

# SUS



GRI Report 2010

Sustainability reporting  
on the financial year 2009

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## An interview with CEO Albert M. Baehny

### **Mr. Baehny, a frank word in the economic crisis: Does the topic of sustainability have to take a back seat in times of crisis?**

Whether there is a crisis or not, people have to think about sustainability today and act accordingly. Many claim that sustainability is a cost driver. But this is often a misunderstanding. Sustainable production is only more expensive initially. Our good position in the market also stems from our efforts to produce sustainable products ever more efficiently. Our energy and water consumption is continually falling and we are more economical with raw materials. This has a positive effect on our cost structure.

### **So is resource efficiency Geberit's recipe for success?**

It's not quite as simple as that. Success is based on many factors. For instance, a healthy corporate culture, a clear strategy that is not questioned in response to every minor change, and a stable structure with committed employees. In order to have skilled people in the right place, we must advance employees' skills internally and at the same time enthruse suitable external candidates for Geberit. This is sustainable action.

### **And the external requirements? What does the market want and what does the environment need?**

There are clear trends here. On the one hand, for instance, urbanization is in full swing in Asia. Water shortages and water quality are becoming major issues. With a steadily growing population, the effect of water-saving systems will be enormous. On the other hand, an increasing number of people want nicely designed bathrooms, and wellness is playing an increasingly important role. Our products are resource efficient and meet the latest standards for sustainable construction. But they also have an attractive design – a logical combination for us.

### **Everyone is talking about sustainability. What has Geberit achieved in recent years?**

We can – and do – measure our improvements systematically: The energy used per production unit, for instance, is clearly declining. It is always a mix of broadly applied and small measures that has a positive effect. In the meantime, all plants are ISO 14001 certified and all employees are trained in accordance with our Code of Conduct. Individual initiatives also have a great impact. At our Givisiez plant in Switzerland, internal water consumption has been virtually halved thanks to an excellent suggestion from an employee.

I am also proud that we are supporting the Pangaea project. It calls on young people to identify environmental issues and act. At the same time, with Pangaea we are implementing social projects in developing countries and helping with better sanitary facilities. Our reporting in accordance with the guidelines of the Global Reporting Initiative highlights improvements in all areas.

### **What can we expect from Geberit in the future?**

We plan to roll out new products, setting new standards in water conservation and water quality. A reduction in the amount of flush water and the intended application of gray water are important topics. The standard of sanitary installations needs to rise globally, because good sanitary facilities improve people's lives significantly. But there are not enough trained plumbers in many regions. The systems therefore need to become even simpler and safer. What should not be changed are the Geberit culture and the palpable enthusiasm of every individual.

Extract from the Geberit Sustainability Report 2010, pages 2 and 3.

### **Statement of continued support for the UN Global Compact**

Since October 2008, Geberit is a member of the UN Global Compact and supports its vision and goals. This is an expression of Geberit's commitment to take a leadership role in sustainability, and supports Geberit in implementing genuine efforts in environmental protection, responsible labor practices, human rights and protection against corruption. As an active member of the local network UN Global Compact in Switzerland, Geberit exchanges experiences with its fellow members on implementing the principles of the Compact. The GRI Report 2010 and the Sustainability Report 2010 comprehensively report on Geberit's progress, goals and measures in this regard.



Albert M. Baehny  
Chief Executive Officer (CEO)  
Geberit AG

## On the GRI Report 2010

Geberit has been leading the sanitary sector in sustainability for decades and proves that economic growth and long-term business success are compatible with environmentally friendly and socially responsible action. Sustainability must be lived in all company sectors. Geberit aims to be a role model to and set standards for partners, customers and suppliers. This includes water-saving, sustainable products; safe, environmentally friendly and resource-efficient production using an increasing proportion of renewable energies; procurement and logistics with high environmental and ethical standards; as well as good working conditions and a high level of training for the more than 5,600 employees worldwide. Geberit also assumes its corporate responsibility when promoting social aid projects and cooperations for innovative developments.

Geberit understands sustainability to be a strategic task. For this reason, objectives and measures are continuously being updated and integrated in all business areas (see pages 6 and 7). Comprehensive monitoring ensures that measurable progress is made. This progress is presented annually in accordance with the guidelines of the Global Reporting Initiative (GRI) in the GRI Report. Parallel to this GRI Report, Geberit is now publishing a comprehensive Sustainability Report for the third time. The GRI Report 2010, the Sustainability Report 2010, the Annual Report 2009 and the information provided on the Internet complement one another in terms of their reporting for 2009. Jointly, they fulfill the requirements of the maximum transparency grade A set by GRI, which has been verified and confirmed by GRI. The GRI Report is published in German and English. The German version is binding.

Geberit has been a formal member of the UN Global Compact since October 2008. This is a joint initiative including companies from around the world, UN agencies and groups representing labor interests and civil society. It is intended to promote the social commitment of business companies and is based on ten principles related to human rights, labor practices, environmental protection and combating corruption. Geberit joined the UN Global Compact because its principles are sensible for any company managed with a long-term perspective. Treating employees in a fair and respectful manner, maintaining safeguards against corruption and human rights violations and optimizing the environmental performance of the company's operations promote business relations built on partnership with important stakeholders while simultaneously avoiding risks. In addition, it is in particular the ninth principle of the UN Global Compact – "encouraging the development and diffusion of environmentally friendly technologies" – that is tied in directly with Geberit's core business activities. In order to permit clear information on the subject of sustainability, the Communication on Progress Report (COP) associated with the Global Compact is being integrated into the GRI Report for the second time. The table on pages 4 and 5 summarizes the essential points. For further details, please see the corresponding GRI indicators.

Contact information can be found on the Internet at [www.geberit.com](http://www.geberit.com), heading Info Service under Contact/Site plan. Should you have any questions concerning sustainability at Geberit please contact:

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This report has been prepared by the Environmental and Sustainability Department of the Geberit Group. Advising on and implementation of the GRI guidelines provided by sustainserv, Zurich (CH) and Boston (US).

## Communication on Progress UN Global Compact (COP)

Topics	Summary, measures and results	Further information is available at
<b>Human Rights</b>		
<p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.</p>	<ul style="list-style-type: none"> <li>• Since 2007, Geberit has had an internal Code of Conduct which states clearly that the company undertakes to be an exemplary, reliable and fair business partner and employer at all times for all people with whom it deals. As a fair partner, Geberit recognizes local, national and international laws, directives and standards, and complies with them in full. The Code of Conduct is published on the company website.</li> <li>• Adherence to the Code of Conduct is monitored as part of an annual, binding survey of all Geberit Group companies. The check is supplemented by internal audits on site.</li> <li>• Following introduction of the Code of Conduct approx. 98% of all employees received training on subjects covered by the Code of Conduct in 2008. Since 2009, new employees receive their training as part of their job orientation.</li> </ul>	<p>DMA-HR, page 27 DMA-LA, page 23</p> <p>HR3, page 27 SO3 , page 29</p>
<p><b>Principle 2:</b> Make sure they are not complicit in human rights abuses.</p>	<ul style="list-style-type: none"> <li>• A Code of Conduct for suppliers is intended to ensure that Geberit's suppliers act in accordance with internal (Geberit Code of Conduct) and external guidelines such as internationally recognized standards concerning human rights. By the end of 2009, 363 suppliers had signed the Code of Conduct, including 77% of the top 200 suppliers. This corresponds to 79% of the overall purchase value. By the end of 2010, more than 90% of the purchase value is to come from suppliers who have taken this step.</li> </ul>	<p>HR2, page 27 SR*, page 41</p>
<b>Labor</b>		
<p><b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</p>	<ul style="list-style-type: none"> <li>• Employees are completely free to join labor unions, associations and similar organizations.</li> <li>• Over 75% of all employees are currently covered by collective agreements (e.g. overall work contracts, tariff agreements). Above all in Germany, Austria and Switzerland, over 90% of employees are subject to an overall work contract or tariff agreements. There are no collective agreements with the employees in the USA and China (17% of all employees).</li> </ul>	<p>HR5, page 28</p> <p>LA4, page 24</p>
<p><b>Principle 4:</b> The elimination of all forms of forced and compulsory labor.</p>	<ul style="list-style-type: none"> <li>• The Geberit Code of Conduct introduced in 2007 categorically excludes forced labor.</li> <li>• This was verified and documented in 2009 as part of the annual, binding survey of all companies in the Geberit Group.</li> </ul>	<p>DMA-HR, page 27 HR7, page 28</p>
<p><b>Principle 5:</b> The effective abolition of child labor.</p>	<ul style="list-style-type: none"> <li>• The Geberit Code of Conduct introduced in 2007 categorically excludes child labor.</li> <li>• This was verified and documented in 2009 as part of the annual, binding survey of all companies in the Geberit Group.</li> </ul>	<p>DMA-HR, page 27 HR6, page 28</p>
<p><b>Principle 6:</b> Eliminate discrimination in respect of employment and occupation.</p>	<ul style="list-style-type: none"> <li>• The Geberit Code of Conduct clearly specifies how employees are to behave and how Geberit assumes responsibility as an employer in order to counteract discrimination.</li> <li>• Geberit has no personnel policy or employment practices providing for preferential treatment of persons from local vicinities.</li> <li>• Protection of the principles of equality is anchored in the Geberit Code of Conduct. This includes the prohibition of discrimination against any employee on the basis of gender. Consequently, fair and equal pay for men and women is a matter of course at Geberit. The proportion of female employees as of the end of 2009 was 28%; in upper management this figure was 5%.</li> <li>• Two cases of sexual harassment were reported in 2009. In both cases, this led to the dismissal of the accused party following clarification of the facts, including hearings of those concerned.</li> </ul>	<p>DMA-LA, page 23 EC7, page 16</p> <p>LA13-14, page 26</p> <p>HR4, page 27</p>

\* SR = Sustainability Report 2010

Environment		
<p><b>Principle 7:</b> Business should support a precautionary approach to environmental challenges.</p>	<ul style="list-style-type: none"> <li>• Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as the development of water-saving and sustainable products. Environmental criteria are considered in all decision-making processes. In addition, processes are continuously being optimized so that a proven high standard is achieved which often greatly exceeds legal requirements.</li> <li>• Climate change is influencing the availability of water resources throughout the world. With its water-saving products in the sanitary industry, Geberit is using opportunities to contribute towards the diligent handling of water and thus to make a name for itself as a leader in sustainability.</li> <li>• Geberit has drawn up a comprehensive CO<sub>2</sub> strategy for the targeted management and reduction of CO<sub>2</sub> emissions and achieved the first milestone: In the last three years, relative CO<sub>2</sub> emissions per value added were reduced by 15%. This is in line with the target. In absolute terms, CO<sub>2</sub> emissions fell by 4.2% in 2009 to 74,196 metric tons. The measures are based on the three pillars "energy saving," "increased energy efficiency" and the "targeted expansion of the share of renewable energy carriers."</li> <li>• Approx. CHF 1.3 million was spent on environmental protection and preventative environmental management in 2009. This involved external advising and training, external certification and human resources expenditure on environmental management activities.</li> </ul>	<p>DMA-EN, page 17</p> <p>EC2, page 15</p> <p>EN16, page 19 EN18, page 20 SR, pages 38-39</p> <p>EN30, page 23</p>
<p><b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility.</p>	<ul style="list-style-type: none"> <li>• Since early 2007, Geberit has had a combined group certificate for quality and environment in accordance with ISO 9001 and ISO 14001, and all production sites, including those in China and the USA, are now uniformly certified. The annual preparation of corporate eco-balances has been an established part of Geberit's environmental strategy since 1991. This makes it possible to calculate the environmental impact for the entire Geberit Group and to monitor the implementation of environmental targets. At 76.4%, electricity consumption causes by far the greatest environmental impact. Fuel occupies second place at 8.5% with combustibles (8.1%) third. At 5.4%, disposal is the fourth largest source of impact. The shares of solvent emissions and water/waste water are in the one-percent range.</li> <li>• In terms of end energy, the greatest environmental impact – electricity consumption – fell by 2% compared with the prior year thanks to various efficiency measures and the drop in sales. Targeted efficiency measures also resulted in a lowering of fresh water consumption by approx. 12% in 2009 compared with the prior year.</li> </ul>	<p>DMA-EN, page 17</p> <p>SR, page 35</p> <p>EN4, page 18 EN8, page 19</p>
<p><b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies.</p>	<ul style="list-style-type: none"> <li>• Geberit has been placing its faith in environmentally friendly products for some time. By 2009, the entire dual-flush and stop-and-go "fleet of cisterns" produced since 1998 had saved over 8,800 million cubic meters of water compared to traditional flushing systems. That is two-and-a-half times the annual consumption of all households in Germany.</li> <li>• Geberit's innovative activities are aimed at developing water-saving, low-noise and durable products.</li> </ul>	<p>GRI 1.2, page 8</p> <p>EN26, page 22</p> <p>SR, pages 29-33</p>
Anti-corruption		
<p><b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<ul style="list-style-type: none"> <li>• As a member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption.</li> <li>• The internal corporate audit department includes corruption aspects in its official program when auditing all production plants and sales companies, and conducts interviews on the basis of a checklist. The internal corporate audit department is also a contact point for reporting suspicions. In the event of Transparency indicating an increased risk of corruption for a country, the company concerned is subjected to a particularly intensive audit.</li> <li>• To ensure that all employees can understand and practice the Geberit Code of Conduct in everyday working life, four animated short films are available on DVD, one of them on the subject of bribery. These short films are regularly used in employee training sessions.</li> <li>• According to the internal, binding survey carried out in January 2010 at all companies of the Geberit Group, there were no known cases of any form of corruption in 2009. The internal audits likewise found no cases of corruption in 2009.</li> <li>• Geberit does not make donations to parties or politicians. All donations and related commitments are neutral from a party political point of view. This was verified and documented as part of the annual, binding survey of all companies in the Geberit Group.</li> </ul>	<p>DMA-SO, page 29</p> <p>SO2, page 29</p> <p>SO3, page 29</p> <p>SO4, page 29</p> <p>SO5, page 29 SO6, page 30</p>

