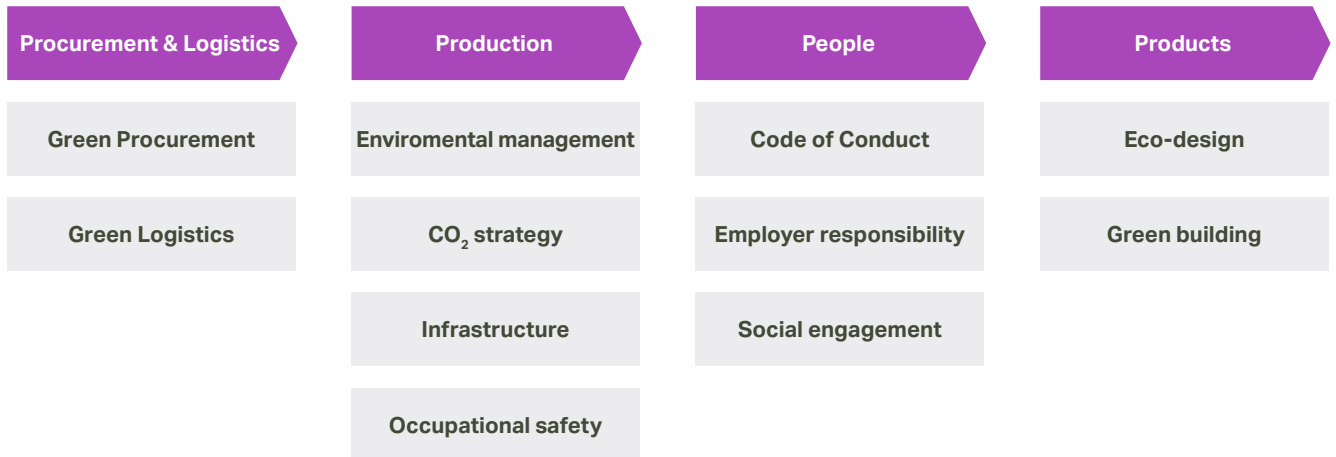


Sustainability strategy

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 sustainability 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 2014 as well as the outlook for 2015 to 2016.

The current sustainability strategy is based on the situation at the end of 2014 and does not yet include the integration of Sanitec. There are to be no changes to the fundamental focus and positioning of Geberit in the area of sustainability. The adaptation of the strategy to the new conditions will be drawn up by the end of 2015.

Procurement & Logistics

Modules and goals

Important Facts and Achievements 2014

Outlook 2015 – 2016

Green Procurement

Suppliers demonstrably comply with Geberit's high standards for eco-friendly and socially responsible production.

- As of the end of 2014, 728 suppliers have signed the Code of Conduct for Suppliers (previous year 701 suppliers). This equates to over 95% of the total procurement value (previous year 95%), thereby meeting the target value of 95% for 2014. Among the top 200 suppliers, the share of companies that have signed is 98.3% (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 corrective measures agreed with the supplier have been implemented.
- A Group-wide portfolio analysis with regard to sustainability risks showed a higher risk for 39 suppliers (previous year 40), which is less than 5% of the total procurement value. 29 of these 39 suppliers have already been audited.
- Third-party audits were carried out at suppliers in China for the third time in 2014: three successful re-audits to check corrective measures and four audits at other suppliers. Corrective measures were required in one case due to inadequate remuneration.

- All new suppliers have to sign the Code of Conduct.
- Following positive experiences, additional third-party audits of suppliers are to be carried out and the required corrective measures checked as part of re-audits.
- Sustainability risks in the supply chain are to be analyzed using a database-supported method.

Green Logistics

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

- 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 2014, the transport service providers handled 181.0 million ton-kilometers (previous year 176.6 million ton-kilometers) resulting in 28,282 metric tons of CO₂ emissions (previous year 27,483 metric tons).
- At 83%, the share handled by Euro 5 trucks remained high (previous year 87%). The share of state-of-the-art Euro 6 vehicles came to 8.4% (previous year 2.5%).
- Compared to the previous year, the number of mega-trailer trips between the production sites increased by 30 trips to a total of 2,180 in 2014. The use of mega-trailers enhances efficiency, as they can carry a load that is around 15% greater or 50% more pallets.
- The pilot project with a natural gas truck running on the cross-border round trip between Rapperswil-Jona (CH) and Pfullendorf (DE) that commenced at the end of 2013 is running without any problems of note.

