

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>Green Procurement</p> <p>Suppliers demonstrably comply with Geberit's high standards for eco-friendly and socially responsible production.</p>	<ul style="list-style-type: none"> 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%). 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. 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. 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. 	<ul style="list-style-type: none"> All new suppliers have to sign the Code of Conduct. All suppliers with a higher sustainability risk due to their country of origin and production processes must be audited by the end of 2014. 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. Sustainability risks in the supplier chain (second-tier and third-tier suppliers) are to be analyzed.
<p>Green Logistics</p> <p>Geberit optimizes its logistics with regard to energy consumption, emissions and packaging.</p>	<ul style="list-style-type: none"> 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. 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 CO₂ emissions (previous year 26,883 metric tons). 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%. 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. At the end of 2012, the logistics center in Pfullendorf (DE) was successfully certified to ISO 9001 and 14001 for the first time. 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. 	<ul style="list-style-type: none"> Continuation of environmental monitoring and formulation of suitable measures in close collaboration with the transport service providers. Increased use of mega-trailers and optimization of loading capacity with technical equipment and organizational changes. Discontinuation of Euro 1, Euro 2 and Euro 3 trucks and more intensive use of Euro 6 trucks. Evaluation of the pilot project with natural gas truck and analysis of feasibility in further cases. Certification of the logistics center in Pfullendorf (DE) according to OHSAS 18001 by mid-2015.

Production

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p>Environmental Management</p> <p>Geberit operates environmentally friendly, resource-efficient and economical production plants.</p>	<ul style="list-style-type: none"> 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. 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. Continued roll-out of integrated Geberit management system for quality, environment, safety and energy at all plants. Conducting of pre-audits at three German plants for implementing the ISO 50001 standard (energy management). 	<ul style="list-style-type: none"> 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. Same improvement in relative water consumption as for eco-efficiency, i.e. 5% per year on average between 2006 and 2015. First certification of new production company in India to ISO 9001/14001 and OHSAS 18001 by mid-2015. First certification of the production sites in Pfullendorf, Langenfeld and Lichtenstein (DE) to ISO 50001 (energy management) by the end of 2014.
<p>CO₂ Strategy</p> <p>Geberit actively contributes to the protection of the climate and consistently reduces CO₂ emissions.</p>	<ul style="list-style-type: none"> In 2013, CO₂ emissions dropped by 2.7% to 69,909 metric tons (previous year 71,853 metric tons). CO₂ emissions per sales (currency-adjusted) declined by 6.1%. This confirms that Geberit is on track with its long-term CO₂ strategy. 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. CO₂ emissions caused by air travel amounted to 829 metric tons (previous year 769 metric tons). 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). 	<ul style="list-style-type: none"> Further implementation of CO₂ strategy: Reduction of relative CO₂ emissions by 5% per year on average between 2006 and 2015. Long-term objective: Reduction of absolute CO₂ 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). 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. Increase in share of combustibles from renewable sources to 25% by 2020. Continuation of fuel-reduction plan: Reduce emissions of new vehicles to 100 grams of CO₂/km by 2020 (based on EU targets) – this is equivalent to an annual reduction of 5%.
<p>Infrastructure</p> <p>Geberit procures and operates durable and high-quality infrastructures such as buildings, equipment and tools.</p>	<ul style="list-style-type: none"> Construction of new production plant in Slovenia with the highest energy standards and operation without fossil fuels. Number of injection molding machines with energy-efficient drive technology increased from 74 to 96. New heating system and deconstruction of hot-water network in Weilheim (DE); energy-efficient extruders and new cooling concept in Villadose (IT). Construction of a new PV system in Givisiez (CH) by an energy supplier, covering 3,050 m² and generating just under 0.5 GWh of electricity per year. Replacement of an old blow molding machine in Pfullendorf (DE) with the latest machine technology, with annual savings of over 0.6 GWh expected. Implementation of the “preheating of granulate” pilot project to use freely available waste heat, with annual electricity savings of around 0.6 GWh expected. 	<ul style="list-style-type: none"> 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. Analysis of the feasibility of the “preheating of granulate” concept in other plants.
<p>Occupational Safety</p> <p>Geberit operates safe production plants and promotes a safety culture at a high level.</p>	<ul style="list-style-type: none"> 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. 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. 	<ul style="list-style-type: none"> Long-term objective: AFR and ASR to be reduced by 50% between 2010 and 2020, targets AFR = 7 and ASR = 80. Implementation of master plan for occupational safety in production plants in China, India and the USA, and also in administration and sales. Integration of occupational safety in Geberit’s management system and certification of all production plants to OHSAS 18001 by mid-2016.

