

# Sus tain ability

**GRI Report  
Sustainability reporting  
on the financial year 2010**



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## CEO Statement

As the European market leader in the sanitary industry, Geberit stands for conserving water, the efficient use of resources and green building. Geberit has been proving for decades that long-term business success is compatible with environmentally friendly and socially responsible action. Sustainable corporate management also helps us to save costs and minimize risks. This is being perceived to an ever greater degree, as was demonstrated by Geberit's taking 10th place in the selection of the 100 most sustainable companies worldwide during the World Economic Forum in Davos, Switzerland, in January 2010.

### Resource efficiency - a worldwide trend

The increase in world population, antiquated or lacking infrastructure for drinking water supply and wastewater disposal, increasing demands on water quality, and climate change leading to shifts in water balance are important global trends and are influencing sanitary technology. As a result, energy-efficient and resource-efficient products are increasing in importance. At the same time, such topics as hygiene, convenience and design are becoming more important worldwide. More and more people want nicely designed bathrooms, and wellness is playing an increasingly important role. Our products are resource efficient and meet the latest standards for green building. They also have an attractive design – a logical combination for us. This all strengthens our market positioning for the future.

### Concretely measurable sustainability performance

Geberit aims to be a role model and to set standards for partners, customers and suppliers. According to one model calculation, the entire dual-flush and stop-and-go "fleet of cisterns" produced since 1998 has saved over 10,000 million cubic meters of water in comparison with traditional flushing systems. In 2010 alone, savings amounted to 1,500 million cubic meters of water, or approximately half the amount consumed annually by all German households. New products are an effective enhancement to the water-saving product range. Beginning in April 2011, a new technological solution will be deployed to simplify the conversion of the large flush volume on nearly all concealed cisterns from 6 to 4.5 liters. This means a significant potential for even greater water conservation.

The same high requirements with respect to environmental and occupational safety standards are in effect at all of our production plants worldwide. Our new Geberit China headquarters, which was opened in 2010, was built in accordance with the latest energy technology standards and is regarded as a showpiece in China. Strict global

guidelines also apply to procurement, the monitoring of which is being continuously expanded. In addition, an Environmental Code has been in effect since 2010 for our logistics service providers, whose transport data will in the future be integrated in the corporate eco-balance we established years ago. Of particular importance are good working conditions and a high level of training for more than 5,800 employees worldwide. The Company also has a sense of corporate responsibility in the scope of global social-aid projects relating to the topic of water as well as in cooperation with partners – as it has since 2010 with the Swiss development organization Helvetas.

### Ambitious goals for the future as well

In the coming years we also 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 and their installation therefore need to become even simpler and safer.

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

Geberit has been a member of the UN Global Compact since October 2008 and supports its vision and goals, which are in harmony with Geberit's claim of being a sustainability leader and support Geberit in implementing a credible commitment to environmental protection, responsible labor practices, human rights and prevention of corruption. As a founding member of the Swiss network of the UN Global Compact, Geberit participates in exchanging experiences on the implementation of measures. Geberit wishes to be meticulous in providing customers, employees, investors and other stakeholders with information about our sustainability goals and performances. Our reporting on sustainability is therefore based on the GRI guidelines with the highest degree of transparency, the A Level. The Communication on Progress for the UN Global Compact for 2010 is integrated in this GRI Report.



Albert M. Baehny  
Chief Executive Officer (CEO)

## On the GRI Report

Reporting on sustainability is updated and expanded in the context of the present report. A considerably updated component is the revised sustainability strategy, which is made transparent starting on page 6. In its strategy, Geberit focuses on individual sustainability modules which are run as projects with concrete goals and measures. Comprehensive monitoring ensures that measurable progress is being made. This progress is presented in accordance with the guidelines of the Global Reporting Initiative (GRI) in this GRI Report. Significant innovations also relate to the expansion of the reporting to include special topics and GRI indicators, which in this report include the analysis of data with respect to the ecological footprint of logistics provided by transportation companies and the expansion of partnerships for social-aid projects.

Geberit has been a formal member of the UN Global Compact since October 2008 and is a founding member of its local Swiss network, 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 businesses 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 ensure well-organized information on the topic of sustainability, the Communication on Progress (COP) associated with the Global Compact is being integrated into the GRI Report for the third time. The table on pages 4 and 5 summarizes the essential points. For further details, please see the corresponding GRI indicators.

The GRI Report on the financial year 2010, the Annual Report 2010 and the referenced information provided on the Internet complement one another in terms of their reporting. Jointly, they fulfill the requirements of the maximum transparency grade A set by GRI, which has been verified and confirmed by GRI (see page 40). The GRI Report will be published in German and English. The German version is binding.

## Communication on Progress UN Global Compact (COP)

Topics	Summary, measures and results	Further information
<b>Human Rights</b>		
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights.	<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 of the people with whom it has dealings. As a fair partner, Geberit recognizes local, national and international laws, directives and standards, and complies with them in full.</li> <li>• Approximately 98% of all employees were trained in these topics the year the Code of Conduct was introduced. Since 2009, new employees receive their training as part of their job orientation.</li> <li>• New instruments for dialogs and an active examination of the topics in the Code of Conduct will be established over the next two years, taking into account local conditions.</li> <li>• Adherence to the Code of Conduct is monitored as part of an annual, binding survey of all Geberit Group companies. Verification is supplemented by internal audits on site.</li> </ul>	DMA-HR, page 33 DMA-LA, page 29  HR3, page 34 SO3, page 36  DMA-LA, page 29
<b>Principle 2:</b> Make sure they are not complicit in human rights abuses.	<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. As of the end of 2010, 563 suppliers had signed the Code of Conduct. This equates to more than 90% of the total procurement value or 98% of the top 200 suppliers, which means that the targeted goal has been achieved.</li> </ul>	HR2, page 33
<b>Labor</b>		
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	<ul style="list-style-type: none"> <li>• In adherence to ILO core labor standards, 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 collective or tariff agreements. There are no collective agreements with the employees in the USA and China (17% of all employees).</li> </ul>	HR5, page 34  LA4, page 31
<b>Principle 4:</b> The elimination of all forms of forced and compulsory labor.	<ul style="list-style-type: none"> <li>• The Geberit Code of Conduct introduced in 2007 categorically excludes forced labor. This was verified and documented in 2010 as part of the annual, binding survey of all companies in the Geberit Group. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labor standards for the exclusion of forced labor.</li> </ul>	DMA-HR, page 33 HR7, page 34
<b>Principle 5:</b> The effective abolition of child labor.	<ul style="list-style-type: none"> <li>• The Geberit Code of Conduct introduced in 2007 categorically excludes child labor. This was verified and documented in 2010 as part of the annual, binding survey of all companies in the Geberit Group. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labor standards for the exclusion of child labor.</li> </ul>	DMA-HR, page 33 HR6, page 34
<b>Principle 6:</b> Eliminate discrimination with respect to employment and occupation.	<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 in adherence with the ILO core labor standards.</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.</li> <li>• Fair and equal pay for men and women is a matter of course at Geberit, as was verified and documented in 2010 as part of the annual, binding survey of all companies in the Geberit Group. The proportion of female employees as of the end of 2010 was 27%; in upper management this figure was 5%.</li> <li>• One case of sexual harassment was reported in 2010. This led to the dismissal of the accused party following clarification of the facts, including hearings of those concerned.</li> </ul>	DMA-LA, page 29   LA13-14, page 33  HR4, page 34

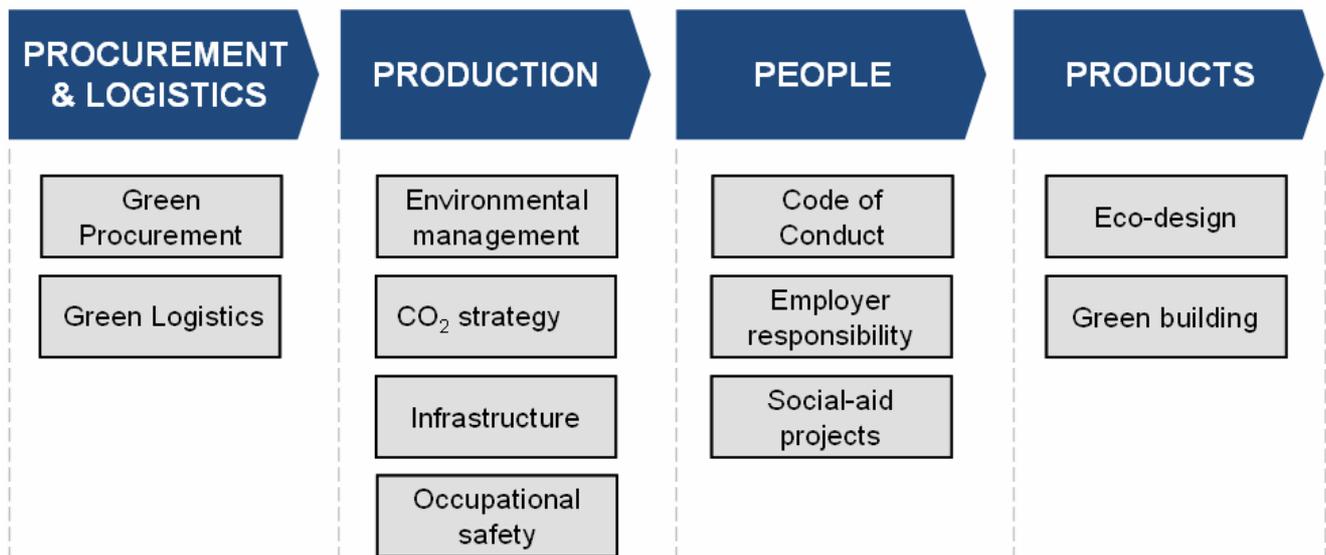
Environment		
<p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges.</p>	<ul style="list-style-type: none"> <li>• Geberit has long stood for a high level of environmental awareness and been committed to environmentally friendly, resource-efficient production as well as to the development of water-saving and sustainable products. Environmental criteria are considered in all decision-making processes. A demonstrably high standard is achieved thereby which often greatly exceeds statutory 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. In addition, saving water also means saving energy.</li> <li>• In 2010, the Geberit Group generated 77,486 metric tons of CO<sub>2</sub> emissions. Under the CO<sub>2</sub> strategy, CO<sub>2</sub> emissions per value added are to be reduced on average by 5% each year between 2006 and 2012. With the increase of 8.9% during the year under review, Geberit has, as a result of higher production capacity and expansion of infrastructure, for the first time not achieved this objective, but will continue to adhere to it over the long term. As was the case in the previous year, 8 GWh of renewable electricity were procured in 2010.</li> <li>• Approx. CHF 1.4 million was spent on environmental protection and preventative environmental management in 2010. This involved external advising and training, external certification and human resources expenditures.</li> </ul>	<p>DMA-EN, page 22</p> <p>GRI 1.2, page 11 EC2, page 20 EN6, page 24</p> <p>EN16, page 25 EN18, page 25</p> <p>EN30, page 29</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.</li> <li>• At 77.4%, electricity consumption causes the greatest environmental impact in production and has increased by 3.3% over the previous year.</li> <li>• Geberit takes its role model function seriously with respect to saving water. As the result of great efforts, consumption of fresh water has been reduced by 42% over the last four years. In 2010, consumption increased slightly by 3% over the previous year for the first time.</li> <li>• The specifications for transport service providers were expanded in 2010 to include clear requirements with respect to environmental performance (Environmental Code). Transport service providers must commit to a sustainable corporate policy as well as actively support Geberit in optimizing its logistics with respect to energy consumption, emissions and packaging.</li> <li>• 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 minimized and high resource efficiency is pursued. Eco-design is now also implemented in product modifications and technology projects. Every new product is to be better than its predecessor with respect to environmental aspects.</li> </ul>	<p>DMA-EN, page 22</p> <p>EN4, page 23 EN5, page 23</p> <p>EN8, page 24</p> <p>EN29, page 28</p> <p>EN26, page 27</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 2010, the entire dual-flush and stop-and-go "fleet of cisterns" produced since 1998 had saved over 10,000 million cubic meters of water compared to traditional flushing systems. In 2010 alone, savings amounted to 1,500 million cubic meters of water.</li> <li>• Geberit's innovative activities are aimed at developing water-saving, low-noise and durable products. Beginning in April 2011, a new technological solution will be deployed to simplify the conversion of the large flush volume on nearly all concealed cisterns from 6 to 4.5 liters. The gradual conversion of the product range is creating great potential for even more water conservation.</li> <li>• In 2010 Geberit participated in the launching of a "Water Efficiency Label" (WELL) of the European sanitary industry. This enables customers to make a conscious decision for water-saving products.</li> </ul>	<p>GRI 1.2, page 11</p> <p>EN26, page 27</p> <p>PR3, page 37</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 inspected a total of 18 companies in 2010. This is approximately 1/3 of all Group companies. Each company is audited at least every 4 years. In addition, approximately 2 in-depth audits are carried out each year.</li> <li>• According to the annual binding survey carried out in all Geberit Group companies, there were no known cases of corruption of any kind in 2010. The internal audits likewise found no cases of corruption in 2010.</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 35</p> <p>SO2, page 36</p> <p>SO4, page 36</p> <p>SO5, page 36 SO6, page 36</p>

