

ANNUAL REPORT 2021

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Geberit Group

Business Report

Business Report

Editorial

Editorial



Dear shareholders,

We look back on an extremely successful, but from an operational point of view very challenging financial year. The situation in the construction industry was positive in most regions. COVID-19-related catch-up effects largely led to pleasing growth figures. In the last six quarters, net sales for the Geberit Group grew around three times faster than the long-term average. At the same time, this sudden strong growth represented an extremely challenging situation for our entire organisation, particularly in Purchasing, Production, Logistics and Sales. The further increase in results compared to the previous year was based on our structural and financial strength as well as our prudent crisis management right from the start of the COVID-19 pandemic. This enabled us to further consolidate our position as leading supplier of sanitary products and gain market shares.

Record sales growth

In 2021, consolidated net sales rose by 15.9% to CHF 3,460 million – the strongest sales growth since going public in 1999. This development comprised an increase in local currencies of 14.7% and a positive foreign currency effect of 1.2%. The exceptional sales growth was due to the positive base effect and the home improvement trend as a result of COVID-19, the build-up of inventories in the construction industry and market share gains. Despite the considerable challenges arising along the supply chains, we were able to safeguard product availability. When compared with 2019 – and thus with net sales before the COVID-19 pandemic – also exceptionally strong growth after currency adjustments of 16.4% was seen across all regions.

Operating margins at the high level seen in the previous year

Results saw significant double-digit increases at all levels. Operating cashflow (EBITDA) increased by 15.6% to CHF 1,069 million, which corresponds to an EBITDA margin of 30.9% (previous year 31.0%). The significant increase was largely due to the exceptional volume growth. Raw material prices, which have risen massively since the end of 2020, as well as substantially higher energy and freight costs had a negative impact on margins. However, these negative effects were partially offset by regular as well as extraordinary price increases. Results were also curtailed by the partial normalisation of marketing costs compared to the previous year. Currency effects had no significant impact on operating margins. The increase in the operating result and an improvement in the financial result led to an increase in net income of 17.7% to CHF 756 million, corresponding to a return on net sales of 21.8% (previous year 21.5%). By comparison, earnings per share saw a disproportionate increase of 18.9% to CHF 21.34 due to the positive impact of the share buyback programme. Free cashflow increased by 12.8% to a new record high of CHF 809 million. The free cashflow margin reached 23.4% (previous year 24.0%).

Above-average employee satisfaction and identification

In the spring of 2021, we carried out a worldwide survey among the employees. The Group-wide participation rate was a high 79%. The results confirmed that Geberit offers attractive working conditions and that the employees demonstrate an above-average level of both motivation and loyalty. According to the comparative values of the independent consulting firm Korn Ferry, which conducted the survey, our results are well above the average in the industrial sector. Furthermore, they are also better overall than the results of the comparison group of particularly high-performing companies, which have an above-average score in terms of employee commitment and empowerment.

79%

Participation rate

The Group-wide participation rate was a high 79%.

80%

Recommendation

80% of the participants would recommend Geberit as a good employer.

80%

Loyalty

80% of the participants plan to work at Geberit for at least another five years.

94%

Success

An overwhelming majority believes in the success of Geberit in the next two to three years.

92%

Innovation

92% of the participants credit Geberit for its high innovative strength in the development of new products and services.

An overwhelming majority of the employees identifies very strongly with Geberit. Four-fifths of all those asked are proud to work for the company and would recommend it as an employer. 80% plan to work at least another five years at Geberit. In particular, the colleagues at work, the management and the corporate culture are seen as very positive. More than 90% of the participants believe in the future of the company and in its innovative strength in the area of product development. And something not to be underestimated: four out of five employees see Geberit as an environmentally conscious company. The survey also confirms the employees' trust in the leadership. Over 70% trust the management team and feel supported by their direct supervisors in terms of training and development.

Among other things, there is potential for improvement in the work-life balance perceived by employees – an effect of the high level of orders since the start of the pandemic; nevertheless, 60% of the workforce still finds the ratio of working time to private life appropriate. As this is not the only area where there are significant differences between the individual Geberit sites, measures for improvement will be defined and implemented at local and departmental level following consultation with the employees.

Equal pay analysis

An equal pay analysis in Switzerland, reviewed externally, confirmed that equal pay between female and male employees is upheld.

Face-to-face training extended by innovative online concepts

In the reporting year, many industry events such as trade fairs, training courses and seminars were once again, at least in part, held digitally. We took this development into account both in our direct customer service approach and in market cultivation with a number of measures and innovative concepts. This is why, for example, in spring 2021 we came up with the global online event “Geberit Innovation Days” – to be able to present new products and maintain dialogue with the professional community. A hybrid trade fair booth – the “House of Geberit” – was set up for this purpose. While an actual booth packed with numerous new products was constructed across an area of more than 300 m², it was only possible to visit it online – hence the hybrid tag. During the Innovation Days in March and April, around 10,000 interested parties from more than 40 countries logged on and visited

the webinars on offer. All webinars were uploaded to the local Geberit websites after the Innovation Days and visited more than 53,000 times by the end of the year.

In spite of the restrictions in place due to the pandemic, it was possible to provide around 36,000 (previous year 27,000) professionals with face-to-face training on products, tools, software tools and installation skills at the 30 Geberit Information Centres in Europe and overseas. This more or less corresponds to the number of participants recorded before the pandemic. At the same time, local events and counter days were organised in numerous markets – often together with wholesalers – to train craftsmen on new products. More than 38,000 customers took part in such events. The normalisation in face-to-face training and the personal transfer of know-how and expertise resulted in a decline in the number of web-based seminars and training sessions, with a total of 29,000 participants (previous year 52,000). Nevertheless, webinars and eLearning courses that take place over the Internet now occupy a firm and important place in our training offer.

New products for our markets worldwide

In 2021, we once again expanded our product range, launching numerous new products on the market. With FlowFit, we introduced a new piping system for drinking water and heating applications. The pressfittings in the connection technology not only set new standards in terms of easy and reliable installation, but also in terms of their flow characteristics. The development of FlowFit all the way through to series production was one of the most financially significant development projects in our history. Among other things, we also expanded the integrated bathroom series Geberit ONE launched in 2019 with numerous components and configuration options, and introduced an electronically controlled sanitary flush, integrated in concealed cisterns, as well as a concealed cistern developed for the markets in Asia and Africa.

High-performance and efficient production network

The Geberit Group operated 26 plants at the end of the reporting year, 22 of which are located in Europe, two in the US, one in China and one in India. The activities of three smaller plants in China, the US and Ukraine were integrated into other, larger sites due to a lack of critical size and partly poor logistical connections.

The productivity of the production network increased in the reporting year by 5.9%. This increase is essentially due to four factors: the continued optimisation of organisation and process workflows, the automation of individual manufacturing steps, the reduction of scrap rates in ceramics production and the less than proportional low increase in the number of staff in non-manufacturing areas of the company.

The unexpectedly high level of sales in the reporting year posed major challenges to the entire production network. Our plants and the employees who work there once more demonstrated their high performance and flexibility. At many sites, there were months of extra shifts to simply cope with the order load. Matters were complicated further by the simultaneous shortage of various raw

materials. Despite the high capacity utilisation, numerous measures and projects were again initiated, promoted or brought to a conclusion in the reporting year, with the aim of optimising the efficiency of production processes, increasing capacities, and improving energy and material efficiency.

Further improvement of environmental performance at a high level in the reporting year

The absolute environmental impact of the Geberit Group increased in 2021 by 4.0%; this was accompanied by an increase in the currency-adjusted net sales in the same period of 14.7%. In contrast, the environmental impact in relation to currency-adjusted net sales (eco-efficiency) decreased by 9.3%. Since the integration of the energy-intensive ceramics production in 2015, eco-efficiency has improved by 40.9%. As regards the long-term target, which is based on an average annual improvement of 5% per year, we therefore remain very well on course.

Due to the strong volume growth, CO₂ emissions increased in comparison to 2020 by 5.1% to 217,009 tonnes. In relation to currency-adjusted net sales, however, emissions decreased by 8.4%. This means that in turn we were able to exceed the targets for reducing CO₂ emissions set within the framework of the CO₂ strategy.

New CO₂ strategy for further reduction of emissions

For many years now, we have been committed to reducing our environmental impact and contributing to achieving global climate goals. We developed a new CO₂ strategy to reduce emissions further. This new strategy is a continuation of the successfully implemented strategy 2015–2021. Since the acquisition of the energy-intensive ceramics production in 2015, we have been able to reduce CO₂ emissions in relation to currency-adjusted net sales (CO₂ intensity) by an average 7.7% per year. In comparison with 2015, this represents a reduction of 38.3%. It was also possible to reduce absolute CO₂ emissions to below the target value of 240,000 tonnes (2021: 217,009 tonnes). This meant the main goals of the strategy were exceeded. These results mean that between 2015 and 2021, we overfulfilled the target (Scope 1 and 2) specified in the Science Based Targets Initiative (SBTi) of limiting global warming to “well below 2°C” above pre-industrial levels.

As part of the new CO₂ strategy, we are extending tested and successful measures and adding new elements to them. As the Geberit Group, we stand for an ambitious and implementation-oriented approach in our activities. This also applies to the new CO₂ strategy. The central element is the integration of the CO₂ strategy in all relevant and existing business processes as well as the handling of CO₂ emissions as external costs by means of internal CO₂ pricing. In this way, Geberit wants to ensure that the procedure of reducing the company's carbon footprint is widely supported within the company, incorporated in daily business activities, and that the measures taken have a long-term, sustainable effect.

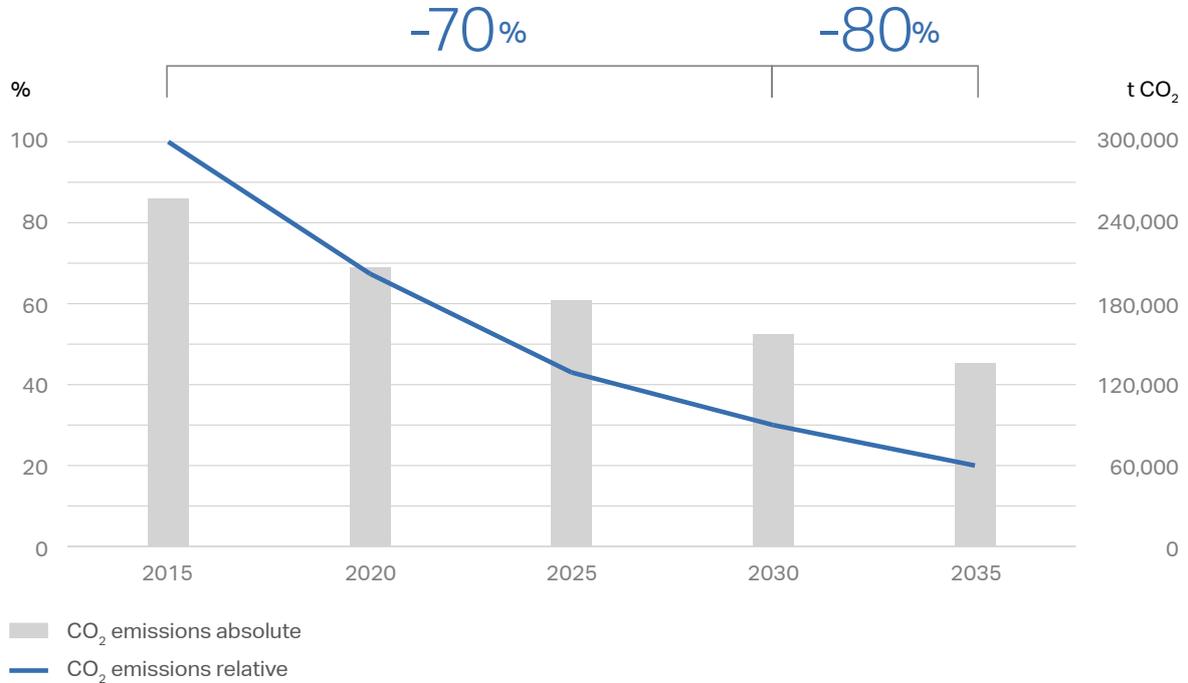
Overview of measures to reduce CO₂ emissions

Transparency	<ul style="list-style-type: none"> • Scope 1&2: Monthly CO₂ and KPI reporting • Scope 3: Improve transparency of CO₂ footprint of products
Accountability	<ul style="list-style-type: none"> • Focus on short-/mid-term targets • Annual bonus relevant CO₂ target (20% weight) and mid-term reduction of CO₂ intensity by 5% p.a.
CO ₂ pricing	<ul style="list-style-type: none"> • Ecologically/economically efficient decision-making • Internal CO₂ pricing: reference price and project specific CO₂ price
Energy	<ul style="list-style-type: none"> • Energy reduction via energy masterplan and rolling CO₂ forecasting for large plants • Increase of renewable energy sourcing and evaluation of alternative energy sources, e.g., photovoltaics, PPA
Structural reduction	<ul style="list-style-type: none"> • Scope 1&2: Reduction/reusage of ceramics waste; evaluation of new ceramics production technologies, e.g., H₂ • Scope 3: Eco-design for product development
Offsetting or removal	<ul style="list-style-type: none"> • External CO₂ offsetting or removal based on CO₂ reference price

The new CO₂ strategy thus combines ecological and economic sustainability and focuses on short- and medium-term, realistic and measurable objectives. The goal is to reduce CO₂ intensity by an average 5% per year. As a result, absolute CO₂ emissions will be reduced long term to 136,000 tonnes by 2035 if the short- and medium-term goals are achieved. In comparison with the reference year 2015, the relative CO₂ emissions will be reduced by 70% by 2030 and by 80% by 2035. The envisaged reduction (Scope 1 and 2) is in line with the target specified in the Science Based Targets Initiative (SBTi) of limiting global warming to “well below 2°C” above pre-industrial levels.

Short- and medium-term goals with long-term effect

(Index: 2015 = 100)



For more details, see the [→ new CO₂ strategy](#) and the [→ Sustainability Performance Report](#).

Circular economy and eco-design

The aim of the circular economy is to operate an economic cycle in the most resource and environmentally friendly way possible. The service life of a product plays a pivotal role here. The longer a product can be used, the lower the resource input per use. One of Geberit’s key contributions to the circular economy is therefore to achieve the longest possible product life thanks to high-quality materials and strict quality requirements. Geberit products typically have a service life spanning several decades. The service life often exceeds 50 years, for example in the case of plastic discharge pipes. An important contribution to the service life is that a significant proportion of the product range also has a guaranteed spare parts availability of 25 years. Furthermore, many Geberit products can be cleaned, maintained and repaired easily. The fact that new products and innovations are backwards-compatible – for example in the case of actuator plates – is also an important contribution to a longer service life of a previously installed product.

Since 2007, Geberit has consistently used the eco-design principle for the development of its own products. All environmental aspects are examined and the circular economy taken into account, from the selection of raw materials right through to disposal. Every new product has to be better than its predecessor from an ecological perspective. The energy efficiency and the water consumption of the products in the product use phase are continuously improved. Thanks to an intelligent redesign, around half of the material used for the fill and flush valves launched in 2021 for the range of floor-

standing WCs in the Nordic countries is made of high-quality ABS regranulate, for example. Since 2007, the systematic eco-design principle has been used in more than 170 product developments. In production, the goal is to close internal material cycles, and to minimise waste and recycle it where appropriate. For example, almost 100% of plastic waste is recycled internally and reused, which corresponded to around 10,000 tonnes of plastic in 2021.

Continued attractive distribution policy

The Geberit share price started the trading year 2021 at CHF 554.20 and closed at CHF 745.20, corresponding to an increase of 34.5%. In the same period, the Swiss Market Index (SMI) posted gains of 20.3%. Viewed over the past five years, the Geberit share posted an annual average increase of 12.8% (SMI +9.4%). As in the past, we wish to let the shareholders benefit from the very good development of the business and will maintain the attractive distribution policy of previous years. Therefore, we will propose to the General Meeting an increase in the dividend of 9.6% to CHF 12.50. The payout ratio of 59.0% of net income is in the mid-range of the 50% to 70% corridor defined by the Board of Directors.

In 2021, CHF 405 million was distributed to shareholders as part of the dividend payment. The share buyback programme launched on 17 September 2020 was continued. In the reporting year, 250,000 shares were acquired at a sum of CHF 166 million. CHF 571 million, or 70.6% of the free cashflow, was therefore distributed to shareholders during the reporting year as part of the dividend payment and the share buyback programme. Over the last five years, we have paid out around CHF 2.6 billion to shareholders in the form of distributions or share buybacks, which corresponds to 80.7% of the free cashflow in this period.

Changes in the Board of Directors and the Group Executive Board

At the General Meeting on 14 April 2021, Thomas Bachmann was elected as a new member of the Board of Directors at Geberit AG, replacing Hartmut Reuter who did not stand for re-election.

The Board of Directors has appointed Tobias Knechtle as the new Head of Group Executive Area Finance (CFO) and as a member of the Group Executive Board with effect from 1 January 2022. Tobias Knechtle joined the company on 1 November 2021 and replaces Roland Iff, who retired at the end of 2021 following 17 years as CFO at Geberit.

Sincere gratitude

We owe the very good results in the reporting year – in a once again challenging operating environment – to the great commitment, high degree of motivation and expertise of our employees. We wish to express our thanks and appreciation for their exemplary performance. Our customers again deserve special thanks for their trust and constructive collaboration. Last but not least, we also wish to express our gratitude to you, esteemed shareholders, for your continued great trust in our company.

Outlook for the year 2022

As a result of the ongoing considerable uncertainties in relation to the COVID-19 pandemic and its further development, the unstable geopolitical situation as well as, generally, the lack of visibility, it remains very difficult to provide an outlook, which is why this has been dispensed with in this annual report.

In the coming year, the objective is again to perform strongly in all markets and, as in previous years, to gain further market shares. To this end, significant contributions will be made by new products introduced in recent years, the focus on markets in which Geberit products or technologies are still under-represented, and the further expansion of the shower toilet business. In line with the Geberit strategy, these measures shall be accompanied by efforts to continuously optimise business processes in order to be able to achieve continued high margins and a strong free cashflow also in 2022. Based on the strong foundation already built up over the past decades, our sustainability performance should also continue to improve.

Both the Board of Directors and the Group Executive Board are convinced that the Geberit Group is very well equipped and positioned to meet current and upcoming opportunities and challenges. The possibilities offered as a result of combining technical know-how in sanitary technology "behind the wall" and design expertise "in front of the wall" will continue to be firmly seized. In 2022, focal points will again be the continued implementation of our digitalisation strategy as well as our new CO₂ strategy. Experienced and highly motivated Geberit employees, a number of promising products that have been launched in recent years and product ideas for the more distant future, a lean and market-oriented organisation, an established cooperation based on trust with the market partners in both commerce and trade, and the Group's continued solid financial foundation are vital to its future success.

Yours sincerely,



Albert M. Baehny
Chairman of the Board of Directors



Christian Buhl
CEO

Business Report

Geberit share information

Share price performance in the reporting year

The Geberit share price started the trading year 2021 at CHF 554.20. Following a much stronger increase compared to the market – particularly from the end of March onward – the share price reached an all-time record high of CHF 775 in mid-August. Following some mainly market-related downturns in September, the share price then recovered and closed the trading year at CHF 745.20, corresponding to an increase of 34.5%. In the same period, the Swiss Market Index (SMI) posted gains of 20.3%. Viewed over the past five years, the Geberit share posted an annual average increase of 12.8% (SMI +9.4%). The Geberit Group’s market capitalisation reached CHF 26.7 billion at the end of 2021.

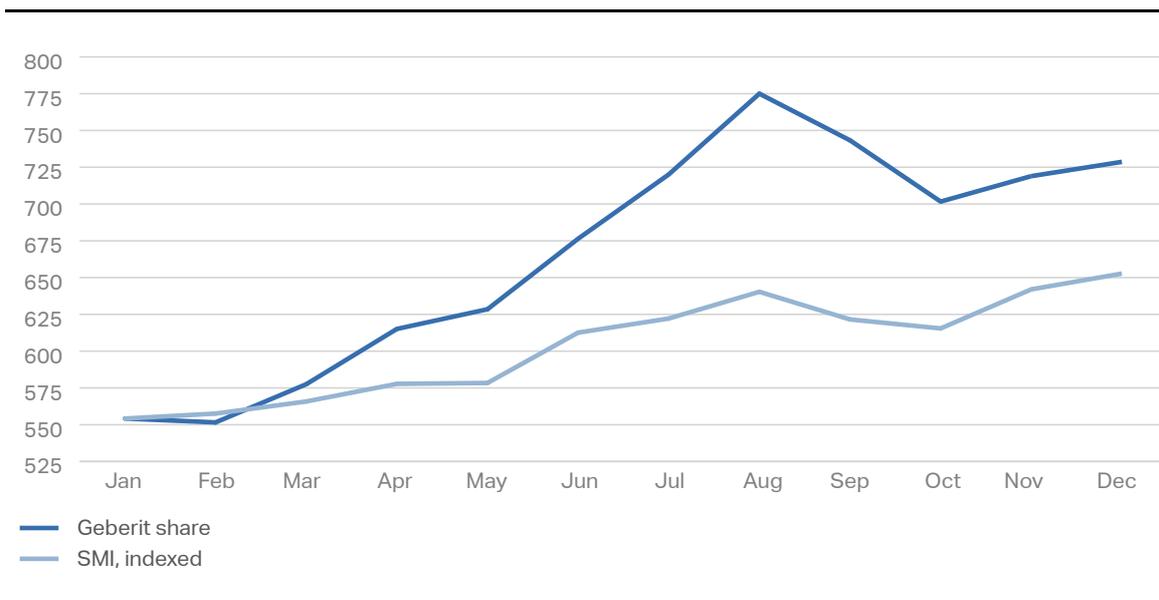
The Geberit shares are listed on the SIX Swiss Exchange, Zurich.

At the end of 2021, the free float as defined by SIX was 100%.

Share price development

1.1.–31.12.2021

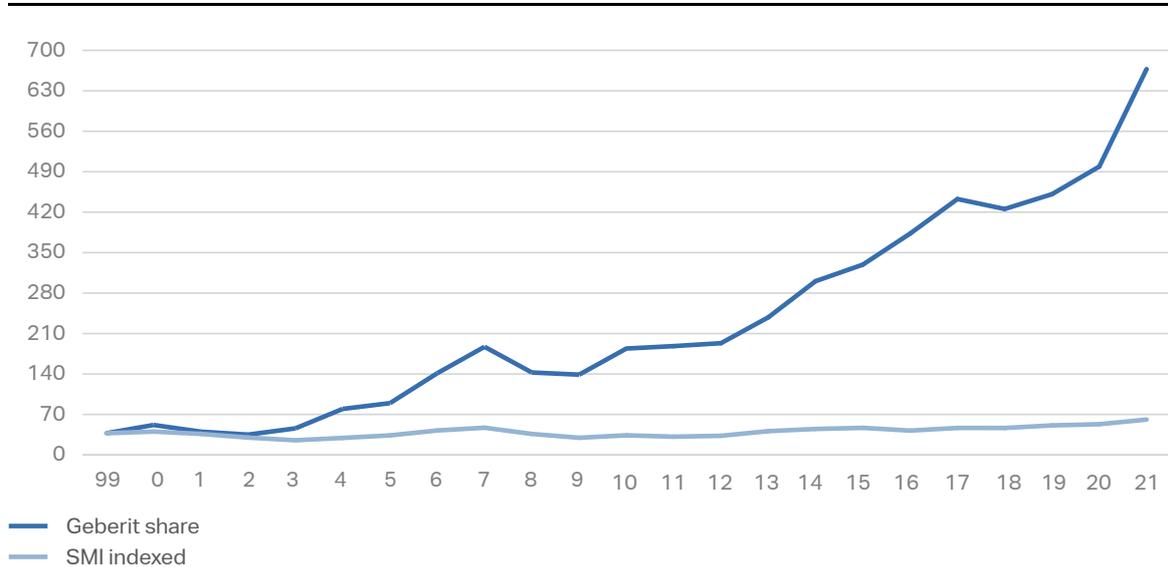
Monthly average share price



Source: Refinitiv

Share price development
22.6.1999 (IPO)–31.12.2021

Annual average share price



Basis: 1:10 stock split implemented on 8 May 2007
 Source: Refinitiv

Distribution

Given a stable market environment, Geberit achieves high free cashflow, which is used to repay debts, applied towards any acquisitions or distributed to shareholders. The capital structure is prudently maintained, and the company strives for a solid balance sheet structure with a buffer of liquidity. On the one hand, this policy guarantees the financial flexibility necessary to achieve growth targets, and, on the other hand, it offers investors security. Surplus liquid funds are distributed to shareholders. Geberit continued this shareholder-friendly distribution policy last year as well.

In 2021, CHF 405 million was distributed to shareholders as part of the dividend payment. The share buyback programme launched on 17 September 2020 was continued. In the reporting year, 249,699 shares were acquired at a sum of CHF 166 million. CHF 571 million, or 70.6% of the free cashflow, was therefore distributed to shareholders during the reporting year as part of the dividend payment and the share buyback programme.

Over the last five years, around CHF 2.6 billion has been paid out to shareholders in the form of distributions or share buybacks, which corresponds to 80.7% of the free cashflow in this period.

Total distribution to shareholders and share buybacks

(in CHF million)

	2017	2018	2019	2020	2021	Total
Distribution	368	381	389	404	405	1,947
Share buyback	92	185	47	167	166	657
Total	460	566	436	571	571	2,604

The Board of Directors will propose to the ordinary General Meeting of Geberit AG on 13 April 2022 an increase in the dividend of 9.6% to CHF 12.50. The payout ratio of 59.0% of net income is in the mid-range of the 50% to 70% corridor defined by the Board of Directors.

Distribution paid

(in CHF per share)

	2017	2018	2019	2020	2021
Dividend	10.00	10.40	10.80	11.30	11.40

Major data relating to the Geberit share

	31.12.2021
Registered shareholders	38,826
Capital stock (CHF)	3,587,433.30
Number of registered shares	35,874,333
Registered shares	20,125,682
Treasury shares	714,037
Stock exchange	SIX Swiss Exchange, Zurich
Swiss securities identification number	3017040
ISIN code	CH0030170408
SIX Financial Information	GEBN
Refinitiv	GEBN.S
Bloomberg	GEBN.VX

Key figures

(in CHF per share)

	2020	2021
Net income	17.95	21.34
Free cashflow	20.04	22.84
Equity	53.70	56.13
Distribution ¹	11.40	12.50

¹ Subject to approval of the General Meeting 2022

Communication

Geberit publishes current and comprehensive information simultaneously for all market participants and interested parties on the website → www.geberit.com, including ad hoc announcements. Among other things, the current version of the investor presentation is available on the website at any time. In addition, interested parties may add their names to a mailing list → www.geberit.com/maillinglist in order to receive the most recent information relating to the company.

CEO Christian Buhl, CFO Tobias Knechtle and the Head Corporate Communications & Investor Relations Roman Sidler are in charge of communication with shareholders, the capital market and the general public. Contact details can be found on the website in the relevant sections. Information relating to Geberit is provided in the form of regular media information, media and analysts' conferences, as well as financial presentations.

Contact may be established at any time at → corporate.communications@geberit.com

Comprehensive share information can be found at → www.geberit.com > investors > share

Time schedule

	2022
General Meeting	13 Apr
Dividend payment	21 Apr
Interim report first quarter	4 May
Half-year report	18 Aug
Interim report third quarter	3 Nov
	2023
First information 2022	19 Jan
Results full year 2022	8 Mar
General Meeting	19 Apr
Dividend payment	25 Apr
Interim report first quarter	2 May
Half-year report	17 Aug
Interim report third quarter	2 Nov

(Subject to minor changes)

Business Report

Management structure

1 January 2022

Board of Directors

Chair Albert M. Baehny	Vice Chair Eunice Zehnder-Lai
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CEO	Sales Europe	Sales International	Marketing & Brands	Products & Operations	Finance
Chief Executive Officer Christian Buhl	Member Executive Board Clemens Rapp	Member Executive Board Ronald van Triest	Member Executive Board Martin Baumüller	Member Executive Board Martin Ziegler	Member Executive Board Tobias Knechtle
Human Resources Roland Held	Germany Kerstin Wolff	North America Dominic Rice	Digital Kai Hildebrandt	Purchasing Adriaan 't Gilde	Controlling Fabian Huber
Communications/ Investor Relations Roman Sidler	Switzerland Reto Bättig	Far East/Pacific	Installation and Flushing Systems/ Bathroom Systems Tobias Mayr	Logistics Gerd Hailfinger	Treasury Thomas Wenger
Strategic Planning Michael Reinhard	Nordic Countries Lars Risager	China Tony Zhang	Piping Systems Renato Di Rubbo	Production Plants P & M* Robert Lernbecher	Information Technology Johan Engvall
Sustainability and Process Management Roland Högger	Italy Giorgio Castiglioni	NSEA Simon Wong	Marketing Operations Daniela Koch	Production Plants C & M** Martin Ziegler	Taxes Kirstin Loew
Shower Toilets Margit Pfeifer	The Netherlands Menno Portengen	Pacific Eric Lander	Master Data Management Jürgen Lay	Production Plants CER*** Simon Imhof	Legal Albrecht Riebel
	Belgium José Wyns	Middle East/Africa Daniel Engelhard	Technical Documentation Werner Trefzer	Quality Andreas Lange	Internal Audit Martin Reiner
	Austria Guido Salentinig	South Africa Mark Schurr	Training & Education Florian Maurer	Technology/ Innovation Thomas Mattle	
	France Yves Danielou		IP Management Ari Tervalá	Accredited Test Laboratory Markus Tanner	
	United Kingdom Mark Larden			Products Installation and Flushing Systems Marcel Heierli	
	Poland Przemyslaw Powalacz			Products Piping Systems Arnd Gildemeister	
	Ukraine Oleksii Rakov			Products Bathroom Systems Jörn Ikels	
	Czech Republic/ Slovakia Vladimir Sedlacko				
	Adriatic Region Miran Medved				
	Iberian Peninsula David Mayolas				
	Russia Irina Buralkina				
	Hungary Tamás Kószeghy				
	Romania Catalin Mitroi				
	Key Account Management Michael Albrecht				
	Business Development/OEM/ Industry Tobias Beck				

* P & M: Plastics and Metal

** C & M: Composite and Metal

*** CER: Ceramics

Business Report

Business and financial review

Strategy and goals

Strategy

With its innovative solutions in the field of sanitary products, Geberit aims to achieve sustained improvement in the quality of people’s lives. The proven, focused strategy for doing so is based on the four pillars “Focus on sanitary products”, “Commitment to innovation and design”, “Selective geographic expansion” and “Continuous optimisation of business processes”.



1. **Focus on sanitary products:** Geberit concentrates on installation and flushing systems for sanitary facilities, piping systems for transporting water in buildings, as well as bathroom systems. In these areas, Geberit has comprehensive know-how and supplies high-quality, integrated and water-saving sanitary technology as well as attractive design.
2. **Commitment to innovation and design:** Continuously optimising and extending the product range is crucial for future success. Innovative strength is founded on research in areas such as hydraulics, acoustics, statics, fire protection and hygiene, as well as process and materials technology. The insights gained are systematically applied in the development of products and systems for the benefit of customers. The focus here – where appropriate – is on the combination of design and functionality.
3. **Selective geographic expansion:** An important factor in long-term success is stronger growth in markets in which Geberit products or technology are still under-represented. Outside Europe, Geberit concentrates on the most promising markets. These include North America, China, South East Asia, Australia, the Gulf Region, South Africa and India. With the exception of North America and Australia, the company mainly engages in project business in these markets. The company always adheres strictly to the existing high standards in terms of quality and profitability.
4. **Continuous optimisation of business processes:** Efficient processes will help to establish a leading and competitive cost structure on a long-term basis. Process optimisation will be partly achieved through Group-wide projects and partly through employees identifying improvement potential in their day-to-day work, thus making a major contribution toward positive development.

The following growth and earnings drivers are crucial to implementing the strategy and achieving the ambitious → medium-term goals:

Growth

<p>1 Focus on sanitary products</p>	<p>"Push-Pull" business model, which concentrates on the key decision-makers in the sanitary industry (wholesalers, plumbers and sanitary engineers, architects, general contractors, investors, showroom operators)</p> <p>Technology penetration, which involves replacing outdated technologies with new, more innovative sanitary products and systems</p> <p>Value strategy to increase the proportion of higher-added-value products – particularly in markets in which Geberit products already have a high degree of penetration</p>
<p>2 Commitment to innovation and design</p>	<p>Innovation leadership in the sanitary industry in order to set new standards and to get additional competitive advantages</p>
<p>3 Selective geographic expansion</p>	<p>Selective technology penetration of new markets where sustainable, profitable and organic growth are possible through the introduction of or the market penetration with European sanitary technology</p>

Profitability

<p>4 Continuous optimisation of business processes</p>	<p>Continuous process and cost optimisation to protect the high operating margins and competitive advantages</p>
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Strategic success factors

The success of the Geberit Group is based on a series of success factors. The most important are:

- a clear and long-term strategy with a focus on sanitary products
- solid, sustainable → growth and profitability drivers
- a strong competitive position
- an innovative product range, developed in accordance with customer needs
- a proven, customer-focused business model
- a → sustainability-oriented business management philosophy
- a stable management team
- a lean, functional organisation with clear responsibilities
- a result- and customer-oriented, partnership-based and down-to-earth → corporate culture

Medium-term goals

Geberit has set itself the goal of establishing new standards for sanitary products, continually developing these standards and thereby gaining market shares. Among other things, this approach yields sales growth that outstrips the industry average. Basically, Geberit is aiming to achieve its sales targets while at the same time maintaining its industry leadership in terms of profitability and the ability to generate high cashflows.

The growth in net sales in local currencies, after adjustments for acquisitions, is expected to be between 4 and 6 percent in the medium term as an average over one economic cycle, and an operating cashflow (EBITDA) margin of between 28 and 30 percent is expected to be achieved. The return on invested capital (ROIC) target was achieved in 2021; the ROIC should be further increased continuously in the medium term. Furthermore, an average reduction in CO₂ intensity of 5 percent per year was set as a further target as part of the [→ new CO₂ strategy](#).

In order to cope with growth and to be prepared for upcoming major projects, greater investments are currently being made in property, plant and equipment – around 6 percent of net sales in the medium term.

Further growth through acquisitions has not been ruled out. However, any potential acquisition will have to satisfy strict strategic and financial criteria.

Value-oriented management

Value orientation aspects are considered in all areas of the company.

The remuneration model for Group management as a whole (220 employees) involves a remuneration portion that is dependent on the company's performance and which is now calculated on the basis of → five equally weighted key figures – including the value-oriented key figure "return on invested capital" (ROIC). In addition to the salary, there is an annual option plan for the Group Executive Board and other management members. Allotments under the option plan are also linked to a target figure for return on invested capital. Details can be found in the → Remuneration Report .

Investments in property, plant and equipment are approved only if strict criteria are met. In this context, it is imperative that an investment return be achieved that exceeds the cost of capital and thus includes a premium.

In the interests of value-oriented management, important investment projects are tracked over the long-term following project completion, and the achievement of objectives is evaluated annually by the Group Executive Board.

Risk management

For information on risk management, see also → Corporate Governance, 3.7 Information and control instruments vis-à-vis the Group Executive Board, third paragraph.

As part of the process of risk identification, risk analysis and risk management, the following risks have been rated as significant for the Geberit Group:

Performance of the European building construction industry

Renovations, which are less cyclical, account for a significant share of total sales. Consequently, the Geberit Group is well protected against fluctuations in construction activity. Given that modern sanitary technology still has relatively low levels of penetration in many markets, there is also a considerable degree of long-term potential for sales growth – regardless of the economic climate.

Availability of raw materials

Professional, institutionalised purchase processes help to ensure that raw materials are available.

Changes in the competitive environment

Innovative products as well as the comprehensive range of products in place since the integration of the ceramics business ensure that the Geberit Group is able to maintain its leading market position. The company's partnership with the craft sector and its constructive collaboration with wholesalers also play a key role as part of the three-stage sales model.

Information technology

The Geberit Group is continually working to improve the security of its IT infrastructure. This includes taking defensive measures against cyberthreats as well as detecting and dealing with any cyberattacks efficiently. Extensive measures have been established in the interests of business continuity.

The company's IT systems undergo a comprehensive and detailed security check involving the input of an external specialist on a regular basis. A further security check took place in 2021, with the goal of examining whether the IT systems are also adequately prepared and protected against newly emerged risks. The check confirmed an adequate level of security, with a stable situation in comparison to the last security check in 2018. All in all, Geberit is thus comparable to companies of a similar size and complexity in the industrial sector. These risks are to be continuously checked and permanently monitored in future.

Compliance with laws

The Geberit Group is exposed to certain legal risks that arise from normal business activity. Comprehensive → compliance processes are in place for the purpose of preventing violations of the law or regulations.

Management of currency risks

In general, the effects of currency fluctuations are warded off as far as possible with an efficient natural hedging strategy. This entails making sure that costs in the various currency areas are incurred in the same proportion in which sales are generated. As a consequence of the natural hedging strategy, currency fluctuations have no significant impact on operating margins. Gains and losses result mainly from the translation of local results into Swiss francs (translation effects). In terms of a sensitivity analysis, the following changes can be assumed if the Swiss franc should be 10% weaker or stronger than all other currencies:

- Net sales: +/-9%
- EBITDA: +/-9%
- EBITDA margin: +/-0 percentage points

For more information on the management of currency risks, see also the → [Financial Statements of the Geberit Group, Notes to the Consolidated Financial Statements, 4. Risk Assessment and Management, Management of Currency Risks](#) and the → [Financial Statements of the Geberit Group, Notes to the Consolidated Financial Statements, 15. Derivative Financial Instruments](#).

Financial Year 2021

Market environment

Market environment still impacted by COVID-19

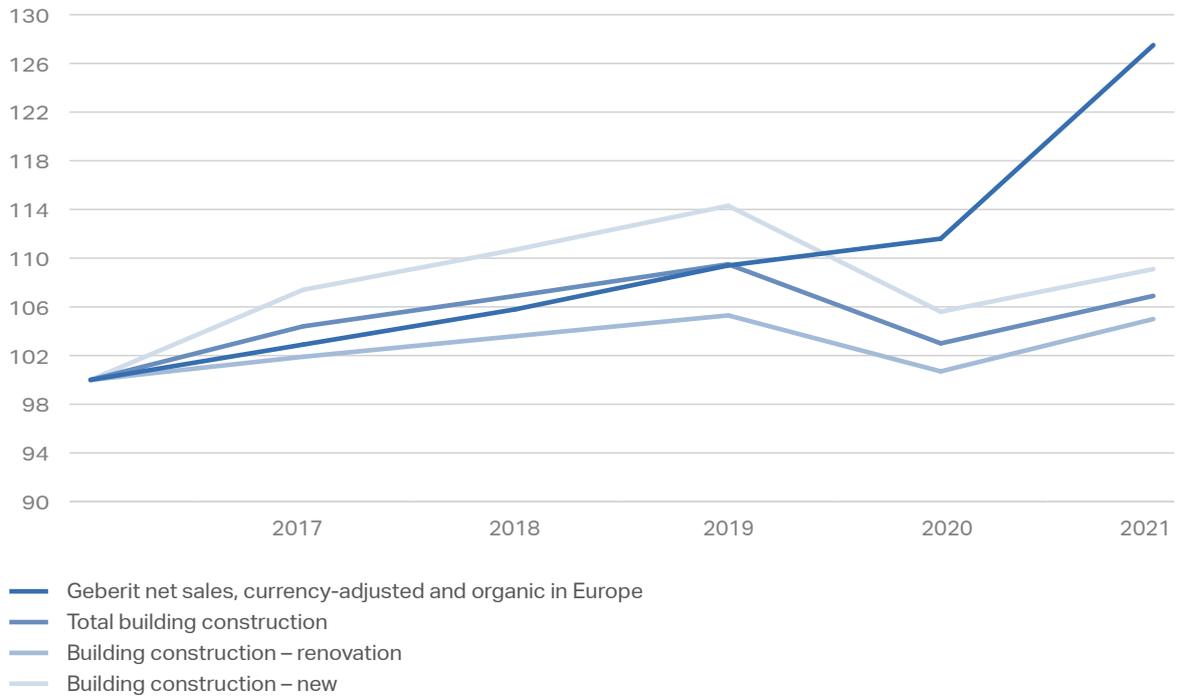
The construction sector developed positively in most regions in 2021. COVID-19-related catch-up effects largely led to pleasing growth figures in the market environment.

In November 2021, the construction market research network Euroconstruct forecasted an increase in building construction for **Europe** in 2021 of 5.8%, much higher than the previous estimation made in mid-2021 (+3.8%). At 5.4%, new construction is seen by the forecast as growing slightly less strongly than renovations (+6.2%). Non-residential construction (+3.7%) recorded weaker growth than residential construction (+7.1%). According to Euroconstruct, countries that are important to Geberit in terms of sales developed very positively in 2021 – depending on the degree of pandemic impact in the previous year: Italy +16.3%, United Kingdom +12.5%, Belgium +10.8%, Sweden +9.2%, France +7.0%, Denmark +5.7%, Austria +5.3%, the Netherlands +2.0% and Switzerland +2.0%. Of the most important countries, only Germany showed a slight decrease in growth at -0.5%. According to the figures in the October 2021 edition of the IMF World Economic Outlook, a significant share (around 20%) of the global recovery in economic performance originated in Europe, with a GDP growth rate of +5.2%.

Construction output and Geberit net sales in Europe

2017–2021

(Index 2016 = 100)

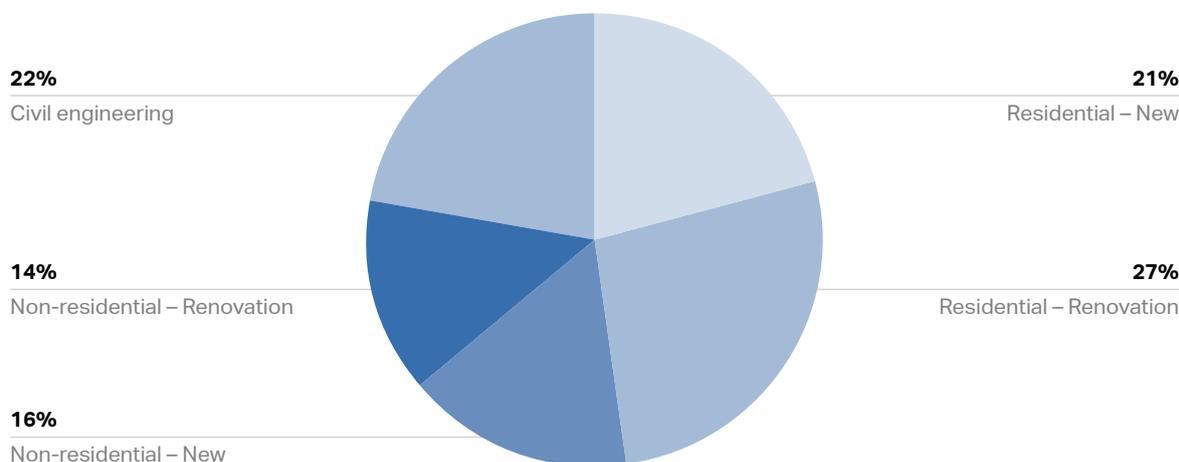


Of the total European construction volume of EUR 1,740 billion in 2021, around 80% was generated by building construction. The ratio of residential to non-residential building construction remained the same at around 60 to 40 percent. New construction as a share of total building construction continued to lag behind the renovation business in 2021.

Total construction output Europe

2021

(EUR 1,740 billion)



Source: 92nd Euroconstruct conference in Verona (IT), November 2021

According to estimates by the Bureau of Economic Analysis, gross domestic product (GDP) increased by 5.7% in the **US** (previous year -3.4%). Investments in building construction increased by 10.0% according to figures from the United States Census Bureau. Within building construction, investments in residential construction increased by +22.9%. In contrast, investments in non-residential construction decreased by 4.7% (previous year +1.9%). The healthcare/hospitals and schools/ universities segments, which are important for Geberit, developed with +1.6% less positively and with -8.7% substantially weaker, respectively, compared to the previous year (+5.6% and -2.0%, respectively).

In the **Far East/Pacific** region, economic growth amounted to 6.1% in the reporting year, slightly above the global economic development of 5.7%. With a share of around 40% of global growth, the largest proportion of global economic growth once again originated from the Far East/Pacific region. At 8.0%, China grew slightly above the average of recent years and much stronger than in the previous year (+2.3%), although the construction industry grew less strongly compared to the economy as a whole. There was no growth in Tier-1 and Tier-2 cities; in Tier-3 and Tier-4 cities, the market actually saw a decline and prices dropped.

In the **Middle East/Africa** region, economic growth in 2021 was 4.4%, well above the average of recent years and considerably above that of the previous year (-3.8%).

(The aforementioned figures covering the world economy and the performance of the Far East/ Pacific and Middle East/Africa regions were published in the October 2021 edition of the IMF World Economic Outlook)

Geberit and COVID-19

Construction industry still impacted by the effects of COVID-19

The situation in the construction industry was pleasing in most regions in 2021. Italy, United Kingdom/Ireland, the Iberian Peninsula and France – which were particularly affected by the COVID-19 pandemic in the previous year – saw above-average growth. Looking back, the pandemic-related decline in sales in the months of April and May 2020 initiated an unprecedented growth phase. In the last six quarters, net sales for the Geberit Group grew around three times faster than the long-term average. At the same time, this sudden strong growth represented an extremely challenging situation for the entire Geberit organisation, particularly in Purchasing, Production, Logistics and Sales.

The favourable market environment was supported and driven throughout the pandemic by the home improvement trend, among others. Achieved market share gains were based on the structural and financial strength, the resilient business model as well as prudent crisis management right from the start of the COVID-19 pandemic.

Most important strategic findings after almost two years of a pandemic

- Focus on strong positions – the stronger the market position, the better the development during a crisis
- Stability, continuous development and adherence to the strategy create value in times of crises
- Overreactions are to be avoided in a crisis

Net sales

Record sales growth

In 2021, consolidated net sales rose by 15.9% to CHF 3,460 million – the strongest sales growth since going public in 1999. This development comprised an increase in local currencies of 14.7% and a positive foreign currency effect of 1.2%. The exceptional sales growth was due to the positive base effect and the home improvement trend as a result of COVID-19, the build-up of inventories in the construction industry and market share gains. Despite the considerable challenges arising along the supply chains, the Group was able to safeguard product availability. When compared with 2019 – and thus with net sales before the COVID-19 pandemic – exceptionally strong growth after currency adjustments of 16.4% was also seen across all regions.

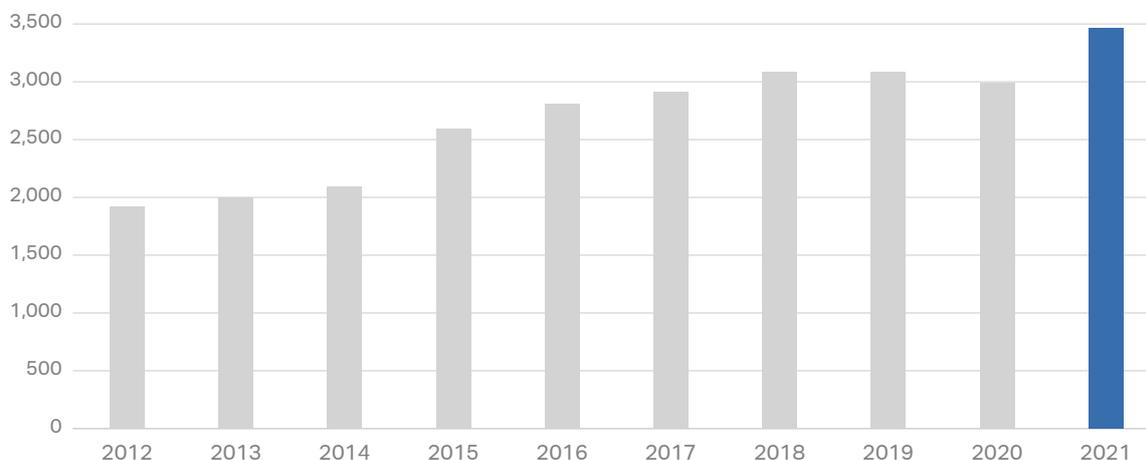
The currency exchange gains contained in net sales amounted to CHF 35 million. In 2021, 64% of net sales were generated in euros, 9% in Swiss francs, 4% in US dollars, 3% in British pounds and 20% in other currencies.

The following changes in net sales in the markets and product areas are currency-adjusted.

Net sales development

2012–2021

(in CHF million)

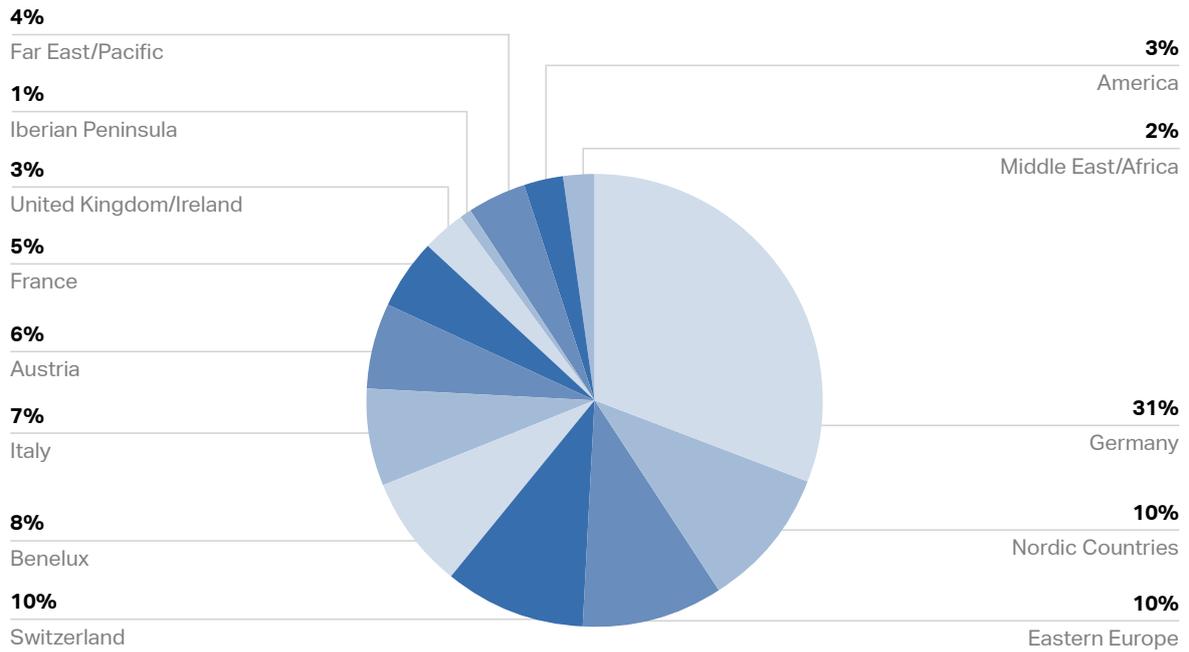


Strong currency-adjusted growth in net sales in all markets

A very strong currency-adjusted growth in net sales of 14.3% was recorded in the **European markets** in the financial year 2021. Net sales saw a disproportionate increase in the Central European markets, where Geberit holds the largest market shares. Within these core markets, currency-adjusted net sales rose most strongly in Italy (+25.4%), driven by base effects as a result of the previous year's lockdown. After the very strong results in the previous year, Austria and Germany again posted growth rates of 19.9% and 11.9%, respectively. At 14.0%, the Benelux Countries also recorded double-digit growth, while currency-adjusted net sales climbed by 7.5% in Switzerland. Outside these Central European markets, Eastern Europe recorded the strongest growth of 25.4% due, among other

things, to several currency-related price increases in the reporting year. The Iberian Peninsula (+25.1%), France (+14.9%) and the United Kingdom/Ireland (+13.0%) reported double-digit growth rates thanks to positive base effects resulting from the lockdown in the previous year, among other aspects. The Nordic Countries recorded an increase of +7.9%. Outside Europe, the **Far East/Pacific** (+28.8%) and **Middle East/Africa** (+25.7%) also saw very strong growth. Growth in **America** was 5.1%.

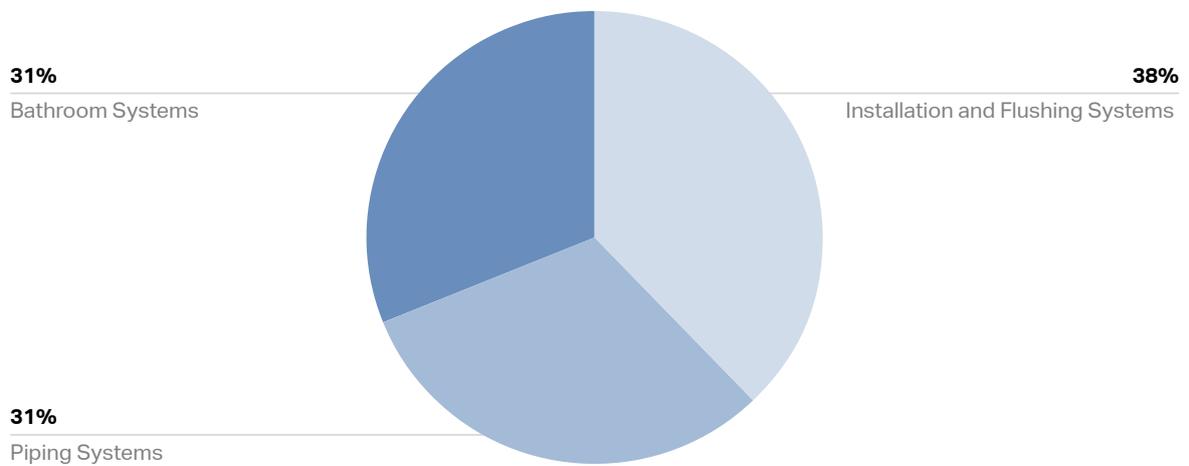
Net sales by markets/regions
2021



Strongest growth in Installation and Flushing Systems

All three product areas generated very pleasing growth. Net sales in local currencies increased by 18.0% in **Installation and Flushing Systems**, 15.3% in **Piping Systems** and 10.4% in **Bathroom Systems**. The different performance was due on the one hand to a greater build-up of inventories at wholesalers for Installation and Flushing Systems as well as for Piping Systems. On the other hand, there were first signs of a slowdown in the home improvement trend in the second half of 2021, which primarily affected the Bathroom Systems product area.

Net sales by product areas 2021



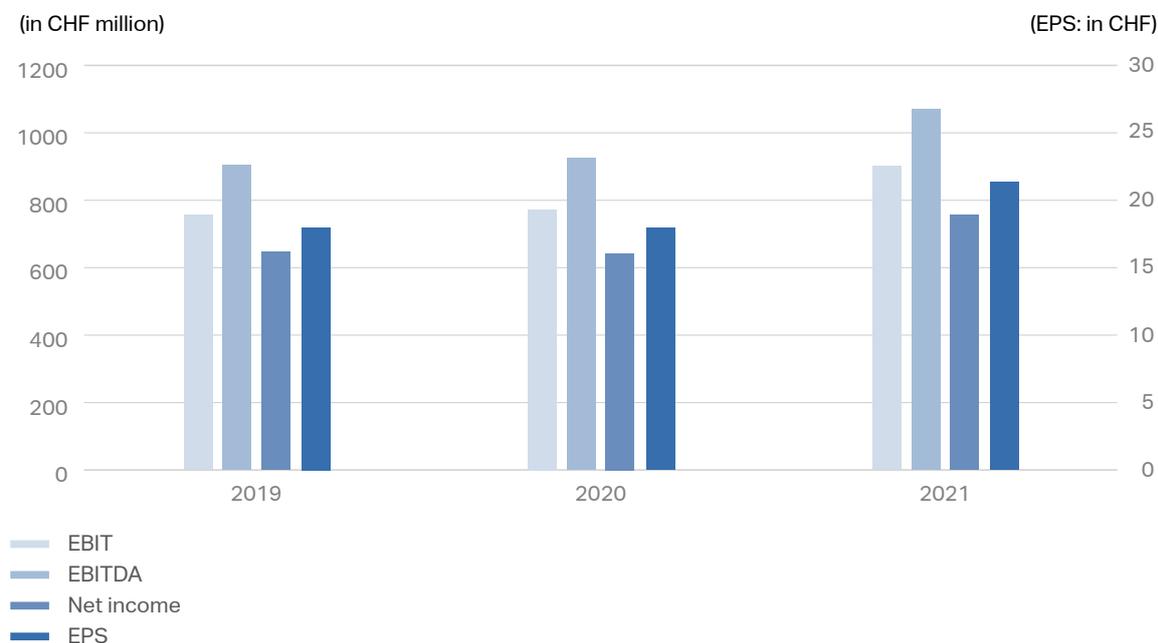
Results

Operating margins at the high level seen in the previous year

Results saw significant double-digit increases at all levels in 2021. Operating cashflow (EBITDA) increased by 15.6% to CHF 1,069 million, which corresponds to an EBITDA margin of 30.9% (previous year 31.0%). The significant increase was largely due to the exceptional volume growth. Raw material prices, which have risen massively since the end of 2020, and the markedly higher energy and freight costs had a negative impact on margins, although this was partially offset by both ordinary and extraordinary price increases. Results were also curtailed by the partial normalisation of marketing costs compared to the previous year. Currency effects had no significant impact on operating margins.

Operating profit (EBIT) grew by 16.9% to CHF 902 million, corresponding to an EBIT margin of 26.1% (previous year 25.8%). The increase in the operating result and an improvement in the financial result led to an increase in net income of 17.7% to CHF 756 million, corresponding to a return on net sales of 21.8% (previous year 21.5%). By comparison, earnings per share saw a disproportionate increase of 18.9% to CHF 21.34 due to the positive impact of the share buyback programme.

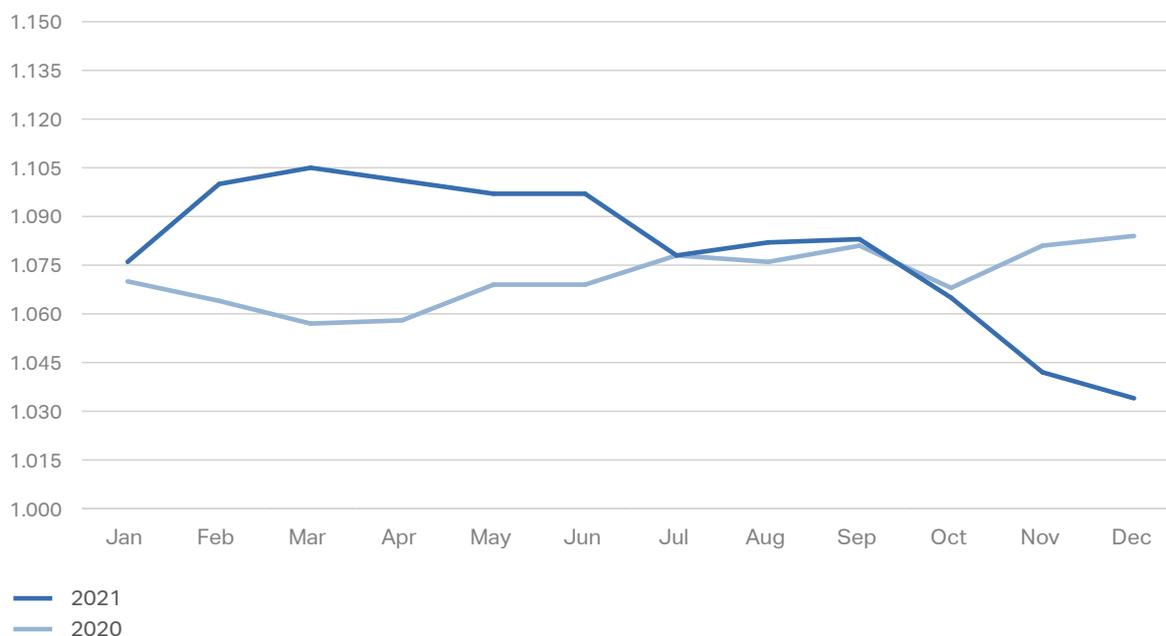
EBIT, EBITDA, Net income, Earnings per share (EPS) 2019–2021



EUR/CHF exchange rates

2020/2021

Period-end exchange rates



Operating expenses under control

All items within operating expenses were slightly affected by negative currency effects. The cost of materials increased by 26.4% to CHF 997 million, representing a significant increase in share of net sales at 28.8%, compared to 26.4% in the previous year. This increase was due to the historic rises seen in the price of the product mix relevant for Geberit – both for plastics and for industrial metals – as a result of the pandemic. → Compared to the previous year, the price increase in local currencies was 13.3% or CHF 112 million. Personnel expenses rose by 8.2% to CHF 812 million, which equates to 23.5% of net sales (previous year 25.1%). This increase was due to a – underproportionately low – increase in the number of staff, and tariff-related increases in salaries. Other operating expenses, net increased by 11.6% to CHF 582 million. This was largely due to the volume growth – which had an increased impact on freight and energy costs – and to freight and energy prices, which were significantly higher in general. Marketing and travel expenses, which were lower in the previous year as a result of COVID-19, also again became a factor. Depreciation increased by 5.8% to CHF 134 million, while the amortisation of intangible assets increased to CHF 34 million (previous year CHF 27 million) as a result of impairments connected to two ceramics brands.

The net financial result contracted to CHF -13 million (previous year CHF -17 million) due to lower interest expenses compared to the previous year. Tax expenses grew from CHF 112 million to CHF 133 million due to the significantly higher pre-tax result. This resulted in a tax rate of 14.9% (previous year 14.8%).

Further increase in free cashflow

The higher operating cashflow had a positive impact on free cashflow. In contrast, higher tax payments and a return to higher levels of investment in property, plant and equipment – following a decline as a result of COVID-19 in the previous year – had a negative impact. All in all, free cashflow increased by 12.8% to a new record high of CHF 809 million (see also → [Financial Statements of the Geberit Group, Notes to the Consolidated Financial Statements, 27. Free Cashflow](#)). The free cashflow margin reached 23.4% (previous year 24.0%). CHF 571 million, or 70.6% of the free cashflow, was distributed to shareholders during the reporting year as part of the dividend payment and the share buyback programme.

Financial structure

Continued strong financial foundation despite crisis

The further increase in free cashflow (+12.8%) allowed the attractive dividend policy and the share buyback programme to be continued while also maintaining the very healthy financial foundation of the Group.

Total assets increased from CHF 3,751 million to CHF 3,772 million. Liquid funds (including marketable securities and other short-term investments) grew from CHF 469 million to CHF 511 million. In addition, the Group had access to undrawn operating credit lines for the operating business of CHF 684 million. Debt increased from CHF 779 million in the previous year to CHF 784 million. Overall, this resulted in a decline in net debt of CHF 37 million to CHF 273 million at the end of 2021.

Debt

(in CHF million; as of 31 December)

	2019	2020	2021
Long-term debt	811	762	466
Total debt	837	779	784
Liquid funds (including marketable securities and other short-term investments)	428	469	511
Net debt	409	310	273

Net working capital dropped by CHF 24 million year-on-year to CHF 157 million. Property, plant and equipment increased from CHF 934 million to CHF 956 million, while goodwill and intangible assets fell from CHF 1,577 million to CHF 1,493 million.

The ratio of net debt to equity (gearing) contracted from 16.1% in the previous year to 13.7%. The equity ratio increased slightly to 52.7% (previous year 51.2%). At 0.3x, the ratio of net debt to EBITDA remained at the previous year's level. Based on average equity, the return on equity (ROE) came to 37.6% (previous year 34.8%). Average invested operating capital, comprising net working capital, property, plant and equipment, goodwill and intangible assets, amounted to CHF 2,824 million at the end of 2021 (previous year CHF 2,794 million). At 27.1%, the return on invested capital (ROIC) reached a new record high since the integration of the ceramics business in 2015 (previous year 23.2%).

The Geberit Group held 714,037 treasury shares on 31 December 2021, which equals 2.0% of the shares entered in the Commercial Register. Of these, 203,399 (0.6% of the shares entered in the Commercial Register) originate from the share buyback programme, while the remaining 510,638 are earmarked for participation plans. The total number of shares entered in the Commercial Register stands at 35,874,333 shares.

The share buyback programme launched on 17 September 2020 was continued. Over a maximum period of two years, registered shares amounting to a maximum purchase value of CHF 500 million will be repurchased. Based on the closing price of Geberit registered shares on 15 September 2020, this corresponded to around 950,000 registered shares or 2.6% of the share capital currently entered in the Commercial Register. The registered shares are repurchased via a separate trading line on the SIX Swiss Exchange for the purpose of a capital reduction. By 31 December 2021, 344,399 shares were acquired as part of the programme at a sum of CHF 217 million. The average purchase price per share was CHF 631.17. In the reporting year, 249,699 shares were acquired at a sum of CHF 166 million.

The General Meeting of 14 April 2021 approved a reduction of the share capital to 35,874,333 registered shares at CHF 0.10 each through the cancellation of 1,167,094 treasury shares. The cancelled shares originate from the buybacks made during the programme that ran from 2017 to 2020, plus shares repurchased by the end of February 2021 as part of the ongoing programme.

Investments

Higher investments

In 2021, investments in property, plant and equipment and intangible assets amounted to CHF 169 million – CHF 19 million or 12.7% more than in the previous year. As a percentage of net sales, the investment ratio was 4.9% (previous year 5.0%). 45% of the total investments went towards capacity expansion to cope with sales growth. 39% was invested in the modernisation of property, plant and equipment and, hence, in further enhancement in production efficiency. Furthermore, 9% was used for rationalisation measures relating to property, plant and equipment, while 7% was used to acquire tools and equipment for new product developments. All important, larger investment projects were carried out as planned.

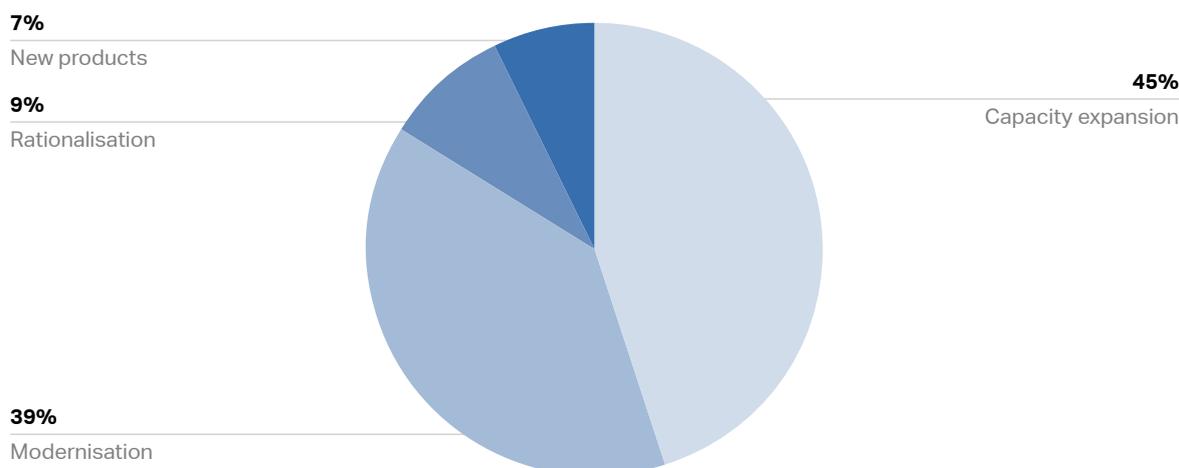
The biggest undertakings in the reporting year were expansion and modernisation projects at the plants in Pfullendorf (DE), Langenfeld (DE), Lichtenstein (DE) and Ozorkow (PL) as well as at the Nordic plants in Ekenäs (FI) and Bromölla (SE). As in previous years, significant investments were made as part of the introduction of FlowFit – the new piping system – at the plant in Rapperswil-Jona (CH).

Expenditure for property, plant and equipment and intangible assets

(in CHF million)

	2017	2018	2019	2020	2021
	159	162	167	150	169
In % of net sales	5.5	5.3	5.4	5.0	4.9

Investments by purpose 2021



Employees

Number of employees increased

At the end of 2021, the Geberit Group employed 11,809 staff worldwide, equivalent to an increase of 240 employees or 2.1% compared to the previous year. This increase was due to – mainly temporary – capacity adjustments in production and logistics, which were necessary for handling the high demand, as well as – to a lesser extent – the expansion in research and development. → The closure of three smaller production plants had a reducing effect.

Based on the average headcount of 11,821, net sales per employee amounted to TCHF 293 – 13.6% more than in the previous year.