## Sustainability strategy: Review and outlook

Looking back, the objectives and principal measures for 2007-2009 as published on page 9 of the Sustainability Report 2007 have been achieved to a great extent. The sustainability strategy has been updated and the principal measures revised for 2010-2012. The following table provides a detailed overview of the individual areas of activity:

Area	Objective	Principal measures 2007-2009	Achievement of objective
<b>Customers</b>	Geberit is the leading partner for the planning and implementation of first-class sanitary solutions for sustainable construction. Geberit communicates actively on the topics of saving water, drinking water quality, sound insulation and sustainable construction.	<ul style="list-style-type: none"> <li>Promoting qualified next-generation plumbing professionals through targeted education and further training</li> <li>Increased approach to the target group architects and building owners on the subject of sustainability and sustainable building</li> <li>Making better use of the water theme for sensitizing and increasing customer loyalty</li> </ul>	  
<b>Employees</b>	Geberit is committed to providing attractive jobs and implementing high health and safety standards. Geberit places importance on offering apprentices job perspectives inside the company and is positioning itself as an attractive employer.	<ul style="list-style-type: none"> <li>Process towards new corporate values prepared jointly with employees</li> <li>Introduce worldwide Code of Conduct in 2007 by means of Group-wide information</li> <li>Implement results from employee surveys</li> </ul>	  
<b>Products</b>	During development, Geberit products are optimized in terms of environmental friendliness, consumption of resources and durability. Geberit has in-depth expertise in the areas of water conservation, drinking water quality and sustainable construction.	<ul style="list-style-type: none"> <li>Systematic integration of environmental aspects into new developments through Eco-Design</li> <li>Search for alternatives to the problematic hexavalent chrome in surface coating</li> <li>If possible, all disposable parts from alternative plastics or regenerate</li> </ul>	  
<b>Production</b>	Geberit operates environmentally friendly, resource-efficient, economical and safe production plants. Geberit procures and operates durable, high-quality infrastructures (buildings, systems, tools).	<ul style="list-style-type: none"> <li>Certification of all production plants as per ISO 14001 by 2008</li> <li>Establish industrial health and safety delegate also at Group level</li> <li>Implement Group-wide strategy on energy efficiency and renewable energies</li> </ul>	  
<b>Procurement and logistics</b>	Geberit suppliers demonstrably comply with Geberit's high standards for environmentally friendly and socially responsible production. Geberit is optimizing logistics with respect to energy consumption, emissions and packaging.	<ul style="list-style-type: none"> <li>Draw up Code of Conduct for suppliers in 2007</li> <li>100% of suppliers from regions with increased sustainability risk will sign the Code of Conduct by 2008</li> </ul>	 
<b>Society</b>	Geberit takes on social commitments with a close link to the core business, the know-how and the corporate culture and thus supports the United Nations millennium goals.	<ul style="list-style-type: none"> <li>Long-term partnership with non-governmental organization (NGO) in the field of basic plumbing facilities as from 2007</li> <li>Joining the United Nations Global Compact 2008</li> </ul>	 

Comments on principal measures 2007-2009	Principal measures 2010-2012	Area
<ul style="list-style-type: none"> <li>Worldwide 90,000 training participants per year, development program in China, see SR*, page 20</li> <li>New products and planning systems for sustainable construction, see SR, pages 6, 7, 18, 21</li> <li>Expansion of courses on drinking water quality, see SR, page 21; social aid projects, as well as SR page 45, and www.respectingwater.com</li> </ul>	<ul style="list-style-type: none"> <li>Targeted expansion of expertise in sustainable construction in selected markets</li> <li>Increased incorporation of the subject of sustainability in customer training and other means of communication</li> <li>Position Geberit with selected "green building" projects</li> </ul>	<p><b>Customers</b></p>
<ul style="list-style-type: none"> <li>50 workshops worldwide with 3000 Geberit employees, see SR, page 26</li> <li>Code of Conduct in 14 different languages and animated short films, see SR, page 23, as well as indicator SO3, page 29</li> <li>Measures implemented locally, see Annual Report 2008, page 30</li> </ul>	<ul style="list-style-type: none"> <li>Further expand training on Code of Conduct</li> <li>Carry out Group-wide employee survey</li> <li>Develop and implement concept to promote apprentices' transfer to everyday working life</li> </ul>	<p><b>Employees</b></p>
<ul style="list-style-type: none"> <li>Eco-design systematically integrated, see SR, page 29</li> <li>Search for alternatives carried out, all chromated parts eliminated, increased performance of audits with suppliers offering surface coating with hexavalent chrome, see SR, page 41</li> <li>Use of regenerates with disposable parts not possible a priori, as in part high quality requirements, implementation expanded to other product parts as part of Eco-design.</li> </ul>	<ul style="list-style-type: none"> <li>Establish systematic trend monitoring concerning sustainable construction.</li> <li>Continue the systematic Eco-design workshops for all new developments.</li> <li>Also integrate Eco-design aspects in product updates and technology development.</li> </ul>	<p><b>Products</b></p>
<ul style="list-style-type: none"> <li>All production sites uniformly certified, see SR, page 35</li> <li>Strengthening of local structures, Corporate Sustainability supports local units and enables exchange of experience</li> <li>Establishment of energy master plan and CO<sub>2</sub> strategy, see SR, pages 38-39</li> </ul>	<ul style="list-style-type: none"> <li>Improve eco-efficiency and relative CO<sub>2</sub> emissions by an average of 5% per year in the long term</li> <li>Continue implementation of CO<sub>2</sub> strategy and increase proportion of renewable energies by a further 5% by 2012.</li> <li>Reduce employee accident rate by an average of 5% per year.</li> </ul>	<p><b>Production</b></p>
<ul style="list-style-type: none"> <li>Binding Code of Conduct introduced at end of 2007, see SR, page 41</li> <li>Continuous progress in implementation of Code of Conduct, see SR, page 41 and indicator HR2, page 27</li> </ul>	<ul style="list-style-type: none"> <li>By end of 2010 cover more than 90% of purchase value with suppliers who have signed the Code of Conduct.</li> <li>Ascertain environmental figures for logistics as part of regular monitoring and use for management.</li> <li>Development of an environmental logistics code and obligation of the most important transport companies by the end of 2010.</li> </ul>	<p><b>Procurement and logistics</b></p>
<ul style="list-style-type: none"> <li>Extensive commitment as part of Pangaea, see SR, page 45 and www.respectingwater.com</li> <li>Joined UN Global Compact in October 2008</li> </ul>	<ul style="list-style-type: none"> <li>At least one social aid project per year related to core competence of water</li> <li>Targeted expansion of activities in connection with objectives of the UN Global Compact</li> </ul>	<p><b>Society</b></p>

\* SR = Sustainability Report 2010

## Detailed description of GRI indicators

### Profile

#### 1. Strategy and Analysis

##### 1.1

**Statement from the CEO about the relevance of sustainability to the organization and its strategy.**

See interview with Albert M. Baehny, Chief Executive Officer (CEO) at the beginning of this GRI Report.

##### 1.2

**Description of key impacts, risks and opportunities (impacts of the organization on sustainability and stakeholders, and impacts of sustainability trends on long-term prospects and financial performance of the organization).**

See also Sustainability Report 2010, pages 8, 9, 18.

Sustainability must be lived in all company sectors. Geberit aims to be a role model to and set standards for partners, customers and suppliers. This includes safe, environmentally friendly and resource-efficient production with an increasing proportion of renewable energies, procurement and logistics with high environmental and ethical standards, as well as good working conditions and a high level of training for the more than 5,600 employees across the globe. Geberit also assumes its corporate responsibility when promoting social aid projects and cooperations for innovative developments.

Sustainability means satisfying the needs of today's generation in a manner that will ensure a solid basis for the livelihoods of future generations. A growing population's rising consumption of energy and water is a major challenge for sustainable development. And this challenge is also the motivation for Geberit to offer the highest standards of environmental friendliness, resource saving and durability in its products. Water-saving Geberit products achieve impressive results: By 2009, the entire dual-flush and stop-and-go "fleet of cisterns" produced since 1998 had saved over 8,800 million cubic meters of water compared to traditional flushing systems. That is two-and-a-half times the annual consumption of all households in Germany.

The global trend towards sustainable construction (green building) is creating new challenges for investors, building owners, planners and sanitary specialists. Geberit already offers water- and energy-saving, low-noise, durable products, which allow a high level of flexibility and meet sustainable construction standards. Geberit aims to be the

leading systems provider for intelligent sanitary solutions in sustainable construction.

For an overview of objectives achieved from 2007 to 2009 and targets for 2010 to 2012 see pages 6-7.

#### 2. Organizational Profile

##### 2.1

**Name of the organization.**

Geberit Group.

##### 2.2

**Primary brands, products, and/or services.**

Sustainability Report 2010, pages 5-7.

Geberit offers customers high-quality system solutions for applications in private residential construction and in public buildings. The systems are used in both renovation projects as well as in new buildings. A broad range of products is offered within the two product areas sanitary and piping systems. This ranges from installation systems, cisterns and mechanisms, faucets and flushing systems, waste fittings and traps to supply and building drainage systems.

##### 2009 sales by product areas and product lines



##### 2.3

**Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.**

Annual Report 2009, pages 16-17.

The operational management structure of Geberit is divided into the Group Divisions:

- CEO
- Sales Europe and International
- Products
- Finance

Responsibilities are therewith distinctly assigned while at the same time the number of interfaces is minimized. The structure takes into account the increasing globalization and is designed to continue augmenting the effectiveness of the Geberit Group in a changed environment.

## 2.4

### Location of organization's headquarters.

The Geberit Group has its headquarters in Rapperswil-Jona, Switzerland.

## 2.5

### Countries where the organization operates.

Annual report 2009, page 120.

Geberit has its own representatives in 40 countries. The products are sold in 106 countries throughout the world. The company has 15 specialized production sites in seven different countries close to the most important sales markets.

## 2.6

### Nature of ownership and legal form.

Annual Report 2009, page 52.

Geberit AG, the parent company of the Geberit Group, is a stock corporation (AG) under Swiss law.