## Sustainability strategy with objectives and measures

Sustainability means satisfying the requirements of the present without limiting the opportunities and resources of future generations. In concrete terms, this means linking economic growth and business activities that are successful in the long term with environmentally friendly and socially responsible action.

In 2010 Geberit restructured the existing sustainability strategy and bundled the measures derived therefrom into "modules." The basis for this is a consistent and integrated *strategy* with clear prioritization throughout all company functions. *Implementation* is based on effective review and implementation processes, clear responsibilities with measurable objectives and decision-making powers. Effective *communication* with respect to all stakeholders ensures awareness and effectiveness.

The "sustainability landscape" groups the ongoing modules into four areas: Procurement & Logistics, Production, People and Products. The modules bundle together current or future projects, initiatives and activities with the objective of making a significant contribution to sustainability. Each module contains a clear objective, derived measures and quantified key figures for effective monitoring. The following pages contain an overview of the sustainability modules, including important facts and achievements in 2010, as well as an outlook for 2011 to 2012 and a reference to additional information in the scope of this GRI Report.



**PROCUREMENT  
& LOGISTICS**

Modules and their objective	Important facts and achievements 2010	Outlook 2011-2012	Reference
<p><b>Green Procurement</b></p> <p>Suppliers demonstrably comply with Geberit's high standards for environmentally friendly and socially responsible production.</p>	<ul style="list-style-type: none"> <li>As of the end of 2010, 563 suppliers had signed the Code of Conduct for Suppliers (prior year: 363 suppliers). This equates to 90% of the total procurement value (prior year: 79% of procurement value). Among the top 200 suppliers, the rate is 98% (prior year: 77%), thereby meeting the Corporate Purchasing targets for 2010.</li> <li>The performance of risk assessments by Geberit buyers, including environmental and social risks, was expanded for existing suppliers.</li> <li>The Group-wide portfolio analysis of sustainability risks revealed 56 suppliers with an elevated risk, which corresponds to less than 5% of the total procurement value.</li> </ul>	<ul style="list-style-type: none"> <li>Integration of environmental and safety aspects in connection with the performance of Quality audits during supplier evaluations.</li> <li>Systematic expansion of audits carried out for suppliers with a high sustainability risk with respect to country of origin and production processes.</li> </ul>	<p>HR2, page 33</p>
<p><b>Green Logistics</b></p> <p>Geberit is optimizing logistics with respect to energy consumption, emissions and packaging.</p>	<ul style="list-style-type: none"> <li>The specifications for transport service providers were expanded in 2010 to include clear requirements with respect to environmental performance (Environmental Code). Transport service providers must commit to a sustainable corporate policy as well as actively support Geberit in optimizing its logistics with respect to energy consumption, emissions and packaging.</li> <li>In 2010 a logistics calculator was developed to determine key transport and environmental figures for the significant transport service providers in Europe.</li> <li>In 2010 transportation services providers handled 88 million metric ton-kilometers, which resulted in CO<sub>2</sub> emissions in the amount of 16,300 metric tons.</li> <li>The proportion of trucks with Euro5 engines used in 2010 was 58%, which is still slightly under the specified goal.</li> <li>For the first time, approximately 1,350 mega-trailer trips were made between production sites in 2010. These increase efficiency per trip by increasing vehicle payload by approximately 15%.</li> </ul>	<ul style="list-style-type: none"> <li>Certification of the newly founded Geberit Logistik GmbH in accordance with ISO 14001</li> <li>Increase use of mega-trailers and optimize loading volume through the use of technical equipment</li> <li>Increase the proportion of Euro5 trucks to 66%</li> <li>Establish additional environmental monitoring efforts in collaboration with transport service providers</li> </ul>	<p>EN29, page 28</p>

Modules and their objective	Important facts and achievements 2010	Outlook 2011-2012	Reference
<p><b>Environmental management</b></p> <p>Geberit operates environmentally friendly, resource-efficient and economical production plants.</p>	<ul style="list-style-type: none"> <li>• Geberit has been performing a comprehensive corporate eco-balance for years. This is used as a basis for monitoring environmental performance in production. External logistics has also been systematically integrated since 2010.</li> <li>• All plants are certified in accordance with ISO 14001 and ISO 9001 and the Group certificate has been maintained.</li> <li>• Due to increased production capacity utilization and the expansion of the infrastructure, Group-wide absolute environmental impact increased by 3.3% over the prior year. Because value added declined also as a result of currency effects, environmental impact per value added increased by 7.8%.</li> <li>• The annual Group-wide meeting on the environment, safety and quality was held in September 2010.</li> <li>• A Group-wide Environment/Safety Competence Matrix has supported the sharing of best practices since 2010.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue improving of eco-efficiency: Improve eco-efficiency by an average of 5% per year between 2006 and 2012</li> <li>• Development and Group-wide roll-out of a new integrated management system for quality, environment and safety</li> <li>• Certification of the newly founded Geberit Logistik GmbH in Pfullendorf (DE) and Geberit Apparate AG in Jona (CH) according to ISO 9001 and 14001</li> </ul>	<p>DMA-EN, page 22</p>
<p><b>CO<sub>2</sub> strategy</b></p> <p>Geberit makes an active contribution to climate protection and consistently reduces its CO<sub>2</sub> emissions.</p>	<ul style="list-style-type: none"> <li>• CO<sub>2</sub> emissions totaled 77,486 metric tons in 2010 (prior year: 74,256 metric tons). CO<sub>2</sub> emissions per value added increased by 8.9%, due to, among other things, increased production capacity utilization, the expansion of the infrastructure as well as to currency effects.</li> <li>• In both 2009 and 2010, the proportion of green electricity totaled 8 GWh, of which 6 GWh of certified electricity from hydropower were procured at Pfullendorf (DE) and 2 GWh of wind energy were procured in China.</li> <li>• The energy master plan with measures for saving energy and energy efficiency has been implemented at the following production sites: Pfullendorf, Langenfeld and Lichtenstein (DE), Pottenbrunn (AT), Jona and Givisiez (CH), Villadose (IT) and Ruse (SLO).</li> </ul>	<ul style="list-style-type: none"> <li>• Continue implementation of the CO<sub>2</sub> strategy: Relative CO<sub>2</sub> emissions to be reduced by an average of 5% annually between 2006 and 2012</li> <li>• Increase proportion of renewable energies for electricity by an additional 5% or 6 GWh by 2012</li> <li>• Introduce energy master plan at the plants in Shanghai (CN) and Weilheim (DE)</li> </ul>	<p>EN16 and EN18, page 25</p>
<p><b>Infrastructure</b></p> <p>Geberit procures and operates durable, high-quality infrastructures such as buildings, systems and tools.</p>	<ul style="list-style-type: none"> <li>• The new building opened in Shanghai (CN) in 2010 integrates sustainable construction: expanded thermal insulation, innovative shading concept, solar energy for hot water.</li> </ul>	<ul style="list-style-type: none"> <li>• Integration of sustainability aspects in all infrastructure investments in excess of CHF 5 million by means of concrete criteria tailored to the project</li> </ul>	
<p><b>Occupational safety</b></p> <p>Geberit operates safe production plants.</p>	<ul style="list-style-type: none"> <li>• In 2010 harmonized and extended accident data statistics were developed Group-wide. The AFR (accident frequency rate) in 2010 was 14.6 (prior year: 14.1). The target value of a 5% reduction to 13.4 was not achieved. The ASR (accident severity rate) in 2010 was 161 (prior year: 155). The target value of a 5% reduction to 147 was not achieved.</li> <li>• Both of the Chinese production plants have been certified in accordance with OHSAS 18001 since 2009, as has the sales company at Geberit UK since 2010.</li> <li>• A Group-wide Environment/Safety Competence Matrix has supported the sharing of best practices since 2010.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce the accident rates AFR and ASR by an annual average of 5% through 2012</li> <li>• Development and Group-wide roll-out of a new integrated management system for quality, environment and safety</li> <li>• Recertification of the Chinese plants in accordance with OHSAS 18001</li> </ul>	<p>DMA-LA, page 29</p> <p>LA7, page 31</p>

