

Stakeholder Panel 2014: Introduction

As part of sustainability reporting on the financial year 2014 and the switch from GRI G3 to GRI G4, Geberit consulted a panel of external stakeholders for the second time. The results of the external stakeholder panel's analysis are documented in the → [panel statement](#). The external review and the recommendations contained therein are dealt with in detail in the → [response from Geberit to the panel statement](#).

Panel's objective and role

The objective of the external stakeholder panel was to provide feedback on the materiality analysis and to compare this analysis with the current sustainability strategy. The panel also examined whether the most important topics were included in sustainability reporting and whether the concerns of the stakeholders were taken into consideration.

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

Panel composition and independence

The stakeholder panel comprises five → [members](#) with no affiliation to Geberit and different areas of expertise with respect to Geberit's core business. To ensure the panel's independence in this process, the discussions were overseen and moderated by an external party.

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

Process and results

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

- Prior to the stakeholder dialog, the panel members completed a survey on the materiality analysis. This survey also served Geberit internally as a basis for determining the material aspects.
- All panel members also received all documents on sustainability reporting for analysis, including the sustainability strategy.
- In September 2014, the panel met with CEO Albert M. Baehny and managers from various departments for a half-day workshop. The panel's responses to the survey on materiality served as the basis for the discussion. The discussion focused primarily on those topics where the difference between Geberit's internal and the panel's external standpoint was the greatest, as well as on topics where Geberit had not identified any relevance or need for action.
- In January 2015, the panel was consulted once again, the revised sustainability strategy presented and the → [panel statement](#) finalized.
- In February 2015, the → [response from Geberit to the panel statement](#) was developed on the basis of current reporting on the financial year 2014.

The GRI → [“Materiality Matters check”](#) confirms that the portrayal of key elements of the report – such as the definition of material aspects, their boundaries and the description of stakeholder engagement (G4-17 to G4-27) – has been verified by GRI.

Stakeholderpanel 2014: Members



Prof. Dr.-Ing. Holger Wallbaum, Professor in Sustainable building at the Chalmers University of Technology, Gothenburg (SE)



Prof. Dr. Christine Kaufmann, Chair for public and international law, Centre for Human Rights Studies, University of Zurich (CH)



Felix Meier, CEO PUSCH (Foundation of Practical Conservation), Zurich (CH)



Peter Zollinger, Head Impact Research, Globalance Bank, Zurich (CH)



Thomas Zeller, Co-Chair, Swiss Water Partnership, Zurich (CH)



Moderation
Dr. Barbara Dubach, CEO, engageability, Zurich (CH)

Stakeholder Panel 2014: Panel Statement

Materiality analysis

The results of the internal and external survey on the materiality analysis made by Geberit showed a high degree of consensus between the internal standpoint of the company and the assessment of the stakeholder panel.

Geberit and the panel agree that the most material aspects include the topics of economic performance, energy, water, products and services, occupational health and safety, education and further training, anti-competitive behavior and customer health and safety.

Economic performance

For the panel, sustainability and economic success go hand in hand. It thus recommends that Geberit make the business model for sustainable business management an even greater topic of discussion and point out areas where opportunities or conflicting goals exist.

Energy, climate change and water

The links between energy, climate change and water are important to the members of the panel. Water shortages are a key global issue, and Geberit can make a valuable contribution to saving water and hygiene with its products. The strategy for reducing the water consumption of products and systems is deemed correct.

It would be interesting to see what financial benefits an end user could gain by using water-saving products from Geberit. The costs of consumption and the possible economic advantages for customers should be presented more effectively by Geberit.

The panel further suggests that Geberit outline in a transparent manner whether and to what extent it influences standardization processes in sanitary technology, and that it describe its collaboration with standardization bodies in this area.

Products and services

Geberit already does a great deal with respect to eco-design, meaning there is little need for action in this area.