- Continuation of the 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
- Review of use of trucks with alternative drive technologies on further routes.
- Certification of the logistics center in Pfullendorf (DE) according to OHSAS 18001 by mid-2015.

Production

Modules and goals	Important Facts and Achievements 2014	Outlook 2015 – 2016
<p>Environmental management</p> <p>Geberit operates environmentally friendly, energy- and resource-efficient as well as economical production plants.</p>	<ul style="list-style-type: none"> ■ The absolute environmental impact declined by 1.6% in 2014. The environmental impact per sales (currency-adjusted) dropped by 7.5%. Relative water consumption decreased by 6.5%. 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 India) and logistics are certified to ISO 14001 and ISO 9001, and the Group certificate is valid until 2015. ■ Continued roll-out of the integrated Geberit management system for quality, environment, safety and energy (selective) at all plants. ■ First certification of the production sites in Pfullendorf, Langenfeld and Lichtenstein (DE) to ISO 50001 (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. ■ Same improvement in relative water consumption as for eco-efficiency, i.e. 5% per year on average. ■ First certification of new production company in India to ISO 9001/14001 and OHSAS 18001 by the end of 2015. ■ Further certifications to ISO 50001 at selected locations.
<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 2014, CO₂ emissions dropped by 1.0% to 69,230 metric tons (previous year 69,909 metric tons). CO₂ emissions per sales (currency-adjusted) declined by 6.9%. This confirms that Geberit is on track with its long-term CO₂ strategy. ■ The share of additionally purchased green electricity increased by 2.4 GWh to 23.4 GWh in 2014. In total, the share of renewable electricity accounted for 37.4%. ■ 3.7 GWh of green electricity was produced in 2014 – 0.5 GWh from the PV installation in Givisiez (CH) and 3.2 GWh from the block heating station in Pfullendorf (DE). ■ CO₂ emissions caused by air travel amounted to 711 metric tons (previous year 663 metric tons). ■ The implementation of the energy master plan and the measures to save energy and enhance energy efficiency focused on eight production sites. 	<ul style="list-style-type: none"> ■ Further implementation of the CO₂ strategy: reduction of relative CO₂ emissions by 5% per year on average. ■ 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 2015 by another 3 GWh and expansion of share of renewable electricity to 60% by 2020. ■ Increase in share of combustibles from renewable sources to 25% by 2020. ■ Continuation of the fuel-reduction plan: Reduce emissions of new vehicles to 100 grams of CO₂/km by 2020.
<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 and commissioning of new production plant in Slovenia with the highest energy standards and operation without fossil fuels. ■ Roll-out of Geberit Production System (GPS) 2.0 commences. Consistent best-practice approach saves resources and reduces waste. ■ Number of injection molding machines with energy-efficient drive technology increased from 94 to 109. ■ Implementation of central material distribution with integrated “preheating of granulate” in Pfullendorf (DE) to use freely available waste heat, with annual electricity savings of around 0.6 GWh. 	<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 109 to 134 machines. ■ Process optimization for the manufacture of the Mepla multilayer pipe in Givisiez (CH) with a reduction in water and natural gas consumption of around 50% from 2015. ■ Review 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"> ■ Global implementation of the Geberit Safety System including integration into the Geberit management system and certification according to OHSAS 18001. ■ The accident frequency rate (AFR) dropped by 5.9% to 9.6 in 2014 (previous year 10.2). The accident severity rate (ASR) increased by 5.0% to 130.5 (previous year 124.3). Geberit is thus not yet fully on track to meet its targets. 	<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. ■ Integration of the Geberit Safety System into Geberit’s management system and certification of all production plants to OHSAS 18001 by mid-2016.