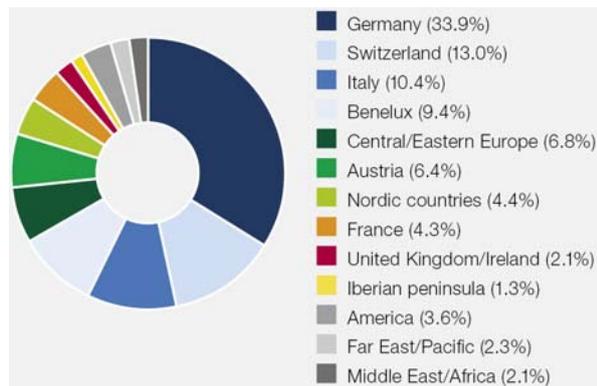
## 2.7

### Markets served.

Annual Report 2009, page 23.

Sustainability Report 2010, page 5.

### 2009 sales by markets:



Customer structure: In terms of market development, Geberit relies on a three-stage distribution channel. The products are distributed via wholesale trade. Dealerships then sell them to plumbers and present them at exhibitions and other venues where end customers can gain information. At the same time, Geberit provides plumbers and sanitary engineers with intensive support through training and advising, which in turn leads to increased demand for Geberit products from wholesalers.

## 2.8

### Scale of the reporting organization.

The Geberit Group's market capitalization reached CHF 7,518 million as of the end of 2009. The 2009 sales of CHF 2,181 million were achieved with products in the two product areas sanitary systems and piping systems, which together weighed around 151,000 metric tons as packaged products. The consolidated balance sheet with details of current assets, non-current assets, equity and out-

side capital can be found on page 76 of the Annual Report 2009. At the end of 2009, the Group had 5,608 employees.

## 2.9

### Significant changes during the reporting period regarding size, structure or ownership.

Annual report 2009, page 81.

There were no significant changes to the Group structure in the period under review.

## 2.10

### Awards received in the reporting period.

Geberit companies received numerous awards in 2009, including:

- Sustainable company 2009, Sustainability Congress, DE
- iF Product Design Award for Silent-PP, International Forum Design, DE
- Award of Excellence Product Year 2009 for Rainwater Harvesting Systems, Master Plumbers & Gasfitters Association, AU
- Government prize for Exemplary Packaging, Transport Packaging for urinal flush controls, Federal Ministries for the Economy, Family and Youth as well as Agriculture and Forestry, Environment and Water Management, AT
- Responsible Care Certificate for responsibility for the improvement of the health, safety and environmental situation, Professional Association of Chemical Companies, AT
- Outstanding Achievements in Vocational Training, Chamber of Industry and Commerce Düsseldorf, DE
- Excellent Academic Exchange Reward, Civil Engineering Association, CN
- Certificate for efforts in the interest of an appropriate work-life balance for employees, Fundación MásFamilia, ES
- Third place for employee magazine Inform, Swiss Association of Internal Communication (SVIK), CH

In addition, Geberit's first progress report (COP) on the UN Global Compact was quoted by the latter as an example of good reporting:

[www.unglobalcompact.org/COP/notable\\_cops.html](http://www.unglobalcompact.org/COP/notable_cops.html)

### 3. Report Parameters

#### Report Profile

##### 3.1

##### **Reporting Period for information provided.**

Reporting period 2009: In many cases comparative figures from the prior years are shown.

##### 3.2

##### **Date of most recent previous report.**

Geberit published extensive Sustainability Reports in 2004, 2007 and 2010. The GRI Report was previously published in 2007, 2008 and 2009.

##### 3.3.

##### **Reporting cycle.**

A comprehensive Sustainability Report is published for a broad target group every three years. The GRI Report is published annually at the same time as the corresponding Annual Report.

##### 3.4

##### **Contact point for questions regarding the report or its contents.**

See page 3 of this document.

#### Report Scope and Boundary

##### 3.5

##### **Process for defining report content.**

This report was prepared on the basis of the "GRI guidance for defining of report content" with its corresponding principles. Geberit's many years of experience with the topics of sustainability is continuously being further developed through extensive dialogs with stakeholders (see 4.16). These dialogs also aid Geberit's assessment of which themes reflect the principles of materiality and how these can be discussed as sensibly as possible within the broader context of sustainability (see also the UN Global Compact Progress Report on pages 4 and 5 of this report as well as the development of the sustainability strategy on pages 6 and 7 of this report). In terms of completeness, all of the company's economic, environmental or social effects based on the GRI guidelines that appear to be of relevance have been included in the reporting insofar as corresponding information was available.

##### 3.6

##### **Boundary of the report.**

The report covers the entire Geberit Group. If only part of the company is meant as an example or due to the availability of data, this is clearly indicated.

##### 3.7

##### **Specific limitations on the scope or boundary of the report, if any.**

There are no special limitations.

##### 3.8

##### **Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.**

There were no significant changes to the Group structure in the period under review (see also 3.10).

##### 3.9

##### **Data measurement techniques and bases for calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.**

The guidelines and assessment rules of the new GRI Standard G3 were applied wherever the data situation permitted this. All environmental data is recorded in a central environmental database of the Geberit Group. Geberit uses this as the basis for a complete corporate eco-balance. The calculation of the energy and greenhouse gases data (see also EN3-7, EN16-18) is carried out on the basis of the internationally recognized Ecoinvent database (version 2.0). Quantitative data on employees is in part collected on a monthly basis within the scope of a central management information system with indicators being calculated in accordance with GRI standards. Additional qualitative and more specific quantitative data on employees is collected from all Geberit Group companies once per year via a questionnaire. Data on the topics of attractive employer, conduct with integrity, fair business partner, environmental protection and product liability is collected in accordance with GRI standards by means of an annual, binding survey in all Geberit Group companies. This concerns the following indicators in particular: 2.10, 4.13, EC1/4/5, EN23/27/28/30, HR4/6/7, LA4/6/9/12/14, SO4/6/7/8, PR2/4/5/7/8/9.

##### 3.10

##### **Explanation of reasons for and effects of any restatements of information provided in earlier reports.**

The GRI Reports 2007, 2008, 2009 and 2010 are all based on the GRI G3 guidelines applicable since October 2006. In this way, Geberit has developed a consistent reporting system in which individual indicators are further developed each year. If, in individual cases, a new form of illustration, calculation method or optimized data collection has led to other results, including for the previous years, this is noted as a restatement under the respective indicator.

**3.11 Significant changes from previous reporting periods in scope, boundary, or measure.**

There were no significant changes to the Group structure in the period under review. If, in individual cases, a new measuring method is used, this is noted under the respective indicator.

**GRI Content Index**

**3.12 Table identifying location of Standard Disclosures in the report.**

This extensive GRI Report 2010 is classified in accordance with the requirements of the GRI G3 Guidelines and thus simultaneously serves as a GRI content index.

**Assurance**

**3.13 Policy and current practice with regard to seeking external assurance for the report.**

No external "assurance" was obtained concerning the stated GRI information. Instead and wherever expedient, standards were used which are authoritative for internal audits.

**4. Governance, Commitments, and Engagement**

**Corporate Governance**

**4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.**  
Annual Report 2009, pages 13 and 55 (Chapter 3: Board of Directors).

The Board of Directors of Geberit AG consists of a maximum of seven members. The term of office for members is a maximum of three years, and the statutory retirement age limit is 70 years. Reelection is on an individual basis and is staggered.

The organization of the Board of Directors is defined in the "Organizational Rulings for the Board of Directors of Geberit AG" published on the Internet at [www.geberit.com](http://www.geberit.com) under Investors/Corporate Governance. The Board of Directors has formed two committees. The Personnel Committee prepares proposals concerning human resources decisions, on remuneration regulations and models as well as concerning the annual remuneration of the Board of Directors and the Group Executive Board, and submits these to the full Board of Directors. The Audit Committee is the uppermost supervision body for internal and external audits, and monitors financial reporting.

**4.2 Indicate whether the Chair of the highest governance body is also an executive officer.**

No, see Annual Report 2009, pages 13, 14.

**4.3 For organizations that have a unitary board structure state the number of members of the highest governance body that are independent and/or non-executive members.**

Annual Report 2009, page 13.  
The Board of Directors consists of seven members (six men and one woman), none of whom is involved in operative management.

**4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.**

Annual Report 2009, page 66, Participatory rights of the shareholders.  
There is no employee representative on the Board of Directors.

#### 4.5

##### **Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).**

Annual Report 2009, pages 64-65, 130.

The remuneration of the Board of Directors is paid in the form of shares and set out in transparent form in the annual report. These shares are blocked for two years. The Board of Directors receives a discount on the share price dependent on the success of the company; this discount corresponds to that of the employees within the framework of the employee programs.

#### 4.6

##### **Processes in place for the highest governance body to ensure conflicts of interest are avoided.**

Annual report 2009, pages 52 and 60.

The Organizational Rulings for the Board of Directors of Geberit AG stipulate how conflicts of interest of members of the Board of Directors are avoided. The members are obliged to refrain from involvement in handling matters affecting either their personal interests or those of a company with which they have an affiliation, and business dealings between the company and members of the executive bodies or affiliated persons are subject to the principle of conclusion at conditions as with independent third parties.

The Organizational Rulings are available on the Internet at [www.geberit.com](http://www.geberit.com) under Investors/Corporate Governance. Furthermore, the Geberit Group has no equity or voting cross-shareholdings with other companies.

#### 4.7

##### **Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.**

There are no formal procedures for determining the qualifications of members of the Board of Directors in environmental and social matters.

#### 4.8

##### **Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.**

The following guidelines and Codes of Conduct are available at [www.geberit.com](http://www.geberit.com) in the section Info Service/Downloads:

- Geberit Compass
- Geberit Code of Conduct
- Geberit Code of Conduct for Suppliers
- Geberit environmental principles

As regards membership in the UN Global Compact see the CEO's 2008 declaration of accession at [www.geberit.com](http://www.geberit.com) in the section At a glance/ Sustainability/UN Global Compact.

#### 4.9

##### **Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.**

Geberit's longstanding success is based on the fact that the Board of Directors pursues a long-term perspective, thus enabling Geberit to demonstrate its performance clearly, particularly in the areas of environmental protection and sustainability. The sustainability strategy (see pages 6 and 7 of this report) as well as related measures are updated annually since 2009, with all departments of the company being integrated into the planning under the coordination of the Environment/Sustainability department. Results and achievement of objectives are submitted to the Group Executive Board for verification. Each year, the Board of Directors notes the company's sustainability performance when checking the Annual Report, in which the "Business and Financial Review" explicitly discusses sustainable corporate management.

#### 4.10

##### **Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.**

There is no formal procedure for assessing the performance of the Board of Directors from an integrated sustainability perspective.

## **Commitments to External Initiatives**

#### 4.11

##### **Explanation of whether and how the precautionary approach or principle is addressed by the organization.**

Article 15 of the Rio Declaration Principles introduced the precautionary principle. Among other things, Geberit's environmental management is based on the precautionary principle. This is also set out in the Geberit environmental principles (see 4.8). An extensive system for the control and management of all risks involved in business activities is in place throughout the Group (for details, see Annual Report 2009, Corporate Governance section, page 61, and Note 4: Risk Assessment and Management, page 89). The internal control system (IKS) for Geberit's financial reporting defines control measures which reduce the respective risks.

#### 4.12

##### **Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.**

Geberit has been a formal member of the UN Global Compact since October 2008. The company has been a member of the international organization Transparency since June 2000 and supports its objectives on combating corruption. Through the voluntary application, introduced in 2007, of the G3 guidelines of the Global Reporting Initiative (GRI) in the Sustainability Report and the GRI Report, Geberit is making a contribution towards transparency and comparability in reporting on sustainability (see 3.10).

#### 4.13

##### **Memberships in associations (such as industry associations) and/or national/international advocacy organizations.**

Geberit is involved in various associations and organizations that make a contribution towards sustainability. Substantial commitments in the period under review were:

- Member of the UN Global Compact
- Member of Transparency International, Switzerland
- Participation in the Health, Safety and Environment working group of TEPPFA (The European Plastics Pipes and Fittings Association)
- Participation in the Environmental Management working group INB-NK 174 of the Swiss Standards Association SNV
- Participation in the Advisory Board of Ecoinvent, a leading provider of consistent and transparent inventory data for life cycle assessment
- Member of the öbu Association (Swiss Association for Ecologically-Aware Corporate Management)
- Member of the Minergie Association for Sustainable Construction, CH
- Member of the Greenbuild Association for Sustainable Construction, AU

In addition, various Geberit companies are members of national associations on topics such as environmentally conscious production, energy, waste management and employee protection.

