

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 consistently develop its role as a sustainability leader. With this in mind, the suggestions of the panel 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.

Sustainability strategy

For Geberit, sustainability means being oriented towards the future and being successful over the long term. In addition to shareholder value, value is simultaneously created for many other stakeholders (creating shared value): innovative, design-oriented and sustainable products; training and education of plumbers, sanitary engineers and architects; the smallest possible ecological footprint along the entire value chain; production plants with prospects for numerous regions; a cooperation with suppliers and business partners that is based on fairness; and leadership for sustainable development in the sanitary industry. The suggestion of the panel to better illustrate the integration of the sustainability strategy and to show how added value is generated for various stakeholders is taken up. A [→ summary chart](#) shows the most important strategic interrelationships and a separate overview sums up the [→ relevant results](#). The sustainability strategy supplements the core strategy with eleven concrete modules. These modules strengthen Geberit's business model in a targeted manner and generate added value in the areas People, Planet and Profit.

Thanks to targeted investments in research and development, Geberit is the global driving force when it comes to developing and manufacturing sanitary products. In addition to classic product development, investments are made in the following [→ relevant fields of competence](#) as the basis for future innovations: hydraulics, materials technology, hygiene, surface technology, electronics, sound insulation, statics, fire protection, process engineering and virtual engineering. The focus is on the different areas working together and the continuous testing of new, integrated product and system solutions, materials and new concepts.

Green building reference projects are of central importance. With this in mind, the most interesting projects are presented in the [→ reference magazine](#). Green Building is one of the eleven modules of the [→ Sustainability strategy](#). How Geberit products and systems help sanitary engineers, architects and building owners is to be demonstrated in more concrete terms here. Environmental Product Declarations (EPDs), which are created for selected products, play an important role in this regard.

The fact that the areas Technology & Innovation and Product Management work closely together enables Geberit to react to global trends. For example, increasing urbanisation means that bathrooms are generally getting smaller. Geberit can optimally tap into this growing market segment with integrated products. Geberit has already worked in the past on possible future concepts – such as wastewater separation systems and grey water usage – as part of the Novaquatis project carried out with the research institute EAWAG in Dübendorf (CH). Furthermore, as part of its support of the NEST project (Next Evolution in Sustainable Building Technologies) at EMPA in Dübendorf (CH), Geberit focuses on the development of networked knowledge in terms of system solutions for green building.

With its products, systems and tools, Geberit covers the entire flow of water within a building. More extensive services in terms of water management for property owners are not envisaged at this time.

Geberit invests a great deal of effort to ensure it chooses the right product material. When doing so, no compromises are made when it comes to quality and existing standards have to be complied with. The use of alternative materials and the combination of existing materials are constantly examined and questioned. The use of recycled plastic is continuously increased as part of this. Although the material ceramic has a relatively large ecological footprint, it impresses thanks to its robustness and the fact that it is hygienic and easy to clean. Ceramic can be used in a sensible and resource-saving manner in combination with other product materials. A concrete example in this regard is the AquaClean Mera, a product where the ceramic is complemented by a metal carrier system.

Materiality analysis

Geberit is sticking to the current way in which it presents the [→ materiality analysis](#), which is based on the GRI G4 guidelines. However, a new [→ summary chart](#) is created that illustrates which material aspects affect the core strategy and how Geberit creates added value for various stakeholders. The suggestion of the panel to now use the term "social responsibility" and to show how – in addition to its social commitment – Geberit provides added value to society, is taken up.

The topic of biodiversity plays a role when procuring mineral raw materials for ceramic production. This subject was addressed and examined as part of supplier audits. During these audits, it was found that the suppliers in this sector actively address the topic of biodiversity and take appropriate measures within the context of their licence to operate.

Geberit attaches great importance to maintaining good relations with its neighbours in the vicinity of its production sites. Continuous exchanges with authorities and the local community are part of this process. This approach also encompasses the newly added sites, whereby the relationships with employees – as part of the aforementioned local community – are particularly important.

Material topics

Green building

Major changes lie ahead for the construction industry. Alongside green building, other topics such as industrialisation, digitisation, transparency in the supply chain and new tender rules will also determine the future environment in which Geberit operates. Like many players in the construction sector, Geberit is taking progressive steps to adapt to the new situation. The continuous development of the green building and Building Information Modelling (BIM) areas of competence are strategic focuses in this regard. Being a member of numerous national associations enables Geberit to keep abreast of the latest trends in the respective markets.

Product development

The integration of products in front of and behind the wall opens up new opportunities for Geberit. For example, the expertise in the area of hydraulics, statics and hygiene optimally supports the development of integrated systems. The basis for sustainable products is a systematic innovation process in which environmentally friendly materials and functional principles are chosen, risks are minimised and a high level of resource efficiency throughout the entire product life cycle is targeted as part of eco-design workshops.

CO₂ strategy

Geberit shares the panel's view that Geberit's focus is on the topic of water. However, continuous improvement when it comes to energy management is a key issue, and Geberit consistently invests in the new production sites in this regard. Five tunnel kilns for ceramic production have already been equipped with state-of-the-art burner technology. Each kiln can bring about energy savings of over 20%. The goal of reducing relative CO₂ emissions by 5% per year remains an ambitious one and requires the utilisation of all available potential. Furthermore, new absolute target values – based on the two-degree target set out in the Paris Agreement – were approved in 2016. By aligning its objectives to these science-based targets, Geberit is aiming to play its part in limiting global warming to under two degrees Celsius.

Sustainability communication

The recommendation regarding the creation of a summary overview outlining → **relevant topics and results** was taken up.

The integration of Sanitec will be continued in a focused and systematic manner and presented in a transparent way. Information on experiences relating to the integration may be incorporated into presentations at conferences or into specific publications.

Final remarks

Geberit thanks all of the panel members for their work. The next stakeholder panel is planned for 2018.