

Stakeholder Panel 2014: 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 consolidate its role as a sustainability leader. With this in mind, the suggestions 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.

Materiality analysis

The high degree of consensus between Geberit Management and external stakeholders when selecting significant topics is pleasing and serves to confirm the understanding of sustainability that has developed over the years. The feedback of the panel has been included in the results of the materiality analysis and thus also in the definition of the report content. A summary of the results is presented in the [→ materiality analysis](#).

Economic performance

Geberit’s economic performance will be significantly enhanced by the forthcoming integration of Sanitec. At the same time, there is the challenge of transferring the high sustainability standards of Geberit to the expanded company. The increase in company value entails long-term risks and opportunities, particularly in terms of significant sustainability topics such as resource consumption. For instance, the ecological footprint will increase considerably due to the greater energy and resource consumption associated with the manufacturing processes at Sanitec. Geberit is addressing this challenge with clear goals and effective measures in line with the sustainability strategy. The focus remains on a continuous improvement in efficiency.

Energy and water

Geberit is part of the value chain in construction. Water-saving and energy-saving products contribute to the implementation of sustainable construction standards. Above all, Geberit is able to demonstrate the functional advantages of the products and financial added value through the implementation of sustainable all-round solutions in construction. Furthermore, the “green building” area of competence is to be expanded further.

Geberit is a leader in the area of sustainability and utilizes its know-how to set industry-wide standards in the area of water conservation. For example, Geberit actively worked on adapting the applicable standard for the dimensioning of drainage piping to smaller diameters. This is important so that the full functionality of the drainage system is ensured even with lower quantities of waste water. Geberit also supported the launch in 2011 of WELL (Water Efficiency Label), a product classification system for water-saving and resource-efficient sanitary products. Geberit takes on board the suggestion of the panel with regard to more clearly illustrating its leading role within the industry.

Products and services

The application of eco-design as an integral part of product development includes the use of recycled materials instead of virgin materials. Progress was also made here in the reporting year: Thanks to an intelligent redesign, half of the material for the new OEM flush valve type 240 is made of high-quality ABS regranalate. The use of plastic regranalate is generally to be increased further and applied to other product areas.

Geberit products are developed as leading products with high quality standards for its core markets. With its expansion – particularly in China and India – Geberit is pursuing a clear, long-term strategy, has been investing consistently for over ten years and is developing modern, resource-efficient products for these local markets. Customers from the middle classes are also to be addressed.

Occupational health and safety

The vision of an accident-free company poses a challenge, particularly at new locations and within the expanded company. Geberit aims to achieve the consistent implementation of uniform standards throughout the world, including the realization of an → [integrated management system](#) in the areas of quality, environmental protection, occupational health and safety and energy.

Green procurement

The topic of procurement in the narrower sense of procurement from local suppliers was not integrated into reporting. All measures for minimizing risks in the supply chain are described in the → [chapter suppliers](#).

As a member of Transparency International, Geberit is committed to high standards in combating corruption, which it implements accordingly. Guidelines on donations that apply Group-wide are in place in this regard. A high level of awareness with respect to the correct practice regarding donations – which particularly plays a role during marketing campaigns – can be seen in the company. In cases of uncertainty, local business and marketing managers consult the Group's Legal department. Geberit considers the existing measures for avoiding corruption to be far-reaching and effective. There are no plans at present for an external whistleblower hotline for cases of corruption.

Sustainability strategy

The stakeholder panel considers the sustainability strategy to be an action-oriented and effective instrument. It has been developed based on knowledge of long-term global trends concerning the topics of water, climate and green building; see → [G4-2](#).

The end user is becoming more and more important as the addressee of communication. This is being reinforced by the integration of Sanitec and its products. The contents of communication are increasingly also referring to the potential to save water and energy. The aim is to illustrate the benefits to the end user more vividly.

The topic of "green building" is being expanded further as an area of competence at Geberit. The aim here is to be able to address market needs for the implementation of standards more directly in future.

Sustainability communication

Geberit is continuously improving its integrated online sustainability reporting. The materiality analysis helps to place the focus on the key topics, to illustrate them even better and to communicate them both internally and externally.

Geberit reports according to the principles of the UN Global Compact that is based on the UN Guiding Principles on Business and Human Rights, among other aspects. In addition, the reference to inclusion of the UN Guiding Principles was set out more explicitly in the sustainability performance report and in the sustainability strategy with regard to the implementation of → [human rights](#).

Final remarks

Geberit thanks all of the panel members for their work. It is planned for an external stakeholder panel to continue its work. Geberit will await the further integration process with Sanitec before making any concrete plans.