

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 current modules into four areas: Procurement and Logistics, Production, People as well as 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 2015 as well as the outlook for 2016 to 2018.

The current sustainability strategy covers the entire Geberit Group, including the Sanitec Group, which was acquired at the beginning of 2015. Although the ecological footprint and the number of employees increased significantly due to the integration of 18 additional production plants, the Geberit Group is sticking to its strategic approaches and ambitious goals. Geberit aims to be a pioneer and leader in the sanitary industry in the area of sustainability. The terms "organic" and "organically" refer to facts and figures that relate solely to the former Geberit.

Procurement & Logistics

Modules and goals

Important Facts and Achievements 2015

Outlook 2016-2018

Green Procurement

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

- As of the end of 2015, 868 suppliers have signed the Code of Conduct for Suppliers (previous year 728 suppliers). This equates to over 90% of the total procurement value (previous year 95%). Among the top 200 suppliers, the share of companies that have signed is 93.1% (previous year 98.3%).
- Sanitec integration: Training of the new purchasing team, awareness rising among the top suppliers with regard to Geberit standards and processes (incl. sustainability), commencement of the signing of the Code of Conduct, among the top 100 suppliers, 52% have signed as of the end of 2015.
- 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 purchasing agent from Geberit next visits a supplier, they check 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 42 existing suppliers (previous year 39), which is less than 5% of the total procurement value. 33 of these 42 suppliers have already been audited.
- In 2015, five third-party audits were carried out at suppliers in China for the fourth time.

- All new suppliers have to sign the Code of Conduct, which is to be extended to all existing suppliers of the former Sanitec.
- 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 of the suppliers of the former Sanitec are to be analysed.

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 scope was maintained compared to the previous year and does not yet include the former Sanitec Group.
- In 2015, the transport service providers handled 183.0 million tonne-kilometres (previous year 181.0 million tonne-kilometres), resulting in 29,671 tonnes of CO₂ emissions (previous year 29,526 tonnes).
- At 84.5%, the share handled by Euro 5 trucks remained high (previous year 83%). The share handled by state-of-the-art Euro 6 vehicles came to 11.7% (previous year 8.4%).
- Compared to the previous year, the number of mega-trailer trips between the production sites increased by 20 trips to a total of 2,200 in 2015. The use of mega-trailers enhances efficiency, as they can carry a load that is around 15% greater, or 50% more pallets.
- At the beginning of 2015, work began on the expansion of the logistics centre in Pfullendorf (DE). This is expected to commence operations in 2017 and facilitates further enhancements in efficiency, including with regard to the environment. In mid-2015, Logistics was also certified according to OHSAS 18001 for the first time.
- Sanitec integration: As part of the integration, the organisation, reporting and essential core processes were reviewed and adapted.

- Continuation of the environmental monitoring and formulation of suitable measures in close collaboration with the transport service providers.
- Increased use of mega-trailers and optimisation of loading capacity with technical equipment and organisational 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.
- Focus on intercompany transportation of the newly acquired plants: Implementation of Geberit processes and standards, including sustainability aspects.

