.0	89	6.1
Region	Germany	76	3.9	45	2.3
	Switzerland	75	6.3	104	8.6
	China	12	10.8	20	13.5
	Austria	41	8.4	16	3.2
	USA	23	10.3	15	6.7
	Slovenia	8	3.8	1	0.5
	Italy	0	0.0	1	1.0
	Others	83	13.5	64	10.1
<b>Total fluctuation incl. attrition</b>		<b>318</b>	<b>6.5</b>	<b>266</b>	<b>5.5</b>

Information in headcounts

attrition includes e.g. temporary absences, retirements

## Training and education

Training and education	Unit	2012	2013	Deviation %
Apprentices	Number	229	234	2.2
Training and education	Hours per employee	17	17	0.0

## Personnel expenses

Personnel expenses	2012 MCHF	2013 MCHF	Deviation %
Wages and salaries	344.5	357.9	3.9
Pension contributions	28.3	25.4	-25.5
Other social benefits	60.1	62.2	3.5
Other personnel expenses	30.6	29.9	-2.3
<b>Total personnel expenses</b>	<b>463.5</b>	<b>475.4</b>	<b>1.3</b>

## Social engagement

Social engagement	Unit	2012	2013	Deviation %
Donations and contributions	MCHF	2.7	3.1	14.8
Orders to social institutions	MCHF	4.8	4.4	-8.3
Charitable work	Hours	2,335	1,340	-42.6

## Health and Safety

Health and Safety	2012	2013	Deviation %
Number of occupational accidents	125	109	-12.8
Accident frequency rate (AFR)	11.7	10.2	-12.6
Lost days due to occupational accidents	2,164	1,325	-38.8
Accident severity rate (ASR)	203	124.3	-38.7

Accident frequency rate (AFR) = Number of occupational accidents per performed total working hours times 1 million hours

Accident severity rate (ASR) = Number of lost working days due to accidents per performed total working hours times 1 million hours

Absenteeism rate per region 2013	Illness %	Accident %	Total %
Europe	4.84	0.12	4.96
Asia	1.12	0.01	1.13
USA	1.84	0.00	1.84
Others	0.64	0.00	0.64
<b>Total absenteeism rate</b>	<b>4.00</b>	<b>0.10</b>	<b>4.10</b>

Absenteeism rate per region 2012	Illness %	Accident %	Total %
Europe	4.15	0.16	4.31
Asia	0.75	0.13	0.88
USA	1.25	0.25	1.50
Others	0.57	0.00	0.57
<b>Total absenteeism rate</b>	<b>3.37</b>	<b>0.16</b>	<b>3.53</b>