Green building is opening up a future market with major potential for Geberit. The use of recycled materials instead of virgin materials is a possible field of action.

Despite its focus on the upper price segment, the panel feels that Geberit should not neglect opportunities in the middle and lower price segments. Trends in the middle classes of society show changes in daily living behavior and a growing willingness to invest in sanitary installations.

Occupational health and safety

The vision of an accident-free company is of great importance, but poses a challenge in developing countries in particular that should not be underestimated.

Further topics discussed with the panel were green procurement and areas identified as requiring little or no action.

Green procurement

Green procurement is an important trend for Geberit. The panel welcomes Geberit's Code of Conduct for suppliers, the audits that Geberit and external partners carry out, and also the methods provided for filing grievances informally. There is no specific need for action with respect to the inclusion of local suppliers.

Corruption is a delicate subject in connection with suppliers. The panel suggests including a function on the homepage to enable the informal filing of grievances in addition to the Integrity Line.

Non material topics or topics requiring little or no action

Biodiversity, security practices, protecting customer privacy, marketing communications and indigenous communities are all subjects of little or no relevance to Geberit's business activities at present. The panel notes that indigenous communities could become more important in relation to the procurement of raw materials in the supply chain.

Geberit makes no political contributions and issues no political statements, meaning these issues are irrelevant.

The panel believes that Geberit does a good job of meeting its social and local responsibilities, that the company enjoys open and good employer/employee relations, and that Geberit's communication culture is candid with regard to operational changes. Given these strengths, there is currently no need for additional action in these areas.

Sustainability strategy

The panel observed a high degree of consensus between the results of the materiality analysis and the current sustainability strategy at Geberit. The material topics are well reflected by the eleven modules in the sustainability strategy.

The panel is interested in finding out more about the long-term vision of Geberit. It expects that the topics of water, climate change and green building will continue to gain in importance. Focusing on these topics and their interaction could open up new market opportunities for Geberit and strengthen its position as a pioneer in the industry. This approach could also benefit end users in the long term and make it easier for Geberit to tap into new markets.

In addition, the sustainability strategy should explicitly refer to the UN Guiding Principles on Business and Human Rights.

Sustainability communication

Geberit cultivates a good and transparent communication culture and practices comprehensive reporting. The panel urges the company to retain these strengths and further develop them on an ongoing basis.

The panel also recommends that Geberit present key topics more distinctly. Internally and externally, the company should communicate the added value and benefit of the sustainability strategy, citing quantitative or qualitative data whenever possible as verification. Innovative flagship solutions could be used to show that Geberit is part of the solution and is contributing toward saving water.

Final remarks

The panel members welcome Geberit's openness and confirm the positive impression they already had before undertaking this review.

Implementing the issues raised by the panel should help Geberit to maintain its leading position in the future.

The panel notes that this assessment of material topics and the sustainability strategy is a snapshot and recommends that it be repeated at regular intervals with external experts.

Stakeholder Panel 2014: Response from Geberit to the Panel Statement

Geberit thanks the members of the stakeholder panel for the constructive discussions and valuable suggestions. Geberit pursues a “best-in-class” approach and wants to consolidate its role as a sustainability leader. With this in mind, the suggestions will be incorporated into the continuous improvement process. The statements made by the panel are commented on individually below, with the content structured according to the Panel Statement.

Materiality analysis

The high degree of consensus between Geberit Management and external stakeholders when selecting significant topics is pleasing and serves to confirm the understanding of sustainability that has developed over the years. The feedback of the panel has been included in the results of the materiality analysis and thus also in the definition of the report content. A summary of the results is presented in the [→ materiality analysis](#).

Economic performance

Geberit’s economic performance will be significantly enhanced by the forthcoming integration of Sanitec. At the same time, there is the challenge of transferring the high sustainability standards of Geberit to the expanded company. The increase in company value entails long-term risks and opportunities, particularly in terms of significant sustainability topics such as resource consumption. For instance, the ecological footprint will increase considerably due to the greater energy and resource consumption associated with the manufacturing processes at Sanitec. Geberit is addressing this challenge with clear goals and effective measures in line with the sustainability strategy. The focus remains on a continuous improvement in efficiency.