## **Stakeholder engagement**

#### 4.14

##### **List of stakeholder groups engaged by the organization.**

See list of relevant stakeholder groups in the Sustainability Report 2010, graph page 10.

#### 4.15

##### **Basis for identification and selection of stakeholders with whom to engage.**

Sustainability Report 2010, page 10.

Systematic dialog with stakeholders helps Geberit identify possible conflict issues or opportunities for further development and to become active early. At the national and international levels, the Geberit Group maintains relations with all organizations and institutions in the respective countries that direct requests or suggestions to the company. In accordance with ISO 14001, a stakeholder analysis is also carried out at all production sites as part of environmental management. Requirements are recorded situationally in stakeholder dialogs. Geberit then clarifies its objectives in dealings with the stakeholder group and determines potential for conflict or opportunities. As a fundamental rule, Geberit pursues a cooperative approach in order to discuss and further develop possible measures with the stakeholders concerned.

#### 4.16

##### **Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.**

See list of interactions with stakeholders in the Sustainability Report 2010, graph page 10.

Feedback from the dialog with stakeholders flows into the sustainability strategy and related measures. Some of the stakeholders and their input are included explicitly in the Sustainability Report 2010. See pages 11, 19, 24, 26, 27, 42, 47.

Some focal points for the involvement of stakeholders are:

Around 500 technical advisers working in the field are in contact on a daily basis with plumbers, planners and architects, in particular. During the year under review, around 30,000 customers were provided with education and further training in Geberit systems and software tools in the 25 information centers in Europe and overseas. An additional element is formed by external events of the local sales companies at which training and education measures are held in a different environment in cooperation with partners. As a result of these measures, a further approximately 60,000 customers came into contact with Geberit know-how and products during the past year. In addition to this, the introduction of a series of important products in the piping systems area during the year under review offered an opportunity to improve customer contacts.

Further concrete examples from the sales companies in Germany, China and Switzerland can be found in the Annual Report 2009, page 34.

Geberit's most important ambassadors are its employees. They forge the company's image and represent Geberit in their day-to-day contact with customers and many other stakeholders. This task can only be performed by employees who are aware of what their company stands for and what its objectives are. Here, Geberit benefits from the Living Geberit project conducted in 2007 and 2008, in which 3,000 employees discussed the central corporate and brand values in numerous workshops around the globe. The findings from the workshops were incorporated into day-to-day operations at the local level in 2009. Systematic employee surveys at regular intervals supplement the measures carried out.

Discussions with new suppliers or as part of audits provide additional points of reference for collaboration in environmental and social matters. And the continuous exchange of information with non-profit-making organizations, NGOs and associations reveals new options for social commitments in line with the Geberit culture. The rule applicable for the exchange of information with all partners is that communication is committed to the motto "clear and true."

#### 4.17

#### **Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.**

See list of topics in the Sustainability Report 2010, graph page 10.

For discussion on topics which will be further developed in cooperation with stakeholders, see:

- Saving water: Sustainability Report 2010, pages 29 and 32
- Sustainable construction: Sustainability Report 2010, page 18.
- Customer training: Sustainability Report 2010, pages 20 and 21.
- CO<sub>2</sub> strategy, see EN16, EN17 and Sustainability Report 2010, page 38.
- Corporate culture: Sustainability Report 2010, page 26.
- Demographic development: Sustainability Report 2010, page 24.
- Social aid projects: Sustainability Report 2010, page 45 and [www.respectingwater.com](http://www.respectingwater.com)

## **Management Approach and Performance Indicators**

### **5. Economic Performance Indicators**

#### **Disclosure on Management Approach (DMA-EC):**

See also

- Sustainability strategy, pages 6-7
- Annual Report 2009, Business and Financial Review, page 45
- Sustainability Report 2010, pages 13-14

As a key objective of the company, the economic performance of the Geberit Group is under the strategic control of the Board of Directors and the operative management of the Group Executive Board.

Crucial for sustainable success is a clear business strategy combined with its resolute and consistent implementation. The focused, tried-and-tested strategy rests on four strategic pillars:

#### 1. Focus on sanitary technology

Geberit will continue to focus on sanitary technology, relying on the traditional three-tier sales channel. The company concentrates on those business areas in the sanitary industry in which it has profound expertise and its core competencies. The activities focus on sanitary systems and technologies for the transport of water in buildings. Here, superior quality, integrated and water-saving sanitary technology are provided.

#### 2. Commitment to innovation

For Geberit, continuously optimizing and extending its product range is crucial for future success. Innovation strength is based on basic research in areas such as hydraulics, statics, fire protection, hygiene or acoustics. The insights gained are systematically implemented in the development of products and systems for the benefit of customers.

#### 3. Selective geographic expansion

The accelerated penetration of markets such as France, Great Britain, the Iberian peninsula, Eastern Europe and the Nordic countries is an important factor in long-term success. Outside Europe Geberit concentrates on approaching the most promising markets, which are the following: North America, China, Singapore, Australia and the United Arab Emirates. In these regions the company mainly operates in project business, except for North America. In this context, the existing high standards with respect to quality and profitability are always complied with.

4. Continuous optimization of business processes  
Through continuous process optimizations, Geberit intends to ensure a leading, competitive cost structure in the long term. This is achieved, on the one hand, via Group-wide projects; on the other hand, employees are identifying potential improvements in their day-to-day work and are thus able to make a major contribution towards positive development.

The efforts in terms of sustainable corporate management are being rewarded by the capital market. At the end of 2009, fully 10% of Geberit stock was held by sustainability-oriented investors. Geberit is well represented in the consistently growing sector of sustainability stock indices and sustainability funds. Thus the Geberit share is listed in the Dow Jones Sustainability Index (DJSI) and since 2007 on the FTSE4Good Index Series (for further information, see [www.geberit.com](http://www.geberit.com) Investors/Share Information/Index Membership). In addition, renowned sustainability funds hold Geberit shares in their portfolios. Geberit's objective is to continue to play a significant role in the constantly growing investment segments Sustainability and Water.

## Aspect: Economic Performance

### EC1

#### Direct economic value generated and distributed.

See also Sustainability Report 2010, page 15.

The following table summarizes important indicators for the generation and distribution of value in accordance with GRI requirements.

(in CHF million)	2007	2008	2009
<b>Direct economic value added</b>			
Sales	2,486.8	2,455.1	2,181.2
Operating profit (EBIT)	553.8	563.4	526.7
<b>Economic values passed on</b>			
Operating expenses, net excluding personnel expenses	1,185.1	1,155.4	958.1
Personnel expenses	467.4	460.2	446.2
Wages and salaries	359.2	356.4	334.8
Pension contributions	18.3	17.2	24.5
Other social benefits	64.0	62.4	60.3
Other personnel expenses	25.9	24.2	26.6
Payments to providers of capital	172.1	217.7	220.0
Dividends	159.0	206.9	210.9
Interest	13.1	10.8	9.1
Taxes (income taxes paid)	126.5	100.1	161.4
Social commitments (contributions and donations)	2.2	2.6	3.2
<b>Retained economic values</b>			
Investments in property, plant and equipment	103.5	152.5	106.4
Divestments of property, plant and equipment	13.6	5.7	2.9
Share buyback	0.0	311.4	0.0

### EC2

#### Financial implications and other risks and opportunities for the organization's activities due to climate change.

Climate change is influencing the availability of water resources throughout the world. With its water-saving products in the sanitary industry, Geberit is using opportunities to contribute towards the diligent handling of water and thus to make a name for itself as a leader in sustainability.

Geberit is exposed to an average risk of natural disasters caused by climate change which can fundamentally affect production areas or transport areas. None of the production sites is particularly at risk in this respect. As Geberit does not operate in the classically energy-intensive industries, there are currently no special CO<sub>2</sub> regulations such as statutory emission limitations, etc. On the other hand, Geberit is indirectly affected by higher energy or raw material prices or by generally increasing requirements in terms of energy management. Through the energy master plan as well as the measures as part of the CO<sub>2</sub> strategy (see also EN5/16 and 17), Geberit is reacting proactively and is continuously working to improve energy efficiency and thus to reduce related risks. In terms of general risks, the Audit Committee of the Board of Directors has implemented an extensive system for monitoring and controlling the risks linked to the business activities. There is no systematic, data-supported analysis of the financial consequences of climate change for Geberit.

### EC3

#### Coverage of the organization's defined benefit plan obligations.

Comprehensive information on the company old-age pension scheme can be found in the Annual Report 2009, pages 87 (Retirement benefit plans) and 102 (Note 17: Retirement benefit plans).

### EC4

#### Significant financial assistance received from government.

Regarding tax reductions, see Annual Report 2009, Note 27: Income tax expenses, page 112. On the basis of new investments to promote the respective business location and secure jobs, Geberit received government investment subsidies totaling approx. CHF 2.7 million in the period under review.

## Aspect: Market Presence

### EC5 (Additional)

#### Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.

Geberit pays market-rate wages, taking into account local circumstances and laws. When selecting employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. This means that Geberit does not hire in the minimum-wage segment anywhere in the world.

### EC6

#### Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

Taking account of all aspects relevant to purchasing (guidelines in the Geberit Group purchasing manual), there are no directives concerning preferential treatment of local suppliers. Nevertheless, Geberit supports regional institutions for disabled persons and the long-term unemployed (see EC8).

### EC7

#### Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

Geberit has no personnel policy or employment practices providing for preferential treatment of persons from local vicinities.

## Aspect: Indirect Economic Impacts

### EC8

#### Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

Sustainability Report 2010, pages 45 and 46.

Geberit wants to make a contribution to the improvement of people's quality of life. With its products and expertise regarding water, Geberit supports the implementation of the United Nations Millennium goal of global access to clean drinking water and basic sanitary facilities. As part of its social commitment, Geberit focuses on projects relating to the topic of water and the core competence and culture of Geberit. The commitment is usually not only financial, but also involves non-cash benefits and aid on site. Wherever possible, Geberit apprentices from all professional areas and from various countries actively share in the work of the social aid projects in accordance with their abilities and willingness. The long-term partnership launched in 2008 with Mike Horn, who has embarked on a four-year expedition around the world with his Pangaea project, was continued in 2009. The online platform [www.respectingwater.com](http://www.respectingwater.com) provides an overview of the various activities.

Donations and financial contributions, including product donations, totaling CHF 3.2 million were made during 2009. Geberit employees contributed approximately 900 hours of charitable work as part of social projects. Geberit also supports institutions for disabled persons and the long-term unemployed, which were awarded orders totaling around CHF 3.9 million in 2009 from most European production sites for simple assembly and packaging work.

### EC9 (Additional)

#### Understanding and describing significant indirect economic impacts, including the extent of impacts.

There is no systematic, data-supported analysis concerning indirect economic effects. Geberit nevertheless pursues a long-term approach in dealings with its customers and stakeholders, thereby also making a significant contribution towards their economic development.

Geberit provides important impulses for the sanitary industry through innovation and new products, which are sold and implemented throughout the world by wholesalers, plumbers and sanitary engineers, and thus make significant contributions towards economic development. This is supplemented by the intensive support of plumbers and sanitary engineers through training and advising (see 4.16 and Sustainability Report 2010, pages 17 and 20).

Also to be emphasized are the economic effects on suppliers, transport companies and the local economic regions of the production sites. In 2009 Geberit procured goods with a purchase value of approx. 600 million Swiss francs. Geberit has relations with a total of more than 1,200 suppliers. Geberit does not have its own transport fleet and contracts external companies for logistics services. In Europe there are nearly ten companies which ensure the transport of Geberit products. Geberit places its faith in its 15 production sites in Europe, China and the USA and is continuously investing. In 2009, for example, the sites in Lichtenstein (DE), Pfullendorf (DE), Givisiez (CH) and Shanghai (CN) were expanded.

## 6. Environmental Performance Indicators

### Disclosure on Management Approach (DMA-EN):

See sustainability strategy, pages 6 and 7.

Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as the development of water-saving and sustainable products. Environmental criteria are considered in all decision-making processes. In addition, processes are continuously being optimized so that a proven high standard is achieved which often greatly exceeds legal requirements. Geberit's environmental principles can be found at [www.geberit.com](http://www.geberit.com) under Info Service/Downloads.

