

# Panel statement

## Overall impression

Overall, the stakeholder panel considers Geberit's sustainability strategy, effective sustainability performance and reporting to be good to very good. The majority of panel members see the greatest potential for further development in the integration of the sustainability strategy. In order to realise its potential, sustainability needs to be presented even more strongly as long-term value creation and linked to the company's core strategy.

The panel can appreciate that the integration of the former Sanitec currently poses the greatest challenge. The question of how Geberit can utilise the opportunities presented by the newly created synergies for integrated sanitary solutions "in front of and behind the wall" is particularly important. The panel members recognise the way Geberit is gradually expanding the established high sustainability standards throughout the enlarged company and its wish to reduce the massively increased ecological footprint in a continuous and targeted manner, for instance.

## Sustainability strategy

The panel wishes to see a more up-to-date introduction to the sustainability strategy than the Brundtland definition currently used by Geberit. The focus should be on long-term value creation through sustainability. In addition, appropriate key figures should be used to illustrate how the sustainability strategy contributes to value creation and to the success of the business. For example, it would be interesting to gain a better understanding of which research and development topics Geberit is investing in and how these are related to current trends and future issues. Particularly interesting here is the question of Geberit's contribution to the topic of green building and the concrete added value for planners and architects, for instance. This could be illustrated with existing and new reference projects in the construction sector. The panel members acknowledge the innovative performance of Geberit and see potential for making this more transparent in the area of sustainability. In addition, however, large-scale system changes (urbanisation, separate sewer system, grey water usage etc.) also need to be addressed as part of research and development. In this respect, the panel would like to learn more about how Geberit envisages becoming a system provider with holistic know-how regarding green building and whether it is working on system solutions for water management in real estate properties. Also of interest is the question of which materials Geberit considers sustainable, whether ceramic will remain the key material in bathroom design and what role recycled plastic could play.

The panel also recommends reflecting on the 17 Sustainable Development Goals (SDGs) newly approved by the United Nations in September 2015 within the strategy. UN Sustainable Development Goal number 6 "Ensuring the availability and sustainable management of water and sanitation for all", number 9 "Build resilient infrastructure, promote sustainable industrialisation and foster innovation" and number 11 "Make cities safe, resilient and sustainable" have the greatest immediate relevance for Geberit.

## Materiality analysis

Concerning the presentation of material topics (GRI aspects), the panel suggests underlining the most important key topics from the wide range of material topics, establishing the link to the company's business and corporate activities and aiming to achieve a simpler, aggregated form of presentation. The most important connecting factor for enhancing Geberit's sustainability lies in the area of water.

Concerning Geberit's social responsibility, some panel members recommend not just referring to the annual social projects under "Social engagement". Instead, social aspects directly linked to the business model, such as ensuring a high standard of drinking water hygiene or the role of Geberit as an employer, could be placed in the foreground. It would be interesting to analyse the social benefits of Geberit and present them in more detail in the future.

The panel recommends further clarifications on the topics of "Biodiversity" in connection with the extraction of mineral raw materials for ceramic production and "Importance of local communities" in connection with the newly added sites.

## Input on material topics

### Green building

The panel recognises that Geberit products make a significant contribution to water saving, drinking water quality and sound insulation, and support standards for green building such as MINERGIE or LEED. However, the question arises as to how Geberit as a system provider can continue to contribute to the growing market for green building. The panel recommends further enhancing an understanding of this and the role of Geberit and synchronising it with the external perspective of science, architects, building owners and end users in order to identify further opportunities in this area. Further insights could also be gained from previous reference projects in green building, and the opportunities and risks for Geberit associated with the modular building approach could be assessed.

### Product development

Product development is perceived by the panel as Geberit's greatest lever. An integral view of system solutions "in front of and behind the wall" is decisive here. Over the long term, the panel sees the opportunity for Geberit to set new trends with new and integrated system solutions and thereby strengthen its position as a pioneer in the industry (see also sustainability strategy).

### CO<sub>2</sub> strategy

The panel members welcome the fact that the existing CO<sub>2</sub> reduction target of an average of 5% per year is still being upheld following the acquisition of Sanitec. It considers the current development of a long-term, absolute CO<sub>2</sub> target geared towards the global two-degree target set out in the Paris Agreement (science-based) to be exemplary. However, the panel questions the extent to which Geberit is in any way capable of setting itself apart in terms of its CO<sub>2</sub> strategy. It recommends seeking flagship projects in this area.

### Sustainability communication

Overall, Geberit's sustainability reporting is found to be outstandingly transparent and very substantial. The panel welcomes the fact that almost all information is available online. One or two panel members even consider the reporting to be too detailed. The core messages of the sustainability strategy could be even more strongly underlined. The panel recommends presenting the core sustainability targets and key figures in a condensed overview. In addition, the contribution of sustainability issues to the success of the business could be illustrated more clearly and also include the use of current approaches to integrated reporting.

The fact that the topic of sustainability is not covered in some of the other communication media, particularly the Geberit Facts & Figures brochure, is criticised. The general company presentation could also integrate key sustainability issues more in order to underline their contribution as value drivers.

Attention is drawn to the fact that the changes and opportunities arising from the acquisition of Sanitec need to be presented and communicated.

### Final remarks

The panel members thank Geberit for its transparent and constructive dialogue. They look forward to hearing how the integration of Sanitec progresses and to what extent the associated challenges and opportunities are addressed in the future.

The continuation of a biennial stakeholder panel as proposed by Geberit is welcomed in order to follow the further development of the topics addressed and also to enable targeted inputs to be provided and critical questions to be raised by external parties.