Energy and water

Geberit is part of the value chain in construction. Water-saving and energy-saving products contribute to the implementation of sustainable construction standards. Above all, Geberit is able to demonstrate the functional advantages of the products and financial added value through the implementation of sustainable all-round solutions in construction. Furthermore, the “green building” area of competence is to be expanded further.

Geberit is a leader in the area of sustainability and utilizes its know-how to set industry-wide standards in the area of water conservation. For example, Geberit actively worked on adapting the applicable standard for the dimensioning of drainage piping to smaller diameters. This is important so that the full functionality of the drainage system is ensured even with lower quantities of waste water. Geberit also supported the launch in 2011 of WELL (Water Efficiency Label), a product classification system for water-saving and resource-efficient sanitary products. Geberit takes on board the suggestion of the panel with regard to more clearly illustrating its leading role within the industry.

Products and services

The application of eco-design as an integral part of product development includes the use of recycled materials instead of virgin materials. Progress was also made here in the reporting year: Thanks to an intelligent redesign, half of the material for the new OEM flush valve type 240 is made of high-quality ABS regranalate. The use of plastic regranalate is generally to be increased further and applied to other product areas.

Geberit products are developed as leading products with high quality standards for its core markets. With its expansion – particularly in China and India – Geberit is pursuing a clear, long-term strategy, has been investing consistently for over ten years and is developing modern, resource-efficient products for these local markets. Customers from the middle classes are also to be addressed.

Occupational health and safety

The vision of an accident-free company poses a challenge, particularly at new locations and within the expanded company. Geberit aims to achieve the consistent implementation of uniform standards throughout the world, including the realization of an → [integrated management system](#) in the areas of quality, environmental protection, occupational health and safety and energy.

Green procurement

The topic of procurement in the narrower sense of procurement from local suppliers was not integrated into reporting. All measures for minimizing risks in the supply chain are described in the → [chapter suppliers](#).

As a member of Transparency International, Geberit is committed to high standards in combating corruption, which it implements accordingly. Guidelines on donations that apply Group-wide are in place in this regard. A high level of awareness with respect to the correct practice regarding donations – which particularly plays a role during marketing campaigns – can be seen in the company. In cases of uncertainty, local business and marketing managers consult the Group's Legal department. Geberit considers the existing measures for avoiding corruption to be far-reaching and effective. There are no plans at present for an external whistleblower hotline for cases of corruption.

Sustainability strategy

The stakeholder panel considers the sustainability strategy to be an action-oriented and effective instrument. It has been developed based on knowledge of long-term global trends concerning the topics of water, climate and green building; see → [G4-2](#).

The end user is becoming more and more important as the addressee of communication. This is being reinforced by the integration of Sanitec and its products. The contents of communication are increasingly also referring to the potential to save water and energy. The aim is to illustrate the benefits to the end user more vividly.

The topic of “green building” is being expanded further as an area of competence at Geberit. The aim here is to be able to address market needs for the implementation of standards more directly in future.

Sustainability communication

Geberit is continuously improving its integrated online sustainability reporting. The materiality analysis helps to place the focus on the key topics, to illustrate them even better and to communicate them both internally and externally.

Geberit reports according to the principles of the UN Global Compact that is based on the UN Guiding Principles on Business and Human Rights, among other aspects. In addition, the reference to inclusion of the UN Guiding Principles was set out more explicitly in the sustainability performance report and in the sustainability strategy with regard to the implementation of → [human rights](#).

Final remarks

Geberit thanks all of the panel members for their work. It is planned for an external stakeholder panel to continue its work. Geberit will await the further integration process with Sanitec before making any concrete plans.