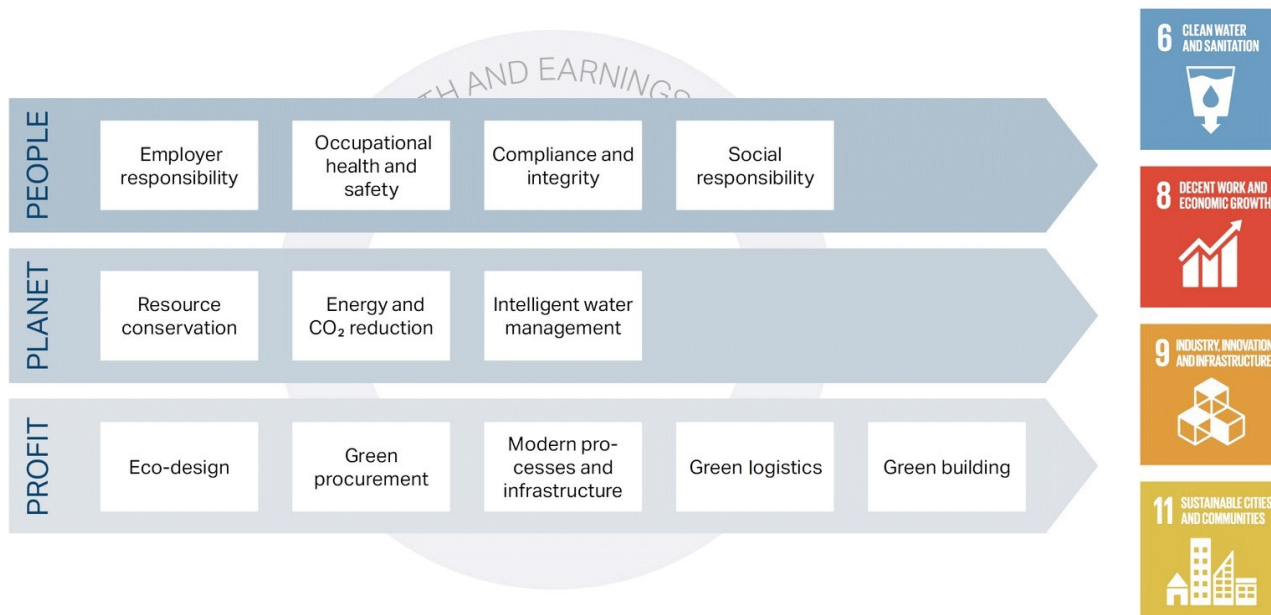


# SUSTAINABILITY STRATEGY 2021-2023

For Geberit, sustainability means being oriented towards the future as well as operating and being successful over the long term. A long-term orientation means striking a balance between economic, environmental and social aspects in all decision-making processes. In addition to sustained high profitability, value is simultaneously created for many other stakeholders: innovative, design-oriented and sustainable products; training and education of plumbers, sanitary engineers and architects; the smallest possible environmental footprint along the entire value chain; production plants with prospects for employees in numerous regions; a cooperation with suppliers and business partners that is based on fairness; and leadership for sustainable development in the sanitary industry.

The → **graphic below** shows how Geberit implements integrated sustainability and thus creates value. The vision of achieving sustained improvement in the quality of people's lives with innovative sanitary products represents the starting point. To bring this vision to fruition, Geberit continuously refines its products, systems and services and sets new standards as a market leader in the area of sanitary products. Values such as integrity, team spirit, enthusiasm, modesty and an ability to embrace change are core factors. The long-term core strategy is based on four pillars: Focus on sanitary products, Commitment to design and innovation, Selective geographic expansion and Continuous optimisation of business processes. This strategy is implemented on the basis of six growth and earnings drivers. The sustainability strategy supplements the core strategy and the growth and earnings drivers with twelve concrete modules. These modules strengthen the business model and generate added value for various stakeholders in the areas People, Planet and Profit in a targeted manner. The results of these activities show the diverse added value in the three dimensions of sustainability. At the same time, the results contribute to the UN Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development (see → **SDG Reporting**). Goal number 6 – "Clean Water and Sanitation" – and goal number 11 – "Sustainable Cities and Communities" – are a key focus for Geberit. However, significant contributions are also made when it comes to "Decent Work and Economic Growth" (goal number 8) and "Industry, Innovation and Infrastructure" (goal number 9).

