

# PANEL STATEMENT

## OVERALL IMPRESSION

Overall, the stakeholder panel considers Geberit's sustainability strategy, actual sustainability performance and reporting to be very comprehensive and good. The stakeholder panel regards the sustainability approach as effectively institutionalised in the company: economic, social and environmental goals are pursued. As a next stage in its development, the panel members deem it necessary for social challenges to be more explicitly included in Geberit's strategy in accordance with the UN Sustainable Development Goals (SDGs). Furthermore, impact-oriented, long-term goals should be developed. The panel believes that Geberit's greatest lever for contributing to society lies in its leading role with regard to the topic of water management and in its role as a pioneer in implementing the circular economy in the sanitary industry. One or two panel members would like to see flagship projects that more clearly demonstrate the added value provided by Geberit products and systems (according to the motto "only Geberit can do it").

The panel is impressed with the extent to which Geberit has implemented the integration of the former Sanitec and achieved measurable successes with the implementation of Geberit's sustainability standards in recent years (for example, a substantial reduction in energy consumption in ceramic production). The members welcome the fact that Geberit took into consideration a lot of the input provided by the panel two years ago in the further development of the sustainability strategy and reporting.

## SUSTAINABILITY STRATEGY

The presentation of the strategy published in February 2018 is perceived as being "too complex". The panel therefore welcomes the further developed presentation submitted by Geberit, which integrates the sustainability strategy into a model for long-term value creation and assigns the strategy modules to the categories People, Planet and Profit. The ambition of each strategy module should already be mentioned in the module title. The panel members recommend that three additional strategic topics be integrated: the aspect of employee health, the topic circular economy in the sanitary industry and the inclusion of the topic of water as an individual strategy module.

The panel recognises the progress made in the last two years in dealing with the Sustainable Development Goals. In general, the panel confirms that goal number 6 "Ensure availability and sustainable management of water and sanitation for all" and goal number 11 "Make cities and communities safe, resilient and sustainable" are of paramount importance to Geberit. One or two panel members consider goal number 9 "Build resilient infrastructure, promote sustainable industrialisation and foster innovation" to be particularly important, whereas others find it less important. One panel member suggests that goal number 5 "Gender equality" be further taken into account. In general, the panel suggests that targeted, impact-oriented goals be developed for the aforementioned UN Sustainable Development Goals and that the added value to society be presented in the reporting. The focus is on the question as to the contribution Geberit makes towards creating a better quality of life and simultaneously saving resources.

## MATERIALITY ANALYSIS

The newly developed presentation of material topics in the context of value added – arranged according to the dimensions People, Planet and Profit – is welcomed. Some panel members would like to see an evaluation of the topics according to business relevance and stakeholder relevance. Other panel members appreciate the simplicity of the graph shown. The underlying methodology should be explained in a comprehensible way.

Like in the sustainability strategy, the panel believes that the topics of employee health and circular economy should be added to the materiality analysis and that the key topic of water and its leverage effect should be additionally emphasised. All members of the panel evaluated the topics of water, emissions, occupational safety and health protection for both employees and customers, circular economy and (conservation of) resources, product management and innovation as most material. One panel member would also like to see further explanations regarding the relevance of biodiversity to Geberit.

## KEY TOPICS CIRCULAR ECONOMY AND DIGITALISATION

While Geberit products have a long service life, spare parts are guaranteed for 25 years and all plastics used are transparently labelled with regard to composition of material, volumetric flow rates and the derivable potential with regard to a circular economy in production and with the sold products are unclear. The panel believes that action is required here and would like to see further clarifications from the industry leader as to what Geberit can achieve in the medium to long term.

An intermediate goal could be for all product components to be separable and recyclable. The panel requests that Geberit implement explicit goals and organisational processes that facilitate the systematic use of recycled materials as raw materials, passing on of waste as recyclable materials and creation of flagship projects relating to the circular economy.

The role of digitalisation for Geberit is also addressed in the discussions. According to Geberit, the greatest potential lies less in production and the products, but rather in customer relationship management and the tools for sanitary engineers. The panel would like to see a more detailed explanation of where Geberit gets involved and what the company contributes in this area.

## SUSTAINABILITY COMMUNICATION

Overall, Geberit's sustainability reporting is found to be very comprehensive and understandable as well as transparent and credible. In general, the panel would like to see Geberit focus more clearly on highlights and also show the courage to leave gaps. The presentation of challenges, uniform and SMART goals (where possible) as well as comments on the achievement of objectives should be developed further.

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.

## FINAL REMARKS

The panel members thank Geberit for its open and respectful dialogue. They recommend that the Geberit management remain authentic and not let the sheer volume of standards cause them to lose sight of what's important.

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 input to be provided and critical questions to be raised.