Employees by country

(as of 31 December)

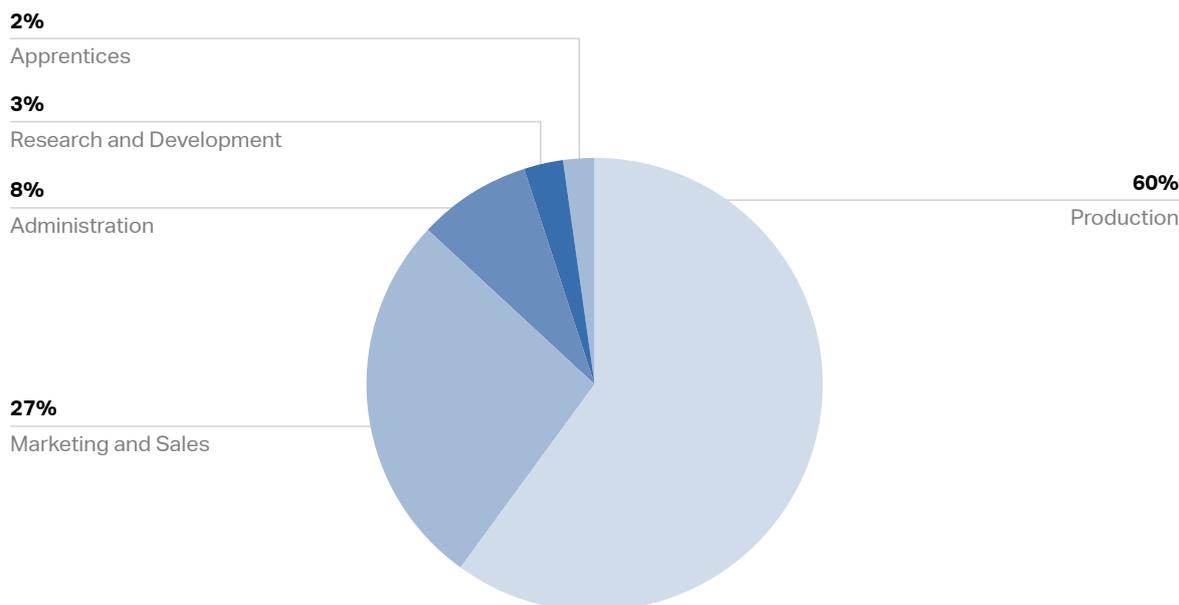
	2020	Share in %	2021	Share in %
Germany	3,297	28	3,506	30
Poland	1,647	14	1,728	15
Switzerland	1,454	13	1,505	13
Ukraine	602	5	590	5
Austria	565	5	584	5
Italy	538	5	536	4
China	495	4	403	3
Others	2,971	26	2,957	25
Total	11,569	100	11,809	100

Broken down by business process, staff numbers were as follows: Production employed 60% of the staff members, with a further 27% in marketing and sales. Additionally, 8% of the employees worked in administration, and 3% in research and development. The share of apprentices was 2%.

Employees by business processes

2021

(as of 31 December)



In 2021, personnel expenses amounted to CHF 812 million. Once again, the employees were able to take part in share participation plans, see → [Financial Statements of the Geberit Group, 17. Participation Plans](#) and → [Remuneration Report](#).

Equal opportunities and equal pay

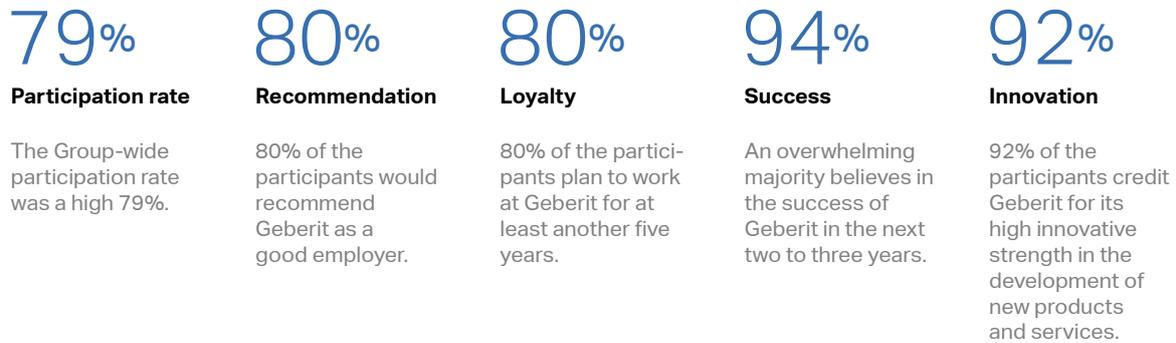
There are equal opportunities for women and men at Geberit. The proportion of female employees at the end of 2021 was 24% (previous year 24%), and for senior management this figure was 11% (previous year 11%). The six-member Board of Directors has two female members.

In 2021, an equal pay analysis was carried out in all Swiss Geberit companies in accordance with the provisions of the Equal Opportunities Act. The results confirmed that equal pay between female and male employees is upheld and that the legal requirements are met. The certified auditors PwC checked and confirmed that the analysis was carried out correctly.

Employee survey with high participation rate

In the spring of 2021, a worldwide survey was carried out among the employees. The Group-wide participation rate was a high 79%. The results confirmed that Geberit offers attractive working conditions and that the employees demonstrate an above-average level of both motivation and loyalty.

According to the comparative values of the independent consulting firm Korn Ferry, which accompanied the survey, the Geberit results are well above the average in the industrial sector. Furthermore, they are also better overall than the results of the comparison group of particularly high-performing companies, which have an above-average score in terms of employee commitment and empowerment.



Above-average employee satisfaction and identification

An overwhelming majority of the employees identifies very strongly with Geberit. Four-fifths of all those asked are proud to work for the company and would recommend it as an employer. 80% plan to work at least another five years at Geberit. In particular, the colleagues at work, the management and the corporate culture are seen as very positive.

Great trust in innovative strength and management

The employees believe in Geberit’s very high innovative strength and a positive development in the future: more than 90% of the participants believe in the future of the company and in its innovative strength in the area of product development. Furthermore, almost 80% feel that the company is also innovative in terms of new working methods. And something not to be underestimated: four out of five employees see Geberit as an environmentally conscious company.

The survey also confirms the employees’ trust in the leadership. Over 70% trust the management team and feel supported by their direct supervisors in terms of training and development.

Action plan developed

Among other things, there is potential for improvement in the work-life balance perceived by employees – an effect of the high level of orders since the start of the pandemic; nevertheless, 60% of the workforce still finds the ratio of working time to private life appropriate. As this is not the only area where there are significant differences between the individual Geberit sites, measures for improvement will be defined and implemented at local and departmental level following consultation with the employees.

Education and training continue to gain in importance

The search for young talent was further intensified during the reporting year. Locally, the Geberit companies are in contact with institutes of technology and universities regarding project-related collaborations to supervise Bachelor and Master theses and to gain students for internships. Geberit is also part of international engineer networks such as UNITECH, which unites renowned European

universities, corporate partners and engineering students. Furthermore, 2021 saw the start of a collaboration with BEST (Board of European Students of Technology). This non-profit organisation networks engineering students from 33 European countries.

The Operations Development Programme initiated in 2020 gained further significance in the reporting year. The goal of the programme is to ensure that the Geberit production locations and logistics sites also continue to have highly trained managers at their disposal in future, who have already gained experience at the respective site. The company is looking for talented external prospects with an engineering or technical background who want to head up strategic projects and take on responsibility during and following the four-year internal training. In the reporting year, an extensive international recruiting process for the programme took place for the second time.

The two internal Potentials Management Programmes – on a regional and Group level – aim to identify talents in the company and support them along their path to middle or senior management. In the reporting year, around 80 employees took part in these programmes. These internal development programmes are intended to help fill at least half of all vacant managerial positions with internal candidates. In 2021, this was achieved for 50% of all Group management vacancies (previous year 47%).

Geberit employed 278 apprentices at the end of 2021 (previous year 262). The transfer rate to a permanent employment relationship was 85% (previous year 86%). The apprentices should already have the opportunity to get practical insights at other sites during their training. During a six-month assignment abroad, they work on various projects or support day-to-day business at a foreign site. Geberit is convinced that experience abroad and the transfer of know-how are an advantage for both young employees and the company alike.

International training initiative for the new appraisal process

At the end of 2020, a new performance management system ("valYOU") was launched for performance assessment, professional development and compensation management. In the reporting year, management training sessions were organised worldwide on the subjects of employee appraisals and feedback in order to promote communication between line managers and employees as well as professional development. The two-day training sessions were carried out by an external partner throughout the Group. Feedback from the participants was largely positive, with the combination of theory and real-life examples being particularly appreciated.

Guiding principles for all employees

Geberit aims to act as a role model for ethically unimpeachable, environmentally friendly and socially responsible operations. The → Compass – a guide for employees on the mission, values, operational principles and the success factors of Geberit – and the → Code of Conduct for Employees serve as the applicable guidelines.

Dealing with COVID-19 in everyday work

The coronavirus and associated protection against COVID-19 infections continued to affect both business development and everyday work at Geberit in 2021. The protective measures in place to keep the risk of infection as low as possible for employees and to avoid operational breakdowns were

maintained and further sharpened. The idea was to strictly adhere to the applicable official regulations and recommendations on a local level and, for example, implement the prescribed hygiene and social distancing measures consistently. Other measures, such as the obligation to wear masks, rapid tests or directives for business trips as well as for carrying out meetings, were also adapted according to local regulations and the development of the pandemic. Wherever permissible by law, employees were vaccinated against COVID-19 at the sites or were given time off work to have their vaccinations. During 2021, there were only a few proven infections at the workplace. Business activities could be maintained to the full extent.

Geberit has regulations in place to allow employees to work from home if their work and circumstances permit. The regulations also apply in non-pandemic times and increase the attractiveness as an employer.

Focus on occupational health and safety

Occupational health and safety has a very high priority within the Geberit Group. The aim is to halve the number and severity of accidents by 2025 based on the reference year 2015. The AFR (Accident Frequency Rate) is to be reduced to a rate of 5.5 accidents per million working hours. The ASR (Accident Severity Rate) is to be reduced to below 90 days lost per million working hours. In the reporting year, the accident frequency fell to a value of 7.9 (previous year 8.9), which corresponds to a reduction of 11.2%. The accident severity decreased by 11.1% to a value of 152.8 (previous year 171.9) in the same period. There were no fatal accidents.

All production plants and the central logistics centre in Pfullendorf (DE) are certified in accordance with the occupational health and safety standard ISO 45001. The Geberit Safety System defines occupational health and safety concepts as well as processes that are applicable throughout the Group. There are safety managers at all production plants and the central logistics centre. The Group-wide Geberit Safety Team also plays an active role in systematically developing occupational health and safety across the entire organisation by defining key topics or promoting the exchange of best practices between plants, among other aspects. The creation of safe, clean workstations at the production plants is pursued consistently. Equipment and processes are constantly being optimised, hazardous substances replaced and dust and noise emissions reduced. Additionally, the increasing use of robots or lifting aids improves the working conditions in terms of ergonomics. As the majority of occupational accidents and time lost are still attributable to carelessness, great importance is attached to long-term training and raising employee awareness. An eLearning programme supports these efforts and helps to correctly identify danger areas in the workplace and rectify them consistently.

It is a matter of great importance to Geberit that employee health should be actively promoted, thus ensuring employees remain fit and able to work. With this in mind, a diverse vitality programme is offered at 18 production and sales sites in the fields of exercise, mental fitness, nutrition and the working environment. This comprehensive programme "Geberit Vital" can be accessed by around 40% of the workforce. The programme was additionally adapted to the needs of the ceramics plants in the reporting year, presented internally and gradually rolled out.

Customers

Sanitary industry working to capacity

In the reporting year, new record sales are likely to have been achieved in numerous European wholesale and installation companies as well as in planning offices. This led to a change – not only due to the pandemic – in information habits. Sanitary entrepreneurs, sanitary engineers, trade staff and other groups involved in construction found out in the first year of the pandemic that more and more relevant information can be accessed online, regardless of time and place. In the reporting year, many industry events such as trade fairs, training courses and seminars were once again, at least in part, held digitally. Geberit took this development into account both in its direct customer service approach and in market cultivation with a number of measures and innovative concepts.

Close partnership with wholesalers

In Geberit's three-stage business model, wholesalers play a key role. Wholesalers offer plumbers the entire range of products across the various product categories in the field of sanitary technology and heating applications. They ensure availability through warehousing and a nationwide network of pick-up points as well as the logistics to plumbing companies and construction sites. Furthermore, in many countries wholesalers have showrooms where they can advise end users on the selection of sanitary products. The close cooperation between Geberit and its wholesale partners can be briefly outlined using two examples:

- In an increasing number of European markets, installation companies rely on the fact that they can find all the standard sanitary products they need at their local wholesaler pick-up point and can then even install the products at the customer's premises on the same day. For many craftsmen, a quick trip to their local pick-up point has thus become a standard part of everyday work. The plumbers also use such visits to find out about the latest news such as, for example, new products. This is why Geberit has continuously intensified its cooperation with these points of sale in recent years. The measures include tailor-made training sessions for the staff at the pick-up points, the organisation of local "counter days" to present new products to the craft sector directly at the pick-up point, as well as joint, tailor-made marketing activities to support wholesalers in selling products.
- In terms of the launch of the new FlowFit supply system, Geberit limited itself to the markets Germany, Switzerland, Austria and the Netherlands in the reporting year. Nearly half a year before the official sales launch in spring, the new supply system was presented to the sales staff and advisors in wholesale in these markets as part of dedicated events and one-to-one discussions. This not only gave wholesalers the opportunity to build up inventories in good time, but also made it possible for them to provide in-depth advice to customers from the very beginning and thus actively shape the market launch.

Close coordination with the wholesale partners regarding the availability of key articles as well as being able to find solutions fast in the event of any emerging shortages have a very high priority at Geberit. Thus, despite individual bottlenecks in the purchasing of raw materials, availability for craftsmen was maintained at a very high level in the reporting year.

To be able to support wholesalers to the greatest possible extent in the structured processing and efficient use of product information, the corresponding data has been adapted to meet ETIM 7 (Electro-Technical Information Model) standard. This meant the product data for more than 29,000 items had to be extended.

Dedicated support given to installation companies and planning offices

A significant share of the varied marketing activities was once again targeted at plumbers and sanitary engineers in the reporting year. This especially applies to the ongoing, personalised and frequently project-related support given to installation companies and planning offices by technical advisors and other sales representatives.

In most markets, the restrictions enforced due to COVID-19 from the previous year were at least temporarily lifted or reduced. From the early summer of 2021, face-to-face customer visits became increasingly possible and were carried out intensively. At the same time, digital visit and meeting formats were retained and expanded as they had proven useful and established themselves in many cases. The goal of being there for customers and offering all-round support in their work at all times – even in these difficult times – was once again achieved. The intensified customer relationships were also reflected in the fact that the number of e-newsletters sent out – 4.1 million – again reached the high level of the previous year. Even though the tracking policy was adjusted to comply with stricter data protection regulations, the number of hits on Geberit's websites worldwide also totalled 25 million. In the reporting year, these websites were technically revised in twelve markets.

Strong partner for project business

Geberit know-how for roof and building drainage and for the construction of sanitary facilities is implemented in countless major international projects. Significant advantages for the responsible parties and craftsmen in these major projects are the space-saving and installation-friendly systems and the expert technical support in planning and design.

One of Geberit's main focuses in project business is the strongly developed support in the area of BIM (Building Information Modelling) – a digital interdisciplinary planning method for optimising the entire planning and building process. Architects, sanitary engineers and building owners use BIM to share information efficiently. This helps them to avoid planning errors and improve productivity, which brings advantages in major construction projects in particular. For a number of years now, Geberit has been providing BIM users with support in the form of product data and calculation modules. A special plug-in has been developed for the Revit planning software, which enables direct access to 3D models and corresponding planning parameters that are always kept up to date. The low data size of the individual files allows them to be used efficiently. In the reporting year, all calculation modules were integrated in a comprehensive new plug-in and extended with the catalogue data for ceramic and furnishing products. The new BIM plug-in from Geberit is available worldwide and offers complete access to all catalogue data and applications from Geberit. So far, the plug-in has been downloaded by more than 6,500 planning and engineering companies.

Geberit Innovation Days – a global online event

There were no trade fairs anywhere in the world in the first half of the reporting year. This is why Geberit came up with something very special to be able to present new products and maintain dialogue with the professional community: the global online event "Geberit Innovation Days". A hybrid trade fair booth – the "House of Geberit" – was set up for this purpose. Hybrid because although the stand was actually set up on an area of more than 300 m² and was equipped with numerous new products, it could only be visited via a digital platform.

Over a period of several weeks, filming took place in the House of Geberit for the numerous product presentations and discussions with experts, which customers could then watch during the Innovation Days. Visitors were able to put together their own individual agenda beforehand and register for presentations on a wide range of topics. They also had the possibility of contacting Geberit specialists directly.

During the Innovation Days in March and April, around 10,000 interested parties from more than 40 countries logged on and visited the webinars on offer. All webinars were uploaded to the local Geberit websites after the Innovation Days and visited more than 53,000 times by the end of the year.

Virtual showrooms very popular

The virtual showrooms launched the previous year were adapted to suit further markets. These showrooms offer a good overview of the wide range of products and new products in the respective market. They also provide additional information in the form of short videos, graphics and links, and offer visitors the opportunity of tailoring their own showroom experience. 13 markets are currently operating virtual showrooms – in the reporting year, they were visited by a total of 24,000 customers.

Classroom training sessions and web-based seminars and training programmes

In spite of the restrictions in place due to the COVID-19 pandemic, it was possible to provide around 36,000 (previous year 27,000) professionals with face-to-face training on products, tools, software tools and installation skills at the 30 Geberit Information Centres in Europe and overseas. This more or less corresponds to the number of participants recorded before the pandemic. At the same time, local events and counter days were organised in numerous markets – often together with wholesalers – to train craftsmen on new products. More than 38,000 customers took part in such events. The normalisation in face-to-face training and the personal transfer of know-how and expertise resulted in a decline in the number of web-based seminars and training sessions, with a total of 29,000 participants (previous year 52,000). Nevertheless, webinars and eLearning courses that take place over the Internet now occupy a firm and important place in Geberit's training offer.

Digital tools for sanitary engineers and plumbers

The relevant skills in customer support and sales promotion were further expanded, with the aim of supporting professional customers in everyday working life with digital tools that are as needs-oriented as possible. A new web-based application was offered to sanitary engineers and plumbers in the reporting year, which can be used to plan and calculate prewall constructions (GIS and Duofix systems). This application also facilitates the fast creation of cost estimates.

Marketing campaign for end users continued

The end user campaign launched in autumn 2019 under the title “Better bathrooms, better lives” was rolled out in further European markets in the reporting year, and is now running in 15 countries. Increasing the level of communication with end users helps firmly establish the Geberit brand among this target group.

The campaign consists of three digital elements: an advertising campaign in digital media, the websites of the local Geberit sales companies with various digital applications such as configurators and planning tools, and a customer relationship management (CRM) system. Interested parties then receive additional advice and support from qualified specialists after they register in the CRM system. In the reporting year, the campaign generated 4.7 million visits to the corresponding websites and more than 36,000 end user registrations in the CRM system (previous year 17,000). A web-based actuator plate showroom was also developed for end users. It is intended to support customers in their choice as the current range offers a large number of different models and styles. This showroom was rolled out in 28 markets in the reporting year.

Since the outbreak of the COVID-19 pandemic, there has been a strong increase in the number of private renovation projects in numerous markets. In light of this, Geberit launched a renovation campaign with additional cashback incentives on social media channels in ten European markets. A total of 6,300 customers benefited from this offer.

Targeting customers via social media

The social media presence was further expanded and intensified in the reporting year. The focal points included targeted support of sales activities. The target groups here were professional decision-makers and end users, who were addressed with targeted advertising formats and editorial content. Geberit used the most popular social media channels for these activities and informed the constantly growing communities on Facebook (347,000 followers), Instagram (136,000 followers), YouTube (77,000 followers/47 million views), LinkedIn (94,000 followers), Twitter (17,000 followers) and Pinterest (5,700 followers).

Campaign for shower toilets continued

Local celebrities were involved in the advertising campaign in all 15 markets hosting the campaign for AquaClean shower toilets. These local heroes – outstanding personalities from the worlds of sport, music and entertainment – not only addressed end users in print ads and TV commercials, but also took part in events and competitions.

As a result of the large number of event cancellations, there were only limited opportunities for the AquaClean truck, mobile AquaClean WC lounges and the AquaClean trailers, such as the Zurich Film Festival. The year saw a continuation of the campaign running in Germany and Switzerland with a test set, which can be connected temporarily with an existing WC ceramic appliance in just a few steps and without tools. The test set can be ordered free of charge for 14 days, and is sent out and returned by post.

The international sales initiative for hotels again made encouraging progress. This meant that prestigious hotel projects could once more be acquired in the reporting year. The number of four- and five-star hotels equipped with AquaClean shower toilets in Europe is now almost 600.

Innovation

Innovation as the foundation for future growth

Geberit’s innovative strength, which is above average for the sector, is founded on its own, wide-ranging research and development (R&D) activities. In the reporting year, a total of CHF 78 million (previous year CHF 75 million) – or 2.3% of net sales – was invested in the development and improvement of products, processes and technologies. Additionally, as part of the → investments in property, plant and equipment and intangible assets, considerable sums were invested in tools and equipment for the production of newly developed products. In the reporting year, 41 patents were applied for, which is above the long-term average. In the last five years, Geberit has applied for a total of 185 patents.

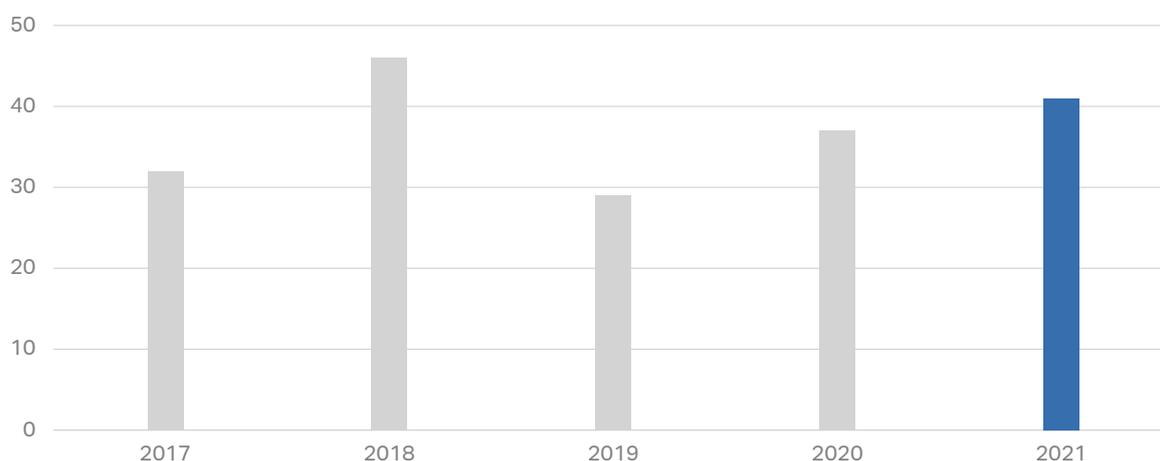
R&D expenditure

(in CHF million)

	2017	2018	2019	2020	2021
	78	78	77	75	78
In % of net sales	2.7	2.5	2.5	2.5	2.3

Number of new patents

2017–2021



The scientists and engineers at Geberit have the very latest technologies and infrastructures at their disposal for their development projects. In the reporting year, various systems and sanitary facilities were modernised and expanded, namely in the fields of sound insulation, statics and virtual engineering. In the last of the fields mentioned, the possibilities for simulating production processes in the area of ceramics, among others, were expanded. Great emphasis continues to be placed on the rapid and cost-effective production of prototypes. The existing 3D printing capacities for this purpose, which are probably unique in the industry, were added to with a silicone printing unit. A total

of around 18,000 components for prototypes were manufactured using the 3D printing process in the reporting year. Furthermore, an injection moulding machine was purchased exclusively for the manufacture of prototypes.

All product developments go through an established innovation and development process, which ensures that the Group's creative potential and know-how are used to the optimum extent and that development activities focus on the needs of the market. Customer benefits, quality, a system approach and sustainability as well as the consistent strengthening of the brand are of central importance here.

New products for our markets worldwide

Among others, the following products were newly launched on the market in 2021:

- With **FlowFit**, Geberit introduced a new piping system for drinking water and heating applications. FlowFit consists of two components: newly developed connection technology and proven, lightweight pipes made of plastic and aluminium (or all-plastic pipes for heating applications). The pressfittings in the connection technology not only set new standards in terms of easy and reliable installation, but also in terms of their flow characteristics. With over 400 different fittings in eight different pipe dimensions, the supply system is suitable for all installation tasks inside buildings. The development of FlowFit all the way through to series production was one of the most financially significant development projects in the history of Geberit.
- The integrated bathroom series **Geberit ONE** launched in 2019 was expanded with numerous components and configuration options. At the washplace, additional washbasin models in various widths and depths were included in the range, together with matching cabinets, trap types and taps. Furthermore, an intuitively operable light control was developed for mirror cabinets.
- In order to prevent drinking water from stagnating in pipes, leading to the rapid multiplication of germs and bacteria, the Geberit portfolio has included **sanitary flush units** for many years. These electronically controlled devices ensure that drinking water installations are regularly flushed. Sanitary flush units integrated in the concealed cistern were launched in the reporting year. This means an additional drainage connection is no longer necessary for the installation.
- Developed for markets in Asia and Africa, the robust, easy-to-install **Alpha concealed cistern 12 cm** offers high levels of operational reliability at a low price. Depending on the installation situation, the actuator plate for flush actuation can be mounted on the top or front of the cistern on this model.
- The **end user app for Geberit AquaClean** shower toilets has been enhanced with the addition of a **remote maintenance option**. As part of a pilot scheme in Switzerland, Geberit is for the first time giving customers the chance to call up a rapid diagnosis in the event of a malfunction – and even request a rectification of the malfunction – via remote maintenance.

Several new product launches are planned for 2022. The most important products are as follows:

- The new **dual-flush unit type 212** for concealed cisterns offers diverse setting options and meets all requirements and standards worldwide. The flush valve is backwards-compatible and replaces the current flush valves seen in the Sigma, Delta and Omega concealed cisterns. It makes a significant contribution to the resource-saving use of drinking water, with optimal flushing out of the WC ceramic appliance achieved with only a minimal flush volume.
- The premium bathroom series **Geberit ONE** is being supplemented by a number of components which will considerably increase the configuration options. The focal point is the washplace for which newly developed, space-saving drains and traps will be available. These will be accompanied by new washbasin variants with a larger projection and either a horizontal or vertical drain. The expansion of the range is rounded off by additional bathroom furniture.
- During the installation of discharge stacks, plumbers sometimes come across situations where the connections in the floor and ceiling are not lined up precisely with each other. With the **Silent-db20 Offset fitting**, Geberit has developed a solution that can be used to compensate for such axial offsets easily, thus significantly reducing the time needed for installation.
- The **Geberit Control App** makes life easier for service technicians, facility managers and plumbers alike. In future, it will make it possible to operate and program all WC and urinal flush controls, washbasin taps and sanitary flush units. To date, each device had to be configured individually with a remote control. Using the app, it is now possible to group together all controls installed in a room and operate them together via Bluetooth.
- With the shower toilet **Geberit AquaClean Cama**, Geberit offers an inexpensive basic model which is primarily intended for use in rental apartments. Installation and commissioning do not require structural measures or the assistance of a craftsman. The device can be commissioned by the end user in just a few simple steps and also uninstalled again to suit requirements.

Production

Efficient production network

The Geberit Group operated 26 plants at the end of the reporting year, 22 of which are located in Europe, two in the US, one in China and one in India. The activities of three smaller plants were integrated into other, larger sites due to a lack of critical size and partly poor logistical connections.

- In China, the production capacities at the Shanghai site were expanded, with the majority of activities at the Daishan plant subsequently transferred to Shanghai and integrated there. The remaining products produced in Daishan for the European market were relocated to Ruše (SI) and Ozorków (PL).
- In the US, part of a focussing of activities saw assembly activities concentrated at the plant in Michigan City (Indiana) and casting processes at the plant in Milwaukee (Wisconsin). Some of the processes of the discontinued site in Elyria (Ohio) were outsourced to third parties in order to benefit from more modern processes.
- The activities of the plant in Dymer (UA), which specialised in the manufacture of acrylic bathtubs, were relocated to the plant in Ozorków (PL).

The 26 plants fall into the following three categories depending on the processed materials and production technologies:

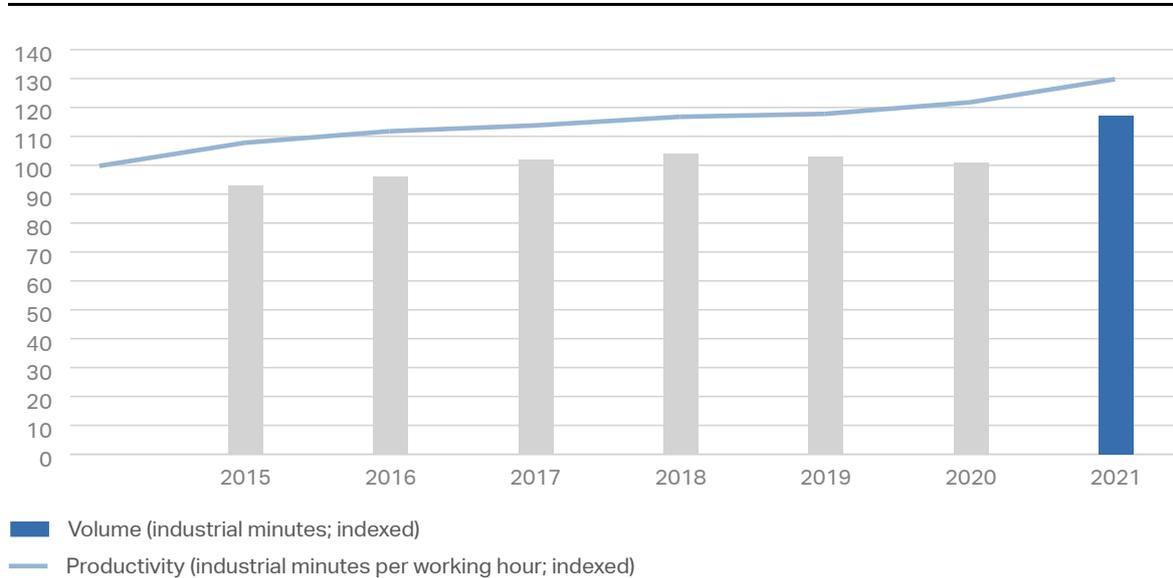
- Ceramics (10 plants)
- Plastics & Metal (11 plants)
- Composites & Metal (5 plants)

The productivity of the production network increased in the reporting year by 5.9%. This increase is essentially due to four factors: the continued optimisation of organisation and process workflows, the automation of individual manufacturing steps, the reduction of scrap rates in ceramics production, and the less than proportional low increase in the number of staff in non-manufacturing areas of the company.

Productivity and production volume

2015–2021

(Index: 2014 = 100)



Realisation of major projects while also at full capacity

The unexpectedly high sales in the reporting year posed major challenges to the entire production network. The plants and the employees once more demonstrated their high performance and flexibility. At many sites, months of extra shifts were required to simply cope with the order load. Matters were complicated further by the simultaneous → shortage of various raw materials. Despite the high capacity utilisation, numerous measures and projects were again initiated, promoted or brought to a conclusion, with the aim of optimising the efficiency of production processes, increasing capacities, and improving energy and material efficiency.

Industrialisation of ceramic production

In ceramic production, the reporting year saw the implementation of a specialisation strategy, which had already been developed in the previous years. At the same time, the automation of production processes was promoted in numerous plants. The most important projects are listed here:

- In future, most ceramics plants will focus on the manufacture of a few product types, whereby very large quantities of these products will be required. For example, the plant in Ekenäs (FI) is to produce washbasins and wall-hung WCs. Geberit started commissioning new and high-performance production facilities that support this specialisation strategy at several production sites in the reporting year.
- Great progress was made in the automation of individual process steps in virtually all ceramics plants. A new high-pressure casting system for washbasin production started operations in Kolo (PL), work began on automating the labour-intensive glazing process in Carregado (PT) and Haldensleben (DE), and investments were made in additional, highly automated production capacities for wall-hung WCs in Ekenäs (FI).

Additional capacities in plastic- and metal-processing plants to handle the sales growth

In the plants where plastic and metal are processed, great efforts were also made to build up the additional capacities needed in the short, medium and long term in good time on the one hand and, on the other, to further improve the efficiency of the existing systems and processes. Some of the key projects included the following:

- The pleasing growth of the Duofix installation elements for concealed cisterns means an extension of the production capacities at the Lichtenstein plant in Saxony (DE) is required, which is why all the necessary steps were taken to expand the plant by around 10,000 m² in the reporting year. The groundbreaking ceremony for a new administration and technical building is scheduled as early as March 2022. This is to be quickly followed by the construction of an additional factory and logistics hall.
- The expansion of production capacities for concealed cisterns also has the highest priority at the site in Pfullendorf (DE). On the one hand, planning for the structural expansion of the plant was continued and, on the other, an additional production line for manufacturing concealed cisterns started operations. The fully automatic production of the → new universal flush valve for all concealed cisterns was also further ramped up.
- In the reporting year, the plant in Ruše (SI) started manufacturing flush tanks and valves for ceramic cisterns to be sold in Northern Europe; to date, the flush technology including plastic flush tank has been sourced from third parties.
- At the plant in Rapperswil-Jona (CH), the capacities set up in the previous year for the large-scale production of pressfittings for the new FlowFit supply system were expanded as planned. At the same site, capacities for the actuator plates and the assembly of the AquaClean Mera shower toilets were also significantly increased.

Flow production principle as a guideline

All Geberit plants display an ongoing capability for renewal. Despite the diversity of the materials and production technologies used, the approach is determined uniformly: whenever appropriate, all measures for improvement are geared to the principle of flow production. Maximum efficiency and flexibility are targeted in this way, which is reflected in the reliable, timely supply of products to customers and savings in important resources such as working time and materials. The benchmarks of flow production are set out in the Geberit Production System (GPS 2.0). GPS 2.0 is the guideline for production processes in which the principles for efficient manufacturing are combined.

Environmental management in production

As already mentioned, continuous improvements at the plants are aimed at increasing efficiency by saving resources. GPS 2.0 ensures that the goals associated with a continuous improvement in → sustainability are also taken into account.

Procurement and logistics

Supply chains affected worldwide

The Corporate Purchasing department is responsible worldwide for procuring raw materials, semi-finished and finished products, commercial products, and services. Besides minimising risks of downtime as well as costs, the primary purpose of comprehensive supplier management is to safeguard supplies.

The impact on global and regional supply chains was even more acute in 2021 than in the previous year. The availability of raw materials and components was very difficult and at times even critical in the reporting year due to COVID-19.

Transport service providers on land and sea were faced with major challenges, but thanks to the great flexibility of the Geberit transport service providers, the freight capacity required was made available as far as possible. In the US, there were major delays with electronic taps (although these products represent a relatively small share of Group sales) due to shortages of electronic components.

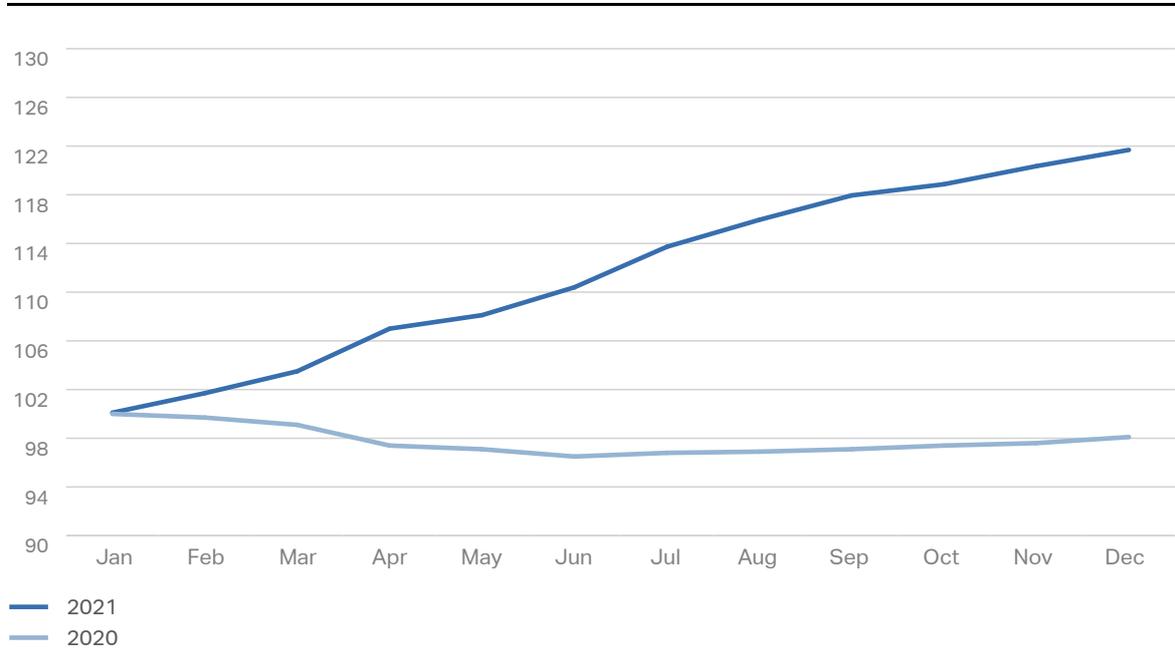
Viewed overall for the entire Geberit Group, the bottlenecks experienced with raw materials and transport capacities in the reporting year did not result in any relevant shortfalls in the availability of Geberit products.

Massive rise in raw material prices

As has already been mentioned, the situation on the raw material markets was turbulent in the reporting year. This had significant effects on raw material prices. Due to the pandemic, the reporting year saw historic price increases for the entire product mix relevant for Geberit – both for plastics and for industrial metals. Compared to the previous year, the price increase in local currencies was 13.3% or CHF 112 million.

**Development of currency-adjusted raw material prices relevant for Geberit
2020/2021**

(Index: January 2020 = 100)



Compliance with Code of Conduct for Suppliers checked

All business partners and suppliers are obligated to comply with → comprehensive standards. This applies to quality, socially responsible and healthy working conditions as well as environmental protection and the commitment to fair business practices. The basis for the cooperation is the → Code of Conduct for Suppliers. This Code is aligned with the principles of the United Nations Global Compact and is available in 15 languages. As of the end of the reporting year, a large majority of suppliers as measured in terms of purchasing volumes had signed the Code.

Corporate Purchasing and Sustainability jointly ensure that the standards found in the Code of Conduct are upheld by conducting regular EHS (Environment, Health and Safety) audits. The number of audits made and their content are selected with the help of a risk matrix. The goal of these audits is to check compliance with the Code of Conduct and local legal requirements regarding environmental aspects, occupational health and safety and social responsibility on site. The audits are carried out by an independent service provider. Appropriate measures are initiated where required. During the reporting year, five external EHS audits (previous year: five EHS audits) were carried out at suppliers in the area of procurement.

Supplier Integrity Line

Introduced in 2017, the Supplier Integrity Line from Geberit allows suppliers to anonymously report any violations of the guidelines set out in the Code of Conduct for Suppliers by Geberit employees and by competitors. The hotline is free of charge for users and is operated by an independent service company in a total of eleven languages. Violations can also be reported online via an external URL. No

violations of the guidelines set out in the Code of Conduct for Suppliers were reported in 2021 (previous year: no violations reported).

Delivery capability and product availability in logistics ensured

At the end of 2021, Group logistics comprised the central logistics centre for installation and flushing systems and piping systems in Pfullendorf (DE) as well as a decentralised network of 13 European distribution sites for ceramic appliances and bathroom furniture.

In the reporting year, logistics at Geberit was faced with major challenges due to the COVID-19 pandemic as well as the large increase in volume. Thanks to the outstanding commitment and flexibility of the employees, it was nonetheless largely possible to ensure delivery capability and product availability around the world.

Further standardisation in ceramics logistics

It was possible to further standardise processes in ceramics logistics in the reporting year thanks to the Geberit Logistics Operation System (GLOS) – a system used for the continuous improvement of business processes.

Implementation of the OneERP project – where the IT systems and processes are adjusted to the Group ERP standard – also continued successfully. In this context, preparations for the introduction of the Group-wide SAP ERP system in Germany were made during the reporting year so that it was ready for operation from 1 January 2022.

Synergies in transport management

Great importance is attached to central transport management as the interface between suppliers, production plants, wholesalers and transport service providers in order to enable cost- and resource-optimised transport solutions. Customers generally receive orders of Geberit sanitary technology products in a single truck delivery. This not only reduces the number of empty kilometres, it also increases truck capacity utilisation and reduces CO₂ emissions (see also → [Strategy Green Logistics](#)). Geberit's key transport service providers are required to report regularly on reductions in energy consumption and emissions. Checks are also made regularly as to whether new, sustainable drive technologies can be used in logistics across the Geberit Group.

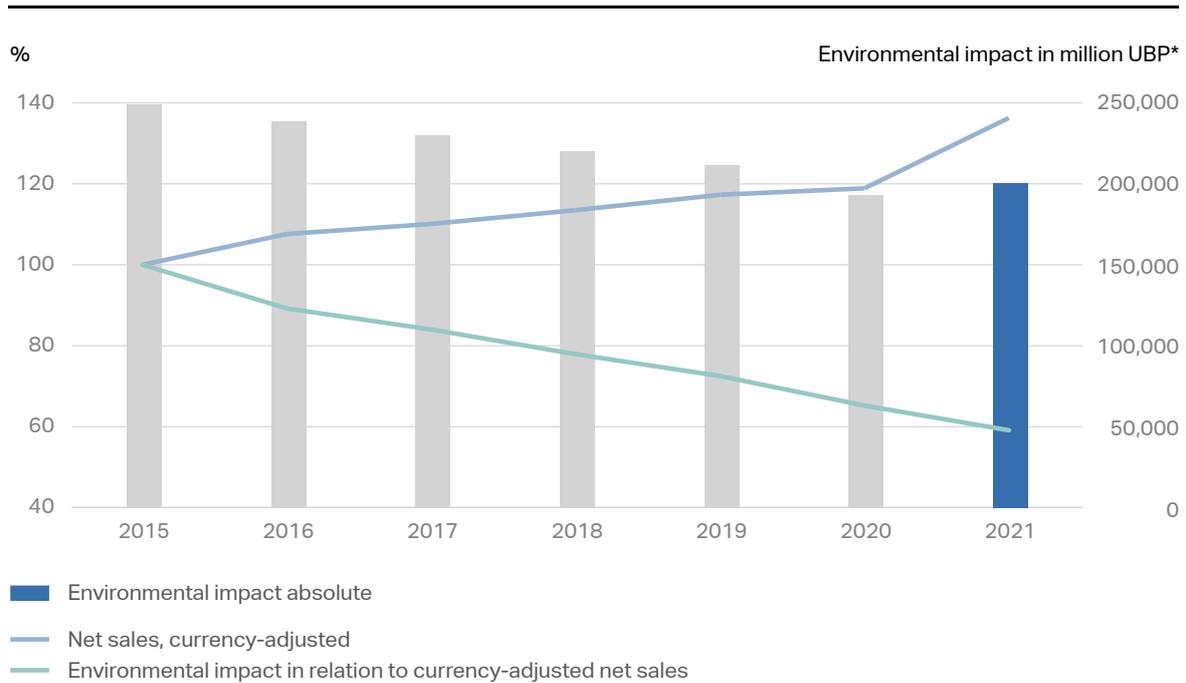
Sustainability

Further improvement of environmental performance at a high level in the reporting year

Geberit uses the Swiss Ecological Scarcity Method, which takes into consideration a wide range of environmental impact factors (emissions, resources, waste) and summarises them as a key figure. The absolute environmental impact of the Geberit Group increased in 2021 by 4.0%; this was accompanied by an increase in the currency-adjusted net sales in the same period of 14.7%. In contrast, the environmental impact in relation to currency-adjusted net sales (eco-efficiency) decreased by 9.3%. Since the integration of the energy-intensive ceramics production in 2015, eco-efficiency has improved by 40.9%. As regards the long-term target, which is based on an average annual improvement of 5% per year, Geberit therefore remains very well on course.

Environmental impact 2015–2021

(Index: 2015 = 100)



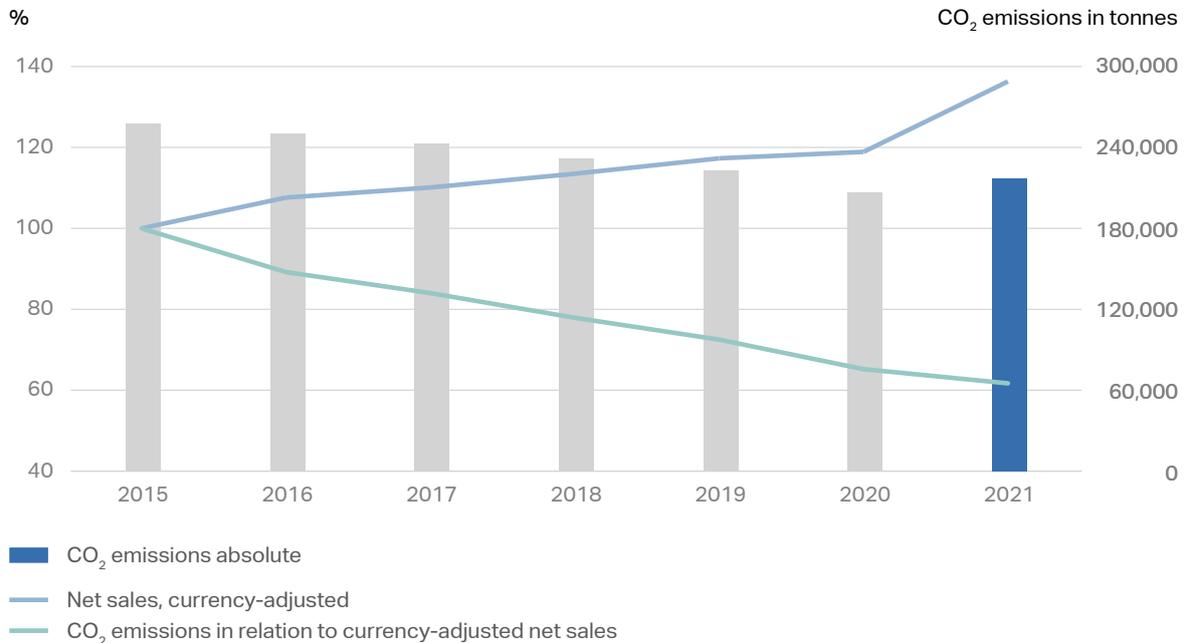
* UBP = Ecopoints in accordance with the Swiss Ecological Scarcity Method (version 2013)

Due to the → strong volume growth, CO₂ emissions increased in comparison to 2020 by 5.1% to 217,009 tonnes. In relation to currency-adjusted net sales, however, emissions decreased by 8.4%. This means that the targets for reducing → CO₂ emissions set within the → CO₂ strategy were once again exceeded. The detailed CO₂ balance sheet and all measures taken to reduce CO₂ emissions are also disclosed in detail as part of the company's participation in the Carbon Disclosure Project (CDP).

CO₂ emissions

2015–2021

(Index: 2015 = 100)



Long-term, sustainable value creation

An initial environmental strategy was drawn up and specific measures implemented at Geberit as far back as 1990. Over the years, this strategy was gradually developed into a comprehensive → Sustainability strategy, is now an integral part of the corporate culture, and makes a significant contribution to the → Sustainable Development Goals of the United Nations. The Sustainability strategy bundles together current and future projects, initiatives and activities, and specifies clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring. Social, ecological and economic aspects are given equal consideration in the strategy. A total of twelve sustainability modules form the basis here. Among these are health & safety, social responsibility, resources & circular economy, energy & CO₂, eco-design & sustainable products as well as sustainable supply chain.

Focus on four global goals

In 2015, the United Nations adopted the 2030 Agenda. This details 17 specific targets for sustainable development, the Sustainable Development Goals, which countries are required to implement by 2030 – with significant support from the business world. Four of these goals are particularly important to Geberit. The goal calling for “equitable access to clean drinking water and basic sanitation” (Goal 6) for all people worldwide is key to the company’s efforts, as is the goal of “sustainable cities and communities” (Goal 11). With its durable sanitary technology, an important contribution is also made towards “developing robust infrastructures and promoting sustainable industrialisation” (Goal 9). Furthermore, Geberit contributes to the goal of “decent work and economic growth” (Goal 8).

Focus on water consumption

Sparing, careful use of water as a valuable resource is one of Geberit's core areas of focus. The consistent focus on reducing water consumption both in production and in the product use phase plays a pivotal role in the company's contribution to sustainable development.

In the reporting year, water consumption in production totalled 925,230 m³ (previous year 953,284 m³). In comparison with 2015, the year that saw the integration of the ceramics business, water consumption fell by 20.9%. Geberit consistently applies measures to successively reduce water consumption. In particular, this includes measures such as reusing water in production processes and laboratories. At around 80%, ceramic production accounts for the biggest share of water consumption. The goal of reducing water consumption in this area (l water/kg ceramic) by 5% by 2021 compared with 2018 was exceeded. By 2024, the value is to be reduced by a further 5% compared to 2021.

Innovative Geberit sanitary products help to systematically optimise water consumption in buildings. According to a model calculation, around 38,000 million m³ water has been able to be saved since 1998 thanks to Geberit dual-flush and flush-stop cisterns in comparison with traditional flushing systems. With → [eco-design](#) the products are also checked and improved with regard to water consumption. Rimless ceramic appliances and the flush valve 212, for example, now extend the portfolio of products that help end users handle water sparingly.

New CO₂ strategy for further reduction of emissions

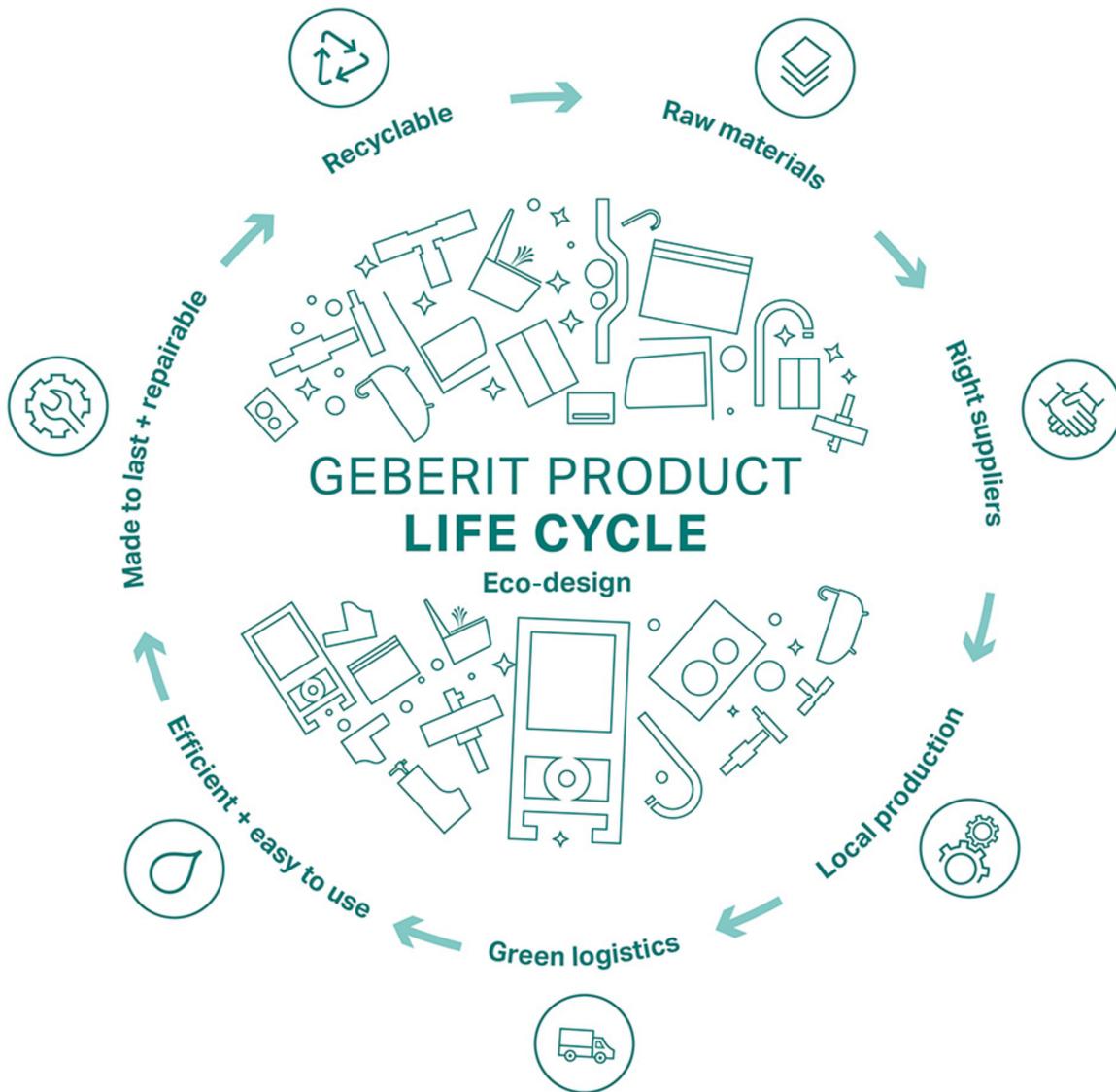
For many years now, Geberit has been committed to reducing its environmental impact and contributing to achieving global climate goals. A new CO₂ strategy was developed to reduce emissions further. This new strategy is a continuation of the successfully implemented strategy 2015–2021. Since the acquisition of the energy-intensive ceramics production in 2015, CO₂ emissions in relation to currency-adjusted net sales (CO₂ intensity) have fallen by an average 7.7% per year. In comparison with 2015, this represents a reduction of 38.3%. It was also possible to reduce absolute CO₂ emissions to below the target value of 240,000 tonnes (2021: 217,009 tonnes). This meant the main goals of the strategy were exceeded. These results mean that between 2015 and 2021, Geberit overfulfilled the target (Scope 1 and 2) specified in the Science Based Targets Initiative (SBTi) of limiting global warming to "well below 2°C" above pre-industrial levels.

As part of the new CO₂ strategy, Geberit is extending proofed and successful measures and adding new elements to them. For more details, see the → [new CO₂ strategy](#) and the → [Sustainability Performance Report](#).

Circular economy and eco-design

The aim of the circular economy is to operate an economic cycle in the most resource and environmentally friendly way possible. The service life of a product plays a pivotal role here. The longer a product can be used, the lower the resource input per use. One of Geberit's key contributions to the circular economy is therefore to achieve the longest possible product life thanks to high-quality materials and strict quality requirements. Geberit products typically have a service life spanning several decades. The service life often exceeds 50 years, for example in the case of plastic discharge pipes. An important contribution to the service life is that a significant proportion of the product range also has a guaranteed spare parts availability of 25 years. Furthermore, many Geberit products can be cleaned, maintained and repaired easily. The fact that new products and innovations are backwards-compatible – for example in the case of actuator plates – is also an important contribution to a longer service life of a previously installed product.

Since 2007, Geberit has consistently used the eco-design principle for the development of its own products. All environmental aspects are examined and the circular economy taken into account, from the selection of raw materials right through to disposal. Every new product has to be better than its predecessor from an ecological perspective. The energy efficiency and the water consumption of the products in the product use phase are continuously improved. Thanks to an intelligent redesign, around half of the material used for the fill and flush valves launched in 2021 for the range of floor-standing WCs in the Nordic countries is made of high-quality ABS regranulate, for example. Since 2007, the systematic eco-design principle has been used in more than 170 product developments. In production, the goal is to close internal material cycles, and to minimise waste and recycle it where appropriate. For example, almost 100% of plastic waste is recycled and reused internally, which corresponded to around 10,000 tonnes of plastic in 2021.



Careful handling of plastics

As part of the eco-design principle, Geberit steadily drives the use of recycled plastics in production forward. In particular, work continues towards constantly increasing the share of bought-in plastic regranulate used (post-consumer waste). Alongside recycled ABS, a suitable recycled material was also evaluated for applications involving polypropylene (PP). This is to be used increasingly in the future, for example as transport protection for Mepla pipes.

Furthermore, Geberit participates in the Operation Clean Sweep (OCS) initiative. OCS is an international initiative promoted by the plastics industry dedicated to preventing the loss of plastic granules and ensuring that these materials do not pollute the environment. All Geberit plants that process plastics take part in the initiative and implement appropriate improvements.

Reducing the use of packaging material

The reporting year saw a revision of the packaging for spare parts of Geberit AquaClean shower toilets. Material savings total more than 13 tonnes of cardboard per year – a reduction of 70%. This results in a saving of around 12 tonnes of CO₂ per year. Furthermore, the smaller packaging resulting from the revision means more deliveries fit on a pallet. This reduces the number of transport kilometres and additionally reduces CO₂ emissions.

Green building supported by digitalisation

Green building is becoming ever more important. More and more buildings are being constructed in accordance with sustainability standards such as LEED (Leadership in Energy and Environmental Design), DGNB (Deutsche Gesellschaft für nachhaltiges Bauen – the German Sustainable Building Council), Minergie and BREEAM (Building Research Establishment Environmental Assessment Method). As they increase transparency and are intended to provide data relating to sustainability, these standards also influence the planning processes in sanitary technology. For many years, Geberit has been creating product life cycle assessments and externally inspected environmental product declarations (EPDs) in accordance with the European standard EN 15804. EPDs present relevant, comparable and verified information about a product's environmental performance in a transparent manner. In the reporting year, the EPDs have been extended with two new declarations on the drinking water system Mapress Stainless Steel: one on the fittings and one on the pipes. This means that products with an EPD account for around 23% of Group sales.

In order to meet the increased demand for digitally available data, a medium- to long-term goal is the creation of a "material passport" for each individual product. This contains information on the product materials used and the associated ecological footprint.

Comprehensive controlling and reporting

Since 2007, a sustainability performance report of the Geberit Group has been prepared annually in accordance with the guidelines of the Global Reporting Initiative (GRI). This has been carried out according to the new GRI Standards since 2018. The information disclosed within the scope of this reporting has been compiled in accordance with the "Comprehensive" option contained in the GRI Standards. The sustainability reporting has been subjected to and has successfully completed the GRI Materiality Disclosures Service, see [→ GRI label and formal GRI Content Index](#). All aspects of the GRI Standards can be found in the [→ Sustainability Performance Report for 2021](#). The [→ materiality analysis](#) was reviewed by an external stakeholder panel in 2020 and will be subjected to a further examination in 2022.

Geberit has been a member of the United Nations (UN) Global Compact since 2008. The purpose of this worldwide agreement between companies and the UN is to place globalisation on a more social and ecological footing. A [→ Communication on Progress](#) regarding measures in the areas of human rights, labour practices, environmental protection and anti-corruption is submitted annually. Geberit is also a member of the local network of the UN Global Compact. The [→ Code of Conduct for Employees](#) and the [→ Code of Conduct for Suppliers](#) further incorporate the topic of sustainability. Continuously improved [→ compliance processes](#) ensure compliance with guidelines and directives. In

addition, a system for the control and management of all risks involved in entrepreneurial activities is in place throughout the Group. For more information, see [→ Risk management](#).

Geberit aims to further reinforce its leading position in the industry in the area of sustainability. One major system helping to achieve this target is the integrated Geberit Management System, which unites aspects such as quality, environment, occupational health and safety, and energy. All production plants throughout the world and central logistics were certified in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety). Certification according to ISO 50001 (energy management) is taking place for selected sites.

Further increased importance of sustainable business management for customers and the capital market

In terms of customers, the importance of sustainable business management is increasing. For example, an increasing number of wholesale customers are asking their suppliers for proof of their sustainability performance. EcoVadis, for example, one of the world's largest providers of business sustainability ratings, offers such a platform. In this context, it is pleasing to note that EcoVadis awarded Geberit the platinum rating for sustainability management for the second time running in 2021. The platinum rating is the highest possible rating awarded following evaluation by EcoVadis. This means that Geberit is among the top one percent of companies listed by EcoVadis.

The activities in terms of sustainable business management are also recognised by the capital market. Geberit is prominently represented in the sustainability stock indices and sustainability funds segment. For example, the share is a component of the STOXX Europe Sustainability Index and the FTSE4Good Index Series. Renowned sustainability funds also hold the shares in their portfolios. Geberit wants to continue to play a pivotal role in the "Sustainability" and "Water" investment segments.

New CO₂ strategy

Continuous contribution to global climate goals

For many years now, Geberit has been striving to reduce its environmental impact. The continuous contribution to the UN 2030 Agenda for Sustainable Development and to the global climate goals – as set out in the agreement reached at the Paris Climate Conference in 2015 – is an integral part of Geberit's → Sustainability strategy. Since the acquisition of the energy-intensive ceramics production in 2015, CO₂ emissions in relation to currency-adjusted net sales (CO₂ intensity) have fallen by an average 7.7% per year. In comparison with 2015, this represents a reduction of 38.3%. This means the targets of the CO₂ strategy 2015–2021 were exceeded. Similarly, it was possible to reduce the absolute emissions to well under the target value of 240,000 tonnes CO₂/year at 217,009 tonnes in 2021. These results mean that between 2015 and 2021, Geberit overfulfilled the target (Scope 1 and 2) specified in the Science Based Targets Initiative (SBTi) of limiting global warming to "well below 2°C" above pre-industrial levels.

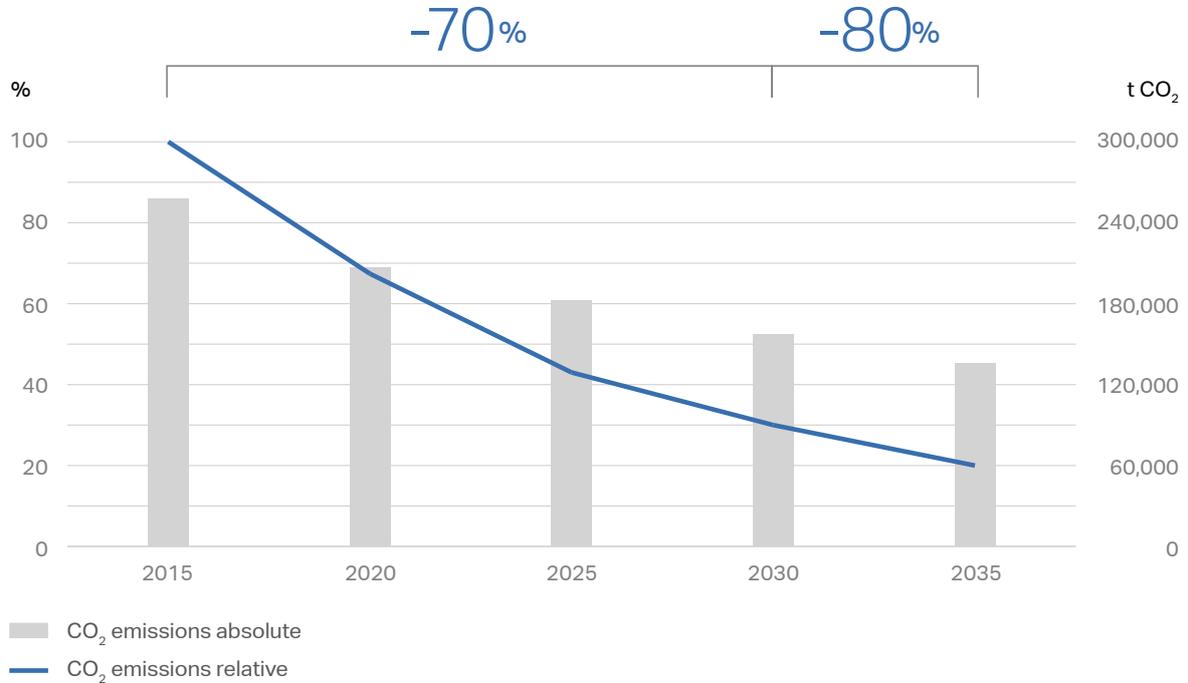
New CO₂ strategy for further reduction of emissions

The Geberit Group stands for an ambitious and implementation-oriented approach in its activities. This also applies to the new CO₂ strategy. The central element is the integration of the CO₂ strategy in all relevant and existing business processes as well as the handling of CO₂ emissions as external costs by means of internal CO₂ pricing. In this way, Geberit wants to ensure that the procedure of reducing the company's carbon footprint is widely supported within the company, incorporated in daily business activities, and that the measures taken have a long-term, sustainable effect.

The new CO₂ strategy thus combines ecological and economic sustainability and focuses on short- and medium-term, realistic and measurable objectives. The goal is to reduce CO₂ intensity by an average 5% per year. As a result, absolute CO₂ emissions will be reduced long term to 136,000 tonnes by 2035 if the short- and medium-term goals are achieved. In comparison with the reference year 2015, the relative CO₂ emissions will be reduced by 70% by 2030 and by 80% by 2035. The envisaged reduction (Scope 1 and 2) is in line with the target specified in the Science Based Targets Initiative (SBTi) of limiting global warming to "well below 2°C" above pre-industrial levels.

Short- and medium-term goals with long-term effect

(Index: 2015 = 100)



Measures for Scope 1 and 2

What do Scope 1 and 2 stand for?

Scope 1

All CO₂ emissions resulting from the combustion of fuels, such as crude oil, natural gas and liquefied petroleum gas (LPG), as well as motor fuel from the fleet of vehicles which are within the direct scope of the company. At Geberit, the majority of these emissions come from the manufacture of ceramic sanitary appliances (kilns).

Scope 2

All CO₂ emissions that result from using additionally purchased energy, particularly additionally purchased electricity. The following applies here: the greener the electricity, the lower the emissions.

Geberit relies on **transparency and the assumption of responsibility**. Internal reporting will be significantly expanded: from now on, key performance indicators on CO₂ emissions will be integrated into the regular monthly reporting and forecasting processes. The annual achievement of CO₂ reduction objective will now be integrated as one of five equally weighted criteria in the calculation of the Group bonus. The annual emission reduction goals are thus bonus-relevant with a weighting of 20% for the entire Group management (around 220 managers) as well as for the employees in Switzerland (a total of 1,500 employees).

The **internal CO₂ pricing** is a new measure of key importance. Once a year, the Group Executive Board defines a CO₂ reference price as part of the budget – EUR 60 per tonne for 2022. This is based on the price of the European Emissions Trading System (ETS) for CO₂. The internal CO₂ reference price embodies the reference costs for saving one tonne of CO₂. An implicit CO₂ project price is calculated for each project using an economic efficiency calculation. This serves as a basis for deciding on investments in measures to reduce energy or CO₂. The lower the CO₂ project price, the more attractive the project, whereby the price for implementing a project has to be under the CO₂ reference price.

Pivotal in the CO₂ strategy are measures for **saving energy, increasing efficiency** and **procuring energy** in the plants. The corresponding measures are implemented using an energy master plan and a rolling CO₂ forecasting of the significant plants. The proportion of renewable energies is being further increased throughout the company, always taking the internal CO₂ reference price and the economic efficiency of the planned projects into consideration. There are various ways of doing this: purchasing high-quality green electricity with certificates, long-term Power Purchase Agreements (PPA) with selected operators, or the installation of proprietary photovoltaic systems on the roofs of the production plants to generate electricity to be used within the company. For 2022, it is planned to increase the purchase of green electricity even more, from 85 GWh in 2021 by a further 20 GWh in 2022 (previous year +17 GWh).

The area of ceramics, which accounts for around two-thirds of all Geberit CO₂ emissions, accordingly has the largest structural savings potential. This includes a special focus on the reduction of scrap rates. The firing process and the use of the resulting waste heat will be further optimised. This can be used for other process steps, such as the drying of the cast ceramic appliances. Furthermore, projects were launched to investigate the possibilities of switching to renewable energy sources – for example, hydrogen – in the long term as well as the systematic reuse of ceramic waste.

Measures for Scope 3: Eco-design is key

What does Scope 3 stand for?

CO₂ emissions which do not directly belong to the scope of the company.

Geberit also contributes to reducing Scope 3 emissions. This principle is known as → eco-design and is based on the continuous improvement of product design. All products have been developed consistently in line with this principle since 2007. Seen across the entire life cycle, each product must be better than its predecessor from an ecological perspective – and all without sacrificing on quality, functionality or durability. With regard to the individual areas in the upstream and downstream value chain, the planned measures are aiming for the following improvements:

- Reduction of the quantities of material used
- Increase in the proportion of recycled material
- Simplification of dismantling and recycling products and their components
- Ensuring durability and repairability
- Increasing the energy efficiency of the products
- Reduction of water consumption in the product use phase
- Reduction of packaging material
- Optimisation of transport routes and maximising shipping container utilisation

Overview of measures to reduce CO₂ emissions

Transparency	<ul style="list-style-type: none"> • Scope 1&2: Monthly CO₂ and KPI reporting • Scope 3: Improve transparency of CO₂ footprint of products
Accountability	<ul style="list-style-type: none"> • Focus on short-/mid-term targets • Annual bonus relevant CO₂ target (20% weight) and mid-term reduction of CO₂ intensity by 5% p.a.
CO ₂ pricing	<ul style="list-style-type: none"> • Ecologically/economically efficient decision-making • Internal CO₂ pricing: reference price and project specific CO₂ price
Energy	<ul style="list-style-type: none"> • Energy reduction via energy masterplan and rolling CO₂ forecasting for large plants • Increase of renewable energy sourcing and evaluation of alternative energy sources, e.g., photovoltaics, PPA
Structural reduction	<ul style="list-style-type: none"> • Scope 1&2: Reduction/reusage of ceramics waste; evaluation of new ceramics production technologies, e.g., H₂ • Scope 3: Eco-design for product development
Offsetting or removal	<ul style="list-style-type: none"> • External CO₂ offsetting or removal based on CO₂ reference price

Compliance

Compliance at Geberit

Compliance at Geberit does not just mean adhering to applicable laws and regulations in the relevant areas, but also includes guidelines for social, economic and environmental responsibility. High ethical and social standards are defined and Geberit commits to sustainability and integrity. Compliance within the company is based on the → Code of Conduct for Employees and the → Code of Conduct for Suppliers, which were introduced in 2007 and last revised in 2018.

Topics

The main compliance activities for Geberit encompass the areas: → antitrust legislation, → data protection, → product liability, → environment and occupational health and safety and → fundamental employee rights, → supplier compliance and → corruption. Clear reporting processes, such as Code of Conduct reporting, as well as internal and external audits are implemented to check the corresponding regulations are being adhered to.

Organisation

A decentralised compliance organisation and a consistently implemented compliance programme in all relevant risk areas form the basis of high-quality compliance standards at Geberit. The aim of the decentralised organisation is to entrench the various compliance topics as close as possible to the responsible departments and thus in day-to-day business. The responsibilities are clearly defined. Structured controlling and reporting processes within the individual departments ensure that the Group Executive Board and the Audit Committee of the Board of Directors are informed quickly and comprehensively. Furthermore, the Geberit Integrity Line makes it possible for employees and suppliers to anonymously report non-compliance both with the Code of Conduct and with legal regulations.