Production

Modules and goals	Important Facts and Achievements 2015	Outlook 2016-2018
<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 increased in 2015 due to the acquisition by 279%; however, organically, it reduced by 2.1%. The environmental impact per net sales (organic, currency-adjusted) dropped by 4.7%. Given that the long-term target is 5% per year, Geberit is on track in organic terms. ■ 16 of the 17 Geberit production plants and 13 of the 18 former Sanitec plants are certified to ISO 14001 – the Group certificate is valid until 2018. ■ Continued roll-out of the integrated Geberit management system for quality, environment, occupational safety and energy (selective) at all plants. 	<ul style="list-style-type: none"> ■ Improvement of eco-efficiency: The environmental impact per net sales (currency-adjusted) shall continue to be improved by 5% per year on average. ■ As before, same improvement in relative water consumption as for eco-efficiency, i.e. 5% per year on average. ■ Integration of all new plants into the Geberit management system and certification according to ISO 9001/14001 and OHSAS 18001 by the end of 2018. ■ Roll-out of approval process for hazardous substances in all new plants.
<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 2015, CO₂ emissions increased by 296% to 251,430 tonnes as a result of the acquisition; organically, however, they decreased by 3.1%. CO₂ emissions per net sales (organic, currency-adjusted) declined by 5.6%. This confirms that Geberit is on track with its long-term CO₂ strategy. ■ The share of purchased green electricity increased by 17.6 GWh to 41 GWh in 2015. In total, the share of renewable electricity accounted for 36.5%. ■ 3.7 GWh of green electricity was produced in 2015 – 0.5 GWh from the PV installation in Givisiez (CH) and 3.2 GWh from the block heating station in Pfullendorf (DE). ■ Implementation of the European Energy Efficiency Directive 2012/27/EU at all Geberit companies – three plants with an energy management system according to ISO 50001. 	<ul style="list-style-type: none"> ■ Revision of the long-term objectives as a result of the Sanitec acquisition: Reduction of absolute CO₂ emissions and increase in the share of renewable energy sources in electricity and combustibles. ■ Continued reduction of relative CO₂ emissions (in relation to net sales, currency-adjusted) by 5% per year on average. ■ Purchase of an additional 3 GWh of green electricity in 2016. ■ Continuation of the fuel-reduction plan: Reduce emissions of new vehicles to 100 grams of CO₂/km by 2020. ■ Further certifications to ISO 50001 at selected locations.
<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"> ■ Opening of production plant in Slovenia with the highest energy standards and operation without fossil fuels. ■ Demolition and safe disposal of infrastructure and systems that were obsolete and no longer required. ■ Number of injection moulding machines with energy-efficient drive technology increased from 109 to 137. ■ Ordering of the first fully electrically driven production line for fitting bends in Langenfeld – increases process stability while reducing the set-up time, electricity consumption and lubricant quantities needed. ■ Process optimisation for the manufacture of the Mepla multilayer pipe in Givisiez (CH) with a planned reduction in water and natural gas consumption of around 50%. ■ A new cooling system in Villadose (IT) reduces electricity consumption by 1.3 GWh per year – a saving of 8%. 	<ul style="list-style-type: none"> ■ Consistent renewal of machine fleet with energy-efficient drive technology. Further increase in the number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) from 137 to 150 machines. ■ Process optimisation for the manufacture of Mapress fittings in Langenfeld (DE) with a reduction in electricity and natural gas consumption, reduced use of lubricants and lower quantities of hazardous waste. ■ Retrofitting of nine tunnel kilns for ceramic production with EnerVit technology at six European plants, cutting NO_x emissions, reducing gas consumption by around 27 GWh/a and saving some 6,500 tonnes of CO₂ emissions.
<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"> ■ Further implementation of the Geberit Safety System, including integration into the Geberit management system and certification according to OHSAS 18001. ■ The accident frequency rate (AFR) increased to 11.4 as a result of the acquisition; organically, the AFR was 10.4. The accident severity rate (ASR) increased to 206.2 as a result of the acquisition; organically, the ASR was 127.2. 	<ul style="list-style-type: none"> ■ Long-term objective: AFR and ASR to be reduced by 50% between 2015 and 2025, targets AFR = 5.5 and ASR = 90. ■ Integration of the Geberit Safety System into the Geberit management system and certification of all production plants to OHSAS 18001 by the end of 2018.