Since 1992, a network of environmental managers has been practicing active environmental protection in all production sites. The corporate environment and sustainability department – which reports directly to the CEO – plays an important role in this respect and contributes towards raising the awareness of these aspects among decision makers. A systematic, Group-wide environmental management is at the center: Since early 2007, Geberit has had a combined group certificate for quality and environment in accordance with ISO 9001 and ISO 14001, and all production sites, including those in China and the USA, are now uniformly certified.

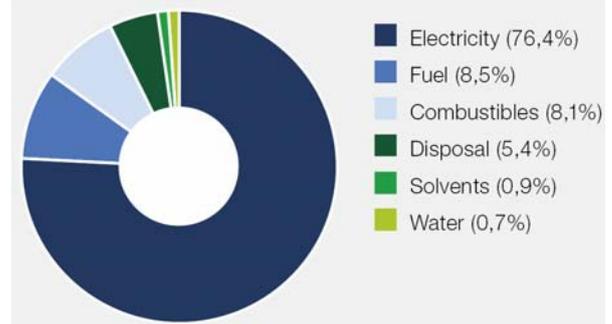
The annual preparation of corporate eco-balances has been an established part of Geberit's environmental strategy since 1991. It covers all production sites worldwide and the nine largest sales companies. These units assessed cover 92% of the total gross valued added (note: with the sales companies, only the most important energy factors for Geberit were recorded and taken into account).

The corporate eco-balance enables an overall assessment of the environmental impact and its largest contributing factors. Current inventory data (Ecoinvent version 2.0) was taken as the basis for the assessment and the current Swiss life cycle assessment method of ecological scarcity, version 2006, used. This makes it possible to calculate the total environmental impact of the Geberit Group in terms of eco-points and monitor the implementation of the environmental targets.

Electricity consumption (76.4%) causes by far the greatest environmental impact, followed by fuels (8.5%) and combustibles (8.1%). At 5.4%, disposal is the fourth largest source of impact. The shares of solvent emissions and water/waste water are in the one-percent range.

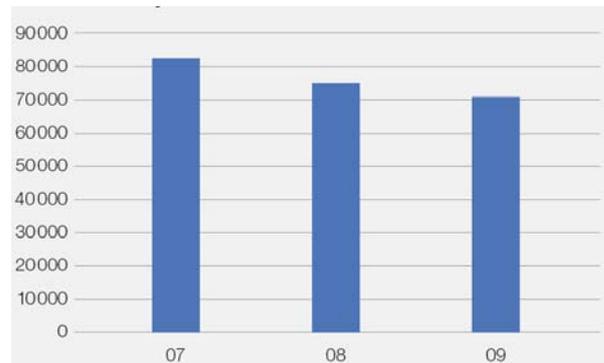
In the key figures of the indicators EN1/3/8/16 and 22, there were isolated, insignificant deviations from the prior year's values as a result of optimized data collection.

Distribution environmental impact 2009



Development absolute environmental impact 2007–2009

Environmental impact expressed in millions of eco-points



The absolute environmental impact fell by 4.8% in 2009 compared with the prior year. The relative environmental impact based on value added improved by just 1.0% compared with the prior year. Nevertheless, an average reduction of 6% per year was achieved over the last three years – this is slightly above the target of 5% per year.

### Aspect: Materials

#### EN1

#### Materials used by weight or volume.

See EN27 for packaging material used.

Consumption of materials [t]	2007	2008	2009
Raw material plastics	55,691	52,139	50,870
Raw material metal	33,956	32,323	36,552
Other raw materials	1,047	1,025	906
Semi-finished products	28,245	27,796	24,563
Finished products	42,066	45,795	38,172
<b>Total</b>	<b>161,005</b>	<b>159,078</b>	<b>151,063</b>

#### EN2

#### Percentage of materials used that are recycled input materials.

When estimating the recycling share in production, a distinction is made between external and internal sources of the raw material for reasons of expediency.

**External sources:**

The proportions of recycled metals purchased are relatively high. The data is based on Geberit's product life cycle assessments for supply pipes for buildings (2009). Extrapolated, the raw material metal purchased contains around 54% or 19,000 metric tons of recycled material.

**Internal sources:**

In terms of the raw material plastic, material to be recycled is generated primarily internally and is ground on site or via a decentralized mill and fed back into the process. The proportion fluctuates depending on the manufacturing process. For blow molding it is around 35%, for fitting injection molding around 15% depending on product class, and for pipe extrusion around 3%.

**Aspect: Energy**

**EN3**

**Direct energy consumption by primary energy source.**

Geberit only purchases energy. It does not produce or sell energy. For Geberit, only heating oil extra light, natural gas and the fuels diesel and gasoline are of relevance as direct energy carriers. Total final energy consumption in common units of energy is:

**Total final energy consumption of direct energy carriers**

	2007	2008	2009
Heating oil extra light [t]	208	253	70
Natural gas [m <sup>3</sup> ]	4,025,564	4,153,668	4,462,378
Gasoline [l]	341,014	292,192	253,911
Diesel [l]	1,356,100	1,378,670	1,515,537

Total final energy consumption in the TJ unit is:

**Final energy consumption of direct energy carriers [TJ]**

	2007	2008	2009
Heating oil extra light	8.9	10.8	3.0
Natural gas	147	151	162
Fuels (gasoline, diesel)	62	61	64

Restatement: For 2008, the fuel figures had to be adjusted downwards by approx. 6% due to a conversion factor that was changed.

Note: The data covers the Scope 1 area as per GHG Protocol (see: The Greenhouse Gas Protocol (GHG) Initiative - A corporate accounting and reporting standard (Revised Edition, 2004) of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD)).

**EN4**

**Indirect energy consumption by primary source.**

Only electricity consumption is of significance for indirect energy consumption at Geberit, and simultaneously represents the greatest environmental impact. In terms of final energy, electricity consumption fell by 2% compared with the prior year thanks to various efficiency measures (see also EN5) and also as a result of the drop in sales.

Electricity consumption	2007	2008	2009
On the basis of final energy [GWh]	112.4	107.3	105.1
On the basis of final energy [TJ]	404.7	386.1	378.5

Note: The data covers the Scope 2 area as per GHG Protocol.

**EN5 (Additional)**

**Energy saved due to conservation and efficiency improvements.**

Sustainability Report 2010, page 38 (see also example of a new cooling system in Pottenbrunn (AT)).

In addition to the insulation of buildings, important measures include the continuous modernization of machines, increasing the efficiency of production installations, the optimization of cooling plants through the use of natural ambient cold (free cooling), improved use of waste heat (heat recovery) as well as the careful use of compressed air. No breakdown is available on energy savings by measure.

**EN6 (Additional)**

**Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.**

Sustainability Report 2010, pages 29-31 as well as description under EN26.

The basis for the use of the most energy-efficient materials possible is a systematic innovation process in which environmental potential is analyzed at an early stage in the development process within the scope of Eco-design workshops and optimized accordingly. Product life cycle assessments provide a detailed basis for identifying effective levers in new products and the further development of products. For a concrete example, see the significant reduction in the consumption of stand-by electricity by Geberit AquaClean, Sustainability Report 2010, page 31.

**EN7 (Additional)**

**Initiatives to reduce indirect energy consumption and reductions achieved.**

- Use of energy-intensive materials: The Eco-design analysis in product development means the general pursuit of an approach of using as few energy-intensive materials as possible (see Sustainability Report 2010, page 29). No

quantitative analyses on the resulting energy savings are available.

- Logistics: For information on outsourced logistics services see EN29.
- Business travel: Travel using company vehicles is covered by EN3. Local initiatives are implemented in order to reduce consumption (e.g. ecodrive courses). A fuel-reduction scale for new vehicles has been defined as part of the CO<sub>2</sub> strategy (see also EN18). No data is available concerning energy consumption for work-related air travel.
- No data is available concerning work travel (commuting) of the employees. Nevertheless, employees are being made aware of more energy-efficient forms of travel such as Bike-to-Work as part of the voluntary climate project CO<sub>2</sub> monitor (see Sustainability Report 2010, page 39).

## Aspect: Water

### EN8

#### Total water withdrawal by source.

Geberit uses mainly fresh water from the public water system and some rain water. Targeted efficiency measures resulted in a lowering of fresh water consumption by approx. 12% in 2009 compared with the prior year.

Water consumption by source [m <sup>3</sup> ]	2007	2008	2009
Fresh water	146,517	139,430	122,144
Rain water	12,195	7,734	9,277

Restatement: The fresh water figure for 2007 was reduced by 6% as a result of data adjustment.

### EN9 (Additional)

#### Water sources significantly affected by withdrawal of water.

Geberit production plants' water consumption does not place a considerable burden on water sources as defined in the GRI guidelines.

### EN10 (Additional)

#### Percentage and total volume of water recycled and reused.

Throughout the Group, two processes are responsible for a large portion of water requirements:

1. During the production of multilayer pipes in Givisiez (CH) the pipes are cross-linked in autoclaves. A total of 25,200 m<sup>3</sup> of water was used for this in 2009. Around 30% or 7,560 m<sup>3</sup> of this amount is fresh water; the remaining 70% was reused internally.
2. Newly developed products are tested at the Geberit sanitary laboratory in Jona (CH). The tests require some 200,000 m<sup>3</sup> of water annually. Only about 5% or 10,000 m<sup>3</sup> of this amount is fresh water. The remaining 95% is provided by a closed-circuit system.

Based on these two processes, the estimated proportion of reused water in the Geberit Group is around 60%.

## Aspect: Biodiversity

### EN11

#### Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

This indicator is not relevant to Geberit. The typical activities at Geberit production sites as well as the company's products and services do not endanger any sanctuaries or areas of significant biodiversity.

### EN12

#### Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

See EN11.

### EN13 (Additional)

#### Habitats protected or restored.

See EN11.

### EN14 (Additional)

#### Strategies, current actions, and future plans for managing impacts on biodiversity.

See EN11.

### EN15 (Additional)

#### Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

See EN11.

## Aspect: Emissions, Effluents, and Waste

### EN16

#### Total direct and indirect greenhouse gas emissions by weight.

Sustainability Report 2010, pages 38-39.

CO<sub>2</sub> emissions are calculated as part of the annual preparation of the corporate eco-balance. The six leading substances as per the Kyoto Protocol (CO<sub>2</sub> fossil, CH<sub>4</sub>, N<sub>2</sub>O, HFC, PFC and SF<sub>6</sub>) were used for greenhouse gas emissions and shown as a sum parameter (CO<sub>2</sub> equivalents or here simply CO<sub>2</sub>). Included in the calculation are both direct emissions from the burning of combustibles and fuels (see EN3, Scope 1 as per GHG Protocol) as well as indirect emissions resulting from electricity consumption (see EN4, Scope 2 as per GHG Protocol). Correspondent to the methodology used in the corporate eco-balance the energy consumption caused by the upstream provision of combustibles and fuels (Scope 3) is included into the calculation.

The electricity mix is based on a continental mix for Europe, China and the USA. Further information on the basis of calculation can be found under DMA-EN.

In absolute terms, CO<sub>2</sub> emissions (Scopes 1 and 2) fell by 4.2% to 74,196 metric tons in 2009. If one relates these emissions to the value added, there is an improvement of 0.3%. At 75%, electricity consumption is by far the largest source of CO<sub>2</sub>, followed by combustibles and fuel. Purchasing just 6 GWh of “green electricity” in Pfullendorf (DE) and 2 GWh of wind electricity in Daishan (CN) results in a reduction of over 5,600 metric tons of CO<sub>2</sub> emissions.

CO <sub>2</sub> emissions [metric tons]		2007	2008	2009
Combustibles	Scope 1	11,206	11,750	11,850
Fuels	Scope 1	6,670	6,569	6,935
Electricity	Scope 2	64,735	59,126	55,411
<b>Total</b>		<b>82,611</b>	<b>77,445</b>	<b>74,196</b>

Restatement: See EN3.