The Geberit Group's legal department is responsible for the topics of antitrust legislation, data protection and corruption. Product liability is the responsibility of Product Quality Management. Corporate Sustainability & Process Management is responsible for the subjects of the environment, occupational health and safety, while Corporate HR is responsible for fundamental employee rights.

Corporate compliance governance

	Employees				EHS			Data	Products			
	Law	Integrity	Cartel	Corruption	Environment	Health	Safety	Law	Norms	Approvals	Law	Labels
Product Management & TUI*												
Procurement			Corporate Legal Services									Corporate Product Quality
Production & Logistics	Corporate HR				Corporate Sustainability & Process Management		Corporate Legal Services					
Sales & Marketing			Corporate Legal Services									
Administration			Corporate Legal Services									

* Technic and Innovation

Focus on antitrust legislation and data protection

Regular training sessions and internal audits demonstrate a well-developed sensitivity among the employees in relation to compliance topics, particularly in the area of antitrust legislation and data protection.

As in previous years, compliance activities again focused on antitrust legislation and data protection in 2021. The training concepts and tools were developed and professionalised further in both areas. Geberit has effective instruments at its disposal for the comprehensive and straightforward training of affected employees across the Group on the topics of antitrust legislation and data protection, and can inform them of the applicable legal regulations and the directives within the Group. In the reporting year, around 1,500 employees completed eLearning modules on the subject of antitrust legislation, while around 60 particularly high-profile employees were given in-depth, tailor-made training sessions. It is planned to carry out these training courses on antitrust legislation at the companies outside Europe in 2022. Almost 9,000 employees completed data protection eLearning modules. Furthermore, there are ongoing event-related training sessions on this subject for the data protection coordinators as well as employees from sales and at management level. Around 120 people took part in these special training sessions during the reporting year.

Social responsibility

Social responsibility at Geberit

Geberit assumes social responsibility. The social commitment should be linked to the core topics of Geberit – water and basic sanitation – and to the employees at the company's sites worldwide. This approach contributes to the → mission of achieving sustained improvement in the quality of people's lives.

Projects with apprentices

Geberit has been carrying out social projects with its own apprentices since 2008. During their assignments in developing and newly industrialised countries, the young apprentices not only gain new intercultural, linguistic, professional and social competencies, but also often act as ambassadors for the company and its social commitment. The social projects make a tangible contribution to Goal 4 of the 2030 Agenda of the United Nations, which aims to give all humans access to clean drinking water and basic sanitation.

After the project had to take place without apprentices in the previous year due to the pandemic, the tradition of the social projects was continued in 2021. Eight apprentices from Germany, Austria and Switzerland travelled to Vinnytsia in Ukraine as part of the social project. In close collaboration with a local vocational school and accompanied by the local Geberit sales company, the apprentices helped renovate bathrooms and sanitary facilities in the vocational school involved as well as in a student hall of residence.

Globally engaged

The partnership with the Swiss development organisation Helvetas was continued. Part of this partnership focuses on infrastructure projects in developing countries where Geberit employees go on volunteering assignments. Due to the COVID-19 pandemic, the planned volunteering project in Nepal in 2021 unfortunately could not take place and was postponed until 2022.

Integration and inclusion

The Geberit Group's social commitment is rounded off by a multitude of other initiatives at a local level. At various Geberit sites in Europe, such as Germany, Austria, Poland, France and Switzerland, for example, simple assembly and packaging work is regularly awarded to workshops for people with disabilities. In the reporting year, this work amounted to around CHF 10 million and gave around 550 people meaningful work.

Giving instead of wasting

Additionally, Geberit employees continued last year's initiative, which involves donating ceramic sanitary appliances that have been discontinued following brand harmonisation, but are as good as new, to social institutions. Around 1,800 ceramic appliances were loaded on four trucks and sent to Moldova, where they have been installed in schools, childcare centres and a boarding school for deaf children.

As a basic principle, social projects are regularly checked by Geberit employees in the respective country or in partnership with non-governmental organisations wherever it is felt useful – including after completion of the projects in question.

For an overview of donations and financial contributions, see [→ Infrastructure investments and promoted services](#). All donations are neutral from a party political point of view. No donations were made to parties or politicians. This is ensured globally as part of the annual audit of the Code of Conduct.

Changes in Group structure

There were no significant changes to the legal structure of the Geberit Group in the reporting year (see also → [Financial Statements of the Geberit Group, Notes to the Consolidated Financial Statements, 2. Changes in Group structure](#) and → [32. Group companies as of 31 December 2021](#)).

Outlook

Framework conditions impacted by the effects of COVID-19

As a result of the ongoing considerable uncertainties in relation to the COVID-19 pandemic and its further development, the unstable geopolitical situation as well as, generally, the lack of visibility, it remains very difficult to provide an outlook, which is why this has been dispensed with in this annual report.

Currencies and raw materials

Fluctuations in the Swiss franc compared to other important currencies used by the Geberit Group will continue to affect sales and earnings. Gains and losses result mainly from the translation of local results into Swiss francs (translation effects). However, currency fluctuations generally have no significant impact on operating margins due to natural currency hedging. Natural currency hedging entails making sure that costs in the various currency areas are incurred in the same proportion in which sales are generated. With regard to the impact of foreign currency effects, please refer to the information and the sensitivity analysis in the → [Management of currency risks](#) section.

The aforementioned significant uncertainties related to the COVID-19 pandemic and its economic impact also influence the availabilities and price developments seen on the raw material markets and the development of energy and freight costs. The risks in the availability of raw materials and freight capacities therefore remain very high in 2022, which is why no outlook is provided for this either.

Geberit

In the coming year, the objective is again to perform strongly in all markets and, as in previous years, to gain further market shares. To this end, significant contributions will be made by new products introduced in recent years, the focus on markets in which Geberit products or technologies are still under-represented, and the further expansion of the shower toilet business. In line with the Geberit strategy, these measures shall be accompanied by efforts to continuously optimise business processes in order to be able to achieve continued high margins and a strong free cashflow also in 2022. Based on the strong foundation already built up over the past decades, the sustainability performance should also continue to improve.

Both the Board of Directors and the Group Executive Board are convinced that the Geberit Group is very well equipped and positioned to meet current and upcoming opportunities and challenges. The possibilities offered as a result of combining technical know-how in sanitary technology "behind the wall" and design expertise "in front of the wall" will continue to be firmly seized. In 2022, focal points

will again be the continued implementation of the digitalisation strategy as well as the new CO₂ strategy. Experienced and highly motivated employees, a number of promising products that have been launched in recent years and product ideas for the more distant future, a lean and market-oriented organisation, an established cooperation based on trust with the market partners in both commerce and trade, and the Group's continued solid financial foundation are vital to its future success.

Business Report

Corporate Governance

1. Group structure and shareholders

1.1 Group structure

The operational Group structure is shown in the diagram → [Annual Report 2021, Business Report, Management structure, p. 21.](#)

Geberit AG, the parent company of the Geberit Group, has its headquarters in Rapperswil-Jona (CH). For the place of listing, market capitalisation, Swiss securities identification number and ISIN code, please refer to → [Annual Report 2021, Business Report, Geberit share information, p. 15.](#)

The Group's consolidated subsidiaries are listed under → [Annual Report 2021, Financials, Consolidated Financial Statements Geberit Group, Notes to the Consolidated Financial Statements, Note 32, p. 217](#), stating the company name and head office, share capital and equity interest held by the Group companies. Except for Geberit AG, the scope of consolidation does not include any listed companies.

1.2 Significant shareholders

The listed significant shareholders within the meaning of Art. 663c of the Swiss Code of Obligations (Schweizerisches Obligationenrecht, OR) and Art. 120 Para. 1 of the Financial Market Infrastructure Act (Finanzmarktinfrastrukturgesetz, FinfraG) held more than 3% of the voting rights or share capital recorded in the Commercial Register on 31 December 2021.

Significant shareholders*

(in %; as of 31 December 2021)

BlackRock, New York, US	5.21
Fiera Capital Corporation, CA	3.06

* In accordance with the corresponding reports to the SIX Swiss Exchange

Disclosure notifications reported to Geberit during 2021 and published by Geberit via the electronic publishing platform of SIX Swiss Exchange can be viewed at → www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

1.3 Cross-shareholdings

In terms of equity interests or voting rights, the Geberit Group has no cross-shareholdings with any other companies that exceed a threshold of 5%.

1.4 Important changes to the Articles of Incorporation

No amendments to the Articles of Incorporation were made in the 2019 and 2020 financial years. In 2021, the Articles of Incorporation were changed due to the capital reduction agreed on 14 April 2021 (see → [Annual Report 2021, Business Report, Corporate Governance, 2. Capital structure, 2.4 Shares and participation certificates, p. 84](#)).

The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

2. Capital structure

2.1 Capital

Amount of ordinary, authorised and conditional capital of the company as of 31 December 2021:

Ordinary capital:	CHF 3,587,433.30
Conditional capital:	–
Authorised capital:	–

2.2 Authorised and conditional capital details

As of 31 December 2021, the Geberit Group had no conditional or authorised capital.

2.3 Changes in capital

For Geberit AG's changes in capital, see table.

MCHF	31.12.2019	31.12.2020	31.12.2021
Share capital	3.7	3.7	3.6
Reserves	837.2	987.2	660.2
Retained	560	603.7	706

For further details on changes in capital, reference is made to the Geberit Group's Consolidated Financial Statements in the Financial Report of this Annual Report 2021 ([→ Annual Report 2021, Financials, Consolidated Financial Statements Geberit Group, Statements of Comprehensive Income and Changes in Equity, Consolidated Statements of Changes in Equity, p. 160](#)), including the Notes to the Consolidated Financial Statements ([→ Annual Report 2021, Financials, Consolidated Financial Statements Geberit Group, Notes to the Consolidated Financial Statements, Note 21, p. 208](#)), to the information in the [→ Annual Report 2021, Financials, Financial statements Geberit AG, p. 229](#), as well as to the 2019 figures in the 2020 Annual Report (Consolidated Financial Statements Geberit Group: [→ Annual Report 2020, Financials, Consolidated Financial Statements Geberit Group, Consolidated Statements of Changes in Equity, → Annual Report 2020, Financials, Consolidated Financial Statements Geberit Group, Notes to the Consolidated Financial Statements, Note 21](#) and [→ Annual Report 2020, Financials, Financial Statements Geberit AG](#)).

The share buyback programme, launched in June 2017, was completed at the end of April 2020. In total, 1,026,094 registered shares – equal to CHF 439,767,616 and corresponding to 2.77% of the share capital entered in the Commercial Register at that time – were repurchased. The share buyback programme was conducted via a second trading line set up especially for this purpose.

The new share buyback programme was started on 17 September 2020. Over a maximum period of two years, registered shares amounting to a maximum purchase value of CHF 500 million will be repurchased. Based on the closing price of Geberit registered shares on 15 September 2020, this corresponded to around 950,000 registered shares or 2.6% of the share capital currently entered in the Commercial Register. The registered shares are repurchased via a separate trading line on the SIX Swiss Exchange for the purpose of a capital reduction.

The General Meeting of 14 April 2021 approved a reduction of the share capital to 35,874,333 registered shares at CHF 0.10 each through the cancellation of 1,167,094 treasury shares. The cancelled shares originated from the buybacks made during the programme that ran from 2017 to 2020, plus shares repurchased by the end of February 2021 as part of the ongoing programme.

2.4 Shares and participation certificates

The share capital of Geberit AG is fully paid in and amounts to CHF 3,587,433.30. It is divided into 35,874,333 registered shares with a par value of CHF 0.10 each. All shares of Geberit AG are listed on the SIX Swiss Exchange.

With the exception of the treasury shares held by the company, each share registered with voting rights in the share register of the company carries one vote at the General Meeting and each share (whether or not it is entered in the share register) carries a dividend entitlement. All dividends that have not been collected within five years of their due date are forfeited to the company in accordance with Art. 27 of the company's → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) (www.geberit.com/downloadcenter-en) and allocated to the general reserve. As of 31 December 2021, the company held 714,037 treasury shares.

No participation certificates of the Geberit Group are outstanding.

The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

2.5 Profit-sharing certificates

No profit-sharing certificates of the Geberit Group are outstanding.

2.6 Limitations on transferability and nominee registrations

Upon request and presentation of evidence of the transfer, acquirers of shares are registered as shareholders with voting rights in the share register if they explicitly declare to hold the shares in their own name and for their own account. Art. 5 of the → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) (www.geberit.com/downloadcenter-en) stipulates that the Board of Directors may register nominees as shareholders with voting rights in the share register up to a maximum of 3% of the share capital. The Board of Directors may register nominees as shareholders with voting rights in excess of such registration limitation, provided the nominees disclose detailed information and shareholdings of the persons for which they hold 0.5% or more of the share capital.

The Board of Directors has the power to delete entries in the share register retroactively as of the date of entry if the registration has been made on the basis of false information. It may give the concerned shareholder the opportunity to comment in advance. In any case, the shareholder concerned is informed without delay about the deletion.

Furthermore, the → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) do not contain any restrictions in terms of registration or voting rights.

In the reporting year 2021, there were two registrations in the share register of shares with voting rights held by nominees. In both instances, the respective nominee requested the registration of shares in excess of the 3% registration limitation. The Board of Directors approved this because the nominees in question met the requirements in the Articles of Incorporation that would enable such an exemption.

As of 31 December 2021, two nominees were registered in the share register of Geberit AG with voting rights of more than 3% of the total outstanding share capital:

Chase Nominees Ltd.:	6.93%
NorTrust Nominees Ltd.:	3.51%

The Board of Directors did not have to delete any entries in the share register retroactively as of the date of entry in the 2021 reporting year.

According to Art. 11 of the → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en), amendments to the provisions regarding the restriction of the transferability of registered shares require a resolution of the General Meeting passed by at least two-thirds of the votes represented. For the procedure and the conditions for cancelling the restriction of the transferability, see → [Annual Report 2021, Business Report, Corporate Governance, 6. Participatory rights of shareholders, p. 106](#).

The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

2.7 Convertible bonds and warrants/options

No convertible bonds are outstanding.

No options were issued to any external parties. As regards options issued to employees of the Geberit Group, reference is made to the [→ Annual Report 2021, Business Report, Remuneration Report, 8. Summary of share and option plans 2021, p. 142](#) and [→ Annual Report 2021, Financials, Consolidated Financial Statements Geberit Group, Notes to the Consolidated Financial Statements, Note 17, p. 200](#) in the Consolidated Financial Statements of the Geberit Group.

3. Board of Directors

3.1/3.2 Members of the Board of Directors

At the end of 2021, the Board of Directors was composed of six non-executive, independent members. Geberit AG has determined a diverse required set of competencies for the members of its Board of Directors that reflects strategic requirements, the company's targets, geographical presence and corporate culture. The Board of Directors should be diverse in every respect, i.e. in terms of gender, nationality, geographical/regional experience and business experience. The members of the Board of Directors have in-depth knowledge in their respective areas of expertise. Together, they ensure that the Board of Directors has all the necessary competencies. The current composition of the Board of Directors covers the following most important competencies in particular:

Distribution of the most important competencies

Leadership/management	6/6
Other Board experiences	6/6
Law/regulatory/risk management	6/6
Accounting/financial/audit	6/6
HR and remuneration	6/6
Operational management (purchasing, manufacturing, logistics)	3/6
Research and development	3/6
Sales and marketing	4/6
ESG	6/6
IT/Digital	4/6
Experience in sectors close to the building industry or other sectors relevant to the Geberit Group	4/6
Strategic planning, M&A	6/6

In connection with the nomination of the Chairmen and the members of the Board of Directors and of the committees, the Nomination and Compensation Committee determines the principles for the selection of candidates, prepares the selection in accordance with these criteria and submits corresponding proposals to the Board of Directors.

The Nomination and Compensation Committee reviews on an annual basis the independence of the members of the Board of Directors and the committees and presents its assessment to the Board of Directors which shall decide conclusively. The criteria for assessing independence are those set out in the Swiss Code of Best Practice for Corporate Governance. Accordingly, non-executive members of the Board of Directors are deemed to be independent if they have never been members of the Executive Board, or were members thereof more than three years ago, and have no or comparatively minor business relations with the company. No member of the Board of Directors was a member of any Management Board of a Geberit Group company in the three years preceding the reporting period. Apart from their Board of Directors' mandate, no member of the Board of Directors has any significant business relations with the Geberit Group.

Albert M. Baehny (1952)

- **Non-executive, independent Chairman of the Board of Directors since 2015 (Executive Chairman of the Board of Directors from 2011 to 2014), member of the Board of Directors since 2011**
- **Swiss citizen**
- **Chairman of the Board of Directors Lonza Group AG, Basel (CH); Member of the Board of Directors Investis Holding SA, Zurich (CH)**



Albert M. Baehny graduated with a degree in biology from the University of Fribourg (CH). In 1979, he started his career in the research department of Sero-Hypolab. His further career comprised various marketing, sales, strategic planning and global management positions with Dow Chemical Europe (1981–1993), Ciba-Geigy/Ciba SC (1994–2000), Vantico (2000–2001) and Wacker Chemie (2001–2002). For more than 20 years, Albert M. Baehny gathered relevant knowledge and expertise with global business responsibility. Before joining Geberit, he was Senior Vice President of Wacker Specialties. At Geberit he was Head of Group Executive Area Marketing and Sales Europe from 2003 to 2004. From 2005 until the end of 2014, Albert M. Baehny was Chief Executive Officer (CEO) of the Geberit Group. He has been Chairman of the Board of Directors since 2011. From November 2019 to October 2020, he was also Chief Executive Officer (CEO) a. i. at Lonza.

Eunice Zehnder-Lai (1967)

- **Vice Chair of the Board of Directors since April 2021; non-executive, independent member of the Board of Directors since 2017**
- **Citizen of Switzerland and Hong Kong**
- **Member of the Board of Directors DKSH Holding AG, Zurich (CH); Member of the Board of Directors Julius Bär Group Ltd./Julius Bär & Co. Ltd., Zurich (CH); Member of the Board of Trustees Asia Society, Zurich (CH) and New York (US); Member of the Board of Trustees Insights for Education, Zurich (CH)**



Eunice Zehnder-Lai holds a Master of Business Administration from Harvard Business School (US) and a Bachelor of Arts from Harvard University (US). From 2014 until the end of November 2018, she was CEO of IPM Institut für Persönlichkeitsorientiertes Management, a firm headquartered in Pfäffikon (CH) that offers solutions aimed at enhancing the efficiency of organisations with customers, teams and employees in companies. Before joining IPM, she spent almost 20 years working in the finance industry for LGT Capital Partners, Goldman Sachs and Merrill Lynch in New York, London, Hong Kong and Switzerland. She worked in asset management, private wealth management and corporate finance, as well as for Procter & Gamble in marketing and brand management.

Thomas Bachmann (1959)

- **Non-executive, independent member of the Board of Directors since April 2021**
- **Swiss citizen**
- **Various positions as independent board member and management consultant**



Thomas Bachmann studied mechanical engineering at Bern University of Applied Sciences (BFH) in Burgdorf (CH) and completed his Executive MBA at the IMD Business School in Lausanne (CH). Following his studies, he took on various sales and marketing positions at Rieter from 1985 on, both in the US and Asian markets and also on a global scale. He was then responsible for a business unit at Rieter Textile Systems, before heading up the Corporate Planning & Development division on a Group level. From 2002 to 2004, he was at AFG Arbonia Forster as CEO responsible for the kitchens, refrigeration, profile systems and precision steel piping business areas. As CEO, he headed up the Tecan Group – an international manufacturer of laboratory automation products and analytics solutions – from 2005 to 2012. From 2013 to 2015, Thomas Bachmann was Executive President of the Bruker BioSpin Group, a provider of instruments for life science laboratories that is based in both

Europe and the USA. During this time, he was also a member of the Supervisory Board at the Eppendorf Group from Hamburg (DE), a global market leader in the field of laboratory instruments and high-quality laboratory supplies. From 2015 to 2019, he headed up the Eppendorf Group as CEO. Since 2020, he has held various positions as an independent board member or management consultant.

Felix R. Ehrat (1957)

- **Non-executive, independent member of the Board of Directors since 2013**
- **Swiss citizen**
- **Chairman of the Board of Directors Globalance Bank AG, Zurich (CH); Member of the Board of Directors Idorsia AG, Allschwil (CH); Member of the Board of Directors Swiss Fintech AG (Loanbox), Zurich (CH); Member of the Board of Directors Hyos Invest Holding AG, Zurich (CH); Member of the Advisory Committee RepRisk AG, Zurich (CH); Member of the Advisory Board Accenture, Zurich (CH)**



Felix R. Ehrat received his doctorate of law from the University of Zurich (CH) in 1990, where he previously also received his law degree in 1982. He was admitted to practice as a lawyer in Switzerland in 1985. In 1986, he completed an LL.M. at the McGeorge School of Law in Sacramento (US). He has also completed a number of management training courses, including at Harvard University in Boston (US). From October 2011 to June 2018, he was Group General Counsel of Novartis and, since 1 January 2012, was a member of the Executive Committee of the Novartis Group, a company in which he has held a number of other executive positions. Felix R. Ehrat was active as a leading practitioner of corporate, banking and mergers and acquisitions law, as well as an expert in corporate governance and arbitration. He started his career as an Associate with Bär & Karrer in Zurich (CH) in 1987, became Partner in 1992 and advanced to Senior Partner (2003–2011) and Executive Chairman of the Board of Directors (2007–2011) of the firm. During his career to date, Felix R. Ehrat was a chairman and member of various Boards of Directors at listed and non-listed companies, including a chairman and member of various respective audit committees. Furthermore, he has held posts in major business organisations, e.g. member of the board at economiesuisse (2013–2015), Chairman of SwissHoldings (2015–2017) and member of the think tank Avenir Suisse (Member of the Board of Trustees [2014–2019]). He is a lecturer at the University of St. Gallen (CH) and Member of the Board of Trustees at the Law and Economics Foundation St. Gallen and the UZH Foundation (University of Zurich).

Werner Karlen (1967)

- **Non-executive, independent member of the Board of Directors since 2020**
- **Swiss citizen**
- **CEO Fr. Sauter AG, Basel (CH)**
- **No other external Board of Directors' mandates**



Werner Karlen studied Industrial Management and Manufacturing (Dipl. Ing. ETH) at the Swiss Federal Institute of Technology (ETH) in Zurich (CH) and then completed his doctorate (Dr. oec. HSG) at the University of St. Gallen (CH). Following his studies, he started his career as a sales engineer at ABB Kraftwerke AG in Baden (CH) and was Project Manager at McKinsey & Company in Zurich (CH) from 1996 to 2000. He then took over as COO (production, purchasing, finances, foreign subsidiaries) at Biella-Neher AG in Brugg (CH). From 2002 to 2009, he was COO at Phoenix Mecano AG in Kloten (CH) and, from 2010 to 2014, CEO (and member of the Board of Directors in 2015/2016) at Schulthess Group AG in Bubikon (CH).

Bernadette Koch (1968)

- **Non-executive, independent member of the Board of Directors since 2019**
- **Swiss citizen**
- **Member of the Board of Directors Mobimo Holding AG, Lucerne (CH); Member of the Board of Directors Swiss Post AG, Bern (CH); Member of the Board of Directors PostFinance AG, Bern (CH)**



Bernadette Koch is a graduate business economist and a certified public accountant. She has over 25 years of experience in auditing and financial reporting, which she acquired at EY Switzerland. As Global Client Service Partner, she was responsible for the auditing mandates of national and international companies. Furthermore, she brings a wide range of experience from her role as the Talent Officer of EY Assurance Switzerland and as a member of the Management Committee from EY Switzerland's Auditing division. She worked for EY until 2018. Today, Bernadette Koch shares her extensive experience as a Board of Directors member and advisor.

For former members of the Board of Directors who have left the Board during the past five years, please refer to the following links:

- → **Hartmut Reuter** → (Annual Report 2020, Business Report, Corporate Governance, 3. Board of Directors), left the Board on 14 April 2021
- → **Thomas M. Hübner** → (Annual Report 2018, Business Report, Corporate Governance, 3. Board of Directors), left the Board on 4 October 2019
- → **Jørgen Tang-Jensen** → (Annual Report 2018, Business Report, Corporate Governance, 3. Board of Directors), left the Board on 3 April 2019
- → **Regi Aalstad** → (Annual Report 2016, Business Report, Corporate Governance, 3. Board of Directors), left the Board on 5 April 2017

3.3 Regulations in the Articles of Incorporation concerning the number of permissible activities in accordance with Art. 12 Para. 1 Clause 1 OaEC

Members of the Board of Directors may hold up to five mandates in profit-oriented legal entities and up to five mandates in non-profit-oriented legal entities or charitable legal entities outside the Geberit Group.

Mandates of a member of the Board of Directors in legal entities which are controlled by the company, or which control the company, as well as mandates held by such member in their capacity as a member of the Board of Directors of the company, or held by order and on behalf of the company or legal entities controlled by it, shall not count as mandates in legal entities outside the Geberit Group.

Mandates of a member of the Board of Directors of the company in legal entities outside the Geberit Group which are under common control, as well as mandates held by such member in their capacity as a member of the supreme governing body or of the group management of a legal entity outside the Geberit Group or held by order and on behalf of such legal entity or legal entities controlled by it, shall be deemed one mandate outside the Geberit Group.

Mandates held by a member of the Board of Directors in their main activity as a member of the group management of a legal entity outside the Geberit Group or held by order and on behalf of such legal entity or legal entities controlled by it, shall not count as mandates within the meaning of this provision.

Mandates in the sense of Art. 24 of the → Articles of Incorporation (www.geberit.com/downloadcenter-en) are mandates in supreme governing bodies or in an advisory board of legal entities that are required to be recorded in the Commercial Register or in a corresponding foreign register.

The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

3.4 Elections and terms of office

The term of office for a member of the Board of Directors is one year and ends at the closing of the following ordinary General Meeting. Members of the Board of Directors are elected on an individual basis. Re-election is possible.

In addition to the members of the Board of Directors, the Chairman of the Board of Directors is also elected by the General Meeting. The term of office for the Chairman of the Board of Directors is also one year and ends at the closing of the following ordinary General Meeting. Re-election is possible. If the position of Chairman of the Board of Directors is vacant, the Board of Directors is to appoint a new Chairman of the Board of Directors from among its members for the remaining term of office.

The members of the Nomination and Compensation Committee are elected annually and on an individual basis by the General Meeting. Only members of the Board of Directors are eligible. Their term of office ends at the closing of the following ordinary General Meeting. Re-election is possible.

The members of the Board of Directors, Chairman of the Board of Directors and members of the Committees retire from their positions at the next ordinary General Meeting following their 70th birthday.

At the ordinary General Meeting on 14 April 2021, Thomas Bachmann was elected as a new member of the Board of Directors at Geberit AG, replacing Hartmut Reuter who did not stand for re-election. Eunice Zehnder-Lai (Chair), Thomas Bachmann and Werner Karlen were elected to the Nomination and Compensation Committee. The constitution subsequent to the General Meeting resulted in the following composition of the Audit Committee: Felix R. Ehrat (Chair), Werner Karlen, Bernadette Koch. Furthermore, Eunice Zehnder-Lai now holds the office of Vice Chair of the Board of Directors.

The Chairman of the Board of Directors and all members of the Board of Directors will be standing for re-election for a further year at the ordinary General Meeting in 2022. The composition of the committees and the office of Vice Chair are otherwise to remain unchanged.

3.5 Internal organisational structure

The organisation of the Board of Directors is governed by law, the company's → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) (www.geberit.com/downloadcenter-en) and the → [Organisational Regulations of the Board of Directors of Geberit AG](http://www.geberit.com/downloadcenter-en) (www.geberit.com/downloadcenter-en) (see also → [Annual Report 2021, Business Report, Corporate Governance, 3. Board of Directors, 3.6 Definition of areas of responsibility, p. 97](#)).

As a result of the entry into force of the OaEC on 1 January 2014 and in accordance with the → [Articles of Incorporation](#), the Chairman of the Board of Directors and the members of the Nomination and Compensation Committee are each to be elected annually and on an individual basis by the General Meeting. After each ordinary General Meeting, the Board of Directors elects the Vice Chairman from among its members, as well as the Chairman of the Nomination and Compensation Committee and the Chairman and the members of the Audit Committee.

The Board of Directors meets whenever business so requires, but at least four times a year generally for a day each (2021: nine meetings or telephone conferences). Each meeting that took place in 2021 lasted four hours on average, and each telephone conference 10 minutes. Meetings shall be chaired by the Chairman or, in the event of his incapacity, by the Vice Chair. The Board of Directors shall appoint a Secretary, who need not be a member of the Board of Directors. The Chairman of the Board of Directors may invite members of the Group Executive Board to attend meetings of the Board of Directors. During the reporting year, one or more members of the Group Executive Board took part in the nine meetings for the most part. The internal auditors did not take part in any meetings of the Board of Directors. None of the meetings involved the participation of external consultants or external auditors.

The Board of Directors shall be quorate if a majority of its members are present. Attendance can also be effected via telephone or electronic media. Resolutions are passed with the majority of votes cast. In the event of a tie, the Chairman shall have the casting vote.

The regular meetings of the Board of Directors and committees are scheduled early, so that as a rule all members participate in person or via telephone.

The participation rate for meetings of the Board of Directors in 2021 was 100%.

	4 Mar	9 Mar	14 Apr	8 Jul	18 Aug	2 Sep	3 Sep	29 Oct	8 Dec
Albert M. Baehny	X	X	X	X	X	X	X	X	X
Thomas Bachmann ¹	n/a	n/a	n/a	X	X	X	X	X	X
Felix R. Ehrat	X	X	X	X	X	X	X	X	X
Werner Karlen	X	X	X	X	X	X	X	X	X
Bernadette Koch	X	X	X	X	X	X	X	X	X
Hartmut Reuter ²	X	X	X	n/a	n/a	n/a	n/a	n/a	n/a
Eunice Zehnder-Lai	X	X	X	X	X	X	X	X	X

¹ Thomas Bachmann has been a member of the Board of Directors since 14 April 2021

² Hartmut Reuter was a member of the Board of Directors until 14 April 2021

The Board of Directors has formed two committees composed exclusively of non-executive and independent Board members:

Nomination and Compensation Committee (NCC)

The compensation and nomination tasks and responsibilities are combined in this Committee.

The Nomination and Compensation Committee consists of three independent, non-executive members of the Board of Directors. The members of the Nomination and Compensation Committee are elected individually and annually by the ordinary General Meeting. The Chair of the Nomination and Compensation Committee is appointed by the Board of Directors. The Nomination and

Compensation Committee shall be quorate if a majority of its members are present. Resolutions are passed with the majority of votes cast. In the event of a tie, the Chairman shall have the casting vote.

At the ordinary General Meeting on 14 April 2021, Thomas Bachmann was newly elected to the Nomination and Compensation Committee in place of Hartmut Reuter. The members of the Nomination and Compensation Committee as of 31 December 2021 were Eunice Zehnder-Lai (Chair), Thomas Bachmann and Werner Karlen. The committee meets at least three times a year generally for a half day each (2021: four meetings). Each meeting that took place in 2021 lasted 2.75 hours on average, and each telephone conference 30 minutes. During the reporting year, one or more members of the Group Executive Board took part in the four meetings. The internal auditors did not take part in any meetings of the Nomination and Compensation Committee. None of the meetings involved the participation of external consultants or external auditors.

The participation rate for meetings in 2021 was 100%.

	4 Mar	14 Apr	2 Sep	8 Dec
Eunice Zehnder-Lai	X	X	X	X
Thomas Bachmann ¹	n/a	n/a	X	X
Hartmut Reuter ²	X	X	n/a	n/a
Werner Karlen	X	X	X	X

¹ Thomas Bachmann has been a member of the Nomination and Compensation Committee since 14 April 2021

² Hartmut Reuter was a member of the Nomination and Compensation Committee until 14 April 2021

The Nomination and Compensation Committee supports the Board of Directors in fulfilling its duties specified by law and the → [Articles of Incorporation](#) in the area of the compensation and personnel policy of the Geberit Group. The powers and duties of the Nomination and Compensation Committee are based on the following principles:

1. Preparation and periodical review of the Geberit Group's compensation policy and principles and personnel policy, performance criteria related to compensation and periodical review of their implementation, as well as submission of the respective proposals and recommendations to the Board of Directors.
2. Preparation of all relevant decisions of the Board of Directors in relation to the nomination and compensation of the members of the Board of Directors and of the Group Executive Board, as well as submission of the respective proposals and recommendations to the Board of Directors.

The overall responsibility for the duties and competencies assigned to the Nomination and Compensation Committee remains with the Board of Directors.

The Board of Directors may delegate further powers and duties to the Nomination and Compensation Committee in respect of nomination, compensation and related matters.

The organisation, detailed responsibilities, functioning and reporting of the Nomination and Compensation Committee are stipulated in the → Organisational Regulations for the Nomination and Compensation Committee (NCC) (www.geberit.com/downloadcenter-en) of the Board of Directors of Geberit AG.

Audit Committee (AC)

The Audit Committee consists of three independent, non-executive members of the Board of Directors. They are appointed annually by the Board of Directors. The Board of Directors appoints a member of the Audit Committee as Chairman. The Audit Committee shall be quorate if a majority of its members are present. Resolutions are passed with the majority of votes cast. The CEO and CFO as well as the internal and external auditors attend the meetings if necessary. In 2021, the CEO and CFO attended each meeting of the Audit Committee, at least in part. The internal auditors took part in all meetings, and the external auditors in two meetings. None of the meetings involved the participation of external consultants. Furthermore, the committee is entitled to hold meetings exclusively with representatives of the external as well as the internal auditors. The Audit Committee has direct access to the internal auditors and can obtain all the information it requires within the Geberit Group and consult the responsible employees.

As of 31 December 2021, the Audit Committee was composed of Felix R. Ehrat (Chair), Werner Karlen and Bernadette Koch. It meets at least twice a year, generally for a half day each (2021: six meetings). Each meeting that took place in 2021 lasted 3 hours on average, and each telephone conference 10 minutes.

The participation rate for meetings in 2021 was 100%.

	13 Jan	2 Mar	3 May	12 Aug	2 Nov	6 Dec
Felix R. Ehrat	X	X	X	X	X	X
Werner Karlen ¹	n/a	n/a	X	X	X	X
Bernadette Koch	X	X	X	X	X	X
Hartmut Reuter ²	X	X	n/a	n/a	n/a	n/a

¹ Werner Karlen has been a member of the Audit Committee since 14 April 2021

² Hartmut Reuter was a member of the Audit Committee until 14 April 2021

The Audit Committee supports the Board of Directors in fulfilling its duties specified by law, in particular in the areas of financial control (supervision of the internal and external auditors and monitoring of financial reporting) and ultimate supervision of the persons entrusted with the management (internal control system). The Audit Committee determines the scope and planning of the internal audit and coordinates them with those of the external audit. For every meeting, the internal auditors provide a comprehensive report on all audits carried out and the measures to be implemented. The external auditors take part in two of the meetings. In the first meeting of the year, they present their report on the financial statements. The second meeting, which takes place in the third quarter, focuses on the planning of the upcoming audit of the financial statements and

developments in the regulatory environment. The Audit Committee monitors the implementation of the conclusions of the audit. In addition, the Audit Committee assesses the functionality of the internal control system, including risk management (see also → [Annual Report 2021, Business Report, Corporate Governance, 3. Board of Directors, 3.7 Information and control instruments vis-à-vis the Group Executive Board, p. 98](#)). The Audit Committee supports the Board of Directors with corporate governance and compliance issues, monitors the relevant corporate governance and compliance aspects and develops them further. The overall responsibility for the duties and competencies assigned to the Audit Committee remains with the Board of Directors.

The organisation, detailed responsibilities, functioning and reporting of the Audit Committee are set out in the → [Organisational Regulations for the Audit Committee \(AC\)](#) (www.geberit.com/downloadcenter-en) of the Board of Directors of Geberit AG.

The current Articles of Incorporation as well as the Organisational Regulations of the Board of Directors of Geberit AG (including the Definition of Areas of Responsibility), the Nomination and Compensation Committee and the Audit Committee can be viewed online at → www.geberit.com/downloadcenter-en.

3.6 Definition of areas of responsibility

Pursuant to Swiss Corporate Law and Art. 17 of the → [Articles of Incorporation](#) (www.geberit.com/downloadcenter-en) at Geberit AG, the Board of Directors has the following non-transferable and irrevocable responsibilities:

- The ultimate management of the Company and the giving of the necessary directives
- The establishment of the organisation
- The structuring of the accounting system and the financial controls, as well as the financial planning
- The appointment and removal of the persons entrusted with the management and the representation
- The ultimate supervision of the persons entrusted with the management, in particular in view of compliance with the law, → [Articles of Incorporation](#), regulations and directives
- The preparation of the annual report and of the remuneration report as well as the preparation of the General Meeting and the implementation of its resolutions
- The notification of the judge in case of overindebtedness

The Board of Directors determines the strategic objectives and the general resources for achieving these, and decides on major business transactions. Further areas of responsibility of the Board of Directors are set out in the → [Organisational Regulations of the Board of Directors of Geberit AG](#) (www.geberit.com/downloadcenter-en) and the → [Supplement to the Organisational Regulations](#) (www.geberit.com/downloadcenter-en).

To the extent legally permissible and in accordance with its → [Organisational Regulations of the Board of Directors of Geberit AG](#) the Board of Directors has assigned the operational management to the

Chief Executive Officer (CEO). The individual duties assigned to the CEO are governed in particular by the → [Supplement to the Organisational Regulations](#). The CEO is authorised to further delegate powers to individual members of the Group Executive Board and/or to other executives of the Geberit Group.

The Group Executive Board is composed of the Chief Executive Officer and five other members. The members of the Group Executive Board are appointed by the Board of Directors based on the proposal of the Nomination and Compensation Committee.

The → [Articles of Incorporation](#) and/or the → [Organisational Regulations of the Board of Directors of Geberit AG](#) regulate the duties and powers of the Board of Directors as a governing body, the Chairman and the committees. The Organisational Regulations also define the rights and duties of the Group Executive Board, which are set forth in more detail in the Internal Regulations for the Group Executive Board. The → [Supplement to the Organisational Regulations](#) contains a detailed list of the decision-making powers and Group management duties.

The current → [Articles of Incorporation](#) as well as the → [Organisational Regulations of the Board of Directors of Geberit AG](#) the → [Nomination and Compensation Committee \(NCC\)](#) and the → [Audit Committee \(AC\)](#) can be viewed at → www.geberit.com/downloadcenter-en.

3.7 Information and control instruments vis-à-vis the Group Executive Board

At every meeting of the Board of Directors, individual members of the Group Executive Board inform the Board of Directors of current business developments and major business transactions of the Group or Group companies. Between meetings, the Board of Directors is comprehensively informed in writing about current business developments and the company's financial situation on a monthly basis. Essentially, this report contains key statements on the Group and market development, information and key figures on the Group sales and profit development (in January, April, July and October, it contains statements only on sales development and not on profit development), statements on sales development in the individual product lines and countries or regions as well as an analysis on the share price development. The more extensive quarterly report additionally contains the expectations of the operational management on the development of results until the end of the financial year, information on the development of the workforce and liquidity and on the investments made, the composition of the shareholders as well as market expectations in regard to the business development.

Furthermore, the Chairman of the Board of Directors and the Chief Executive Officer are in contact at regular intervals with respect to all major issues of corporate policy. Each member of the Board of Directors may individually demand information with respect to all matters of the Group or Group companies.

Based on the → [Organisational Regulations of the Board of Directors of Geberit AG](#) (www.geberit.com/downloadcenter-en) and the → [Organisational Regulations for the Audit Committee \(AC\)](#)

(www.geberit.com/downloadcenter-en) of the Board of Directors, the Audit Committee has implemented a comprehensive system for monitoring and controlling the risks associated with the business activities. This process includes risk identification, analysis, control and reporting. Operationally, the Group Executive Board is responsible for controlling risk management. In addition, responsible persons are designated in the company for significant individual risks. These responsible parties decide on specific actions for risk mitigation and monitor their implementation. Every other year, the Internal Audit department issues a risk report for the attention of the Board of Directors. Significant risks are also constantly discussed in the meetings of the Group Executive Board and Board of Directors, which take place on a regular basis (see → [Annual Report 2021, Business Report, Business and financial review, Strategy and goals, Risk management, p. 29](#)). For information on the management of financial risks, refer to → [Annual Report 2021, Financials, Consolidated Financial Statements Geberit Group, Notes to the Consolidated Financial Statements, Note 4, p. 169](#). For information on other risks recorded in the reporting year and how they are dealt with, refer to → [Annual Report 2021, Business Report, Business and financial review, Strategy and goals, Risk management, p. 29](#).

The Internal Audit department at Geberit performs independent, objective auditing services in order to ensure that Geberit complies with applicable laws and internal directives and procedures. Functionally, the Internal Audit department reports to the Audit Committee. Administratively, the Internal Audit department reports to the Chief Financial Officer (CFO). The Audit Committee checks and approves the auditing plan from the Internal Audit department and significant changes made to it. The Internal Audit department reports to the Audit Committee at every meeting on completed audits and on the status of the implementation of findings and optimisation proposals of previous audits.

The → [Organisational Regulations of the Board of Directors of Geberit AG](#), the → [Organisational Regulations for the Nomination and Compensation Committee \(NCC\)](#) and the → [Organisational Regulations for the Audit Committee \(AC\)](#) can be viewed online at → www.geberit.com/downloadcenter-en.

4. Group Executive Board

4.1/4.2 Members of the Group Executive Board

At the end of 2021, the Group Executive Board was composed of six members (→ see also: new CFO Tobias Knechtle).

Christian Buhl (1973)

- **Chairman of the Group Executive Board (CEO) since 2015**
- **Member of the Group Executive Board since 2015**
- **With Geberit since 2009**
- **Swiss citizen**
- **No external Board of Directors' mandates**



Christian Buhl studied physics (Dipl. Phys. ETH) at the Swiss Federal Institute of Technology (ETH) in Zurich (CH) before undertaking his doctorate (Dr. oec. HSG) in financial market research at the University of St. Gallen (CH). From 2000 to 2003, he worked in research and as a teaching assistant at the University of St. Gallen and at the University of Basel (CH). From 2004 to 2008, Christian Buhl worked at McKinsey & Company, Zurich (CH), where he undertook projects for various Swiss and international industrial companies. He joined Geberit in 2009 as Head Strategic Planning, before taking over responsibility for the Geberit AquaClean shower toilet business in 2011. From 2012 to 2014, Christian Buhl was responsible for the German sales company at Geberit. He has been the Chief Executive Officer (CEO) of the Geberit Group since 2015; see also → Annual Report 2021, Business Report, Management structure, p. 21.

Roland Iff (1961)

- **Head of Group Executive Area Finance (CFO)**
- **Member of the Group Executive Board since 2005**
- **With Geberit since 1993**
- **Swiss citizen**
- **Vice Chairman of the Board of Directors VZ Holding AG, Zurich (CH)**
- **Member of the Board of Directors Bauwerk Group AG, Wallisellen (CH)**



Roland Iff studied economics at the University of St. Gallen (CH) and graduated with the degree of lic. oec. (major: accounting and finance) in 1986. He started his professional career in 1987 as internal auditor with the American Mead Corporation in Zurich (CH) and at the company's headquarters in Dayton (US). Subsequently he worked on different market development projects in Brussels (BE) before he was appointed Chief Financial Officer of Mead's Italian subsidiary in Milan (IT) in 1990. In 1993, Roland Iff joined Geberit as Head of Corporate Development. In 1995, he became Head of Group Controlling. In 1997, he served as Head of Group Treasury. Roland Iff has been Head of Group Executive Area Finance (CFO) of the Geberit Group since 2005; see also → [Annual Report 2021, Business Report, Management structure, p. 21.](#)

Martin Baumüller (1977)

- **Head of Group Executive Area Marketing & Brands**
- **Member of the Group Executive Board since 2016**
- **With Geberit since 2011**
- **Swiss citizen**
- **No external Board of Directors' mandates**



Martin Baumüller completed his Master's degree in International Management at the University of St. Gallen (CH) and an MBA at Nanyang Technological University in Singapore (SG) in 2001. In 2005, he received his doctorate from the University of Bern (CH) with his dissertation on "Managing Cultural Diversity". He began his career as a freelance consultant for strategy and market expansion projects from 2001 to 2003. From 2005 to 2010 he worked for McKinsey & Company in Zurich (CH), first on various projects for pharmaceutical, chemical and transportation clients and later as Engagement Manager responsible for global projects in various industries and as a member of the Strategy & Corporate Finance team. He joined Geberit as Head Strategic Planning in 2011. From 2012 to 2016, he was responsible as Head of Geberit AquaClean for the management and development of the entire shower toilet business of the Geberit Group. He has been Head of Group Executive Area Marketing & Brands since 2016; see also → [Annual Report 2021, Business Report, Management structure, p. 21.](#)

Clemens Rapp (1981)

- **Head of Group Executive Area Sales Europe**
- **Member of the Group Executive Board since April 2020**
- **With Geberit since 2009**
- **Austrian citizen**
- **No external Board of Directors' mandates**



Clemens Rapp completed his Master's degree in International Business at the Leopold-Franzens University of Innsbruck (AT) in 2005. He started his career in 2006 at Hilti, first as sales consultant, then as Product Manager Installation Systems and afterwards as Key Account Business Development Manager for Central and Eastern Europe. In 2009, he joined Geberit as Head of Technical Sales at its Austrian sales company, before taking over as Managing Director here in 2012. From January 2015 to March 2020, he was Managing Director of the German sales company – the most important sales unit within the Geberit Group. Since 1 April 2020, Clemens Rapp has been Head of Group Executive Area Sales Europe; see also → [Annual Report 2021, Business Report, Management structure, p. 21.](#)

Ronald van Triest (1969)

- **Head of Group Executive Area Sales International**
- **Member of the Group Executive Board since 2015**
- **With Geberit since 2015**
- **Dutch citizen**
- **No external Board of Directors' mandates**



Ronald van Triest completed his Master's degree in Management and Organisation at the University of Groningen (NL) in 1996. He started his career at Royal Philips, where he held various roles until 2006. These were initially in the areas of marketing and sales, before a second phase where he took on wide-ranging responsibilities in the areas of product management, M&A and executive management. He operated predominantly from Singapore and Hong Kong. From 2007 to 2009, he was General Manager Sales at China Electronics Corporation in Shenzhen (CN), where he was responsible for sales, marketing, service and logistics and managed staff in China, Singapore, Russia and Turkey. From 2010 to 2015, he worked for Ellipz Lighting in Singapore. As CEO and Managing Director, he was responsible for setting up and developing the Asian business. Among other things, he established a joint venture in Beijing, set up the local production, R&D and sales, and created sales channels in Southeast Asia and the Middle East, as well as a joint venture in India. Since 2015, Ronald van Triest has been Head of Group Executive Area Sales International of the Geberit Group; see also → [Annual Report 2021, Business Report, Management structure, p. 21.](#)

Martin Ziegler (1969)

- **Head of Group Executive Area Products & Operations**
- **Member of the Group Executive Board since 2018**
- **With Geberit since 1995**
- **Swiss citizen**
- **Member of the Board of Directors Piacabo SA, Agarone (CH)**



Martin Ziegler completed his Master's degree in Industrial Engineering at ETH Zurich (CH) in 1994. Following his time as an assistant at ETH, he joined the Geberit Group in 1995. He initially worked for Geberit as a project manager in a German production plant before later becoming Head of Quality Management for the Group and working as Managing Director of the piping production plant in Givisiez (CH). From 2003, he headed up the Piping Systems product area at Group level for ten years – with the exception of one year where he worked in Shanghai (CN) as Head of Operations and Product Manager for the Asia/Pacific region. From 2012 to the end of 2017, he was responsible for the Group's EFA (Extrusion, Forming, Assembly) production plants. From 2018 to March 2020, he was Head of Group Executive Area Operations, and since April 2020 for the new Products & Operations Group Executive Area created from the two merged Group Executive Areas Operations and Product Management & Innovation; see also → [Annual Report 2021, Business Report, Management structure, p. 21.](#)

The Board of Directors of Geberit AG has appointed Tobias Knechtle as the new Head of Group Executive Area Finance (CFO) and as a member of the Group Executive Board with effect from 1 January 2022. Tobias Knechtle joined the company on 1 November 2021 and replaces Roland Iff, who retired at the end of 2021 following 17 years as CFO at Geberit.

For former members of the Group Executive Board who have left the Board during the past five years, please refer to the following links:

- → [Egon Renford-Sasse](#) (Annual Report 2019, Business Report, Corporate Governance, 4. Group Executive Board), left the board on 31 March 2020
- → [Karl Spachmann](#) (Annual Report 2019, Business Report, Corporate Governance, 4. Group Executive Board), left the board on 31 March 2020
- → [Michael Reinhard](#) (Annual Report 2017, Business Report, Corporate Governance, 4. Group Executive Board), left the board on 31 December 2017

4.3 Regulations in the Articles of Incorporation concerning the number of permissible activities in accordance with Art. 12 Para. 1 Clause 1 OaEC

Members of the Group Executive Board may hold up to two mandates in profit-oriented legal entities and up to four mandates in non-profit-oriented legal entities or charitable legal entities outside the Geberit Group.

Mandates of a member of the Group Executive Board in legal entities which are controlled by the company, or which control the company, as well as mandates held by such member in their capacity as a member of the Group Executive Board of the company, or held by order and on behalf of the company or legal entities controlled by it, shall not count as mandates in legal entities outside the Geberit Group.

Mandates of a member of the Group Executive Board of the company in legal entities outside the Geberit Group which are under common control, as well as mandates held by such member in their capacity as a member of the supreme governing body or of the group management of a legal entity outside the Geberit Group or held by order and on behalf of such legal entity or legal entities controlled by it, shall be deemed one mandate outside the Geberit Group.

The acceptance of mandates from members of the Group Executive Board in legal entities outside the Geberit Group must be approved in advance by the Board of Directors or, if delegated to it, the Nomination and Compensation Committee.

Mandates in the sense of Art. 24 of the → Articles of Incorporation (www.geberit.com/downloadcenter-en) of Geberit AG are mandates in supreme governing bodies or in an advisory board of legal entities that are required to be recorded in the Commercial Register or in a corresponding foreign register.

The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

4.4 Management contracts

The Group has not entered into any management contracts with companies (or natural persons) outside the Geberit Group.

5. Compensations, shareholdings and loans

See the [→ Annual Report 2021, Business Report, Remuneration Report, p. 113.](#)

Art. 21 of the [→ Articles of Incorporation \(www.geberit.com/downloadcenter-en\)](#) contains the relevant regulations relating to the principles of performance-based remunerations as well as remunerations in the form of shares, option rights and similar instruments. Art. 22 f. of the [→ Articles of Incorporation](#) includes provisions regarding approval at the General Meeting of the maximum aggregate remunerations for the members of the Board of Directors and the Group Executive Board, as well as regarding the additional amount for the Group Executive Board. According to Art. 26 of the [→ Articles of Incorporation](#) no loans or credits shall be granted to members of the Board of Directors or the Group Executive Board.

6. Participatory rights of shareholders

6.1 Voting rights restrictions and representation

The voting right may be exercised only if the shareholder is recorded as a voting shareholder in the share register of Geberit AG. Treasury shares held by the company do not entitle the holder to vote.

According to Art. 11 of the → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) (www.geberit.com/downloadcenter-en) resolutions may also be passed and elections carried out at General Meetings by electronic means at the instruction of the Chairman.

Shareholders can be represented at the General Meeting only by their legal representative, another voting shareholder or the independent proxy in accordance with Art. 10 of the company's → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en). The company recognises only one representative per share.

Company shareholders have the option of using the → web application GVMANAGER Online from [Devigus](http://www.devigus.com) (new from 2022; up to 2021: → [Sherpany](http://www.sherpany.com)) to appoint their independent proxy for every General Meeting. A description of the method for registering and voting via the Devigus web application is sent to all shareholders recorded in the share register.

The Board of Directors determines the requirements concerning powers of attorney and instructions in accordance with the legal provisions and can issue regulations to this effect. For limitations on transferability and nominee registrations, see → [Annual Report 2021, Business Report, Corporate Governance, 2. Capital structure, 2.6 Limitations on transferability and nominee registrations, p. 85.](#)

Art. 10 of the → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) contains provisions regarding voting rights, proxy and independent proxy. The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

6.2 Quorums required by the Articles of Incorporation

The company's → [Articles of Incorporation](http://www.geberit.com/downloadcenter-en) (www.geberit.com/downloadcenter-en) do not stipulate any resolutions of the General Meeting that can be passed only by a larger majority than that envisaged by law.

The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

6.3/6.4 Convocation of the General Meeting of Shareholders/ agenda

The General Meeting is convened by the Board of Directors at the latest 20 days before the date of the meeting. No resolutions may be passed on any subject not announced in this context.

Applications to convene an extraordinary General Meeting or for the performance of a special audit are exempt from this rule and may be made by any shareholder during a General Meeting without prior announcement. Shareholders representing shares with a par value of CHF 4,000 may demand inclusion of items on the agenda. Such requests must be made at least 45 days before the General Meeting in writing by stating the items of the agenda and the motions.

Furthermore, outside a General Meeting, one or more shareholders representing together at least 3% of the share capital may jointly request that an extraordinary General Meeting is called. This is made in writing by indicating the agenda items and the motion, and in the case of elections the names of the proposed candidates.

6.5 Inscriptions into the share register

In the invitation to the General Meeting, the Board of Directors will announce the cut-off date for inscription into the share register that is authoritative with respect to the right to participate and vote.

7. Changes of control and defence measures

7.1 Obligation to make an offer

There are no regulations in the Articles of Incorporation with respect to opting-up or opting-out. The current Articles of Incorporation can be viewed online at → www.geberit.com/downloadcenter-en.

7.2 Change of control clauses

For agreements and plans in the event of a change of control, see → [Annual Report 2021, Business Report, Remuneration Report, 5. Remuneration architecture, p. 125.](#)

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor

PricewaterhouseCoopers AG, Zurich (CH), has been the auditor of the Geberit Group since 1997 and of Geberit AG since its foundation in 1999. Lead auditor Beat Inauen has been in charge of the auditing mandate since 2015. The lead auditor is rotated every seven years, meaning Beat Inauen will be replaced by Thomas Illi from 2022 on.

8.2 Auditing fees

In 2021, PricewaterhouseCoopers invoiced the Geberit Group TCHF 1,662 for services in connection with the audit of the financial statements of Group companies as well as the Consolidated Financial Statements of the Geberit Group.

8.3 Additional fees

For additional services, PricewaterhouseCoopers invoiced TCHF 285 relating to tax consultancy and support as well as TCHF 62 for other services. Therefore, the non-audit fees amount to 21% of the audit fees.

8.4 Information tools of the external auditors

The external auditors take part in two of the meetings of the Audit Committee. In the first meeting of the year, they present their report on the financial statements. The second meeting, which takes place in the third quarter, focuses on the planning of the upcoming audit of the financial statements and developments in the regulatory environment. Representatives of the internal auditors attend all meetings of the Audit Committee for specific agenda items, and to comment on their activities and answer questions.

The Audit Committee of the Board of Directors makes an annual assessment of the performance, fees and independence of the auditors, and supports the Board of Directors in the nomination of the auditor for the attention of the ordinary General Meeting. The Audit Committee uses the following criteria to assess the performance and fees of the auditors: technical and operational expertise; independence and objectivity; adequate use of resources; focus on areas that involve significant risk for Geberit; willingness to challenge and re-evaluate; ability to provide effective, practical

recommendations; open and effective communication and coordination with the Audit Committee, the internal auditors and the Group Executive Board. Every year, the Audit Committee determines the scope and planning of the internal audit, coordinates them with those of the external audit and discusses the audit results with the external and internal auditors. For more details on the Audit Committee, see [→ Annual Report 2021, Business Report, Corporate Governance, 3. Board of Directors, Audit Committee \(AC\), p. 96.](#)

9. Information policy

Geberit maintains open and regular communication with its shareholders, the capital market and the general public, with the CEO, CFO and the Head Corporate Communications & Investor Relations as direct contacts.

Printed summary annual reports as well as half-year reports are sent to shareholders. A comprehensive online version of the annual report, including an integrated sustainability report, is available on the website at → www.geberit.com/annualreport. Quarterly financial statements are published. Media and analysts' conferences are held at least once a year.

Contact may be established at any time at → corporate.communications@geberit.com. Contact addresses for investors, media representatives and the interested public can be found on the website at → www.geberit.com/contacts under the appropriate chapters.

Interested parties may add their names to a mailing list available at → www.geberit.com/maillinglist in order to receive ad hoc announcements or further information relating to the company. All published media releases of the Geberit Group from recent years can be downloaded at → www.geberit.com/media.

Official publications of Geberit AG shall be made in the Swiss Official Commercial Gazette (SOCG). Notices to shareholders shall be made by official publications or may also be made in writing to the addresses of the shareholders recorded in the share register.

For further details on the Geberit Group's information policy, including a time schedule (containing General Meeting dates, publication dates for quarterly and half-year reports, and dividend payment dates), please refer to → [Annual Report 2021, Business Report, Geberit share information, p. 15](#).

Headquarters:
Geberit AG
Schachenstrasse 77
8645 Jona
→ www.geberit.com

10. Blackout periods

The ordinary blackout periods are determined at the beginning of each calendar year by the CFO in consultation with the CEO in relation to the publication of the quarterly, half-year and annual financial statements. For 2021, the following periods (26 weeks in total) were defined as blackout periods (non-trading windows):

- 01.01.2021 – 14.01.2021
- 22.01.2021 – 10.03.2021
- 01.04.2021 – 04.05.2021
- 01.07.2021 – 19.08.2021
- 01.10.2021 – 03.11.2021

Addressees of the ordinary blackout periods are, on the one hand, members of the Board of Directors and the Group Executive Board of Geberit as well as Geberit employees who, due to their employment duties and responsibilities, regularly deal with insider information or information covered by the regulation on ad hoc publicity (e.g. employees of Controlling or Communications). On the other hand, the ordinary blackout periods also address Geberit employees who have access to insider information due to their employment duties or factual circumstances (e.g. employees of IT). The addressees of the ordinary blackout periods are listed in a table that is continuously updated by the CFO. Extraordinary blackout periods are determined individually by the CEO or the CFO after prior consultation with the Chairman of the Board of Directors in the event of circumstances that may qualify as insider information.

Business Report

Remuneration Report

1. Introduction

The Remuneration Report provides an overview of Geberit's remuneration principles and programmes, as well as information about the determination method for the remuneration. It also includes the remuneration of the members of the Board of Directors and of the Group Executive Board for the business year 2021. The report provides the relevant information to be considered by the shareholders when making their decision regarding the votes on the remuneration of the Board of Directors and the Group Executive Board submitted to the 2022 Annual General Meeting for approval.

The report is written in accordance with the provisions of the Ordinance against Excessive Compensation in Listed Stock Corporations (Ordinance), the standards related to information on Corporate Governance issued by the SIX Swiss Exchange, as well as the principles of the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

The report is structured as follows:

1. [→ Introduction](#)
2. [→ Foreword by the Chair of the Nomination and Compensation Committee](#)
3. [→ Remuneration at a glance](#)
4. [→ Determination of remuneration](#)
5. [→ Remuneration architecture](#)
6. [→ Board of Directors: remuneration and share ownership in 2021](#)
7. [→ Group Executive Board: remuneration and share/option ownership in 2021](#)
8. [→ Summary of share and option plans 2021](#)
9. [→ Summary of shares and options held by management and employees as of 31 December 2021](#)
10. [→ Report of the statutory auditor](#)

For additional information on business development in 2021 see also [→ Business and financial review](#).

2. Foreword by the Chair of the Nomination & Compensation Committee

Dear shareholders,

On behalf of the Nomination and Compensation Committee (NCC), I am pleased to present the 2021 Remuneration Report.

Following the election of the members of the Nomination and Compensation Committee during the Annual General Meeting for 2021, Thomas Bachmann was welcomed as a new member of the Committee.

We look back on an extremely successful, but from an operational point of view very challenging financial year. The situation in the construction industry was positive in most regions. COVID-19-related catch-up effects largely led to pleasing growth figures. In the last six quarters, net sales for the Geberit Group grew around three times faster than the long-term average. At the same time, this sudden strong growth represented an extremely challenging situation for our entire organisation, particularly in Purchasing, Production, Logistics and Sales. The further increase in results compared to the previous year was based on our structural and financial strength as well as our prudent crisis management right from the start of the COVID-19 pandemic. This enabled us to further consolidate our position as leading supplier of sanitary products and gain market share.

The Nomination and Compensation Committee performed its regular activities on remuneration matters throughout the year, such as the annual review of the remuneration programmes, the performance goal setting of the Group Executive Board at the beginning of the year and their performance assessment at year end, the determination of the remuneration of the members of the Board of Directors and the Group Executive Board, as well as the preparation of the Remuneration Report and of the say-on-pay votes at the Annual General Meeting.

In particular, the Nomination and Compensation Committee revised the group of companies for remuneration benchmarking in order to reflect the size and complexity of the company and conducted a review of the remuneration levels of the Group Executive Board. The Nomination and Compensation Committee established that the remuneration design is well aligned with the business strategy and shareholders' interests. There were no other changes to the remuneration programmes for the Group Executive Board for 2021.

There were no changes to the remuneration system of the Board of Directors in the reporting year. The remuneration system and the amount of remuneration for Geberit's Board of Directors conform to standard market practice and the Board of Directors confirmed that no changes were necessary.

At the 2022 Annual General Meeting, we will request your approval of the total remuneration amount to be awarded to the Board of Directors for the period until the following Annual General Meeting, and the maximum aggregate remuneration awarded to the Group Executive Board for the 2023 business year. Additionally, you will have the opportunity to express your opinion on this Remuneration Report in a consultative vote. You will see in the report that the remuneration awarded to the Board of Directors for the remuneration period ending with the 2022 Annual General Meeting and the remuneration awarded to the Group Executive Board in 2021 are within the limits approved at the 2021 Annual General Meeting and 2020 Annual General Meeting, respectively.

Looking ahead, we will continue to assess and review our remuneration programmes to ensure that they continue to fulfil their purpose in the evolving context in which the company operates. We will pursue an open and regular dialogue with our shareholders as we continue to enhance the remuneration system. Environmental protection, social responsibility and good corporate governance, also known as ESG topics (Environmental, Social and Governance), are growing in relevance. ESG topics and their measurability have been an integral part of Geberit's corporate strategy and operational implementation since the 1990s. As announced in the 2020 Compensation Report, the Board of Directors approved integrating an ESG target in the remuneration of the Group Executive Board. Starting in 2022, the short-term incentive plan will include a sustainability objective. The additional objective will be based on the company's sustainability strategy and will include a CO₂ emission reduction target.

This report contains all relevant information on the remuneration paid to the Board of Directors and to the Group Executive Board in 2021. Our remuneration system rewards performance in a balanced and sustainable manner and aligns well with shareholders' interests.

The NCC appreciates your ongoing input and feedback on our executive remuneration programmes and we hope you find this report to be informative. We look forward to your support and feedback at the AGM in April 2022.

Yours sincerely,



Eunice Zehnder-Lai
Chair of the Nomination & Compensation Committee

3. Remuneration at a glance

Board of Directors

Summary of current remuneration system

In order to ensure the independence in their supervisory function, members of the Board of Directors (BoD) only receive a fixed remuneration, in the form of cash and shares with a blocking period of four years.

Annual fees	in CHF	Delivery
Chair	885,000	Cash and restricted shares
Vice Chair	245,000	Restricted shares
Member of the BoD	190,000	Restricted shares
Chair of NCC / Audit Committee	45,000	Restricted shares
Member of NCC / Audit Committee	30,000	Restricted shares
Expense allowance	15,000	Cash

See also → 5. Remuneration architecture, 5.1 Board of Directors.

Remuneration in 2021

The remuneration awarded to the Board of Directors for the term of office until the Annual General Meeting 2021 is within the limits approved by the shareholders at the Annual General Meetings:

Comparison period	Approved amount (CHF)	Effective amount (CHF)
AGM 2020–AGM 2021	2,350,000	2,293,950
AGM 2021–AGM 2022	2,350,000	2,295,708 ¹

¹ As the remuneration period is not yet completed, the final amount (including social security contributions) will be included in the Remuneration Report for the financial year 2022.

Group Executive Board

Summary of current remuneration system

The remuneration of the Group Executive Board consists of fixed and variable elements. Base salary and benefits form the fixed remuneration and are based on prevalent market practice. Variable remuneration drives and rewards best-in-class performance based on ambitious targets. It consists of short-term and long-term elements:

Base salary	Pay for the function	Fixed remuneration
Benefits	Cover retirement, death and disability risks, attract and retain	
Short-Term Incentive (STI) (variable cash remuneration)	Drive and reward performance, attract and retain	Variable remuneration
Share Participation Programme (MSPP)	Align with shareholders' interests	
Long-Term Incentive (Share Option Plan/MSOP)	Drive and reward long-term performance, align with shareholders' interests, attract and retain	

See also → [5. Remuneration architecture, 5.2 Group Executive Board](#).

Remuneration in 2021

The remuneration awarded to the Group Executive Board in the financial year 2021 is within the limits approved by the shareholders at the Annual General Meeting:

Comparison period	Approved amount (CHF)	Effective amount (CHF)
Financial year 2021	11,500,000	10,715,225

Performance in the financial year 2021

All Short-Term Incentive targets for the GEB, including individual targets, were exceeded.

See also → [7. Group Executive Board, 7.1 Performance in 2021](#).

Remuneration governance

- Authority for decisions related to remuneration is governed by the → [Articles of Incorporation](#) and the → [Organisational Regulations of Geberit AG](#).
- The prospective maximum aggregate amounts of remuneration of the members of the Board of Directors and of the Group Executive Board are subject to a binding shareholders' vote at the Annual General Meeting.
- The Remuneration Report for the preceding period is subject to a consultative vote.

See also → [4. Determination of remuneration](#).

4. Determination of remuneration

4.1 Nomination and Compensation Committee (NCC)

Pursuant to the Articles of Incorporation and the Organisational Regulations of Geberit AG (see also → [Articles of Incorporation](#)), the NCC supports the Board of Directors (BoD) in the fulfilment of its duties and responsibilities in the area of remuneration and personnel policy, including:

- Establishment and periodical review of the Group's remuneration policy and principles
- Pre-determine annual expected short-term financial and ESG targets for the CEO and the other members of the Group Executive Board and pre-define the annual performance target for the Long-Term Incentive plan for the approval of the Board of Directors
- Yearly review of the individual remuneration of the CEO and of the other members of the Group Executive Board (GEB)
- Yearly performance assessment of the CEO and of the other members of the Group Executive Board
- Preparation of the Remuneration Report
- Personnel development of the Group Executive Board
- Succession planning and nomination for positions on the Group Executive Board
- Pre-selection of candidates for election or re-election to the Board of Directors

Approval and authority levels on remuneration matters:

Decision on	CEO	NCC	BoD	AGM
Remuneration policy and guidelines, in line with the provisions of the Articles of Incorporation		Proposes	Approves	
Maximum aggregate amount of remuneration for the BoD and for the GEB		Proposes	Reviews	Binding vote
Individual remuneration of members of the BoD		Proposes	Approves	
Individual remuneration of the CEO (including fixed remuneration, STI ¹ , LTI ²)		Proposes	Approves	
Individual remuneration of the other members of the GEB	Proposes	Reviews	Approves	
LTI ² grant for all other eligible parties	Proposes	Reviews	Approves	
Remuneration Report		Proposes	Approves	Consultative vote

¹ Short-Term Incentive

² Long-Term Incentive

The NCC meets at least three times per year and consists exclusively of independent and non-executive members of the Board of Directors, who are elected annually by the shareholders at the Annual General Meeting. In 2021, Hartmut Reuter stepped down from his mandate as board member and the chair of the NCC. Thereafter, the NCC has consisted of Eunice Zehnder-Lai as Chair as well as Werner Karlen and Thomas Bachmann as members. Thomas Bachmann was elected as a new member of the Board of Directors and NCC at the Annual General Meeting 2021. In 2021, the NCC held four meetings covering the predefined recurring agenda items illustrated below. The participation rate for the NCC meetings was 100%.

	February	April	August	December
Remuneration policy	<ul style="list-style-type: none"> Participation programme (STI and LTI programme, review ongoing throughout the year) 	<ul style="list-style-type: none"> Participation programme (STI and LTI programme, review ongoing throughout the year) 		
GEB matters	<ul style="list-style-type: none"> Individual performance appraisal (previous year) STI payout (previous year) Vesting of equity awards (previous years) 		<ul style="list-style-type: none"> Succession planning for GEB positions Talent management session 	<ul style="list-style-type: none"> General update of Corporate Governance Target remuneration (following year) Target setting for STI (following year) Option valuation and definition of performance criteria LTI for next grant
BoD matters		<ul style="list-style-type: none"> BoD evaluation 		<ul style="list-style-type: none"> BoD remuneration (following year)
Governance	<ul style="list-style-type: none"> AGM preparation (maximum amounts of remuneration of BoD and GEB to be submitted to "say-on-pay" votes) 		<ul style="list-style-type: none"> Review of shareholders' and proxy advisors' feedback on the Remuneration Report 	<ul style="list-style-type: none"> Draft Remuneration Report Agenda NCC for following year Target income Head International Audit (following year)

As a general rule, the Chair of the Board of Directors, the CEO and the Head of Corporate Human Resources participate in the meetings of the NCC. The Chair of the NCC may invite other executives as appropriate. However, the Chair of the Board of Directors and the executives do not take part in the section of the meetings where their own performance and/or remuneration are discussed. At the end of each meeting, a closed session takes place among the members of the NCC only.

After each meeting, the Chair of the NCC reports to the Board of Directors on its activities and recommendations. The minutes of the NCC meetings are available to the full Board of Directors.