People

Modules and goals	Important Facts and Achievements 2015	Outlook 2016-2018
<p>Code of Conduct</p> <p>Geberit complies with all laws, guidelines, norms and 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"> ■ Roll-out of the Geberit Code of Conduct, which was revised in terms of content at the end of 2014. ■ Update to the Geberit Compass, which contains key company values. ■ Compliance with the Code of Conduct has been checked with a binding Group-wide survey every year since 2008; compliance at the former Sanitec companies has been checked since 2015. 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 2015. ■ No significant incidents were reported via the Geberit Integrity Line, which was launched in 2013 and extended to the former Sanitec in 2015. ■ Training events on antitrust legislation for managing directors of the European sales companies and for new sales employees in Germany. ■ The guidelines on antitrust legislation and donations were updated and communicated via the managing directors of all companies and the Geberit intranet (GIN). ■ Communication of the Geberit compliance programme to the managing directors of all companies and via the GIN. ■ Comprehensive review of the compliance programme at the former Sanitec companies and analysis of the Sanitec bonus and discount system in certain countries. 	<ul style="list-style-type: none"> ■ Further promotion of the Geberit Integrity Line. ■ Identification and analysis of compliance risks with respect to the collaboration of sales companies with agents to be carried out in 2016. ■ Renewed survey of the practice regarding donations at all Geberit companies (previous surveys carried out in 2009 and 2012). ■ Training in antitrust legislation via a revised eLearning programme to be carried out in 2016.
<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 standardised global Performance Assessment, Development and Compensation process (PDC), including to the new companies of the former Sanitec. 1,900 employees were integrated at the end of 2015. ■ Uniform re-evaluation of the majority of jobs of former Sanitec employees in accordance with the HAY method. ■ In 2015, Geberit employed 255 apprentices. The transfer rate to a permanent employment relationship was 64%. ■ In 2015, the Geberit production plants supported a number of workshops for disabled persons where simple assembly and packaging work in the amount of CHF 6.2 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 2016. ■ Conducting of a volunteering project with Geberit employees in cooperation with Helvetas in Nepal in autumn 2016.
<p>Social engagement</p> <p>Geberit fulfills social responsibilities in society.</p>	<ul style="list-style-type: none"> ■ Geberit employees contributed 1,657 hours of charitable work as part of social projects. ■ Continuation of the partnership with Helvetas on the topic of drinking water and sanitary facilities in developing countries by a further two years. ■ Social project carried out in Durban (ZA) with apprentices. Construction of a new sanitary facility at Cottonlands Primary School and volunteering work with children in "LIV Village". ■ Review of the effectiveness of social projects reveals good results. ■ Good overall ranking in the "GemeinwohlAtlas der Schweiz" (Common Good Atlas of Switzerland), which 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 clean drinking water and sanitary facilities for people in developing countries. ■ Implementation of a larger social project in Poland with apprentices in 2016. ■ Review of the effectiveness of social projects two to three years after their implementation.

Products

Modules and goals	Important Facts and Achievements 2015	Outlook 2016-2018
<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 resulted in a number of ecological improvements to products, such as <ul style="list-style-type: none"> - New Geberit urinal system fulfils the most stringent water and energy consumption standards while minimising life-cycle costs - New shower channel with optimal user friendliness and ease of installation while reducing the resources used - Plastic components in the technical cistern and Monolith now made of approximately 50% regranulate - New concealed cistern Omega with the highest water efficiency class A, Home ■ Comprehensive product life cycle assessment of the urinal system Preda, including creation of an Environmental Product Declaration (EPD). 	<ul style="list-style-type: none"> ■ Systematic continuation of eco-design workshops for product development, including in the area Bathroom Ceramics and Ceramics Complementary Products. ■ Creation of additional Environmental Product Declarations (EPD) in accordance with the 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 500 sales products – carry the water efficiency label WELL. Eight of these nine product groups carry the top A class label and account for more than 17% of Group sales. ■ Collaboration with FECS (European Federation of Ceramic Sanitary Ware Manufacturers) on a new standard for assessing the sustainability of ceramic sanitary appliances (EN 16578). ■ Internal workshops on and analysis of the topic green building – opportunity and risks. ■ Support of the NEST project (Next Evolution in Sustainable Building Technologies) at EMPA in Dübendorf (CH). 	<ul style="list-style-type: none"> ■ Use of the existing product portfolio and ex-pansion of the green building area of competence. ■ Targeted search for green building reference projects in the European core markets and the Asia/Pacific region. ■ Continuously expand the share of FSC-certified bathroom furniture. ■ Classification of selected Ifö products according to the sustainability standard EN 16578.