The following results are obtained for the relative CO<sub>2</sub> emissions based on the value added:

Relative CO <sub>2</sub> emissions [metric tons of CO <sub>2</sub> / TCHF]		2007	2008	2009
Combustibles	Scope 1	0.011	0.012	0.012
Fuels	Scope 1	0.0068	0.0066	0.0072
Electricity	Scope 2	0.066	0.059	0.058
<b>Total</b>		<b>0.084</b>	<b>0.078</b>	<b>0.077</b>

## EN17

### Other relevant indirect greenhouse gas emissions by weight.

Other relevant greenhouse gas emissions occur in areas belonging to other organizations (Scope 3 as per GHG Protocol) and are caused by the energy consumption of the following activities:

- cumulative energy content of the raw materials used, i.e. the “embodied energy” purchased. This is estimated as part of the corporate eco-balance and is around 8,700 TJ resulting in approximately 390,000 metric tons of CO<sub>2</sub> emissions.
- external logistics (see EN29). In this respect, key figures are currently being developed, including on greenhouse gas emissions.
- employees' air travel as part of work travel, for which no data is currently available.

## EN18 (Additional)

### Initiatives to reduce greenhouse gas emissions and reductions achieved.

Sustainability Report 2010, pages 38-39.

Geberit has drawn up a comprehensive CO<sub>2</sub> strategy for the targeted management and reduction of CO<sub>2</sub> emissions. As part of the CO<sub>2</sub> strategy, Geberit has reached its first milestone: In the last

three years, relative CO<sub>2</sub> emissions per value added were reduced by 15%. This is in line with the target.

The measures for implementing the CO<sub>2</sub> strategy are based on the three pillars “energy saving,” “increased energy efficiency” and the “targeted expansion of the share of renewable energy carriers.” An energy master plan is implemented in the largest plants to manage and plan energy consumption. This provides a forward-thinking illustration of the development of energy consumption and CO<sub>2</sub> emissions. In Switzerland, Geberit is working with the Business Energy Agency and has also obtained corresponding CO<sub>2</sub> certificates.

In order to further reduce CO<sub>2</sub> emissions, Geberit has set the goal of increasing the share of renewable energies in electricity by 5% every three years and of achieving a proportion of one-third of overall consumption by 2015. Since 2008, the Pfullendorf (DE) site has been drawing 6 GWh of green electricity per year of the “naturemade star” and “naturemade basic” qualities. At this location green electricity replaces some 20% of conventional electricity consumption. This means that a CO<sub>2</sub> reduction of more than 3,000 metric tons per year is achieved. By 2012 another 6 GWh of renewable electricity are to be added. Part of this was already achieved in 2009: The Daishan site in China has been supplied with approx. 2 GWh of wind power per year since 2009, thus saving an additional 2,500 metric tons of CO<sub>2</sub>.

With combustibles, suitable solutions are being sought to enable the increased use of renewable energy carriers. The in-house fleet of vehicles is becoming more efficient with a consistent purchasing policy. Since early 2008, binding guidelines have applied for the purchase of new vehicles with the goal of reducing effective consumption by 10% every three years. At the same time, emission-reducing measures are being implemented. Currently 89% of all Geberit diesel vehicles have a particle filter.

Geberit supports the sensitization of all employees for the promotion of environmentally friendly behavior. Regarding the voluntary CO<sub>2</sub> monitor climate project for employees, see the Sustainability Report 2010, page 39.

## EN19

### Emissions of ozone-depleting substances by weight.

Emissions of ozone-depleting substances, NO<sub>x</sub>, SO<sub>2</sub>, as well as NMVOC (non-methane VOC) and dust (PM10) can be calculated based on the Geberit Group's corporate eco-balance. Included in the calculation are both direct emissions from the burning of combustibles and fuels (see EN3, Scope 1 as per GHG Protocol) as well as process emissions (solvents) and indirect emissions resulting from electricity consumption (see EN4, Scope 2 as per GHG Protocol). The calculation is based on the UCTE European electricity mix and Ecoinvent inventory data, version 2.1.

Ozone depletion potential [kg CFC11-Equivalents]	2007	2008	2009
Scope 1	2.95	1.78	2.62
Scope 2	2.17	2.80	2.74
<b>Total</b>	<b>5.12</b>	<b>4.58</b>	<b>5.36</b>

Restatement: Use of the current Ecoinvent data, version 2.1, results in considerably lower figures compared to the last report.

## EN20

### NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight.

Calculation, see also EN19.

Air emissions [metric tons]		2007	2008	2009
NO <sub>x</sub>	Scope 1	23.3	23.3	24.3
	Scope 2	98.4	93.9	92.1
	<b>Total</b>	<b>121.7</b>	<b>117.2</b>	<b>116.4</b>
SO <sub>2</sub>	Scope 1	4.3	4.3	4.1
	Scope 2	191.5	182.7	179.1
	<b>Total</b>	<b>195.8</b>	<b>187.0</b>	<b>183.2</b>
NMVOC	Scope 1	52.2	44.8	39.9
	Scope 2	11.5	11.0	10.8
	<b>Total</b>	<b>63.7</b>	<b>55.8</b>	<b>50.7</b>
Particles (PM10)	Scope 1	2.8	2.8	3.0
	Scope 2	18.4	17.5	17.2
	<b>Total</b>	<b>21.2</b>	<b>20.3</b>	<b>20.2</b>

Restatement: Use of current Ecoinvent data, version 2.1. Effective reduction in emissions in the provision of electricity has resulted in considerably lower SO<sub>2</sub> and NMVOC figures for the last three years. The figures for particles are lower because particles >10 µm have been excluded.

## EN21

### Total water discharge by quality and destination.

Geberit does not carry out any unplanned water discharge. All resulting domestic waste water and all process waste water is treated. 98,272 m<sup>3</sup> of waste water were incurred in 2009 (prior year

121,566 m<sup>3</sup> of waste water). This represented a further reduction in the amount of waste water. 71% (prior year 76%) was domestic waste water that passes into the waste water treatment plant. 8% (prior year 9%) is domestic waste water that is pre-treated and fed to receiving waters. The remaining 21% (prior year 15%) is waste water that is pre-treated and fed to a treatment plant.

## EN22

### Total weight of waste by type and disposal method.

83% of the total of 11,045 metric tons of waste in 2009 was fed to external recycling processes. Future measures will focus above all on the further separation of waste and the reduction in mixed waste and hazardous waste.

Waste [metric tons]	2007	2008	2009
Incineration	648	712	709
Incineration of hazardous waste	133	113	108
Recycling of hazardous waste	1,650	1,891	1,662
Inert waste landfill	613	466	457
Mixed waste landfill	890	679	598
External recycling	7,366	7,719	7,511
<b>Total</b>	<b>11,300</b>	<b>11,600</b>	<b>11,045</b>

## EN23

### Total number and volume of significant spills.

During the period under review there were no incidents in any of the Geberit companies leading to significant spills.

## EN24 (Additional)

### Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

The amounts of hazardous waste disposed of by recycling or incineration are shown under EN22. At Geberit, all waste is disposed of and recycled by licensed disposal companies. No further data is available on the breakdown by imported and exported hazardous waste by destination.

## EN25 (Additional)

### Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

This indicator is not relevant to Geberit as no waters are affected by significant water discharge from Geberit facilities as defined in the GRI guidelines.

## Aspect: Products and Services

### EN26

#### **Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.**

Geberit regards Eco-design as the key to environmentally friendly products. Already in the development process, the most environmentally friendly materials and functional principles are used, risks are minimized and high resource efficiency is pursued for the production process as well as the product itself. Eco-design workshops, which are attended by representatives of various sectors, are an integral part of the early development phase. Every new product is to be better than its predecessor with respect to environmental aspects. Specially created product life cycle assessments are important decision-making aids and contain quantitative information on the reduction of environmental impact (an overview of product life cycle assessments carried out can be found on the Internet at [www.geberit.com](http://www.geberit.com) under Info Service/Downloads).

The Eco-design workshops include a systematic product analysis across all life phases, the verification of statutory requirements as well as the analysis of competitors' products. The results of the Eco-design workshop are documented systematically. They serve as the basis for developing solutions that are being included in the specifications and documents to accompany products.

Examples from the product range that contribute to the reduction of environmental impact:

- Focus on water conservation: All cisterns are equipped with established dual-flush (6/3 liters) and stop-and-go functions. The Impuls260 range of flush valve systems, which was launched in 2009, is a complete and flexible system that was developed for worldwide use in most ceramic cisterns. The flush volume can be variably adjusted and thus reduced (Sustainability Report 2010, page 32).
- Focus on energy efficiency: Thanks to intensive development work, the stand-by electricity consumption of the Geberit AquaClean has been reduced by more than half (Sustainability Report 2010, pages 30 and 31).
- Focus on product materials: As of 2010, California (US) has enacted a law setting the limit on the lead content in faucets at 0.25%. With the ECAST™ line of lead-free faucets, Geberit USA has launched a product family that already meets the requirements a year before the law came into force.

### EN27

#### **Percentage of products sold and their packaging materials that are reclaimed by category.**

On the product side, approx. 10 metric tons of primarily electrical appliances were taken back and disposed of professionally in 2009. In some markets (DE, CH), sections of multilayer drinking water pipes (Mepla) are also taken back. The precise quantity is not known, but is estimated at several metric tons Group-wide. In 2009, approximately 11,400 metric tons of packaging material were used, roughly 40% of which was collected and recycled by Geberit itself or financed contract partners. The rest is disposed of and recycled on a country-specific basis.

## Aspect: Compliance

### EN28

#### **Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.**

According to an internal, binding survey of all companies, no fines were imposed in 2009.

## Aspect: Transport

### EN29 (Additional)

#### **Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.**

Sustainability Report 2010, pages 42 and 43.

For fuel consumption of Geberit's own company vehicles for passenger transport and a small fleet of commercial vehicles, see also EN3 and EN7. The polluting emissions of these vehicles – CO<sub>2</sub>, NO<sub>x</sub>, SO<sub>2</sub> and particles (PM10) – are included in the results under indicators EN16/19 and 20.

The global distribution of Geberit products is an important part of our service to customers. It corresponds to a global trend that, in addition to cost-effectiveness and timeliness, the environmental impact of transport services is becoming an increasingly important decision-making criterion. Geberit does not have its own transport fleet and contracts external companies for logistics services. In Europe there are nearly ten companies which ensure the transport of Geberit products. Trucks assume an important transport function. Whenever possible, Geberit shifts transport to rail. Overall, the transport distance to customers and between plants amounts to some 87 million metric ton kilometers.

Already before 2007 some 50% of shipments to customers were provided by the logistics center in Pfullendorf in Germany. In order to meet the growing demand and to design logistics processes more

efficiently, a new logistics center was built in Pfullendorf last year as the central hub for Central Europe. The center starts operations in spring 2010. In the future, more than 70% of deliveries will be processed from Pfullendorf, which is almost exactly in the geographical center of Geberit's European customers. Geberit is not only expecting an improvement of internal processes, but also an ideal distribution structure and route planning.

In order to reduce the environmental impact, the focus is on cooperating with select freight forwarders. Above all, Geberit wants to create more transparency for the environmental impact of logistics. In 2009 a start was made to extend the comprehensive corporate eco-balance, which has been proven for Geberit production over many years, to the area of logistics. The total environmental impact and individual indicators, such as CO<sub>2</sub> or polluting emissions, are to be calculated taking into account the type of transport and composition of the vehicle fleet. At the same time, an environmental logistics code will be defined from 2010, which obliges the main freight forwarders to clear targets and the most environmentally friendly transport possible. The measures are being supported by new approaches. For example, an increasing number of vehicles with particularly large loading volumes are being used. These reduce energy consumption per metric ton of freight.

**Aspect: Overall**

**EN30 (Additional)**

**Total environmental protection expenditures and investments by type.**

Approx. CHF 1.3 million was spent on environmental protection and preventative environmental management in 2009. This involved external advising and training, external certification and human resources expenditure on environmental management activities. The costs of disposal of hazardous and other waste amounted to approx. CHF 0.80 million in 2009. No redevelopment costs were incurred.

**7. Social: Labor Practices and Decent Work**

**Disclosure on Management Approach (DMA-LA):**

Responsibility for important aspects of labor practices in the Geberit Group lies with the Head of Corporate Human Resources, who reports directly to the CEO. See also pages 6-7 for objectives in the Human Resources department.