PEOPLE

Modules and their objective	Important facts and achievements 2010	Outlook 2011-2012	Reference
<p><b>Code of Conduct</b></p> <p>Geberit maintains human rights and international labor standards.</p> <p>Geberit checks the effectiveness of internal monitoring systems and guidelines and implements appropriate measures in the event of misconduct.</p>	<ul style="list-style-type: none"> <li>The Geberit Code of Conduct was published in 2007 in 14 languages.</li> <li>Four animated films on the subjects of sexual harassment, workplace bullying, bribery and IT misuse have been available on DVD since July 2008.</li> <li>Supervisors viewed and discussed the films with approximately 98% of employees throughout the Group the year they were introduced. Since 2009, new employees receive their training as part of their job orientation.</li> <li>Compliance was systematized as a topic at the Group level in 2009. A Group-wide Compliance/Code of Conduct Report has been prepared annually since 2009.</li> <li>Corporate Legal Services is constantly expanding the training courses in various fields of law. Approximately 350 employees in Europe were trained in anti-trust law by means of e-learning in 2010.</li> <li>In 2010, the guidelines for the prevention of corruption were extensively concretized, communicated to all organizations and audited for the first time in the context of the Compliance Report.</li> </ul>	<ul style="list-style-type: none"> <li>Establish new instruments for dialogs and an active examination of the topics in the Code of Conduct over the next two years, taking into account local conditions</li> <li>Review of the content of the Geberit Code of Conduct in 2012</li> </ul>	<p>DMA-LA, page 29</p> <p>HR3 page 34</p> <p>SO3, page 36</p>
<p><b>Employer responsibility</b></p> <p>Geberit is committed to providing attractive jobs.</p> <p>Geberit supports disadvantaged employees and apprentices.</p>	<ul style="list-style-type: none"> <li>Multi-year project "Demographic Change" underwent further development in 2010, with action plans in five areas: individual, flexible working hours and models, health management, support for education and further training, pension plans and flexible retirement solutions.</li> <li>Reduction of health care costs at Chicago Faucets (US) thanks to the wellness program, which involved creating incentives for a healthier lifestyle. Health care costs at Chicago Faucets rose far less than the national average in 2010.</li> <li>In 2010 Geberit production plants provided targeted support for various handicapped employment programs with simple installation and packaging tasks in the amount of CHF 4.0 million.</li> <li>Geberit employed 226 apprentices in 2010 (prior year: 211). The transition rate to a continued, full-time employment relationship was 76% (prior year: 65%).</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing development of "Demographic Change" project: Action plans will be adapted to the needs and conditions of each country and best practices will be shared Group-wide.</li> <li>Local analysis of equal pay for women and men in production companies</li> <li>Development of a plan for cross-national apprentice exchange and promotion of apprentices to regular employment</li> </ul>	<p>DMA-LA, page 29</p> <p>LA8, page 31</p> <p>LA14, page 33</p> <p>EC8, page 21</p>
<p><b>Social-aid projects</b></p> <p>Geberit fulfills its social responsibilities in society.</p>	<ul style="list-style-type: none"> <li>Donations and financial contributions, including product donations totaling CHF 3.1 million, were made in 2010 (prior year: CHF 3.2 million).</li> <li>In addition, Geberit employees contributed approximately 2200 hours of charitable work as part of social projects (prior year: 900 hours).</li> <li>A long-term partnership with Helvetas, a Swiss development organization, was launched in March 2010.</li> <li>The partnership with Mike Horn was also continued in 2010. The latter is carrying out a four-year expedition under the name Pangaea, which is intended to sensitize adolescents in particular to the topic of water.</li> <li>A larger social-aid project was implemented in 2010 at a school and a hospital in India (in the state of Orissa).</li> </ul>	<ul style="list-style-type: none"> <li>Continued partnerships with Helvetas and Mike Horn</li> <li>Implementation of a larger social-aid project in Serbia in 2011</li> </ul>	<p>EC8, page 21</p>

PRODUCTS

Modules and their objective	Important facts and achievements 2010	Outlook 2011-2012	Reference
<p><b>Eco-design</b></p> <p>During development, Geberit products are optimized in terms of environmental friendliness, consumption of resources and durability.</p> <p>Environmental aspects are taken into consideration as early as the technological development phase.</p>	<ul style="list-style-type: none"> <li>Eco-design workshops have been carried out during the development process of all new products since 2007 and with product modifications and technology projects since 2010.</li> <li>Numerous products realize ecological improvements thanks to systematic development approach and Eco-design. In 2010, the focus was on the following:               <ul style="list-style-type: none"> <li>Energy savings thanks to odor extraction with Geberit DuoFresh</li> <li>Geberit AquaClean 4000 with 50% lower standby electricity consumption of 0.4 watts</li> <li>Lead-free ECAST™ faucet line in the US at Chicago Faucets</li> </ul> </li> <li>The urinal flush controls product life cycle assessment was revised and published</li> </ul>	<ul style="list-style-type: none"> <li>Deployment of a new technological solution, beginning in April 2011, to simplify the conversion of the large flush volume on nearly all concealed cisterns from 6 or 9 liters to 4.5 liters</li> <li>Continue systematical implementation of Eco-design workshops</li> <li>Compilation of detailed product life cycle assessments for selected products</li> </ul>	<p>DMA-EN, page 22</p> <p>EN6, page 24</p> <p>EN26, page 27</p>
<p><b>Green building</b></p> <p>Geberit has in-depth expertise in the areas of water conservation, drinking water quality, sound and green building.</p> <p>Geberit is the leading partner for the planning and implementation of first-class sanitary solutions for green building.</p>	<ul style="list-style-type: none"> <li>Geberit products are exemplary in terms of water and energy consumption and sound insulation. The range of Geberit products facilitates the implementation of green building and the fulfillment of standards such as Minergie and LEED.</li> <li>Geberit products such as the Duofix and GIS installation systems offer great flexibility and are suitable as lightweight construction systems in renovations and new buildings.</li> <li>The Silent-PP drainage plug-in system is the standard for low-noise drainage in buildings.</li> <li>ProPlanner software supports sanitary engineers in the implementation of solutions for green building.</li> </ul>	<ul style="list-style-type: none"> <li>Active positioning of WELL (Water Efficiency Label) in the core European markets</li> <li>Targeted search for green building reference objects in core European markets and in the Asia/Pacific region</li> <li>Expansion of the product portfolio for green building</li> </ul>	<p>EN26, page 27</p> <p>PR3, page 37</p>

## Detailed description of GRI indicators and GRI index

### Profile

#### 1. Strategy and Analysis

##### 1.1

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

See statement by 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).**

As the market leader in the sanitary industry, in terms of sustainability, Geberit stands for conserving water, efficient use of resources and green building, thus proving that long-term business success is compatible with environmentally friendly and socially responsible action. The Company aims to be a role model and set standards for customers, suppliers and other partners. This includes water-saving, sustainable products; safe, environmentally friendly and resource-efficient production processes 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 more than 5,800 employees worldwide. The Company also has a sense of corporate responsibility in the scope of global social-aid projects relating to the topic of water.

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 study published in 2010 by SAM, a global asset management company focused on sustainable asset management, names four main issues that will impact the topic of water in the future: the increase in world population, antiquated or lacking infrastructure for drinking water supply and wastewater disposal, increasing demands on water quality, and climate change leading to shifts in water balance. These trends influence the sanitary technology of tomorrow and will make water-saving, resource-efficient products increasingly important – motivation for Geberit to offer the highest standards of environmental friendliness, resource conservation and durability in its products. Water-saving Geberit products achieve impressive results: According to one model calculation, the entire dual-

flush and stop-and-go “fleet of cisterns” produced since 1998 has saved over 10,000 million cubic meters of water in comparison with traditional flushing systems. In 2010 alone, savings amounted to 1,500 million cubic meters of water. This is approximately half as much as the annual consumption of all German households.

Green building is being more closely followed by regulators: The European Union resolved in 2010 that by 2020 all new buildings must meet defined, high standards of energy efficiency and green building. Geberit already offers water- and energy-saving, low-noise, durable products, which allow a high level of flexibility and meet green building standards. Geberit aims to be the leading systems provider for intelligent sanitary solutions in green building.

For important sustainability topics, see page 6. For formal implementation of the sustainability strategy, see 4.9.

For an overview of important facts and achievements in 2010 and an outlook on 2011-2012, see:

- Procurement & Logistics, page 7
- Production, page 8
- People, including Code of Conduct, page 9
- Products, page 10

#### 2. Organizational Profile

##### 2.1

##### **Name of the organization.**

Geberit Group.

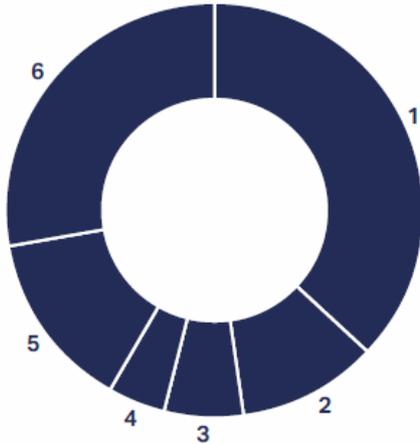
##### 2.2

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

An overview of products can be found at [www.geberit.com](http://www.geberit.com) under Products and System/Products.

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.

## 2010 sales by product areas and product lines:



### Sanitary Systems (58.5%)

- 1 Installation Systems (37.2%)
- 2 Cisterns and Mechanisms (10.8%)
- 3 Faucets and Flushing Systems (6.1%)
- 4 Waste Fittings and Traps (4.4%)

### Piping Systems (41.5%)

- 5 Building Drainage Systems (13.9%)
- 6 Supply Systems (27.6%)

## 2.3

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

Annual Report 2010, pages 8-9.

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

- CEO
- Sales Europe
- Sales International
- Products
- Finance

Responsibilities are thus clearly 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 2010, page 96.

Geberit has its own representatives in 41 countries. The products are sold in 100 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 2010, page 45.

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

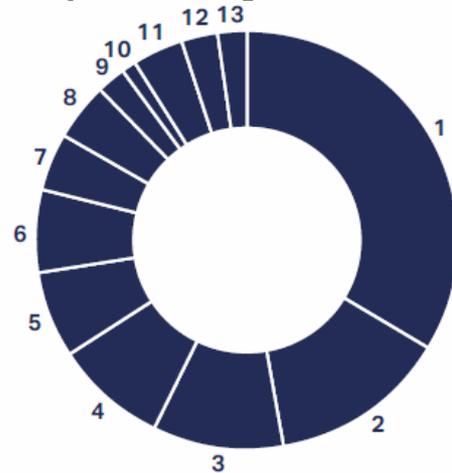
## 2.7

### Markets served.

Annual Report 2010, page 14.

Sales by product areas, see 2.2.

## 2010 sales by markets / regions:



- 1 Germany (33.7%)
- 2 Switzerland (13.6%)
- 3 Italy (10.1%)
- 4 Benelux (8.6%)
- 5 Central/Eastern Europe (6.7%)
- 6 Austria (6.3%)
- 7 Nordic countries (4.6%)
- 8 France (4.2%)
- 9 United Kingdom/Ireland (2.3%)
- 10 Iberian peninsula (1.1%)
- 11 America (3.8%)
- 12 Far East/Pacific (2.8%)
- 13 Middle East/Africa (2.2%)

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 8,916 million as of the end of 2010 (prior year: CHF 7,518 million). The 2010 sales of CHF 2,147 million (prior year CHF 2,181 million) were

achieved with products in the two product areas sanitary systems and piping systems, which together weighed around 154,000 metric tons (prior year: 151,000 metric tons) as packaged products. The consolidated balance sheet with details of current assets, non-current assets, equity and outside capital can be found on page 60 of the Annual Report 2010. At the end of 2010, the Group had 5,820 employees (prior year: 5,608 employees).

## 2.9

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

Annual Report 2010, page 64.

On January 1, 2010, Geberit acquired all of the shares in its sales partner in India, which up to the time of the acquisition had been the sole importer of Geberit products in India (see also 3.8).