The modules of the sustainability strategy bundle current and future projects, initiatives and activities. Each module contains clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring.



The following pages provide an overview of the sustainability modules with important facts and achievements from 2020 as well as the outlook for 2021 to 2023. The current sustainability strategy covers the entire Geberit Group and shows how Geberit intends to be a pioneer and leader in the area of sustainability in the sanitary industry.

# PEOPLE

## MODULES AND GOALS

## IMPORTANT FACTS AND ACHIEVEMENTS 2020

## OUTLOOK FOR 2021 TO 2023

### EMPLOYER RESPONSIBILITY

Geberit positions itself as an attractive employer, and strives to offer jobs of the highest quality.

Geberit supports disadvantaged employees and apprentices.

- Group-wide roll-out of the revised valYOU performance management process for white collar employees and pilot phase for blue collar employees, combined with a two-day training course for managerial staff.
- Safety and protection of employees ensured in connection with the COVID-19 pandemic. Implementation of far-reaching protective measures and introduction of a Group-wide regulation for working from home.
- Continuation of the Potentials Management Programme for talented prospects within the company. Establishment and development of management, methodological and social skills in preparing for the next career step.
- Development of the Operations Development Programme (ODP) for talented internal and external prospects in Operations (including Logistics and Purchasing).
- Promotion of decentralised collaborations with universities, plus active participation in the international UNITECH network.
- Continuation of the development programme for over 100 regional sales managers from European sales companies based on standardised management principles and instruments.
- Employment of 262 apprentices with a transfer rate to a permanent employment relationship of 86%.

- Roll-out of the valYOU process in all companies for blue collar employees.
- Introduction of a standardised Group-wide management training course, particularly for new managerial staff.
- Group-wide employee survey in 2021.
- Continuation of the Operations Development Programme (ODP) for internal and external managerial staff in Operations (including Logistics and Purchasing).
- Roll-out of leadership programme with the Business School at the University of St. Gallen for around 200 members of senior management.
- Continuation of the development programme for managerial staff at the sales companies.
- Targeted support for transfer of apprentices to a permanent position. Target rate is 75%.

### OCCUPATIONAL HEALTH AND SAFETY

Geberit operates safe production plants and logistics sites, and promotes a health and safety culture at a high level.

- Global certification of all production plants and central logistics in accordance with ISO 45001 (occupational health and safety).
- Implementation of audits across plants. Exchange of best practices and accident analyses encouraged.
- Decrease in the accident frequency rate (AFR) by 9.2% to 8.9 (accidents per million working hours) and in the accident severity rate (ASR) by 8.4% to 171.9 (days lost per million working hours). The absenteeism rate due to accidents and illness was 4.68%.
- Increased occupational health and safety and ergonomics as part of the continuous optimisation and modernisation of processes and systems, by replacement of hazardous substances, by reduction of noise emissions and by the use of robots and lifting aids.
- The comprehensive "Vital" healthcare programme is offered at six locations, which represent around 40% of the entire workforce. Creation of a concept for expanding this to the ceramics plants.
- Start of an eLearning programme to raise awareness of behaviour-related accidents.
- Implementation of the action plan for reducing quartz dust, including measurements and monitoring of targets in the ceramics plants.