People

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p>Code of Conduct</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"> 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. No significant incidents were reported via the "Geberit Integrity Line", which was launched in 2013. A "Corporate Compliance Info Letter" for raising awareness across management levels 1 to 3 was sent for the first time in 2013. 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. 	<ul style="list-style-type: none"> The revision of the Geberit Code of Conduct dating from 2007 will be finalized in terms of content in 2014. Further promotion of the "Geberit Integrity Line", which gives all employees worldwide the opportunity to report irregularities anonymously. Updated training on antitrust legislation will be carried out again at all European sites in 2014. Development of a Code of Conduct for Geberit sales partners at locations where Geberit is not represented with its own sales companies.
<p>Employer Responsibility</p> <p>Geberit is committed to providing attractive jobs.</p> <p>Geberit supports disadvantaged employees and apprentices.</p>	<ul style="list-style-type: none"> 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. A standardized global performance assessment, development and compensation process (PDC) was further optimized and applied for the extended Group management in 2013. The management course at the IMD in Lausanne (CH) tailored to the needs of Group management was continued. 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. 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. 	<ul style="list-style-type: none"> Continued roll-out of the performance assessment, development and compensation process (PDC) for lower management levels. Completion of management training at the IMD in Lausanne (CH) for Group management in 2014. Targeted support for transfer of apprentices to a permanent position: Target rate for transfer to a permanent position is 75%. Next Group-wide employee survey planned for 2015. Conducting of a volunteering project in a developing country with Geberit employees.
<p>Social Engagement</p> <p>Geberit fulfills social responsibilities in society.</p>	<ul style="list-style-type: none"> Donations and financial contributions, including product donations, totaled CHF 3.1 million in 2013. Geberit employees did around 1,340 hours of charitable work on social projects. Continuation of the partnerships with: <ul style="list-style-type: none"> Helvetas on the topic of drinking water and sanitary facilities in developing countries. The Swiss WaterKiosk Foundation for cleaning polluted drinking water using a solar pasteurization process. 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. 	<ul style="list-style-type: none"> Continuation of the partnership with Helvetas. Access to safe drinking water and sanitary facilities for people in developing countries. Financial support of the "LIV Village" project for orphans in South Africa. Implementation of a larger social project in India with apprentices in 2014. Review of the effectiveness of social projects two to three years after their implementation.

Products

Modules and Objectives	Important Facts and Achievements 2013	Outlook 2014-2015
<p>Eco-design</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"> • 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. • 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"> – Touchless dual-flush actuator plate Sigma10 for concealed cisterns, WELL A-class – AquaClean Sela complete shower toilet solution: 65% less water consumption and 33% less electricity consumption compared to the top Geberit AquaClean 8000plus model – Hydraulic optimization of the Sovent fitting: 40% higher discharge capacity with 45% less material usage – Replacement of PVC protecting hose for the threaded rods on the installation elements → 100% halogen-free elements for WCs available – Consistent implementation of the new European Drinking Water Ordinance for the reduction of lead in copper materials • Pilot project for the systematic recording of environmental data at the product level as the basis for creating product life cycle assessments and EPDs. 	<ul style="list-style-type: none"> • Systematic continuation of eco-design workshops for the product development. • Creation of additional Environmental Product Declarations (EPD) in accordance with the new European standard EN 15804. • Expansion of the “green building” product portfolio. • Development of a concept for using rainwater in China.
<p>Green Building</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"> • 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. • Member of various “green building” associations in CH, DE, ES, USA, ZA and AU. • 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. • 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. • 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. • Substantial contribution to the ETH Foundation Zurich (CH) for green building activities. 	<ul style="list-style-type: none"> • Expansion of the “green building” product portfolio. • Targeted search for green building reference projects in the European core markets and the Asia/Pacific region. • Substantial contribution to the ETH Foundation Zurich (CH) for green building activities in 2014.