## 2.10

### **Awards received in the reporting period.**

Geberit companies received numerous awards in 2010, including:

- 10th place overall among the 100 most sustainable companies worldwide; announced during the 2010 World Economic Forum in Davos, CH.
- "Most shareholder-friendly company" among 150 Swiss companies in the category of secondary values; zCapital, CH
- 1st place in the ranking of sustainability reporting among Swiss companies; University of Applied Sciences Northwestern Switzerland, CH
- Most transparent industrial company in Switzerland with respect to CO<sub>2</sub> emissions; CDP and Ethos (CH)
- 2nd place in Operational ecology; business magazine Bilanz and INrate, CH
- 1st place in the Building Products sector in the Global 1000 Ranking of justmeans.com, 34th place overall
- Special prize for sustainable corporate management, Initiative LifeCare, Bad&Wellness, DE
- Recognized as "Best company for practical training cooperations" for Geberit China; Tongji University in Shanghai, CN
- Outstanding Achievements in Vocational Training for the production company in Langenfeld (DE); Chamber of Industry and Commerce Düsseldorf, DE
- Five awards for the newly launched product Geberit Monolith: IF product design award 2010 (DE), 1st place for the Aqua Design Award at the Aquatherm trade fair in Vienna (AT), Best solution award Ideobain Paris; Maison Magazine (FR), April product of the Month; Wirtschaftsjournal für die Haustechnik RAS (DE), 2nd place in the category "Functional industrial packaging"; Verband der Papierindustrie (AT)

- Three awards for Geberit AquaClean: Nan Magazine Award (ES), consumer label "Trophée de la maison" (FR), Gold Xaver for booth at the ISH 2009 (DE) building technology trade fair
- IF product design award 2010 (DE) for the Geberit shower element

## 3. Report Parameters

### Report Profile

#### 3.1

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

Reporting period 2010; 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, 2009 and 2010.

#### 3.3.

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

The Annual Report is published annually. A comprehensive Sustainability Report is published for a broad target group every three years. In addition, 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.**

The "GRI guidance for defining of report content" with its corresponding principles was implemented as extensively as possible. The basis for the sustainability reporting is a materiality analysis for the identification of those aspects that are of significance for Geberit and its stakeholders. The stakeholder view is incorporated by means of extensive dialogs (see 4.14 - 4.17) and continuously developed. Results of the materiality analysis and thus priority topics and aspects are summarized on the one hand in the modules of the sustainability strategy (see page 6). Also material are the topic aspects of the 10 principles of the UN Global Compact, which Geberit has committed itself to uphold and which are presented on pages 4 - 5. 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 changes in the Group structure during the period under review which significantly hamper reporting.

### 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 GRI Standard G3 were applied wherever the data situation permitted. All environmental data is recorded in a central database of the Geberit Group and used for the preparation of a complete corporate eco-balance. The calculation of the energy and greenhouse gas data (see also EN3-7, EN16-18) is carried out on the basis of the internationally recognized Ecoinvent database (Version 2.0) and the continental electricity mix for Europe, the USA and China. The calculation of emissions (EN19, EN20) is based on the Ecoinvent inventory data, Version 2.1 and on the UCTE European electricity mix. In addition, the transportation performance (intercompany and distribution) of the six most important transport service providers was surveyed in 2010 at the new logistics center in Pfullendorf (DE) and a complete eco-balance (including provision of fuel) was calculated on the basis of Ecoinvent 2.1. Quantitative data on employees is collected using a central management information system, with indicators being calculated in accordance with GRI standards. Additional qualitative 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, EC1/4/5/8, 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 on the financial years 2006, 2007, 2008, 2009 and 2010 are all based on the GRI G3 guidelines in force 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 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 during the period under review with respect to scope, reporting limits or measuring methods. 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 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 2010, page 47.

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 2010, pages 47, 52.

#### 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 2010, page 47.

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 2010, page 55, Participatory rights of the shareholders.

There is no employee representative on the Board of Directors. The employee representatives meet regularly in the context of the Geberit Europe Forum with one Member of the Board of Directors and the Head Corporate Human Resources. Selected concerns can be addressed to the Board of Directors through this channel.

#### 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 2010, pages 54, 103

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 2010, pages 45, 51

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.**

For the procedure for the selection of Members of the Board of Directors, see Annual Report 2010, page 50, Elections and terms of office. 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
- SQS and IQNet Certificate ISO 9001 & 14001 (including Appendix)

Geberit joined the UN Global Compact in 2008. For the renewed confirmation of membership ("continued support for the Global Compact") see the CEO statement at the beginning of this GRI Report.

#### 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 updated sustainability strategy and the sustainability modules (see pages 6 to 10 of this Report) were examined and approved by the Group Executive Board and by the Board of Directors. The Environment and Sustainability Department coordinates the implementation of the sustainability modules, whereby all departments are included in the planning. Results and achievement of objectives are submitted to the Group Executive Board and the Board of Directors for verification at least once annually. Also included here are the Communication on Progress on the UN Global Compact and the Geberit Compliance Report, including audit results with respect to the Code of Conduct.

#### 4.10

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

For the procedure for the remuneration of the Members of the Board of Directors, see Annual Report 2010, page 56, Compensations, shareholdings and loans. 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.**

The precautionary principle plays an important role for Geberit as a production company. This is defined accordingly in the Geberit Code of Conduct (see 4.8) and reflected in the integrated Geberit management system (quality, environment, safety). It is implemented in operations by means of preventive approaches with respect to environmental protection, occupational safety and quality assurance.

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 2010, Corporate Governance section, page 44, and Note 4: Risk Assessment and Management, page 69). The internal control system (ICS) 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:

- Formal member of the UN Global Compact since 2008
- 2011 Founding member of the local Swiss network of the UN Global Compact
- Member of Transparency International, Switzerland since 2000
- 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 Swiss provider of consistent and transparent inventory data for life cycle assessment
- Member of the öbu association, Swiss network for sustainable operations
- Member of Swissmem, association of Swiss engineering, electrical and metal industry

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

- Associations for green building: Minergie (CH), Greenbuild (AU), Greenbuild Council (ES), Greenbuilding SA (ZA), US Green Building Council (USA), Alliance for Water Efficiency (USA), partner with EPA's Watersense (USA)
- German Environmental Management Association (DE)
- Ökomanagement Niederösterreich (AT)
- Energie Agentur EnAW (CH)
- Club Environnement, Energy & Sécurité - Canton Fribourg (CH)
- SSIEF - Service sociale interentreprises du canton de Fribourg (CH)
- Agence pour l'Economie et l'Environnement Nationale (CH)

## Stakeholder engagement

### 4.14

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

The following stakeholder groups are particularly significant for Geberit:

- Customers
- Shareholders, analysts
- Employees
- Trade unions
- Neighbors, municipalities
- Suppliers
- Transport companies
- Competitors
- Associations
- Non-government organizations, general public
- Governments, regulators
- Research institutes

### 4.15

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

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 or the Group companies maintain relations with all organizations and institutions in the respective countries that direct requests or suggestions to the company. The stakeholders listed under 4.14 have been identified as important in the context of

the systematic stakeholder dialog, as they fulfill the following criteria:

- the stakeholder group exercises a strong influence on the economic, ecological or social performance of Geberit and/or
- the stakeholder group is strongly affected by the economic, ecological or social performance of Geberit.

### 4.16

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

A stakeholder analysis is performed at all production sites as part of environmental management in accordance with ISO 14001. Requirements are recorded situationally in stakeholder dialogs. Based on this information Geberit identifies potential for conflict or opportunities and pursues as a fundamental principle a cooperative approach in order to discuss and further develop possible measures with the stakeholders concerned.

In addition, Group-wide approaches for the inclusion of stakeholders in accordance with stakeholder group and type are listed below:

Customers:

- Customer contacts: Around 500 technical advisers working in the field are in contact on a daily basis with plumbers, planners and architects, in particular.
- Training: 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. Additionally, external training sessions held by local sales companies in cooperation with partners in a variety of settings offered an additional opportunity for educational measures. As a result of these measures, a further approximately 50,000 customers came into contact with Geberit know-how and products during the past year. Furthermore, the introduction of a series of important products during the year under review created an opportunity for updating customer contacts (see Annual Report 2010, page 21).
- Trade fairs: See Annual Report 2010, page 22
- Surveys: See PR5 on page 38

Shareholders, analysts:

- Participatory rights of the shareholders, Annual Report 2010, page 55.
- Regular analyst talks by the CEO and the Group Executive Board at Financial Statement Media Conferences and in the context of information discussions held several times a year.

#### Employees:

- Geberit Europe Forum, see 4.4, page 15 and DMA-LA, page 29
- Training courses and feedback opportunities regarding topics in the Code of Conduct, see DMA-LA, page 29, and HR3, page 34
- Survey: A comprehensive worldwide survey of employee satisfaction and conditions is planned for 2011.
- Living Geberit workshops for employees: In 2007 and 2008, 3,000 employees worldwide discussed the central corporate and brand values at numerous workshops around the globe.
- Employer branding: Based on a worldwide survey of personnel managers in the local companies and an analysis of recruiting processes, the current procedures for filling vacant positions and recruiting apprentices have been optimized, and information for employees has been revised and restructured. See Annual Report 2010, page 23.

#### Neighbors, municipalities:

- Consultation with and inclusion of the neighbors of production plants in larger construction projects
- Open houses at various production sites

#### Suppliers:

Discussions with new suppliers or as part of audits provide additional points of reference for collaboration in environmental and social matters, see HR2 on page 33.

Transport companies:  
See EN29 on page 28.

#### Associations:

Involvement in the associations listed under 4.13 with participation in corresponding management bodies and programs at least once per year, generally more frequently

#### Non-government organizations, general public:

- Mike Horn Pangaea expedition: See EC8 on page 21.
- Swiss development organization Helvetas: See EC8 on page 21.

Feedback from the dialog with stakeholders flows into the sustainability strategy and related measures. No stakeholder groups were specially involved in the preparation of the GRI Report.

#### 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.**

Examples of important topics that were introduced by stakeholders and have been implemented by Geberit are:

- Expansion of the portfolio of water-saving products: see EN26, page 27 (example of Australia)
- Transparency in the selection of water-saving products: see WELL under PR3, page 37
- Expansion of customer training: see 4.16, page 17
- Transparency in the CO<sub>2</sub> strategy: CDP and Ethos, see EN18, page 25
- Transparency in eco-balance results of logistics services: see EN29, page 28
- Employee education and further training: see LA11, page 32
- Demographic development: see DMA-LA, page 29
- Implementation of social-aid projects: Partnership with Helvetas, see EC8, page 21 and [www.respectingwater.org](http://www.respectingwater.org)

## Management Approach and Performance Indicators

### 5. Economic Performance Indicators

**Disclosure on Management Approach (DMA-EC):**  
See also Annual Report 2010, Business and Financial Review, page 30.

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 (aspects of economic performance, market presence, indirect economic effects).