4.2 Process of determination of remuneration

Benchmarks and external consultants

Geberit reviews the remuneration of its executives, including that of the members of the Group Executive Board, every two to three years. This includes regular participation in benchmark studies on comparable functions in other industrial companies. In the year under review, external remuneration specialists provided detailed analysis and advice on the remuneration of the CEO and the other members of the Group Executive Board. This company has no other mandates with Geberit. The remuneration analysis was conducted based on the following industrial companies of similar scale in terms of market capitalisation, sales and headcount, with headquarters in Switzerland: Barry Callebaut, Bucher Industries, Dormakaba, Ems-Chemie, Georg Fischer, Givaudan, Holcim, Lonza,

Mettler-Toledo, OC Oerlikon, Schindler, SFS Group, Sika, Sonova, and Sulzer. While many different factors (such as the individual role, experience in the role and contribution, company performance and affordability) are considered to determine remuneration levels, the policy of Geberit is to provide a target remuneration that is in principle positioned around the market median.

With regard to the remuneration of the Board of Directors, the system and amount are reviewed every two to three years by the NCC. This includes regular participation in comparative studies. In 2019, a consulting company performed such a review on the basis of a comparative analysis of 19 Swiss industrial companies traded on the SIX Swiss Exchange. The remuneration analysis was conducted based on the following industrial companies with comparable market capitalisation, sales and employee numbers: ABB, AMS, Arysza, Barry Callebaut, Clariant, Dätwyler, Dormakaba, Forbo, Georg Fischer, Givaudan, Holcim, Logitech, Lonza, OC Oerlikon, Schindler, Sika, Sonova, Straumann and Sulzer. This consulting company also advises the NCC on other matters of relevance for remuneration. It has no other consulting mandates from Geberit.

Performance management

The actual remuneration effectively paid out in a given year to the Group Executive Board members depends on the corporate results and on individual performance. The individual performance is assessed through the formal annual performance management process: company and individual performance objectives are approved at the beginning of the business year and achievement against those objectives is assessed after year end. The performance appraisal is the basis for the determination of the actual remuneration.



4.3 Shareholder involvement

In the last few years, based on the feedback received from shareholders and shareholder representatives, Geberit has made efforts to improve the remuneration disclosure in terms of both transparency and of the level of detail provided about the remuneration principles and programmes. Further, Geberit submits the Remuneration Report to a consultative shareholder vote at the Annual General Meeting, so that shareholders have an opportunity to express their opinion about the remuneration system.

4.4 Articles of Incorporation

As required by the Ordinance, the → Articles of Incorporation of Geberit include the following provisions on remuneration:

- Principles applicable to performance-related pay (Article 21): The members of the Group Executive Board may be paid variable remuneration which may include short- and long-term elements and which is linked to the achievement of one or several performance criteria.
- Binding votes on maximum aggregate remuneration amounts of the Board of Directors and Group Executive Board (Article 22): Shareholders vote prospectively on the maximum aggregate remuneration amount for the Board of Directors until the next ordinary Annual General Meeting and for the maximum aggregate remuneration amount for the Group Executive Board for the following business year. Further, shareholders can express their opinion on the remuneration principles and structure through a consultative vote on the Remuneration Report.
- Additional amount for payments to members of the Group Executive Board appointed after the vote on remuneration at the Annual General Meeting (Article 23): For the remuneration of members of the Group Executive Board who have been appointed after the approval of the maximum aggregate remuneration amount by the Annual General Meeting, and to the extent that the maximum aggregate remuneration amount as approved does not suffice, an amount of up to 40% of the maximum aggregate remuneration amount approved for the Group Executive Board is available without further approval of the Annual General Meeting.
- Loans, credit facilities and post-employment benefits for members of the Board of Directors and the Group Executive Board (Article 26): No loans or credits shall be granted to members of the Board of Directors or the Group Executive Board.

The provisions of the Articles of Incorporation have been kept broad so that the Board of Directors has sufficient flexibility to make any necessary amendments to the remuneration programmes. The remuneration principles currently in place are more restrictive than the provisions of the Articles of Incorporation and are aligned with best practice in Corporate Governance; for example, the independent members of the Board of Directors are not eligible for any variable remuneration or retirement benefits (see also → 5. Remuneration architecture, 5.1 Board of Directors).

5. Remuneration architecture

5.1 Board of Directors

Remuneration principles

The members of the Board of Directors receive fixed remuneration only in order to ensure their independence in exercising their supervisory duties. The remuneration is paid partially in cash and partially in blocked shares in order to closely align their remuneration with shareholders' interests.

Remuneration structure

The remuneration of the members of the Board of Directors is defined in a regulation adopted by the Board of Directors and consists of an annual fixed retainer and remuneration for committee work. The remuneration is paid in the form of shares subject to a four-year blocking period. In addition, the members of the Board of Directors receive a lump sum to cover their expenses, paid out in cash.

The Chair of the Board of Directors receives an annual total fixed retainer paid 70% in cash and 30% in restricted shares subject to a four-year blocking period. The Chair also receives the expense allowance but is not entitled to additional fees for committee attendance.

The structure and amount of the remuneration for the members of the Board of Directors were reviewed by an independent consulting company in 2019. The analysis indicated that the remuneration system for the Board of Directors of Geberit is in line with customary market practices and that therefore no modifications to the structure and amount of remuneration for the Board of Directors were necessary:

Annual fees	in CHF	Delivery
Chair	885,000	Cash and restricted shares
Vice Chair	245,000	Restricted shares
Member of the BoD	190,000	Restricted shares
Chair of NCC / Audit Committee	45,000	Restricted shares
Member of NCC / Audit Committee	30,000	Restricted shares
Expense allowance	15,000	Cash

The remuneration is paid out at the end of the term of office and is subject to contributions to social security. The members of the Board of Directors are not covered under the company pension plan.

The shares are subject to an accelerated unblocking in case of death. They remain subject to the regular blocking period in all other instances.

Further information regarding the remuneration amounts for the period from the 2022 Annual General Meeting to the 2023 Annual General Meeting is provided in the invitation to the 2022 Annual General Meeting.

5.2 Group Executive Board

Remuneration principles

In order to ensure the company's success and to maintain its position as market leader, it is critical to attract, develop and retain the right talent. Geberit's remuneration programmes are designed to support this fundamental objective and are based on the following principles:

- Remuneration is competitive with that of other companies with which Geberit competes for talents.
- Both company performance and individual contributions are recognised and rewarded.
- Remuneration programmes are balanced between rewarding short-term success and long-term value creation.
- Participation plans foster the long-term commitment and mindset of executives and the alignment of their interests to those of the shareholders.
- Executives are protected against risks through appropriate pension and insurance programmes.

Remuneration structure

The remuneration of the Group Executive Board is defined in a regulation adopted by the Board of Directors and consists of the following elements:

- Base salary
- Variable cash remuneration (Short-Term Incentive/STI)
- Long-term equity participation plan (Long-Term Incentive/LTI)
- Additional employee benefits, such as pension benefits and perquisites

	Programme	Instrument	Purpose	Plan- /Performance period	Performance metrics in 2021
Base salary	Annual base salary	Monthly cash payments	Pay for the function		
Short-Term Incentive, STI (variable cash remuneration)	Short-Term Incentive, STI	Annual variable cash	Drive and reward performance (short-term), attract and retain	1-year performance period	Sales, EBITDA margin, EPS, ROIC, individual objectives
	Share Participation Programme MSPP	Matching share options in case of an investment of variable cash in restricted shares, performance share options (free of charge)	Align with shareholders' interests	Shares: 3-year restriction period	Share options: ROIC
				Share options: 3-year vesting period, 9-year plan period	
Long-Term Incentive, LTI	Share Option Plan MSOP	Performance share options	Drive and reward long-term performance, align with shareholders' interests, retain	3-year performance period, 9-year plan period	ROIC
Benefits	Pension	Swiss pension funds (Gemeinschaftsstiftung/ Sammelstiftung) (supplementary benefits under Art. 1e BVV 2)	Cover retirement, death and disability risks		
	Perquisites	Company car, expense policy	Attract and retain		

Annual base salary

The annual base salary is a fixed remuneration paid in cash on a monthly basis. It is determined based on the scope and responsibilities of the position, the market value of the role and the qualifications and experience of the incumbent. The base salary is reviewed annually based on market salary information, considerations from the perspective of the company's financial affordability and performance, and the evolving experience of the individual in the role.

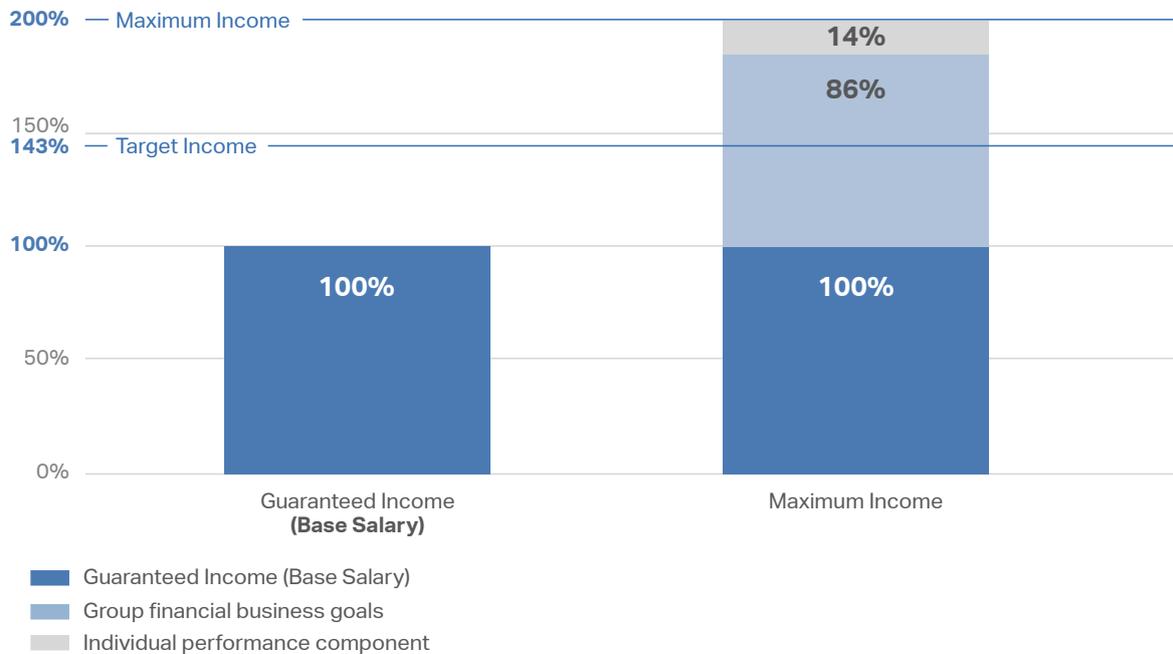
Variable cash remuneration/short-term incentive (STI)

The variable cash remuneration (STI) of the Group Executive Board and approximately 200 additional members of the Group management rewards the achievement of the annual financial business goals and of the individual objectives agreed and evaluated within the annual performance management process.

The annual base salary and the target STI (assuming 100% achievement of all financial business goals) form the so-called target income. The variable target remuneration (i.e. the STI assuming 100%

achievement of all objectives) is unchanged over the previous year and equals 43% of the annual base salary for the CEO as well as for other members of the Group Executive Board.

Remuneration model for the Group Executive Board



The financial objectives include equal weightings of sales performance and earnings per share (EPS) compared with the previous year as well as the margin on earnings before interest, taxes, depreciation and amortisation (EBITDA margin) and the return on invested capital (ROIC). These financial objectives have been chosen because they are key value drivers for Geberit and generally reward for growing the business and gaining market share (top-line contribution), for increasing profitability over-proportionally through strong operating leverage (bottom-line contribution) and for investing the capital efficiently. The Board of Directors is convinced that measures, including the top-line and bottom-line targets, support Geberit’s performance in a balanced and sustainable way.

Starting in 2022, the four financial objectives in the STI plan will be enhanced with a sustainability objective. The additional fifth objective includes a CO₂ emission reduction target, in line with the company’s sustainability strategy. All four financial objectives plus the ESG objective will be equally weighted by 20% per target.

Every year, based on the NCC’s recommendation, the Board of Directors determines the expected target level of performance for each financial objective for the following year. Geberit wants to reinforce its position as market leader and consistently achieve above-average performance. As a general principle, the results achieved in the previous year must be specifically improved in order to meet the target level of performance, in line with the company’s ambitious financial plan. The intention of this demanding target setting is to deliver best-in-class performance and to stay ahead of the market. In addition, a threshold level of performance, below which no variable remuneration is paid out, and a maximum level of performance, above which the short-term variable remuneration is capped, are determined. The payout level between the threshold, the target and the maximum is calculated by linear interpolation.

The individual performance component is based on the achievement of individual objectives predefined at the beginning of the year between the CEO and individual members of the Group Executive Board, and for the CEO, between the Board of Directors and the CEO. The individual objectives are of a more qualitative and strategic nature and may include, for example, objectives related to product and service innovation, leadership skills, entry in new markets and the management of strategic projects.

At the maximum potential STI payout level, the financial objectives are weighted 86%, while the individual performance component accounts for 14% of all objectives. The maximum potential payout cannot exceed 100% of the base salary plus representation allowance.

Members of the Group Executive Board have the opportunity to invest part or all of their variable cash remuneration in shares of the company through the Management Stock Purchase Plan (MSPP). They may define a fixed number of shares to purchase, or a certain amount or a percentage of their variable cash remuneration to be invested in shares. The shares are blocked for a period of three years. In order to encourage executives to participate in the programme, 1.5 free share options are provided for each share purchased through the programme. The options are subject to a performance-based vesting period of three years. The other features of the options and the performance condition (ROIC) are the same as those applicable to the performance options granted under the Long-Term Incentive MSOP programme (see also → Long-Term Incentive, LTI).

In the event of termination of employment, the following provisions apply to MSPP shares and options:

Termination reason		Plan rules		
		Unvested options	Vested options	Restricted shares
Good leaver	Retirement benefits			Immediate unblocking
	Invalidity	Regular vesting based on effective performance at regular vesting date		Regular blocking period
	Other reasons		Regular exercise period	
	Liquidation/change of control ¹	Accelerated full vesting based on effective performance at date of termination as determined by the Board of Directors		Immediate unblocking
	Death	Accelerated full vesting		
Bad leaver	Inadequate performance/ inadequate conduct ²	Forfeiture	Regular exercise period	Regular blocking period

¹ This rule only applies in the situation of "double-trigger" where the employment contract of the participant is terminated as a result of a change of control or liquidation.

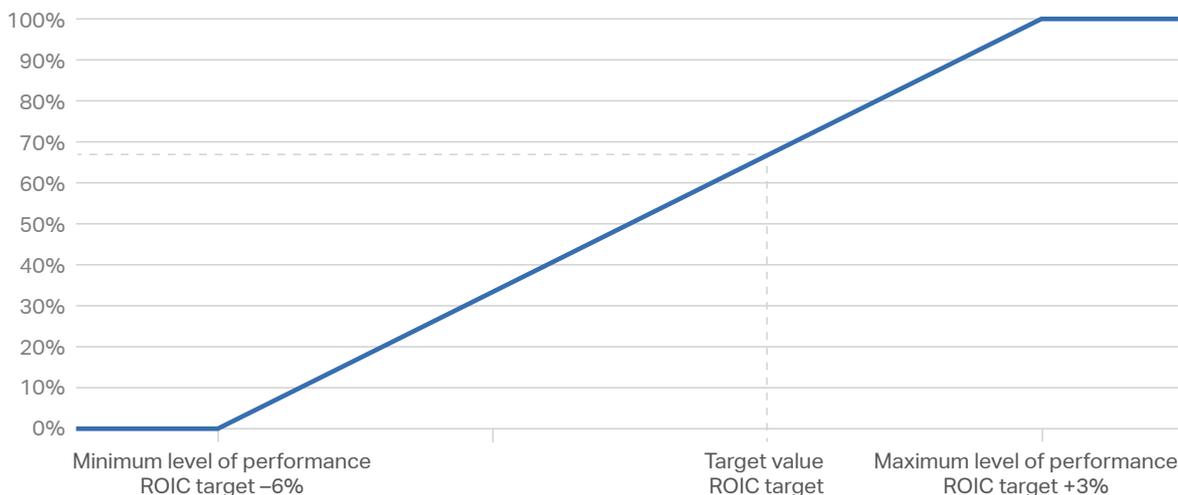
² Inadequate performance or conduct on the part of members of the Group Executive Board is determined at the due discretion of the Board of Directors.

Long-term Incentive (LTI)

The purpose of the Long-Term Incentive (Management Stock Option Plan MSOP) is to ensure long-term value creation for the company, alignment of the interests of executives to those of shareholders and long-term retention of executives.

The vesting of performance options is subject to the achievement of a performance criterion, the average Return on Invested Capital (ROIC), over the respective vesting period. ROIC expresses how well the company is generating cash relative to the capital it has invested in its business.

MSOP payout curve



The Board of Directors determines the expected performance annually based on a recommendation submitted by the NCC. The options partially vest upon the reference level being achieved. In addition, a minimum level of performance (threshold value) under which no options vest and a maximum level of performance (cap) at which 100% of the options vest are defined. Both the reference level and the cap are ambitious and are substantially above the weighted average cost of capital. The payout amounts between the threshold value and the cap are determined by linear interpolation. The options can be exercised between the respective vesting date, three years after being granted, and the expiration date. The exercise price of the options corresponds to the fair market value of the underlying share at the time of granting.

Every year, the Board of Directors determines the granting of share options. There was no change in the granting of the LTI over the previous year in 2021. The fair value of options granted amounted to 86% of the annual base salary for the CEO and 71% of the annual base salary for the other members of the Group Executive Board. For some 100 additional participants of the Group management, the fair value amounted to 13% of the base salary.

In the event of termination of employment, the following provisions apply to MSOP options:

Termination reason	Plan rules		Vested options
		Unvested options	
Good leaver	Retirement benefits		
	Invalidity	Pro-rata vesting based on effective performance at regular vesting date	
	Other reasons		Regular exercise period
	Liquidation/change of control ¹	Accelerated full vesting based on effective performance at date of termination as determined by the Board of Directors	
	Death	Accelerated full vesting	
Bad leaver	Inadequate performance/ inadequate conduct ²	Forfeiture	Regular exercise period

¹ This rule only applies in the situation of "double-trigger" where the employment contract of the participant is terminated as a result of a change of control or liquidation.

² Inadequate performance or conduct on the part of members of the Group Executive Board is determined at the due discretion of the Board of Directors.

Disclosure of targets

Internal financial and individual targets under the STI and the LTI plans are considered commercially sensitive information. Communicating such targets would allow delicate insight into the strategy of Geberit and could as such create a competitive disadvantage for the company. Therefore, the decision was made not to disclose the specifics of those targets at the time of their setting, but to provide a general comment on the performance at the end of the cycle. As a general principle, on a comparable basis, significant improvements against the previous year's achievements are required in order to meet the target level of performance, in line with the company's ambitious financial plan. To provide additional guidance, we regularly communicate our mid-term targets which are net sales growth in local currencies, after adjustments for acquisitions of between 4 and 6 percent as an average over one economic cycle, an operating cashflow (EBITDA) margin of between 28 and 30 percent, continuously increasing return on invested capital (ROIC) and an average reduction in CO₂ intensity of 5 percent per year.

Benefits

Members of the Group Executive Board participate in the regular employee pension fund applicable to all employees in Switzerland. The retirement plan consists of a basic plan covering annual earnings up to TCHF 151 per annum, with age-related contribution rates equally shared between the company and the individual, and a supplementary plan (collective foundation in accordance with Art. 1e BVV 2 [Ordinance on Occupational Retirement, Surviving Dependents' and Disability Pension Plans]) in which income in excess of TCHF 151 is insured (including actual variable cash remuneration), up to the maximum amount permitted by law.

Furthermore, each member of the Group Executive Board is entitled to a company car and a representation allowance in line with the expense regulations applicable to all members of management in Switzerland and approved by the tax authorities.

Employment terms and conditions

All members of the Group Executive Board have permanent employment contracts with notice periods of a maximum of one year. Members of the Group Executive Board are not entitled to any severance payment.

Share ownership guidelines

In order to bring the interests of the members of the Group Executive Board into line with those of the shareholders and to strengthen their ties to the company, the CEO and each member of the Group Executive Board must satisfy the minimum requirements with respect to the ownership of shares in Geberit. Therefore, the members of the Group Executive Board are required to build up and own at least a minimum multiple of their annual base salary in Geberit shares within five years of their appointment to the Group Executive Board or introduction of this policy, as set out below.

To further reflect the importance the Board of Directors places on the alignment with shareholders' interests, the minimum shareholding requirements for the CEO were increased from 150% to 300% in 2021.

CEO	300% of the annual base salary
Members of the Group Executive Board	143% of the annual base salary

For this calculation, all vested shares are considered, regardless of whether they are blocked or not. However, unvested awards are excluded. The NCC reviews compliance with the share ownership guideline on an annual basis.

Clawback and malus provisions

In order to ensure good Corporate Governance, Geberit has implemented a clawback policy on payments made under the Short-Term Incentive programme and the Long-Term Incentive programme. Those provisions foresee that in case of financial restatement due to non-compliance with accounting standards and/or fraud, and/or in case of violation of the law or internal rules by a participant, the Board of Directors may deem all or part of any unpaid short-term incentive or unvested long-term incentive to be forfeited (malus provision) and/or may seek reimbursement of all or part of any paid short-term incentive or vested long-term incentive. The clawback and malus provisions may be enacted for a period of three years following the year subject to a financial restatement and/or the year of the fraudulent behaviour.

For further information on both programmes, please also refer to [→ 5. Remuneration architecture, 5.2 Group Executive Board](#).

6. Board of Directors: remuneration and share ownership in 2021

This section is audited by the external auditor.

The remuneration of the Board of Directors consists solely of a fixed remuneration paid out in the form of cash and non-discounted restricted shares. In 2021, members of the Board of Directors received a total remuneration of TCHF 2,294 (previous year TCHF 2,240). Remuneration for regular board activities and committee assignments amounted to TCHF 2,100 (previous year TCHF 2,053). The structure of remuneration of the members of the Board of Directors has not changed compared to the previous year.

Please refer to the following table for details pertaining to the remuneration of members of the Board of Directors:

	A. Baehny Chair CHF	E. Zehnder-Lai ¹ Vice Chair CHF	F. Ehrat CHF	B. Koch CHF	W. Karlen CHF	T. Bachmann ² CHF	Total CHF
2021							
Remuneration of the Board of Directors							
Accrued remuneration ³	270,000	269,584	235,000	220,000	241,250	155,833	1,391,667
Cash remuneration	615,000						615,000
Expenses	15,000	15,000	15,000	15,000	15,000	10,625	85,625
Contributions to social insurance	43,024	13,303	11,533	11,011	11,954	8,162	98,987
Total	943,024	297,887	261,533	246,011	268,204	174,620	2,191,279

¹ E. Zehnder-Lai has been Vice Chair of the Board of Directors since the AGM 2021.

² T. Bachmann has been a member of the Board of Directors since the AGM 2021.

³ Director's fee booked, but not yet paid as at 31 December. Payment will be made in the first quarter of 2022 in the form of restricted shares of the company with a par value of CHF 0.10 each; 4-year blocking period; valued at fair value at grant date. The portion not paid in shares is used for the payment of social charges and for Swiss withholding taxes for non-Swiss board members.

	CHF
Remuneration of former members of the Board of Directors (H. Reuter¹)	
Accrued remuneration	93,333
Cash remuneration	
Expenses	4,375
Contributions to social insurance	4,747
Total	102,455

¹ H. Reuter was a member of the Board of Directors until the AGM 2021.

	A. Baehny Chair CHF	H. Reuter Vice-Chair CHF	F. Ehrat CHF	E. Zehnder-Lai CHF	B. Koch CHF	W. Karlen ¹ CHF	Total CHF
2020							
Remuneration of the Board of Directors							
Accrued remuneration ²	270,000	320,000	235,000	220,000	227,500	165,000	1,437,500
Cash remuneration	615,000						615,000
Expenses	15,000	15,000	15,000	15,000	15,000	11,250	86,250
Contributions to social insurance	42,882	15,578	11,685	11,023	11,340	8,371	100,879
Total	942,882	350,578	261,685	246,023	253,840	184,621	2,239,629

¹ W. Karlen has been a member of the Board of Directors since the AGM 2020.

² Director's fee booked, but not yet paid as at 31 December. Payment was made in the first quarter of 2021 in the form of restricted shares of the company with a par value of CHF 0.10 each; 4-year blocking period; valued at fair value at grant date. The portion not paid in shares is used for the payment of social charges and for Swiss withholding taxes for non-Swiss board members.

	CHF
Remuneration of former members of the Board of Directors (none)	
Accrued remuneration	
Cash remuneration	
Expenses	
Contributions to social insurance	
Total	

For the period from the 2021 Annual General Meeting to the 2022 Annual General Meeting, the remuneration paid to the Board of Directors is expected to amount to CHF 2,295,708. This is within the limit of CHF 2,350,000 approved by the 2021 Annual General Meeting.

Reconciliation between the reported board remuneration and the amount approved by the shareholders at the annual general meeting

(in CHF)	1 ¹	2 ²	3 ³	4 ⁴	5 ⁵	6 ⁶
AGM 2021–AGM 2022	2021	1 Jan 2021 to 2021 AGM	1 Jan 2022 to 2022 AGM	2021 AGM to 2022 AGM	AGM 2021	AGM 2021
Board of Directors (Total)	2,294,770	-572,495	573,433	2,295,708	2,350,000	98%
AGM 2020–AGM 2021	2020	1 Jan 2020 to 2020 AGM	1 Jan 2021 to 2021 AGM	2020 AGM to 2021 AGM	AGM 2020	AGM 2020
Board of Directors (Total)	2,239,629	-518,435	572,756	2,293,950	2,350,000	98%

¹ Remuneration earned during financial year as reported (A)

² Less remuneration earned from January to Annual General Meeting of financial year (B)

³ Plus remuneration accrued from January to Annual General Meeting of year following financial year (C)/budget value for 2022

⁴ Total remuneration earned for the period from Annual General Meeting to Annual General Meeting (A-B+C)

⁵ Amount approved by shareholders at respective Annual General Meeting

⁶ Ratio between remuneration earned for the period from Annual General Meeting to Annual General Meeting versus amount approved by shareholders

As of the end of 2021 and 2020, the members of the Board of Directors held the following shares in the company:

	A. Baehny Chair	E. Zehnder-Lai Vice Chair	F. Ehrat	B. Koch	W. Karlen	T. Bachmann	Total
2021							
Shareholdings Board of Directors							
Shares	114,307	1,707	4,235	752	275	0	121,276
Call options	0	0	0	0	0	0	0
Share of voting rights	0.32%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.0%	0.34%

	A. Baehny Chair	H. Reuter Vice Chair	F. Ehrat	E. Zehnder-Lai	B. Koch	W. Karlen	Total
2020							
Shareholdings Board of Directors							
Shares	94,525	8,204	3,843	1,340	372	0	108,284
Call options	19,328 ¹	0	0	0	0	0	19,328
Share of voting rights	0.26%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.0%	0.29%

¹ A. Baehny options until 2014 as CEO

As of 31 December 2021, and in compliance with the → [Articles of Incorporation](#) of Geberit AG, there were no outstanding loans or credits between the company and the members of the Board of Directors, closely related parties or former members of the Board of Directors.

7. Group Executive Board: remuneration and share/option ownership in 2021

This section is audited by the external auditor.

7.1 Performance in 2021

In 2021, consolidated net sales rose by 15.9% to CHF 3,460 million – the strongest sales growth since going public in 1999. This development comprised an increase in local currencies of 14.7% and a positive foreign currency effect of 1.2%. The exceptional sales growth was due to the positive base effect and the home improvement trend as a result of COVID-19, the build-up of inventories in the construction industry and market share gains. Despite the considerable challenges arising along the supply chains, we were able to safeguard product availability. When compared with 2019 – and thus with net sales before the COVID-19 pandemic – also exceptionally strong growth after currency adjustments of 16.4% was seen across all regions.

Results saw significant double-digit increases at all levels. Operating cashflow (EBITDA) increased by 15.6% to CHF 1,069 million, which corresponds to an EBITDA margin of 30.9% (previous year 31.0%). The significant increase was largely due to the exceptional volume growth. Raw material prices, which have risen massively since the end of 2020, as well as substantially higher energy and freight costs had a negative impact on margins. However, these negative effects were partially offset by regular as well as extraordinary price increases. Results were also curtailed by the partial normalisation of marketing costs compared to the previous year. Currency effects had no significant impact on operating margins. The increase in the operating result and an improvement in the financial result led to an increase in net income of 17.7% to CHF 756 million, corresponding to a return on net sales of 21.8% (previous year 21.5%). By comparison, earnings per share saw a disproportionate increase of 18.9% to CHF 21.34 due to the positive impact of the share buyback programme.

At 27.1%, the return on invested capital (ROIC) reached a new record high since the integration of the ceramics business in 2015 (previous year 23.2%).

The variable cash remuneration (STI) of the Group Executive Board is determined on the basis of the following key performance indicators, which all have the same weighting: currency-adjusted net sales performance and EPS compared with the previous year as well as EBITDA margin and ROIC. The achievement of qualitative individual targets is also taken into consideration. The achievement of objectives exceeded the defined maximum targets for all key figures. As a result, the variable cash remuneration for the Group Executive Board – which is dependent on the company results – reached the maximum level.

7.2 Remuneration awarded in 2021

The remuneration of the Group Executive Board amounted to TCHF 10,715 in 2021 (previous year TCHF 9,791). The base salaries of all GEB members in 2021 remained unchanged compared to the previous year. The remuneration of the CEO amounted to TCHF 3,175 in the same period (previous year TCHF 3,009). The total remuneration of the Group Executive Board in 2021 was more than in the previous year. The CEO's variable remuneration represented 100% of his fixed remuneration. For the other members of the Group Executive Board, the variable remuneration represented between 92.9% and 100% of their individual fixed remuneration (plus representation allowance).

At the 2020 Annual General Meeting, the shareholders approved a maximum aggregate amount of TCHF 11,500 for the remuneration of the Group Executive Board for the year 2021. The remuneration awarded for that period amounts to TCHF 10,715 and is therefore within the approved amount.

The total remuneration of the Group Executive Board in 2021 was more than in the previous year. The main reasons for this are in particular:

- higher variable remuneration due to the maximum achievement of the financial goals
- temporary double occupation of the CFO position
- higher contributions to social security funds

Further information on the remuneration awarded to the Group Executive Board for the business year 2021, compared with the maximum potential amount of remuneration, is provided with the invitation to the ordinary Annual General Meeting 2022.

The following table shows details of remuneration (gross) for 2021 and 2020:

	2021		2020	
	C. Buhl CEO CHF	Total CHF	C. Buhl CEO CHF	Total CHF
Salary				
- Fixed remuneration (excluding representation allowance)	1,001,806	3,435,383	1,001,806	3,386,672
- Variable remuneration ¹	1,015,000	3,305,000	897,550	2,889,359
<i>Thereof in shares in 2021</i> ²			896,629	2,397,088
Shares/Options				
- Call options MSOP 2021/2020 ³	870,419	2,451,172	870,432	2,391,556
- Call options MSPP 2021/2020 ⁴	59,701	159,605	31,817	77,766
Non-cash benefits				
- Private share of company vehicle ⁵	7,056	44,504	7,056	33,751
Expenditure on pensions				
- Pension plans	97,444	665,472	96,628	511,364
- Social insurance	121,156	639,973	101,117	484,679
- Contribution health/accident insurance	2,153	14,116	2,350	15,529
Total ^{6/7}	3,174,735	10,715,225	3,008,756	9,790,676

¹ The amounts to be paid (current year), and the amounts effectively paid (previous year) respectively are shown. The payment of the variable remuneration occurs in the following year. Members of the Group Executive Board are free to choose between a payment in shares or in cash.

² Registered shares of the company with a par value of CHF 0.10 each, 3-year blocking period, valued at fair market value at grant date of CHF 569.65 (previous year: CHF 451.50).

³ Call options on registered shares of the company with a par value of CHF 0.10 each, issued within the scope of the Management Stock Option Programme (MSOP); 1 option entitles to purchase 1 registered share at an exercise price of CHF 569.65 (previous year: CHF 451.50); definitive vesting of the option subject to various conditions, 3-year vesting period (1 tranche at 100%); the total value of the call options is evaluated as of the grant date and afterwards measured annually according to the expected achievement of objectives. Market value of CHF 37.91 (previous year: CHF 16.58) determined using the binomial method.

⁴ Call options on registered shares of the company with a par value of CHF 0.10 each, issued within the scope of the Management Share Participation Programme (MSPP); 1 option entitles to purchase 1 registered share at an exercise price of CHF 569.65 (previous year: CHF 451.50); definitive vesting of the option subject to various conditions, 3-year vesting period (1 tranche at 100%); the total value of the call options is evaluated as of the grant date and afterwards measured annually according to the expected achievement of objectives. Market value of CHF 37.91 (previous year: CHF 16.58) determined using the binomial method.

⁵ Valuation in accordance with the guidelines of the Swiss Federal Tax Administration FTA (0.8% of the purchase cost per month).

⁶ Immaterial payments (below CHF 500) are not included in the total. Overall, these payments do not exceed CHF 2,000 per member of the Group Executive Board.

⁷ Departure of one member of the Group Executive Board as of December 31, 2021 and two members of the Group Executive Board as of March 31, 2020; one new member of the Group Executive Board as of November 1, 2021, and one member of the Group Executive Board as of April 1, 2020.

The parameters taken into consideration in the option valuation model are set out in → [Note 17, Participation plans of the consolidated financial statements.](#)

7.3 Shareholdings of Group Executive Board

As of the end of 2021 and 2020, the Group Executive Board held the following shares in the company:

	Maturity	Average exercise price in CHF	C. Buhl CEO	R. Iff CFO	T. Knechtle	R. van Triest	M. Baumüller	M. Ziegler	C. Rapp	Total
2021										
Shareholdings Group Executive Board										
Shares			16,742	28,280	75	2,090	4,534	4,288	1,311	57,320
Percentage voting rights shares			< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.16%
Call options ¹										
End of vesting period:										
Lapsed	2022–2028	394.76	40,229	0	0	6,283	6,881	3,216	1,545	58,154
2022	2025–2028	424.97	47,421	22,641	0	14,498	11,294	11,377	1,775	109,006
2023	2028–2029	441.85	88,457	40,603	0	29,627	23,711	32,109	24,436	238,943
2024	2030	569.65	36,784	16,916	0	11,870	10,063	14,907	12,710	103,250
Total options			212,891	80,160	0	62,278	51,949	61,609	40,466	509,353
Percentage potential share of voting rights options			0.59%	0.22%	0.0%	0.17%	0.14%	0.17%	0.11%	1.42%

¹ Purchase ratio 1 share for 1 option. The unvested options are subject to a performance-based vesting condition.

	Maturity	Average exercise price in CHF	C. Buhl CEO	R. Iff CFO	R. van Triest	M. Baumüller	M. Ziegler	C. Rapp	Total
2020									
Shareholdings Group Executive Board									
Shares			14,690	28,280	700	4,024	3,582	751	52,027
Percentage voting rights shares			< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.14%
Call options¹									
End of vesting period:									
Lapsed	2021–2027	357.20	21,392	0	6,058	4,107	1,781	1,617	34,955
2021	2024–2028	409.97	19,945	10,746	6,653	3,462	2,548	766	44,120
2022	2025–2028	424.97	47,421	22,641	14,498	11,294	11,377	1,775	109,006
2023	2028–2029	429.13	88,457	40,603	29,627	23,711	32,109	24,436	238,943
Total options			177,215	73,990	56,836	42,574	47,815	28,594	427,024
Percentage potential share of voting rights options			0.48%	0.20%	0.15%	0.11%	0.13%	< 0.1%	1.15%

¹ Purchase ratio 1 share for 1 option. The unvested options are subject to a performance-based vesting condition.

As of 31 December 2021, and in compliance with the → Articles of Incorporation of Geberit AG, there were no outstanding loans or credits between the company and the members of the Group Executive Board, closely related parties or former members of the Group Executive Board.

8. Summary of share and option plans 2021

This section has been audited by the external auditor as part of the Financial Notes to the Consolidated Statements of the Geberit Group.

In 2021, employees, management and the members of the Board of Directors participated in three different share plans. The plans for the Board of Directors and the management are described in this Remuneration Report and for the employees in → [Note 17](#) of the consolidated financial statements (participation plans). Under the three different share plans, a total of the following numbers of shares were allocated.

	End of blocking period	Number of participants	Number of shares issued	Issuing price CHF
Employee share purchase plan (ESPP)	2023	3,249	19,195	313.30
Management share purchase plan (MSPP)	2024	115	13,248	569.65
Board of Directors remuneration	2025	6	2,402	569.65
Total			34,845	

The 34,845 shares required for these plans were taken from the stock of treasury shares.

In 2021, Geberit management participated in two different option plans (MSPP and MSOP). The plans are described in this Remuneration Report. Under these plans, the following numbers of options are expected to be allocated at the end of the vesting period¹:

	Vesting period	Maturity	Number of participants	Number of options expected to be allocated	Exercise price CHF
Management share purchase plan (MSPP)	2021–2024	2030	115	13,255	569.65
Management share option plan (MSOP)	2021–2024	2030	96	118,668	569.65
Total				131,923	

¹ The number of options expected to be allocated with final effect at the end of the vesting period depends on target achievement (average ROIC) and has been calculated based on expected target achievement.

The fair value of the options granted in 2021 as at March 2021 amounted to CHF 37.91 (MSPP) and CHF 37.91 (MSOP) on average at the respective granting date. The fair value was determined using the binomial model for “American Style Call Options”.

The calculation model was based on the following parameters:

	Exercise price²	Expected Ø volatility	Expected Ø dividend yield	Contractual period	Risk-free Ø interest rate
	CHF	%	%	Years	%
Management share purchase plan (MSPP)	569.65	15.98	2.26	9	-0.33
Management share option plan (MSOP)	569.65	15.98	2.26	9	-0.33

² The exercise price corresponds to the average price of Geberit shares for the period from 3 – 16 March 2021.

Costs resulting from share participation plans amounted to CHF 5.3 million in 2021 (previous year CHF 4.8 million); those for option plans totaled CHF 6.4 million (previous year CHF 5.8 million).

9. Summary of shares and options held by management and employees as of 31 December 2021

This section has been audited by the external auditor as part of the Financial Notes to the Consolidated Statements of the Geberit Group.

Geberit is committed to a vigilant management of equity dilution. As of 31 December 2021, the Board of Directors, the Group Executive Board and the employees owned a combined total of 407,722 (previous year 395,271) shares, i.e. 1.1% (previous year 1.1%) of the share capital of Geberit AG.

The following table summarises all option plans in place as of 31 December 2021¹:

End of vesting period	Maturity	Number of options outstanding	Ø exercise price CHF	Number of options in the money	Ø exercise price CHF
Vested	2022–2028	120,378	401.97	120,378	401.97
2022	2025–2028	166,424	416.52	166,424	416.52
2023	2028–2029	300,931	449.60	300,931	449.60
2024	2030	131,923	569.65	131,923	569.65
Total		719,656	455.99	719,656	455.99

¹ The number of options expected to be allocated with final effect at the end of the vesting period depends on target achievement (average ROIC) and has been calculated based on expected target achievement.

This table also includes options under participation plans from earlier years that have different terms and vesting conditions.

The following movements took place in 2021 and 2020¹:

	MSOP		MSPP		Total 2021		Total 2020	
	Number of options	Ø exercise price						
		CHF		CHF		CHF		CHF
Outstanding 1 January	674,722	420.66	48,229	419.28	722,951	420.57	527,852	390.33
Granted options	118,668	569.65	13,255	569.65	131,923	569.65	278,364	451.50
Forfeited options	35,663	420.13	428	440.57	36,091	420.37	13,496	420.04
Expired options	0	0	0	0	0	0	0	0
Exercised options	90,132	358.91	8,995	391.98	99,127	361.91	69,769	315.31
Outstanding 31 December	667,595	455.51	52,061	462.11	719,656	455.99	722,951	420.57
Exercisable at 31 December	106,341	400.38	14,037	414.04	120,378	401.97	124,007	363.19

¹ The number of options expected to be allocated with final effect at the end of the vesting period depends on target achievement (average ROIC) and has been calculated based on expected target achievement.

This table also includes options under participation plans from earlier years that have different terms and vesting conditions.

The options outstanding on 31 December 2021 had an exercise price of between CHF 349.15 and CHF 569.65 and an average remaining contractual life of 6.8 years.

10. Report of the statutory auditor



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Report of the statutory auditor to
the General Meeting
of Geberit AG
Rapperswil-Jona

We have audited the remuneration report of Geberit AG for the year ended 31 December 2021. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in sections 6 to 9 of the remuneration report.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility

Our responsibility is to express an opinion on the remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the remuneration report of Geberit AG for the year ended 31 December 2021 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG



Beat Inauen
Audit expert
Auditor in charge



Martin Knöpfel
Audit expert

Zürich, 8 March 2022

Geberit Group

Financials

Financials

10-year key figures

		2021	2020	2019
Profit & loss statement				
Net sales	MCHF	3,460	2,986	3,083
Change on previous year	%	+15.9	-3.1	+0.1
Change on previous year c.a./org.	%	+14.7	+1.3	+3.4
Operating cashflow (EBITDA) ²	MCHF	1,069	925	904
Margin in % of net sales ²	%	30.9	31.0	29.3
Operating profit (EBIT) ²	MCHF	902	772	757
Margin in % of net sales ²	%	26.1	25.8	24.5
Financial results, net ²	MCHF	-13	-17	-14
Net income ²	MCHF	756	642	647
Margin in % of net sales ²	%	21.8	21.5	21.0
Earnings per share ²	CHF	21.34	17.95	17.97
Distribution per share	CHF	12.50	11.40	11.30
Free cashflow ³	MCHF	809	717	644
Margin in % of net sales ³	%	23.4	24.0	20.9
Capital expenditures	MCHF	169	150	167
Research and development expenses	MCHF	78	75	77
In % of net sales	%	2.3	2.5	2.5
Employees				
Number of employees (31.12.)		11,809	11,569	11,619
Annual average		11,821	11,552	11,631
Net sales per employee	TCHF	293	258	265
Balance sheet (31.12.)				
Total assets	MCHF	3,772	3,751	3,725
Liquid funds, marketable securities, short-term investments	MCHF	511	469	428
Net working capital	MCHF	157	181	202
Property, plant and equipment	MCHF	956	934	920
Goodwill and intangible assets	MCHF	1,493	1,577	1,597
Total debt	MCHF	784	779	837
Equity	MCHF	1,988	1,922	1,899
Equity ratio	%	52.7	51.2	51.0
Gearing	%	13.7	16.1	21.5
ROIC ²	%	27.1	23.2	23.1

¹ Restatement see → Note 1 in the consolidated financial statements of the Geberit Group 2013

² 2015–2018: Adjusted for costs in connection with the Sanitec acquisition and integration (EBITDA 2018 not adjusted)

³ 2016–2017: Adjusted due to an internal reclassification

	2018	2017	2016	2015	2014	2013	2012 ¹
	3,081	2,908	2,809	2,594	2,089	2,000	1,920
	+5.9	+3.5	+8.3	+24.2	+4.5	+4.2	+2.8
	+3.1	+3.5	+6.4	+2.7	+5.9	+3.1	+4.2
	868	821	795	694	657	593	537
	28.2	28.2	28.3	26.7	31.5	29.6	28.0
	744	706	687	591	577	511	457
	24.2	24.3	24.4	22.8	27.6	25.5	23.8
	-20	-9	-9	-17	-2	-6	-7
	626	604	584	493	499	436	388
	20.3	20.8	20.8	19.0	23.9	21.8	20.2
	17.21	16.43	15.85	13.23	13.28	11.59	10.16
	10.80	10.40	10.00	8.40	8.30	7.50	6.60
	582	476	557	484	460	444	391
	18.9	16.4	19.8	18.7	22.0	22.2	20.4
	162	159	139	147	105	98	86
	78	78	72	63	56	51	50
	2.5	2.7	2.6	2.4	2.7	2.5	2.6
	11,630	11,709	11,592	12,126	6,247	6,226	6,134
	11,803	11,726	11,972	12,477	6,303	6,219	6,150
	261	248	235	208	331	322	312
	3,502	3,743	3,601	3,554	2,432	2,226	2,007
	282	413	510	460	750	613	423
	206	173	147	147	169	128	134
	829	813	727	715	551	536	521
	1,652	1,749	1,681	1,757	645	646	638
	837	895	971	1,139	11	12	15
	1,745	1,837	1,635	1,482	1,717	1,664	1,431
	49.8	49.1	45.4	41.7	70.6	74.8	71.3
	31.8	26.3	28.2	45.9	-43.0	-36.1	-28.5
	22.6	22.4	21.5	20.1	35.5	32.1	28.9

Financials

Consolidated Financial Statements Geberit Group

Consolidated Balance Sheets

	Note	31.12.2021 MCHF	31.12.2020 MCHF
Assets			
Current assets			
Cash and cash equivalents		511.0	468.6
Trade accounts receivable	→ 6	162.9	195.0
Other current assets and current financial assets	→ 7	104.2	104.9
Inventories	→ 8	362.1	307.1
Total current assets		1,140.2	1,075.6
Non-current assets			
Property, plant and equipment	→ 9	955.9	933.8
Deferred tax assets	→ 18	88.7	126.0
Other non-current assets and non-current financial assets	→ 10	94.0	38.7
Goodwill and intangible assets	→ 11	1,493.4	1,576.9
Total non-current assets		2,632.0	2,675.4
Total assets		3,772.2	3,751.0
Liabilities and equity			
Current liabilities			
Short-term debt	→ 12	317.8	17.3
Trade accounts payable		119.3	94.2
Tax liabilities		118.0	129.9
Other current liabilities	→ 13	344.4	324.6
Current provisions	→ 13	8.3	6.7
Total current liabilities		907.8	572.7
Non-current liabilities			
Long-term debt	→ 14/→ 15	466.1	761.5
Accrued pension obligations	→ 16	291.4	346.7
Deferred tax liabilities	→ 18	52.7	79.6
Other non-current liabilities	→ 19	19.1	16.8
Non-current provisions	→ 19	47.4	51.7
Total non-current liabilities		876.7	1,256.3
Equity			
Share capital	→ 21	3.6	3.7
Reserves	→ 21	2,555.5	2,419.1
Cumulative translation adjustments		-571.4	-500.8
Total equity		1,987.7	1,922.0
Total liabilities and equity		3,772.2	3,751.0

The accompanying → Notes are an integral part of the consolidated financial statements.

Consolidated Income Statements

1.1. – 31.12.

	Note	2021 MCHF	2020 MCHF
Net sales	<u>→ 28</u>	3,460.5	2,986.1
Cost of materials		996.8	788.7
Personnel expenses		812.2	750.4
Depreciation	<u>→ 9</u>	133.9	126.6
Amortisation of intangible assets	<u>→ 11</u>	33.8	27.2
Other operating expenses, net	<u>→ 23</u>	582.2	521.7
Total operating expenses, net		2,558.9	2,214.6
Operating profit (EBIT)		901.6	771.5
Financial expenses	<u>→ 24</u>	-9.7	-12.5
Financial income	<u>→ 24</u>	1.5	1.1
Foreign exchange loss (-)/gain	<u>→ 24</u>	-5.1	-5.8
Financial result, net		-13.3	-17.2
Profit before income tax expenses		888.3	754.3
Income tax expenses	<u>→ 25</u>	132.6	112.0
Net income		755.7	642.3
EPS (CHF)	<u>→ 22</u>	21.34	17.95
EPS diluted (CHF)	<u>→ 22</u>	21.16	17.88

The accompanying → Notes are an integral part of the consolidated financial statements.

Consolidated Statements of Comprehensive Income and Changes in Equity

Consolidated Statements of Comprehensive Income

1.1. – 31.12.

	Note	2021 MCHF	2020 MCHF
Net income according to the income statement		755.7	642.3
Cumulative translation adjustments		-70.6	-29.7
Income tax expenses		0.0	0.0
Cumulative translation adjustments, net of tax		-70.6	-29.7
Total other comprehensive income to be reclassified to the income statement in subsequent periods, net of tax		-70.6	-29.7
Remeasurements of pension plans	→ 16	115.2	3.0
Income tax expenses		-18.2	-0.6
Remeasurements of pension plans, net of tax		97.0	2.4
Total other comprehensive income not to be reclassified to the income statement in subsequent periods, net of tax		97.0	2.4
Total other comprehensive income, net of tax		26.4	-27.3
Total comprehensive income		782.1	615.0

The accompanying → Notes are an integral part of the consolidated financial statements.

Consolidated Statements of Changes in Equity

	Share capital	Reserves	Treasury shares	Pension plans	Cum. translation adjustments	Total equity
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Balance at 31.12.2019	3.7	2,978.6	-433.4	-178.8	-471.1	1,899.0
Net income		642.3				642.3
Other comprehensive income				2.4	-29.7	-27.3
Distribution ¹		-404.0				-404.0
Share buyback programme			-167.9			-167.9
Purchase (-)/sale of treasury shares		6.7	-22.7			-16.0
Management option plans		-4.1				-4.1
Balance at 31.12.2020	3.7	3,219.5	-624.0	-176.4	-500.8	1,922.0
Net income		755.7				755.7
Other comprehensive income				97.0	-70.6	26.4
Distribution ¹		-404.5				-404.5
Share buyback programme			-165.9			-165.9
Purchase (-)/sale of treasury shares		15.1	-161.6			-146.5
Capital reduction	-0.1	-517.0	517.1			0.0
Management option plans		0.5				0.5
Balance at 31.12.2021	3.6	3,069.3	-434.4	-79.4	-571.4	1,987.7

¹ The dividend (ex2020) was CHF 11.40 per share (PY: CHF 11.30).

The accompanying → Notes are an integral part of the consolidated financial statements.

Consolidated Statements of Cashflows

1.1. – 31.12.

	Note	2021 MCHF	2020 MCHF
Cash provided by operating activities			
Net income		755.7	642.3
Depreciation and amortisation	→ 9/→ 11	167.7	153.8
Financial result, net	→ 24	13.3	17.2
Income tax expenses	→ 25	132.6	112.0
Changes in provisions		20.6	28.7
Other non-cash expenses and income		14.9	13.7
Operating cashflow before changes in net working capital and income taxes		1,104.8	967.7
Income taxes paid		-133.6	-94.0
Changes in trade accounts receivable		60.3	2.0
Changes in inventories		-67.8	-6.7
Changes in trade accounts payable		28.7	-0.9
Changes in other positions of net working capital		6.5	31.9
Net cash from/used in (-) operating activities		998.9	900.0
Cash from/used in (-) investing activities			
Sales of subsidiaries ¹		4.6	0.0
Purchase of property, plant & equipment and intangible assets	→ 9/→ 11	-169.4	-149.7
Sale of property, plant & equipment and intangible assets		3.3	2.9
Interest received		1.4	1.1
Purchase (-)/sale of marketable securities and other short-term investments		0.0	20.0
Other, net		-1.7	-2.1
Net cash from/used in (-) investing activities		-161.8	-127.8
Cash from/used in (-) financing activities			
Proceeds from borrowings	→ 14/→ 15	160.1	450.2
Repayments of borrowings	→ 14/→ 15	-166.2	-503.5
Repayments of lease liabilities		-16.7	-24.1
Interest paid		-5.5	-9.8
Distribution		-404.5	-404.0
Share buyback programme	→ 21	-164.2	-162.1
Purchase (-)/sale of treasury shares		-192.7	-46.4
Other, net		-1.7	-2.2
Net cash from/used in (-) financing activities		-791.4	-701.9
Effects of exchange rates on cash and cash equivalents		-3.3	-9.8
Net increase/decrease (-) in cash and cash equivalents		42.4	60.5
Cash and cash equivalents at beginning of year		468.6	408.1
Cash and cash equivalents at end of year		511.0	468.6

¹ Includes deferred purchase price payment from the sale of the Varicor Group in 2017

The accompanying → Notes are an integral part of the consolidated financial statements.

For further cashflow figures see → Note 27

Notes to the Consolidated Financial Statements

1 Basic information

Geberit is an international group that focuses on the sanitary industry and, specifically, the areas of sanitary technology and bathroom ceramics. The Group's product range consists of the Installation and Flushing Systems, Piping Systems and Bathroom Systems product areas. Worldwide, the vast majority of its products are sold through the wholesale channel. Geberit sells its products in 118 countries. The Group is present in 52 countries with its own sales employees.

The consolidated financial statements include Geberit AG and all companies under its control ("the Group" or "Geberit"). The Group eliminates all intra-group transactions as part of the Group consolidation process. A company is consolidated for the first time or deconsolidated from the date on which the Group exercises or loses control over the company.

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The term "MCHF" in these consolidated financial statements refers to millions of Swiss francs, "MEUR" refers to millions of euros, "MGBP" refers to millions of British pounds sterling and "MUSD" refers to millions of US dollars. The term "shareholders" refers to the shareholders of Geberit AG.

Main sources of estimation uncertainty

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the reporting period. Actual results can differ from estimates. Estimates and assumptions are continually reviewed and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances.

Important estimates (with the related uncertainties) were primarily made in the following areas:

- Assumptions underlying impairment testing of goodwill items and intangible assets with an indefinite useful life (→ [Note 11](#))
- Assumptions underlying the capitalisation of development costs (→ [Note 26](#))
- Assumptions underlying the recognition of defined benefit pension plans (→ [Note 16](#))
- Assumptions underlying the valuation of deferred tax assets and liabilities (→ [Note 18](#))
- Assumptions underlying valuation of provisions (→ [Note 13](#), → [Note 19](#))

2 Changes in Group structure

No significant changes in the Group structure took place in 2021 and 2020.

3 Summary of significant accounting policies

IFRS standards

New or revised IFRS standards and interpretations 2021 and their adoption by the Group

Standard/Interpretation	Enactment	Relevance for Geberit	Adoption
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest rate benchmark reform – phase 2	1.1.2021	These amendments had no material impact on the consolidated financial statements.	1.1.2021

New or revised IFRS standards and interpretations as from 2022 and their adoption by the Group

Standard/Interpretation	Enactment	Relevance for Geberit	Adoption
Amendments to IFRS 3 Business Combinations – Reference to the conceptual framework	1.1.2022	This amendment will not have a material impact on the consolidated financial statements.	1.1.2022
Amendments to IAS 16 Property, Plant and Equipment – Proceeds before intended use	1.1.2022	This amendment will not have a material impact on the consolidated financial statements.	1.1.2022
Amendments to IAS 37 Onerous Contracts – Cost of fulfilling a contract	1.1.2022	This amendment will not have a material impact on the consolidated financial statements.	1.1.2022
Annual improvements to IFRSs 2018–2020 Cycle	1.1.2022	This amendment will not have a material impact on the consolidated financial statements.	1.1.2022
Amendments to IAS 1 Presentation of financial statements – Classification of liabilities as current or non-current	1.1.2023	This amendment will not have a material impact on the consolidated financial statements.	1.1.2023
Amendments to IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies	1.1.2023	This amendment will not have a material impact on the consolidated financial statements.	1.1.2023
Amendment to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1.1.2023	This amendment will not have a material impact on the consolidated financial statements.	1.1.2023

Summary of significant accounting and valuation rules

Foreign currency translation

The functional currencies of the Group's subsidiaries are generally the currencies of the local jurisdiction. Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing at the dates of the transaction, or at a rate that approximates the actual rate at the date of the transaction. At the end of the accounting period, receivables and liabilities in foreign currency are valued at the rate of exchange prevailing at the consolidated balance sheet date, with resulting exchange rate differences charged to the income statement. Exchange rate differences related to loans that are part of the net investment in foreign entities are recorded in → "Other comprehensive income" and disclosed as cumulative translation adjustments.

For the consolidation, assets and liabilities stated in functional currencies other than Swiss francs are translated at the rates of exchange prevailing at the consolidated balance sheet date. Income and expenses are translated at the average exchange rates (weighted net sales) for the period. Translation gains or losses are recorded in → "Other comprehensive income" and disclosed as cumulative translation adjustments.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short-term, highly liquid financial investments with maturities of three months or less at their acquisition date that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The carrying amount of cash and cash equivalents approximates to their fair value due to the short-term maturities of these instruments.

Securities and other short-term investments

Securities are marketable instruments that can be readily liquidated and have a remaining term of between 4 and 12 months. Other short-term investments primarily comprise fixed-term deposits and money-market investments with a remaining term of between 4 and 12 months. Both are either recognised at fair value through profit and loss or at amortised cost.

Inventories

Inventories are stated at the lower of historical or manufacturing costs, or net realisable value. The manufacturing costs comprise all directly attributable costs of material and manufacture and other costs incurred in bringing the inventories to their present location and condition. Historical cost is determined using the weighted average cost formula, while the manufacturing cost is determined using the standard cost formula. Net realisable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the selling costs. Allowances are made for obsolete and slow-moving inventories.

Property, plant and equipment

Property, plant and equipment are carried at historical or manufacturing costs less accumulated depreciation. Betterment that increases the useful lives of the assets, substantially improves the quality of the output, or enables a substantial reduction in operating costs is capitalised and

depreciated over the remaining useful lives. Depreciation of property, plant and equipment is calculated using the straight-line method based on the following useful lives: buildings (15–50 years), production machinery and assembly lines (8–25 years), moulds (4–6 years), equipment and furnishings (4–25 years) and vehicles (5–10 years). Properties are not regularly depreciated. Repair and maintenance related to investments in property, plant and equipment are charged to the income statement as incurred.

Borrowing costs of all material qualifying assets are capitalised during the construction phase in accordance with IAS 23. A qualified asset is an asset for which an extensive period (generally more than a year) is required to transform it to its planned usable condition. If funds are specifically borrowed, the costs that can be capitalised are the actual costs incurred less any investment income earned on the temporary investment of these borrowings. If the borrowed funds are part of a general pool, the amount that can be capitalised must be determined by applying a capitalisation rate to the expenses related to this asset.

If there is any indication for impairment, the actual carrying amount of the asset is compared to its recoverable amount. If the carrying amount is higher than its estimated recoverable amount, the asset is reduced accordingly and the difference is charged to the income statement.

Goodwill and intangible assets

The Group records goodwill as the difference between the purchase price and the net assets of the company acquired, both measured at fair value. If the value of net assets is higher than the purchase price, this gain is credited immediately to the income statement.

Goodwill and intangibles such as patents, trademarks and software acquired from third parties are initially stated and subsequently measured at cost. Goodwill, trademarks and other intangible assets with an indefinite useful life are not regularly amortised but tested for impairment on an annual basis. Impairments are recorded immediately as expenses in the consolidated income statements and, in the case of goodwill, not reversed in subsequent periods. The amortisation of intangible assets with a definite useful life is calculated using the straight-line method based on the following useful lives: patents and technology (4–10 years), trademarks (5–12 years), software (4–6 years) and capitalised development costs (6 years).

Intangible assets with an indefinite useful life and goodwill are tested for impairment at each reporting date, at least. In this process, the actual carrying amount of the asset is compared with the recoverable amount. If the carrying amount is higher than its estimated recoverable amount, the asset is reduced correspondingly. The Group records the difference between recoverable amount and carrying amount as expense. The valuation is based on single assets or, if such valuation is not possible, on the level of the group of assets for which separately identifiable cashflows exist.

For the impairment tests of intangible assets with an indefinite useful life and goodwill, the Group applies the most recent business plans (period of four years) and the assumptions therein concerning development of prices, markets and the Group's market shares. To discount future cashflows, the Group applies market or country-specific discount rates. Management considers the discount rates, the growth rates and the development of the operating margins to be the crucial parameters for the calculation of the recoverable amount. More detailed information is disclosed in → [Note 11](#).

Leasing

Leases for property, plant and equipment mainly comprise buildings and vehicles.

Leases are reported as a right-of-use asset, while a corresponding liability is recognised on the date on which the leased asset becomes available for use by the Group. IFRS 16 (Leases) envisages a single accounting model for the lessee. Geberit makes use of the option to refrain from accounting for leases that have a term of no more than 12 months as well as minor-value assets with a value of less than CHF 5,000. The expenses from these agreements are directly recognised in other operating expenses.

According to IFRS 16, the lessee capitalises the right-of-use asset and recognises all future lease payments from the lease as a financial liability. This sum corresponds to the present value of all future lease payments. The lessee defines the agreement term and the interest rate used to discount the payments. If this discount rate is specified in the leasing agreement, this is applied (implicit interest rate). If this is not the case, the incremental borrowing rate (IBR) is applied. The term generally corresponds to the irrevocable lease term taking into account any termination, renewal and purchasing options, as long as their exercise is sufficiently secure. The leased asset is depreciated on the basis of the agreed term.

Provisions

The Group recognises provisions when it has a present legal or constructive obligation to transfer economic benefits as a result of past events, and when a reasonable estimate of the amount of the obligation can be made. The Group warrants its products against defects and accrues provisions for such warranties at the time of sale based on estimated claims. Actual warranty costs are charged against the accrued provisions when incurred.

Net sales

The Group focuses on sanitary technology and bathroom ceramics in the sanitary industry. The products are primarily sold through the wholesale channel. Net sales correspond to the amount of consideration to be expected from contracts with customers for the sale of products and do not include any amounts recovered on behalf of third parties.

Sales per transaction are recorded at a single point in time at which the customer obtains effective control over the products that have been delivered. This single point in time depends on the different terms of delivery.

Net sales include the invoiced amounts after deduction of rebates, cash discounts and customer bonuses. Customer bonuses are sales deductions linked to the achievement of predefined targets (e.g. level of sales).

Marketing expenses

All relevant expenses associated with advertising and promoting products are recorded in the financial period during which they are incurred.

Income tax expenses

The consolidated financial statements include current income taxes based on the taxable earnings of the Group companies and are calculated according to national tax rules. Uncertain tax positions are determined on the basis of the most likely amount method. Deferred taxes are recorded on temporary differences between the tax base of assets and liabilities and their carrying amount using the "liability method". Deferred taxes are calculated either using the current tax rate or the tax rate expected to be applicable in the period in which these differences will reverse. If the realisation of future tax savings related to tax loss carryforwards and other deferred tax assets is not or no longer probable, the deferred tax assets are reduced accordingly.

A liability for deferred taxes for non-refundable taxes at source and other earning distribution-related taxes is recognised only for subsidiaries for which available earnings are intended to be remitted and of which the parent company controls the dividend policy (→ Note 18).

Research and development cost (R&D)

The majority of the expenses are incurred in relation to basic research, product and product range management, customer software development and R&D support/overheads, and these are charged directly to the income statement. The residual expenses relate to development costs for new products. If these concern major development projects, they are reviewed at each balance sheet date in order to verify whether the capitalisation criteria of IAS 38.57 are fulfilled. In the case that all criteria are fulfilled, the expenses are capitalised and amortised over a period of six years (→ Note 26).

Retirement benefit plans

The Group manages different employee pension plans structured as both defined benefit and defined contribution plans. These pension funds are usually governed by the regulations of the countries in which the Group operates.

For defined benefit plans, the present value of the defined benefit obligation is calculated periodically by independent pension actuaries using the projected unit credit method on the basis of the service years and the expected salary and pension trends. Actuarial gains and losses are immediately recognised in other comprehensive income as "Remeasurements of pension plans". This item also includes the return on plan assets/reimbursement rights (excluding the interest based on the discount rate) and any effects of an asset ceiling adjustment. For defined benefit plans with an independent pension fund, the funded status of the pension fund is included in the consolidated balance sheet. Any surplus is capitalised in compliance with IAS 19.64 and IFRIC 14. The annual net periodic pension costs calculated for defined benefit plans are recognised in the income statement in the period in which they occur.

For defined contribution plans, the annual costs are calculated as a percentage of the pensionable salaries and are also charged to the income statement. Except for the contributions, the Group does not have any other future obligations.

Participation plans

Rebates granted to employees when buying Geberit shares under share purchase plans are charged to the income statement in the year the programmes are offered.

The fair value of the options allocated as part of the management long-term incentive and the management share purchase plan is determined at the grant date and charged on a straight-line basis to personnel expenses over the vesting period. The values are determined using the binomial model.

Earnings per share

The number of ordinary shares for the calculation of the earnings per share is determined on the basis of the weighted average of the issued ordinary shares less the weighted average number of the treasury shares. For the calculation of diluted earnings per share, an adjusted number of shares is calculated as the sum of the total of the ordinary shares used to calculate the earnings per share and the potentially dilutive shares from option programmes. The dilution from option programmes is determined on the basis of the number of ordinary shares that could have been bought for the amount of the accumulated difference between the market price and exercise price of the options. The relevant market price used is the average Geberit share price for the financial year.

Earnings per share and diluted earnings per share are defined as the ratio of the attributable net income to the relevant number of ordinary shares.

Financial instruments

Financial assets are initially recorded at fair value plus transaction costs and subsequently remeasured at amortised cost less allowances for expected credit losses ("ECL"). It is not necessary for a loss event to occur before an impairment loss is recognised. Impairment is determined based on expected credit losses, which is the present value of the cash shortfalls over the expected life of the financial assets. Geberit incorporates forward-looking information into its customer default rates, grouping receivables by customer sector, rating and geography, taking into account the existence of collateral, if any.

Debts are initially recorded at fair value, net of transaction costs, and subsequently measured at amortised cost according to the effective interest rate method. The Group classifies debts as non-current when, at the balance sheet date, it has the unconditional right to defer settlement for at least 12 months after the balance sheet date.

Derivatives are initially recorded at fair value and subsequently adjusted for fair value changes. The recognition of derivatives in the Group's balance sheet is based on internal valuations or on the valuation of the respective financial institution. See → [Note 15](#) for an allocation of the balance sheet items to the classification by categories.

Hedge accounting

Geberit purchases derivative financial instruments for the purpose of economically hedging specific commitments (see → [Note 4](#) and → [Note 15](#)).

4 Risk assessment and management

General

The Group runs a risk-management system approved by the Board of Directors.

The policy defines a structured process by which the business risks are systematically managed. In this process, risks are identified, analysed and evaluated concerning the likelihood of occurrence and magnitude, and risk-control measurements are determined. Each member of management is responsible for the implementation of the risk-management measures in his area of responsibility. The Board of Directors is periodically informed about the major changes in risk assessment and about risk-management actions taken. The permanent observation and control of the risks is a management objective. For risks concerning accounting and financial reporting, a special assessment is carried out as part of the risk control process. The Geberit internal control system for financial reporting defines in this regard control measures that reduce the related risks.

Financial risks are monitored by the treasury department of the Geberit Group, which acts in line with the directives of the treasury policy issued by the Group. Risk management focuses on recognising, analysing and hedging foreign exchange rate, interest rate, liquidity and counterparty risks, with the aim of limiting their effect on cashflow and net income. The Group measures the foreign exchange rate risks and interest rate risks with the cashflow-at-risk method.

Management of counterparty risks from treasury activities

Financial contracts are agreed only with third parties that have at least an A (S&P) or A2 (Moody's) rating or are considered as relevant to the financial system. Management believes that the risk of losses from the existing contracts is remote.

In general, liquid funds are invested for a period of less than three months. Part of the liquid funds may be invested in government bonds (maximum MCHF 70 per country and usually with terms of less than 12 months). The residual liquid funds are generally held at banks on a short-term basis. To avoid cluster risks, the value of an investment per third party may not exceed a certain limit that is determined on the basis of clearly defined creditworthiness criteria such as rating, system relevance and state guarantees (e.g. for Swiss cantonal banks). In addition, investments with the same counterparty may not exceed half of the Group's total deposits. The Group has not suffered any losses on such transactions to date.

Management of foreign exchange rate risk

The Group generates sales and costs in Switzerland and abroad in foreign currencies. Therefore, exchange rate changes have an impact on the consolidated results. To limit such risks, the concept of "natural hedging" is considered as the primary hedging strategy. Hereby, the foreign exchange rate risk of cash inflows in a certain currency is neutralised with cash outflows of the same currency. Therefore, currency fluctuations influence the profit margin of the Group only to a marginal extent; i.e. the Group is exposed to a relatively small transaction risk. However, the translation risk that results from the translation of profits generated abroad can still substantially influence the consolidated

results depending on the financial position and the level of currency fluctuation, despite the effective “natural hedging”. The Group does not hedge translation risks.

The currency risk over a period of 12 months is measured via the cashflow-at-risk (CfaR) method. By using statistical methods, the effect of probable changes in foreign exchange rates on the financial result of the Group is evaluated. As at 31 December 2021, the Group’s CfaR amounted to MCHF 28.0 (PY: MCHF 22.7), hence there was a 95% likelihood that any loss resulting from currency risk would not exceed MCHF 28.0.

The following parameters have been used for the calculation of the cashflow-at-risk (CfaR):

Model	Method	Confidence level	Holding period
J. P. Morgan	Variance-covariance approach	95%	12 months

Management of interest rate risk

Basically, two types of interest rate risk exist:

- a) the fair market value risk for financial positions bearing fixed interest rates
- b) the interest rate risk for financial positions bearing variable interest rates

The fair market value risk does not have a direct impact on the cashflows and results of the Group. Therefore, it is not measured. The refinancing risk of positions with fixed interest rates is considered with the integration of financial positions bearing fixed interest rates with a maturity under 12 months in the measurement of the interest rate risk.

The interest rate risk is measured using the cashflow-at-risk (CfaR) method for the interest balance (including financial positions bearing fixed interest rates with a maturity under 12 months). By using statistical methods, the effect of probable interest rate changes on the cashflow of a financial position is evaluated.

The Group’s risk is controlled with the key figure EBITDA/(financial result, net, for the coming 12 months + CfaR). Based on internal limits, it is decided whether any hedging measures have to be taken. The limit is reviewed annually and amounts to a minimum of 20 for the reporting period (PY: 20).