- Halving of the accident frequency rate and accident severity rate between 2015 and 2025; AFR target: 5.5; ASR target: 90.
- Final roll-out of the software for capturing and monitoring accident data at additional sites.
- Further improvement in ergonomics, particularly in the ceramics plants.
- Expansion of the measures in the "Vital" programme to additional countries and sites.
- Continuation of the eLearning programme on occupational safety in the production plants and logistics.
- Continuation of the action plan for reducing quartz dust.

## COMPLIANCE AND INTEGRITY

Geberit complies with all laws, guidelines, norms and standards.

Geberit checks the effectiveness of its internal monitoring systems and guidelines and implements appropriate measures in the event of misconduct.

- The review of adherence to the Geberit Code of Conduct in all organisational units and in interviews conducted by the Internal Audit Department with managing directors on topics from the Code of Conduct resulted in the discovery of one significant breach, which was investigated.
- One incident was reported via the Geberit Integrity Line for employees and was followed up on, and no incidents were reported via the Integrity Line for suppliers.
- Processing of enquires from various countries on the permissibility of marketing and sales campaigns under competition and antitrust legislation.
- Completion of the implementation of the General Data Protection Regulation (GDPR) in European companies, comprehensive training activities and external audit of the data-protection compliance organisation.
- Revision and roll-out of the eLearning programme on antitrust legislation at management level and in all European sales companies. A further audit was carried out on antitrust legislation.
- Start of roll-out of an EHS (Environment, Health and Safety) compliance tool in five production plants in Switzerland, Poland and Ukraine.
- Data protection audits to be carried out and further development of compliance with data protection.
- Revision and roll-out of the eLearning programme on antitrust legislation for markets outside Europe.
- Further antitrust audits to be carried out by Corporate Legal Services in collaboration with the Internal Audit Department.
- Further roll-out of the EHS compliance tool in production plants and logistics in Europe.

## SOCIAL RESPONSIBILITY

Geberit fulfils social responsibilities in society within the scope of the UN Sustainable Development Goals.

- Geberit employees contributed 450 hours of charitable work as part of social projects.
- Continuation of the partnership with the Swiss development organisation Helvetas on the topic of drinking water and sanitary facilities in developing countries.
- Continuation of the skill-sharing programme with projects taking place with participants in Nepal.
- A social project was carried out in Romania (without Geberit apprentices as a result of COVID-19). Construction of sanitary installations in a paediatric hospital for oncology.
- Different workshops for disabled persons were commissioned with simple assembly and packaging work totalling CHF 8.5 million, thus giving around 500 people meaningful work.
- Performance of an additional volunteering project in Nepal with Polish employees in collaboration with Helvetas.
- Implementation of a social project in Ukraine with apprentices.
- Review of the effectiveness of social projects two to three years after their implementation.

# PLANET

## MODULES AND GOALS

### RESOURCE CONSERVATION

Geberit conserves natural resources and practises the circular economy, both in production as well as with its products.

## IMPORTANT FACTS AND ACHIEVEMENTS 2020

- The absolute environmental impact was reduced by 8.9% and the environmental impact per net sales (currency-adjusted) by 10.1%. This figure is clearly above the target of 5% per year.
- Global certification of all production plants and central logistics in accordance with ISO 14001 (environment), with the Group certificate valid until 2021.
- The amount of hazardous substances used in the production plants was reduced by 6%.
- Internal recycling of around 9,200 tonnes of plastic waste from production, with 940 tonnes of high-quality ABS regranulate used. Additional PP (polypropylene) regranulate approved and in use.
- Participation in Operation Clean Sweep to prevent the pollution of the environment with plastic pellets.
- Further optimisations carried out for the ceramic product range, leading to reduced complexity and a cut in resource consumption. Reuse of products that are no longer required as part of social projects.
- Resource efficiency was improved in ceramic production by 6.4% to 0.48 kg waste/kg ceramic.