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

The Company will continue to focus on sanitary technology, relying on the traditional three-tier sales channel. At the same time, concentration will be on those business areas in the sanitary industry for which in-depth know-how and core competencies are available. The activities will focus on sanitary systems and technologies for the transport of water in buildings. Here, superior quality, integrated and water-saving sanitary technology will be provided.

#### 2. Commitment to innovation

For Geberit, continuously optimizing and extending its product range is crucial for future success. Innovation strength is founded on basic research in areas such as hydraulics, statics, fire protection, hygiene and 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, the United Kingdom, the Nordic Countries, Eastern Europe and the Iberian peninsula is an important factor for long-term success. Outside Europe Geberit concentrates on approaching the most promising markets, which are the following: North America, China, Southeast Asia, Australia and the Gulf region. With the exception of North America, the Company is mainly involved in project business in these regions. In this respect, the Company always adheres strictly to the existing high standards in terms of quality and profitability. Another focus relates to business processes.

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

The efforts in terms of sustainable corporate management are being rewarded on the capital market. At the end of 2010, fully 10% of Geberit stock was held by sustainability-conscious investors. Geberit is well represented in the continuously growing sector of sustainability stock indices and sustainability funds. Thus Geberit shares are listed in the STOXX Europe Sustainability Index as well as the FTSE4Good Index (Europe/Global). 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.

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

(in CHF million)	2008	2009	2010
<b>Direct economic value added</b>			
Sales	2,455.1	2,181.2	2,146.9
Operating profit (EBIT)	563.4	526.7	486.2
<b>Economic values passed on</b>			
Operating expenses, net excluding personnel expenses	1,155.4	958.1	966.7
Personnel expenses	460.2	446.2	447.1
Wages and salaries	356.4	334.8	337.6
Pension contributions	17.2	24.5	23.5
Other social benefits	62.4	60.3	58.6
Other personnel expenses	24.2	26.6	27.4
Payments to providers of capital	217.7	220.0	258.7
Dividends	206.9	210.9	252.6
Interest	10.8	9.1	6.1
Taxes (income taxes paid)	100.1	161.4	81.7
Social commitments (contributions and donations)	2.6	3.2	3.1
<b>Retained economic values</b>			
Investments in property, plant and equipment	152.5	106.4	80.5
Divestments of property, plant and equipment	5.7	2.9	2.1
Share buyback	311.4	0.0	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. A study published in 2010 by SAM, a global asset management company focused on sustainable asset management, names four main issues that will impact the topic of water in the future: the increase in world population, antiquated or lacking infrastructure for drinking water supply and wastewater disposal, increasing demands on water quality, and climate change leading to shifts in water balance. These trends influence the sanitary technology of tomorrow. Water-saving, resource-efficient products will therefore become increasingly important. Geberit takes advantage of these opportunities to profit from the increasing worldwide demand for water-saving products 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 retirement benefit plans can be found in the Annual Report 2010, pages 68 (Retirement benefit plans) and 80 (Note 17: Retirement benefit plans).

## EC4

### **Significant financial assistance received from government.**

Significant contributions from the public sector include:

- Regarding to tax reductions, see Annual Report 2010, Note 27: Income taxes, page 88.
- On the basis of new investments to promote the respective business location and secure jobs, Geberit received government investment subsidies totaling approximately CHF 2.1 million in the period under review. (Switzerland: CHF 0.9 million, Germany: CHF 1.2 million).

The public sector is not represented on the Board of Directors of the Geberit Group.

## **Aspect: Market Presence**

### **EC5 (Additional)**

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

Partial information on EC5:

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. According to the annual binding survey of all companies, no employees are hired in the minimum-wage segment.

### **EC6**

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

Geberit pursues a procurement policy focusing on low costs, safety and independence. Before a collaboration agreement can be concluded, a multiple-stage risk analysis and assessment including environmental and social risks are carried out for every new supplier (see also HR2, Seite 33). 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, especially from certain countries. Nevertheless, Geberit supports regional institutions for disabled persons and the long-term unemployed (see EC8). For information on environmental and social criteria in procurement, see HR2 on page 33.

### **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 in connection with the hiring of members of management boards for the respective country organizations.

## 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.**

Geberit's own vision calls for the Company to contribute to the sustained improvement of people's quality of life. With products and expert knowledge relating to the topic of water, Geberit supports the implementation of the United Nations Millennium goal for global access to clean drinking water and basic sanitary facilities. Since 2008, social-aid projects have already been implemented in Indonesia, Cambodia, Ecuador, the Solomon Islands and India. Geberit has entered into a long-term partnership with the Swiss development organization Helvetas in order to reach even more people through its social commitment. A Helvetas campaign launched in March 2010 and supported by Geberit aims to facilitate access to clean drinking water and basic sanitary facilities for one million people in the world's poorest regions by 2013. Additionally, the partnership with Mike Horn launched in 2008 is going forward. Mike Horn is on a four-year expedition around the world known as "Pangaea." His goal is to raise awareness of environmental concerns worldwide. Geberit's various activities to contribute to the improvement of people's quality of life can be followed online at [www.respectingwater.com](http://www.respectingwater.com).

Care is taken to ensure that the topic of water plays a central role in these social-aid projects, which must also substantially relate to Geberit's core competencies and corporate culture. All projects are scrutinized in advance to ensure that the greatest possible effective improvement can be achieved. In addition to financial commitment, it is important to Geberit to provide goods in kind or aid on site. Where possible, Geberit apprentices from a range of professional areas and various countries are recruited to share in the work of the social-aid projects. Eight Geberit apprentices with chaperones travelled to India for a total of two weeks in 2010 in order to refurbish the sanitary installations which were in need of renovation at a school in Pentakatha. A second part of the project has been realized at the Pentakatha School in January and February 2011. Six young people from the Mike Horn network will educate schoolchildren in the area of hygiene and paint the school building.

Geberit made donations and financial contributions, including product donations, totaling CHF 3.1 million in 2010 (prior year: CHF 3.2 million). In addition, Geberit employees contributed approximately 2,200 hours of charitable work as part of social projects (prior year: 900 hours). Geberit also supports facilities for handicapped persons and the long-term unemployed, where simple installation and packaging work in the amount of around CHF

4.0 million was carried out in 2010 (prior year: 3.9 million).

### EC9 (Additional)

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

Partial information on EC9:

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).

Also to be emphasized are the economic effects on suppliers, transport companies and the local economic regions of the production sites. In 2010 Geberit procured goods with a purchase value of approximately CHF 570 million (prior year: CHF 600 million). Geberit has relations with a total of more than 1,100 suppliers. Geberit does not have its own transport fleet and contracts external transport companies for logistics services. Geberit places its faith in its 15 production sites in Europe, China and the USA and is continuously investing. Thus, for example, the logistics center in Pfullendorf (DE) was opened and the establishment of Geberit Apparate AG in Jona (CH) was started in 2010.

## 6. Environmental Performance Indicators

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

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.

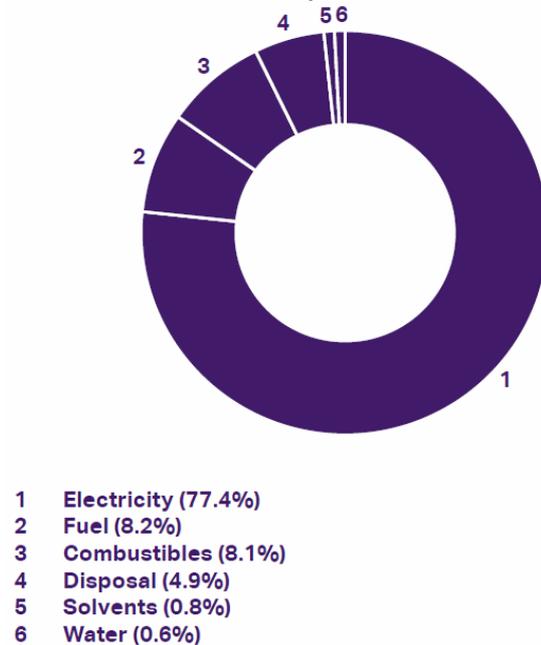
Systematic, Group-wide environmental management is at the center: The corporate Environment and Sustainability Department – which reports directly to the CEO – is responsible for this and coordinates guidelines and measures regarding all aspects of the GRI guidelines in the environmental area. Since 1992 a network of environmental managers has been practicing active environmental protection at the production plants, thus ensuring that the measures are implemented worldwide. With respect to goals and production measures, see page 8; for product development, see page 10. Since early 2007, Geberit has had a combined group certificate for quality and environment in accordance with ISO 9001 and ISO 14001, which covers all production sites, including those in China and the US. The responsible individuals from all sites meet at least once annually, most recently in September 2010, to exchange experiences and share best practice. A newly launched Group-wide Competence Matrix on the topics of environment and safety represents an essential basis for this.

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 taken into account). The corporate eco-balance enables an overall assessment of the environmental impact and its largest contributing factors. The updated Swiss Ecological Scarcity Method (2006 version), was used as the assessment method. 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.

At 77.4%, electricity consumption causes by far the greatest environmental impact, followed by combustibles with 8.2% and fuels with 8.1%. At 4.9%, disposal is the fourth largest source of impact. The shares of solvent emissions and water/waste water are in the one-percent range.

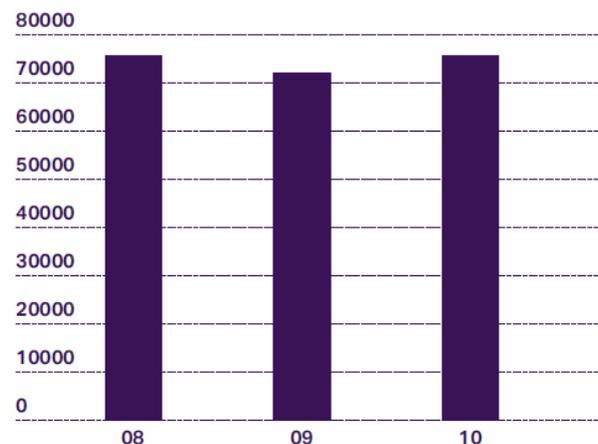
In the key figures of the indicators EN3/4/16/20/21 and 22, there were insignificant deviations from the prior year's values as a result of optimized data collection.

Distribution environmental impact 2010



Development absolute environmental impact 2008–2010

Environmental impact expressed in millions of eco-points



Due to increased production capacity utilization and the expansion of the infrastructure, Group-wide absolute environmental impact increased by 3.3% over the prior year. Because value added declined also as a result of currency effects, relative environmental impact increased by 7.8%. Nonetheless, Geberit continues to hold fast to its goal of achieving an average annual reduction of 5% by 2012.

External logistics (see EN29) was integrated in the corporate eco-balance for the first time in 2010. Key figures for environmental impact, energy consumption and CO<sub>2</sub> emissions which arise from the transport of Geberit products are included in the assessment of environmental performance.

## Aspect: Materials

### EN1

#### Materials used by weight or volume.

See EN27 for packaging material used.