Interest rate risk as at 31 December:

	2021	2020
	MCHF	MCHF
EBITDA ¹	1,069.3	925.3
Financial result, net + CfaR	8.5	8.9
EBITDA/(Financial result, net + CfaR)	126x	104x

¹ EBITDA = operating profit (EBIT) before depreciation expenses and amortisation

Management of liquidity risk

Liquid funds, including the committed unused credit lines, must be available to cover future cash drains in due time amounting to a certain liquidity reserve. This liquidity reserve considers interest and amortisation payments, capital expenditures and investments in net working capital. At the balance sheet date, the liquid funds including the committed unused credit lines exceeded the defined liquidity reserve by MCHF 706.0 (PY: MCHF 692.3).

Management of credit risk

Major credit risks to the Group mainly result from the sale of its products (debtor risk). Products are sold throughout the world, but primarily within Europe. Ongoing evaluations of the customers' financial situation are performed and, generally, no further collateral is required. The Group records allowances for potential credit losses based on an expected credit loss (ECL) model in accordance with IFRS 9 (see → Note 6). Actual losses have not exceeded management's expectations in the past. This has not changed since the outbreak of the COVID-19 pandemic.

The maximum credit risk resulting from receivables and other financial assets basically corresponds to the net carrying amount of the asset. The balance of trade receivables at year-end is not representative because of the low sales volume in December. In 2021, the average balance of trade receivables is about 174% (PY: 141%) of the amount at year-end.

Summary

The Group uses several instruments and procedures to manage and control the different financial risks. These instruments are regularly reviewed to make sure that they meet the requirements of financial markets, changes in the Group organisation and regulatory obligations. Management is informed on a regular basis with key figures and reports about compliance with the defined limits. At the balance sheet date, the relevant risks, controlled with statistical and other methods, and the corresponding key figures are as follows:

Type of risk	Key figure	2021	2020
Foreign exchange rate risk	Cashflow-at-Risk (CfaR)	MCHF 28.0	MCHF 22.7
Interest rate risk	EBITDA/(financial result, net + CfaR)	126x	104x
Liquidity risk	(Deficit)/excess of liquidity reserve	MCHF 706.0	MCHF 692.3

Impact of COVID-19

In 2021, the COVID-19 pandemic and its effects continued to have an impact. The exceptional sales growth was primarily down to the positive base effect due to the decline in sales as a result of COVID-19 in the previous year, the ongoing home improvement trend and the accumulation of stock by customers. The significant increase in results was largely due to the extraordinary volume growth. Raw material prices, which have risen considerably since the end of 2020, and the significantly higher energy and freight costs had a negative impact on margins, although this was partially offset by both ordinary and extraordinary price increases. Following the significant COVID-19-related savings seen in the previous year, the costs have in part returned to normal. Currency effects did not have any material impact.

5 Management of capital

The objectives of the Group regarding the management of the capital structure are as follows:

- ensure sufficient liquidity to cover all liabilities
- ensure an attractive return on equity (ROE) and return on invested capital (ROIC)
- ensure a sufficient debt capacity and credit rating
- ensure an attractive distribution policy

In order to maintain or change the capital structure, the following measures can be taken:

- adjustment of the distribution policy
- share buyback programmes
- capital increases
- raise or repay debt

Further measures to guarantee an efficient use of the invested capital and therefore also to achieve attractive returns are:

- active management of net working capital
- demanding objectives regarding the profitability of investments
- clearly structured innovation process

The invested capital is composed of net working capital, property, plant and equipment, goodwill, and intangible assets.

The periodic calculation and reporting of the following key figures to the management ensure the necessary measures in connection with the capital structure can be taken in a timely manner.

The relevant values as at 31 December are outlined below:

	2021 MCHF	2020 MCHF
Gearing		
Debt	783.9	778.8
Liquid funds	511.0	468.6
Net debt	272.9	310.2
Equity	1,987.7	1,922.0
Net debt/equity	13.7%	16.1%
Return on equity (ROE)		
Equity (rolling) ¹	2,008.4	1,843.4
Net income	755.7	642.3
ROE	37.6%	34.8%
Return on invested capital (ROIC)²		
Invested capital (rolling)	2,823.6	2,794.3
Net operating profit after taxes (NOPAT)	764.5	648.0
ROIC	27.1%	23.2%

¹ Rolling equity equals the average of the last 5 quarters

² ROIC = Return on invested capital (Net operating profit after taxes/invested capital). Net operating profit after taxes = EBIT less income taxes on EBIT. Invested capital = Net working capital + PPE + Goodwill and intangible assets. Invested capital corresponds with the rolling average of the underlying balance sheet items over the last 5 quarters.

6 Trade accounts receivable

	2021 MCHF	2020 MCHF
Trade accounts receivable	172.3	207.7
Allowances	-9.4	-12.7
Total trade accounts receivable	162.9	195.0

	2021 MCHF	2020 MCHF
Total trade accounts receivable by currency		
CHF	10.1	9.7
EUR	31.3	59.8
USD	18.4	17.9
GBP	16.6	28.1
SEK	20.3	22.3
DKK	13.5	12.5
NOK	12.5	12.7
CNY	10.1	8.3
PLN	3.6	4.1
Other	26.5	19.6
Total trade accounts receivable	162.9	195.0

The following table shows the movements of allowances for trade accounts receivable:

	2021 MCHF	2020 MCHF
Allowances for trade accounts receivable		
1 January	12.7	12.0
Additions	1.4	3.5
Used	-1.0	-0.3
Reversed	-3.4	-2.1
Translation differences	-0.3	-0.4
31 December	9.4	12.7

As at 31 December, allowances for trade accounts receivable include individual allowances of MCHF 4.3 (PY: MCHF 5.2) and allowances for expected credit losses (ECL) of MCHF 5.1 (PY: MCHF 7.5).

	2021 MCHF	2020 MCHF
Maturity analysis of trade accounts receivable		
Not due	127.0	128.5
Past due < 30 days	30.6	54.1
Past due < 60 days	5.0	11.6
Past due < 90 days	1.4	2.3
Past due < 120 days	1.6	1.7
Past due > 120 days	6.7	9.5
Allowances	-9.4	-12.7
Total trade accounts receivable	162.9	195.0

The agreed standard payment terms range from 30 to 120 days.

7 Other current assets and current financial assets

	2021 MCHF	2020 MCHF
Value added tax receivables	62.6	67.6
Income tax refunds receivable	13.5	13.9
Short-term derivative financial instruments (see → Note 15)	0.0	0.6
Prepaid expenses	13.5	10.7
Other current assets	14.6	12.1
Total other current assets and current financial assets	104.2	104.9

As at 31 December 2021, the position "Other current assets" included other receivables from governments of MCHF 2.1 (PY: MCHF 3.2).

8 Inventories

	2021 MCHF	2020 MCHF
Raw materials, supplies and other inventories	130.7	103.0
Work in progress	61.0	51.7
Finished goods	131.1	124.2
Merchandise	39.3	28.2
Prepayments to suppliers	0.0	0.0
Total inventories	362.1	307.1

As at 31 December 2021, inventories included allowances for slow-moving and obsolete items of MCHF 49.8 (PY: MCHF 47.2).

9 Property, plant and equipment

The following statement of changes in assets includes the Group's own as well as leased property, plant and equipment:

	Total MCHF	Land and buildings MCHF	Machinery and equipment MCHF	Office equipment MCHF	Assets under constr./advance payments MCHF
2021					
Cost at beginning of year	2,444.0	760.0	1,487.0	75.2	121.8
Additions	185.0	25.8	59.1	10.7	89.4
Disposals	-97.5	-14.0	-73.0	-10.5	
Transfers	0.0	13.6	88.0	-12.1	-89.5
Translation differences	-73.4	-19.5	-46.9	-3.8	-3.2
Cost at end of year	2,458.1	765.9	1,514.2	59.5	118.5
Accumulated depreciation at beginning of year	1,510.2	375.9	1,090.1	44.2	0.0
Depreciation	133.9	32.8	91.6	9.5	
Disposals	-95.7	-13.8	-71.5	-10.4	
Transfers	0.0	0.6	7.7	-8.3	
Translation differences	-46.2	-9.6	-35.4	-1.2	
Accumulated depreciation at end of year	1,502.2	385.9	1,082.5	33.8	0.0
Carrying amounts at end of year	955.9	380.0	431.7	25.7	118.5
2020					
Cost at beginning of year	2,380.5	748.6	1,442.8	68.0	121.1
Additions	158.9	21.3	52.6	9.5	75.5
Disposals	-63.4	-6.9	-49.3	-7.2	
Transfers	0.0	9.8	57.6	6.5	-73.9
Translation differences	-32.0	-12.8	-16.7	-1.6	-0.9
Cost at end of year	2,444.0	760.0	1,487.0	75.2	121.8
Accumulated depreciation at beginning of year	1,460.5	355.3	1,062.4	42.8	0.0
Depreciation	126.6	31.4	85.7	9.5	
Disposals	-61.9	-6.9	-47.9	-7.1	
Translation differences	-15.0	-3.9	-10.1	-1.0	
Accumulated depreciation at end of year	1,510.2	375.9	1,090.1	44.2	0.0
Carrying amounts at end of year	933.8	384.1	396.9	31.0	121.8

As at 31 December 2021, there were no qualified assets for which borrowing costs were capitalised during the construction phase. As at 31 December 2021, the Group had entered into firm commitments for capital expenditures of MCHF 16.8 (PY: MCHF 13.4).

The following table breaks down the carrying amount of property, plant and equipment by items that are owned by the Group and items that are leased:

	2021 MCHF	2020 MCHF
Property, plant and equipment owned	893.0	874.1
Right-of-use of property, plant and equipment	62.9	59.7
Carrying amounts at end of year	955.9	933.8

Right-of-use of property, plant and equipment

	Total MCHF	Land and buildings MCHF	Machinery and equipment MCHF	Office equipment MCHF
2021				
Carrying amounts at beginning of year	59.7	52.9	6.4	0.4
Additions	22.9	17.5	4.5	0.9
Depreciation	-17.8	-13.7	-3.9	-0.2
Translation differences	-1.9	-1.6	-0.2	-0.1
Carrying amounts at end of year	62.9	55.1	6.8	1.0

	Total MCHF	Land and buildings MCHF	Machinery and equipment MCHF	Office equipment MCHF
2020				
Carrying amounts at beginning of year	68.2	61.3	6.9	0.0
Additions	18.2	14.0	3.7	0.5
Depreciation	-17.9	-13.9	-3.9	-0.1
Transfers	-6.9	-6.9		
Translation differences	-1.9	-1.6	-0.3	
Carrying amounts at end of year	59.7	52.9	6.4	0.4

10 Other non-current assets and non-current financial assets

	2021 MCHF	2020 MCHF
Reinsurance policies for pension obligations (see → Note 16)	27.5	26.3
Assets from defined benefit plans (see → Note 16)	58.8	0.2
Deposits	4.0	4.5
Capitalised financing costs	0.2	0.4
Other	3.5	7.3
Total other non-current assets and non-current financial assets	94.0	38.7

11 Goodwill and intangible assets

	Total MCHF	Goodwill MCHF	Trademarks MCHF	Capitalised product development costs MCHF	Other intangible assets ¹ MCHF
2021					
Cost at beginning of year	2,065.3	1,466.1	376.1	39.4	183.7
Additions	7.3			0.8	6.5
Disposals	-10.5				-10.5
Translation differences	-62.1	-58.0	-4.1		0.0
Cost at end of year	2,000.0	1,408.1	372.0	40.2	179.7
Accumulated amortisation/ impairment at beginning of year	488.4	212.8	93.2	20.1	162.3
Amortisation	23.0		9.8	6.2	7.0
Impairment loss	10.8		10.8		
Disposals	-10.5				-10.5
Translation differences	-5.1	-5.0	-0.1		0.0
Accumulated amortisation at end of year	506.6	207.8	113.7	26.3	158.8
Carrying amounts at end of year	1,493.4	1,200.3	258.3	13.9	20.9
2020					
Cost at beginning of year	2,065.1	1,468.6	375.6	35.2	185.7
Additions	9.0			4.2	4.8
Disposals	-6.1				-6.1
Translation differences	-2.7	-2.5	0.5		-0.7
Cost at end of year	2,065.3	1,466.1	376.1	39.4	183.7
Accumulated amortisation/ impairment at beginning of year	468.4	213.3	77.9	14.9	162.3
Amortisation	20.0		8.1	5.2	6.7
Impairment loss	7.2		7.2		0.0
Disposals	-6.1				-6.1
Translation differences	-1.1	-0.5			-0.6
Accumulated amortisation at end of year	488.4	212.8	93.2	20.1	162.3
Carrying amounts at end of year	1,576.9	1,253.3	282.9	19.3	21.4

¹ Other intangible assets: mainly software and patents/technology

Goodwill and intangible assets from acquisitions with an indefinite useful life are tested for impairment on an annual basis. The following table lists the carrying amounts and parameters of the items that are material for the Group.

	Carrying amount	Carrying amount	Calculation of recoverable amount (PY numbers in brackets)			
	31.12.2021 MCHF	31.12.2020 MCHF	Value in use (U) or fair value less cost to sell (F)	Growth rate beyond planning period %	Discount rate pretax %	Discount rate posttax %
Goodwill	1,200.3	1,253.3	U	2.0 (2.0)	8.1 (6.8)	6.9 (5.9)
Geberit trademark (indefinite useful life)	84.6	84.6	U	2.0 (2.0)	7.9 (6.7)	6.9 (5.9)
Various trademarks (indefinite useful life)	92.2	127.6	U	2.0 (2.0)	7.3–9.9 (6.2–9.3)	7.1–9.6 (6.1–9.0)
Various trademarks (definite useful life)	81.5	70.7				

Goodwill

The discounted cashflow method is applied to test the goodwill for impairment. The Group bases the impairment test on the results from the current business plan (for a four-year period) and the assumptions in this plan regarding price, market and market share developments. Growth rates after the end of the planning period are based on Euroconstruct forecasts and the Group's own assumptions drawn from past experience regarding price and market share trends. A discount rate based on the Group's weighted cost of capital is used to calculate the discounted future cashflows. Management regards the discount rate, growth rates and development of the operating margin as the key factors in calculating the recoverable amount.

Trademarks

The Geberit brand is an integral part of the Geberit business model and is assumed to have an indefinite useful life. Impairment is tested using the "relief from royalty" method. Impairment is tested against the Group's estimated net sales attributable to the trademark according to the current business plan (four-year period). Growth rates after the end of the planning period are based on Euroconstruct forecasts and the Group's own assumptions drawn from past experience regarding price and market share trends. A discount rate based on the Group's weighted cost of capital is used to discount future cashflows. The annual impairment test did not produce any evidence of impairment.

The item "Various trademarks (indefinite useful life)" includes the trademarks Ifö, IDO and Kolo in 2021 and these trademarks are assumed to have an indefinite useful life. The "relief from royalty" method is used as well to test these trademarks and the test is based on the current business plan and the growth rates are defined in the same way as for the Geberit brand. Discounted future cashflows are calculated using discount rates based on the Group's weighted cost of capital taking into account

country- and currency-specific risks. The annual impairment tests produced evidence of impairments for two brands. An impairment of MCHF 10.8 was recognised and it was mainly due to lower sales expectations and an increased discount rate.

The item "Various trademarks (definite useful life)" includes the trademarks Keramag, Allia, Sphinx and Twyford in 2021 (change of Twyford brand from indefinite to definite useful life as at 1 January 2021). These trademarks have been integrated within the Geberit brand in the last years. For this reason, they are assumed to have a definite useful life. This means that each individual trademark is amortised over its remaining useful life. Total annual amortisation recognised on these trademarks amounts to MCHF 9.8.

Sensitivity analysis

The sensitivity analysis shows that changes to the key assumptions (discount rate +1.0 percentage point or growth rate -1.0 percentage point or operating margin -1.0 percentage point) that are realistically possible from today's perspective would not result in any need to impair the goodwill. Regarding two trademarks, this would lead to an impairment loss in total of between MCHF 5 – 6.

12 Short-term debt

	2021 MCHF	2020 MCHF
Other short-term debt	5.7	5.8
Short-term portion of long-term lease liabilities	12.3	11.5
Short-term portion of long-term debt (incl. CHF bond)	299.8	0.0
Total short-term debt	317.8	17.3

Short-term credit lines

The Group maintains credit lines of MCHF 184.5 (PY: MCHF 83.1) from various lenders, which can be cancelled at short notice. The use of these credit lines is always short-term in nature and, accordingly, any amounts drawn are included in short-term debt. As at 31 December 2021 and 2020, the Group did not have any outstanding drawings on the above-mentioned credit lines.

Other short-term debt

As at 31 December 2021, the Group had MCHF 5.7 in other short-term debt (PY: MCHF 5.8). This debt incurred an effective interest rate of 5.7% (PY: 5.5%).

Currency mix

Of the total short-term debt outstanding as at 31 December 2021, MCHF 11.7 was denominated in EUR (PY: MCHF 11.2) and MCHF 300.5 in CHF (PY: MCHF 1.0).

13 Other current liabilities and provisions

	2021 MCHF	2020 MCHF
Compensation-related liabilities	107.8	100.3
Customer-related liabilities	160.4	134.6
Value added tax payables	24.8	38.6
Short-term derivative financial instruments (see → Note 15)	0.1	0.2
Short-term interest payables	1.0	1.2
Other current liabilities	50.3	49.7
Total other current liabilities	344.4	324.6

The outstanding customer bonuses are offset against the outstanding trade accounts receivable (→ Note 6). If the balance of outstanding trade receivables as at 31 December is smaller than the outstanding customer bonuses, these are reported under "Customer-related liabilities". The position "Other current liabilities" mainly includes accruals for services and deliveries not yet invoiced.

	2021 MCHF	2020 MCHF
Other current provisions	5.4	5.2
Provisions for restructuring	2.9	1.5
Total current provisions	8.3	6.7

The movements of other current provisions for 2021 and 2020 are shown in the following table:

	2021 MCHF	2020 MCHF
Other current provisions		
1 January	5.2	7.6
Additions	2.6	4.2
Transfers	0.5	-1.4
Used	-2.4	-4.7
Reversed	-0.4	-0.4
Translation differences	-0.1	-0.1
31 December	5.4	5.2

The movements of provisions for restructuring for 2021 and 2020 are shown in the following table:

	2021 MCHF	2020 MCHF
Provisions for restructuring		
1 January	1.5	4.7
Additions	4.3	2.2
Transfers	1.7	-1.3
Used	-4.3	-3.4
Reversed	-0.2	-0.6
Translation differences	-0.1	-0.1
31 December	2.9	1.5

Provisions for restructuring mainly comprise the cost of the measures for closing three small production plants in China, Ukraine and the United States. In addition, further payments were made in connection with plant closures in France in 2017.

14 Long-term debt

	2021 MCHF	2020 MCHF
Bonds	699.2	698.7
Credit facility	0.0	0.0
Lease liabilities	65.3	61.1
Other long-term debt	13.7	13.2
Total long-term debt before reclassification	778.2	773.0
Short-term portion of long-term debt	-312.1	-11.5
Total long-term debt	466.1	761.5

Bonds

	Maturity date	Interest rate in %	Principal MCHF	Fair value 31.12.2021 MCHF	Fair value 31.12.2020 MCHF
2.5yr CHF	20.10.2022	0.35	300.0	302.1	304.1
5.5yr CHF	17.10.2024	0.10	125.0	125.9	126.7
8.0yr CHF	17.04.2023	0.30	150.0	151.4	152.0
9.5yr CHF	17.10.2028	0.60	125.0	128.8	130.8
Total bonds			700.0	708.2	713.6

Revolving credit facility

A firmly committed credit line of MCHF 500 has been available to the Group since November 2017. The credit line has a term of five years as well as two renewal options of one additional year each. The first of the two renewal options was exercised in the course of 2021, causing the term of the credit line to be extended by one year (now due in 2023). The interest rate is variable and based on the SARON plus a fixed margin. An additional fee is charged if this credit line is drawn down. The credit facility had not been drawn down by the end of 2021. A commitment fee – recorded as financial expenses – was charged in respect of the undrawn portion.

The credit facility of MCHF 500 is secured by a guarantee issued by Geberit AG. The credit facility contains conditions typical for syndicated financing.

Other long-term debt

As at 31 December 2021, the Group had MCHF 13.7 of other long-term debt (PY: MCHF 13.2). This debt incurred an effective interest rate of 5.9% (PY: 5.9%).

Currency mix

Of the total long-term debt outstanding as at 31 December 2021, MCHF 43.5 was denominated in EUR (PY: MCHF 44.5) and MCHF 400.7 in CHF (PY: MCHF 699.9).

15 Financial instruments

Derivative financial instruments

Where required, the Group hedges foreign currency exchange rate and interest rate risks using derivative financial instruments in accordance with the treasury policy. This policy and the corresponding accounting policies for the Group's derivative financial instruments are disclosed in → Note 3 and → Note 4. As at 31 December 2021 and 2020, the following derivative financial instruments were outstanding:

Forward foreign exchange contracts

	Contract values									Fair value 31.12.	Calculation method
	MCZK	MEUR	MDKK	MPLN	MNOK	MGBP	MHUF	MUSD	MCHF		
2021											
Foreign exchange contracts	-10.0	0.0	-11.0	-50.0	-5.0	-0.5	-110.0	-8.2	-0.1		Mark-to-Market
2020											
Foreign exchange contracts	-6.0	-74.8	-8.0	-50.0	-35.0	-4.0	0.0	-4.4	0.4		Mark-to-Market

The change in fair value of the instruments is booked in financial result, net.

Hedge accounting

No hedge accounting was applied in 2021 or 2020.

Measurement of financial instruments by categories in accordance with IFRS 9

Based on the relevant balance sheet item of financial instruments, the following table shows an allocation of the balance sheet items to the classification by categories in accordance with IFRS 9. In addition, a fair value measurement hierarchy was introduced for assets and liabilities that are measured at fair value in accordance with IFRS 13. Level 1 contains all financial instruments with quoted prices in active markets. Level 2 contains all financial instruments with inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 contains all financial instruments with inputs for determining the assets and liabilities that are not based on observable market data.

	Carrying amount 31.12.2021	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Fair value measurement hierarchy
	MCHF	MCHF	MCHF	
Financial assets				
Cash and cash equivalents	511.0	511.0	0.0	
Trade accounts receivable	162.9	162.9	0.0	
Other current assets (see → Note 7)	104.2	104.2	0.0	
Other non-current assets	6.9	6.7	0.2	Level 2
Derivative financial instruments (see → Note 7)	0.0	0.0	0.0	Level 2
Total	785.0	784.8	0.2	

	Carrying amount 31.12.2021	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Fair value measurement hierarchy
	MCHF	MCHF	MCHF	
Financial liabilities				
Short-term debt (incl. CHF bond)	317.8	317.8	0.0	
Trade accounts payable	119.3	119.3	0.0	
Bonds	399.4	399.4	0.0	
Credit facility	0.0	0.0	0.0	
Long-term lease liabilities	53.0	53.0	0.0	
Other long-term debt	13.7	13.7	0.0	
Derivative financial instruments	0.1	0.0	0.1	Level 2
Total	903.3	903.2	0.1	

	Carrying amount 31.12.2020	Financial assets at amortised cost	Financial assets at fair value through profit and loss	Fair value measurement hierarchy
	MCHF	MCHF	MCHF	
Financial assets				
Cash and cash equivalents	468.6	468.6	0.0	
Trade accounts receivable	195.0	195.0	0.0	
Other current assets (see → Note 7)	104.3	104.3	0.0	
Other non-current assets	11.3	11.1	0.2	Level 2
Derivative financial instruments (see → Note 7)	0.6	0.0	0.6	Level 2
Total	779.8	779.0	0.8	

	Carrying amount 31.12.2020	Financial liabilities at amortised cost	Financial liabilities at fair value through profit and loss	Fair value measurement hierarchy
	MCHF	MCHF	MCHF	
Financial liabilities				
Short-term debt	17.3	17.3	0.0	
Trade accounts payable	94.2	94.2	0.0	
Bonds	698.7	698.7	0.0	
Credit facility	0.0	0.0	0.0	
Long-term lease liabilities	49.6	49.6	0.0	
Other long-term debt	13.2	13.2	0.0	
Derivative financial instruments	0.2	0.0	0.2	Level 2
Total	873.2	873.0	0.2	

Fair value measurement hierarchy:

Level 1: quoted prices in active markets for identical assets

Level 2: observable prices, either directly or indirectly

Level 3: input factors that are not based on observable market data

Maturity analysis of financial instruments

The following table shows the carrying amount of all contractually defined future (not discounted) interest and amortisation payments of derivative and non-derivative financial instruments as at the balance sheet date:

	Carrying amount 31.12.2021 MCHF	Maturity				
		2022 MCHF	2023 MCHF	2024 MCHF	2025 MCHF	2026 and later MCHF
Short-term debt (incl. CHF bond)	317.8	319.7	0.0	0.0	0.0	0.0
Trade accounts payable	119.3	119.3	0.0	0.0	0.0	0.0
Bonds	399.4	1.4	151.3	125.9	0.8	127.3
Credit facility	0.0	0.0	0.0	0.0	0.0	0.0
Long-term lease liabilities	53.0	1.4	8.2	8.2	12.1	28.8
Other long-term debt	13.7	0.8	5.2	4.0	2.9	3.5
Total non-derivative financial liabilities	903.2	442.6	164.7	138.1	15.8	159.6
Derivative financial assets/ liabilities, net	0.1	22.1	0.0	0.0	0.0	0.0
Total derivative financial instruments	0.1	22.1	0.0	0.0	0.0	0.0
Total	903.3	464.7	164.7	138.1	15.8	159.6

	Carrying amount	Maturity				
	31.12.2020	2021	2022	2023	2024	2025 and later
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Short-term debt	17.3	17.9	0.0	0.0	0.0	0.0
Trade accounts payable	94.2	94.2	0.0	0.0	0.0	0.0
Bonds	698.7	2.4	302.4	151.3	125.9	128.0
Credit facility	0.0	0.0	0.0	0.0	0.0	0.0
Long-term lease liabilities	49.6	1.5	8.6	6.0	6.7	32.5
Other long-term debt	13.2	0.8	4.3	4.1	2.3	4.4
Total non-derivative financial liabilities	873.0	116.8	315.3	161.4	134.9	164.9
Derivative financial assets/ liabilities, net	-0.4	106.5	0.0	0.0	0.0	0.0
Total derivative financial instruments	-0.4	106.5	0.0	0.0	0.0	0.0
Total	872.6	223.3	315.3	161.4	134.9	164.9

Additional information to the cashflow statement

The following table shows the reconciliation of the items for which cashflows were or in future will be generated and that are reported as net cash from financing activities in the consolidated statements of cashflows:

	2021		Non-cash movements		2020
	Total	Cashflows	Translation differences	Others	Total
	MCHF	MCHF	MCHF	MCHF	MCHF
Long-term debt (excl. leases)	413.1	-5.9	-0.7	-292.2	711.9
Short-term debt (excl. leases)	305.5	-0.2	-0.3	300.2	5.8
Lease liabilities (incl. payables and prepayments)	65.1	-16.7	-1.9	22.8	60.9
Interest liabilities	1.0	-5.5	0.0	5.3	1.2
Total	784.7	-28.3	-2.9	36.1	779.8

In 2021, the position "Others" of lease liabilities contained the non-cash addition of new lease contracts. The position "Others" of short- and long-term debt (excl. leases) contained the reclassification of the short-term portion of the CHF bond (maturity date 20 October 2022).

	2020		Non-cash movements		2019
	Total	Cashflows	Translation differences	Others	Total
	MCHF	MCHF	MCHF	MCHF	MCHF
Long-term debt (excl. leases)	711.9	294.9	-4.6	-341.1	762.7
Short-term debt (excl. leases)	5.8	-348.2	0.0	349.0	5.0
Lease liabilities (incl. payables and prepayments)	60.9	-24.1	-1.9	17.5	69.4
Interest liabilities	1.2	-9.8	0.0	8.2	2.8
Total	779.8	-87.2	-6.5	33.6	839.9

In 2020, the position "Others" of short- and long-term debt mainly included the reclassification of the MEUR 325 bond which was repaid early, in December 2020, and of lease liabilities contained the non-cash addition of new lease contracts.

16 Retirement benefit plans

The Group manages defined benefit plans for its employees in various countries. The most relevant defined benefit plans exist in Switzerland and in Germany and account together for 92% (PY: 92%) of the total benefit obligations.

The following table provides an overview of the current status of the benefit obligations, plan assets and reimbursement rights of reinsurance policies.

	2021 MCHF	2020 MCHF
Switzerland		
Benefit obligation (for funded retirement benefit plans)	635.6	666.7
Plan assets at fair value	690.4	631.5
Funded status	54.8	-35.2
Germany		
Benefit obligation (for unfunded retirement benefit plans)	257.1	273.1
Plan assets at fair value	0.0	0.0
Funded status	-257.1	-273.1
Reimbursement rights	19.7	19.1
Other plans		
Benefit obligation (for funded retirement benefit plans)	45.1	46.1
Benefit obligation (for unfunded retirement benefit plans)	33.5	35.7
Plan assets at fair value	48.3	43.6
Funded status	-30.3	-38.2
Reimbursement rights	7.8	7.2
Total		
Benefit obligation (for all retirement benefit plans)	971.3	1,021.6
Plan assets at fair value	738.7	675.1
Funded status	-232.6	-346.5
Reimbursement rights	27.5	26.3

Swiss retirement benefit plans

The Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG) governs occupational benefits in Switzerland. An employer with employees who must be insured is

obliged to set up an independent pension fund entered in the register for occupational pension providers or affiliate with such a pension fund. The "Gemeinschaftsstiftung" of the Geberit Group is a foundation legally independent from the Geberit Group that insures all Geberit employees in Switzerland for compulsory and non-compulsory benefits. The Board of Trustees manages the Foundation and consists of employer and employee representatives in a parity ratio. The tasks of the Board of Trustees are set out in the BVG and the regulations based on the BVG adopted by the Board of Trustees.

The benefits provided by the pension plan exceed the minimum prescribed by law. They are funded by the employer and employee contributions, plus the interest paid on the savings assets of the insured party at an interest rate defined annually by the Board of Trustees in accordance with the legal provisions. If an insured party leaves the Geberit Group and/or the pension plan before reaching retirement age, the vested benefits accrued under the BVG are transferred to the new pension fund of the insured party. In addition to the funds brought into the pension plan by the insured party, these vested benefits consist of the employer and employee contributions, plus a supplement prescribed by law. The pension benefits comprise lifelong retirement pensions, disability benefits and death benefits for the surviving dependents. On retirement, a maximum of 50% of the retirement assets can be withdrawn in the form of a lump sum. The employer and employees pay an equal contribution to the pension fund, which is settled monthly. The contribution amount is determined by the employee's age and is calculated as a percentage of the pensionable salary.

If the pension fund is underfunded in accordance with the BVG, the Board of Trustees is obliged by law to initiate measures to rectify the situation, such as reducing the interest paid on retirement assets, reducing the benefit entitlement, or collecting remedial contributions. Legally accrued benefits may not be reduced. With remedial contributions, the risk is shared between the employer and employees and the employer is not legally obliged to pay more than 50% of the additional contributions. The technical funding ratio of this Foundation in accordance with the BVG was 125.9% as at 31 December 2021 (PY: 117.6%).

If a pension fund is overfunded as defined in IAS 19, the surplus funds are available to the company only to a very limited extent. The economic benefit for Geberit lies in future reductions in contributions and is calculated in accordance with IFRIC 14.

The Board of Trustees is responsible for deciding on a strategy for investment of the plan assets. The objective is to achieve medium-term and long-term congruence and sustainability between the plan assets and the pension obligations under the BVG. Taking into account the foundation's risk capacity, the investment strategy is defined as a targeted long-term investment structure.

German retirement benefit plans

In Germany, there are capital account plans and annuity plans. The annuity plans are closed-end funds.

Capital account plans

The benefit plans and guidelines for payout are agreed in labour-management contracts. The employer can change the conditions by applying provisos. There can be special commitments based

on the labour-management contracts or individual agreements, sometimes with annuity options. There is no minimum financing obligation.

Every year, a pension contribution is determined as a percentage of the pensionable salary or the employees can choose an amount of deferred compensation with or without employer contributions. This then serves as the age-dependent component on which a pension is accrued. The pension components accrued during the years of active service, including any resulting promises of fixed bonus payments and the initial credit from the transitional arrangement, are paid out in the form of a one-off lump sum or in instalments. Annuitisation is possible with the consent of the employer. The pension is not dependent on the employee's final salary.

The employer manages the retirement accounts, informs the employees of the balance of their retirement assets, manages the claims and makes payments, sometimes involving the services of external service providers. When paying a lifelong pension, the employer must monitor the statutory and contractual obligations to adjust the pension and makes adjustments when necessary.

If a lump-sum benefit is annuitised, the lifelong payment of the pension and possible subsequent widow's or widower's pension can trigger a longevity risk. Thanks to the contractual adjustment rules applying to annuitisation, the statutory obligation to make (and review) adjustments is not currently seen to harbour any inflation risk.

The deferred compensation with/without employer contributions and possible demographic contributions retained by the employer are paid into reinsurance policies where the employer is the beneficiary. This partly covers the pension obligations.

Annuity plans

Annuity plans are governed by labour-management contracts or individual employment contracts. § 16 of the Company Pensions Act imposes an obligation on the employer to review the adjustment of pension payments. The extent of the adjustment requirement is usually determined by the consumer price index. Some individual employment contracts impose a contractual adjustment obligation. There is no minimum financing obligation.

These are closed-end funds. Pension commitments as prescribed by the Essener Verband (Essen Association) have been made to some active employees. Fixed euro entitlements are maintained for departing employees with vested rights. Annuities are paid out to the beneficiaries in the form of lifelong monthly pension payments that include survivors' benefit entitlements.

The employer manages entitlements and claims and makes payments, sometimes involving the services of external service providers. It monitors the statutory and contractual obligations to adjust the pension and makes adjustments when necessary.

The lifelong payment of the pension and possible subsequent widow's or widower's pension can trigger a longevity risk. The statutory obligation to make (and review) adjustments can also harbour an inflation risk.

The net periodic pension costs of all defined benefit plans of the Group were as follows:

	2021 MCHF	2020 MCHF
Current service cost	41.7	40.3
Past service cost	-0.4	0.1
Contributions of employees	-11.5	-11.2
Net interest cost for retirement benefit plans	1.9	1.9
Net periodic pension cost	31.7	31.1

The current service cost for the Swiss retirement benefit plans was MCHF 27.1 in 2021 (PY: MCHF 25.7) and for the German retirement benefit plans MCHF 13.4 (PY: MCHF 13.3). The past service cost for the Swiss retirement benefit plan (Gemeinschaftsstiftung) was MCHF -0.4 in 2021, which is a technical effect related to plan changes according to IAS 19. The future pension benefits of the active members were reduced due to the steadily increasing life expectancy and low interest rates environment. The net interest cost for the Swiss retirement benefit plans was MCHF 0.0 in 2021 (PY: MCHF 0.0) and for the German retirement benefit plans MCHF 1.7 (PY: MCHF 1.7).

The following table shows the remeasurements for the defined benefit plans in other comprehensive income in the Consolidated Statements of Comprehensive Income:

	2021 MCHF	2020 MCHF
Actuarial gains (-)/losses:	-54.8	24.5
- of which from changes in demographic assumptions	-31.7	-0.8
- of which from changes in financial assumptions	-47.0	11.6
- of which from experience adjustments	23.9	13.7
Return on plan assets (excluding interest based on discount rate)	-60.2	-27.5
Return on reimbursement rights (excluding interest based on discount rate)	-0.2	0.0
Asset ceiling adjustment	0.0	0.0
Total pre-tax remeasurements recognised in other comprehensive income	-115.2	-3.0

The remeasurements recognised in other comprehensive income in the Consolidated Statements of Comprehensive Income in 2021 for the Swiss retirement benefit plans amounted to MCHF -100.4 (PY: MCHF -2.6) and for the German retirement benefit plans to MCHF -9.3 (PY: MCHF -2.4). This was mainly due to higher discount rates and good returns on plan assets.

The following tables show the changes in benefit obligations, plan assets and reimbursement rights from 1 January to 31 December:

	2021 MCHF	2020 MCHF
Benefit obligation		
At beginning of year	1,021.6	982.3
Current service cost	41.7	40.3
Past service cost	-0.4	0.1
Interest cost	3.6	4.4
Actuarial gains (-)/losses	-54.8	24.5
New plans/plan adjustments	-0.1	-0.2
Benefits paid	-26.1	-27.7
Translation differences	-14.2	-2.1
Benefit obligation at end of year	971.3	1,021.6
	2021 MCHF	2020 MCHF
Plan assets at fair value		
At beginning of year	675.1	651.8
Interest income (based on discount rate)	1.2	2.0
Return on plan assets (excluding interest based on discount rate)	60.2	27.5
Contributions of employees	10.7	10.5
Contributions of employers	6.1	2.6
Benefits paid	-15.4	-16.9
Translation differences	0.8	-2.4
Plan assets at fair value at end of year	738.7	675.1
Funded status at end of year	-232.6	-346.5
Asset ceiling adjustment	0.0	0.0
Assets from defined benefit plans (see → Note 10)	-58.8	-0.2
Net funded status at end of year	-291.4	-346.7

	2021 MCHF	2020 MCHF
Fair value of reimbursement rights		
At beginning of year	26.3	25.1
Interest income (based on discount rate)	0.5	0.5
Return on reimbursement rights (excluding interest based on discount rate)	0.2	0.0
Contributions of employers	1.2	1.3
Contributions of employees	0.8	0.7
Benefits paid	-0.9	-0.5
Translation differences	-0.6	-0.8
Fair value of reimbursement rights at end of year	27.5	26.3

As at 31 December 2021, the fair value of the reinsurance policies for the German retirement benefit plans was MCHF 19.7 (PY: MCHF 19.1).

The following table provides an analysis of the fair value and composition of the plan assets.

	2021			2020		
	Listed on an active market	Other	Total	Listed on an active market	Other	Total
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Equity instruments	294.7	22.0	316.7	237.9	16.0	253.9
Bonds and other debt instruments	131.1	45.5	176.6	132.3	47.5	179.8
Real estate property	62.0	134.2	196.2	54.8	132.2	187.0
Cash and cash equivalents	31.6	0.1	31.7	41.2	0.1	41.3
Other	5.4	12.1	17.5	4.2	8.9	13.1
Total	524.8	213.9	738.7	470.4	204.7	675.1

The plan assets of the Swiss retirement benefit plans were MCHF 690.4 as at 31 December 2021 and the effective income on the plan assets was +9.2% in 2021 and +3.7% in 2020. As at the end of 2021, the plan assets included MCHF 9.8 (PY: MCHF 7.3) in equity instruments of Geberit AG.

The following table provides an analysis of the benefit obligations of the Swiss and German retirement benefit plans:

	2021				2020			
	Active members	Deferred members	Pensioners	Total	Active members	Deferred members	Pensioners	Total
Plan members (number)								
Swiss retirement benefit plans	1,370		594	1,964	1,304		581	1,885
German retirement benefit plans	5,505	917	336	6,758	5,308	819	335	6,462
Total plan members	6,875	917	930	8,722	6,612	819	916	8,347
Benefit obligation (in MCHF)								
Swiss retirement benefit plans	374.9		260.7	635.6	387.7		279.0	666.7
German retirement benefit plans	188.3	34.1	34.7	257.1	200.3	34.5	38.3	273.1
Total benefit obligation	563.2	34.1	295.4	892.7	588.0	34.5	317.3	939.8
Share in %	63.1	3.8	33.1	100.0	62.5	3.7	33.8	100.0

The weighted average duration of the benefit obligation for the Swiss retirement benefit plans is approx. 15 years (PY: approx. 17 years) and for the German retirement benefit plans approx. 12 years (PY: approx. 12 years).

In Switzerland there is an employer contribution reserve from which contribution payments of MCHF 5.1 were made in 2021. As at 31 December 2021, this reserve was valued at MCHF 6.0. Employer contributions for the Swiss retirement benefit plans of MCHF 25.3 are expected for the financial year 2022.

The calculation of the benefit obligations for the material retirement benefit plans was based on the following assumptions (in %):

	2021		2020	
	CH	DE	CH	DE
Discount rate	0.4	1.05	0.1	0.7
Salary increase rate	1.2	2.5	1.2	2.5
Pension increase rate	0.0	2.0	0.0	2.0
Mortality	BVG 2020 generations table	Heubeck 2018G	BVG 2015 generations table	Heubeck 2018G

The trend for sickness cost does not affect benefit obligations in Switzerland or Germany.

The following sensitivity analysis shows how the present value of the benefit obligation for the material retirement benefit plans (CH and DE) would change if a single reporting date assumption was changed. Every assumption change was analysed separately. Interdependencies were not taken into account.

	Swiss retirement benefit plans: increase (+)/reduction (-) in present value of benefit obligation	German retirement benefit plans: increase (+)/reduction (-) in present value of benefit obligation
Discount rate		
Increased by 50 basis points	-6.7%	-5.4%
Reduced by 50 basis points	+8.0%	+6.2%
Salaries		
Increased by 25 basis points	+0.3%	+0.0%
Reduced by 25 basis points	-0.3%	-0.0%

In addition, the Group's consolidated income statement for 2021 included expenses for defined contribution plans of MCHF 12.0 (PY: MCHF 10.1).

17 Participation plans

Share plans

In 2021, employees were able to purchase a defined number of shares at a discount of 45% (PY: 45%) compared to the market price ("Employee share purchase plan"). Geberit management was entitled to draw the previous year's variable remuneration partly or entirely in shares valued at market price ("Management share purchase plan"). For each of these shares, management participants received 1.5 options (see part 2: "Option plans"). The members of the Board of Directors received a significant part of their compensation for 2020 in shares of Geberit AG (measured at current market value). All share plans are subject to blocking periods valid beyond the period of employment.

The share plans introduced in 2021 are summarised below:

	End of blocking period	Number of participants	Number of shares issued	Issuing price CHF
Employee share purchase plan (ESPP)	2023	3,249	19,195	313.30
Management share purchase plan (MSPP)	2024	115	13,248	569.65
Board of Directors compensation	2025	6	2,402	569.65
Total			34,845	

The 34,845 shares required for these plans were taken from the stock of treasury shares.

As at 31 December 2021, the Board of Directors, the Group Executive Board and the employees owned a combined total of 407,722 (PY: 395,271) shares, i.e. 1.1% (PY: 1.1%) of the share capital of Geberit AG under these plans.

Option plans

The management has the opportunity to invest part or all of their variable remuneration in shares of Geberit AG through the management share purchase plan (MSPP). They may define a fixed number of shares to purchase, or a certain amount or a percentage of their variable remuneration to be invested in shares. In order to encourage management to participate in the program, 1.5 free options are provided for each share purchased through the program. These options are subject to a vesting period of three years.

In connection with an additional option plan (MSOP), the members of the Group Executive Board and managing directors are entitled to additional options. The options are subject to a vesting period of three years.

The exercise price of the options corresponds to the fair market value of the Geberit shares at the time of granting. The options have a term of nine years (MSPP & MSOP). They can be exercised between the

vesting date and the maturity date. The vesting of share options is subject to the achievement of a performance criterion – the average Return on Invested Capital (ROIC) – over the respective vesting period.

The following numbers of options out of the 2021 grant are expected to be allocated with final effect at the end of the vesting period¹:

	Vesting period	Maturity	Number of participants	Number of options expected to be allocated	Exercise price CHF
Management share purchase plan (MSPP)	2021–2024	2030	115	13,255	569.65
Option plan (MSOP)	2021–2024	2030	96	118,668	569.65
Total				131,923	

The fair value of the options granted in 2021 as at March 2021 amounted on average to CHF 37.91 (PY: CHF 16.58) for MSPP and CHF 37.91 (PY: CHF 16.58) for MSOP at the respective granting date. The fair value was determined using the binomial model for “American Style Call Options”.

The calculation model was based on the following parameters:

	Exercise price ² CHF	Expected Ø volatility %	Expected Ø dividend yield %	Contractual period Years	Risk-free Ø interest rate %
Management share purchase plan (MSPP)	569.65	15.98	2.26	9	-0.33
Option plan (MSOP)	569.65	15.98	2.26	9	-0.33

² The exercise price corresponds to the average price of Geberit shares for the period from 3. – 16.3.2021.

¹ The number of options expected to be allocated with final effect at the end of the vesting period depends on target achievement (average ROIC) and has been calculated on the basis of expected target achievement.

The following table summarises all option plans in place as at 31 December 2021¹:

End of vesting period	Maturity	Number of options outstanding	Ø exercise price	Number of options in the money	Ø exercise price
			CHF		CHF
Vested	2022–2028	120,378	401.97	120,378	401.97
2022	2025–2028	166,424	416.52	166,424	416.52
2023	2028–2029	300,931	449.60	300,931	449.60
2024	2030	131,923	569.65	131,923	569.65
Total		719,656	455.99	719,656	455.99

This table also includes options under participation plans from earlier years that have different terms and vesting conditions.

The following movements took place in 2021 and 2020¹:

	MSOP		MSPP		Total 2021		Total 2020	
	Number of options	Ø exercise price CHF	Number of options	Ø exercise price CHF	Number of options	Ø exercise price CHF	Number of options	Ø exercise price CHF
Outstanding 1 January	674,722	420.66	48,229	419.28	722,951	420.57	527,852	390.33
Granted options	118,668	569.65	13,255	569.65	131,923	569.65	278,364	451.50
Forfeited options	35,663	420.13	428	440.57	36,091	420.37	13,496	420.04
Expired options	0	0	0	0	0	0	0	0
Exercised options	90,132	358.91	8,995	391.98	99,127	361.91	69,769	315.31
Outstanding 31 December	667,595	455.51	52,061	462.11	719,656	455.99	722,951	420.57
Exercisable at 31 December	106,341	400.38	14,037	414.04	120,378	401.97	124,007	363.19

This table also includes options under participation plans from earlier years that have different terms and vesting conditions.

The 719,656 options outstanding represent 2.0% of the outstanding shares of Geberit AG. In principle, the Group hedges this exposure with treasury shares.

¹ The number of options expected to be allocated with final effect at the end of the vesting period depends on target achievement (average ROIC) and has been calculated on the basis of expected target achievement.

The options outstanding as at 31 December 2021 had an exercise price of between CHF 349.15 and CHF 569.65 and an average remaining contractual life of 6.8 years (PY: 6.7 years).

Costs resulting from share plans amounted to MCHF 5.3 in 2021 (PY: MCHF 4.8); those for option plans totalled MCHF 6.4 (PY: MCHF 5.8).

18 Deferred tax assets and liabilities

	2021	Movements 2021				2020
		Charged (-)/ credited to income	Through equity	Through OCI ¹	Translation differences	
	Total MCHF	MCHF	MCHF	MCHF	MCHF	Total MCHF
Deferred tax assets, gross						
Loss carryforwards	15.5	-4.5	0.0	0.0	-0.5	20.5
Accrued pension obligations	31.3	4.1	0.0	-9.4	-1.6	38.2
Property, plant and equipment	7.7	-0.7	0.0	0.0	-0.3	8.7
Short/long-term lease liabilities	10.2	3.3	0.0	0.0	-0.4	7.3
Other short/long-term liabilities (excl. lease liabilities)	13.7	-4.2	0.0	0.0	-0.1	18.0
Intangible assets	8.0	-9.4	0.0	0.0	0.0	17.4
Other	35.5	2.9	17.4	0.0	-0.7	15.9
Total deferred tax assets, gross	121.9	-8.5	17.4	-9.4	-3.6	126.0
Deferred tax liabilities, gross						
Inventories	-4.4	-1.7	0.0	0.0	-0.1	-2.6
Property, plant and equipment (excl. right-of-use assets)	-19.6	6.1	0.0	0.0	0.1	-25.8
Right-of-use assets	-10.6	-3.3	0.0	0.0	0.4	-7.7
Intangible assets	-25.3	4.1	0.0	0.0	0.9	-30.3
Assets from defined benefit plans	-9.3	0.0	0.0	-8.8	0.0	-0.5
Other	-16.7	-4.1	0.0	0.0	0.1	-12.7
Total deferred tax liabilities, gross	-85.9	1.1	0.0	-8.8	1.4	-79.6

¹ Recorded in other comprehensive income

	2020	Movements 2020				2019
	Total MCHF	Charged (-)/ credited to income MCHF	Through equity MCHF	Through OCI ¹ MCHF	Translation differences MCHF	Total MCHF
Deferred tax assets, gross						
Loss carryforwards	20.5	-6.6	0.0	0.0	-0.2	27.3
Accrued pension obligations	38.2	2.0	0.0	-0.6	-0.6	37.4
Property, plant and equipment	8.7	2.7	0.0	0.0	-0.2	6.2
Short/long-term lease liabilities	7.3	-1.2	0.0	0.0	-0.2	8.7
Other short/long-term liabilities (excl. lease liabilities)	18.0	-0.6	0.0	0.0	0.0	18.6
Intangible assets	17.4	2.8	0.0	0.0	0.0	14.6
Other	15.9	1.7	2.6	0.0	-0.4	12.0
Total deferred tax assets, gross	126.0	0.8	2.6	-0.6	-1.6	124.8
Deferred tax liabilities, gross						
Inventories	-2.6	0.4	0.0	0.0	0.2	-3.2
Property, plant and equipment (excl. right-of-use assets)	-25.8	0.0	0.0	0.0	0.6	-26.4
Right-of-use assets	-7.7	1.4	0.0	0.0	0.3	-9.4
Intangible assets	-30.3	0.7	0.0	0.0	-0.5	-30.5
Assets from defined benefit plans	-0.5	0.1	0.0	0.0	0.0	-0.6
Other	-12.7	-1.5	0.0	0.0	0.0	-11.2
Total deferred tax liabilities, gross	-79.6	1.1	0.0	0.0	0.6	-81.3

¹ Recorded in other comprehensive income

	2021		2020	
	Assets MCHF	Liabilities MCHF	Assets MCHF	Liabilities MCHF
Deferred taxes, gross	121.9	-85.9	126.0	-79.6
Offsetting	-33.2	33.2	-34.3	34.3
Deferred taxes, net	88.7	-52.7	91.7	-45.3

In general, deferred tax liabilities are recorded for non-refundable withholding taxes or other taxes on unremitted earnings in Group companies if earnings are planned to be remitted. As at 31 December 2021 and 2020, there were no such earnings, except for the Chinese subsidiaries. On the unremitted earnings from China, no deferred tax liabilities were recorded, as no plan exists to remit these earnings. Such a transfer of earnings would lead to income taxes of MCHF 0.5 (PY: MCHF 0.5).

The Group recognises deferred tax assets from loss carryforwards if they comply with the requirements of IAS 12. The following loss carryforwards (listed by maturity) were used for the calculation of deferred tax assets:

	2021	Without deferred tax asset	With deferred tax asset	2020	Without deferred tax asset	With deferred tax asset
	MCHF	MCHF	MCHF	MCHF	MCHF	MCHF
Maturity						
1 year	4.7	0.3	4.4	0.1	0.0	0.1
2 years	5.9	0.0	5.9	1.7	0.0	1.7
3 years	12.6	0.0	12.6	4.3	0.0	4.3
4 years	9.9	0.0	9.9	15.0	3.3	11.7
5 years	6.3	1.5	4.8	8.8	2.2	6.6
6 years	6.0	0.7	5.3	0.8	0.1	0.7
> 6 years	118.0	111.5	6.5	157.6	111.5	46.1
Total loss carryforwards	163.4	114.0	49.4	188.3	117.1	71.2

19 Other non-current liabilities and provisions

	2021 MCHF	2020 MCHF
Accrued investment grants	1.5	1.6
Other non-current liabilities	17.6	15.2
Total other non-current liabilities	19.1	16.8
Provisions for operating risks	40.5	37.5
Other non-current provisions	6.9	14.2
Total non-current provisions	47.4	51.7
Total other non-current liabilities and provisions	66.5	68.5

Movements of the provisions for operating risks in 2021 and 2020 are shown in the following table.

	2021 MCHF	2020 MCHF
Provisions for operating risks		
1 January	37.5	37.1
Additions	20.1	8.3
Transfers	0.0	0.0
Used	-15.4	-6.7
Reversed	-0.2	-0.6
Translation differences	-1.5	-0.6
31 December	40.5	37.5

Provisions for operating risks mainly include provisions for warranties. The payments for the warranty claims delay on average 4.2 years (PY: 4.1 years).

	2021 MCHF	2020 MCHF
Other non-current provisions		
1 January	14.2	7.9
Additions	0.1	6.5
Transfers	-2.5	1.1
Used	-2.1	-0.7
Reversed	-2.8	-0.4
Translation differences	0.0	-0.2
31 December	6.9	14.2

20 Contingencies

Guarantees and sureties are valued at MCHF 78.6 for 2021 (PY: MCHF 77.2). Guarantees and sureties are only recognised as a provision if an outflow of resources is likely.

The Group is involved in several legal proceedings arising from the ordinary course of business. The Group believes that none of these proceedings – either individually or as a whole – is likely to have a material impact on the Group's financial position or operating results. The Group has established insurance policies to cover product liabilities and it makes provisions for potential product warranty claims.

The Group operates in many countries, most of which have sophisticated tax regimes. The nature of its operations and ongoing significant reorganisations result in complex tax-related issues for the Group and its subsidiaries. The Group believes that it performs its business in accordance with the local tax laws. However, it is possible that there are areas where potential disputes with the various tax authorities could arise. The Group is not aware of any dispute that – either individually or as a whole – is likely to have a material impact on the Group's financial position or operating results.

21 Capital stock and treasury shares

As at 31 December 2021, the share capital of Geberit AG consists of 35,874,333 ordinary shares with a par value of CHF 0.10 each.

	2021 pcs.	2020 pcs.
Issued shares		
1 January	37,041,427	37,041,427
Capital reduction	-1,167,094	0
Total issued shares as per 31 December	35,874,333	37,041,427

On 30 April 2020, Geberit AG terminated its share buyback programme, which was started on 6 June 2017. By 30 April 2020, 1,026,094 shares had been repurchased for a total value of MCHF 439.8. When the programme ended, this represented 2.77% of the share capital registered in the Commercial Register.

On 17 September 2020, a new share buyback programme was launched. Shares in an aggregate amount of up to MCHF 500.0 will be repurchased over a maximum period of two years. Based on the closing price of Geberit registered shares on 31 December 2021, this corresponds to around 725,000 registered shares or 2.0% of the share capital currently entered in the Commercial Register. The shares will be repurchased via a separate trading line on the SIX Swiss Exchange for the purpose of a capital reduction. As at 31 December 2021, 344,399 shares had been repurchased for a total value of MCHF 217.4 under this programme.

The General Meeting of 14 April 2021 approved a capital reduction matching the number of shares repurchased under both programmes up until the end of February 2021. The shares were cancelled at the end of June 2021.

	2021 pcs.	2020 pcs.
Stock of treasury shares		
From share buyback programmes	203,399	1,120,794
Other treasury shares	510,638	295,040
Total treasury shares	714,037	1,415,834

The entire stock of treasury shares on 31 December 2021 amounted to 714,037 (PY: 1,415,834) with a carrying amount of MCHF 434.4 (PY: MCHF 624.0). Treasury shares are deducted from equity at historical cost.

For transactions in connection with the participation plans, see → [Note 17](#).

22 Earnings per share

Earnings per share are calculated by dividing the net income attributable to ordinary shareholders by the weighted average number of ordinary shares issued and outstanding during the year, excluding the weighted average number of ordinary shares purchased by the Group and held as treasury shares.

	2021	2020
Attributable net income according to income statement (MCHF)	755.7	642.3
Weighted average number of ordinary shares (thousands)	35,409	35,791
Total earnings per share (CHF)	21.34	17.95

For diluted earnings per share, the weighted average number of ordinary shares issued is adjusted to assume conversion of all potentially dilutive ordinary shares (see → Note 3). The Group has considered the share options granted to the management to calculate the potentially dilutive ordinary shares.

	2021	2020
Attributable net income according to income statement (MCHF)	755.7	642.3
Weighted average number of ordinary shares (thousands)	35,409	35,791
Adjustments for share options (thousands)	302	138
Weighted average number of ordinary shares (thousands)	35,711	35,929
Total diluted earnings per share (CHF)	21.16	17.88

23 Other operating expenses, net

	2021 MCHF	2020 MCHF
Outbound freight cost and duties	123.0	100.5
Energy and maintenance expenses	142.9	125.0
Marketing expenses	110.3	95.2
Administration expenses	66.1	62.2
Other operating expenses ¹	154.4	151.4
Other operating income	-14.5	-12.6
Total other operating expenses, net	582.2	521.7

¹ In 2021, this item includes expenses for short-term leases of MCHF 3.8 (PY: MCHF 3.6) and expenses for leased minor-value assets of MCHF 0.9 (PY: MCHF 0.7).

“Other operating expenses” includes, among other items, commissions, expenses for short-term leases and leases for minor-value assets, consulting expenses as well as warranty cost. “Other operating income” includes, among other items, insurance benefits received, rental income, gains from sales of fixed assets and subsidiaries and catering revenues.

The increase in “Total other operating expenses, net” is due to the sharp sales growth and the partial normalisation of the cost base following the COVID-19-related savings in the previous year. Currency effects did not have any material impact.

In 2021, costs of MCHF 16.8 (PY: MCHF 19.7) were capitalised as property, plant and equipment or intangible assets. This includes tools, moulds and assembly lines that are part of the production process, as well as capitalised product development cost. The amount was deducted pro-rata from the positions “Personnel expenses”, “Energy and maintenance expenses” and “Other operating expenses, net”.

24 Financial result, net

	2021 MCHF	2020 MCHF
Interest expenses ¹	-6.4	-9.7
Amortisation of deferred financing fees	-0.7	-0.9
Other financial expenses	-2.6	-1.9
Total financial expenses	-9.7	-12.5
Interest income and other	1.5	1.1
Total financial income	1.5	1.1
Foreign exchange loss (-)/gain	-5.1	-5.8
Total financial result, net	-13.3	-17.2

¹ In 2021, this item includes interest expenses of MCHF 1.9 (PY: MCHF 1.9) on lease liabilities.

“Interest expenses” mainly includes the interest for the bonds and interest expense from lease liabilities.

25 Income tax expenses

	2021 MCHF	2020 MCHF
Current taxes	125.2	113.9
Deferred taxes	7.4	-1.9
Total income tax expenses	132.6	112.0

The differences between income tax expenses computed at the weighted-average applicable tax rate of the Group of 15.2% (PY: 15.1%) and the effective income tax expenses were as follows:

	2021 MCHF	2020 MCHF
Income tax expenses, at applicable rate	135.3	114.1
Operating losses with no current tax benefit	0.8	1.3
Offsetting of current profits against loss carryforwards without tax assets	-1.2	-1.5
Changes in future tax rates	-0.6	-1.5
Non-deductible expenses and non-taxable income, net	2.5	1.8
Other	-4.2	-2.2
Total income tax expenses	132.6	112.0

In 2021, the position "Other" mainly includes tax benefits from the capitalisation of loss carryforwards following improved operational performance.

26 Research and development cost

	2021 MCHF	2020 MCHF
Research and development expenses	77.9	75.0
Capitalised development expenses	-0.8	-4.2
Amortisation of capitalised development expenses	6.2	5.2
Research and development cost	83.3	76.0

In 2021, research and development expenses totalling MCHF 77.9 (PY: MCHF 75.0) were included in the items "Personnel expenses", "Depreciation" and "Other operating expenses, net". This represents

2.3% of net sales (PY: 2.5%). For one major development project, the capitalisation criteria according to IAS 38.57 were met and expenses of MCHF 0.8 (PY: MCHF 4.2) were capitalised.

27 Free Cashflow

Free cashflow is calculated as follows:

	2021	2020
	MCHF	MCHF
Net cash from/used in (-) operating activities ¹	998.9	900.0
Purchase/sale of property, plant and equipment and intangible assets ¹	-166.1	-146.8
Repayments of lease liabilities ¹	-16.7	-24.1
Interest and other financing cost paid, net	-7.2	-12.0
Free cashflow	808.9	717.1

¹ See → [consolidated statements of cashflows](#)

“Free cashflow” is no substitute for figures shown in the consolidated income statements and the consolidated statements of cashflows, but it may give an indication of the Group’s capability to generate cash, to pay back debt, to finance acquisitions, to buy back shares and to pay dividends.

28 Segment reporting

The Geberit Group consists of one single business unit, the purpose of which is to develop, produce and distribute sanitary products and systems for the residential and commercial construction industry. The major part of the products is generally distributed through the wholesale channel to plumbers, who resell the products to the end users. Products are manufactured by plants that specialise in particular production processes. As a general rule, one specific article is produced at only one location. Distribution is carried out by country or regional distribution subsidiaries, which sell to wholesalers. A distribution subsidiary is always responsible for the distribution of the whole range of products in its sales area. The main task of the distribution companies is local market development, which primarily focuses on the support of installers, sanitary planners, architects, wholesalers and other distributors. Research and development of the whole range of products is carried out centrally by Geberit International AG. All corporate tasks are also centralised at Geberit International AG.

Due to the unity and focus of the business, the top management (Group Executive Board) and the management structure of the Geberit Group are organised by function (Overall Management, Sales Europe, Sales International, Marketing & Brands, Products & Operations, Finance). The financial management of the Group by the Board of Directors and the Group Executive Board is based on net

sales by markets and product areas and on the consolidated income statements, balance sheets and statements of cashflows.

Segment reporting is therefore prepared according to IFRS 8.31 et seq. (one single reportable segment), and the valuation is made in accordance with the same principles as the consolidated financial statements. The basis for revenue recognition is the same for all markets and product areas. The geographical allocation of net sales is based on the domicile of the customers.

The information is as follows:

	2021	2020
	MCHF	MCHF
Net sales by product areas		
Installation and Flushing Systems	1,324.4	1,115.4
Piping Systems	1,054.7	903.4
Bathroom Systems	1,081.4	967.3
Total net sales	3,460.5	2,986.1
	2021	2020
	MCHF	MCHF
Net sales by markets		
Germany	1,083.6	956.4
Nordic Countries	331.0	297.0
Switzerland	328.8	305.8
Eastern Europe	349.9	286.0
Benelux	289.5	251.0
Italy	237.1	186.5
France	187.3	161.1
Austria	213.7	175.5
United Kingdom/Ireland	108.4	91.8
Iberian Peninsula	26.8	21.2
Europe	3,156.1	2,732.3
Middle East/Africa	82.1	64.0
America	99.8	97.4
Far East/Pacific	122.5	92.4
Total net sales	3,460.5	2,986.1

	2021 MCHF	2020 MCHF
Share of net sales by customers		
Customers with more than 10% of net sales: customer A	626.6	519.3
Total > 10%	626.6	519.3
Remaining customers with less than 10% of net sales	2,833.9	2,466.8
Total net sales	3,460.5	2,986.1

	2021 MCHF	2020 MCHF
Property, plant and equipment ¹ by markets		
Germany	342.5	350.4
Nordic Countries	57.1	44.9
Switzerland	205.8	197.7
Eastern Europe	137.2	135.0
Benelux	14.3	14.1
Italy	62.5	62.7
France	13.7	15.0
Austria	41.9	42.9
United Kingdom/Ireland	11.3	13.1
Iberian Peninsula	14.0	11.8
Europe	900.3	887.6
Middle East/Africa	7.5	1.7
America	12.8	12.6
Far East/Pacific	35.3	31.9
Total property, plant and equipment	955.9	933.8

¹ Includes the Group's own as well as leased property, plant and equipment

29 Related party transactions

In 2021 and 2020, total booked compensation for the Group Executive Board and the Board of Directors was as follows:

	2021	2020
	MCHF	MCHF
Remuneration and salary fixed	5.6	5.5
Remuneration and salary variable	3.3	2.9
Options	2.6	2.5
Expenditure on pensions	1.4	1.1
Other	0.1	0.1
Total	13.0	12.1

Further information regarding compensation and investments of the Group Executive Board and the Board of Directors is disclosed in the [→ Remuneration Report](#).

In 2021 and 2020, there were no further material related party transactions.

30 Foreign exchange rates

The following exchange rates were used for the consolidated financial statements:

	Currency		2021		2020	
			Balance sheet	Income statement	Balance sheet	Income statement
European Currency Union	EUR	1	1.0343	1.0833	1.0839	1.0704
United Kingdom	GBP	1	1.2342	1.2584	1.2018	1.2046
USA	USD	1	0.9146	0.9144	0.8810	0.9373
Poland	PLN	100	22.4800	23.7070	23.4500	24.1000
China	CNY	100	14.3490	14.1970	13.4820	13.5540
Denmark	DKK	100	13.9090	14.5560	14.5640	14.3570
Australia	AUD	1	0.6639	0.6885	0.6790	0.6474
Czech Republic	CZK	100	4.1600	4.2120	4.1300	4.0740
Hungary	HUF	100	0.2803	0.3020	0.2967	0.3050
Norway	NOK	100	10.3700	10.6540	10.3200	10.0100
Sweden	SEK	100	10.1000	10.6710	10.7400	10.1930
Singapore	SGD	1	0.6771	0.6810	0.6665	0.6791
South Africa	ZAR	100	5.7500	6.2060	6.0400	5.7260
Turkey	TRY	100	6.9200	10.5900	11.9400	13.2270
Russia	RUB	100	1.2250	1.2400	1.1840	1.2800
Ukraine	UAH	100	3.3527	3.3670	3.1235	3.4440
India	INR	100	1.2310	1.2370	1.2060	1.2650
Nigeria	NGN	100	0.2220	0.2230	0.2230	0.2460
Romania	RON	100	20.8900	21.9600	22.2500	22.1120

31 Subsequent events

The recent conflict escalation in the Ukraine leads to a high degree of uncertainty regarding the Geberit operations in the Ukraine and Russia. Geberit's first priority is the safety of its employees and their families. The production in our ceramics plant Slavuta (550 employees) in the western part of the Ukraine has not suffered any damage at this stage but production has temporarily been stopped. The Ukrainian sales activities (40 employees) are suspended as well. Geberit complies with sanctions caused by the conflict and is assessing its impact on an ongoing basis. Both the Ukrainian and the Russian activities account for around 1% of Group Net sales each. The Board of Directors and the

Group Executive Board are committed to the ongoing safety and well-being of its employees as well as the protection of the Geberit assets in the Ukraine and Russia.

The consolidated financial statements are subject to approval by the General Meeting and were released for publication by the Board of Directors on 8 March 2022.

32 Group companies as of 31 December 2021

	Currency	Share capital (‘000)	Ownership in %
Switzerland			
Geberit AG, Rapperswil-Jona	CHF	3,587	
Geberit Holding AG, Rapperswil-Jona	CHF	39,350	100
Geberit International AG, Rapperswil-Jona	CHF	1,000	100
Geberit International Sales AG, Rapperswil-Jona	CHF	1,000	100
Geberit Verwaltungs AG, Rapperswil-Jona	CHF	1,000	100
Geberit Vertriebs AG, Rapperswil-Jona	CHF	1,000	100
Geberit Marketing e Distribuzione SA, Rapperswil-Jona	EUR	821	100
Geberit Produktions AG, Rapperswil-Jona	CHF	4,000	100
Geberit Apparate AG, Rapperswil-Jona	CHF	1,000	100
Geberit Fabrication SA, Givisiez	CHF	7,000	100
Geberit Finanz AG, Rapperswil-Jona	EUR	832	100
Australia			
Geberit Pty Ltd., Macquarie Park, NSW	AUD	2,060	100
Austria			
Geberit Vertriebs GmbH & Co KG, Pottenbrunn/St. Pölten	EUR	728	100
Geberit Produktions GmbH & Co KG, Pottenbrunn/St. Pölten	EUR	7,995	100
Geberit Beteiligungsverwaltung GmbH, Pottenbrunn/St. Pölten	EUR	35	100
Geberit Huter GmbH, Matrei am Brenner	EUR	37	100
Belgium			
Geberit N.V., Meise	EUR	62	100
Channel Islands			

	Currency	Share capital (‘000)	Ownership in %
Geberit Reinsurance Ltd., St. Peter Port, Guernsey	EUR	2	100
China			
Geberit Flushing Technology Co. Ltd., Daishan	CNY	63,376	100
Geberit Plumbing Technology Co. Ltd., Shanghai	CNY	268,386	100
Geberit Shanghai Trading Co. Ltd., Shanghai	CNY	5,000	100
Geberit Shanghai Investment Administration Co. Ltd., Shanghai	CNY	13,638	100
Czech Republic			
Geberit spol. s.r.o., Prague	CZK	6,000	100
Denmark			
Geberit A/S, Lystrup	DKK	10,000	100
Finland			
Geberit Oy, Helsinki	EUR	50	100
Geberit Service Oy, Tammisaari	EUR	3	100
Geberit Production Oy, Tammisaari	EUR	2,813	100
France			
Geberit S.a.r.l., Samoreau	EUR	1,686	100
Geberit Holding France S.A., Samoreau	EUR	10,388	100
Geberit Services S.A.S., Samoreau	EUR	1,931	100
Geberit Production S.A.S., Limoges	EUR	4,577	100
Germany			
Geberit Verwaltungs GmbH, Pfullendorf	EUR	50	100
Geberit Service GmbH & Co. KG, Pfullendorf	EUR	50	100
Geberit Vertriebs GmbH, Pfullendorf	EUR	1,000	100
Geberit Produktions GmbH, Pfullendorf	EUR	7,500	100
Geberit Logistik GmbH, Pfullendorf	EUR	500	100
Geberit Mapress GmbH, Langenfeld	EUR	2,701	100
Geberit RLS Beteiligungs GmbH, Langenfeld	EUR	50	100
Geberit Lichtenstein GmbH, Sankt Egidien	EUR	1,025	100
Geberit Keramik Holding GmbH, Pfullendorf	EUR	65	100
Geberit Keramik Service GmbH & Co. KG, Pfullendorf	EUR	100	100

	Currency	Share capital (‘000)	Ownership in %
Geberit Keramik GmbH, Wesel	EUR	12,500	100
Ceravid GmbH, Essen	EUR	26	100
Greece			
Geberit Greece S.M.P.C, Athens	EUR	110	100
Hungary			
Geberit Kft, Budapest	HUF	49,900	100
India			
Geberit Plumbing Technology India Pvt. Ltd., Bengaluru	INR	12,861	100
Geberit India Manufacturing Pvt. Ltd., Pune	INR	56,875	100
Israel			
Geberit Israel Ltd., Caesarea	ILS	10	100
Italy			
Geberit Produzione S.p.a., Villadose	EUR	4,200	100
Geberit Service S.p.a., Milan	EUR	120	100
Geberit Ceramica S.p.a., Milan	EUR	10,000	100
Lithuania			
Geberit UAB, Vilnius	EUR	1,250	100
Netherlands			
Geberit B.V., Nieuwegein	EUR	18	100
Geberit International B.V., Nieuwegein	EUR	51	100
Nigeria			
Geberit Nigeria Ltd., Ikoyi, Lagos	NGN	10,000	100
Norway			
Geberit AS, Lorenskog	NOK	4,400	100
Geberit Service AS, Porsgrunn	NOK	282	100
Poland			
Geberit Sp. z o.o., Warsaw	PLN	10,638	100
Geberit Service Sp. z o.o., Lodz	PLN	1,800	100
Geberit Ozorków Sp.z o.o., Ozorkow	PLN	32,400	100
Geberit Produkcja Sp.z o.o., Kolo	PLN	100,000	100
Portugal			
Geberit Tecnologia Sanitária S.A., Lisbon	EUR	275	100

	Currency	Share capital (‘000)	Ownership in %
Geberit Produção S.A., Carregado	EUR	2,750	100
Romania			
Geberit SRL, Bucharest	RON	13,500	100
Russia			
Geberit RUS LLC, Moscow	RUB	150,010	100
Singapore			
Geberit South East Asia Pte. Ltd., Singapore	SGD	100	100
Slovakia			
Geberit Slovensko s.r.o., Bratislava	EUR	200	100
Slovenia			
Geberit proizvodnja d.o.o., Ruše	EUR	104	100
Geberit prodaja d.o.o., Ruše	EUR	42	100
South Africa			
Geberit Southern Africa (Pty.) Ltd., Johannesburg	ZAR	4	100
Spain			
Geberit S.A.U., Barcelona	EUR	3,823	100
Sweden			
Geberit AB, Bromölla	SEK	700	100
Geberit Service AB, Bromölla	SEK	50	100
Geberit Production AB, Bromölla	SEK	20,000	100
Turkey			
Geberit Tesisat Sistemleri Ticaret Ltd., Istanbul	TRY	55,422	100
Ukraine			
Slavuta Holding LLC, Kiev	UAH	65,655	100
Geberit Ceramic Production PrJSC, Slavuta	UAH	57,400	100
Geberit Plastics Production LLC, Kiev	UAH	21,433	100
Geberit Trading LLC, Kiev	UAH	9,000	100
United Kingdom			
Geberit Sales Ltd., Warwick	GBP	1,360	100
Geberit Service, Alsager	GBP	0.4	100
Twyfords Ltd., Alsager	GBP	2,528	100
USA			



	Currency	Share capital (‘000)	Ownership in %
Duffin Manufacturing Co., Elyria	USD	69	100
The Chicago Faucet Company, Des Plaines	USD	100	100

Report of the statutory auditor



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Report of the statutory auditor
to the General Meeting of Geberit AG
Rapperswil-Jona

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Geberit AG and its subsidiaries (the Group), which comprise the → consolidated statement of financial position as at 31 December 2021 and the → consolidated income statement, → consolidated statement of comprehensive income, → consolidated statement of changes in equity and → consolidated statement of cash flows for the year then ended, and → notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISAs) and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report.