Geberit's most important ambassadors are its employees. They forge the company's image and represent Geberit in their day-to-day contact with customers and many other stakeholders. This task can only be performed by employees who are aware of what their company stands for and what its objectives are. In the Living Geberit project (see Sustainability Report 2010, page 26), some 3,000 employees worldwide discussed the central corporate and brand values in numerous workshops in 2007 and 2008. These are also noted as guidelines for employees in the Geberit Compass.

Geberit's Code of Conduct (see 4.8) contributes greatly to clear guidelines regarding interaction with other employees as well as with customers and partners. It was published in 2007 in 14 languages. It clearly specifies how employees are to behave and how Geberit assumes responsibility as an employer. It also applies to sensitive topics such as discrimination, bullying and conflicts of interests, for which designated on-site contacts are available in all confidentiality. To ensure that the content of the Code is understood and lived in day-to-day operations, four animated short films were made in 2008 regarding gray areas in relation to sexual harassment, workplace bullying, bribery and IT abuse. The films do not use any words and can therefore easily be shown to all employees worldwide in training measures and team meetings and discussed with supervisors. All new employees receive corresponding instruction as part of the welcome event.

For prevention, the guidelines are further developed and the employees comprehensively trained. Compliance with the guidelines is monitored as part of an annual survey of all Geberit Group companies. The internal verification is supplemented by audits on site. In the event of misconduct, corrective measures are taken.

## Aspect: Employment

### LA1

#### Total workforce by employment type, employment contract, and region.

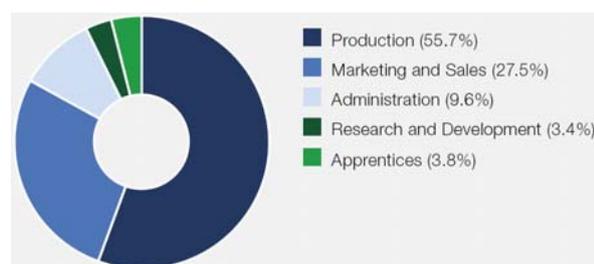
As of the end of 2009, the Geberit Group had a total of 5,608 employees worldwide (in full-time equivalent). This was 89 persons or 1.6% less than in the prior year. The slight drop can be attributed mainly to the adjustment of personnel capacities at production plants as a result of lower sales volumes. As of the end of 2009, 5.5% of the workforce was part-time employees.

Employment relationship	Employment	Proportion
Unlimited	4,278	76%
Temporary	1,330	24%
<b>Total</b>	<b>5,608</b>	<b>100%</b>

#### Employees by countries (as of December 31)

	2009	Share in %	2008	Share in %
Germany	2,277	40	2,232	39
Switzerland	1,103	20	1,034	18
China	714	13	722	13
Austria	429	8	456	8
USA	241	4	267	5
Slovenia	215	4	240	4
Italy	101	4	105	2
United Kingdom	68	1	77	1
Others	460	8	564	10
<b>Total</b>	<b>5,608</b>	<b>100</b>	<b>5,697</b>	<b>100</b>

#### Employees 2009 by business processes (as of December 31)



In the breakdown of employees by business process, there were only insignificant changes in the proportions.

### LA2

#### Total number and rate of employee turnover by age group, gender, and region.

The average fluctuation rate of the Geberit Group in the year under review was 10.4% (defined as the number of people leaving the company times 100 in relation to the average number of employees including attrition).

#### Turnover rate 2009 per category

Age group	> 45	11.3%
	30 – 45	9.4%
	< 30	16.6%
Gender	Male	10.1%
	Female	13.9%
Region	Germany	9.6%
	Switzerland	11.2%
	China	13.9%
	Austria	13.5%
	USA	17.5%
	Others	11.2%

### LA3 (Additional)

#### Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.

In principle, Geberit grants the same benefits to full-time and part-time employees. Employees with limited-period contracts are in part excluded from this. Geberit also bases its employee benefits on country-specific standards.

## Aspect: Labor / Management Relationships

### LA4

#### Percentage of employees covered by collective bargaining agreements.

Over 75% of all employees are currently covered by collective agreements (e.g. overall work contracts, tariff agreements). Above all in Germany, Austria and Switzerland, over 90% of employees are subject to an overall work contract or tariff agreements. There are no collective agreements with the employees in the USA and China (17% of all employees).

### LA5

#### Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

There are no formal regulations as to when and how frequently the employees are to be informed. In cases of major structural changes, Geberit makes every effort to involve the employees at an early stage. Employees can also find all relevant information worldwide on the intranet.

## Aspect: Occupational Health and Safety

### LA6 (Additional)

#### Percentage of total workforce represented in formal joint management–worker health and safety committees that help monitor and advise on occupational health and safety programs.

Each production company has a safety manager. Wherever possible and sensible, this function is combined with that of the environmental manager or closely linked from an organizational point of view. Ninety-five percent of the employees at all production sites have an Occupational Health and Safety Panel or Safety Committee in which employer and employee representatives can discuss occupational health and safety topics. Generally speaking, national standards for the country concerned are implemented.

### LA7

#### Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.

In 2009, the absenteeism rate remained stable at the low level of 2.8% (prior year 2.5%). Only 0.1% (prior year 0.1%) was the result of work accidents and the remaining 2.7% (prior year 2.4%) was caused by illness. The statistics show only those work accidents that occur during working hours or business travel. Target working hours were 11,324,177. In total there were 148 accidents (prior year 154 accidents), none of which was fatal. In 2008, Geberit achieved a milestone in the field of work safety and health protection in China with the certification of both sites in accordance with OH-SAS 18001 – the first anywhere in the Group.

### LA8

#### Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

At Geberit there are no activities involving a particularly high risk of contracting a serious illness or with a high incidence of illness. As part of its efforts to support employees' health and well-being, Geberit offers employees the possibility of precautionary health care through various offers and measures. These include, for example, sports facilities, smoking cessation programs, massage services, dietary and health tips, and presentations on health-related subjects such as diabetes. This also includes reintegration counseling, which aims to get people back to work as soon as possible in the event of long-term illness. Line supervisors and managers are specifically trained in this respect. Examples of individual support include in Rapperswil-Jona (CH) counseling in the event of problems, which can range from pressure on the job, partnership and family to debt issues, and the telephone help line created in the USA to discuss problems at work in all confidentiality.

### LA9 (Additional)

#### Health and safety topics covered in formal agreements with trade unions.

Geberit attaches importance to a high level of health and safety for its employees. To this end, it cooperates on a country-specific basis with authorities, trade unions and employer's liability insurance associations to ensure the respective standards. Written agreements exist in all but one production sites as well as in individual sales companies with, for example, trade unions and employee representatives, which normally cover subjects such as personal protective equipment, regular inspections, education and further training, etc.

## Aspect: Training and Education

### LA10

#### Average hours of training per year per employee by employee category.

Sustainability Report 2010, page 24.

Education and further training is a central topic at Geberit. This applies not only to the 211 apprentices employed as of the end of 2009 (prior year 203). In 2009, employees attended internal and external education and continued training events for around 19 hours on average (prior year 19 hours). Also key to the further development of employees and the exchange of know-how across sites is the Job Flash offering, which promotes mutual understanding and allows new insights through a short deployment in a different department. Since the introduction of this offer at the beginning of 2008, 250 employees have already taken advantage of it.

### LA11 (Additional)

#### Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

In addition to general professional further training at various levels, emphasis is also placed on individually targeted programs for promoting employee advancement. To ensure the high quality of the leadership team and to find internal candidates for at least 50% of the vacant management positions, Geberit relies on its Potentials Management process. For an employee to be eligible for participation, the potential for a career step within the next two to three years must be established in the annual appraisal interview. This can be a step to upper management, middle management or to an initial supervisory, project manager or specialist function. Each program includes individual development measures as well as collective modules, for instance from the area of communication and conflict management. Also included are networking opportunities and company tours through to fireside chats with the Group Executive Board.

A focus of Human Resources Management in 2009 was the proactive approach to changing age struc-

tures, which affect the company differently at its international sites. In countries like China, for instance, the work force is very young, while in countries like Germany there is a clear peak in the middle age groups. Geberit has developed a package of ideas with which demographic development is to be mastered. As an example, in the future the need for further training for employees older than 40 will be evaluated systematically, individual working hour models sought and flexible retirement solutions increasingly promoted. Part-time work will also be increasingly offered to better integrate career and family. As of the end of 2009, 5.5% of the workforce had taken advantage of this offer.

**LA12 (Additional)  
Percentage of employees receiving regular performance and career development reviews.**

In everyday working life, the personal and professional development of each individual employee is encouraged in a variety of ways. This covers all areas of work, functions and age groups. Around 85% of all employees received appraisal interviews in 2009, and around 70% had objective-agreement meetings at which development opportunities were identified. Subsequently, objectives and implementation measures are defined together with the supervisor.

**Aspect: Diversity and Equal Opportunity**

**LA13  
Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.**

The proportion of female employees as of the end of 2009 was 28% (prior year 28%); in upper management this figure was 5% (prior year 6%). In addition, after the 2009 General Meeting, a woman joined the Board of Directors. The distribution by management functions was as follows as of the end of 2009:

**Management levels 2009 (as of December 31)**

Group management	3.0%
Managers excluding Group managers	9.6%
Employees	87.4%
<b>Total</b>	<b>100.0%</b>

**LA14  
Ratio of basic salary of men to women by employee category.**

Protection of the principles of equality is anchored in the Geberit Code of Conduct. This includes the prohibition of discrimination against any employee on the basis of gender. Consequently, fair and equal pay for men and women is a matter of course at Geberit. This is ensured as follows: At Geberit, the function is the main deciding factor for determi-

nation of salary. The functions are assessed with a number of points using the proven Hay method. The assessment criteria are knowledge, thinking capacity and responsibility. The calculated number of points is the basis for the determination of salary. This guarantees fair salary structures independent of gender. In addition, binding tariff agreements exist at many Geberit sites with correspondingly agreed pay grades. Adherence to the requirements is monitored as part of an annual, binding survey of all Geberit Group companies. Comparative data is available at the local but not global level due to the diversity of local regulations and sites. Over the next 3 years, Geberit will collect data which will permit a meaningful comparison.

## 8. Social: Human Rights

### **Disclosure on Management Approach (DMA-HR):**

In terms of information and creation of awareness as well as controlling, human rights questions related to the business activities of the Geberit Group are primarily the responsibility of Corporate Human Resources for internal topics (see DMA-LA) and of Corporate Purchasing regarding suppliers. Regarding objectives in the field of human rights see the respective indicators as well as pages 6-7.

The Geberit Code of Conduct (see 4.8), which, among other things, excludes child and forced labor, is authoritative in the field of human rights. Compliance with the Code of Conduct is monitored as part of an annual survey of all Geberit Group companies.

Long-term cooperation, reciprocal commitment, sustainability and social responsibility are important guidelines for Geberit. These acquire particular importance in the procurement of raw materials, semi-finished products, finished products and services. Consequently, Geberit's high standards with respect to environmental protection, safe working conditions and fair business practices are also expected from the suppliers. The Code of Conduct for Suppliers is applicable for all Geberit suppliers worldwide. Verification is the responsibility of Corporate Purchasing.

### **Aspect: Investment and Procurement Practices**

#### **HR1**

**Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.**

There are no significant investment agreements which include human rights clauses or which have been audited in terms of human rights aspects. Agreements with suppliers include human rights clauses, which must be audited and maintained by Geberit suppliers.

#### **HR2**

**Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.**

Sustainability Report 2010, page 41.

Adherence to the Code of Conduct for Suppliers is a compulsory aspect of all forms of business relation between Geberit and its suppliers. Upon request by the supplier, Geberit will also provide this Code in the corresponding national language. Upon request by Geberit, the supplier must prepare corresponding records in order to demonstrate adherence to the standards of the Code, and must make these available at any time. In the event of

the supplier's failure to comply with the regulations laid down in this Code, corrective measures will be taken. Any such failure to comply on the part of the supplier will be regarded as a serious violation of the contractual agreements. If the supplier does not correct this non-compliance, Geberit shall terminate the cooperation.