Consumption of materials [t]	2008	2009	2010
Raw material plastics	52,139	50,870	51,724
Raw material metal	32,323	36,552	40,166
Other raw materials	1,025	906	880
Semi-finished products	27,796	24,563	23,120
Finished products	45,795	38,172	38,303
<b>Total</b>	<b>159,078</b>	<b>151,063</b>	<b>154,193</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 21,000 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	2008	2009	2010
Heating oil extra light [t]	253	73	88
Natural gas [m <sup>3</sup> ]	4,153,668	4,478,049	4,703,535
Gasoline [l]	292,192	251,682	264,141
Diesel [l]	1,378,670	1,505,856	1,482,427

Total final energy consumption in Terajoule is:

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

	2008	2009	2010
Heating oil extra light	10.8	3.1	3.8
Natural gas	151	163	171
Fuels (gasoline, diesel)	61	64	63

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 end energy, electricity consumption increased by 3.3% due to increased production and expansion of the infrastructure.

Electricity consumption	2008	2009	2010
On the basis of final energy [GWh]	107.3	105.3	108.8
On the basis of final energy [TJ]	386.1	378.9	391.6

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

Applied electricity mix	GWh	Renewable [%]	Fossil [%]	Nuclear [%]	Others [%]
Europe (UCTE)	86.7	16.0	45.2	35.6	3.2
USA	7.4	8.8	70.0	19.6	1.6
China	6.6	16.1	81.8	2.1	-
Green electricity DE	6.0	100			
Green electricity CN	2.0	100			
<b>Total</b>	<b>108.8</b>	<b>21.7</b>	<b>45.8</b>	<b>29.8</b>	<b>2.7</b>

### EN5 (Additional)

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

Partial information on EN5:

No quantitative breakdown of energy savings according to measure implemented is available. 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. At Jona (CH), separation of the cooling circuits for injection molding tools and machines enables annual savings of around 1 GWh.

**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.**

See also description under EN26. Eco-design workshops, in which different disciplines cooperate and ensure that every new product exceeds its predecessor in environmental aspects, are an integral part of the early product development phase. Specially created product life cycle assessments are important decision-making aids and provide credible arguments for the use of products that conserve resources in construction projects.

The greatest environmental contribution made by Geberit products lies in water conservation. This also results in indirect energy savings and reduction of CO<sub>2</sub> emissions. The creation of the infrastructure for drinking water supply and waste water disposal, the conveyance, processing and distribution of water and the subsequent purification of the waste water in a communal wastewater treatment plant also consume resources and energy. Thus, according to the Ecoinvent database (Version 2.1), 9.3 MJ of energy are required per cubic meter of water and 0.64 kg of CO<sub>2</sub> emissions are released (reference values for Europe).

Direct energy savings are implemented thanks to systematically improved energy efficiency. Two current examples are:

1. Thanks to intensive development efforts, the stand-by electricity consumption of the Geberit AquaClean 4000 was reduced by more than 50% in 2010, to 0.4 watts.
2. The new product Geberit DuoFresh, which was introduced on the market in March 2011, is a simple, effective and environmentally friendly way to eliminate toilet odors thoroughly: Using odor extraction consumes about 20 times less energy than the traditional practice of venting the bathroom by cracking a window for ten minutes.

**EN7 (Additional)**  
**Initiatives to reduce indirect energy consumption and reductions achieved.**

Partial information on EN7:

- Raw 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 EN6 and EN26). 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 travel options as part of the voluntary climate project CO<sub>2</sub> monitor (see EN18).

**Aspect: Water**

**EN8**  
**Total water withdrawal by source.**

Geberit uses mainly fresh water from the public water system and some rainwater. Geberit fulfills a role model function with respect to internal water consumption and undertakes great efforts to improve its processes even more each year. Targeted saving measures have resulted in fresh water consumption being lowered by 42% since 2006. The slight increase in consumption in 2010 resulted from activities related to the opening of the Asia Headquarters in Shanghai (CN).

Water consumption by source [m <sup>3</sup> ]	2008	2009	2010
Fresh water	139,430	122,144	125,592
Rain water	7,734	9,277	8,558

**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 consumed in 2010 for this purpose. Around 32% or 8,000 m<sup>3</sup> of this amount is fresh water; the remaining 68% 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.**

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). The emissions from the preparation of combustibles and fuels in the upstream chain (Scope 3) are included in the cumulative value and account for around 20% and 30%, respectively (see EN17). Further information on the basis of calculation can be found under 3.9, page 14.

In absolute terms, CO<sub>2</sub> emissions (Scopes 1 and 2) increased by 4.3% to 77,486 metric tons in 2010. Relating these emissions to the value added dis-

plays an increase of 8.9%. 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 power in Daishan (CN) results in a reduction of over 5,500 metric tons of CO<sub>2</sub> emissions.

CO <sub>2</sub> emissions [metric tons]		2008	2009	2010
Combustibles	Scope 1	11,750	11,900	12,400
Fuels	Scope 1	6,569	6,889	6,789
Electricity	Scope 2	59,126	55,467	58,297
<b>Total</b>		<b>77,445</b>	<b>74,256</b>	<b>77,486</b>

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

Relative CO <sub>2</sub> emissions [metric tons of CO <sub>2</sub> /TCHF]		2008	2009	2010
Combustibles	Scope 1	0.012	0.012	0.013
Fuels	Scope 1	0.0066	0.0072	0.0074
Electricity	Scope 2	0.059	0.058	0.064
<b>Total</b>		<b>0.078</b>	<b>0.077</b>	<b>0.084</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:

- CO<sub>2</sub> emissions from the preparation of combustibles and fuels (included in EN16). This adds up to around 2,700 metric tons for combustibles and 2,300 metric tons for fuels.
- the 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 9,000 TJ, resulting in approximately 406,000 metric tons of CO<sub>2</sub> emissions.
- external logistics (see EN29): total CO<sub>2</sub> emissions amount to 16,300 metric tons.
- 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.**

Under the CO<sub>2</sub> strategy, the CO<sub>2</sub> emissions per value added are to be reduced on average by 5% each year between 2006 and 2012. With an increase of 8.9% in this key figure in the year under review, Geberit has for the first time in this period fallen short of the average target value due to increased production capacity utilization and the expansion of the infrastructure. However, the Company continues to be committed to these long-term goals for CO<sub>2</sub> reduction (see EN16).

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 of the "naturemade star" and "naturemade basic" qualities per year. At this location green electricity replaces some 20% of conventional electricity consumption and reduces CO<sub>2</sub> emissions by more than 3,000 metric tons per year. By 2012 another 6 GWh of renewable electricity are to be added. The Daishan site in China has also been provided with around 2 GWh of wind power annually since 2009, saving an additional approximately 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 96% of all Geberit diesel vehicles have particle filters.

Geberit promotes the sensitization of all employees for the promotion of environmentally friendly behavior. New employees receive training on the subject of sustainability at Geberit as part of their job orientation program. In the largest plants, this is also tailored to the target group of production employees. Campaigns such as the "bicycle check" are also carried out at Jona (CH). In addition, all employees worldwide have access to the online platform [www.co2-monitor.ch](http://www.co2-monitor.ch) to use as an aid, where every user can record his personal CO<sub>2</sub> profile, set reduction targets and then receive topic-related saving tips.

All targets and measures for improving CO<sub>2</sub> levels are disclosed in detail as part of the Company's participation in the Carbon Disclosure Project (CDP). Based on this transparent reporting, a November 2010 analysis by Ethos, Swiss Foundation for Sustainable Development and Raiffeisenbank Switzerland came to the conclusion that Geberit is among the top tier of Swiss companies that follow ambitious reduction targets and practice transparency.

### EN19 Emissions of ozone-depleting substances by weight.

Emissions of ozone-depleting substances, NO<sub>x</sub>, SO<sub>2</sub> and 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) and based on Ecoinvent data (Version 2.1).

Ozone depletion potential [kg CFC11 equivalents]	2008	2009	2010
Scope 1	1.78	2.62	0.72
Scope 2	2.80	2.75	2.84
<b>Total</b>	<b>4.58</b>	<b>5.37</b>	<b>3.56</b>

### EN20 NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight.

For calculation, see also EN19. All of the significant emissions are listed below:

Air emissions [metric tons]	2008	2009	2010	
NO <sub>x</sub>	Scope 1	23.3	24.4	24.6
	Scope 2	93.9	92.2	95.2
	<b>Total</b>	<b>117.2</b>	<b>116.6</b>	<b>119.8</b>
SO <sub>2</sub>	Scope 1	4.3	4.1	4.1
	Scope 2	182.7	179.3	185.3
	<b>Total</b>	<b>187.0</b>	<b>183.4</b>	<b>189.4</b>
NMVOC	Scope 1	44.8	39.9	39.1
	Scope 2	11.0	10.8	11.1
	<b>Total</b>	<b>55.8</b>	<b>50.7</b>	<b>50.2</b>
Dust (PM10)	Scope 1	2.8	3.0	3.0
	Scope 2	17.5	17.2	17.8
	<b>Total</b>	<b>20.3</b>	<b>20.2</b>	<b>20.8</b>

### EN21 Total water discharge by quality and destination.

Geberit does not carry out any unplanned water discharges. All resulting domestic waste water and all process waste water is treated. In 2010, 101,231 m<sup>3</sup> of waste water were generated (prior year: 98,889 m<sup>3</sup> of waste water). Of that total, 73% was domestic waste water that passes into the communal wastewater treatment plant (prior year: 71%) and 6% is domestic waste water that is pre-treated and fed to receiving waters (prior year: 8%). The remaining 21%, as was the case in the prior year, is waste water that is pre-treated and fed to a communal wastewater treatment plant. Waste water is not directly reused by third-party companies.

## EN22

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

Of the 2010 total of 10,863 metric tons (prior year: 11,048 metric tons) of waste, 84% (prior year 83%) was channeled 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]	2008	2009	2010
Incineration	712	709	612
Inert waste landfill	466	457	382
Mixed waste landfill	679	598	550
External recycling	7,719	7,511	8,092
<b>Total non-hazardous waste</b>	<b>9,576</b>	<b>9,275</b>	<b>9,636</b>
Incineration of hazardous waste	118	111	151
Recycling of hazardous waste	1,891	1,662	1,076
<b>Total hazardous waste</b>	<b>2,009</b>	<b>1,773</b>	<b>1,227</b>

## EN23

### Total number and volume of significant spills.

Two incidents occurred during the period under review, although they had no consequences for the environment: a discharge of 1.4 metric tons of potassium silicate at Weilheim (DE) and a spill of 200 liters of diesel fuel in Villadose (IT).

## 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.

Partial information on EN24:

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.

## 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. Integral components of the early development phase are Eco-design workshops, in which representatives of different disciplines participate and undertake a systematic product analysis across all life phases, the verification of statutory requirements as well as the analysis of competitors' products. They serve as the basis for developing solutions that are being included in the specifications and documents to accompany products. Eco-design has also been applied to product modifications and technology projects since 2010. 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).

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

- California (US) enacted a law in 2010 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 met the requirements a year before the law went into effect.
- Pluvia was crowned "rainwater collection product" of the year in arid Western Australia. The sparing use of the valuable resource of water is of major interest in Australia. Accordingly, products like Pluvia, with which rain water can be collected and stored in tanks, are not only welcome, but are in fact mandatory in many cases.
- Beginning in April 2011, a new technological solution will be deployed to simplify the conversion of the large flush volume on nearly all concealed cisterns from 6 or 9 liters to 4.5 liters. The gradual conversion of the product range is creating great potential for even more water conservation.
- The new water efficiency label (WELL) of the European sanitary industry, which will be established in spring 2011, provides more transparency in the area of water conservation (see also under PR3).

