Communication on Progress UN Global Compact

Human rights

Principle 1:
Support and respect the protection of internationally proclaimed human rights.

- When selecting employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. According to an annual survey of all Geberit Group companies, applicable local minimum wages are well met. This considerably reduces the risk of human rights violations.

- The revised Code of Conduct was communicated to all employees in 2015. In this Code, Geberit undertakes to be an exemplary, reliable and fair business partner and employer at all times. As a fair partner, Geberit recognises all laws, directives and internationally recognised standards as well as the UN Guiding Principles on Business and Human Rights, and complies with them in full. All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events.

- Compliance with the Code of Conduct is monitored Group-wide as part of an annual survey. Verification is supplemented by internal audits on site.

- The Geberit Integrity Line gives all employees the opportunity to report irregularities anonymously.

- Geberit’s personnel policy and recruitment practices do not differentiate between members of the local community and other applicants or employees.

- With respect to human rights violations, the greatest risk for Geberit lies with suppliers, who can be influenced only indirectly. Geberit does all it can to minimise this risk and requires that business partners and suppliers comply with comprehensive standards.

- The Code of Conduct for Suppliers is intended to ensure that Geberit’s suppliers act in accordance with internal and external guidelines, such as the UN Guiding Principles on Business and Human Rights and the ILO core labour standards. As of the end of 2016, 1,084 suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value.

- Audits focusing on sustainability are performed primarily on suppliers in the highest risk category. 42 suppliers, which equates to around 7% of the total procurement value, were classified in this category in 2016. 38 of these 42 suppliers have already been audited. In 2016, five third-party audits were carried out at suppliers in China, Poland and India. The results showed that the majority of occupational safety and environmental standards are complied with. Appropriate corrective measures are agreed in cases of non-compliance.

Labour practices

Principle 3:
Uphold the freedom of association and the effective recognition of the right to collective bargaining.

- No rights with respect to exercising freedom of association or collective bargaining as defined in the ILO core labour standards are subject to restriction at the Geberit Group. This is verified annually as part of a Group-wide survey. No restrictions were in effect in 2016.

- 9,014 employees, corresponding to 78% of all employees, are currently covered by collective agreements. In Germany, Austria, Switzerland, France, Italy, Ukraine, Finland and Sweden, over 90% of employees are subject to a collective labour or wage agreement. While collective agreements with employees have been in place in China since 2016, there are still none in the USA.

Principle 4:
Uphold the elimination of all forms of forced and compulsory labour.

Principle 5:
Uphold the effective abolition of child labour.

- Geberit’s exposure with respect to forced and child labour is considered low because of its industry sector and the countries in which business activities are carried out, as well as its high quality requirements.

- Forced and child labour are categorically rejected at Geberit. According to the annual Group-wide survey, no cases of forced or child labour were discovered in 2016, nor were any cases revealed during the course of the audits performed among the suppliers. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labour standards for the exclusion of forced and child labour.

Principle 6:
Uphold the elimination of discrimination in respect of employment and occupation.

- 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 in adherence with the ILO core labour standards. During the reporting year, two cases of bullying were reported that were settled following discussions with the parties concerned.

- Geberit’s personnel policy and recruitment practices do not differentiate between members of the local community and other applicants or employees.

- 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. Fair treatment of men and women is a matter of course at Geberit, and is internationally and documented in 2016 as part of the annual Group-wide survey. The proportion of female employees as of the end of 2016 was 24%; in management this figure was 9.2%.
Environmental protection

- With the precautionary approach in mind, the Audit Committee of the Board of Directors has implemented an extensive system for monitoring and controlling the risks (incl. environmental risks) linked to the business activities.
- Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as to the development of water-saving and sustainable products. This is also defined as a management principle in the Geberit Compass. Environmental criteria are considered in all decision-making processes. A demonstrably high standard is achieved in this regard, one which often greatly exceeds statutory requirements.
- An analysis of the carbon footprint over the entire value chain – from the provision of raw materials, combustibles and fuels, the manufacture of products at Geberit, logistics and use, right through to disposal – reveals that product use (64.5%) and the provision of raw materials (19%) are by far the largest sources of CO₂ emissions.
- In 2016, CO₂ emissions amounted to 250,108 tonnes, corresponding to a decrease of 3.0%. CO₂ emissions per net sales (currency-adjusted) fell by 9.9%, meaning that Geberit exceeded its long-term target of 5% per year.
- A long-term CO₂ target was developed in 2016 that is compatible with the two-degree target set out in the Paris Agreement (science-based). Within this context, Geberit plans to reduce its absolute CO₂ emissions (Scopes 1 and 2) by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth).

Principle 7:
Support a precautionary approach to environmental challenges.

- The Geberit Group has a Group certificate in accordance with ISO 9001 (quality), ISO 14001 (environment) and OHSAS 18001 (occupational health and safety) that is valid until the end of 2018. The annual preparation of a corporate eco-balance has been an established part of Geberit’s environmental strategy since 1991. It was possible to make a year-on-year comparison with the expanded company for the first time. The total environmental impact was reduced by 4.0%. The environmental impact per net sales (currency-adjusted) dropped by 10.8%.
- Geberit places its faith in energy saving and energy efficiency: In addition to process optimisation – particularly in the newly acquired plants – important measures include the continuous modernisation of the infrastructure and machine fleet, the optimisation of the kilns used for ceramic production, the improved use of waste heat (heat recovery) as well as the careful use of compressed air.
- As part of the long-term CO₂ strategy, specific goals for the share of renewable energy sources by 2021 were also established: 45% for electricity and 10% for combustibles. The share of purchased green electricity increased by 3 GWh to 44 GWh in 2016. In total, renewable energy sources account for 37.7% of electricity and 6.3% of combustibles.
- Geberit regards eco-design as the key to environmentally friendly products. Beginning with the development process, the most environmentally friendly materials and functional principles are used, risks are minimised and high resource efficiency is pursued. Eco-design is also implemented in product modifications and technology projects. Every new product is to be better than its predecessor with respect to environmental aspects. This also applies to all new products from the area Sanitary Ceramics and Ceramics Complementary Products.

Principle 8:
Undertake initiatives to promote greater environmental responsibility.

- The water footprint throughout the Geberit value chain shows that nearly 100% of the water consumption is attributable to the use of Geberit products by customers. Water-saving solutions can therefore exert a major impact: All dual-flush and flush-stop cisterns produced since 1998 have saved around 2,430 million cubic metres of water in 2016 alone.
- Eleven Geberit product groups – nearly 700 sales products in total – carry the WELL label and represent over 18% of Group sales.
- Green building is a market of the future experiencing strong growth throughout the world. As a leading system provider of sanitary solutions, Geberit is already offering suitable products for this purpose.

Principle 9:
Encourage the development and diffusion of environmentally friendly technologies.

- As a long-time member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption. In addition to the Code of Conduct, there are additional guidelines on prevention and employees receive training in this area.
- In 2016, the Internal Audit Department audited a total of 20 companies. Each company is audited at least every five years, or considerably more frequently if it has a heightened risk profile. No cases of corruption were discovered in 2016.
- From 2017, an Integrity Line will now be available to suppliers for anonymously reporting irregularities in the procurement process.
- As a rule, 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 Group-wide survey.

Anti-corruption

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Principle 10:
Work against corruption in all its forms, including extortion and bribery.

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