People

Modules and goals	Important Facts and Achievements 2014	Outlook 2015 – 2016
<p>Code of Conduct</p> <p>Geberit complies with all national and international laws.</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"> ■ The Geberit Code of Conduct dating from 2007 has been revised in terms of content and takes into account the UN Guiding Principles on Business and Human Rights. ■ 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. No significant breaches of the Code of Conduct were identified in 2014. ■ Initial review of the compliance organization at Geberit by the Internal Audit Department and an external partner. ■ No significant incidents were reported in 2014 via the “Geberit Integrity Line” launched in 2013. The few registered complaints were all dealt with and issues were settled swiftly. ■ 12 seminars on antitrust legislation for employees from the German sales company focusing on Internet sales. Training of management in Austria on antitrust legislation. 	<ul style="list-style-type: none"> ■ Further promotion of the “Geberit Integrity Line” and the Geberit Compliance System. ■ Roll-out of the new Geberit Code of Conduct in 2015. ■ Development and roll-out of a Code of Conduct for Geberit sales partners at locations where Geberit is not represented with its own sales companies. ■ Compliance-related review of specific sales partners. ■ Continuation of training in antitrust legislation via e-learning at sites in Europe in 2015. ■ Revision of the guidelines on donations and translation into all languages relevant for Geberit, plus a renewed survey of the practice regarding donations at all Geberit companies. ■ Revision of compliance guideline pertaining to antitrust legislation.
<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"> ■ Expansion of the standardized global performance assessment, development and compensation process (PDC). 1,250 employees were integrated at the end of 2014. ■ Conclusion of management course tailored to the needs of Group management at the IMD in Lausanne (CH). ■ In 2014, Geberit employed 232 apprentices. The transfer rate to a permanent employment relationship was 82%. A concept for cross-border apprenticeships and the promotion of international deployment of apprentices was implemented. ■ In 2014, the Geberit production plants supported a number of workshops for disabled persons where simple assembly and packaging work in the amount of CHF 5.5 million was carried out. 	<ul style="list-style-type: none"> ■ Continued roll-out of the performance assessment, development and compensation process (PDC). ■ Targeted support for transfer of apprentices to a permanent position: Target rate is 75%. ■ Next Group-wide employee survey planned for 2015 or 2016. ■ Conducting of a volunteering project with Geberit employees in cooperation with Helvetas in Nepal.
<p>Social engagement</p> <p>Geberit fulfills social responsibilities in society.</p>	<ul style="list-style-type: none"> ■ Geberit employees did around 2,770 hours of charitable work on social projects. ■ Continuation of the partnership with Helvetas on the topic of drinking water and sanitary facilities in developing countries. ■ Financial support of the “LIV Village” project for orphans in South Africa. ■ Social project carried out in Varanasi (IN) with apprentices. Renovation of sanitary facilities in a village for disabled children and volunteering work with affected children. ■ Review of the effectiveness of social projects reveals good results. ■ Good overall ranking in the “GemeinwohlAtlas der Schweiz” (Common Good Atlas of Switzerland), which was published for the first time and measures the contribution of companies to the common good of society. 	<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. ■ Review of the effectiveness of social projects two to three years after their implementation.

Products

Modules and goals	Important Facts and Achievements 2014	Outlook 2015 – 2016
<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 2014 resulted in a number of ecologic improvements to products, such as <ul style="list-style-type: none"> - AquaClean Mera complete shower toilet solution: newly developed WhirlSpray shower technology reduces water and energy consumption while improving cleaning performance, unchanged energy consumption despite more comfort functions, reduction of flush volume to 4.5 liters thanks to TurboFlush flush technology - Omega flushing system with extra-small actuator plates and three installation heights as well as reduced flush volume, WELL A-class - Resource optimization for Mepla gunmetal fittings with annual savings of over 30 metric tons - OEM flush valve with enhanced hydraulic performance, lower resource consumption and over 50% share of high-quality ABS regranulate ■ Comprehensive product life cycle assessment of AquaClean Mera Comfort, including creation of an Environmental Product Declaration (EPD). ■ Continuation of 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 work-shops for 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.
<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. ■ Nine Geberit product groups – a total of over 480 sales products – carry the water efficiency label WELL. Since 2013, the labels have been displayed on all packaging and documented in catalogs. Eight of these nine product groups carry a class A label and contribute over 20% to the Group’s sales. ■ In-depth expertise in the area of (enhanced) sound insulation is used to optimize the products and systems, as well as to improve the quality of life of residents and further increase their awareness. ■ Participation at the round table for cooperation in the value chain in green building activities. ■ 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 and internal expertise. ■ Targeted search for green building reference projects in the European core markets and the Asia/Pacific region. ■ Support of the NEST project (Next Evolution in Sustainable Building Technologies) at EMPA in Dübendorf (CH).