For additional examples on the topic of energy, see EN6.

## EN27

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

On the basis of an internal survey at the sites, the following estimations can be made: On the product side, approx. 7 metric tons of primarily electrical appliances were taken back and disposed of professionally in 2010. In some markets (DE, CH), parts of multilayer drinking water pipes (Mepla) are also taken back. The precise quantity is not known, but is also estimated to be around 10 metric tons Group-wide. In 2010, approximately 10,600 metric tons (prior year: approximately 11,400 metric tons) of packaging material were used, roughly 40% of which was collected and recycled by Geberit itself or by 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.

No significant fines or non-monetary penalties were imposed in the year under review.

## 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.

Partial information on EN29:

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 products is an important part of the services provided to customers. In addition to profitability and punctuality, it is increasingly important that transport services be as environmentally friendly as possible. Geberit is taking on this challenge at several levels: Since the beginning of 2010, the majority of products are being shipped from the new Logistics Center in Pfullendorf (DE). In view of both the production sites in Europe and the European markets, Pfullendorf's geographical location is optimal, facilitating the efficient handling of both logistics and distribution processes.

Geberit does not have its own transport fleet. In order to reduce the environmental impact of transport, the Company maintains strong relations to select external transport service providers. In 2010

the relevant technical specifications were expanded to include an Environmental Code that lays out clear requirements for environmental performance. Partners must commit to a sustainable corporate policy as well as actively support Geberit in optimizing its logistics with respect to energy consumption, emissions and packaging. A new target stipulates that at least two-thirds of the trucks must meet the Euro5 standard.

Moreover, in the year under review a logistics calculator was developed to record data on vehicle fleet composition, transportation performance and fuel consumption of all transport service providers, which can then be used to generate an annual eco-balance. In 2010 the six largest transport service providers handled 88 million metric ton-kilometers via the new logistics center, resulting in CO<sub>2</sub> emissions of 16,300 metric tons with a fleet consisting of 58% Euro5 vehicles.

Shifting transport from roads to railways is another important leverage point in reducing the environmental impact of transport. For instance, up to 95 percent of transport from and to Italy is already handled by rail, resulting in annual savings of over 2 million liters of diesel. The utilization of mega-trailers also increases energy efficiency: In 2010 approximately 1,050 such transports between Jona (CH) and Pfullendorf (DE) and around 300 transports between Pottenbrunn (AT) and Pfullendorf (DE) were carried out for the first time. All of the transports with mega-trailers were implemented with Euro5 vehicles. This resulted in an increase in efficiency because the mega-trailers can carry around 15% more loading volume.

**Aspect: Overall****EN30 (Additional)****Total environmental protection expenditures and investments by type.**

Approx. CHF 1.4 million was spent on environmental protection and preventative environmental management in 2010 (previous year: approx. CHF 1.3 million). This involved external advising and training, external certification and human resources expenditures on environmental management activities. The costs of disposal of hazardous and other waste amounted to approximately CHF 0.6 million in 2010 (prior year: around CHF 0.8 million).

**7. Social: Labor Practices and Decent Work****Disclosure on Management Approach (DMA-LA):**

Responsibility for all important aspects of the GRI guidelines with respect to labor practices in the Geberit Group lies with the Head Corporate Human Resources, who reports directly to the CEO. For measures and goals in the area of Human Resources, see also the chapter People of the Sustainability strategy on page 9.

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. Some 3,000 employees worldwide discussed the central corporate and brand values in numerous workshops as part of the Living Geberit project in 2007 and 2008. These are also noted as guidelines for employees in the Geberit Compass.

The proactive approach to changing age structures, which take different forms at different sites in different regions, is an important topic for Geberit as an international company. In countries such as China, for instance, the workforce is very young, while there is already a clear peak in the middle age groups in Germany today. Geberit has therefore developed a package of solutions to deal appropriately with demographic developments. The action plans comprise five different areas: individual, flexible working hours and models, health management, support for education and further training, pension plans and flexible retirement solutions. The action plans are adapted to the needs and conditions of each country and relevant experiences are systematically shared on a Group-wide basis. Human Resources managers work closely with the Geberit Europe Forum, which brings together works council chairmen of the European sites to develop strategic guidelines.

In 2007, a Code of Conduct valid for the entire Group worldwide was drafted and published in 14 languages. The Code summarizes the basic principles of conduct to which employees at all levels must adhere. The code was launched through introductory events worldwide in 2008. The focus was on four important topics of broad relevance: bribery, sexual harassment, workplace bullying and IT misuse. A DVD with short films ("animatics") helped to address the gray areas of each topic and encourage reflection on personal behavior. In order to further anchor the content of the Code in the Company, a new communications initiative was planned last year and will be implemented in the next two years. New instruments will support dialog

and an active examination of the topics in the Code of Conduct. Concrete implementation rules for selected topics will be released and discussed as a supplement to the Code, which builds on employees' personal responsibility. Local conditions will be taken into consideration during implementation. Topics from the Code of Conduct will be integrated into the next employee survey, which is planned for 2011, to aid in improving the assessment of the quality of its implementation. Compliance with the guidelines is monitored as part of a binding annual survey of all Geberit Group companies. Internal auditing is supplemented by on-site audits. In the event of misconduct, corrective measures are taken.

## Aspect: Employment

### LA1

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

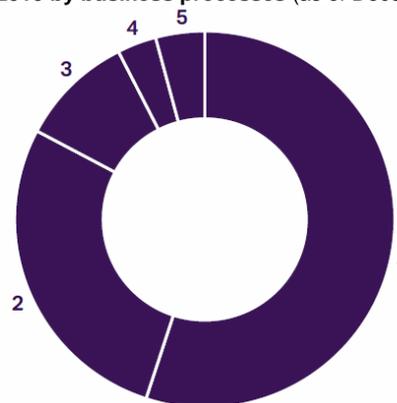
As of the end of 2010, the Geberit Group had a total of 5,820 employees worldwide (in full-time equivalents). This was 212 persons or 3.8% more than in the prior year. The increase can be attributed in large part to the takeover of the former Indian sales partner in early 2010, an increase in personnel at the plants in China, a series of minor insourcing activities and focused growth projects in various markets. As of the end of 2010, 278 or 4.8% of the workforce were part-time employees.

Employment relationship	Employment	Proportion
Unlimited	4,437	76%
Temporary	1,383	24%
<b>Total</b>	<b>5,820</b>	<b>100%</b>

#### Employees 2010 by countries (as of December 31)

	2010	Share in %	2009	Share in %
Germany	2,308	40	2,277	40
Switzerland	1,123	19	1,103	20
China	774	13	714	13
Austria	457	8	429	8
USA	242	4	241	4
Slowenia	214	4	215	4
Italy	95	2	101	2
Others	607	10	528	9
<b>Total</b>	<b>5,820</b>	<b>100</b>	<b>5,608</b>	<b>100</b>

#### Employees 2010 by business processes (as of December 31)



- 1 Production (55.0%)
- 2 Marketing and sales (27.9%)
- 3 Administration (9.6%)
- 4 Research and Development (3.6%)
- 5 Apprentices (3.9%)

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 was 4.8% (in terms of unlimited employment without natural leaves and long-term leaves of absence). Including natural leaves, it was at 8.7% (prior year: 10.4%). The following table shows figures including natural leaves.

Turnover rate 2010 per category	Reductions	Rate
Age group		
> 45	182	10.1%
30 – 45	120	6.0%
< 30	81	13.8%
Gender		
Male	241	7.5%
Female	143	12.2%
Region		
Germany	146	8.0%
Switzerland	95	9.3%
China	14	13.5%
Austria	32	7.9%
USA	30	13.6%
Others	66	8.1%

### 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. Only employees with limited-period contracts are not always entitled to the same benefits as indefinite employees. For example, employees in Switzerland with temporary employment contracts of less than three months are not insured in the pension fund. Geberit also

bases its employee benefits on country-specific standards.

## Aspect: Labor / Management Relationships

### LA4

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

An estimated 4,400 employees, and thus more than 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. The completely revamped intranet introduced in autumn 2009 has become a central channel for all electronic employee communications in the Group. The priority here is interactive, real-time communication accessible to all employees. For production employees, special solutions are being developed with newsletters and/or large screens for group use. CEO Albert M. Baehny also addresses all employees worldwide every quarter in a video – which can be accessed via the intranet – giving an assessment of the state of the Company and the current framework conditions, as well as an outlook on the future.

## 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.

Partial information on LA6:

Each production company has a safety manager. Wherever possible and expedient, this function is combined with that of the environmental manager or closely linked from an organizational point of view. 95% of the employees at all production sites and 85% of all employees worldwide have an Occupational Health and Safety Panel or Safety Committee in which employer and employee representatives can discuss occupational health and safety issues. As a rule, 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.

The Group-wide absenteeism rate for the year under review was 3.2% (prior year: 3.4%); illness-related absences accounted for 3.1% of this rate (prior year: 3.3%). As in the prior year, 0.1% of absences were due to occupational accidents. These figures now refer to the effectively performed total working hours of 10,160,370 instead of the target working hours.

Absenteeism rate 2010 per region	Illness [%]	Accident [%]	Total [%]
Europe	3,9%	0,15%	4,0%
China	0,4%	0,05%	0,5%
USA	1,2%	0,05%	1,3%
Others	0,7%	0,01%	0,7%
<b>Total</b>	<b>3,1%</b>	<b>0,1%</b>	<b>3,2%</b>

For the first time, the frequency of occupational accidents (AFR: accident frequency rate) and the severity of occupational accidents (ASR: accident severity rate) are being recorded and evaluated in a standardized manner. These rates are calculated as the number of accidents or the number of lost working days per performed total working hours times 1 million hours. The AFR was 14.7 in 2010 (prior year: 14.1); the ASR was 161 (prior year: 155). The statistics show only those work accidents that occur during working hours or business travel and which lead to downtimes of more than one day. A total of 1,639 lost working days (prior year: 1,450) and 149 accidents were recorded (prior year: 132 accidents), none of which was fatal. The number of accidents in the prior year was corrected downward by 16 because of an error in the data collection. Employees at Geberit are not exposed to an unusual extent with respect to occupational illnesses. This category is therefore not covered (see also LA8).

For the goals and measures for the enhancement of occupational safety, see also Sustainability strategy, Production on page 8. A Group-wide Safety Competence Matrix has supported the sharing of best practices since 2010.

### 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 operational activities involving a particularly high risk of contracting a serious illness or with a high incidence of illness.

One important pillar of demographic development is a properly functioning health management. At the end of 2010 all employees in Switzerland were invited to participate in a detailed health survey

administered by a specialized, external company. After completing the questionnaire, employees were presented with the findings and any risks relating to their health. In the next step, the anonymous summary of the survey results will aid the Company in defining and implementing major topics and measures.