By the end of 2009, 363 suppliers had signed the Code of Conduct, including 77% of the top 200 suppliers. This corresponds to 79% of the overall purchase value. By the end of 2010, more than 90% of the purchase value is to come from suppliers who have taken this step. Over the past years, Geberit has continuously expanded risk management, with a special focus on environmental and social risks. Before an agreement can be concluded, a multiple-stage risk analysis and assessment is carried out for every new supplier in the top risk category. The existing suppliers are evaluated depending on production country and processing of the materials. Suppliers in the highest risk category are included in Group-wide annual audit planning. Audits of suppliers are coordinated by the central procurement organization and performed in coordination with the Environmental/Sustainability and Quality Management departments.

#### **HR3 (Additional)**

**Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.**

Following introduction of the Code of Conduct approx. 98% of all employees received training on its subjects in 2008. Since 2009, new employees receive their training as part of their job orientation. All employees have access to the Code of Conduct via the intranet. For further details see also SO3.

### **Aspect: Non-Discrimination**

#### **HR4**

**Total number of incidents of discrimination and actions taken.**

Two cases of sexual harassment were reported in 2009. In both cases, this led to the dismissal of the accused party following clarification of the facts, including hearings of those concerned.

## **Aspect: Freedom of Association and Collective Bargaining**

### **HR5**

**Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.**

Employees are completely free to join labor unions, associations and similar organizations.

## **Aspect: Child Labor**

### **HR6**

**Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.**

In its Code of Conduct, published in 2007, Geberit commits itself to the protection of human rights. Child labor is categorically rejected. This was verified and documented as part of the annual, binding reporting carried out in all Geberit Group companies.

## **Aspect: Forced and Compulsory Labor**

### **HR7**

**Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.**

In its Code of Conduct, published in 2007, Geberit commits itself to the protection of human rights. Forced and compulsory labor is categorically rejected. This was verified and documented as part of the annual, binding reporting carried out in all Geberit Group companies.

## **Aspect: Security Practices**

### **HR8 (Additional)**

**Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.**

At its production sites in Europe, the USA and China, Geberit is not confronted by the need for special security measures that increase the risk of human rights violations. To date, this problem has therefore not been relevant to Geberit in the scope of its global activities.

## **Aspect: Indigenous Rights**

### **HR9 (Additional)**

**Total number of incidents of violations involving rights of indigenous people and actions taken.**

To date, this problem has not been relevant to Geberit in the scope of its global activities.

## 9. Social: Society

**Disclosure on Management Approach (DMA-SO):** Questions of social responsibility related to the business activities of the Geberit Group are the responsibility of corporate departments Environment/Sustainability (community aspect) and Legal Services (corruption, anti-competitive behavior, compliance with other basic laws aspects). Regarding objectives see the individual indicators as well as pages 6-7.

For Geberit, high ethical standards are a matter of course. The Geberit Code of Conduct (see 4.8) concretized the orientation framework for conduct with integrity in the social environment. Fair competition throughout the world is an important principle in this respect. Price agreements, other forms of cartels or other competition-distorting activities are rejected. As a member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption.

For prevention, the guidelines are further developed and the employees comprehensively trained. Compliance with the guidelines is monitored as part of an annual survey of all Geberit Group companies (see the individual indicators for the results). The internal verification is supplemented by audits on site. In the event of misconduct, corrective measures are taken.

### Aspect: Community

#### SO1

**Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.**

The potential for conflict with public interests in the vicinity of Geberit facilities is generally regarded as low. A stakeholder analysis is performed at all production sites as part of the environmental management in accordance with ISO 14001. Based on this analysis, the effects of the business activities and production on local communities and regions are assessed.

Geberit maintains good relations with its neighbors and carries out appropriate measures at its sites: for example open doors days, involvement in associations, etc.

### Aspect: Corruption

#### SO2

**Percentage and total number of business units analyzed for risks related to corruption.**

Risks of corruption at all companies worldwide are examined as part of the annual, binding surveys. The internal corporate audit department also takes account of corruption aspects when auditing all production plants and sales companies. In the event that Transparency International indicates an increased risk of corruption for a country, the company concerned is subjected to a particularly intensive audit. This means that the subject of corruption appears on the official audit program of the internal corporate audit department and that interviews are conducted on the basis of a checklist. The internal corporate audit department is also a contact point for reports on suspicions.

#### SO3

**Percentage of employees trained in organization's anti-corruption policies and procedures.**

The Geberit Code of Conduct was published in 2007 in 14 languages. In addition, four animated films on the subjects of sexual harassment, workplace bullying, bribery and IT abuse have been available on DVD since July 2008. The films encourage the employees to confront their own behavior and highlight behavioral patterns in gray areas. The short films manage without resorting to the spoken word and can thus be used without difficulty in other countries as part of standardized introduction programs or internal training courses. By the end of 2008, supervisors had viewed and discussed the films with approx. 98% of employees throughout the Group (see also HR3). Since 2009, new employees receive their training as part of their job orientation.

#### SO4

**Actions taken in response to incidents of corruption.**

According to an internal survey carried out in January 2010 at the companies of the Geberit Group, there were no known cases of any form of corruption in 2009. The internal audits likewise found no cases of corruption in 2009.

### Aspect: Public Policy

#### SO5

**Public policy positions and participation in public policy development and lobbying.**

As a rule, Geberit issues no political statements and does not involve itself in political lobbying.

**SO6 (Additional)**

**Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.**

Geberit does not make donations to parties or politicians. All donations and related commitments (see EC1) are neutral from a party political point of view.

**Aspect: Anti-Competitive Behavior**

**SO7 (Additional)**

**Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.**

Annual Report 2009, Note 21: Contingencies, page 109.

In connection with the antitrust case “Bathroom Fittings and Fixtures” from the European Community Commission which has been pending since 2004, Geberit was asked in December 2009 to submit certain sales information. From Geberit’s point of view, the complaints raised against Geberit are not justified. Geberit still expects that the pending proceedings will not significantly influence the Group’s financial situation or operating results. However, based on the currently available information, a reliable forecast as to the proceedings’ outcome cannot be made. The Commission’s decision is still pending. As of December 31, 2009, no provision for a possible fine out of this antitrust case was recognized.

**Aspect: Compliance**

**SO8**

**Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.**

Geberit incurred no fines in 2009 resulting from violations of statutory requirements.

**10. Social: Product Responsibility**

**Disclosure on Management Approach (DMA-PR):**

At Geberit, product responsibility lies with several corporate departments: customer health and safety with Quality Management, advertising with Marketing, environmental aspects of products with Environment/Sustainability, compliance with statutory regulations with Legal Services.

For Geberit, high quality standards mean fulfilling its customers' requirements of functionality, reliability and application safety to the extent possible. The company is guided by the zero-error principle. The Corporate Quality Management is responsible for ensuring that suitable framework requirements promote a quality culture throughout the company, that products undergo a defined optimization process from the first draft, and that all employees act in a quality-conscious and independent manner. This also includes the efficient handling of complaints with integrated error analysis, the initiation of sustained corrective measures and the development of concepts for customer support in cooperation with Sales, Production and Development. Geberit has achieved a high standard in the processing of complaints, and reacts directly and in a solution-oriented manner in each individual case.

**Aspect: Customer Health and Safety**

**PR1**

**Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.**

Generally speaking, Geberit products and services involve low risks for customers in terms of health and safety. Geberit nevertheless adopts a preventative approach within the scope of its comprehensive quality planning in order to test and ensure the health and safety requirements of all products from the development to certification, manufacture and storage to use and disposal. Among other things, Quality or Safety Management includes the use of an FMEA (Failure Mode and Effects Analysis) as a precautionary measure to prevent errors and increase the technical reliability of products. The Eco-design approach is implemented in the course of product development in order to optimize the use of suitable and ecological materials. If the products or their use have a dangerous aspect, Geberit’s technical editorial staff ensures that this is communicated appropriately to customers (see PR3).

**PR2 (Additional)**

**Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.**

Group-wide, there have been no court judgments or warnings against Geberit involving contraventions of regulations on the health and safety of products and services, or product and service information. One case of minor personal injury while using a pressing tool was reported during the period under review. This led to the implementation of a plan of action in the local sales companies that included an informational letter to plumbers on the use of the pressing tool.

**Aspect: Product and Service Labeling**

**PR3**

**Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.**

Most of the installation instructions are non-verbal, consisting of detailed illustrations in order to provide the most important customer-relevant information. For products that involve the use of electricity, gas or dangerous substances, comprehensive instructions regarding target group, qualifications, use, maintenance, safety, disposal and constituent materials are provided and translated into all languages required in the respective markets. Where possible, all plastic components feature material labeling.

Geberit concerned itself at an early stage with the subject of REACH (new regulation on the safe manufacture and use of chemical substances in the European Union (EU)) and set up a special task force for this topic. An analysis has shown that Geberit is only affected by REACH as a downstream user, i.e. for instance through the use of color pigments or auxiliary materials such as lubricating oils. Geberit is neither a producer of chemicals (substances) or preparations nor does it import such into the EU. Consequently, Geberit is not required to register and likewise need not pre-register. For further information see [www.geberit.com](http://www.geberit.com) under At a glance/Sustainability/Customers.

**PR4 (Additional)**

**Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.**

In the period under review there were no known significant cases of violation of applicable laws or of voluntary codes.

**PR5 (Additional)**

**Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.**

Geberit measures customer satisfaction in accordance with the needs of the regional markets. When introducing the new generation of Geberit AquaClean in Switzerland, Geberit attached particularly great importance to receiving feedback from customers. Customers receive a questionnaire three months after purchase; the 2009 return rate of 30% was excellent. More than 90% of all respondents were very happy with the product. The quality of consulting during purchase is also assessed as very good by more than 90%, while more than 90% also intend to recommend Geberit AquaClean. Customers can also make suggestions for improvements, which are recorded systematically.

**Aspect: Marketing Communications**

**PR6**

**Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.**

In accordance with its business model (see Sustainability Report 2010, page 17), Geberit focuses on business relations built on partnership with wholesalers, plumbers, sanitary engineers, architects and building owners. In the education of and marketing to these customer groups, Geberit practices honest and appropriate communication; legal aspects of marketing campaigns are clarified if necessary.

**PR7 (Additional)**

**Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.**

There were no significant cases in 2009.

**Aspect: Customer Privacy****PR8 (Additional)**

**Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.**

There are no known cases of complaints based on violation of data protection.

**Aspect: Compliance****PR9**

**Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.**

No fines have been imposed in connection with Geberit products and services or their use.

## Notes concerning the application of the GRI G3 guidelines

This report is part of systematic and long-term oriented communication by Geberit on sustainability. The company publishes a comprehensive Sustainability Report every three years, currently in 2010. This report discusses Geberit's strategy and performance in terms of sustainability with figures and examples, whereby the presentation follows the interests of the major interest groups. Additionally the GRI Report 2010 (as was the case in 2007, 2008 and 2009) presents all fundamental information for specially interested parties in the sequence of the GRI indicators. The Geberit sustainability reporting for 2009 (Sustainability Report 2010, GRI Report 2010, with references to the Annual Report 2009 and the Internet) complies with the GRI G3 guidelines at the **A-Level: GRI Checked** from the graduated GRI reporting system (see chart below). Application Level A, which Geberit has achieved, requires the most comprehensive coverage of all requirements. Information concerning all points contained in the GRI guidelines must be disclosed.

Report Application Level		C	C+	B	B+	A	A+
Standard Disclosures	G3 Profile Disclosures	Report on: 1.1 2.1 - 2.10 3.1 - 3.8, 3.10 - 3.12 4.1 - 4.4, 4.14 - 4.15	Report Externally Assured	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5 - 4.13, 4.16 - 4.17	Report Externally Assured	Same as requirement for Level B	
	G3 Management Approach Disclosures	Not Required		Management Approach Disclosures for each Indicator Category		Management Approach disclosed for each Indicator Category	
	G3 Performance Indicators & Sector Supplement Performance Indicators	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Report on a minimum of 20 Performance Indicators, at least one from each of: economic, environment, human rights, labor, society, product responsibility.		Respond on each core G3 and Sector Supplement* indicator with due regard to the materiality Principle by either: a) reporting on the indicator or b) explaining the reason for its omission.	

\*Sector supplement in final version

The following table shows the Application Level A in the context of the possible application stages:

		2002 In Accordance	C	C+	B	B+	A	A+
Mandatory	Self Declared			Report Externally Assured		Report Externally Assured		Report Externally Assured
	Third Party Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured
Optional	GRI Checked			Report Externally Assured		Report Externally Assured		Report Externally Assured