We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, as well as the International Code of Ethics for

Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall Group materiality: CHF 44,400,000

We concluded full scope audit work at 20 Group companies in 10 countries. These Group companies contributed 68% to the Group's revenue. The selection of companies is renewed each year.

In addition, specified audit procedures were performed on one Group company in one country. The remaining companies were addressed by analytical reviews.

As key audit matter the following area of focus has been identified:

Impairment testing of goodwill and of Trademarks

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	CHF 44,400,000
Benchmark applied	profit before income tax expenses
Rationale for the materiality benchmark applied	We chose profit before income tax expenses as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured, and it is a generally accepted benchmark for materiality considerations.

We agreed with the Audit Committee that we would report to them misstatements above CHF 4,440,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The approach for the audit of the consolidated financial statements was determined taking into account the work performed by the component auditors in the PwC network. The Group auditor performed the audit of the consolidation, disclosures and presentation of the consolidated financial statements. We were sufficiently involved in the audit to ensure sufficient appropriate audit evidence was obtained to provide a basis for our opinion on the consolidated financial statements. Our involvement comprised communicating the risks identified at Group level, evaluating the materiality limits, specifying the materiality thresholds, participating in closing meetings, examining the reporting and conducting conference calls with the component auditors during the interim audit and the year-end audit.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill and of Trademarks

Key audit matter

Impairment testing of goodwill and of trademarks was deemed a key audit matter for the following two reasons:

Goodwill and trademarks represent a significant amount on the balance sheet (goodwill totalling CHF 1'200.3 million and trademarks totalling CHF 258.3 million). A useful life is defined for trademarks that are integrated progressively into the Geberit trademarks. Goodwill and trademarks with an indefinite useful life are not regularly amortised but tested for impairment at least annually. Further, in calculating the value-in-use for these tests, the Board of Directors and Management have significant scope for judgement in determining revenue and margin growth assumptions and the discount rates to be applied to the expected cash flows and in determining the cash-generating units (CGUs).

With regard to the accounting policies and information on goodwill and trademarks, please refer to the notes to the consolidated financial statements: → 1. 'Basic information and principles of the report – Main sources of estimation uncertainty', → 3. 'Summary of significant accounting policies – Goodwill and intangible assets' and → 11. 'Goodwill and intangible assets' (tables).

How our audit addressed the key audit matter

Impairment testing of goodwill and trademarks with an indefinite useful life is based on a process defined by the Board of Directors. This process uses the business plans approved by the Board of Directors. As part of the process, Management estimates the cash flows for the cash-generating units concerned.

We assessed the determination of the CGUs taking into account the IFRS accounting standards and our knowledge of the organisation, structure and governance of the Geberit Group .

We compared the business results of the year under review with the forecasts prepared in the prior year in order to identify any assumptions that, with hindsight, appeared too optimistic regarding the cash flows. The business results of the year under review were above budget.

We compared Management's assumptions concerning long-term revenue growth and margin growth with industry growth figures and historical margin data, respectively. We compared the discount rate with the cost of capital of the Group and of analogous firms. In addition, we performed a plausibility check on the forecast change in net working capital.

The assumptions used were consistent and in line with our expectations.

We tested the sensitivity analyses of the key assumptions. These analyses enabled us to assess any potential impairment of goodwill or of trademarks.

On the basis of the evidence obtained from our audit, we consider the valuation method and the assumptions used to be an appropriate and adequate basis for the impairment testing of goodwill and of trademarks.

Other information in the annual report

The Board of Directors is responsible for the other information in the annual report. The other information comprises all information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of Geberit AG and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information in the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information in the annual report and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISAs and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISAs and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Beat Inauen
Audit expert
Auditor in charge



Martin Knöpfel
Audit expert

Zurich, 8 March 2022

Financials

Financial statements Geberit AG

Balance sheets

	31.12.2021 MCHF	31.12.2020 MCHF
Assets		
Current assets		
Cash	7.7	11.5
Other current receivable		
- Third parties	6.6	6.0
- Group companies	18.3	5.5
Prepaid expenses	0.8	1.3
Total current assets	33.4	24.3
Non-current assets		
Loan to Group companies	700.0	700.0
Investments	1,212.3	1,212.3
Total non-current assets	1,912.3	1,912.3
Total assets	1,945.7	1,936.6
Liabilities		
Current liabilities		
- Third parties	10.5	8.7
- Bonds	300.0	0.0
- Group companies	5.4	124.5
Total current liabilities	315.9	133.2
Long term interest-bearing liabilities		
Bonds	400.0	700.0
Total long term interest-bearing liabilities	400.0	700.0
Shareholders' equity		
Capital stock	3.6	3.7
Legal capital reserves		
- General reserves, share premium	0.8	0.8
- Reserves from capital contributions	0.0	4.2
Legal reserves from retained earnings		
- Reserves for treasury shares held by Group companies	294.4	132.8
Free reserves from retained earnings		
- Free reserves	365.0	849.4
- Retained earnings	706.0	603.7
Treasury shares		
- against free reserves	-140.0	-491.2
Total shareholders' equity	1,229.8	1,103.4
Total liabilities and shareholders' equity	1,945.7	1,936.6

Income statements

	2021	2020
	MCHF	MCHF
Income		
Dividends from Group companies	701.4	601.2
Other financial income	5.9	5.1
Other operating income	0.1	0.2
Total income	707.4	606.5
Expenses		
Administrative expenses	3.1	3.3
Financial expenses	3.1	2.6
Direct tax expenses	0.3	0.0
Total expenses	6.5	5.9
Net income	700.9	600.6

Notes to the financial statements

1. Standards

1.1 General

The financial statements were prepared in accordance with the provisions on commercial accounting of the Swiss Code of Obligations. The significant valuation principles, which are not statutory, are described below.

1.2 Treasury shares

The treasury shares are recorded at cost and are shown as a minus position in equity. For the shares of Geberit AG, held by the subsidiary Geberit Holding AG, reserves for own shares are recorded in the equity of Geberit AG.

1.3 Interest-bearing liabilities

The interest-bearing liabilities are stated at their nominal value. Costs incurred in the context of the placement of bonds are capitalised in the prepaid expenses and amortised linearly over the term of the bond.

1.4 Derivatives

Derivative instruments used for hedging purposes are valued together with the underlying transaction. Positive or negative fair market values will not be recognised during the lifetime of the contract but at settlement date.

1.5 Waiver of cashflow statement and additional information in the notes

As the Geberit Group prepares a consolidated financial statement in accordance with a recognised standard for financial reporting (IFRS), Geberit AG waived in present financial statements, in accordance with the statutory provisions, to present separate notes to interest-bearing liabilities and auditing fees and the presentation of a cashflow statement.

2. Other statutory disclosures

2.1 Guarantees, assets pledged in favour of third parties

	31.12.2021	31.12.2020
	MCHF	MCHF
Guarantee Revolving Facility, due 06.11.2023	500.0	500.0
Guarantee GRI Pensions	0.1	0.1

The guarantees are limited to the distributable reserves of the company.

2.2 Significant investments

	2021	2021	2020	2020
	Ownership in %	Capital stock	Ownership in %	Capital stock
Geberit Holding AG, Rapperswil-Jona	100	TCHF 39,350	100	TCHF 39,350
Geberit Reinsurance Ltd., Guernsey	100	TEUR 2	100	TEUR 2

The investments are stated separately at the respective acquisition costs, less any adjustments required. The indirect investments are shown in the Notes to the Consolidated Financial Statements in → Note 32.

2.3 Share capital

The share capital of Geberit AG consists of 35,874,333 ordinary shares with a par value of CHF 0.10 each.

	2021	2020
Number of shares issued	pcs.	pcs.
January 1	37,041,427	37,041,427
Capital reduction as at June 2021	-1,167,094	0
December 31	35,874,333	37,041,427

2.4 Capital contribution reserves

The capital contribution reserves of CHF 4.2 as at December 31, 2020 were used for the share buyback programme.

2.5 Treasury shares

Treasury shares held by Geberit AG or by companies in which Geberit AG holds a majority interest:

	Number of registered shares	Highest price in CHF	Average price in CHF	Lowest price in CHF
Balance at December 31, 2020	1,415,834			
Purchases share buyback programme 2020–2022	249,699	775.09	664.59	540.87
Cancellation share buyback programme	-1,167,094			
Other purchases	350,000	773.37	647.75	539.87
Sales	-134,402	778.48	608.55	536.20
Balance at December 31, 2021	714,037			
Number of treasury shares held by Geberit AG	203,399			

The Board of Directors of Geberit AG decided in March 2017 to initiate a share buyback programme. Over a maximum period of three years, shares for a total amount of maximum CHF 450 million were to be repurchased, less withholding tax. The programme was concluded in March 2020. A total of 1,026,094 shares for a total amount of CHF 439.7 million were repurchased under the programme.

The share buyback programme announced on 10 March 2020 was started in September 2020. Over a maximum period of two years, shares for a total amount of maximum CHF 500 million will be repurchased, less withholding tax. As at December 31, 2021, in total 344,399 shares for a total amount of CHF 217.4 million had been repurchased under the programme.

The Board of Directors proposed to the General Meeting the cancellation of the shares repurchased under the share buyback programme 2017–2020 and the shares repurchased by the end of February 2021 under the share buyback programme 2020–2022. The capital reduction released capital contribution reserves of CHF 4.2 million.

The legal reserves for treasury shares were recorded at cost.

2.6 Bonds

Geberit has the following bonds outstanding:

- a bond of MCHF 300 with a term of two and a half years and a coupon of 0.35%, due 20.10.2022
- a bond of MCHF 150 with a term of eight years and a coupon of 0.3%, due 17.04.2023
- a bond of MCHF 125 with a term of five and a half years and a coupon of 0.1%, due 17.10.2024
- a bond of MCHF 125 with a term of nine and a half years and a coupon of 0.6%, due 17.10.2028

2.7 Shareholdings of members of the Board of Directors and of the Group Executive Board

As at the end of 2021 and 2020, members of the Board of Directors held the following shares in the company:

	A. Baehny Chair	E. Zehnder-Lai Vice Chair	F. Ehrat	B. Koch	W. Karlen	T. Bachmann	Total
2021							
Shareholdings Board of Directors							
Shares	114,307	1,707	4,235	752	275	0	121,276
Call options	0	0	0	0	0	0	0
Share of voting rights	0.32%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.0%	0.34%
2020							
Shareholdings Board of Directors							
Shares	94,525	8,204	3,843	1,340	372	0	108,284
Call options	19,328	0	0	0	0	0	19,328
Share of voting rights	0.26%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.0%	0.29%

As at December 31, 2021, there were no outstanding loans or credits between the company and members of the Board of Directors.

As at the end of 2021 and 2020, the Group Executive Board held the following shares in the company:

	Maturity	Average exercise price in CHF	C. Buhl CEO	R. Iff CFO	T. Knechtle CFO	R. van Triest	M. Baumüller	M. Ziegler	C. Rapp	Total
2021										
Shareholdings Group Executive Board										
Shares			16,742	28,280	75	2,090	4,534	4,288	1,311	57,320
Percentage voting rights shares			< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.16%
Call options¹										
End of vesting period:										
Lapsed	2022–2028	394.76	40,229	0	0	6,283	6,881	3,216	1,545	58,154
2022	2025–2028	424.97	47,421	22,641	0	14,498	11,294	11,377	1,775	109,006
2023	2028–2029	441.85	88,457	40,603	0	29,627	23,711	32,109	24,436	238,943
2024	2030	569.65	36,784	16,916	0	11,870	10,063	14,907	12,710	103,250
Total options			212,891	80,160	0	62,278	51,949	61,609	40,466	509,353
Percentage potential share of voting rights options			0.59%	0.22%	0.0%	0.17%	0.14%	0.17%	0.11%	1.42%

¹ Purchase ratio 1 share for 1 option. The unvested options are subject to a performance-based vesting condition.

	Maturity	Average exercise price in CHF	C. Buhl CEO	R. Iff CFO	R. van Triest	M. Baumüller	M. Ziegler	C. Rapp	Total
2020									
Shareholdings Group Executive Board									
Shares			14,690	28,280	700	4,024	3,582	751	52,027
Percentage voting rights shares			< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	< 0.1%	0.14%
Call options¹									
End of vesting period:									
Lapsed	2021–2027	357.20	21,392	0	6,058	4,107	1,781	1,617	34,955
2021	2024–2028	409.97	19,945	10,746	6,653	3,462	2,548	766	44,120
2022	2025–2028	424.97	47,421	22,641	14,498	11,294	11,377	1,775	109,006
2023	2028–2029	429.13	88,457	40,603	29,627	23,711	32,109	24,436	238,943
Total options			177,215	73,990	56,836	42,574	47,815	28,594	427,024
Percentage potential share of voting rights options			0.48%	0.20%	0.15%	0.11%	0.13%	< 0.1%	1.15%

¹ Purchase ratio 1 share for 1 option. The unvested options are subject to a performance-based vesting condition.

As at December 31, 2021, there were no outstanding loans or credits between the company and members of the Group Executive Board.

2.8 Significant shareholders

According to the information available to the Board of Directors, the following shareholders have attained or exceeded the threshold of 3% of the share capital of Geberit AG:

	31.12.2021	31.12.2020
Black Rock, New York (notification dated: 09.08.2019)	5.21%	5.21%
Fiera Capital, Montreal (notification dated: 08.05.2020)	3.06%	3.06%
Geberit AG, Jona (notification dated: 01.07.2021)	< 3.00%	3.08%

2.9 Employees

At Geberit AG no employees are employed.

3. Profit distribution

Proposal for the appropriation of available earnings

Proposal by the Board of Directors to the General Meeting:

Appropriation of available earnings

	2021 CHF	2020 CHF
Available earnings		
Net income	700,922,366	600,617,258
Balance brought forward	5,053,597	3,037,795
Total available earnings	705,975,963	603,655,053
Transfer to free reserves	250,000,000	190,000,000
Proposed/paid dividend	446,465,425	408,601,456
Balance to be carried forward	9,510,538	5,053,597
Total appropriation of available earnings	705,975,963	603,655,053

Dividend payments

The Board of Directors proposes a dividend of CHF 12.50 per share (PY: CHF 11.40). The dividend payment is subject to withholding tax.

The number of shares with dividend rights will change if the number of shares held by Geberit AG changes. The Board of Directors may therefore adapt the total amount of the proposed dividend to the number of shares with dividend rights at the General Meeting.

Report of the statutory auditor



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Report of the statutory auditor
to the General Meeting of Geberit AG
Rapperswil-Jona

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Geberit AG, which comprise the balance sheet as at 31 December 2021, income statement and notes for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements as at 31 December 2021 comply with Swiss law and the company's articles of incorporation.

Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the entity in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview



Overall materiality: CHF 5,000,000

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the entity, the accounting processes and controls, and the industry in which the entity operates.

As key audit matter the following area of focus has been identified:

Impairment testing of equity investments

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	CHF 5,000,000
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark because, in our view, it represents a relevant and generally accepted benchmark for holding companies.

We agreed with the Audit Committee that we would report to them misstatements above CHF 500,000 identified during our audit as well as any misstatements below that amount which, in our view, warranted reporting for qualitative reasons.

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Report on key audit matters based on the circular 1/2015 of the Federal Audit Oversight Authority

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of equity investments

Key audit matter

Impairment testing of equity investments was deemed a key audit matter for the following two reasons:

Equity investments in Geberit Holding AG and Geberit Reinsurance Ltd. in the amount of CHF 1'212.3 million represent the largest asset category on the balance sheet (62.3% of total assets). If this investment had to be written down, it would have a significant impact on the equity of the Company.

Testing for impairment depends on the future results of the companies concerned. In addition, there is significant scope for judgement in determining the assumptions underlying forecast results.

Please refer to the notes to the financial statements and, specifically, the recognition, valuation and disclosure methods in note → [2.2 'Significant investments'](#).

How our audit addressed the key audit matter

We tested the equity investments as at 31 December 2021 for impairment. Management has performed impairment tests on the investments in Geberit Holding AG and Geberit Reinsurance Ltd.

We performed the following:

- compared the actual results of each company with its prior budget in order to identify any assumptions that, with hindsight, appeared too optimistic regarding the cash flows;
- checked for plausibility the outlook based on the multiyear plan approved by the Board of Directors and discussed the outlook with Management.

We consider the valuation process applied by management to be adequate and a sufficient basis for the impairment testing of investments in subsidiaries.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with Swiss law and Swiss Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and Swiss Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG



Beat Inauen
Audit expert
Auditor in charge



Martin Knöpfel
Audit expert

Zurich, 8 March 2022



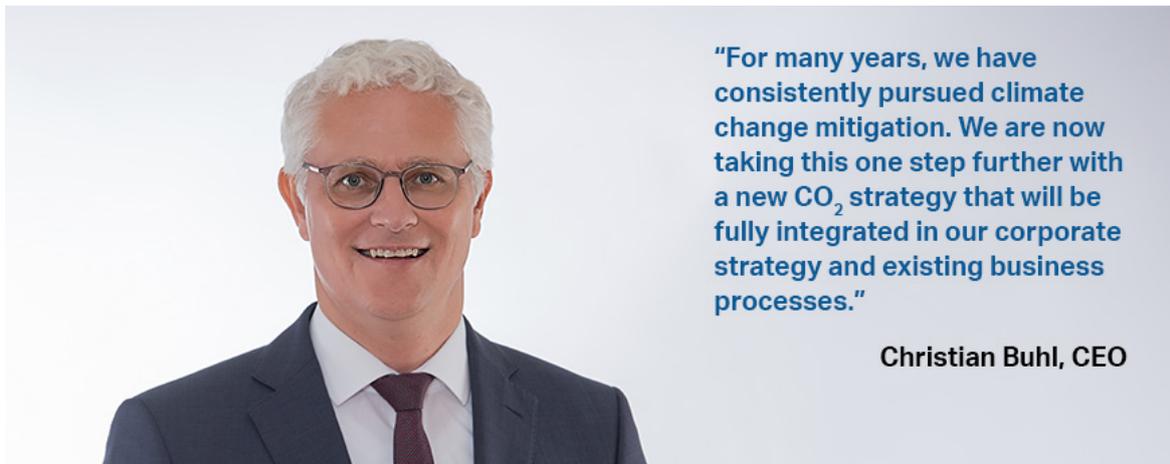
Geberit Group

Sustainability

Sustainability

CEO statement on sustainability

CEO statement on sustainability



We look back on an extremely successful, but from an operational point of view very challenging financial year. The further increase in results compared to the previous year was based on our structural and financial strength as well as our prudent crisis management right from the start of the COVID-19 pandemic. This enabled us to further consolidate our position as leading supplier of sanitary products and gain market shares.

Consistent climate change mitigation

Since the acquisition of the energy-intensive ceramics business in 2015, Geberit has been able to reduce CO₂ emissions in relation to currency-adjusted net sales (CO₂ intensity) by 38%. Absolute CO₂ emissions were also able to be reduced significantly under the target value of 240,000 tonnes (2021: 217,009 tonnes). These results mean that between 2015 and 2021 Geberit overfulfilled the target specified in the Science Based Targets Initiative (SBTi) of limiting global warming to “well below 2°C” above pre-industrial levels. As we would like to continue down and further expand on this successful path, we developed a new CO₂ strategy in 2021. The goal in the future is to continue to reduce CO₂ intensity by an average of at least 5% per year.

A core element of the new CO₂ strategy is its integration into all relevant business processes. In addition to improved transparency, a focus is being placed on the measurability and direct responsibility of management and employees by means of short-term and medium-term goals. The annual achievement of objectives regarding CO₂ reduction is now relevant to bonuses for the some 220 members of Group management as well as employees in Switzerland (a total of 1,500 employees). In order to integrate the CO₂-reducing activities into the business processes in the best possible manner, an internal CO₂ pricing has now been introduced together with the annual definition

of an internal CO₂ reference price, which serves as a basis for deciding on investments in measures to reduce the amount of energy used or CO₂ emissions. This is in addition to rolling medium-term planning for the CO₂ emissions at all major plants.

A leader in sustainability in the branch

In addition to climate change mitigation, we are also pushing forward with numerous other sustainability topics. This is demonstrated among others by our Platinum rating on the EcoVadis platform, which is an important sustainability rating for suppliers. Geberit wants to further expand on its leading role in sustainability in the sanitary industry. We also make a contribution to the UN 2030 Agenda for Sustainable Development, focussing on four of the 17 Sustainable Development Goals. We have been a member of the UN Global Compact since 2008 and are engaged in the area of environmental protection, responsible labour practices, human rights and the prevention of corruption both within the company itself and in our supply chain.

Our products are the key element in our value chain. Here, we promote closed material cycles and have been following the eco-design approach consistently since 2007. Eco-design is vital in allowing us to control the important environmental impacts of our products when selecting materials and during use. Since 2007, this systematic approach has been used in more than 170 product developments.

Focus on employees and targeted social responsibility

Another of our responsibilities – particularly during the current COVID-19 crisis – relates to the occupational health and safety of our employees. Further progress was seen here during the reporting year, with an 11% reduction in both accident frequency and severity. An employee survey carried out in the reporting year showed high levels of motivation and loyalty among our staff that far exceed the average scores achieved by other industrial companies. Furthermore, an equal pay analysis conducted by PwC in Switzerland confirmed that equal pay between female and male employees is upheld.

Added to this is our social responsibility, which we fulfil in a number of ways. This includes commissioning workshops for disabled persons on a regular basis. In the reporting year, orders amounted to CHF 10 million and gave around 550 people meaningful work.



Christian Buhl
CEO

Sustainability

Materiality analysis

Materiality analysis

A review of the materiality analysis was carried out as part of the switchover to the GRI Standards. Some topics were aggregated (as required by the GRI Standards) and further relevant topics added. Like in the sustainability strategy, all material topics are assigned to the categories People, Planet and Profit. In the People category, the occupational safety topic was expanded to include the health aspect. In the Planet category, the resources topic was expanded to include the circular economy aspect. In the Profit category, the topics product management and innovation, quality as well as production and digitalisation/BIM were added as material topics. Furthermore, the topic of data protection was identified as relevant in connection with the introduction of the EU's General Data Protection Regulation (GDPR). This enabled a high degree of consensus on the selection of material topics with the key approaches in the corporate and sustainability strategy to be achieved.

The current materiality analysis was reviewed and approved by an external stakeholder panel in September 2020.

Material aspects are deemed material if they are significant from the internal perspective of the company and/or the external perspective of stakeholders.

People					
Employees			Society		
Employment	Occupational health and safety	Training and education	Anti-corruption	Anti-competitive behaviour	Regional employer
Diversity and equal opportunity	Non-discrimination	Freedom of association	Indirect economic impacts	Human rights, child and forced labour	Social responsibility
Planet					
Environment					
Resources and circular economy	Energy	Water	CO ₂ and other emissions	Waste water and waste	Environmental compliance
Profit					
Products and Innovation			Operations		
Product management and innovation	Quality	Product compliance	Procurement	Production	Logistics
Customers				Economy	
Customer relations	Customer health and safety	Marketing and labelling	Digitalisation / BIM	Data protection	Economic performance

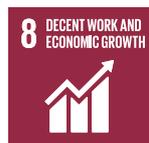
Sustainability

Sustainability strategy

Sustainability strategy

For Geberit, sustainability means being oriented towards the future as well as operating and being successful over the long term. A long-term orientation means striking a balance between economic, environmental and social aspects in all decision-making processes. In addition to sustained high profitability, value is simultaneously created for many other stakeholders: innovative, design-oriented and sustainable products; training and education of plumbers, sanitary engineers and architects; the smallest possible environmental footprint along the entire value chain; production plants with prospects for employees in numerous regions; a cooperation with suppliers and business partners that is based on fairness; and leadership for sustainable development in the sanitary industry. The → [graphic below](#) shows how Geberit implements integrated sustainability and thus creates value. The vision of achieving sustained improvement in the quality of people’s lives with innovative sanitary products represents the starting point. To bring this vision to fruition, Geberit continuously refines its products, systems and services and sets new standards as a market leader in the area of sanitary products. Values such as integrity, team spirit, enthusiasm, modesty and an ability to embrace change are core factors. The long-term core strategy is based on four pillars: Focus on sanitary products, Commitment to design and innovation, Selective geographic expansion and Continuous optimisation of business processes. This strategy is implemented on the basis of six growth and earnings drivers. The sustainability strategy supplements the core strategy and the growth and earnings drivers with twelve concrete modules. These modules strengthen the business model and generate added value for various stakeholders in the areas People, Planet and Profit in a targeted manner. The results of these activities show the diverse added value in the three dimensions of sustainability. At the same time, the results contribute to the UN Sustainable Development Goals (SDGs) set out in the 2030 Agenda for Sustainable Development (see → [SDG Reporting](#)). Goal number 6 – “Clean Water and Sanitation” – and goal number 11 – “Sustainable Cities and Communities” – are a key focus for Geberit. However, significant contributions are also made when it comes to “Decent Work and Economic Growth” (goal number 8) and “Industry, Innovation and Infrastructure” (goal number 9). The modules of the sustainability strategy bundle current and future projects, initiatives and activities. Each module contains clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring.

People		Planet		Profit	
Employees & corporate culture	Health & safety	Resources & circular economy	Energy & CO ₂	Sustainable supply chain	Green production
Compliance & governance	Social responsibility	Water	Eco-design & sustainable products	Green logistics	Sustainable building



Employees & corporate culture



Geberit positions itself as an attractive employer and strives to offer jobs of the highest quality. Geberit supports disadvantaged employees and apprentices.

Important facts and achievements 2021

- Group-wide roll-out of the revised valYOU performance management process for white collar employees and pilot phase for blue collar employees, combined with a training course for managerial staff.
- Potentials Management Programme for talented prospects within the company. Establishment and development of management, methodological and social skills in preparing for the next career step.
- Operations Development Programme (ODP) for talented internal and external prospects in Operations.
- Promotion of decentralised collaborations with universities, plus active participation in the international UNITECH and BEST networks.
- Development programme for over 100 regional sales managers from European sales companies based on standardised management principles and instruments.
- Employment of 278 apprentices with a transfer rate to a permanent employment relationship of 85%.
- Group-wide employee survey with good to very good results overall. Derivation of suitable measures at the local companies.
- Execution of an equal pay analysis conducted by PwC in Switzerland confirming that equal pay between female and male employees is upheld.

Outlook for 2022 to 2024

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

Health & safety



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

Important facts and achievements 2021

- Global certification of all production plants and central logistics in accordance with ISO 45001 (occupational health and safety).
- Exchange of best practices and accident analyses encouraged.
- Decrease in the accident frequency rate (AFR) by 11.2% to 7.9 (accidents per million working hours) and in the accident severity rate (ASR) by 11.1% to 152.8 (days lost per million working hours). The absenteeism rate due to accidents and illness was 4.71%.
- Increased occupational health and safety and ergonomics as part of the continuous optimisation and modernisation of processes and systems, by replacement of hazardous substances, by reduction of noise emissions and by the use of robots and lifting aids.
- The comprehensive "Vital" healthcare programme is offered at six locations, which represent around 40% of the entire workforce.
- Start of an eLearning programme to raise awareness of behaviour-related accidents.
- Implementation of the action plan for reducing quartz dust, including measurements and monitoring of targets in the ceramics plants.
- Final roll-out of the software for capturing and monitoring accident data.

Outlook for 2022 to 2024

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

Compliance & governance



Geberit complies with all laws, guidelines, norms and standards. Geberit checks the effectiveness of its internal monitoring systems and guidelines and implements appropriate measures in the event of misconduct.

Important facts and achievements 2021

- The review of adherence to the Geberit Code of Conduct in all organisational units and in interviews conducted by the Internal Audit Department with managing directors on topics from the Code of Conduct resulted in the discovery of no significant breaches.
- Two incidents were reported via the Geberit Integrity Line for employees, and no incident was reported via the Integrity Line for suppliers.
- Processing of enquires from various countries on the permissibility of marketing and sales campaigns under antitrust legislation.
- Revision of the eLearning programme on antitrust legislation at sales companies outside Europe. Comprehensive training activities and execution of numerous internal audits in the area of antitrust legislation.
- Further expansion of data-protection compliance, comprehensive training activities, execution of numerous internal audits, plus external auditing.
- Execution of an external audit of the Geberit compliance organisation by KPMG focusing on antitrust legislation, corruption, product liability, employee rights and sustainability, with good results achieved overall.

Outlook for 2022 to 2024

- Roll-out of the eLearning programme on antitrust legislation for markets outside Europe.
- Regular training activities and execution of audits in the area of antitrust legislation in collaboration with the Internal Audit Department.
- Further development of data-protection compliance, regular training activities and execution of audits in collaboration with the Internal Audit Department.
- Further roll-out of the EHS compliance tool in production plants and logistics in Europe.

Social responsibility



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

Important facts and achievements 2021

- Geberit employees contributed 1,650 hours of charitable work as part of social projects.
- Partnership with the Swiss development organisation Helvetas on the topic of drinking water and sanitary facilities in developing countries.
- A social project was carried out in Ukraine with eight Geberit apprentices. Renovation and new construction of sanitary facilities at a vocational school and student hall of residence.
- Workshops for disabled persons were commissioned with simple assembly and packaging work totalling CHF 9.7 million, thus giving around 550 people meaningful work.
- Reuse of ceramic products that are no longer required in various social institutions in Moldova.

Outlook for 2022 to 2024

- Performance of a volunteering project in Nepal with Polish employees in collaboration with Helvetas.
- Implementation of a social project in Turkey with apprentices.
- Review of the effectiveness of social projects two to three years after their implementation.

Resources & circular economy



Geberit conserves natural resources and practises the circular economy along the value chain.

Important facts and achievements 2021

- The absolute environmental impact increased by 4.0%, while the environmental impact in relation to currency-adjusted net sales (eco-efficiency) was reduced by 9.3%. This figure is clearly above the target of 5% per year.
- Global certification of all production plants and central logistics in accordance with ISO 14001 (environment). Renewal of the Group certificate with validity until 2024.
- The number of hazardous substances used in the production plants was reduced by 3%.
- Internal recycling of around 10,000 tonnes of plastic waste from production, with 957 tonnes of high-quality ABS regranulate and 4.2 tonnes of PP regranulate used.
- Participation in Operation Clean Sweep to prevent the pollution of the environment with plastic pellets.
- Resource efficiency was improved in ceramic production by 6.1% to 0.45 kg waste/kg ceramic. 13.1% improvement since 2018, thus exceeding the three-year target (10%).

Outlook for 2022 to 2024

- Improvement of eco-efficiency by 5% per year.
- Reduction of hazardous substances in production plants by 5% per year.
- Search for further high-quality plastic regranulates.
- Identification of ways in which to close internal material cycles and make production waste useful as secondary materials.
- Participation in TEPPFA study on the overall consideration of environmental aspects in the plastic pipe industry.
- Reduction of scrap rate and improvement of resource efficiency in ceramic production by a further 10% from 2021 to 2024 to 0.4 kg waste/kg ceramic.

Energy & CO₂



Geberit actively contributes to climate change mitigation and consequently reduces its energy consumption and CO₂ emissions.

Important facts and achievements 2021

- Increase of absolute CO₂ emissions (Scopes 1 and 2) by 5.1% to 217,009 tonnes, and reduction of CO₂ emissions in relation to currency-adjusted net sales (CO₂ intensity) by 8.4%.
- Improvement in CO₂ intensity of 38.3% since the acquisition of the ceramics business, meaning the target for 2021 was exceeded.
- The volume of purchased green electricity increased by 17 GWh to 85 GWh. Renewable energy sources accounted for 49.5% of electricity and 5.0% of combustibles.
- 4.0 GWh of green electricity was produced in Givisiez (CH) and Pfullendorf (DE).
- Addition of a PV installation on the logistics building in Alsager (UK), plus replacement of existing lighting with LED technology.
- Five German production plants received ISO 50001 certification (energy).
- Update to the CO₂ strategy with comprehensive targets and measures, introduction of an internal CO₂ reference price and establishment in the bonus matrix.

Outlook for 2022 to 2024

- Same improvement in CO₂ intensity as for eco-efficiency by 5% per year in the medium term.
- Reduction of absolute CO₂ emissions (Scopes 1 and 2) by 47% between 2015 and 2035 to 136,000 tonnes (organic, according to SBTi WB2D).
- Introduction of an energy/CO₂ master plan at the plants with the largest carbon footprint (including ceramics plants).
- Evaluation of technologies for carbon-neutral ceramics production.
- Project for reusing ceramic waste for new products.
- Purchase of an additional 20 GWh of certified green electricity in Poland and Germany.
- Fuel-reduction plan for new vehicles and promotion of electromobility.

Water



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

Important facts and achievements 2021

- Almost 100% of the water consumed by Geberit can be attributed to the product usage phase.
- Since 1998, some 38,210 million m³ of water has been saved to date through the use of water-saving flushing systems. In 2021 alone, the water saved amounted to 3,590 million m³.
- Water consumption in ceramic production reduced by 9.5% to 5.9 l/kg ceramic. 10.3% improvement since 2018, thus exceeding the three-year target (5%).

Outlook for 2022 to 2024

- Registration of additional water-saving products in accordance with the European water label.
- Reduction of the amount of water consumed in ceramic production by a further 5% from 2021 to 2024 to 5.6 l/kg ceramic.

Eco-design & sustainable products



During the development process, Geberit products are optimised with regard to their environmental friendliness, resource efficiency, recyclability and durability. Environmental aspects are already considered during technology development.

Important facts and achievements 2021

- Over 170 eco-design workshops have been held in product development since 2007.
- A wide range of product improvements has been made with regard to environmental friendliness:
 - Further roll-out of the Geberit iCon toilet range with Rimfree Plus technology and new flush valve type 212, with optimal setting of the flush volume and very good flush performance.
 - New fill and flush valves for floor-standing WCs in the Nordic markets, with flush volumes of 4/2 litres and the share of plastic regranulate used exceeding 50%.
 - New Geberit FlowFit drinking water system: hydraulically optimised, ergonomically enhanced, halogen-free and with a system for returning used protective caps and pressing indicators.

Outlook for 2022 to 2024

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

Sustainable supply chain



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

Important facts and achievements 2021

- The Code of Conduct was signed by 2,568 suppliers. This equates to over 90% of the total procurement value. No incidents were reported via the Integrity Line for suppliers.
- EHS (Environment, Health and Safety) audits were conducted and tracked, particularly in the highest sustainability risk category. This comprises 171 suppliers (some 8% of the procurement value).
- The supplier sustainability risk matrix was updated, with five third-party EHS audits carried out at suppliers in China.
- Regular training on procurement and sustainability at the sales organisation. Participation in a working group of the UN Global Compact on sustainable supply chains.
- Revised purchasing strategy focusing on the total value of ownership, plus a holistic assessment of suppliers, including sustainability aspects.

Outlook for 2022 to 2024

- All new suppliers have to sign the Code of Conduct.
- Further EHS audits of suppliers are to be carried out by Geberit and external partners, with the corrective measures being checked.
- Analysis of existing and new laws on supply chains in Europe together with the derivation of suitable measures.
- Integration of EHS audits in the newly developed internal audit tool.
- More intensive collaboration with suppliers in the area of sustainability and CO₂.

Green production



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

Important facts and achievements 2021

- Closure of three smaller plants in Daishan (CN), Elyria (US) and Dymmer (UA). Expansion of logistics in Pune (IN) and preparatory work for the construction of a new production hall in Lichtenstein (DE).
- 209 injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) and commissioning of a fifth fully electrical blow-moulding machine.
- Process optimisation in the production of welded Mapress Stainless Steel fittings in order to improve efficiency, quality, waste and ergonomics, while also simultaneously reducing pickling step by step.
- Manufacture of a WC seat and lid using recyclable thermoplastics instead of non-recyclable duroplast plastics in Pfullendorf (DE).
- Replacement of conventional plaster casting systems with modern high-pressure casting systems in Kolo (PL) and Slavuta (UA) in order to increase efficiency, improve ergonomics and reduce raw material consumption and plaster waste.

Outlook for 2022 to 2024

- Further increase in the number of injection moulding machines with energy-efficient drive technology from 209 to 239. Commissioning of a sixth fully electrical blow-moulding machine.
- Continued process optimisation in the production of welded and straight Mapress fittings.
- Replacement of existing systems with the latest generation of WC high-pressure casting systems in Ekenäs (FI) in order to increase efficiency while simultaneously reducing energy and water consumption.
- Modernisation of raw material processing, including the installation of silos and conveyor systems and automatic dosing in order to increase efficiency and reduce dust emissions.
- Step-by-step automation of the glazing process in Carregado (PT) in order to increase efficiency, improve ergonomics and reduce raw material consumption.

Green logistics



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

Important facts and achievements 2021

- The transport service providers handled 672.3 million tkm, which was up on the previous year (528.6 million tkm) mainly due to sales growth, an increase in deliveries to far-away countries and adjustments in data collection. This resulted in CO₂ emissions of 77,292 tonnes (previous year 61,653 tonnes).
- Increased share of state-of-the-art Euro 6 trucks at 82% (previous year 73%).
- Four trucks powered by natural gas in operation between Jona (CH) and Pfullendorf (DE) and on other routes.
- The optimised calculation and better utilisation of freight capacity as well as the bundling of long-goods deliveries reduced the number of trips required. Around 325 truck journeys were saved thanks to the double stacking of cisterns for major customer deliveries in Germany.
- The eco-efficiency of logistics (environmental impact per tkm) has improved by 31% since 2015.
- The ongoing reduction of the amount of packaging saves resources and reduces the environmental impact.

Outlook for 2022 to 2024

- Further optimisation of loading capacity through scheduling and organisational changes as well as the use of larger shipping containers.
- More intensive use of Euro 6 vehicles.
- Identification of suitable alternative drive technologies for trucks as part of a pilot project with a transport service provider.
- Optimisation of packaging quantities taking into account the optimal protection and transportability of the products.

Sustainable building



Geberit has in-depth expertise in the fields of water conservation, quality of drinking water, sound insulation, hygiene and cleanliness. Geberit is the leading partner in the planning and implementation of first-class sanitary solutions for sustainable building.

Important facts and achievements 2021

- A broad range of Geberit products that help with the implementation of sustainable building concepts and standards such as LEED, BREEAM, DGNB and Minergie.
- Member of various sustainable building associations in CH, DE, ES, US and AU.
- Over 95% of bathroom furniture of the Geberit brand and all new bathroom furniture is FSCTM certified (FSC-C134279).
- Two new Environmental Product Declarations created for Geberit Mapress pipes and fittings in accordance with the EN 15804 standard. In total, products with an EPD account for 23% of Group sales.
- With 76 out of 100 points, Geberit attained Platinum status as a supplier on the EcoVadis platform for sustainable supply chains for the second year running.
- BIM product data available for the entire Geberit range, with the Revit plug-in already downloaded over 6,500 times.

Outlook for 2022 to 2024

- Training and development of expertise in the field of sustainable building at the sales companies.
- 100% of bathroom furniture of the Geberit brand and over 80% of the remaining bathroom furniture is FSCTM certified (FSC-C134279).
- Creation of further Environmental Product Declarations and simplification of the creation process.
- More systematic recording of environmentally relevant product data, i.e. for BIM.

Sustainability

Sustainability performance report

1. Introduction

Geberit's sustainability reporting is fully integrated in the online Annual Report, as it has been for some years. The company's systematic and transparent communication on the subject of sustainability is addressed to a range of target groups, including customers and partners, investors, the general public and company employees. Overall, Geberit thus wishes to demonstrate to its stakeholders and shareholders the many and sustainable ways in which it creates added value. To this end, information is made available at different levels:

- [→ CEO statement on sustainability](#)
- [→ Sustainability at a glance](#)
- [→ Business and financial review](#) as part of the Annual Report with supplementary chapters on [→ Employees](#), [→ Customers](#), [→ Innovation](#), [→ Production](#), [→ Procurement and logistics](#), [→ Sustainability](#), [→ New CO₂ strategy](#), [→ Compliance](#) and [→ Social Responsibility](#)
- [→ Materiality analysis](#)
- [→ Sustainability strategy](#) with objectives, measures and results
- [→ Key figures sustainability](#)
- [→ SDG Reporting](#)
- [→ Communication on Progress UNGC](#)

Since 2006, a sustainability performance report has been presented annually in accordance with the guidelines of the Global Reporting Initiative (GRI). In this reporting year, Geberit has once again implemented the "Comprehensive" option of the GRI Standards. As part of the Materiality Disclosures Service, the GRI inspected whether the GRI Content Index is clearly presented and the references for disclosures GRI 102-40 to GRI 102-49 match the corresponding parts of the report. The successful inspection is indicated by the GRI label in the [→ GRI Content Index](#). The Report is available in German and English. The German version is binding. A [→ SASB Content Index](#) was also created for the second time in succession for this reporting year.

As prescribed by the GRI, a [→ Materiality analysis](#) based on the aspects defined by the GRI was the strategic starting point. In 2020, Geberit consulted an [→ external Stakeholder Panel](#) for the fifth time. Its mandate consisted of providing feedback on the materiality analysis, sustainability performance, sustainability strategy and sustainability communication as well as on relevant opportunities and risks associated with climate change. The external panel summarised the results in a panel statement. The response from Geberit to the panel statement illustrates how the recommendations are being taken into consideration in the further development of the sustainability strategy and reporting. The next stakeholder panel is planned for 2022.

2. Strategy and Analysis

GRI 102-14 CEO statement on sustainability

For the statement of Christian Buhl (CEO), see → [CEO statement on sustainability](#).

GRI 102-15 Key impacts, risks and opportunities

For Geberit, sustainability means bringing about a sustained improvement in people's standard of living through innovative sanitary products and thereby generating long-term added value for customers, society and investors. This means striking a balance in decision-making processes between economic, environmental and social aspects. One focal point of Geberit involves identifying important technological and social trends in good time in dialogue with stakeholders and developing suitable products and services for customers that also generate added value for other stakeholders. The long-term orientation minimises risks for business development that are not only of a purely financial nature but arise from social developments and environmental challenges, such as climate change and water scarcity.

Geberit has a long commitment to sustainability and has thus followed a long-term environmental and sustainability strategy since 1990 that includes both ongoing and future projects, initiatives and activities. Each module in the strategy contains clear responsibilities with measurable objectives, derived measures and quantifiable key figures for effective monitoring. The → [Materiality analysis](#), which is used as a basis for the established → [Sustainability strategy](#) and was carried out in 2016 based on the GRI Standards (2016), prioritises the key topics for Geberit and simultaneously highlights the areas in which added value for stakeholders is created. These are as follows:

- resource-efficient and sustainable sanitary systems for water management in buildings,
- water-saving and sustainable products,
- environmentally friendly and resource-efficient production,
- comprehensive, measurable climate change mitigation that is geared towards implementation,
- a supply chain and logistics which satisfy high environmental and ethical standards,
- good and safe working conditions for all employees.

Social responsibility is realised among other things within the scope of diverse, local activities for inclusive jobs and global social projects relating to the core competencies of water and sanitary facilities.

When providing information on its commitment to sustainability, Geberit also relies on the requirements of established rating agencies. In this way, Geberit serves the growing needs of customers, suppliers, investors and other stakeholders for transparency and comparability, with the

rapidly increasing number of reporting standards and ratings making a focus increasingly necessary. Various awards and rankings serve to confirm Geberit's role as a leader in sustainability in various stakeholder groups' perceptions. For example, Geberit attained Platinum status on the EcoVadis platform for sustainable supply chains for the second year running in the reporting year.

The UN Sustainable Development Goals (SDGs) define concrete targets for 17 different themes, which the states are required to implement by 2030. Integration of the economy plays a pivotal role in implementing these targets and indicators. As a result, major opportunities with growth potential are also arising for companies geared towards sustainable products and services – such as Geberit. In accordance with the assessment of the external Stakeholder Panel, Geberit sees its contribution above all in four UN Sustainable Development Goals. The contributions to goal number 6 "Ensure the availability and sustainable management of water and sanitation for all", number 8 "Promote sustainable economic growth, employment and decent work for all", number 9 "Build resilient infrastructure, promote sustainable industrialisation and foster innovation" and number 11 "Make cities safe, resilient and sustainable" are included in the [→ SDG Reporting](#) from Geberit. The major economic, environmental and social effects of Geberit's operations also lie in these four areas.

Geberit combats risks posed by increasing regulation and changing framework conditions with an effective [→ compliance system](#) that focuses on compliance in the key topic areas of antitrust legislation, corruption, data protection, product liability, fundamental employee rights, and environment, health and safety. Risks associated with climate change are integrated in risk management. Reporting on how climate risks are dealt with is gradually being expanded, see [→ GRI 201-2](#).

3. Organisational Profile

GRI 102-1 Name of the organisation

Geberit Group

GRI 102-2 Activities, brands, products and services

Geberit offers customers high-quality sanitary products for applications in private residential construction and public buildings. The products are used in both renovation projects and new buildings.

The product area Installation and Flushing Systems comprises all sanitary installation technology plus a broad range of flushing systems for toilets including cisterns and fittings. The product area Piping Systems includes building drainage and supply systems and comprises all piping technology found in buildings for drinking water, heating, gas and other media. The Bathroom Systems product area comprises virtually all relevant furnishings in a bathroom such as bathroom ceramics, furniture, showers, bathtubs, taps and controls and shower toilets.

For further information on the product range, see → www.geberit.com > Products > Product portfolio.

For net sales by product areas in 2021, see → [Business Report > Business and financial review > Financial Year 2021 > Net sales](#).

GRI 102-3 Location of headquarters

The Geberit Group has its headquarters in Rapperswil-Jona (CH).

GRI 102-4 Location of operations

Geberit has its own representatives in 52 countries. The products are sold in 118 countries throughout the world. The Geberit Group operated 26 plants at the end of the reporting year, 22 of which are located in Europe, two in the US, one in China and one in India. Logistics consists of a central logistics centre in Pfullendorf (DE) for installation and flushing systems and piping systems as well as a network of 13 European distribution sites for ceramic appliances and bathroom furniture. For a list of the countries in which Geberit operates, see → [Financials > Consolidated financial statements Geberit Group > Notes > Note 32](#).

GRI 102-5 Ownership and legal form

Geberit AG, the parent company of the Geberit Group, is a stock corporation (AG) under Swiss law, see also → [Business Report > Corporate Governance > Group structure and shareholders](#).

GRI 102-6 Markets served

In terms of market cultivation, Geberit relies on a three-stage distribution channel, see also → [Business Report > Business and financial review > Financial Year 2021 > Customers](#). The vast majority of products are distributed via the wholesale trade. Dealerships then sell them to plumbers and present them at exhibitions and other events where end customers can gain information. At the same time, Geberit provides plumbers and sanitary engineers with intensive support through training and advice. This leads to increased demand for Geberit products from wholesalers. For net sales by markets/regions as well as by product areas, see → [Business Report > Business and financial review > Financial Year 2021 > Net sales](#).

GRI 102-7 Scale of the reporting organisation

The Geberit Group's market capitalisation reached CHF 26.7 billion at the end of 2021 (previous year CHF 20.5 billion). For the consolidated balance sheet with details of current assets, non-current assets, equity and liabilities, see → [Financials > Consolidated financial statements Geberit Group > Balance Sheet](#). In 2021, net sales amounted to CHF 3,460 million (previous year CHF 2,986 million). At the end of 2021, the Group had 11,809 employees. For the number of business sites, see → [GRI 102-4](#).

GRI 102-8 Composition of the workforce

At the end of 2021, the Geberit Group employed 11,809 staff worldwide (previous year 11,569 employees), equivalent to an increase of 240 employees or 2.1% compared to the previous year. This increase was due to – mainly temporary – capacity adjustments in production and logistics, which were necessary for handling the high demand, as well as – to a lesser extent – the expansion in research and development. The closure of three smaller production plants had a reducing effect. For key figures and further information on the workforce by employment type, employment contract, region and gender, see → [Key figures sustainability > Employees and society](#).

GRI 102-10 Structural changes

In the reporting year, three smaller production plants were closed in Daishan (CN), Elyria (US) and Dymmer (UA) and the production capacities were mainly relocated to other Geberit production plants to

simplify processes and improve efficiency, see → [Business and financial review > Production and Financials > Consolidated financial statements Geberit Group > Notes > Note 2.](#)

GRI 102-11 Consideration of the precautionary approach

The precautionary approach plays an important role for Geberit as a production company. This approach is described in the → [Geberit Code of Conduct.](#)

The Geberit Group has a → [Group certificate](#) in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2024. All production plants, central logistics, and the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with these three standards. In addition, five German plants are certified according to ISO 50001 (energy) and nine sales companies according to ISO 9001 (quality). An audit tool developed in 2020 was successfully implemented in the reporting year. It enables the digital management of internal and external audits and provides an overview of the measures and their implementation status as part of the process improvement. The Group-wide availability of the platform makes it easier to share best practices.

The new CO₂ strategy is a continuation of the successfully implemented strategy 2015-2021. The goal in the future is to continue to reduce CO₂ intensity by an average of 5% per year. As such, Geberit is looking to achieve a long-term reduction in absolute CO₂ emissions from 217,009 tonnes in 2021 to 136,000 tonnes by 2035. In comparison with the reference year 2015, relative CO₂ emissions are to be reduced by 70% by 2030 and by 80% by 2035, while absolute CO₂ emissions are envisaged to fall by 39% by 2030 and by 47% by 2035, see also → [9. Planet.](#)

In the area of occupational safety, the aim is to halve the frequency and severity of accidents by 2025 based on the reference year 2015, see also → [Key figures Employees and society.](#)

The Geberit Production System (GPS) is implemented at all plants. Best-practice standards in production are uniformly implemented using methods such as SMED (Single Minute Exchange of Dies), TPM (Total Production Maintenance), 5S (Workplace Organisation Methodology) and CIP (Continuous Improvement Process).

An extensive system for the control and management of all risks involved in business activities is in place throughout the Group. For further information, see → [Business Report > Corporate Governance > Board of Directors > Information and control instruments vis-à-vis the Group Executive Board.](#)

GRI 102-12 External initiatives

In 2017, Geberit was involved in establishing a new platform for the European sanitary industry – the European Bathroom Forum (EBF). One of the first tasks was the launch of a new European water label as a voluntary and flexible instrument to support customers in the selection of resource-efficient products. This aims to help achieve the EU targets for resource efficiency. Furthermore, Geberit has

been a member of the Operation Clean Sweep initiative since 2020 with the aim of preventing pollution of the environment with plastic pellets from production.

GRI 102-13 Membership of associations

Geberit is involved in various associations and organisations that make a contribution toward sustainability. In addition, various Geberit companies are members of national associations on topics such as sustainable building, environmentally friendly production, energy, waste management and employee protection.

The company has been a member of the Transparency International organisation since June 2000 and supports its objectives for combating corruption. Since 2000, Geberit has also been an active member of TEPPFA, the European organisation for plastic pipes and fittings, where the topics of sustainability and circular economy are central. Since 2006, Geberit has voluntarily applied the comprehensive guidelines of the Global Reporting Initiative (GRI) for sustainability reporting and has thereby made an active contribution towards ensuring transparency and comparability in this reporting. Geberit has also been a formal member of the UN Global Compact since October 2008 and was a founding member of the local Swiss network in 2011. Geberit has been a member of the non-profit organisation Swiss Water Partnership since 2012. This platform seeks to bring together all those involved in the topic of water supply (from academic, economic as well as public and private spheres) to collectively address future challenges and promote international dialogue on water. Furthermore, Geberit has been a member of Cerame-Unie, the European Ceramic Industry Association, since the acquisition of the ceramics business in 2015. As is the case with TEPPFA, the subject of sustainability is also a central element in this association. A strategy paper was drawn up in the reporting year on subjects including CO₂, illustrating how CO₂-neutral production might be achieved.

4. Ethics and Integrity

GRI 102-16 Values, directives, standards and codes of conduct

Compliance at Geberit does not just mean adhering to applicable laws and regulations in the relevant areas, but also includes guidelines for social, economic and environmental responsibility. High ethical and social standards are defined and Geberit commits to sustainability and integrity. Compliance within the company is based on the [→ Geberit Compass](#), the [→ Geberit Code of Conduct for Employees](#) introduced in 2007 and last revised in 2018, and the [→ Code of Conduct for Suppliers](#).

A decentralised compliance organisation and a consistently implemented compliance programme in all relevant risk areas form the basis of the high-quality compliance standards at Geberit. The main compliance activities for Geberit encompass the areas antitrust legislation ([→ GRI 206](#)), corruption ([→ GRI 205](#)), data protection ([→ GRI 418](#)), product liability ([→ GRI 416](#), [→ GRI 417](#)), fundamental employee rights ([→ Communication on Progress Principles UNGC 1-6](#)) as well as environment, health and safety ([→ GRI 307](#), [→ GRI 403](#)). For details, see [→ Business Report > Business and financial review > Financial Year 2021 > Compliance](#).

Other specific guidelines that are important to Geberit are:

- [→ Geberit policy on occupational health and safety, environment and energy](#)
- [→ Geberit Code of Conduct for Business Partners](#)
- Geberit antitrust legislation guidelines
- [→ Geberit compliance commitment for contractors](#)
- UN Guiding Principles on Business and Human Rights

GRI 102-17 Ethical advice and concerns

Geberit has established an effective compliance system to ensure that its conduct is both ethical and legally compliant ([→ GRI 102-16](#)). It is of utmost importance to Geberit that the Geberit Code of Conduct is adhered to by the employees. It forms the basis for daily work in a constantly changing international environment. It is expected that all employees are familiar with and understand this Code of Conduct and act accordingly without exception. A comprehensive review on compliance with the Code of Conduct takes place as part of the annual reporting. All companies receive over 60 questions on the above-mentioned key topics. In addition, on-site audits are performed by the Internal Audit Department. These also comprise special interviews with the managing directors of the individual companies on the topics mentioned in the Code of Conduct. The findings from the survey and audits form the basis for the annual Compliance Report submitted to the Board of Directors and Group

Executive Board and are published in accordance with the guidelines of the GRI in this report. Non-compliance with the Code of Conduct will be systematically sanctioned.

Employees who openly address actions and circumstances which represent breaches of applicable law, ethical standards or the Code of Conduct are acting correctly and in accordance with the Geberit Code of Conduct. As a general rule, employees should first seek a personal meeting with their supervisor. Alternatively or additionally, all employees can also report incidents via the Geberit Integrity Line. This whistleblower hotline makes it possible for employees to report compliance-relevant misconduct and/or legal violations anonymously, and is available around the clock seven days a week, in all relevant languages. The Integrity Line is operated by an external company with experience in this area. Two cases related to management behaviour were recorded by the Integrity Line for employees in the reporting year. Both cases are being investigated.

Geberit expects the business activity of its partners along the value chain to be correct in every respect. Geberit has defined the mandatory central requirements for its suppliers and business partners in a Code of Conduct for Suppliers and a Code of Conduct for Business Partners. Among other aspects, these documents focus on the areas of human rights (including child and forced labour), occupational health and safety, pay, environmental protection as well as integrity (including bribery and corruption). Since 2017, an Integrity Line has also been available to suppliers for anonymously reporting irregularities in the procurement process or non-compliance with the Code of Conduct for Suppliers. There were no reports from suppliers in the reporting year.

5. Governance

GRI 102-18 Governance structure

The Board of Directors determines the strategic objectives and the general resources for achieving these, and decides on major business transactions. For details about the internal organisation of the Board of Directors and its committees, see [→ Business Report > Corporate Governance > Board of Directors > Internal organisational structure](#).

The operating management structure of Geberit is broken down into six Group Executive Areas:

- CEO Division
- Sales Europe
- Sales International
- Marketing & Brands
- Products & Operations
- Finance

The assignment of clearly distinguished responsibilities minimises the number of interfaces. For more details about the organisational structure, see [→ Business Report > Management structure](#).

GRI 102-19 Delegation of authority on economic, environmental and social matters

The Board of Directors determines the strategy. This includes the corporate strategy, see [→ Business Report > Business and financial review > Strategy and goals > Strategy and the → Sustainability strategy](#). To the extent legally permissible and in accordance with the Organisational Regulations, the Board of Directors has assigned the operational management and the implementation of the strategy to the Chief Executive Officer. Within the operational management structure, responsibility for specific economic, environmental and social issues is delegated further, see [→ Business Report > Management structure](#).

At every meeting, the members of the Group Executive Board inform the Board of Directors of current business developments and major business transactions of the Group or Group companies. Between meetings, the Board of Directors is comprehensively informed in writing about current business developments and the company's financial situation on a monthly basis.

GRI 102-20 Responsibility for economic, environmental and social matters

The Board of Directors determines the strategic objectives and the general resources for achieving these, and decides on major business transactions. Within the operational management structure, responsibility is determined for specific economic, environmental and social issues, see → [GRI 102-18](#). The responsible individuals report either directly to the CEO (including Corporate Human Resources, Corporate Communications and Investor Relations, Strategic Planning), or to other members of the Group Executive Board.

The way in which the topic of sustainability is approached has been further developed regularly within the company. For over 25 years, Geberit has had an Environment and Sustainability department, which has been reporting directly to the CEO for more than 15 years. Since 2020, this department has also been responsible for Group-wide process management as well as → [ISO certification](#). Among other things, it coordinates the further development of the sustainability strategy and related activities, although the responsibility for planning and implementation lies within the individual areas themselves.

GRI 102-21 Consultation process between stakeholders and the Board of Directors

The → [participatory rights of shareholders](#) are based on the → [Articles of Incorporation of Geberit AG](#).

The employee representatives of the European sites meet regularly with a member of the Group Executive Board and the Head Corporate Human Resources. Selected concerns can be addressed to the Board of Directors through this channel. There is no employee representative on the Board of Directors.

GRI 102-22 Composition of the highest governance body and its committees

At the end of 2021, the Board of Directors was composed of six non-executive, independent members. Albert M. Baehny is Chairman of the Board of Directors. The composition of the Board of Directors should reflect strategic requirements, the company's targets, geographical presence and corporate culture. The Board of Directors should be diverse in every respect, i.e. in terms of gender, nationality, geographical/regional experience and business experience. The members of the Board of Directors have in-depth knowledge in their respective fields. Together, they ensure that the Board of Directors has all the necessary expertise at its disposal. All of the committees formed by the Board of Directors are comprised exclusively of independent members. For further details, see → [Business Report > Corporate Governance > Board of Directors](#).

GRI 102-23 Separation of Chair of Board of Directors and Executive Management

Christian Buhl is Chief Executive Officer (CEO) and Albert M. Baehny is Chairman of the Board of Directors. For further details, see [→ Business Report > Corporate Governance > Board of Directors](#).

GRI 102-24 Nomination and selection process of the Board of Directors

The term of office for a member of the Board of Directors is one year and ends at the closing of the following ordinary General Meeting. Members of the Board of Directors are elected on an individual basis. Re-election is possible. For details, see [→ Business Report > Corporate Governance > Board of Directors > Elections and terms of office](#).

GRI 102-25 Processes in place for the Board of Directors to avoid conflicts of interest

Conflicts of interest are avoided via the [→ Regulations in the Articles of Incorporation concerning the number of permissible activities](#). The [→ Organisational Regulations of the Board of Directors](#) stipulate how conflicts of interest of members of the Board of Directors are avoided. The members of the Board of Directors are obliged to refrain from involvement in the handling of matters affecting either their personal interests or those of a company with which they have an affiliation. This obligation to refrain from involvement has no influence on the requirements for a quorum when passing resolutions. Business dealings between the company and governing bodies or related parties are subject to the principle of conclusion at conditions as with independent third parties.

GRI 102-26 Role of top management and Board of Directors in development of guiding principles and strategies

Geberit's long-standing success is based on the fact that the Board of Directors and the Group Executive Board pursue a long-term perspective. The Board of Directors and Group Executive Board have defined and adopted key mission statements and principles such as the [→ Geberit Compass](#) and the [→ Geberit Code of Conduct](#), see [→ GRI 102-16](#). The Board of Directors determines the corporate strategy. The sustainability strategy is examined and approved by the Board of Directors and the Group Executive Board, see [→ GRI 102-29](#).

GRI 102-27 Enhancement of top management's and Board of Directors' related know-how on economic, environmental and social issues

Internal business processes are designed to ensure continuous improvement and innovation. These values are closely associated with the Geberit brand. At the same time, stakeholder concerns are taken seriously, and the Group Executive Board and Board of Directors receive feedback and input for the continued development of the sustainability strategy from the external Stakeholder Panel, for example.

In compliance with the [→ Organisational Regulations](#), the Board of Directors undertakes at least one assessment of the way in which it works together every year. This includes an assessment of how well-informed the members of the Board of Directors are about the Group and its business performance.

GRI 102-28 Processes for evaluation of the sustainability performance of the Board of Directors

Geberit's long-standing success is based on the fact that the Board of Directors and the Group Executive Board pursue a long-term perspective, thus enabling the company to demonstrate its performance clearly in areas including sustainability. There is no formal procedure for assessing the performance of the Board of Directors from an integrated sustainability perspective. As part of the annual review of the sustainability strategy, findings are discussed and areas where action is needed are determined, see [→ GRI 102-29](#).

Geberit's remuneration policy states that remuneration programmes must be balanced between the reward of short-term success and long-term value creation. For information about the remuneration of the management bodies, see [→ Business Report > Remuneration Report](#).

From 2022, the achievement of objectives regarding the reduction of the relative CO₂ emissions (CO₂ intensity) has been integrated as an additional, equal fifth criterion in the bonus matrix for members of Group management as well as employees in Switzerland. This means the annual objectives for emissions are now relevant to bonuses for some 220 managers and a total of around 1,500 employees, see also [→ Business Report > Business and financial review > Financial Year 2021 > New CO₂ strategy](#).

GRI 102-29 Board level procedures for overseeing sustainability performance

The [→ Sustainability strategy](#) is examined and approved by the Board of Directors and the Group Executive Board. Results and the achievement of objectives are submitted to the Board of Directors and to the Group Executive Board for verification at least once annually. This also comprises the

→ Communication on Progress UN Global Compact and the Geberit Compliance Report, including the audit results with respect to the Code of Conduct. Key figures on energy and CO₂ are presented monthly and key figures on occupational safety quarterly to the Group Executive Board, and on a regular basis to the Board of Directors.

In 2020, Geberit consulted an → external Stakeholder Panel for the fifth time. Its mandate consisted of providing feedback on the materiality analysis, sustainability performance, sustainability strategy and sustainability communication as well as on relevant opportunities and risks associated with climate change. This input is used for the strategic review and continued development of the company. The next stakeholder panel is planned for 2022.

GRI 102-30 Effectiveness of the risk management process

The Geberit Group has a risk management system that is approved by the Board of Directors. The risk policy defines a structured process according to which the business risks, including sustainability and climate risks, are systematically addressed. In this process, the risks are identified, analysed and assessed in terms of their probability of occurrence and extent, and measures are then defined to control the risks. Operationally, the Group Executive Board is responsible for controlling risk management. In addition, responsible persons are designated in the company for significant individual risks; in the case of sustainability and climate risks, this is the Head Corporate Sustainability and Process Management. These responsible parties decide on specific actions for risk mitigation and monitor their implementation. Every other year, the Internal Audit Department issues a risk report for the attention of the Board of Directors. Significant risks are also constantly discussed in the meetings of the Group Executive Board and Board of Directors, which take place on a regular basis.

The risk management process involves the following steps:

1. Risk identification and classification: Systematic identification and assessment of the significant risks. These are discussed in depth every year by the Group Executive Board and the Board of Directors.
2. Risk analysis: Assessment of specific business risks and analysis of the changes since the last survey. The former is assessed with the probability of the risk occurring (PO), on a scale of improbable (1) to frequent (5). To scale the effects of a risk that has been identified, the scale of the impact of the risk event (IRE) when it occurs is used. The scale ranges from insignificant (1) to very critical (5). The risks are classified on the basis of the combined scores.
3. Risk management/checks: Instruments, measures and responsibilities are defined for each risk. These are checked at regular intervals.
4. Risk monitoring: Risk monitoring is part of regular reporting to the Group Executive Board and the Board of Directors, and is also part of the six-monthly risk assessment.

Risks associated with climate change are an integral part of the overall risks of the company and are therefore also taken into account in risk assessment.

For further information on risk management by Geberit, see → [Business Report > Business and financial review > Strategy and goals > Risk management](#).

For an overview of the Geberit compliance topics, see → [Business Report > Business and financial review > Financial Year 2021 > Compliance](#).

GRI 102-31 Frequency of review of impacts, risks and opportunities in the area of sustainability

The impacts, risks and opportunities are discussed and reviewed by the Board of Directors and the Group Executive Board annually in connection with the sustainability reporting and the sustainability strategy.

GRI 102-32 Review and approval of sustainability reporting

Sustainability reporting is examined and approved by the Board of Directors and Group Executive Board as part of the integrated annual report. In doing so, attention is paid that all material aspects are covered.

GRI 102-33 Procedures for communicating critical concerns to the Board

The Board of Directors is available at any time to address the concerns of stakeholders and shareholders.

GRI 102-34 Nature and total number of critical concerns communicated to the Board

Matters brought forward by shareholders within the context of the General Meeting are dealt with in accordance with the Articles of Incorporation. No matters were submitted directly to the Board of Directors outside the General Meeting in 2021.

GRI 102-35 Remuneration policies for the governance bodies

Geberit publishes a detailed annual → [Remuneration Report](#), which discloses the precise points of its remuneration policy. From 2022, the achievement of objectives regarding the reduction of the relative CO₂ emissions (CO₂ intensity) has been integrated as an additional, equal fifth criterion in the bonus matrix for members of Group management as well as employees in Switzerland.

GRI 102-36 Processes for determining remuneration

Geberit publishes a detailed annual → [Remuneration Report](#), which discloses the precise points of remuneration paid to the Board of Directors and Group Executive Board.

GRI 102-37 Stakeholders' involvement in decisions regarding remuneration

The remuneration to the Board of Directors and Group Executive Board disclosed in the detailed → [Remuneration Report](#) addresses the concerns of stakeholders and shareholders.

GRI 102-38 Ratio of annual remuneration paid

The ratio of the annual remuneration paid to the highest-paid employee to the average annual remuneration of all employees (excluding the highest-paid employee) was 25.5 in Switzerland, 5.6 in Germany, 3.8 in Austria and 5.7 in Italy.

GRI 102-39 Ratio of percentage increase in annual remuneration paid

The ratio of the percentage increase in annual remuneration (basic salary) paid to the highest-paid employee to the level of the percentage increase in annual remuneration for all employees (excluding the highest-paid employee) for 2021 cannot be reproduced as a figure. This is because the salaries of the highest-paid employees partly decreased or remained the same whereas the annual remuneration paid to the rest of the workforce slightly increased or also slightly decreased due to structural changes.