Costs for health care plans in the US Geberit subsidiary have been increasing by more than 12% annually. A wellness program was therefore undertaken in 2008 to create incentives for a healthier lifestyle, offering monthly events on topics such as healthy nutrition and physical fitness. Employees were able to voluntarily set goals for themselves and received attractive rewards when they succeeded, such as gift certificates. By the second year, over 80% of the employees were taking part in the program. As a result of this initiative, the company was able to realize a significantly reduced increase in health care costs of 3% (US average: 10 - 15%).

As part of its Group-wide 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 on-the-job pressure, problems in 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 with authorities, trade unions and employer's liability insurance associations on a country-specific basis. With the exception of one production site, written agreements exist at all production sites as well as at 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.**

Training and further education are a central theme at the Company. In the year under review, employees attended internal and external education and further training events for around 18 hours on average (prior year: 19 hours). Geberit will collect data over the next 2 years which will permit a declaration per employee category.

In 2010, approximately 220 employees took advantage of Job Flash offerings, which boost mutual understanding and allow new insights through short assignments in other departments. This program contributes significantly to the further training of employees and the exchange of knowledge within and across sites. In 2010, 226 apprentices were employed (prior year: 211). Geberit apprentices are consistently among the best in their classes and have received numerous awards in the past ten years.

**LA11 (Additional)  
Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.**

Partial information on LA11:

Geberit relies on a Potentials Management process to ensure the high quality of the management team and to find internal candidates for at least 50% of vacant management positions. For an employee to be eligible for participation, the annual appraisal interview must identify the potential for a career step within the next two to three years. This can be a step to upper or middle management, or to an initial supervisory, project manager or specialist function. The process includes individual development measures as well as collective modules. The collective activities might include, for instance, measures from the areas of communication and conflict management or in the form of networking opportunities and company tours through to fireside chats with the Group Executive Board.

**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. Over 95% of all employees received appraisal interviews in 2010, and around 75% had target-agreement meetings at which development opportunities were also 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 2010 was 27% (prior year: 28%); in upper management this figure was 5% (prior year: 5%). The seven-member Board of Directors consists of one woman and six men. The distribution by management functions and age groups was as follows as of the end of 2010:

Age distribution (as of December 31)	Management	Employees	Total
> 45	51,4%	35,7%	36,2%
30 – 45	48,6%	42,1%	42,3%
< 30	0%	22,2%	21,5%
<b>Total</b>	<b>2,6%</b>	<b>97,4%</b>	<b>100,0%</b>

Geberit and its stakeholders do not consider issues of minority group membership as relevant. Therefore for the time being no data is being collected.

### 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. In accordance with the annual binding survey of all Geberit Group companies, no differences between the basic salaries of men and women exist anywhere in the Group. Fair and equal pay for men and women is a matter of course at Geberit and is guaranteed as follows: At Geberit, the function is the main deciding factor for determination 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 2 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 the aspects of equal treatment, freedom of association and the right to collective bargaining) and of Corporate Purchasing regarding suppliers with respect to the aspect of procurement practices. With respect to measures and goals in the area of human rights, see also Sustainability strategy, People, Code of Conduct on page 9 and Sustainability strategy, Procurement and Logistics on page 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, see HR2.

### HR2

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

Geberit requires that business partners and suppliers comply with comprehensive standards, above all with respect to consistent environmental protection, socially responsible working conditions and fair business practices. At the end of 2007, a Code

of Conduct for Suppliers was introduced for the first time, which is aligned with, among other things, the principles of the United Nations Global Compact. 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. As of the end of 2010, 563 suppliers had signed the Code of Conduct (prior year: 363 suppliers). This equates to 90% of the total procurement value (prior year: 79% of procurement value). Among the top 200 suppliers, the signatory rate is 98% (prior year: 77%), thereby meeting the 2010 targets.

As part of risk management, suppliers' environmental and social risks are assessed and assigned to various risk categories. Before a collaboration agreement can be concluded, a multiple-stage risk analysis and assessment are carried out for every new supplier, regardless of risk category. The performance of risk assessments by Geberit buyers, including environmental and social risks, was expanded for existing suppliers. The additional Group-wide portfolio analysis regarding sustainability risks revealed 56 suppliers with an elevated risk, which corresponds to less than 5% of the total procurement value. The focus going forward will be on expanding the number of on-site supplier audits, which will be coordinated with the Quality Management and Environmental/Sustainability Departments. The audits will not only verify compliance with directives, but rather great importance will be put on expanding collaborations and exchanging know-how with external partners.

**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.**

Partial information on HR3:  
The year the Code of Conduct was introduced approximately 98% of all employees were trained in its topics. 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.**

The Code of Conduct forbids discrimination as defined in the ILO core labor standards. One case

of sexual harassment was reported in 2010. 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. No business activities with respect to freedom of association or the right to collective bargaining as defined in the ILO core labor standards are at risk in the Geberit Group. No measures were taken in this regard during the year under review.

**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.**

Geberit commits itself to the protection of human rights in its Code of Conduct. Child labor is categorically rejected. This was verified and documented as part of the annual, binding reporting carried out in all Geberit Group companies. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labor standards for the exclusion of child labor.

**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.**

Geberit commits itself to the protection of human rights in its Code of Conduct. Forced and compulsory labor are categorically rejected. This was verified and documented as part of the annual, binding reporting carried out in all Geberit Group companies. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labor standards for the exclusion of forced labor.

## 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 the corporate departments Environment/Sustainability (aspect community) and Legal Services (aspects corruption, anti-competitive behavior, compliance with other basic laws).

Geberit aims to be a model of ethical, environmental and socially responsible operations. The Code of Conduct introduced in 2007 (see 4.8) is the definitive guide for conduct with integrity in the corporate environment. Fair competition throughout the world is an important principle, for example. Price fixing, cartels and other competition-distorting activities are rejected. As a member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption. For the purposes of 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). Internal auditing is supplemented by on-site audits. 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.**

See also 4.14 to 4.17.

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 houses, involvement in associations, etc.

## Aspect: Corruption

### SO2

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

The topic of corruption is a component of the audit program for the periodic inspections of the production plants and sales companies by the Internal Corporate Audit Department. Various audit activities and interviews are carried out as part of these inspections. The Internal Corporate Audit Department is also a contact point for reports on suspicions. The department inspected a total of 18 companies in 2010. This is approximately 1/3 of all Group companies. Each company is audited at least every 4 years. In addition, approximately 2 in-depth audits are carried out each year, whereby the focus is on the process audits of Group-wide functions (e.g. Purchasing, Logistics, Controlling, Marketing, etc.).

### 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, corruption/bribery and IT misuse 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. Supervisors viewed and discussed the films including the one on corruption with approximately 98% of employees throughout the Group the year they were introduced (see also HR3). Since 2009, new employees receive their training as part of their job orientation. New instruments will support dialog and an active examination of the topics in the Code of Conduct over the next two years. Concrete implementation rules for selected topics will be released and discussed as a supplement to the Code, which builds on employees' personal responsibility. Local conditions will be taken into consideration during implementation.

### SO4

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

According to the annual binding survey carried out in all Geberit Group companies, there were no known cases of corruption of any kind in 2010. The internal audits likewise found no cases of corruption in 2010.

## Aspect: Public Policy

### SO5

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

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.

In June 2010, the European Union dropped charges against Geberit and issued no fine against the Company in the scope of its investigation on illegal price fixing and the exchange of sensitive information in the sanitary industry. Numerous other manufacturers did incur considerable monetary penalties for their activities. The original charges against Geberit were not maintained by the EU Commission (see also Annual Report 2010, p. 86). There are thus no complaints alleging anti-competitive behavior pending.

Approximately 350 employees in Europe were trained in anti-trust law by means of e-learning in 2010. Since then, all new managing directors with responsibility for sales also go through this training course.

## 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 significant fines in 2010 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, product labeling and services, advertising and customer data with Marketing, and compliance with statutory requirements with Legal Services.

For Geberit, high quality standards mean fulfilling customers' requirements of functionality, reliability and application safety to the greatest 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 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 involve an increased risk to health or safety, 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.

### 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 customer with the most important 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 to facilitate recycling.

In the future, the selection of water-saving faucets and individual components will be simplified for customers: WELL (Water Efficiency Label, [www.well-online.eu](http://www.well-online.eu)), a product-classification system of the European sanitary industry, will be launched in spring 2011. The label is intended to set international standards and is similar to the already familiar energy labels.

Geberit concerned itself at an early stage with the subject of REACH (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, e.g. through the use of color pigments or auxiliary materials such as lubricating oils. Geberit is not a producer of chemicals (substances) or preparations. Consequently, Geberit is not required to 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.**

Familiarity and customer satisfaction in the regional markets is a central concern for Geberit. Geberit carried out a brand-name study in various countries in 2010. A total of 1,000 people (50% men, 50% women) between the ages of 35 and 60 in each of three countries – Germany, Italy and Poland – were surveyed about the Geberit brand. The objective was to determine how well known the brand is among sanitary brands, how many of those surveyed currently own Geberit products, and how many would like to buy a Geberit product for their bathroom in the future. Similarly high figures were revealed in all three countries, an indication of the growth potential of Geberit products in these 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 2010 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.**

Geberit adheres to the Group-wide Code of Conduct with respect to advertising. All advertising materials worldwide are inspected from this point of view prior to each publication. Geberit does not sell any products that are forbidden to be sold on certain markets or which are the subject of public controversy.

**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 2010.

**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 significant fines have been imposed in connection with Geberit products and services or their use.

## Sustainability communication and application of GRI G3 Guidelines

This report is part of systematic and transparent communication by Geberit on the topic of sustainability. Generally speaking, it is addressed primarily to the target groups of customers and partners, investors and the general public as well as company employees. The sustainability report, which appears every three years (previously in 2004, 2007, 2010), and which is directed at all target groups, the GRI Report for specially interested stakeholders and investors and comprehensive reporting on the Internet have already proven their usefulness.

The GRI Report at hand (as compiled before on the financial years 2006, 2007, 2008 and 2009) presents all of the significant information in the sequence of the GRI indicators. The Geberit sustainability reporting for 2010 (GRI Report, with references to the Annual Report 2010 and the Internet) complies with the GRI G3 guidelines at the "A-Level: GRI Checked." Application Level A, which Geberit has achieved, corresponds to the highest degree of transparency. Information concerning all points contained in the GRI guidelines is disclosed.

Report Application Level	C	C+	B	B+	A	A+
Standard Disclosures	<b>G3 Profile Disclosures</b> OUTPUT 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	<b>G3 Management Approach Disclosures</b> OUTPUT Not Required	<b>G3 Performance Indicators &amp; Sector Supplement Performance Indicators</b> OUTPUT 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
	Report on a minimum of 10 Performance Indicators, including at least one from each of: social, economic, and environment.		Management Approach Disclosures for each Indicator Category	Management Approach disclosed for each Indicator Category		
	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

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

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## Statement GRI Application Level Check

GRI hereby states that **Geberit AG** has presented its report “GRI Report on the financial year 2010” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

07 March 2011, Amsterdam

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 22 February 2011. GRI explicitly excludes the statement being applied to any later changes to such material.