## OUTLOOK FOR 2021 TO 2023

- Improvement of eco-efficiency (environmental impact per net sales, currency-adjusted) by 5% per year.
- Extension of the ISO Group certificate until 2024.
- Reduction of hazardous substances in production plants by 5% per year.
- Search for further high-quality plastic regranulates.
- Identification of ways in which to close internal material cycles and make production waste useful for others as secondary materials.
- Reduction of scrap rate and improvement of resource efficiency in ceramic production (kg waste/kg ceramic) by 10% from 2018 to 2021 to 0.47 kg waste/kg ceramic.

## ENERGY AND CO<sub>2</sub> REDUCTION

Geberit actively contributes to climate change mitigation and consequently reduces its energy consumption and CO<sub>2</sub> emissions.

- Absolute CO<sub>2</sub> emissions were reduced by 7.2% to 206,553 tonnes and CO<sub>2</sub> emissions per net sales (currency-adjusted) by 8.4%.
- Relative CO<sub>2</sub> emissions improved by 32.6% since the acquisition of Sanitec, with the target for 2021 achieved ahead of schedule.
- The volume of purchased green electricity increased by 15 GWh to 67.6 GWh. Renewable energy sources accounted for 46.1% of electricity and 4.5% of combustibles.
- 3.8 GWh of green electricity was produced in Givisiez (CH) and Pfullendorf (DE).
- New free-cooling system in Pottenbrunn (AT) for cooling the injection moulding machines with very high levels of energy efficiency.
- Five German production plants received ISO 50001 certification (energy).
- Same improvement in relative CO<sub>2</sub> emissions as for eco-efficiency by 5% per year.
- Reduction of absolute CO<sub>2</sub> emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth).
- Update to the CO<sub>2</sub> target.
- Annual purchase of an additional 3 GWh of certified green electricity and an increase in the share of electricity and combustibles accounted for by renewable energy sources to 45% and 10% respectively by 2021.
- Fuel-reduction plan: further reduction of the emissions from new vehicles.

## INTELLIGENT WATER MANAGEMENT

Geberit supports the economical and careful use of water along the entire value chain.

- Almost 100% of the water consumed by Geberit can be attributed to the product usage phase.
- Some 34,620 million m<sup>3</sup> of water has been saved to date through the use of water-saving flushing systems. In 2020 alone, the water saved amounted to 3,350 million m<sup>3</sup>.
- Water consumption in ceramic production reduced by 4.1% to 6.5 l/kg ceramic.
- Registration of additional water-saving products in accordance with the European water label.
- Reduction of the amount of water consumed in ceramic production (l water/kg ceramic) by 5% from 2018 to 2021 to 6.3 l/kg ceramic.

# PROFIT

## MODULES AND GOALS

### ECO-DESIGN

During the development process, Geberit products are optimised with regard to their environmental friendliness, resource efficiency, recyclability and durability.

Environmental aspects are already considered during technology development.

- Over 150 eco-design workshops have been held in product development since 2007.
- A wide range of product improvements has been made with regard to environmental friendliness:
  - Expansion of the range of rimless WC pans, thus helping to simplify cleaning and cut down on cleaning agents.
  - New Geberit iCon toilet range with Rimfree Plus technology and new flush valve type 212 enables optimal setting of the flush volume and flush performance.
  - Geberit DuoFresh saves up to 50 litres of heating oil per year compared to opening the window for ventilation.
  - Geberit Inside cistern for the Nordic markets with flush volumes up to 4/2 litres and a high percentage of plastic regranulate used.

## OUTLOOK FOR 2021 TO 2023

- Systematic continuation of eco-design workshops for product development.
- Integration of "Design for Recycling" principles in product development.
- Search for alternative materials or a combination of existing materials for optimising resource efficiency in sanitary products.
- Expansion of the product portfolio to support green building.