6. Stakeholder Engagement

GRI 102-40 Relevant stakeholder groups

Significant stakeholder groups for Geberit are customers, shareholders and analysts, the media, employees and trade unions, neighbours, municipalities and authorities, research institutes, suppliers, transport companies, associations, non-government organisations and the general public. For details on stakeholder engagement, see → [GRI 102-42](#).

GRI 102-41 Collective bargaining agreements

There are currently 10,090 employees (corresponding to 83% of the workforce) who are covered by collective agreements (e.g. collective labour agreements, wage agreements). In Germany, Austria, Switzerland, France, Italy, Finland, Sweden, Poland and Ukraine, over 90% of employees are subject to a collective labour or wage agreement. There are no collective agreements with employees in place in the USA and in China.

GRI 102-42 Identification and selection of stakeholders

A systematic guided dialogue with stakeholders helps Geberit to identify possible conflict issues and opportunities for further development and to respond to these in good time. On national and international levels, the Geberit Group and its local companies maintain relations with organisations and institutions in the respective countries that direct requests and suggestions to the company. The stakeholders listed under → [GRI 102-40](#) have been identified as important for systematic stakeholder dialogue as they fulfil at least one of two criteria: either the stakeholder group exerts a strong influence on the economic, environmental or social performance of Geberit and/or the stakeholder group is strongly affected by the economic, environmental or social performance of Geberit. An → [external Stakeholder Panel](#) helps Geberit to review its assessment of important stakeholder groups and their concerns.

GRI 102-43 Approaches to stakeholder engagement

In 2020, Geberit consulted an → [external Stakeholder Panel](#) for the fifth time. Its mandate consisted of providing feedback on the materiality analysis, sustainability performance, sustainability strategy and sustainability communication as well as on relevant opportunities and risks associated with climate change. The results are presented in the Panel Statement. The external review and the

recommendations contained therein are dealt with in detail in the response from Geberit to the Panel Statement. The next stakeholder panel is planned for 2022.

Based on the stakeholder analysis, Geberit identifies both potential for conflict and opportunities, and pursues a cooperative approach when it comes to discussing and further developing possible measures with the stakeholders concerned.

Engagement of stakeholders according to stakeholder group:

Customers:

- Technical advisors working in the field who are in daily contact with plumbers, sanitary engineers and architects.
- During the reporting year, around 36,000 professionals were trained on products, tools, software tools and installation skills at the 30 Geberit Information Centres in Europe and overseas and 29,000 people took part in a wide range of webinars and alternative training formats.
- Around 10,000 interested parties from more than 40 countries paid a virtual visit to the 300 m² hybrid booth at the Geberit Innovation Days. This “House of Geberit” replaced the trade fairs cancelled in the first half of 2021 due to COVID-19.
- Increased contacts over the phone and digital visit and meeting formats.
- Adaptation of the → [virtual showrooms](#) launched in the previous year to other markets to provide a good overview of the wide range of products and market-specific innovations in the form of short videos, graphics and links. The virtual showrooms currently in place in 13 markets were visited by a total of 24,000 customers in the reporting year.
- Since the reporting year, a new web-based application has been available to sanitary engineers and plumbers. It can be used to plan and calculate prewall constructions (GIS and Duofix systems).
- More than 6,500 downloads of the Building Information Modelling plug-in (BIM) by planning and engineering companies.
- Expansion of the end user campaign under the title “Better bathrooms, better lives” to 15 markets.
- Further expansion and intensification of the social media presence. The communities total 347,000 followers on Facebook, 136,000 on Instagram, 77,000 on YouTube, just short of 94,000 on LinkedIn, 17,000 on Twitter as well as 5,700 on Pinterest.
- 4.1 million e-newsletters sent.

For details, see → [Business Report > Business and financial review > Financial Year 2021 > Customers](#).

Shareholders and analysts:

- Shareholders have statutory → participatory rights.
- Regular telephone conferences, bilateral meetings, conferences and roadshows with the CEO, CFO and Head Corporate Communications and Investor Relations.

Media:

- Regular conference calls, bilateral meetings and interviews with the relevant media for Geberit.
- Sustainability topics and in particular Geberit's performance in this area play an important role in the media activities of Geberit.

Employees and trade unions:

- Geberit Europe Forum with employee representatives from most European countries, during which a member of the Group Executive Board and the Head Corporate Human Resources meet with the delegates. In the reporting year, this included a presentation and discussion of the new CO₂ strategy, among other aspects.
- Training and feedback opportunities on topics regarding the Code of Conduct.
- Group-wide Geberit Integrity Line to enable all employees across the world to report irregularities anonymously in the corresponding language.
- Regular employee survey of all employees of the Geberit Group, with the most recent taking place in the reporting year.

Neighbours, municipalities and authorities:

- Consultation with and inclusion of the neighbours of production plants in larger construction projects.

Research institutes:

- Partner of the → research platform NEST (Next Evolution in Sustainable Building Technologies) at EAWAG and Empa in Dübendorf (CH). In the Water Hub, systems are tested that use water and waste water as efficiently and diversely as possible.
- Cooperation on technological trends and developments directly related to sanitary technology with Empa Dübendorf, University of Applied Sciences OST Rapperswil, University of Zurich, University of Applied Sciences and Arts Northwestern Switzerland, Lucerne University of Applied Sciences and Arts (all CH), as well as the Technical University Dresden and the Westphalian University of Applied Sciences (both DE) and others.
- Exchange with the University of Antwerp (BE) on the subject of eco-design and plastic in the circular economy.

Suppliers:

- Initial contact within the scope of the assessment procedure and implementation of the Code of Conduct for Suppliers, see → [Chapter 10.2 Operations > Procurement](#).
- Regular discussions between buyers and suppliers on site.
- On-site audits (quality, environment, occupational health and safety) carried out by Geberit and external partners.
- Integrity Line for suppliers for anonymously reporting irregularities in the procurement process or non-compliance with the Code of Conduct for Suppliers.
- Increased exchange on product data during the creation of environmental product declarations (EPDs), on sustainable product solutions and on possibilities of reducing CO₂ emissions in the supply chain.

Transport companies:

- Discussions with transport service providers based on the results of environmental monitoring.

Associations:

- Involvement in various associations and organisations with participation in corresponding management bodies and programmes, see → [GRI 102-13](#).

Non-government organisations and the general public:

- Partnership with the Swiss development organisation Helvetas.
- Membership of the charitable organisation Swiss Water Partnership.

Feedback from stakeholder dialogues is incorporated into the → [Materiality analysis](#) and into the → [Sustainability strategy](#).

GRI 102-44 Response to and dealing with key topics and concerns of stakeholders

The topics introduced by the → [external Stakeholder Panel](#) have been integrated into the updated sustainability strategy and reporting by Geberit.

Some examples of important current topics that were introduced by stakeholders and have been implemented by Geberit include:

- Education and further training of employees as an important success factor, see → [Business Report > Business and financial review > Financial Year 2021 > Employees](#).
- Best-in-class approach to occupational health and safety, including protective measures to protect against the COVID-19 pandemic, see → [GRI 403](#).
- Transparency in the remuneration system, see → [Business Report > Remuneration Report](#).
- Customer training, see → [Business Report > Business and financial review > Financial Year 2021 > Customers](#).
- Holistic solutions for products and systems in front of and behind the wall, see → [Business Report > Business and financial review > Financial Year 2021 > Innovation](#).
- Expansion of the portfolio of water-saving products, see → [Business Report > Business and financial review > Financial Year 2021 > Innovation](#).
- Eco-design approach for decoupling resource consumption and economic growth, as well as implementing circular economy approaches in production and product development, see → [GRI 301](#), → [Chapter 10.1 Products and innovation](#).
- Reduction of the amount of packaging while taking the optimum protection of the products into account, see → [GRI 306](#).
- Further development of the CO₂ strategy, see → [Management approach CO₂ and other emissions as well as → Business and financial review > Financial Year 2021 > New CO₂ Strategy](#).
- Reporting on the opportunities and risks associated with climate change, see → [GRI 201-2](#).
- Further development of long-term relationships with suppliers to reduce the risks and use opportunities (among others in climate change mitigation) in the supply chain, see → [Procurement](#).
- Increased dialogue with wholesalers and other customers on sustainability and climate change mitigation.
- Implementation of social projects, see → [Business Report > Business and financial review > Financial Year 2021 > Social Responsibility](#).

7. Reporting Practice

GRI 102-45 Basis of consolidation

In general, the report covers the entire Geberit Group and the 2021 financial year. If only part of the company is meant as an example or due to the availability of data, this is clearly indicated.

For the reporting limits in the consolidated financial statements, see [→ Financials > Consolidated financial statements Geberit Group > Notes > Note 32.](#)

GRI 102-46 Report content and topic boundaries

Since 2006, Geberit has been reporting in accordance with the guidelines of the Global Reporting Initiative (GRI). In the present report, Geberit implements the GRI Standards. The starting point is a comprehensive [→ Materiality analysis](#) based on the procedure described in the GRI Standards and the topics dealt with in the GRI Standards.

Material sustainability topics and related measures are presented in compact form within the [→ Sustainability strategy](#). Also of a material nature are the principles of the UN Global Compact that Geberit has committed itself to uphold and that are presented in the [→ Communication on Progress UN Global Compact](#).

An initial internal materiality analysis was developed in 2014 as part of workshops with individual members of the Group Executive Board and later approved by the Group Executive Board. The results were then reviewed and amended slightly by an external stakeholder panel. As part of the integration of the ceramics business, a further review was carried out in 2015. There were no major changes in the material topics. Another review was carried out as part of the switchover to the GRI Standards. Some topics were aggregated (as required by the GRI Standards) and new relevant topics added. This enabled a high degree of consensus on the selection of material topics with the key approaches in the corporate and sustainability strategy to be achieved. The updated materiality analysis was examined by an external stakeholder panel in 2020. It became clear that a high degree of consensus existed between the internal standpoint of the company and the assessment of the stakeholder panel, see [→ Panel Statement](#). The next assessment in this form is scheduled to take place in 2022.

Additional, detailed information on sustainability topics that were of particular relevance in the reporting year can be found in the [→ Business and financial review](#) as part of the [→ Annual Report](#) with supplementary chapters on [→ Employees](#), [→ Customers](#), [→ Innovation](#), [→ Production](#), [→ Procurement and logistics](#), [→ Sustainability](#), [→ New CO₂ strategy](#), [→ Compliance and](#) [→ Social Responsibility](#).

GRI 102-47 List of material topics

The materiality analysis is the basis of the Geberit sustainability strategy. Aspects are deemed material if they are significant for Geberit from the internal perspective of the company and/or the external perspective of stakeholders and/or have significant economic, environmental or social effects. A differentiated assessment according to these different dimensions is not carried out. Instead, it is determined which topics are ultimately judged to be material following consultation with stakeholders, experts and management. The topics that Geberit identified as material in the economic, environmental and social dimensions can be seen in a [→ dynamic chart](#).

The following topics were identified as not material or as not requiring any action:

GRI aspects that are not material or not requiring any action	Reason
Procurement practices (in the narrower sense in connection with local suppliers)	Collaboration with local suppliers has no strategic significance for Geberit. Criteria such as reliability and price, quality and sustainability etc. are material, whereas the supplier's proximity to the production site is not (except in a handful of individual cases). As a result, there is no preferential treatment of local suppliers or special criteria for them.
Taxes	As part of its reporting, Geberit provides information on income taxes, see → Note 25 in the consolidated financial statements. Further discussion on the topic of taxes is not considered as material.
Biodiversity	Geberit production sites do not endanger biodiversity in protected areas. Biodiversity plays a role when procuring mineral raw materials for ceramic production. This subject was addressed and examined as part of supplier audits. During these audits, it was found that the suppliers in this sector actively address the topic of biodiversity and take appropriate measures within the context of their licence to operate.
Labour/management relations (in the narrower sense of formal notice periods)	Geberit cultivates transparent internal communication and a close dialogue between management and employees. There are no formally binding agreements on communication in case of severe measures.
Security practices	Geberit is not active in any countries where special security precautions have to be taken.
Indigenous rights	Geberit is not active in any countries or regions where the rights of indigenous people are endangered.
Local communities	The production sites do not entail special risks for local communities or adverse effects on the neighbourhood. Geberit attaches great importance to maintaining good relations with its neighbours in the vicinity of its production sites. Continuous exchanges with authorities and the local community are part of this process. Social commitment which also benefits local communities is described in the relevant chapter.
Politics	No support is given to political parties or politicians. Participation in the political process is confined to membership in certain associations and is therefore limited.

GRI 102-48 Restatements of information

If, in individual cases, a new form of presentation, calculation method or optimised data collection has led to other results for the previous years, then this is noted under the respective statements.

GRI 102-49 Changes in reporting

Geberit published extensive, magazine-like Sustainability Reports in 2004, 2007 and 2010. The annual sustainability reports were based on the GRI G3 guidelines for the 2006 to 2013 financial years and on the GRI G4 guidelines from 2014 to 2017, and were switched to the GRI Standards as of 2018.

There were no significant changes during the reporting period for topics identified as material. If, in individual cases, a new measuring method is used, this is noted under the respective statement.

GRI 102-50 Reporting period

The reporting year is 2021.

GRI 102-51 Date of most recent report

The → last report for 2020 has been available online since 10 March 2021. For reports from previous years, see → www.geberit.com > Download Center.

GRI 102-52 Reporting cycle

Annually as part of the integrated online reporting for a given financial year.

GRI 102-53 Contact point for questions regarding the report

Should you have any questions concerning sustainability at Geberit, please contact:

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GRI 102-54 Compliance with GRI Standards

This report has been compiled in compliance with GRI Standards: option "Comprehensive", see → [GRI Content Index](#).

GRI 102-56 External assurance

There is no external review of the sustainability reporting in its entirety. Instead, individual processes, results and statements are inspected in detail by external parties:

- Financial reporting is audited by an external auditor, see → [Financials > Financial statements Geberit AG > Report of the statutory auditor](#).
- Reporting on the energy and greenhouse gas balance sheet is submitted as part of the Carbon Disclosure Project (CDP) and reviewed and assessed as part of the usual evaluation.
- Since 2016, Geberit has also been publishing its detailed water balance as part of the CDP Water Program.
- The Geberit Group has a → [Group certificate](#) in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2024. All production plants, central logistics, and the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with these three standards. In addition, five German plants are certified according to ISO 50001 (energy) and nine sales companies according to ISO 9001 (quality).
- In 2015, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU. There were no deviations in the last review in 2019.
- On-site audits (quality, environment, occupational health and safety) of suppliers are carried out by Geberit as well as certified third-party specialists. In 2021, five external audits were carried out, see → [Chapter 10.2 Operations > Procurement](#).

8. People

8.1 Employees

Geberit aims to position itself as an attractive employer, and strives to offer jobs of the highest quality. The corporate culture at Geberit is characterised by a simple, functional organisation as well as a high degree of personal responsibility. In this way, Geberit motivates every employee in exploiting their potential to the full and contributing to the success of the company.

In the spring of 2021, Geberit carried out a global employee survey. The Group-wide participation rate was a high 79%. The results confirm that Geberit offers attractive working conditions. The employees demonstrate high levels of both motivation and loyalty. For details, see [→ Business Report > Business and financial review > Financial Year 2021 > Employees](#).

Geberit's most important ambassadors are its employees. They represent Geberit in their day-to-day contact with customers and many other stakeholders. To do so, they need to be aware of what their company stands for and what its objectives are. Geberit continues to develop its internal communication with employees accordingly, for example with the launch of a mobile app for the Geberit Intranet (GIN) in 2020 with which employees in production can also be reached. As the employees embody the company and its values, Geberit has defined its central corporate and brand values in the [→ Geberit Compass](#). Geberit aims to act as a role model for ethically unimpeachable, environmentally friendly and socially responsible operations. The [→ Geberit Code of Conduct](#) fills this objective with tangible content and offers an authoritative source of guidance.

Committed, well-trained employees with comprehensive know-how are decisive to the company's future success. Geberit positions itself on the job market as an employer with an open corporate culture and international development opportunities at the interface between craft, engineering and sales. Potential employees are increasingly being addressed via digital channels. Whilst classic job advertisements and direct contact are still used, employee portraits and success stories are also utilised, see [→ www.geberit.com > Insights](#). This is increasingly taking place via short films. Campus recruitment activities were also continued in 2021 with appearances at trade fairs and an increased digital presence. There was a special focus here on universities of applied sciences who offer education and further training in the field of ceramics manufacturing.

The responsibility for all material aspects of the GRI Standards with respect to labour practices at the Geberit Group lies with the Head Corporate Human Resources, who reports directly to the CEO.

Employment (GRI 401)

Management approach employment

Geberit's objective is to acquire and retain the right employees for the company. Geberit sees itself as an attractive employer with an open corporate culture that offers international development opportunities at the interface between the craft, engineering and sales sectors, see → www.geberit.com > Career > What we offer.

Working conditions, such as the maximum number of working hours, are governed in accordance with legal requirements on a country-specific basis and are complied with by Geberit. Employees enjoy attractive employment conditions and, in accordance with their qualifications, the majority of Geberit employees are paid well above the minimum wage range. In 2021, salaries and social benefits amounted to CHF 812 million (previous year CHF 750 million). The employees can also participate in share participation plans at attractive conditions, see → [Financials > Consolidated financial statements Geberit Group > Notes > Note 17](#) and → [Remuneration Report](#).

Employee fluctuation (GRI 401-1)

The average fluctuation rate (in terms of employees with permanent contracts, without natural departures and long-term leaves of absence) was 7.6% (previous year 5.2%). Including natural departures, it was 9.2% (previous year 6.8%). For key figures on fluctuation by age group, gender and region, see → [Key figures sustainability > Employees and society](#).

Benefits provided to full-time employees (GRI 401-2)

Geberit essentially grants the same benefits to full-time and part-time employees. However, employees with temporary contracts are not always entitled to the same benefits as permanent employees. For example, employees in Switzerland with temporary employment contracts of less than three months are not insured in the pension fund. Geberit bases its employee benefits on country-specific standards.

Parental leave (GRI 401-3)

Geberit implements the currently applicable legal framework conditions. It also attempts in individual cases to find solutions that are as suitable as possible for the affected person and their team.

100% of all permanently employed women are entitled to paid maternity leave, and 4.8% or 114 permanently employed women made use of this in 2021. Of these, around 57% women or 65 returned to Geberit following their parental leave.

99% of all permanently employed men are entitled to paid paternity leave, and 3.1% or 233 permanently employed men made use of this in 2021. Of these, around 94% men or 219 returned to Geberit following their parental leave.

Occupational health and safety (GRI 403)

Management approach occupational health and safety

The occupational health and safety of employees are of major importance. Geberit wants to gradually get nearer to the target of having healthy employees within an accident-free company and has therefore established a high level of health and safety for its employees.

Geberit cooperates with authorities, trade unions and employers' liability insurance associations on a country-specific basis. Most companies have written agreements with the trade unions. These normally cover topics such as personal protective equipment, complaints procedures, regular inspections, education and further training and the right to refuse unsafe work.

Using 2015 as the reference year, the company aims to halve the frequency and severity of accidents by 2025. The AFR (Accident Frequency Rate) is to be reduced to a rate of 5.5 accidents per million working hours. The ASR (Accident Severity Rate) is to be reduced to below 90 days lost per million working hours. These key figures are reviewed regularly at the plant cockpits and are part of the annual appraisal of plant managers. The Group Executive Board is also provided with a compact report on a quarterly basis and a comprehensive report is created for the management at the end of the year.

For objectives and measures concerning occupational health and safety, see also → [Sustainability strategy](#).

The coronavirus and associated protection of the employees against COVID-19 infections continued to affect everyday work at Geberit in 2021. The protective measures in place to keep the risk of infection as low as possible for employees and to avoid operational losses were maintained and further intensified. This meant that, during 2021, there were only a few proven COVID-19 infections at the workplace. Business activities could be carried out in full. For further details, see → [Business Report > Business and financial review > Financial Year 2021 > Employees](#).

Occupational health and safety management system (GRI 403-1) and its degree of coverage (GRI 403-8)

The topic of occupational health and safety falls under the remit of Sustainability and Process Management, which reports directly to the CEO. The responsibility for implementation lies with each company. All production plants and central logistics have a trained safety manager. The sites Rapperswil-Jona (CH) and Pfullendorf (DE) also have an appointed health manager. The Group-wide Geberit Safety Team also plays an active role in systematically developing occupational health and safety through the entire company by defining key topics and exchanging best practices between plants, among other aspects.

The Geberit Safety System – which is valid in all production plants, in central logistics as well as in the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) – defines processes that are applicable throughout the Group for promoting the continuous improvement of work processes and workplaces. Special attention is also paid to elements of changes in behaviour, as the majority of occupational accidents and time lost are still attributable to

carelessness. Generally valid principles on occupational health and safety as well as prevention are part of the Geberit Code of Conduct and apply to all employees.

All production plants and thus 100% of the production employees (employees with temporary and permanent contracts), central logistics, and the Geberit management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with the standard for occupational health and safety ISO 45001.

For further details, see → [Business Report > Business and financial review > Financial Year 2021 > Employees](#).

Risk assessment and investigation of accidents (GRI 403-2)

The risk assessment of workplaces and the systematic investigation of accidents are a central part of the Geberit Safety System and are standardised across the Group. The execution of the risk assessment takes place systematically for all relevant workplaces and is based on a standard method and evaluation matrix.

Every accident is reported, regardless of the employment relationship and severity. A standardised accident investigation also takes place for all accidents which result in the employee being absent for one working day and more. Based on these reports, effective measures are derived to eliminate deficits permanently and to avoid similar accidents happening again within the company. Where appropriate, the insights gained will be shared with other companies to avoid similar accidents in the Group. Launched in 2017, the software-based solution for capturing and systematically analysing accident data is a sound, comprehensive process that is integrated in the SAP environment and has been rolled out at 23 production plants.

Occupational health services (GRI 403-3)

Geberit takes various steps in order to avoid health risks at the workplace. At several production sites, legal requirements require a company physician to be on hand. Depending on the risk classification of the particular activity, various measures are implemented for health provision. For example, occupational medical examinations (including auscultation of the lung, lung checks and X-rays) are regularly carried out in the ceramics plants due to the presence of quartz dust. Noise pollution and ergonomics are further focal points of the company physicians and external specialists.

Employee participation and communication on occupational health and safety (GRI 403-4)

81.9% of all employees worldwide are represented through an occupational health and safety panel or safety committee at their site, in which employer and employee representatives can discuss occupational health and safety issues. The occupational health and safety panels are created on behalf of the management and involve all levels of the organisation as well as various specialist roles and areas (including company physicians, works council, occupational safety specialists, representatives of occupational health and safety unions). In addition, employees are involved in relevant processes of the Geberit Safety System, such as the risk assessment of workplaces, the accident investigation or as part of behavioural inspections. The Group-wide Geberit Safety Team – a team of experts from all production areas – also plays an active role in developing occupational health and safety.

Training on occupational health and safety (GRI 403-5)

Training sessions on occupational health and safety take place regularly in most Geberit companies. At Welcome events, new employees are given information about the valid, local health and safety regulations and internal directives. At production and logistics sites, supervisors also hold workplace-specific training sessions on work-related hazards.

Geberit continues to use an eLearning programme aimed at employees in production and logistics which should, among other things, help to correctly identify danger areas in the workplace and rectify them consistently.

Promotion of employee health (GRI 403-6)

Across the Group, Geberit carries out a wide range of activities and sets up programmes to promote employees' health and well-being, and also offers its employees precautionary healthcare opportunities through various offers and activities. These include, for example, sports facilities, anti-smoking seminars, health check-ups, massage services, dietary and health tips, presentations on health-related issues and workshops on targeted and correct relaxation. With this in mind, a diverse vitality programme is offered at 18 production and sales sites in the fields of exercise, mental fitness, nutrition and the working environment. The most comprehensive programme "Geberit Vital" can be accessed at six sites by around 40% of the Geberit workforce. The programme was adapted to the demands of the ceramics plants and will now be gradually rolled out.

Among others, there is a focus on the ergonomic organisation of the workplace, particularly in the ceramics plants. The automation of production processes is promoted in keeping with the idea of the "flowing factory". In Bromölla (SE), for example, a conveyor system ensures that, after firing, the ceramic parts are taken to the quality check and then on to subsequent process steps without any manual lifting and carrying. Using lifting aids further minimises the manual lifting and carrying of heavy ceramic parts. This can be seen in Carregado (PT), for example, where the lifting aids used during casting considerably reduce the physical burden on employees.

Further focal points are training courses for managerial staff in health-conscious management as well as reintegration counselling, with the aim of getting people back to work as soon as possible after a long-term absence due to illness. Examples of individual support include counselling in Rapperswil-Jona (CH) to assist with problems ranging from on-the-job pressure, partnership and family problems to debt issues, and the telephone helpline created in the USA to discuss problems at work in complete confidentiality. Geberit also promotes fitness in the community with its support of the Geberit sports club, for example. This club features eleven different sports sections and has around 620 members in Rapperswil-Jona (CH) who regularly meet up and exercise together.

Avoiding and minimising danger for business partners (GRI 403-7)

Geberit sets great store by the occupational health and safety of business partners. For example, contractors who carry out work on the factory premises receive a safety briefing and are obliged to observe these rules. In the corresponding Code of Conduct, suppliers also undertake to ensure occupational safety and health-promoting working conditions in their company and supply chain. This is systematically examined as part of supplier audits, see also the chapter [→ 10.2 Operations > Procurement](#).

In terms of customers, Geberit takes great care – including as part of the eco-design workshops – to ensure that all products are ergonomic and safe during installation and their final use. The assembly of Geberit products is easy and often tool-free. If special tools are needed, these have been optimised in terms of their ergonomics and safety, and their correct handling is trained accordingly. With the new Geberit FlowFit supply system, Geberit has gone one step further. The system was developed together with plumbers to make the installation process simpler, safer and more ergonomic. In the process, Geberit has succeeded in developing a pressing technology that makes it possible to fit the drinking water system of a multifamily house without the need for a tool changeover.

Accidents and days lost (GRI 403-9)

The manufacture of sanitary products can generally be said to have a low level of risks at the workplace. Nevertheless, there are still some individual activities which entail an increased risk of accidents. Typical workplace risks are the lifting and carrying of heavy loads, working at heights and in noisy environments, as well as handling hot surfaces and hazardous substances. As part of the Geberit Safety System, the workplace risks are assessed systematically and appropriate measures implemented to protect the employees.

Geberit continues to press ahead with the design of safe workplaces. This is carried out, for example, by optimising and modernising the systems and processes (e.g. an appliance for deburring sharp sheet edges when manufacturing installation modules), the replacement of hazardous substances (e.g. substitution of the pickling process in the manufacture of metal fittings) and the reduction of dust and noise emissions (e.g. by using more efficient extraction devices and filters in ceramic production). Workstations are also being further optimised from an ergonomic point of view through the increasing use of robots or lifting aids.

Thanks to standardised reporting on occupational health and safety, it is ensured that the efforts made achieve their desired effect and that corrective measures can be initiated at an early stage. In the reporting year, a total of 160 accidents were recorded (previous year 170 accidents), equivalent to 3,089 lost working days due to occupational accidents (previous year 3,294 lost working days). The statistics show only those occupational accidents that occur during working hours or business travel and lead to lost working time of one working day or more. The most frequent injuries are cuts and stab wounds on hands and bruising to the body. In the reporting year, the accident frequency fell to a value of 7.9, which corresponds to a reduction of 11.2% (previous year 8.9). The accident severity decreased by 11.1% to a value of 152.8 (previous year 171.9) in the same period. In the reporting year, there was one severe accident and no fatal accidents. Furthermore, the Group-wide absenteeism rate due to accidents and absences due to illness based on regular working hours was 4.71% (previous year 4.68%). Illness-related absences accounted for 97.9% of this rate (previous year 97.6%).

Further key figures can be found under [→ Key figures sustainability > Employees and society](#).

Work-related illness (GRI 403-10)

There are certain operational activities at Geberit, particularly in ceramic production, involving an increased risk of work-related illness (silicosis/dust disease). The risks lie primarily in slip and glaze preparation, casting and glazing as well as in the processing of unfired and fired ceramic parts.

Geberit has specified a standard threshold for dust emissions, which is lower than the legally prescribed levels at various sites. Dust measurements are taken in the plants on a regular basis with a uniform measurement and evaluation procedure. The results of the site-specific measurements are used as the basis for local corrective measures. The topic is also systematically addressed as part of the Geberit Safety System and certification according to ISO 45001. Furthermore, Geberit participates in the NEPSI programme (The European Network on Silica) as a member of FECS, a suborganisation of Cerame-Unie (European Ceramic Industry Association). This includes monitoring the exposure of employees to quartz dust and the implementation of best practices.

Around 50% of employees in ceramic production are regularly exposed to increased levels of quartz dust. Technical, organisational and personal protection measures are implemented for the protection of these employees. In the area of personal protective equipment, as well as in hygiene and cleaning, minimum standards were defined and implemented. Geberit makes substantial efforts towards either avoiding the exposure of employees to these risks (e.g. through the installation of glazing robots) or minimising this exposure (e.g. through the use of special extraction devices and filters, dust masks or the provision of training in correct behaviour at the workplace). Furthermore, the employees regularly undergo occupational medical examinations (including auscultation of the lung, lung checks and X-rays).

Further key figures can be found under [→ Key figures sustainability > Employees and society](#).

Training and education (GRI 404)

Management approach training and education

Qualified and committed employees are essential for the future success of Geberit. The company therefore sets particular store on the solid education and further training of all employees and on equal opportunities.

New employees are introduced to the company and its products through various job orientation programmes on joining the company. These range from individually designed introduction talks in various departments to the one-week basic course that provides practical knowledge about Geberit in small groups.

A standard Performance assessment, Development and Compensation (PDC) process has been in place since 2012. Except for the employees who work directly in production at the plants, all employees have been incorporated into the PDC process. With valYOU, a new software tool for performance assessment, development and compensation was launched and the process further developed. A key element of valYOU is succession planning for each individual position. Furthermore, the further development of individual employees is also actively supported through systematic feedback discussions. At the end of 2019, management personnel from the participating pilot companies visited a two-day workshop and became familiar with the new processes, the associated managerial tasks and the new IT tool. The Group-wide roll-out of the revised performance management process for all white collar employees has been taking place since 2020. In connection with this, all management personnel received training on the process and assessment tool. Additionally, a special, dedicated annual assessment process was developed for employees working in production and logistics, and was launched at selected companies in the reporting year. In the

reporting year, management training sessions were organised worldwide on the subjects of employee appraisals and feedback to promote communication between line managers and employees as well as professional development.

Training apprentices is of great significance at Geberit. Since 1963, Geberit has trained more than 500 apprentices in Switzerland. Young people can start their careers at Geberit with a commercial, industrial or technical apprenticeship. The aim is to impart all the skills that are required for apprentices to pursue their chosen careers in a professional, independent and responsible manner. For example, in Rapperswil-Jona (CH) there are currently 76 apprentices (22 new apprentices in 2021) being trained in eleven trades. This is in addition to 130 internship places at 24 sites. State-of-the-art and in particular digital learning methods are used here.

All apprentices are essentially required to work at several sites during their training. As a global company, Geberit promotes the internationalisation of employees. Experience abroad and the transfer of know-how are an advantage for both employees and the company. Therefore, apprentices have the option of working abroad for a period of six months on completion of their apprenticeship.

Geberit continues to offer its support in completing internships, plus Bachelor and Master theses. Furthermore, the collaboration with universities as well as active participation in the international UNITECH and BEST (Board of European Students of Technology) engineer networks is relevant for Geberit to acquire talented prospects and gain new insights.

For further information, see [→ Business Report > Business and financial review > Financial Year 2021 > Employees](#).

Scope of training and education (GRI 404-1)

In the reporting year, employees across the Group attended on average 11.3 hours of internal and external education and further training (previous year 15.7 hours). In connection with COVID-19, the range of in-house digital training courses was expanded and saw widespread use by employees. For key figures by gender and employee category, see [→ Key figures sustainability > Employees and society](#).

Programmes for skills management and lifelong learning (GRI 404-2)

A two-stage Potentials Management Programme aims to identify talents throughout the company and support them along their path to middle or senior management. The programme includes topics such as strategy, digitalisation and the management of change processes. The issues investigated as part of project work are geared towards strategic tasks of relevance to Geberit and provide the decision-makers involved with concrete bases for action. In the reporting year, around 80 employees took part in these programmes. The Potentials Management Programme is intended to help fill at least half of all vacant managerial positions with internal candidates. In 2021, this was achieved for 50% of all Group management vacancies (previous year 47%).

The Operations Development Programme (ODP) was set up at the start of 2020. It is aimed at talented external and internal junior managers in the area of operations (production, logistics and purchasing). The aim is to recruit internationally mobile people with a technical background or who have studied

engineering and who, in the medium term, should take up a managerial position at Geberit. The programme takes four years and is divided into several phases. In the initial onboarding phase, candidates get to know the culture, philosophy and processes at Geberit. This is followed by a second and third phase in which the participants are assigned responsibility for exciting, international projects under close supervision by a member of senior management.

In 2021, 278 apprentices (previous year 262) were employed. The transfer rate to a permanent employment relationship was 85% (previous year 86%). Furthermore, 130 internships were made available and 51 Bachelor and Master theses supervised.

For further information, see [→ Business Report > Business and financial review > Financial Year 2021 > Employees.](#)

Performance evaluation and career planning (GRI 404-3)

In everyday working life, the personal and professional development of each individual employee is encouraged in a variety of ways. This covers all areas of work, functions and age groups. Around 86% of all employees took part in appraisal interviews in 2021 at which development opportunities were also identified and discussed. As part of the standardised global Performance assessment, Development and Compensation process, supervisors and employees discuss performance and agree objectives at least once a year.

Diversity and equal opportunity (GRI 405)

Management approach diversity and equal opportunity

Geberit offers all employees the same opportunities and strives towards finding the best candidate for every position. Geberit supports diversity and promotes equal opportunities irrespective of gender, ethnic origin, skin colour, age, religion and nationality. In its Code of Conduct, Geberit sets store on promoting diversity and creating a culture that enables all employees to develop their full potential in the company.

Geberit pursues a fair and non-discriminatory employment practice in accordance with prevailing national and international law. Recruitment, training courses and promotions depend solely on individual achievements, skills and potential regarding the requirements of the position in question.

Protection of the principles of equality is anchored in the Geberit Code of Conduct. This includes the prohibition of discrimination against any employee on the basis of gender. Fair and equal pay for women and men is guaranteed as follows:

- Job assessment by function in accordance with the proven Korn Ferry/Hay method on the basis of know-how, thinking ability and accountability. All jobs are pooled in a Group-wide grading system. The resulting grade is the basis for determining an employee's pay. This guarantees gender-neutral, fair salary structures.
- Binding wage agreements with set pay grades at many Geberit sites.

Diversity of governance bodies and employees (GRI 405-1)

The proportion of female employees at the end of 2021 was 24% (previous year 24%), and for management this figure was 11% (previous year 11%). The six-member Board of Directors has two female members, which represents a share of more than 30%.

Geberit would welcome more women in managerial positions. However, as is typical for the industry, the number of women in management is only increasing slowly at present. The proportion of females in Geberit's most important customer target group – plumbers – is also extremely low. For example, in Switzerland the proportion of female plumbers is lower than 3%.

Know-how and expertise play a major role at Geberit. As a result, employees with extensive experience are also an important part of the company. Around 20% of employees have worked at the company for periods in excess of 15 years.

For key figures on diversity in terms of gender and age structure, see → [Key figures sustainability > Employees and society](#).

Ratio of remuneration between women and men (GRI 405-2)

According to the annual survey of all Geberit Group companies, no differences between the basic salaries of women and men exist anywhere within the Group.

In 2021, an equal pay analysis was carried out in all Swiss Geberit companies in accordance with the provisions of the Equal Opportunities Act. The results confirm that equal pay between female and male employees is upheld and that the legal requirements are met. The certified auditors PwC checked and confirmed that the analysis was carried out correctly.

Non-discrimination (GRI 406)

Management approach non-discrimination

The Geberit Code of Conduct forbids discrimination as defined in the International Labour Organization (ILO) core labour standards. Geberit does not tolerate either discrimination or workplace bullying on the basis of race, gender, religion, creed, nationality, age, sexual orientation, physical or mental handicap, marital status, political views or other characteristics protected by law. Geberit aims to ensure a safe working environment for its employees. All forms of workplace violence, including threats, threatening gestures, intimidation, attacks and similar forms of behaviour are forbidden. Compliance with the Code is verified annually as part of a Group-wide survey.

According to the → [Geberit Code of Conduct](#), employees who openly address irregularities which represent breaches of applicable law, ethical standards or the Code of Conduct are acting correctly. The Group Executive Board of Geberit must be informed of problems in the area of integrity in order to be able to manage these swiftly and reliably. By openly addressing such issues, Geberit employees are contributing to their own protection, that of their colleagues and the protection of Geberit's rights and interests.

If issues should occur, employees should seek a personal meeting with their supervisor. The Geberit Integrity Line is available to all employees as a whistleblower hotline in the corresponding language. The service is intended to enable employees to anonymously report cases such as sexual harassment or when a corrupt payment is being covered up. The Integrity Line is operated by an external company with experience in this area, and is available around the clock seven days a week.

Cases of discrimination (GRI 406-1)

According to the annual Group-wide survey, there was one case of bullying in the reporting year, with two people accused. Both the accused people have left the company and the case is closed.

Freedom of association (GRI 407)

Management approach freedom of association

Employees are completely free to join trade unions, associations and similar organisations. No rights with respect to exercising freedom of association or collective bargaining as defined in the ILO core labour standards and the UN Global Compact are subject to restriction at the Geberit Group.

Non-compliance with the right to freedom of association and collective bargaining (GRI 407-1)

According to the annual Group-wide survey, no infringements of the guarantee of freedom of association and collective bargaining were identified in 2021.

8.2 Society

Anti-corruption (GRI 205)

Management approach anti-corruption

As a member of Transparency International Switzerland and the UN Global Compact, Geberit is committed to high standards in combating corruption. Corruption is categorically rejected. There are clear, internal guidelines on prevention which are communicated to all employees, and employees receive training in this area. Compliance with the guidelines is monitored as part of the Code of Conduct Reporting – an annual survey at all Geberit Group companies. The Internal Audit Department conducts additional on-site audits. In the case of misconduct, corrective measures are taken. For further information about the compliance system, see → [GRI 419](#).

Operations subjected to reviews on the risk of corruption (GRI 205-1)

The Code of Conduct Reporting contains a range of questions aiming to identify incidents of corruption. The topic of corruption is also a component of the audit programme for the periodic inspections of the production plants, sales, logistics and management companies by the Internal Audit Department. The annual audit planning of the Internal Audit Department is oriented to risks. Each company is audited at least every five years, or considerably more frequently if it has a high risk profile. In 2021, the Internal Audit Department audited a total of 20 companies.

Communication and training on anti-corruption (GRI 205-2)

All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events, with specific training films on the topics of corruption, IT misuse, workplace bullying and sexual harassment deployed especially for this.

All employees are also provided with information via the intranet about what is permitted and what is not. The guidelines on the correct handling of donations (i.e. anti-corruption guidelines) are updated regularly and made accessible to the relevant employees in Purchasing and Sales via the various communication channels.

Incidents of corruption (GRI 205-3)

According to the annual survey carried out at all Geberit Group companies and the audits conducted by the Internal Audit Department, there were no cases of corruption in 2021.

Anti-competitive behaviour (GRI 206)

Management approach anti-competitive behaviour

The prevention of anti-competitive behaviour is a matter of top priority for Geberit. Cartels of any kind and other anti-competitive behaviour are categorically rejected. An internal antitrust audit was carried out at several sales companies in 2021 to ensure compliance in this area and also to improve it. There were also comprehensive training activities on antitrust legislation for all Managing Directors of the European sales companies, among others.

eLearning programmes represent an efficient way to train staff on and raise their awareness of antitrust legislation, an issue that is particularly sensitive for Geberit. Training campaigns are carried out on a regular basis. In 2021, the eLearning programme on antitrust legislation was completely revised for all sales companies outside Europe and will be rolled out in the first half of 2022.

As part of enquiries from various Geberit markets, the Group's legal department dealt with the permissibility of bonus and discount systems, plus marketing and sales campaigns, under competition law. In this advisory role, the legal department is able to quickly eliminate any uncertainties and confusion. On the whole, the enquiries demonstrate a marked sensibility among the employees in the area of antitrust legislation.

The external audit of the Geberit compliance organisation by KPMG carried out in 2021 also covered the area of antitrust legislation and closed with good results.

Legal proceedings due to anti-competitive behaviour (GRI 206-1)

The suspected case from the previous year is still pending and there is no new information on it. There were no new cases in the reporting year.

Regional employer (GRI 202)

Management approach regional employer

Geberit has grown from a family-run firm into a listed global company that has proven its ability to adapt to a rapidly changing environment. Within its core strategy, Geberit's aim is to ensure that sales companies, production plants, logistics and management companies function well as units which enjoy a high degree of autonomy. The high level of acceptance among the local workforce is a fundamental part of this, thanks in part to an attractive pay structure and the involvement of local know-how at management level.

Ratio of standard entry level wage compared to local minimum wage (GRI 202-1)

Geberit pays market-rate wages, taking into account local circumstances and laws. When hiring employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. In accordance with their qualifications, the majority of Geberit employees at the production sites and sales companies are paid well above the minimum wage range. Furthermore, stability and a high level of motivation among employees are important to Geberit.

Procedures for local hiring of management (GRI 202-2)

Geberit follows a personnel policy that does not provide for the preferential treatment of persons from the region in connection with the hiring of members of management boards for the respective country organisations. However, Geberit would like to establish organisations at its production and sales sites that function on a local basis, which is why it often integrates locally appointed managers.

Indirect economic impacts (GRI 203)

Management approach indirect economic impacts

Indirect economic impacts arise primarily as side effects from direct economic action. Geberit is aware of these effects and the associated responsibility.

With its innovative solutions for sanitary products, Geberit aims to achieve sustained improvement in people's standard of living. The economy benefits from Geberit's leading role in the change towards a more sustainable sanitary industry: through the contribution to better sanitary and hygiene standards, a durable, resource-efficient sanitary infrastructure, through know-how transfer in the sanitary industry, via impetus for the economy in regional economic areas, and through strong and long-term relationships with suppliers. There is no management approach to indirect economic impacts in the narrower sense. Instead, the company works with the stakeholders concerned to identify the best solutions in each case. This collaborative approach proved extremely successful in the challenging environment of the COVID-19 pandemic. For further information, see also → [GRI 201](#).

Significant indirect economic impacts (GRI 203-2)

Geberit forms part of the value chain in the construction industry. It has significant indirect economic impacts for the employees, on the customer side at sanitary engineers, plumbers and end users, as well as at suppliers and transport companies. Continuous investment in the production plants in

Europe, China, India and the USA, as well as the logistics centre in Germany, will strengthen these individual economic areas.

Geberit know-how and Geberit products and system solutions significantly reduce the burden on water and drainage systems, thus reducing the associated costs and consumption of resources. According to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 38,210 million m³ of water in comparison with traditional flushing systems. In 2021 alone, the water saved amounted to 3,590 million m³.

Geberit is committed to sustainable sanitary systems which, as elements in construction, help to shape the infrastructure as a whole. For example, Geberit actively worked on adapting the applicable standard for the dimensioning of waste water piping to smaller diameters. This is important so that the full functionality of the drainage system is ensured and fewer incidents with the corresponding costs occur, even with lower quantities of waste water. Similar to its work in the field of waste water hydraulics, Geberit also played a major part in ensuring that sound insulation and fire protection, as well as hygiene in drinking water and sanitary facilities, have been developed to the benefit of the end user and laid down in standards and recommendations.

Geberit lends impetus to the sanitary industry with innovation and new products that are sold and installed worldwide by wholesalers, plumbers and sanitary engineers. During the reporting year, around 36,000 professionals were provided with training on Geberit products, tools, software tools and installation skills at 30 Geberit Information Centres in Europe and overseas, see → [Business Report > Business and financial review > Financial Year 2021 > Customers](#). In this way, Geberit supports innovation, growth and value added in the sanitary industry.

Furthermore, Geberit is an important employer for the communities around its sites, with employees generating local value added. Added to this is Geberit's contribution as a training company for apprentices. At the end of 2021, Geberit employed 278 apprentices, thus supporting training in different countries, see also → [GRI 404](#).

The indirect economic impact on suppliers and transport companies is also significant. In 2021, Geberit procured goods amounting to CHF 1,061 million (previous year CHF 798 million) and had business relations with a total of 1,783 direct suppliers. Geberit does not have its own transport fleet and therefore generates orders for external transport companies.

Child labour (GRI 408)

Management approach child labour

Geberit's exposure with respect to child labour is considered low because of its industry, business model and the countries in which business activities are carried out, its high level of vertical integration as well as its high quality requirements in the supply chain. Geberit commits itself to the protection of human rights in its → [Code of Conduct](#). Child labour is categorically rejected. The basic principles set out in the Geberit Code of Conduct for Suppliers explicitly include compliance with the ILO core labour standards for the exclusion of child labour.

Cases of child labour (GRI 408-1)

According to the annual Group-wide survey there were no cases of child labour revealed in 2021. There were likewise no such cases uncovered during the audits carried out at suppliers.

Forced or compulsory labour (GRI 409)

Management approach forced or compulsory labour

Geberit's exposure with respect to forced or compulsory labour is considered low because of its industry, business model and the countries in which business activities are carried out, its high level of vertical integration as well as its high quality requirements. Geberit commits itself to the protection of human rights in its → [Code of Conduct](#). Forced and compulsory labour are categorically rejected. The basic principles set out in the → [Code of Conduct for Suppliers](#) explicitly include compliance with the ILO core labour standards for the exclusion of forced or compulsory labour.

Cases of forced or compulsory labour (GRI 409-1)

According to the annual Group-wide survey there were no cases of forced or compulsory labour revealed in 2021. There were likewise no such cases uncovered during the audits carried out at suppliers.

Human rights assessment (GRI 412)

Management approach human rights assessment

The UN Guiding Principles on Business and Human Rights apply to the business activities of Geberit. Geberit is active across the world, including in regions posing a certain degree of risk with regard to the upholding of fundamental employee and human rights. However, all Geberit Group companies throughout the world are integrated in the Geberit Compliance System, which includes the upholding of fundamental employee protection and human rights. In addition, internal audits with compliance reviews take place at all companies of the Geberit Group, with the supply chain also being carefully reviewed, see → [GRI 419](#) and → [Chapter 10.2 Operations > Procurement](#).

Assessment of operations regarding human rights risks (GRI 412-1)

The upholding of human rights at all Geberit Group companies is subject to a survey each year as part of the verification of the Code of Conduct. Human rights as part of compliance are also a component of the audit programme for the periodic inspections of the production, sales and management companies by the Internal Audit Department. In 2021, the Internal Audit Department audited a total of 20 companies. In the reporting year, no evidence of human rights violations was found during the various inspections.

Employee training on human rights (GRI 412-2)

All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events, with specific training films on the topics of corruption, IT misuse, workplace bullying and sexual harassment deployed especially for this.

The subject of compliance is uniformly positioned throughout the Geberit Group. The joint Geberit Intranet (GIN), which since 2020 has also been available to all employees via the mobile app, serves as an important basis for this. The compliance organisation and Code of Conduct are presented and explained here on a dedicated page.

Human rights criteria in investments and contract agreements (GRI 412-3)

In 2021, there was no investment agreement in countries or areas that pose a special risk in terms of human rights violations.

Suppliers are required by contractual agreement to comply with the Geberit Code of Conduct for Suppliers, which contains provisions for the protection of human rights.

Social responsibility

Management approach social responsibility

Social responsibility is exercised both within the scope of long-term partnerships with social institutions and programmes with partners and in the annual social projects that Geberit has been carrying out for over ten years. These projects exhibit a relationship to the topic of water and sanitary facilities, as well as to Geberit's core competencies and corporate culture. Equally important is the aspect of personal and professional education. By getting actively involved in the social projects in developing regions, apprentices become familiar with other cultures and also acquire new social, linguistic and professional competencies. Furthermore, these social projects make a tangible contribution to the Sustainable Development Goals (SDGs) of the United Nations, which include giving all humans access to clean drinking water and basic sanitation by 2030. A review of what has been achieved is carried out on a regular basis.

Infrastructure investments and promoted services (GRI 203-1)

Donations and financial contributions, including product donations, totalling CHF 4.2 million (previous year CHF 4.0 million) were made during the reporting year. Geberit employees also carried out charitable work totalling around 1,650 hours in the reporting year (previous year 450 hours). Geberit also supports social facilities for disabled persons and long-term unemployed, where simple assembly and packaging work totalling CHF 9.7 million was carried out in 2021 (previous year CHF 8.5 million). This gave around 550 people meaningful work.

The focus was on the following projects and partnerships in 2021:

- After the project had to take place without apprentices in the previous year due to the pandemic, Geberit continued the tradition of its social projects in 2021. Eight apprentices from Germany, Austria and Switzerland travelled to Vinnytsia in Ukraine as part of the social project. In close collaboration with a local vocational school and accompanied by the local Geberit sales company, the apprentices helped renovate bathrooms and sanitary facilities in the vocational school involved as well as in a student hall of residence.
- The company also continued its long-term partnership with the Swiss development organisation Helvetas. Part of this partnership focuses on infrastructure projects in developing countries where Geberit employees go on volunteering assignments. Due to the COVID-19 pandemic, the planned volunteering project in Nepal unfortunately once again could not take place in 2021 and was postponed until the first quarter of 2022.
- Geberit continued last year's initiative during the reporting year, which involves donating ceramic sanitary appliances that have been discontinued following brand harmonisation, but are as good as new, to social institutions. Around 1,800 ceramic appliances were delivered on four trucks to Moldova, where they were installed in schools, childcare centres and a boarding school for deaf-mute children.
- Participation in the charitable organisation Swiss Water Partnership to promote international dialogue on the topic of water.

As a basic principle, all social projects are regularly checked by Geberit employees in the respective country or in partnership with non-governmental organisations – including after completion of the projects in question. All donations are neutral from a party political point of view. No donations were made to parties or politicians. This is ensured globally as part of the annual audit of the [→ Code of Conduct](#).

9. Planet

An initial environmental strategy was tabled and specific measures implemented at Geberit as far back as 1990. Over the years, this strategy was gradually developed into a comprehensive → Sustainability strategy, is now an integral part of the corporate culture, and makes a significant contribution to the Sustainable Development Goals of the United Nations.

Geberit stands for a high level of environmental awareness and has been committed to environmentally friendly, resource-saving production as well as the development of water-saving and sustainable products. Systematic, Group-wide environmental management takes centre stage here. This is the remit of Sustainability and Process Management. Guidelines and measures pertaining to all significant environmental issues are coordinated here. A network of environmental managers practises active environmental protection at the production plants, thus ensuring that the targets and measures laid down in the sustainability strategy are implemented worldwide. The environmental and occupational safety managers from all production plants meet once a year to discuss best practice and further develop Group-wide standards.

Eco-design has been an integral part of the product development process since 2007, with the aim of making each product more environmentally friendly than its predecessor throughout the entire product life cycle, see → Chapter 10.1 Products and innovation. The goal here is for products to be manufactured locally, where possible, using durable, sustainable raw materials from carefully selected, predominantly regional suppliers in order to keep transport routes as short as possible. The developed products are optimised both in terms of the amount of materials used and in resource and energy consumption during the usage phase. Returning products to an appropriate material cycle after removal is becoming increasingly important here.

Environmental criteria are considered in all decision-making processes. These processes are continuously being examined so that a proven high standard is achieved which often greatly exceeds legal requirements. Geberit's environmental principles are defined in the → Code of Conduct. The Geberit Group has a → Group certificate in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2024. All production plants, central logistics, and the management company incorporating all Group functions at headquarters in Rapperswil-Jona (CH) are certified in accordance with these three standards. In addition, five German plants are certified according to ISO 50001 (energy) and nine sales companies according to ISO 9001 (quality).

The annual preparation of a corporate eco-balance has been an established part of Geberit's environmental management since 1991. It covers all production plants worldwide, the logistics centre in Pfullendorf (DE), other smaller logistics units and the larger sales companies. The corporate eco-balance permits an overall assessment of environmental impact in terms of eco-points. For the reporting in 2021, as in the previous year, the basic data from the internationally recognised

Ecoinvent database (version 3.1) and the method of ecological scarcity (version 2013) were used. The calculation was based on the national electricity mix.

Geberit uses the Swiss Ecological Scarcity Method, which takes into consideration a wide range of environmental impact factors (emissions, resources, waste) and summarises them as a key figure. The environmental impact increased by 4.0% and CO₂ emissions by 5.1% in the reporting year. The environmental impact in relation to currency-adjusted net sales (eco-efficiency) dropped by 9.3%, and sales-related CO₂ emissions by 8.4%. These figures are well above the long-term target of 5% per year. This progress is founded largely on continuous improvements in efficiency at the energy-intensive ceramics plants and on the targeted purchasing of green electricity. Since the acquisition of the ceramics business in 2015, the absolute environmental impact has been reduced by 19.4% and CO₂ emissions by 15.9%. Eco-efficiency improved by 40.9% in the same period, while sales-related CO₂ emissions (CO₂ intensity) fell by 38.3%. Geberit developed a new CO₂ strategy in the reporting year to reduce CO₂ emissions further in the future (see → [GRI 305](#) and → [Business Report > Business and financial review > Financial Year 2021 > New CO₂ strategy](#)).

A compact overview of all the relevant developments in the reporting year is provided in the → [Business Report > Business and financial review > Financial Year 2021 > Sustainability](#). Detailed key figures on the environmental impact are provided at → [Key figures sustainability > Environment](#). Geberit's contributions to the Sustainable Development Goals can be found in the separate → [SDG Reporting](#) section.

Resources and circular economy (GRI 301)

Management approach resources and circular economy

The use of raw materials, semi-finished products and finished products with a global procurement value of CHF 1,061 million is a significant production factor for Geberit. The grey energy associated with purchased materials is around 15,100 TJ (previous year 13,100 TJ), around six times the entire energy consumption of Geberit's production plants. CO₂ emissions associated with purchased materials amount to 766,400 tonnes of CO₂ (Scope 3) and are responsible for 17.4% of Geberit's entire CO₂ emissions. This emphasises the importance of treating raw materials with care. Since 2018, for example, resource efficiency in ceramic production has improved by 13.1% (target 10%), with a further 10% optimisation envisaged for the period 2021 to 2024. It is important that the resource-efficient use of raw materials is considered as early as the product development process. This has been implemented systematically since 2007 as part of eco-design workshops and is thus a central element of Geberit's CO₂ strategy, see → [Chapter 10.1 Products and innovation > Product management and innovation](#).

As part of the European vision for a resource-saving circular economy, efforts are being made to identify and implement options in the area of closed material cycles. The aim is to minimise resource and energy usage, lengthen the service life of products as far as possible, close internal and external material cycles to the greatest extent possible, and constantly increase the use of internal and external recycled materials. Of key importance here is that Geberit products must have a very long industrial service life, as many of them will be installed in buildings for decades. This is guaranteed

through the use of top-class materials and the application of strict quality requirements. An important factor here is the availability of spare parts for up to 25 years for a significant proportion of the product range. Furthermore, Geberit products are usually backwards-compatible and can be cleaned and repaired easily. Attention is also paid to using as little packaging material as possible. All these features combine sustainability aspects and support the circular economy, both in production as well as the use of the products in buildings.

Since 2020, Geberit has been supporting the Operation Clean Sweep initiative, which is committed to ensuring that plastic granules do not pollute the environment. To this end, a review was carried out at all plastics-processing plants worldwide, and measures for improvement defined and implemented. These include raising staff awareness and verifying the implementation of measures as part of the internal and external ISO audits.

Plastic also plays a key role as a material in piping systems, which is why Geberit is participating in a TEPPFA study on the overall consideration of environmental aspects in the plastic pipe industry. The aim here is to highlight the risks and opportunities associated with plastic recycling, and how plastic regranulate could be used in piping systems and as part of their recycling.

Conserving resources also means making appropriate use of products that, although in mint condition, can no longer be sold. The brand switch to Geberit, coupled with major efforts to reduce the complexity of the ceramic-product portfolio, gave rise to residual items of stock still in mint condition. Rather than scrapping these products, attempts were also made in 2021 to put them to good use, with a large shipment made to Moldova for use in various social institutions.

Materials used (GRI 301-1)

The use of materials depends on the various manufacturing processes: ten plants for manufacturing sanitary ceramics, eleven plants for processing plastic and metal, and five other plants in the area of metal composites and metal. The range of production processes used thus includes the areas of ceramic production, injection moulding, blow moulding, extrusion, metal- and thermoforming, and assembly.

The most important materials for production are plastic and metal raw materials, mineral raw materials and various semi-finished products and finished products. A total of 457,299 tonnes of materials were used in 2021 (previous year 408,861 tonnes). Detailed key figures on the use of materials can be found at [→ Key figures sustainability > Environment](#).

In 2017, the implementation of a software-based solution for managing hazardous substances began, and this was rolled out in 23 plants in the reporting year. This means that a standardised, efficient process now exists for managing and reducing the use of hazardous operating and auxiliary materials. In 2021, the number of hazardous substances used was reduced by 3%. For example, process optimisation in the production of welded, bent Mapress Stainless Steel fittings not only helped improve efficiency, quality, ergonomics and waste, but also reduced pickling step by step.

Percentage of recycled material (GRI 301-2)

When determining the share of recycled material in production, a distinction is made between internal and external sources.

Internal sources:

Almost 100% of the plastic waste produced during plastics processing is recycled internally. This internally generated recycled material is ground either on site or via a decentralised mill and fed back into the process. The proportion fluctuates depending on the manufacturing process. For blow moulding it is around 35%, for injection moulding around 15%, depending on product class, and for pipe extrusion around 3%. This corresponds to around 10,000 tonnes in total (previous year 9,200 tonnes).

Raw materials are also recycled internally and fed back into the process in ceramic production. The recycling rate for the ceramic slip is 5 to 10% and 20 to 40% for the glaze, corresponding to around 30,400 tonnes in total. The reporting year also saw resource efficiency in ceramic production improve by a further 6.1% to 0.45 kg waste/kg ceramic.

External sources:

The share of recycled material in purchased metals is relatively high. This data originates from the Wuppertal Institute for Climate, Environment and Energy. Extrapolated, the raw material metal purchased contains around 40,300 tonnes of recycled material.

With plastics, virgin material is primarily used. The search for suitable, high-quality regranulate from external plastic waste (post-consumer waste) is, however, an integral part of Geberit's procurement strategy. In terms of the material Acrylonitrile Butadiene Styrene (ABS), a suitable alternative made of 100% recycled material was found. This alternative is based on high-quality plastic waste from the electronics industry (e.g. used computer cases). According to the supplier, the manufacture of this regranulate consumes over 80% less energy compared to the manufacture of a tonne of new petrochemical-based plastic, while releasing around three tonnes less CO₂ per tonne of regranulate into the atmosphere. In 2021, 957 tonnes of ABS regranulate (previous year 940 tonnes) were used for various components in exposed and concealed cisterns. Thanks to an intelligent redesign, around half of the material used for the fill and flush valves launched in 2021 for the Nordic range of floor-standing WCs is made of high-quality ABS regranulate, for example. The use of plastic regranulate is generally to be increased further and applied to other product areas. Since 2020, a second high-quality recycled plastic (post-consumer waste) in the form of polypropylene (PP) has been available, 4.2 tonnes of which were used in the reporting year (previous year 1.2 tonnes).

Reuse of products and packaging materials (GRI 301-3)

Due to their long service life and the way in which they are installed, Geberit products can only be reused or recycled to a very limited extent. A targeted improvement in recyclability can be achieved by using recyclable thermoplastics instead of non-recyclable duroplast plastics, as is the case with the manufacture of a WC seat and lid at the plant in Pfullendorf (DE).

In the case of packaging materials, Geberit's goal – also as part of eco-design workshops – is to keep amounts as low as possible, to continuously increase the share of recycled material, and to simplify the recycling and return processes. In a preliminary study, potential for optimisation in the amount of packaging was identified from both an ecological perspective and from the customer's point of view. Efforts to reduce packaging amounts are already starting to bear fruit. For example, certain packaging levels are being omitted, bags reduced in size or thinner foils used, while instructions are printed directly on the packaging rather than on paper, or replaced by a QR code. In addition, care is being taken to avoid the use of polystyrene (EPS) wherever possible and, where necessary, to replace it with recyclable cardboard. A good example here is the [→ redesign of the packaging for the sanitary flush unit](#). Proven standard packaging – introduced as part of an effort to reduce complexity – is now also being reviewed. As a result, WC lids are now being shipped in cardboard boxes that have been reduced in size as far as possible. These boxes are almost four times lighter than those used up to now, cause 70% fewer CO₂ emissions and are both easier to use and cheaper to procure.

In 2021, around 41,100 tonnes of packaging material were used (previous year 36,100 tonnes), of which around 60% was collected and recycled by Geberit or by financed contractual partners. The rest was disposed of and recycled on a country-specific basis.

Energy (GRI 302)

Management approach energy

Representing a 96.8% share of the corporate eco-balance, the consumption of energy in the form of electricity, combustibles and fuels represents Geberit's greatest environmental impact. Software introduced in 2012 permits monthly monitoring of water and energy consumption, as well as the Group-wide calculation of environmental impact and CO₂ emissions. In addition, systematic energy and CO₂ monitoring and an energy/CO₂ master plan are being implemented in the most energy-intensive plants to manage and plan energy consumption. This is based on the three pillars energy saving, use of existing waste heat (heat recovery), and the targeted expansion of the share of renewable energy sources.

Initial goals for the share of renewable energy sources were established as far back as 2015: By 2021, the share of renewable energy sources was to account for 45% for electricity and 10% for combustibles. Whereas the goal for electricity has been exceeded (49.5%), the goal for combustibles was not reached (5.0%). Pivotal in energy management and the CO₂ strategy are measures for saving energy, increasing efficiency and procuring energy in the plants. The corresponding measures are implemented using an energy master plan and a rolling CO₂ forecasting at all major plants. The proportion of renewable energies is being further increased throughout the company, always taking the internal CO₂ reference price and the economic efficiency of the planned projects into consideration. There are various ways of doing this: Purchasing high-quality green electricity with certificates, long-term Power Purchase Agreements (PPA) with selected operators, or the installation of proprietary photovoltaic systems on the roofs of the production plants to generate electricity to be used within the company. The company has planned to further increase its purchase of green electricity in 2022 by additional 20 GWh.

At present, the five German plants in Lichtenstein, Pfullendorf, Langenfeld, Wesel and Haldensleben are certified according to the ISO 50001 standard for energy management. Furthermore, all Geberit companies implemented the European Energy Efficiency Directive 2012/27/EU in 2015, which was reviewed again in 2019.

For the development of energy-efficient products, see → [Chapter 10.1 Products and innovation](#).

Energy consumption within the organisation (GRI 302-1)

Geberit generally uses energy purchased externally. The direct energy carriers (Scope 1) include the combustibles natural gas, biogas, liquefied petroleum gas (LPG), diesel for power generation, heating oil extra light, as well as the fuels diesel, gasoline, liquefied petroleum gas (LPG) and natural gas (CNG). The indirect energy carriers (Scope 2) include electricity and district heating.

Energy consumption increased by 7.3% in the reporting year due to significant sales growth and is now 775.7 GWh (previous year 723.1 GWh). Since the acquisition of the energy intensive ceramics business in 2015, however, it has been possible to reduce energy consumption by 14.9%, making a significant contribution to reductions in the environmental impact and CO₂ emissions.

Combustibles (primarily for ceramic production), including district heating, still account for the greatest share of energy consumption at 67.3% (previous year 67.0%), followed by electricity with 29.9% (previous year 29.8%) and fuels with 2.8% (previous year 3.2%).

Since 2012, a block heating station has been in use in Pfullendorf (DE). In 2021, this plant was fed by 9.1 GWh of regionally produced biogas. The electricity generated by the plant (3.5 GWh) is fed into the transmission grid and the resulting heat (4.6 GWh) can be used in production, thereby reducing the use of natural gas.

Since 2013, the roof area at the plant in Givisiez (CH) has been made available to an energy services provider for a 3,050 m² photovoltaic installation. It generated 0.5 GWh of electricity in 2021. However, this contribution is not included in the energy balance as the energy produced is managed by the regional energy supplier. Overall, the volume of purchased green electricity was increased by 17 GWh to 85 GWh in 2021.

For detailed key figures on the consumption of combustibles and fuels (Scope 1), as well as electricity and district heating (Scope 2) and the electricity mix, see → [Key figures sustainability > Energy consumption](#).

Energy consumption outside the organisation (GRI 302-2)

Where the energy balance outside the organisation is concerned, Geberit concentrates on purchased materials, intercompany and distribution logistics, and business travel.

In 2021, purchased materials resulted in grey energy consumption of around 15,100 TJ (previous year 13,100 TJ).

Logistics services are provided by external transport service providers. Since 2010, a logistics calculator developed by Geberit has been used for monitoring purposes and covers all intercompany and distribution logistics. In the reporting year, the transport service providers handled 672.3 million tkm (tonne-kilometres), previous year 528.6 million tkm. This gave rise to energy consumption of 1,273 TJ (previous year 1,015 TJ). The increase in transport services and energy consumption was mainly due to a rise in sales growth, an increase in deliveries to far-away countries and adjustments in data collection.

Business flights have been recorded and included in the assessment since 2012. The flight distances are calculated according to the respective departure and arrival airports. Due to the COVID-19 pandemic, energy consumption arising from business flights was again much lower in the reporting year than before the pandemic at 8.2 TJ (2020: 6.2 TJ, 2019: 23.2 TJ).

Energy intensity (GRI 302-3)

Energy intensity is an important performance indicator at the production plants, and is monitored monthly in the management cockpit. It refers to the quantities produced in unit equivalents and, in the ceramics plants, also to the quantity produced in terms of weight. Those plants which are certified to ISO 50001 (energy) have also introduced a more refined system of monitoring. At Group level, net sales constitute a key indicator alongside environmental impact and CO₂ emissions. In 2021, energy consumption per net sales improved by 6.5% compared to the previous year.

Energy saved (GRI 302-4)

Important ongoing energy-saving measures in production include:

- The optimisation of production processes in terms of efficiency, scrap, stability, energy and resource consumption
- The continuous modernisation of the machine fleet and the purchase of energy-efficient equipment, and the systematic switchover of
- Lighting to LED technology
- Increasing the capacity utilisation and efficiency of production equipment
- The optimisation of cooling systems through the use of natural ambient cold (free cooling, ground water)
- The improved use of waste heat available internally (heat recovery, e.g. for the pre-heating of plastic granules)
- The careful use of compressed air
- Improved insulation of buildings

Concrete examples which show the reduction in energy consumption in production:

- Closure of three smaller production plants in Daishan (CN), Elyria (US) and Dymer (UA). Relocation of products to other Geberit production plants to simplify processes and improve efficiency.

- Increase in the number of injection moulding machines with energy-efficient drive technology (hybrid, fully electrical, standby) to 209 machines, and commissioning of a fifth fully electrical blow-moulding machine.
- Process optimisation in the production of Mapress Stainless Steel fittings in Langenfeld (DE) leading to a reduction in electricity and natural gas consumption through step-by-step reduction in pickling.

Measures to reduce energy consumption in (outsourced) logistics operations:

- Great importance is attached to central transport management as the interface between plants, markets and transport service providers in order to enable cost- and resource-optimised transport solutions. The efficient utilisation of freight capacity is of key importance here. In the case of product deliveries from the logistics centre in Pfullendorf (DE), the capacity of the loading vessels can be utilised more efficiently thanks to the optimised calculation of loading space and implementation of organisational measures. This leads to a reduction in the number of transport runs and in CO₂ emissions. The share of transport services handled by state-of-the-art Euro 6 trucks was 82% (previous year 73%). In addition, four trucks powered by natural gas are in operation between Jona (CH) and Pfullendorf (DE) and on other routes.
- Where possible, Geberit takes the opportunity to shift truck traffic to rail. From Pfullendorf, almost 100% of ocean freight shipments to Hamburg (DE), 80% of shipments to Italy, and 15% of shipments to Switzerland are conducted by rail. The percentage of rail consignments from Italy to Pfullendorf is 59% and to Switzerland 86%.
- With regard to transportation by truck, Geberit continues to look for options for making more efficient use of freight compartments and using bigger shipping containers. As such, the percentage of "high cube swap bodies" (offering around 10% more capacity) deployed from the logistics centre in Pfullendorf and the use of double-decker systems is being successively increased. In addition, the use of long trucks (with a length of up to 25 metres and a total weight of up to 60 tonnes) in Scandinavia increases load volumes and the number of transported pallets per truck by around 40%. In addition, some 325 truck journeys were saved thanks to the double stacking of cisterns for major customer deliveries in Germany.

Reductions in energy requirements of products and services (GRI 302-5)

The biggest environmental contribution by Geberit products lies in the conservation of water, which indirectly also saves on energy. According to the Ecoinvent database (version 3.1), some 10.3 MJ of energy are required and 0.64 kg of CO₂ emissions released per cubic metre for the conveyance, processing and distribution of water and the subsequent processing of the unpolluted waste water in a treatment plant. The water footprint calculated for Geberit shows that nearly 100% of water consumption is attributable to the usage phase. The water volume saved owing to Geberit products is enormous: according to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 38,210 million m³ of water in comparison with traditional flushing systems. Therefore, these water savings indirectly result in substantial energy savings and reductions in CO₂ emissions.