### GREEN PROCUREMENT

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

- The Code of Conduct was signed by 2,098 suppliers. This equates to over 90% of the total procurement value.
- No incidents were reported via the Integrity Line for suppliers.
- The supplier sustainability risk matrix was updated and expanded to include additional countries of origin and material groups.
- Regular training of lead buyers on procurement and sustainability, plus exchanges with other industrial companies and participation in the UN Global Compact working group on sustainable supply chains.
- EHS (Environment, Health and Safety) audits were conducted and tracked, particularly in the highest sustainability risk category. This comprises 179 suppliers (some 7% of the procurement value).
- Five third-party EHS audits were carried out at suppliers in China and Ukraine.
- All new suppliers have to sign the Code of Conduct.
- Further EHS audits of suppliers are to be carried out by Geberit and external partners, with the required corrective measures being checked as part of re-audits.

## MODERN PROCESSES AND INFRASTRUCTURE

Geberit procures, builds and operates durable and high-quality infrastructures such as buildings, equipment and tools.

- Demolition and safe disposal of infrastructure that was no longer required in Daishan (CN). Construction of a new waste disposal centre in Villadose (IT).
- The number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) increased from 192 to 211. Commissioning of a fourth fully electrical blow-moulding machine.
- Process optimisation for the manufacture of bent Mapress fittings in Langenfeld (DE) with a reduction in electricity and natural gas consumption, reduced use of lubricants and lower quantities of hazardous waste. Additional fully electrically driven production lines were realised.
- Insourcing of the manufacture of WC seats and lids using thermoplastics instead of non-recyclable duroplast plastics.
- Continuous renewal of machine fleet with energy-efficient technology.
- Further increase in the number of injection moulding machines with energy-efficient drive technology from 211 to 219. Commissioning of further fully electrical blow-moulding machines.
- Process optimisation in the production of welded and straight Mapress fittings in order to improve efficiency, quality, waste and ergonomics, while also simultaneously reducing pickling step by step.
- Replacement of conventional plaster casting systems with modern high-pressure casting systems in Kolo (PL) and Slavuta (UA) in order to increase efficiency, improve ergonomics and reduce raw material consumption and plaster waste.

## GREEN LOGISTICS

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

- The transport service providers handled 528.6 million tkm, which was down on the previous year (560.5 million tkm) mainly due to a decline in deliveries to far-away countries. This resulted in CO<sub>2</sub> emissions of 61,653 tonnes (previous year 69,729 tonnes).
- Increased share of state-of-the-art Euro 6 trucks at 73% (previous year 68%).
- Two trucks powered by natural gas in operation on the Jona (CH) to Pfullendorf (DE) route and the use of electric trucks has been analysed.
- The optimised calculation and better utilisation of freight capacity as well as the bundling of long-goods deliveries reduced the number of trips required.
- The eco-efficiency of logistics (environmental impact per tkm) has improved by around 30% since 2015.
- An interdisciplinary project was carried out for analysing the product packaging at Geberit.
- Further optimisation of loading capacity through scheduling and organisational changes as well as the use of larger shipping containers.
- More intensive use of Euro 6 vehicles and identification of suitable alternative drive technologies.
- Optimisation of packaging quantities taking into account the optimal protection and transportability of the products.

## GREEN BUILDING

Geberit has in-depth expertise in the fields of water conservation, quality of drinking water, sound insulation, hygiene and cleanliness.

Geberit is the leading partner in the planning and implementation of first-class sanitary solutions for green building.

- A broad range of Geberit products that 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, US and AU.
- Around 40% of bathroom furniture of the Geberit brand is FSC® certified (FSC-C134279).
- Four new Environmental Product Declarations (EPD) created for Geberit FlowFit pipes and fittings in accordance with the EN 15804 standard. In total, products with an EPD account for around 20% of Group sales.
- Attained Platinum status as a supplier on the EcoVadis platform for sustainable supply chains.
- Development of expertise in the field of green building.
- Targeted search for green building reference projects in the European core markets and the Asia-Pacific markets.
- All bathroom furniture of the Geberit brand is FSC® certified (FSC-C134279).
- Creation of further Environmental Product Declarations (EPD).
- More systematic recording of environmentally relevant product data, i.e. for BIM (Building Information Modelling).