Direct energy savings when using the products are made possible thanks to systematically improved energy efficiency. Specific examples include:

- The → [Geberit DuoFresh module](#) removes unpleasant odours by extracting the air directly from the WC ceramic appliance and purifying it using a ceramic honeycomb filter. This can save up to 50 litres of heating oil per year compared to opening the window for ventilation.
- The → [Geberit energy retaining valve ERV](#) uses a magnetic diaphragm system to cap the ventilation pipe for waste water above the roof. This opens only when required and ensures pressure compensation only when this is necessary. This helps avoid unnecessary heat loss and can save up to 50 litres of heating oil a year.
- The → [Geberit AquaClean Sela Comfort](#) shower toilet uses innovative WhirlSpray and heating-on-demand technology to considerably reduce energy consumption compared to its predecessor.
- The → [Geberit urinal system](#) comprises urinals with electronic flush controls but also with completely waterless operation. The central elements are the two rimless urinal ceramics Preda and Selva, which were developed by Geberit. Thanks to the low consumption of resources and the option of a control system supplied with electricity by an autonomous energy source, the urinals satisfy the most stringent requirements for sustainable building and economic operation. For this purpose, a proprietary environmental and cost calculator was developed for various sales companies, see → www.international.geberit.com > Products > [Geberit urinal system](#) > [Urinal system sustainability calculator](#).
- The modular → [Geberit tap system](#) is the ultimate in sophisticated installation technology, different energy concepts and elegant tap housings for wall-mounted and deck-mounted taps. The product boasts both optimal user-friendliness and ease of installation as well as minimal water and energy consumption.
- The → [Geberit Control App](#) enables product configuration via smartphone, meaning appliances can be operated simply and also constantly optimised in terms of energy management and water consumption, among other aspects.

Water and waste water (GRI 303)

Management approach water and waste water

The biggest environmental contribution made by Geberit products lies in the conservation of water at customers, which is one of the pivotal aspects in the company's contribution towards sustainable development and reducing CO₂ emissions. Innovative Geberit sanitary products reduce the amount of water consumed and help to systematically optimise the way in which water is used in buildings while maintaining the highest hygiene standards – including in terms of drinking water. According to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 38,210 million m³ of water in comparison with traditional flushing systems. In 2021 alone, the water saved amounted to 3,590 million m³ (previous year 3,350 million m³). This is more than half of

the annual consumption of all German households. Since 2016, Geberit has been publishing its detailed water balance as part of the CDP Water Program.

For the development of water-saving products and Geberit's commitment beyond product development, see → [Chapter 10.1 Products and innovation](#).

Handling and use of water (GRI 303-3, GRI 303-5)

The water footprint, which covers Geberit's entire value chain, shows that nearly 100% of water consumption is attributable to the use of the products, while the manufacture of the products by Geberit accounts for less than 0.1% of water consumption.

The corporate eco-balance shows a similar picture. Here, the environmental impact caused by water consumption and subsequent waste water treatment also accounts for only a minor share of the company's overall impact (1.1%). Despite this, Geberit also aims to serve as a role model with respect to its own water consumption and to further optimise this every year. This includes measures such as reusing water in laboratories and production processes. Ceramic production accounts for the biggest share of water consumption. Geberit's goal in this area was to reduce water consumption (l water/kg ceramic) by 5% by 2021 compared with 2018. At 10.3%, the reduction achieved clearly exceeded the goal. Geberit is not content with this figure, however, and is now looking to reduce its water consumption by a further 5% by 2024.

Despite higher production volumes in the area of ceramics, it was possible to reduce water consumption to 925,230 m³ in the reporting year (previous year 953,284 m³). This is categorised into drinking water (36.1%), well water (41.1%), lake and river water (21.7%) and rain water (1.1%). According to the Water Risk Atlas from the World Resources Institute (WRI), the production sites in Lichtenstein (DE), Gaeta (IT), Kolo (PL), Wloclawek (PL), Shanghai (CN) and Pune (IN), which together account for 29% of Geberit's total water consumption in production, are located in areas with high or very high water stress. Key figures concerning water consumption by source can be found at → [Key figures sustainability > Environment](#).

Water withdrawal and water consumption (GRI 303-1)

The manufacture of ceramic sanitary appliances accounts for around 80% of water consumption in production, i.e. during preparation of the ceramic slip and glaze, and cleaning the moulds and systems. On average, 5.9 litres of water are needed for every kilo of ceramic produced. Around 5 to 10% of the water used in ceramic production is recycled internally, corresponding to around 73,800 m³ in 2021.

Another major consumer is the Geberit sanitary laboratory in Rapperswil-Jona (CH), where newly developed products are tested. The tests required 131,595 m³ of water, of which only around 3% was fresh water. The remaining 97% was reused in a closed-circuit system.

Other processes that consume water are steam foaming of expandable polystyrene (EPS), cleaning work, powder coating, and water used in staff sanitary facilities.

Waste water of varying quality accounts for around 75% of the water withdrawn, see → [GRI 303-4](#). The remaining 25% evaporates into the atmosphere either during cooling processes or when the ceramic parts and plaster moulds dry.

Handling of waste water (GRI 303-2)

All resulting process waste water and domestic waste water is treated. Process waste water can contain inorganic substances (e.g. mineral raw materials). This water is cleaned in a two-stage process involving sedimentation and filtration before being fed into the public sewage system or returned to surface waters. Only few Geberit processes (e.g. powder coating, electroplating, cleaning of metal fittings) produce waste water that is more heavily contaminated. This waste water is treated in a separate stage before being fed into the public sewage system.

Waste water (GRI 303-4)

The 2021 figure for waste water was 686,169 m³ (previous year 709,743 m³). At 72.8%, process waste water from the production of sanitary ceramics accounted for the largest share of the total. Other important categories are domestic waste water (25.2%), which passes into the communal waste water treatment plant or is pretreated and fed into receiving waters, and other waste water (2.0%), which is pretreated and fed to a communal waste water treatment plant. Waste water was not reused by external companies. Detailed key figures on waste water can be found at → [Key figures sustainability > Environment](#).

CO₂ and other emissions (GRI 305)

Management approach CO₂ and other emissions

Geberit has been calculating its carbon footprint across the entire value chain (Scopes 1 to 3) since 2012. Within this context, the following activities are relevant: the provision of raw materials, combustibles and fuels (Scope 3), the manufacture of products (Scopes 1 and 2), logistics, together with use and disposal (all Scope 3). With regard to the former Sanitec, only mineral raw materials and raw materials from the plant in Ozorków (PL) are taken into account. An analysis revealed that product use (68.3%) and the provision of raw materials (17.4%) are by far the largest sources of CO₂ emissions. During product use, the provision of water, processing of unpolluted waste water and generation of hot water play a central role. All in all, manufacturing of the products at Geberit accounts for only 4.9% of total CO₂ emissions. Similarly, transport (1.8%), the provision of combustibles and fuels (0.8%) and the disposal (6.8%) of the products also cause only few emissions.

The calculation of greenhouse gas emissions is based on the internationally recognised Ecoinvent database (version 3.1) and the IPCC (Intergovernmental Panel on Climate Change) factors from 2013. Production-related process emissions are also taken into account, as is the national electricity mix. The seven leading substances (CO₂ fossil, CH₄, N₂O, HFC, PFC, SF₆ and NF₃) are used for the calculation of the greenhouse gas emissions and shown as a sum parameter according to IPCC (CO₂ equivalents or simply CO₂).

Production emissions are recorded, calculated and analysed in detail as part of the corporate eco-balance. CO₂ emissions are particularly important to Geberit. → Other air emissions (NO_x, SO₂, hydrocarbons, etc.) are also recorded and calculated, but have a comparatively minor impact on the environment. The reduction of these emissions is directly related to the reduction targets of the CO₂ strategy. As part of the CO₂ strategy, it was decided in 2015 that CO₂ emissions in relation to currency-adjusted net sales (CO₂ intensity) should be reduced by 5% per year on average. With an average reduction of 7.7%, this goal was clearly exceeded. Furthermore, a long-term, absolute CO₂ target (Scopes 1 and 2) was established that was compatible with the target specified in the Science Based Targets Initiative of limiting global warming to “well below 2°C” above pre-industrial levels. Within this context, Geberit planned to reduce its absolute CO₂ emissions by 6% between 2015 and 2021 to under 240,000 tonnes (based on organic growth). This target had already been achieved by the end of 2018, with current emissions standing at 217,009 tonnes. The new CO₂ strategy is a continuation of the successfully implemented strategy 2015–2021. The goal in the future is to continue to reduce CO₂ intensity by an average of 5% per year. As such, Geberit is looking to achieve a long-term reduction in absolute CO₂ emissions from 217,009 tonnes in 2021 to 136,000 tonnes by 2035. In comparison with the reference year 2015, relative CO₂ emissions are to be reduced by 70% by 2030 and by 80% by 2035, while absolute CO₂ emissions are to fall by 39% and 47% by 2030 and 2035, respectively. The envisaged reduction in emissions (Scopes 1 and 2) is in line with the target specified in the Science Based Targets Initiative (SBTi) of limiting global warming to “well below 2°C” above pre-industrial levels.

The → new CO₂ strategy is looking to maintain and develop the tried-and-tested measures for CO₂ reduction, while adding new elements to the existing framework. The internal CO₂ pricing is a new measure of key importance. Once a year, the Group Executive Board defines a CO₂ reference price as part of the budget – this was €60 per tonne for 2022. This is based on the price of the European Trading System (ETS) for CO₂. The internal CO₂ reference price embodies the reference costs for saving one tonne of CO₂. An implicit CO₂ project price is calculated for each project using a profitability calculation. This serves as a basis for deciding on investments in measures to reduce energy or CO₂. The lower the CO₂ project price, the more attractive the project, whereby the price for implementing a project has to be under the CO₂ reference price.

Geberit relies on transparency and the assumption of responsibility. The internal transparency of the CO₂ emissions will be increased significantly with comprehensive monthly reporting and the definition and monthly tracking of key performance indicators on CO₂ emissions, and integrated in the regular reporting and forecasting processes. As of 2022, the annual achievement of objectives regarding CO₂ reduction will be integrated as one of five equally weighted criteria in the calculation of the Group bonus. The annual emission reduction goals are thus bonus-related with a weighting of 20% for the entire Group management (around 220 managers) as well as for the employees in Switzerland (a total of 1,500 employees).

Geberit also contributes to reducing greenhouse gas emissions during product development and in the product use phase. The name of this principle is eco-design and is based on the continuous improvement of product design, see → Product management and innovation.

Direct greenhouse gas emissions (Scope 1) (GRI 305-1) and indirect, energy-related greenhouse gas emissions (Scope 2) (GRI 305-2)

In 2021, CO₂ emissions (Scopes 1 and 2) amounted to 217,009 tonnes (previous year 206,553 tonnes), corresponding to an increase of 5.1%. At 49.9% (previous year 48.9%), combustibles are the largest source of CO₂, followed by electricity at 47.2% (previous year 47.9%) and fuels at 2.7% (previous year 2.9%), as well as process emissions and district heating at 0.2% in total (previous year 0.3%). The targeted purchase of 85 GWh of green electricity (previous year 68 GWh) in Jona and Givisiez (CH), Pfullendorf (DE), Bromölla and Mörrum (SE), Ekenäs (FI), Kolo and Wloclawek (PL), and Daishan (CN) meant that it was possible to reduce CO₂ emissions by around 39,100 tonnes (previous year 32,500 tonnes).

Key figures concerning greenhouse gas emissions can be found at [→ Key figures sustainability > Environment](#).

Other indirect greenhouse gas emissions (Scope 3) (GRI 305-3)

Where other indirect greenhouse gas emissions (Scope 3) are concerned, Geberit concentrates on the following categories:

- Raw materials used and the resulting CO₂ emissions at 766,368 tonnes (previous year 670,192 tonnes).
- The provision of combustibles and fuels, which in 2021 accounted for 32,699 tonnes from combustibles (previous year 30,487 tonnes) and 4,213 tonnes from fuels (previous year 4,342 tonnes). CO₂ emissions of power generation from the upstream chain are included in [→ GRI 305-1](#).
- Logistics (see [→ GRI 302-2](#)) gave rise to total CO₂ emissions of 77,292 tonnes in 2021 (previous year 61,653 tonnes). The increase in CO₂ emissions was mainly due to sales growth, an increase in deliveries to far-away countries and adjustments in data collection. Since 2015, Geberit has managed to improve the eco-efficiency of its logistics operations (environmental impact per tkm) by 31%.
- Business travel by air, at 586 tonnes of CO₂ emissions (previous year 445 tonnes, 2019 1,663 tonnes). These CO₂ emissions comprise direct and indirect emissions and are based on the Ecoinvent database (version 3.1) and the IPCC factors from 2013.

Intensity of greenhouse gas emissions (GRI 305-4)

CO₂ emissions (Scopes 1 and 2) in relation to currency-adjusted net sales (CO₂ intensity) decreased by 8.4% in 2021. Since the acquisition of the ceramics business in 2015, CO₂ intensity has been reduced by 38.3%, or 7.7% per year on average. This figure is above the target of 5% per year.

Reduction of greenhouse gas emissions (GRI 305-5)

The measures for implementing the CO₂ strategy (Scopes 1 and 2) are based on the three pillars energy saving, use of existing waste heat (heat recovery), and the targeted expansion of the share of renewable energy sources, see also → [GRI 302](#).

In 2021, Geberit purchased another 17 GWh of green electricity, bringing the total to 85 GWh. Overall, renewable energy sources thus accounted for 49.5% of electricity (previous year 46.1%). For combustibles, the share of renewable energy sources should have been increased to 10% by 2021. The block heating station in Pfullendorf (DE), which was commissioned in 2012 and which was fed by 9.1 GWh of regionally generated biogas in 2021, makes a key contribution. Additionally, 16.3 GWh of district heating was sourced from a paper factory and a block heating station powered by wood. This brought the share of renewable energies for district heating and combustibles to 5.0% in total in 2021 (previous year 4.5%).

Under the → [new CO₂ strategy](#), a wide range of measures for saving energy and increasing efficiency in the plants is planned. Accordingly, the area of ceramics, which accounts for around two-thirds of all Geberit's CO₂ emissions, has the largest structural savings potential. This includes a special focus on the reduction of scrap rates. The firing process and the use of the resulting waste heat will be further optimised. This can be used for other process steps, such as the drying of the cast ceramic appliances. Furthermore, projects were launched to investigate the possibilities of switching to renewable energy sources – for example, ecologically produced hydrogen – in the long term as well as the systematic reuse of ceramic waste.

Fuel consumption is determined primarily by the company's own and leased fleet of cars and delivery vans. Since early 2008, binding guidelines have also applied for the purchase of new vehicles. As of 2019, these guidelines were adjusted to take into account the new Worldwide Harmonised Light Vehicles Test Procedure (WLTP).

Geberit also encourages awareness among all employees for the promotion of environmentally friendly behaviour. New employees receive training on the subject of sustainability at Geberit as part of their job orientation programme. In the largest plants, this is also tailored to the target group of production employees.

The consistent application of → [eco-design](#) principles in product development is paramount in terms of reducing CO₂ emissions in Scope 3, and Geberit has adhered to this approach since 2007. Specific examples of sustainable, CO₂-reducing products can be found at → [10.1 Products and innovation](#).

All targets and measures for improving the carbon footprint are disclosed in detail as part of the company's participation in the CDP.

Emissions of ozone-depleting substances (GRI 305-6)

Emissions of ozone-depleting substances, measured in CFC-11 equivalents (chlorofluorocarbons), can be calculated based on the eco-balance using the base data from the Ecoinvent database (version 3.1). The calculation includes both direct emissions (Scope 1) from the burning of combustibles and fuels and process emissions (solvents), as well as indirect emissions (Scope 2)

resulting from electricity consumption and the provision of district heating. Key figures concerning ozone-depleting substances can be found at [→ Key figures sustainability > Environment](#).

Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other air emissions (GRI 305-7)

Emissions of NO_x, SO₂, NMVOC (non-methane VOC) and dust (PM 10) can be calculated on the basis of the eco-balance using the base data from the Ecoinvent database (version 3.1). The calculation includes both direct emissions (Scope 1) from the burning of combustibles and fuels and process emissions (solvents), as well as indirect emissions (Scope 2) resulting from electricity consumption and the provision of district heating. Key figures concerning emissions can be found at [→ Key figures sustainability > Environment](#).

Waste (GRI 306)

Management approach waste

According to the corporate eco-balance, waste disposal accounted for just 1.5% of the overall environmental impact. The avoidance, reduction and safe handling of waste is promoted at the plants within the scope of environmental management according to ISO 14001. Waste is sorted so that as much as possible is recycled, and as little as possible has to be incinerated or sent to landfill sites. As part of a resource-saving circular economy, efforts are being made to generate secondary material for other processes from waste.

Waste generation and management of waste-related impacts (GRI 306-1 and GRI 306-2)

Waste occurs along Geberit's entire value chain: during the manufacture of purchased raw materials and of semi-finished and finished products, during transportation and production, as well as during the installation and utilisation of products right through to their ultimate disposal when a building is renovated or dismantled.

Production waste at suppliers can only be influenced by Geberit to a limited extent. By complying with the [→ Code of Conduct for Suppliers](#), providers undertake – among other things – to reduce the quantity of waste they produce. The matter is also addressed during visits to suppliers and audits. Packaging waste that occurs when raw materials and semi-finished products are delivered to production and logistics can be influenced to a greater extent. For example, agreements with suppliers can stipulate that reusable containers are used instead of disposable ones, or that silo deliveries are made rather than supplying goods in sacks.

Consistent efforts are made to minimise waste in Geberit's production plants, with actions prioritised as follows: avoid and reduce waste, sort the waste and, if possible, recycle it internally or externally; if this is not possible, use the waste for energy recovery by burning it as fuel at an incineration plant or dispose of it in an inert waste landfill. Wherever possible, hazardous waste requiring special disposal and treatment is avoided. The same applies to waste that has to be sent to a mixed waste landfill. As part of a resource-saving circular economy, efforts are being made to generate secondary material

for other processes from waste. The type and quantity of waste generated depends to a large degree on the relevant production processes. The most important production processes at Geberit are:

1. **Plastics processing (injection moulding, blow moulding, extrusion):** these processes primarily generate plastic waste, virtually all of which can be processed and recycled internally (either directly at the machine or via a decentralised mill). The proportion that can be recycled internally fluctuates according to the manufacturing process, see → [GRI 301-2](#).
2. **Metalworking (bending, stamping, drilling, welding, forming):** these processes primarily generate metal waste that can be recycled and reused externally. In addition, typical waste from metal processing – such as lubricating oils, machine oils and emulsions – are produced.
3. **Ceramic production:** this process generates the largest volume of waste in terms of weight. The waste mainly comprises fired ceramic scrap, mineral sludge (from waste water treatment), and plaster (from used ceramic moulds). As well as minimising the volume of waste through efficient, stable process management, ways of recycling waste internally or externally are also being explored. Trials are under way to examine the possibility of grinding fired ceramic scrap externally and then feeding it back into the production process. As far as external recycling is concerned, fired ceramic scrap can be recycled for use in tile production or road building. A further option is to replace conventional plaster casting systems with modern high-pressure casting systems, as was the case in Kolo (PL) and Slavuta (UA) in the reporting year. This serves to increase efficiency, improve ergonomics and reduce raw material consumption and plaster waste. Moreover, in 2021, 7,200 tonnes of plaster (previous year 6,700 tonnes) were delivered to the cement industry as a by-product for further use, which reduced the amount of waste sent to landfill accordingly.

Geberit also aims to minimise the volume of packaging waste for customers, see → [GRI 301-3](#).

Construction site waste is waste that is generated during the installation and processing of products. Apart from product packaging, this typically includes pipe sections that remain after drinking water and waste water pipes have been assembled, protective caps on fittings and pipes that have to be removed prior to assembly, pressing indicators that fall off when the fittings are pressed, various protective components that are removed after tiling is completed, and sections of GIS profiles or plaster panels left over after a prewall has been installed. This waste is disposed of either by the plumber or by local waste management at the construction site. Since 2021, as part of the roll-out of the new Geberit FlowFit supply system, Geberit has also been offering the possibility of returning protective caps from drinking water fittings and pipes to a Geberit recycling partner. New protective caps or other products can then be made from this waste depending on how clean it is.

Only small quantities of waste are produced during the use phase of Geberit products. This is because Geberit products have a very long service life, the majority of them require little maintenance, and they can be repaired easily in the event of a problem. They are also easy to clean, which means less cleaning work for end users and reduces the amount of cleaning agents used. Waste includes used active carbon filters, batteries, seals and defective components. Geberit has a very large selection of spare parts offering a high degree of backwards compatibility, with availability

of up to 25 years for a significant proportion of the product range. This ensures the durability and functionality of the products while simultaneously saving resources.

Waste is also produced when a sanitary installation or bathroom is renovated or dismantled. Since Geberit products can have a service life of up to 50 years, they will often be dirty or blocked with limescale upon removal (e.g. WC ceramic appliances, waste water and drinking water pipes) or may be connected to other parts of a building (e.g. a tiled prewall or waste water systems embedded in concrete). This makes the products more difficult to recycle. The obligation to take back used electrical equipment such as tools, electronic washbasin taps and control systems, shower toilets and other electronic components is regulated by the WEEE Directive (Waste Electrical and Electronic Equipment). As part of the eco-design initiative, Geberit also ensures that its products are easy to sort and recycle, and that product materials are clearly labelled.

Volume of waste (GRI 306-3, GRI 306-4, GRI 306-5)

The total volume of waste (including recycling) amounted to 74,989 tonnes in 2021 (previous year 73,969 tonnes). 16.0% of the waste was disposed of, while 84.0% (previous year 81.7%) was recycled externally. The total amount includes 1,259 tonnes (previous year 1,263 tonnes) of hazardous waste, of which 46.5% (previous year 59%) was disposed of by incineration and 53.5% (previous year 41%) was able to be recycled.

The reduction and safe handling of waste is promoted at the plants within the scope of environmental management according to ISO 14001. At Geberit, all waste is disposed of and recycled by licensed disposal companies and inspected as part of external audits.

Key figures concerning waste by category are provided at [→ Key figures sustainability > Environment](#).

Environmental compliance (GRI 307)

Management approach environmental compliance

In its [→ Code of Conduct](#), Geberit states that it will limit the environmental impact of its business activities to a minimum. This calls for consistent compliance with all applicable laws, internationally recognised guidelines and industry standards. With many of the initiatives that it implements, Geberit goes above and beyond legal and official requirements. Reviewing and ensuring compliance with the law is a mandatory element of ISO 14001 certification (environment); as of 2020, this process was simplified with the roll-out of a new EHS (environment, occupational health and safety) compliance tool in logistics and the production plants in Switzerland, Poland and Ukraine. Monitoring is also part of the annual Group-wide survey on compliance with the Code of Conduct at all companies, see [→ GRI 419](#).

**Sanctions due to non-compliance with environmental laws and regulations
(GRI 307-1)**

There were no sanctions due to non-compliance with environmental laws and regulations in the reporting year.

10. Profit

10.1 Products and innovation

Product management and innovation

Management approach product management and innovation

Sustainable products play a pivotal role for Geberit in generating added value for customers and society and for contributing to sustainable development as set out by the UN Sustainable Development Goals. Geberit's innovative strength, which is above average for the sector, is founded on its own, wide-ranging research and development (R&D) activities. In the reporting year, Geberit applied for 37 patents, which is above the long-term average. Every year, around CHF 75 million is invested in the development and improvement of products, processes and technologies, not to mention investments in tools and equipment for the manufacture of newly developed products. The scientists and engineers at Geberit have the very latest technologies and infrastructures at their disposal for their development projects, and these are modernised and expanded on an ongoing basis. The existing 3D printing capacities for this purpose, which are probably unique in the industry, were added to with a silicone printing unit. A total of around 18,000 components for prototypes were manufactured using the 3D printing process in the reporting year.

With its wide range of products in front of and behind the wall, Geberit spans the entire flow of water within a building and helps to optimise significant aspects of the system as a whole, such as water and energy consumption or sound insulation. In addition to its quality, durability and high degree of water and resource efficiency, the Geberit product range also impresses with its good environmental compatibility and recyclability. The basis for sustainable products is a systematic innovation process in which the most environmentally friendly materials and functional principles possible are chosen, risks are minimised and a high level of resource efficiency is targeted for the production process as well as the product itself.

For an overview of product development topics, see [→ Business Report > Business and financial review > Financial Year 2021 > Innovation](#). For an overview of new products, see [→ New products](#).

Geberit regards eco-design as the key to environmentally friendly products. The aim is to develop and optimise products in such a way that each new product adds value in ecological terms, either because material, water or energy have been saved, the products can be recycled more easily, or because less CO₂ is emitted during production. Eco-design has been an integral part of the development process since 2007. Employees from different disciplines take part in eco-design workshops so that each new product outperforms its predecessor in environmental aspects. More than 170 eco-design workshops have already been held as part of the development process for new products. The workshops involve systematic product analysis that covers the entire life cycle, a review of legal requirements and an analysis of competing products. In addition, they ensure that

environmentally relevant data is collected and made available for later use, something which is of particular benefit to digital planning using BIM (Building Information Modelling). Based on the findings of these eco-design workshops, new solutions are developed and, where fit for purpose, adopted into the specifications for that product.

Specially created product life cycle assessments are important decision-making tools for the development process and provide arguments for the use of resource-efficient products. The environmental product declarations (EPDs) in accordance with the European standard EN 15804 are also important and can also be used directly for sustainable building standards such as LEED. These show relevant, comparable and verified environmental data on products in a transparent manner. Environmental product declarations have been created for the following products: AquaClean Mera and Sela shower toilets, Piave, Brenta as well as type 185 and type 186 electronic washbasin taps, urinal systems, sanitary ceramics, PE, Silent-db20, Silent-PP and Silent Pro drainage pipes, as well as FlowFit and Mapress Stainless Steel drinking water pipes and fittings. This means that products with an EPD now account for 23% (previous year 20%) of Group sales.

The biggest environmental contribution by Geberit products lies in the conservation of water. An analysis of the entire value chain in the form of a water footprint shows that nearly 100% of water consumption is attributable to the product use phase.

Geberit also advocates the economical use of water beyond processes and products. In 2017, Geberit contributed to the establishment of the European Bathroom Forum (EBF). One of the first tasks was the launch of a new European water label as a voluntary and flexible instrument to support customers in the selection of resource-efficient products. This aims to help achieve the EU targets for resource efficiency.

The environmental impacts of Geberit's products are improved continually through the consistent application of eco-design principles in product development. Current examples that make a particular contribution to reducing environmental impact or CO₂ emissions are as follows:

- Further roll-out of the Geberit iCon toilet range with Rimfree Plus technology and new flush valve type 212, with optimal setting of the flush volume and flush performance with minimal water consumption.
- Geberit ONE. This comprehensive solution combines Geberit's know-how in sanitary technology and design expertise, offering optimal flush performance and flush volumes of 4/2 litres.
- Constant expansion of the range of rimless WC pans helps to simplify cleaning and cut down on cleaning agents.
- New fill and flush valves for floor-standing WCs in the Nordic markets, with flush volumes of 4/2 litres and the share of plastic regranulate used exceeding 50%. A total of around 1,000 tonnes of CO₂ a year can be saved here.
- Thanks to an intelligent redesign, the fill valve type 333 for cisterns is both flow-optimised and very quiet. It uses 11% less materials in the manufacturing process, with around 20% of the plastic in the valve made up of regranulate.

- The new Geberit FlowFit flow-optimised piping system for drinking water and heating applications is ergonomically optimised and made of halogen-free materials. Geberit also offers a system for returning used protective caps and pressing indicators.

Quality

Management approach quality

See → [GRI 416](#).

Product compliance

Management approach product compliance

See → [GRI 416](#) and → [GRI 417](#).

10.2 Operations

Procurement

Supply chain (GRI 102-9)

Geberit's production processes entail a high in-house production depth, i.e. it largely purchases raw materials and semi-finished products with a high share of raw materials. As such, material costs constitute a relatively low share of Geberit's net sales.

The raw materials and semi-finished products procured by Geberit primarily come from suppliers in Western Europe (81.9% of procurement value). The share of the procurement volume from Eastern Europe amounts to 7.2%, that from Asia 9.6%, from America 1.0% and from Africa 0.3%. Owing to the high level of vertical integration as well as the very high share of Western European suppliers, the general risk profile of the supply chain is relatively low.

In 2021, Geberit procured raw materials (30.0%), semi-finished products (42.5%), and finished products (27.5%) with a procurement value of CHF 1,061.3 million (previous year CHF 798 million) from 1,783 direct suppliers around the globe.

As Geberit neither directly imports nor processes conflict minerals (tin, tantalum, tungsten, gold), it is not deemed to be an "importer" within the meaning of EU Regulation 2017/821. If products containing such metals are shipped to the USA, the provisions of the Dodd–Frank Act (Sec. 1502) apply.

Management approach procurement

Corporate Purchasing is responsible for procurement in all production plants worldwide (except the USA) and manages the procurement organisation through a team of lead buyers who are strategically responsible for various material groups. Various changes within Geberit's operating environment mean that demands on procurement are constantly increasing. As a result, Geberit has drafted a new procurement strategy that aims to holistically assess its suppliers ("total value of ownership"),

including sustainability aspects. In addition, new laws concerning responsible procurement have been developed – especially in Switzerland and Germany – resulting in binding reporting and due diligence obligations for companies with regard to their supply chains. Geberit is closely monitoring these developments and considers itself well equipped thanks to its existing approach. In 2022, both the current laws and new legislation on supply chains across Europe are to be analysed in detail, with appropriate measures derived where necessary. In addition to this risk-based approach, the aim going forward is to work more intensively with suppliers in the areas of sustainability and CO₂ reduction.

Geberit's suppliers are obligated to maintain comprehensive standards. The basis for this cooperation is the [→ Code of Conduct for Suppliers](#), which is available in 15 languages and was supplemented by an Integrity Line for suppliers in 2017. The Code is guided, among other things, by the principles of the UN Global Compact, the Universal Declaration of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. The Code of Conduct is binding for every supplier. These include direct suppliers of raw materials and semi-finished products for use in production, as well as indirect suppliers such as those providing services or office materials. The Code comprises specific guidelines on quality and meeting environmental, labour law and social requirements and sets out compliance with human rights. The supplier must prepare appropriate documentation in order to demonstrate – upon request by Geberit – compliance with the provisions of the Code and ensure that these papers are available for inspection at all times. Should the supplier fail to comply with the obligations set out in this Code, then measures for improvement are implemented. Failure to comply on the part of the supplier is regarded as a serious obstacle to the continuation of the business relationship. If the supplier does not correct this non-compliance, Geberit can terminate the cooperation. When evaluating suppliers, Geberit strives to achieve the greatest possible degree of transparency. All new and existing partners are thus assessed by means of standardised processes and according to the same criteria: company as a whole, quality, sustainability, price, procurement chain, delivery reliability, production and technology. As a rule, the selection of suppliers is required to include a quality audit covering clarification on environmental and occupational safety issues. Where an audit reveals inconsistencies in these criteria, an additional, in-depth audit is conducted.

Supplier management incorporates a risk management approach on environmental, occupational safety and human rights matters that is based on the assignment of suppliers to a particular risk class within a risk matrix depending on production location (country) and material group (type of production process). As such, suppliers in the highest risk category pose an increased risk both in terms of production location and type of production process. In 2017, suppliers and material groups that had been added due to the acquisition of the ceramics business were systematically assessed and included in risk management. In addition, the classification of existing material groups into certain risk categories was reviewed. Since then, the risk matrix has been updated on an annual basis. In the reporting year, 171 existing suppliers (previous year 179) were identified in the highest risk category, which corresponds to around 8% (previous year 7%) of the procurement value of Geberit.

A systematic planning and performance of audits is conducted for these suppliers. To ensure neutrality and the expertise required for the audits, Geberit also works with an external partner. This tried-and-tested procedure has been carried out for years and makes an important contribution to ensuring compliance with the duty of care in the supply chain at Geberit.

New employees in procurement also receive training in the process of sustainable procurement. Regular training of lead buyers on procurement and sustainability also takes place, plus participation in a working group of the UN Global Compact on sustainable supply chains.

For further information, see [→ Business Report > Business and financial review > Financial Year 2021 > Procurement and logistics](#).

Assessment of new suppliers based on sustainability criteria (GRI 308-1, GRI 414-1)

All new suppliers undertake to comply with the Code of Conduct for Suppliers and hence also to international standards governing environmental protection, labour practices and human rights. The Code is guided, among other things, by the principles of the UN Global Compact, the Universal Declaration of Human Rights, and the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work. As of the end of 2021, a total of 2,568 direct and indirect suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value.

In the Code of Conduct for Suppliers, suppliers undertake – wherever possible and appropriate – to ensure that their own suppliers and second tier suppliers also adhere to the terms of the Code. Geberit may explicitly demand of a supplier that this Code also be extended to selected second tier suppliers.

When auditing suppliers, an analysis of the most important second tier suppliers is included in the risk analysis and the audit investigations on site.

Geberit's goal is long-term, collaborative supplier management, where the relationship with the supplier is actively managed and sustainability risks in the supply chain are jointly analysed and minimised. Since 2017, an Integrity Line has therefore been available to suppliers for anonymously reporting irregularities in the procurement process or non-compliance with the Code of Conduct for Suppliers. No cases were reported in the reporting year.

Sustainability-related impacts in the supply chain (GRI 308-2, GRI 414-2)

In 2021, five third-party audits were carried out at suppliers in China. The results showed that the majority of obligations set out in the Code of Conduct for Suppliers were complied with. Appropriate corrective measures were agreed in cases of non-compliance.

Production

Management approach production

See [→ Business Report > Business and financial review > Financial Year 2021 > Production](#).

Logistics

Management approach logistics

At the end of 2021, Group logistics comprised the central logistics centre for installation and flushing systems and piping systems in Pfullendorf (DE) as well as a decentralised network of 13 European distribution sites for WC ceramic appliances and bathroom furniture.

Geberit constantly improves its logistics processes, optimises quality and productivity, and reduces the impact on the environment, see → [Sustainability Strategy](#). Since 2015, Geberit has managed to improve the eco-efficiency of its logistics operations (environmental impact per tkm) by 31%.

It was possible to further standardise processes in ceramics logistics in the reporting year thanks to the Geberit Logistics Operation System (GLOS) – a system used for the continuous improvement of business processes. Implementation of the OneERP project – where the IT systems and processes are adjusted to the Group ERP standard – also continued successfully.

Geberit attaches great importance to central transport management in order to enable cost- and resource-optimised transport solutions. Customers generally receive orders in a single truck delivery. This not only reduces the number of empty kilometres, it also increases truck capacity utilisation and reduces CO₂ emissions.

Geberit does not have its own transport fleet, having outsourced this to external transport service providers. Intercompany and distribution logistics play a major part in Geberit's environmental impact, amounting to a significant proportion of the total figure. Cooperation with the transport service providers is therefore of key importance. Partners agree to actively support Geberit in its efforts to use energy and packaging material efficiently and to reduce emissions. Furthermore, the partners support Geberit by providing the data needed for the environmental reporting. Developed in 2010 and continuously expanded since then, the logistics calculator facilitates the annual capture of data on the vehicle fleet composition, transportation performance and fuel consumption of all transport service providers, as well as the preparation of the eco-balance.

In the reporting year, logistics at Geberit was faced with major challenges due to the COVID-19 pandemic as well as the large increase in volume. Thanks to the outstanding commitment and flexibility of the employees, it was nonetheless largely possible to ensure delivery capability and product availability around the world.

For further information, see → [Business Report > Business and financial review > Financial Year 2021 > Procurement and logistics](#). For information on the eco-balance of logistics, see → [GRI 302-2](#).

10.3 Economic Performance

Economic performance (GRI 201)

Management approach economic performance

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 operational management of the Group Executive Board.

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

For detailed explanations of the four strategic pillars and the medium-term goals, see [→ Business Report > Business and financial review > Strategy and goals](#). For a description of the economic position of the Geberit Group, see [→ Business Report > Business and financial review > Financial Year 2021 > Market environment](#).

Value added and its distribution (GRI 201-1)

Significant indicators for the creation and distribution of value in accordance with the GRI requirements can be found in the financial report.

Direct Economic Value Added:

- Net sales and operating profit, see [→ Financials > Consolidated financial statements Geberit Group > Statements of cashflows](#).

Economic Values Passed On:

- Operating expenses excluding personnel expenses, see → [Financials > Consolidated financial statements Geberit Group > Income statements](#).
- Personnel expenses, see → [Key figures sustainability > Employees and society](#).
- Payments to providers of capital, see → [Financials > Consolidated financial statements Geberit Group > Statements of cashflows](#).
- Social engagement, see → [Chapter 8.2 Society > Social responsibility](#).

Retained Economic Values:

- Investments in and divestments of property, see → [Financials > Consolidated financial statements Geberit Group > Statements of cashflows](#).
- Share buyback, see → [Financials > Consolidated financial statements Geberit Group > Notes > Note 22](#).

Opportunities and risks due to climate change (GRI 201-2)

One of the visible effects of climate change is the limited local availability of water resources in many places. In the risk analyses conducted periodically by the World Economic Forum (WEF) and published in its Global Risk Report 2022, water scarcity (a central topic in the context of scarcity of natural resources) was classified as one of the ten highest risks in terms of impact over the next ten years. This trend has an influence on the development of sanitary technology. Water-saving, resource-efficient products will become increasingly important. Geberit is taking advantage of the opportunity to meet the growing worldwide demand for water-saving products and to contribute towards the diligent handling of water, thus making a name for itself as a leader in sustainability. Products classified as special water-saving products already make a substantial contribution to Group sales.

According to TCFD guidelines, a distinction is made between physical risks and transition risks.

Physical risks include extreme weather events as well as the longer-term, local effects of climate change that can include rising average temperatures, a rise in sea levels, drought, flooding, and landslides. This may result in damage to property and infrastructure or adversely affect logistics operations, or cause disruptions in the supply chain. Rising average temperatures and an increase in the number of hot days lead to increased energy demand for the cooling of machines, processes and workplaces during the summer months, as well as to a reduction in energy demand for heating buildings in the winter. Rising sea levels could lead to a need for protective measures at production sites with direct access to the sea (e.g. Gaeta (IT) and Ekenäs (FI)). Prolonged periods of drought can have a negative impact on the availability and quality of water needed for ceramics production, resulting in added expenditure for water treatment and thus additional costs. Overall, the financial impact of physical risks at Geberit are rated as moderate.

Transition risks arise from new legal, economic and technological trends and framework conditions triggered by climate change. Changes in environmental protection laws and tighter regulations may lead to an increase in CO₂ taxes on fuels and combustibles, as well as to stricter requirements

concerning energy efficiency and the use of renewable energy sources. This would have a significant impact on energy costs, particularly at the ten ceramics plants in Europe. The trend towards a circular economy is also leading to increasing demands on the reuse and recycling of products and building materials. This could have a significant impact not only on production facilities, but also on the product portfolio. Societal impacts, notably the changing expectations of customers, investors and employees towards sustainable, low-carbon products and services, also give rise to risks. Geberit rates the financial impact of transition risks also as moderate. However, the trends addressed above also harbour opportunities for Geberit to achieve a competitive advantage as a market leader in sustainable sanitary products. Geberit regularly reviews and assesses material physical risks and transition risks and their financial significance for the company.

Overall, Geberit sees far more opportunities in climate change than it does risks. Stricter environmental rules and regulations and greater environmental awareness among customers are creating additional demand for products that conserve water, energy and resources. Stricter regulations and requirements governing water consumption and water quality – which could result from water scarcity due to climate change – may increase demand for Geberit products, as the company offers globally leading system solutions in this area.

As far as corporate risks are concerned, the Audit Committee of the Board of Directors introduced a comprehensive system for the monitoring and management of the risks associated with the company's business activities, including environmental and climate risks, see [→ Financials > Consolidated financial statements Geberit Group > Notes > Note 4](#).

Benefit plan obligations (GRI 201-3)

The Geberit Group sponsors defined benefit plans for its employees in Switzerland and the USA, amongst others. For further details on pension and benefit plans, see [→ Financials > Consolidated financial statements Geberit Group > Notes > Note 3](#) and [→ Financials > Consolidated financial statements Geberit Group > Notes > Note 17](#).

Financial assistance received from government (GRI 201-4)

Assistance received from the public sector includes:

- Income taxes, see [→ Financials > Consolidated financial statements Geberit Group > Notes > Note 25](#).
- Investment subsidies to promote the respective business location and secure jobs: CHF 0.1 million (previous year CHF 0.3 million)
- Contributions received to support training and part-time employment prior to retirement: CHF 0.5 million (previous year CHF 0.5 million)
- Various other subsidies: CHF 0.1 million (previous year CHF 0.1 million)

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

Socioeconomic compliance (GRI 419)

Management approach socioeconomic compliance

The → [Geberit Code of Conduct](#) describes the basic principles that have to be met in order for Geberit to be an exemplary, reliable and fair business partner and employer. The → [Geberit Compass](#), a key compliance element, describes the cornerstones of the corporate culture, namely the joint mission, the shared values, the operational principles and the success factors to be considered by all employees. The Geberit Compass was presented and explained in the Group-wide employee magazine, which is published in six languages.

In order to guarantee compliance with the requirements of the Code of Conduct, Geberit has established an effective compliance system that focuses on the following key topics: antitrust legislation, corruption, data privacy, product liability, fundamental employee rights, and environment, health and safety. In practice, the system comprises various elements such as guidelines, continuous training, job orientation for new employees, eLearning campaigns, info circulars, compliance-related audits, annual reporting on the Code of Conduct and the Geberit Integrity Line – a whistleblower hotline for employees. A separate Integrity Line has been available for suppliers since 2017. In addition, training concepts and tools were developed further and professionalised in the reporting year, a focal point being antitrust legislation and data privacy.

As only very few companies work with agents, there is no significant risk exposure in this area. Nevertheless, a → [Code of Conduct for business partners](#) was drawn up in 2016 based on the Geberit Code of Conduct and communicated to the agents by the managing directors of the local sales companies.

Corporate Legal Services is responsible for implementing the compliance topics of antitrust legislation, corruption, product liability and data protection, while Corporate Human Resources is responsible for employee rights, and environmental protection falls under the remit of Sustainability and Process Management.

As part of the annual reporting on the Code of Conduct for Employees, compliance with the requirements set out there is subject to controls. All companies receive over 60 questions on the above-mentioned key topics. In addition, on-site audits are performed by the Internal Audit Department and corrective measures taken in the event of misconduct. The audits also comprise special interviews with the managing directors of the individual companies on the topics mentioned in the Code of Conduct. The respective information is verified. The findings from the survey and audits form the basis for the annual Compliance Report submitted to the Board of Directors and the Group Executive Board, and are published in the annual report.

KPMG also carried out a comprehensive external audit of the compliance organisation, focusing on antitrust legislation, corruption, sustainability, employee rights and product liability, with good results achieved overall.

With respect to measures and objectives in the Code of Conduct, see also → [Sustainability strategy](#).

Sanctions due to non-compliance (GRI 419-1)

In the reporting year, non-material fines were imposed on one company for a minor infringement of tax regulations.

10.4 Customers

Customer relations

Management approach customer relations

Geberit provides its customers – notably plumbers and sanitary engineers – with a wide, proven range of training courses. In the reporting year, some 36,000 professionals were provided with education and further training on Geberit products, tools, software tools and installation skills at 30 Geberit Information Centres in Europe and overseas. This more or less corresponds to the number of participants recorded before the pandemic. At the same time, local events and counter days were organised in numerous markets – often together with wholesalers – to train craftsmen on new products. More than 38,000 customers took part in such events. The normalisation in face-to-face training and the personal transfer of know-how and expertise resulted in a decline in the number of web-based seminars and training sessions, with a total of 29,000 participants.

Geberit's product portfolio comprises around 60,000 articles, a range that calls for extensive know-how on the procurement, assembly and functionality of each product. This knowledge is essential in order to hone the specialist skills of the employees and prepare them for the challenges posed by the market, as well as to stand out as a company with qualified specialist personnel. In order to ensure that this know-how is kept up-to-date, Geberit has developed the Geberit Campus – an international learning platform for employees that can be used in every market. The Campus enables Geberit to centrally collect and provide know-how. Furthermore, interactive eLearning courses are offered, as well as seminars at the Geberit Information Centres. Geberit products and areas of expertise such as fire protection and sound insulation are focal points of knowledge transfer. For further information, see [→ Business Report > Business and financial review > Financial Year 2021 > Customers.](#)

Customer health and safety (GRI 416)

Management approach customer health and safety

For Geberit, high quality standards mean fulfilling customers' requirements in terms of functionality, reliability and application safety to the greatest possible extent. Corporate Product Quality is responsible for ensuring that suitable framework conditions promote a quality culture throughout the company, and that all employees act in a quality-conscious and independent manner.

Products undergo a defined quality assurance process from the first draft. Product Development is responsible for ensuring that the products developed are safe and user-friendly, and that they comply with all standards and statutory requirements. As an independent department, Product Quality is responsible for defining, arranging and monitoring all necessary inspections to ensure that these requirements are met. A clear organisational distinction is drawn between Product Development and Product Quality. In addition, many products are also examined by external authorisation bodies.

Following market launch, an efficient handling of complaints with integrated error analysis, the initiation of sustained corrective measures and the continuous development of concepts for customer support takes place 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.

Product Development and Product Quality are equally responsible for customer health and safety.

Conducted health and safety assessments (GRI 416-1)

Generally speaking, Geberit products and services involve low risks for customers in terms of health and safety. Geberit nevertheless adopts a preventive 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, through manufacture and storage, to installation, use and disposal. Eco-design workshops are held in the course of product development in order to optimise the use of suitable and ecological materials. If products or their use result in an increased risk to health or safety, Geberit's technical editorial staff ensures that this is communicated appropriately to customers, see → [GRI 417](#).

Non-compliance with health and safety requirements (GRI 416-2)

Throughout the Group, there were no court judgements or warnings against Geberit in the reporting period involving contraventions of regulations on the health and safety of products and services or product and service information. Furthermore, no sanctions were imposed in connection with Geberit products and services due to non-compliance with product liability regulations.

Marketing and product labelling (GRI 417)

Management approach marketing and product labelling

Most of Geberit's marketing activities continued to target plumbers and planning offices. Besides new or revamped digital tools, proven measures were continued – such as customer visits, training, and the publication of regularly updated technical documents, catalogues, brochures and magazines. Geberit is constantly increasing its activities in the area of Building Information Modelling (BIM), an interdisciplinary planning method that helps to optimise the entire planning and building process while enabling architects, sanitary engineers, building owners and building material manufacturers to share information efficiently, see → [Digitalisation/BIM](#).

Corporate Marketing is responsible for the labelling of products and services. Conveying product and application information in accordance with laws, standards and target groups is one of the main tasks of the Technical Documentation department that forms part of Corporate Marketing. A comprehensive portfolio of various document types and publication channels is available for this purpose. In the area of assembly and installation, Geberit focuses on multicultural and generally understandable images comprising detailed illustrations and guiding symbols. On top of this, more far-reaching information is provided for the plumber, architect and engineer target groups via various handbooks and skills brochures. In addition, product and safety data sheets are available for all products and target groups.

The end user target group is becoming increasingly important in the conveying of product information, as Geberit is addressing end users directly with more and more products. Geberit ensures safe handling and correct labelling by means of detailed operating documentation based on the prevailing standards and laws.

Requirements for product information and labelling (GRI 417-1)

Products involving the use of electricity, gas or dangerous substances – or those containing such substances – need to be appropriately labelled in accordance with the prevailing standards and laws. This includes providing information about the target group and its qualifications as well as the intended use and the existence of substances subject to labelling requirements. The distributor/supplier must publish this information in a national language of the target market in accordance with the prevailing laws and regulations. Whenever possible, plastic components must feature material labelling in order to facilitate recycling. In order to meet the increased demand for digitally available data, a medium- to long-term goal is the creation of a “material passport” for each individual product. This contains information on the product materials used and the associated ecological footprint.

Geberit has joined forces with the European Bathroom Forum (EBF) to work on a European water label that can be used for a wide range of sanitary products. This is an all-encompassing, voluntary and flexible instrument launched by the sanitary industry to support EU targets on resource efficiency. Moreover, 95% of bathroom furniture of the Geberit brand is FSC™ certified (FSC-C134279).

Non-compliance with product information and labelling requirements (GRI 417-2)

One case of incorrect labelling came to light in the reporting year, and this was corrected.

Non-compliance with marketing communications requirements (GRI 417-3)

In the reporting year, there were no relevant violations of marketing communications requirements.

Digitalisation/BIM

Management approach digitalisation/BIM

A significant share of the company's varied marketing activities is targeted at plumbers and sanitary engineers. This especially applies to the ongoing, personalised and frequently project-related support given to installation companies and planning offices by Geberit sales representatives. Digital tools are playing an increasingly important role here. As part of the digitalisation initiative, a dedicated team at Group level and in selected test markets is involved in developing and launching digital tools that are tailored to the different needs of the respective target groups.

In order to respond to the needs of end users as effectively as possible, various digital tools were launched and further developed. An "inspiration tool" for end users is in use in 15 markets in Europe. A 3D planning tool is also available, providing a precise and realistic platform for end users to design their future bathroom. Meanwhile, a new CRM system introduced in all main markets allows Geberit to tailor its offer to the requirements of prospective end users who are interested in sanitary products. Potential customers are made aware of Geberit's websites through a campaign in digital media, where they can then find inspirations, information and digital tools.

Geberit's → [online catalogue](#) has been set up on an extremely high-performance platform. Information relating to products and spare parts is available from a single source and can be displayed on various devices. Information searches are intuitive, also enabling easy navigation on mobile devices at the construction site.

Geberit provides the → [Geberit ProPlanner](#) tool to offer even better support to architects, sanitary engineers and plumbers when planning and configuring bathrooms. It is used to assist the specialists in selecting the right products for a customer-specific project, from the installation and sanitary technology all the way through to the various bathroom products. Another tool designed for everyday use is the → [Geberit Pro app](#) for craftsmen. This offers sanitary professionals support when it comes to the correct installation of Geberit products.

Building Information Modelling (BIM) is an interdisciplinary planning method that aims to optimise the entire planning and building process, while enabling architects, sanitary engineers, building material manufacturers and building owners to share information efficiently. This helps them to avoid planning errors and improve productivity. For a number of years now, Geberit has been providing BIM users with support in the form of product data and calculation modules. In 2021, the provision of BIM data for the relevant Geberit product range was completed. 2021 also saw the BIM catalogue and the calculation tools for Pluvia and GIS/Duofix integrated into a single plug-in for the Autodesk Revit[®] planning software, which enables direct access to compact 3D models and corresponding planning parameters that are always kept up to date. The plug-in is now available worldwide and is being used by more than 6,500 planning and engineering companies.

To be able to support wholesalers to the greatest possible extent in the structured processing and efficient use of product information, the corresponding data has been adapted to meet ETIM 7 (Electro-Technical Information Model) standards. This meant the product data for more than 29,000 items had to be extended.

In spite of the restrictions in place due to the pandemic, it was possible to provide around 36,000 professionals with face-to-face training on products, tools, software tools and installation skills at the 30 Geberit Information Centres in Europe and overseas during the reporting year. This more or less corresponds to the number of participants recorded before the pandemic. At the same time, local events and counter days were organised in numerous markets – often together with wholesalers – to train craftsmen on new products. More than 38,000 customers took part in such events. The normalisation in face-to-face training and the personal transfer of know-how and expertise resulted in a decline in the number of web-based seminars and training sessions, with a total of 29,000 participants. Nevertheless, webinars and eLearning courses that take place over the Internet now occupy a firm and important place in Geberit's training offer.

With trade fairs held only virtually or cancelled altogether in the first half of 2021 due to COVID-19, Geberit opted to further refine its virtual showroom concept, reaching around 24,000 users in the process. Between March and April 2021, Geberit staged its → [Geberit Innovation Days](#) for the first time. Around 10,000 building system experts and construction professionals from over 40 countries registered for one or more of the themed local online events.

Data protection (GRI 418)

Management approach data protection

With the EU's General Data Protection Regulation (GDPR) coming into force, data protection has become an even more important issue for Geberit. It was incorporated into the Geberit Compliance System in 2019, and the data protection processes and tools were expanded and optimised during implementation of the GDPR, which was concluded in the reporting year. In addition, comprehensive training activities were organised and Geberit's data-protection compliance organisation was audited externally.

Complaints concerning violations of customer data privacy (GRI 418-1)

In the reporting year, there were no known complaints concerning violations of customer data privacy.

Sustainability

Key figures sustainability

Key figures environment

Environmental impact

	2021 UBP	2020 UBP	Deviation %
Electricity	86,519	84,586	2.3
Combustibles	95,346	88,711	7.5
Fuels	12,234	12,601	-2.9
Disposal	3,054	3,539	-13.7
Solvents	1,183	1,064	11.2
Water and waste water	2,149	2,271	-5.4
Total	200,485	192,772	4.0

UBP = Ecopoints in million UBP in accordance with the Swiss Ecological Scarcity Method (version 2013)

Material usage

	2021 Tonnes	2020 Tonnes	Deviation %
Raw material plastics	84,236	72,430	16.3
Raw material metal	74,560	68,443	8.9
Raw material mineral	174,874	159,033	10.0
Raw materials acrylic	2,452	2,480	-1.1
Other raw materials	129	112	15.1
Semi-finished products	68,376	58,957	16.0
Finished products	52,672	47,406	11.1
Total	457,299	408,861	11.8

Energy consumption

	2021 GWh	2020 GWh	Deviation %
Electricity	231.6	215.7	7.4
District heating	17.1	13.8	23.5
Combustibles	504.9	470.8	7.2
Natural gas	423.6	393.1	7.8
Biogas	9.7	9.0	8.1
Liquified petroleum gas (LPG)	71.5	68.3	4.6
Diesel for electricity generation	0.1	0.1	10.9
Heating oil extra light	0.02	0.31	-93.8
Fuels	22.1	22.8	-2.9
Total	775.7	723.1	7.3

Electricity mix

2021	GWh	Renewable %	Fossil %	Nuclear %	Others %
Europe	132.5	20.7	61.1	17.0	1.2
USA	5.9	9.7	70.3	19.4	0.7
China	6.1	19.1	78.9	2.1	0.0
India	2.0	16.4	81.8	1.8	0.0
Green electricity	85.1	100.0	0.0	0.0	0.0
Total	231.6	49.5	39.5	10.3	0.7

2020	GWh	Renewable %	Fossil %	Nuclear %	Others %
Europe	135.5	22.2	58.3	18.2	1.3
USA	6.3	9.6	70.3	19.4	0.7
China	4.8	19.1	78.8	2.1	0.0
India	1.5	16.4	81.8	1.8	0.0
Green electricity	67.6	100.0	0.0	0.0	0.0
Total	215.7	46.1	41.0	12.1	0.8

CO₂ emissions

	2021 Tonnes	2020 Tonnes	Deviation %
Scope 1	114,392	107,403	6.5
Combustibles	108,350	101,094	7.2
Fuels	5,893	6,065	-2.8
Process emissions	149	244	-38.8
Scope 2	102,617	99,150	3.5
Electricity	102,350	98,825	3.6
District heating	267	325	-18.1
Scope 1 and 2	217,009	206,553	5.1
Scope 3			
Raw materials	766,368	670,192	14.4
Provision of combustibles and fuels	36,912	34,828	6.0
External logistics	77,292	61,653	25.4
Business flights	586	445	31.7
Disposal of sold products	302,451	257,661	17.4

Calculation of CO₂ emissions according to IPCC 2013

Air emissions

		2021 kg	2020 kg	Deviation %
NO _x	direct	50,683	47,737	6.2
	indirect	134,185	130,304	3.0
	Total NO_x	184,868	178,041	3.8
SO ₂	direct	1,326	1,319	0.5
	indirect	254,639	250,278	1.7
	Total SO₂	255,965	251,597	1.7
NMVOC	direct	87,077	75,138	15.9
	indirect	16,838	16,896	-0.3
	Total NMVOC	103,915	92,034	12.9
Dust (PM10)	direct	383	371	3.2
	indirect	28,480	27,342	4.2
	Total dust	28,863	27,713	4.1
CFC11 equivalents	direct	0.0	0.3	-100.0
	indirect	7.5	7.6	-2.3
	Total CFC11 equivalents	7.5	7.9	-5.7

Calculation based on Ecoinvent data version 3.1

Water

	2021 m ³	2020 m ³	Deviation %
Drinking water	333,887	363,599	-8.2
Well water	380,269	387,188	-1.8
River and lake water	200,786	195,560	2.7
Rain water	10,288	6,937	48.3
Total	925,230	953,284	-2.9

Waste water

	2021 m ³	2020 m ³	Deviation %
Domestic waste water	173,112	207,108	-16.4
Process water ceramic	499,667	485,460	2.9
Other waste water	13,390	17,175	-22.0
Total	686,169	709,743	-3.3

Waste

	2021 Tonnes	2020 Tonnes	Deviation %
to incineration	1,282	1,122	14.2
to inert waste landfill	9,265	10,216	-9.3
to mixed waste landfill	843	917	-8.1
to external recycling	62,341	60,451	3.1
to hazardous waste incineration	585	742	-21.1
to hazardous waste recycling	673	521	29.3
Total	74,989	73,969	1.4

Key figures employees and society

Workforce

	2021	Share %	2020	Share %
Germany	3,506	29.7	3,297	28.5
Poland	1,728	14.6	1,647	14.2
Switzerland	1,505	12.7	1,454	12.6
Ukraine	590	5.0	602	5.2
Austria	584	5.0	565	4.9
Italy	536	4.5	538	4.6
China	403	3.4	495	4.3
Others	2,957	25.1	2,971	25.7
Total	11,809	100.0	11,569	100.0
Production	7,068	59.8	6,901	59.7
Marketing and sales	3,126	26.5	3,067	26.5
Administration	951	8.0	958	8.2
Research and development	386	3.3	381	3.3
Apprentices	278	2.4	262	2.3
Total	11,809	100.0	11,569	100.0
Permanent	9,847	83.4	9,797	84.7
Temporary	1,962	16.6	1,772	15.3
Total	11,809	100.0	11,569	100.0
Full-time	11,149	94.4	11,012	95.2
Part-time	660	5.6	557	4.8
Total	11,809	100.0	11,569	100.0
Management	214	1.8	213	1.8
Employees	11,595	98.2	11,356	98.2
Total	11,809	100.0	11,569	100.0

Information in full-time equivalents

Diversity

as of December 31, 2021		Management	Employees	Total
		%	%	%
Proportion of female employees		11	25	24
Age structure	> 45 years	75	42	42
	30 – 45 years	25	41	41
	< 30 years	0	17	17

as of December 31, 2020		Management	Employees	Total
		%	%	%
Proportion of female employees		11	25	24
Age structure	> 45 years	75	42	42
	30 – 45 years	24	42	42
	< 30 years	1	16	16

Fluctuation

excl. natural departures		2021	Rate	2020	Rate
			%		%
Age group	> 45 years	221	4.7	146	3.2
	30 – 45 years	378	9.1	256	6.2
	< 30 years	149	14.3	102	10.0
Gender	Male	484	6.4	381	5.1
	Female	264	11.2	123	5.4
Region	Germany	111	4.0	80	2.9
	Poland	68	5.2	59	4.7
	Switzerland	98	7.3	81	6.2
	Ukraine	94	15.6	86	14.2
	Austria	50	9.2	41	7.8
	Italy	19	4.0	12	2.5
	China	127	50.2	13	5.9
	Others	181	8.1	132	5.9
Total		748	7.6	504	5.2

Information in headcounts

Natural departures includes retirements

incl. natural departures		2021	Rate %	2020	Rate %
Age group	> 45 years	380	8.1	304	6.6
	30 – 45 years	381	9.2	258	6.2
	< 30 years	149	14.3	102	10.0
Gender	Male	597	7.9	505	6.8
	Female	313	13.3	159	7.0
Region	Germany	185	6.7	145	5.3
	Poland	74	5.6	69	5.5
	Switzerland	120	8.9	104	7.9
	Ukraine	94	15.6	91	15.0
	Austria	62	11.5	51	9.7
	Italy	24	5.1	15	3.1
	China	129	51.0	19	8.6
	Others	222	9.9	170	7.6
	Total		910	9.2	664

Information in headcounts

Natural departures includes retirements

Training and education

Hours per employee	2021	2020	Deviation %
Women	10.5	16.9	-37.9
Men	11.5	15.3	-24.8
Management	11.6	11.1	4.5
Other employees	11.3	15.8	-28.0
Training and education group	11.3	15.7	-28.0

Personnel expenses

	2021 MCHF	2020 MCHF	Deviation %
Wages and salaries	610.5	570.0	6.9
Pension contributions	45.2	42.0	7.6
Other social benefits	112.5	105.8	6.3
Other personnel expenses	44.0	31.7	38.8
Total	812.2	750.4	8.2

Social engagement

	Unit	2021	2020	Deviation %
Donations and contributions	MCHF	4.2	4.0	5.0
Orders to social institutions	MCHF	9.7	8.5	14.1
Charitable work	Hours	1,650	450	266.7

Health and safety

	2021	2020	Deviation %
Number of occupational accidents	160	170	-5.9
Accident frequency rate (AFR)	7.9	8.9	-11.2
Lost days due to occupational accidents	3,089	3,294	-6.3
Accident severity rate (ASR)	152.8	171.9	-11.1

Accident frequency rate (AFR) = Number of occupational accidents per million working hours performed

Accident severity rate (ASR) = Number of lost working days due to accidents per million working hours performed

Absenteeism rate per region

	Illness	Accident	Total
2021	%	%	%
Europe	4.87	0.10	4.97
Asia	1.81	0.03	1.85
USA	2.27	0.25	2.52
Others	0.53	0.22	0.75
Absenteeism rate group	4.61	0.10	4.71

Absenteeism rate based on regular working hours

	Illness	Accident	Total
2020	%	%	%
Europe	4.82	0.12	4.94
Asia	2.19	0.01	2.19
USA	2.14	0.03	2.17
Others	0.55	0.00	0.55
Absenteeism rate group	4.57	0.11	4.68

Absenteeism rate based on regular working hours



Sustainability

Reporting Standards

GRI Content Index



For the Materiality Disclosures Service, GRI inspected whether the GRI Content Index is clearly presented and the references for disclosures GRI102-40 to GRI 102-49 match the corresponding parts of the report. The GRI Materiality Disclosures Service was conducted based on the german version of the report.

Universal standards

GRI Standard/ Disclosure	Title	GRI Standard/ Disclosure	Title
GRI 101: 2016	Foundation		management
GRI 102: 2016	General Disclosures	GRI 102-24	Nomination and selection process of the board of directors
	Organisational profile	GRI 102-25	Processes in place for the board of directors to avoid conflicts of interest
GRI 102-1	Name of the organisation	GRI 102-26	Role of the top management and board of directors in development of guiding principles and strategies
GRI 102-2	Activities, brands, products and services	GRI 102-27	Enhancement of the top management and board of directors related know-how on economic, environmental and social issues
GRI 102-3	Location of headquarters	GRI 102-28	Processes for evaluation of the sustainability performance of the board of directors
GRI 102-4	Location of operations	GRI 102-29	Board level procedures for overseeing sustainability performance
GRI 102-5	Ownership and legal form	GRI 102-30	Effectiveness of the risk management process
GRI 102-6	Markets served	GRI 102-31	Frequency of review of impacts, risks and chances in the area of sustainability
GRI 102-7	Scale of the organisation	GRI 102-32	Review and approval of sustainability reporting
GRI 102-8	Composition of the workforce	GRI 102-33	Procedures for communicating critical concerns to the board
GRI 102-9	Supply chain	GRI 102-34	Nature and total number of critical concerns communicated to the board
GRI 102-10	Structural changes	GRI 102-35	Remuneration policies for highest governance bodies
GRI 102-11	Consideration of the precautionary approach	GRI 102-36	Processes for determining remuneration
GRI 102-12	External initiatives	GRI 102-37	Stakeholders' involvement in decisions regarding remuneration
GRI 102-13	Membership of associations	GRI 102-38	Ratio of annual remuneration paid
	Strategy and analysis	GRI 102-39	Ratio of percentage increase in annual remuneration paid
GRI 102-14	CEO statement on sustainability		Stakeholder engagement
GRI 102-15	Key impacts, risks and opportunities	GRI 102-40	Relevant stakeholder groups
	Ethics and integrity	GRI 102-41	Collective bargaining agreements
GRI 102-16	Values, directives, standards and codes of conduct	GRI 102-42	Identification and selection of stakeholders
GRI 102-17	Ethical advice and concerns	GRI 102-43	Approaches to stakeholder engagement
	Governance	GRI 102-44	Response to and dealing with key topics and concerns
GRI 102-18	Governance structure		
GRI 102-19	Delegation of authority on economic, environmental and social matters		
GRI 102-20	Responsibility for economic, environmental and social matters		
GRI 102-21	Consultation process between stakeholders and the board		
GRI 102-22	Composition of the highest governance body and its committees		
GRI 102-23	Separation of chair of board of directors and executive		

GRI Standard/ Disclosure	Title
	of stakeholders
	Reporting practice
GRI 102-45	Basis of consolidation
GRI 102-46	Report content and topic boundaries
GRI 102-47	List of material topics
GRI 102-48	Restatements of information
GRI 102-49	Changes in reporting
GRI 102-50	Reporting period

GRI Standard/ Disclosure	Title
GRI 102-51	Date of most recent report
GRI 102-52	Reporting cycle
GRI 102-53	Contact point for questions regarding the report
GRI 102-54	Compliance with GRI Standards
GRI 102-55	GRI content index
GRI 102-56	External assurance

Topic-specific standards

People

GRI Standard/ Disclosure	Title
GRI 401: 2016	Employment
GRI 103: 2016 103-1/103-2/103-3	Management approach
401-1	Employee fluctuation
401-2	Benefits provided to full-time employees
401-3	Parental leave
GRI 403: 2018	Occupational health and safety
GRI 103: 2016 103-1/103-2/103-3	Management approach
403-1	Occupational health and safety management system
403-2	Hazard identification, risk assessment, and incident investigation
403-3	Occupational health services
403-4	Worker participation, consultation, and communication on occupational health and safety
403-5	Worker training on occupational health and safety
403-6	Promotion of worker health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
403-8	Workers covered by an occupational health and safety management system
403-9	Work-related injuries
403-10	Work-related illness
GRI 404: 2016	Training and education
GRI 103: 2016 103-1/103-2/103-3	Management approach
404-1	Scope of training and education

GRI Standard/ Disclosure	Title
404-2	Programmes for skills management and lifelong learning
404-3	Performance evaluation and career planning
GRI 405: 2016	Diversity and equal opportunity
GRI 103: 2016 103-1/103-2/103-3	Management approach
405-1	Diversity of governance bodies and employees
405-2	Ration of remuneration between women and men
GRI 406: 2016	Non-discrimination
GRI 103: 2016 103-1/103-2/103-3	Management approach
406-1	Cases of discrimination
GRI 407: 2016	Freedom of association and collective bargaining
GRI 103: 2016 103-1/103-2/103-3	Management approach
407-1	Non-compliance with the right of freedom of association and collective bargaining
GRI 205: 2016	Anti-corruption
GRI 103: 2016 103-1/103-2/103-3	Management approach
205-1	Operations subjected to reviews on the risk of corruption
205-2	Communication and training on anti-corruption
205-3	Incidents of corruption
GRI 206: 2016	Anti-competitive behaviour
GRI 103: 2016 103-1/103-2/103-3	Management approach
206-1	Legal proceedings due to the anti-competitive behaviour
GRI 202: 2016	Market presence

GRI Standard/ Disclosure	Title
GRI 103: 2016 103-1/103-2/103-3	Management approach
202-1	Ration of standard entry level wage compared to local minimum wage
202-2	Procedures for local hiring of management
GRI 203: 2016	Indirect economic impacts
GRI 103: 2016 103-1/103-2/103-3	Management approach
203-1	Infrastructure investments and services supported
203-2	Significant indirect economic impacts
GRI 408: 2016	Child labour
GRI 103: 2016 103-1/103-2/103-3	Management approach
408-1	Cases of child labour
GRI 409: 2016	Forced or compulsory labour
GRI 103: 2016 103-1/103-2/103-3	Management approach
409-1	Cases of forced or compulsory labour
GRI 412: 2016	Human rights assessment
GRI 103: 2016 103-1/103-2/103-3	Management approach
412-1	Assessment of operations regarding human rights risks
412-2	Employee training on human rights
412-3	Human rights criteria in investments and contract agreements
	Social responsibility
GRI 103: 2016 103-1/103-2/103-3	Management approach

Planet

GRI Standard/ Disclosure	Title
GRI 301: 2016	Materials
GRI 103: 2016 103-1/103-2/103-3	Management approach
301-1	Materials used
301-2	Percentage of recycled material
301-3	Reuse of products and packaging materials
GRI 302: 2016	Energy
GRI 103: 2016 103-1/103-2/103-3	Management approach
302-1	Energy consumption within the organisation
302-2	Energy consumption outside of the organisation

GRI Standard/ Disclosure	Title
302-3	Energy intensity
302-4	Energy saved
302-5	Reductions in energy requirements of products and services
GRI 303: 2018	Water and effluents
GRI 103: 2016 103-1/103-2/103-3	Management approach
303-1	Water withdrawal and water consumption
303-2	Handling of waste water
303-3	Handling and use of water
303-4	Waste water
303-5	Handling and use of water
GRI 305: 2016	Emissions
GRI 103: 2016 103-1/103-2/103-3	Management approach
305-1	Direct greenhouse gas emissions (Scope 1)
305-2	Indirect, energy-related greenhouse emissions (Scope 2)
305-3	Other indirect greenhouse gas emissions (Scope 3)
305-4	Intensity of greenhouse gas emissions
305-5	Reduction of greenhouse gas emissions
305-6	Emissions of ozone-depleting substances
305-7	Nitrogen oxides (NO _x), sulphur oxides (SO _x) and other air emissions
GRI 306: 2020	Waste
GRI 103: 2016 103-1/103-2/103-3	Management approach
306-1	Waste generation and significant waste-related impacts
306-2	Management of significant waste-related impacts
306-3	Waste generated
306-4	Waste diverted from disposal
306-5	Waste directed to disposal
GRI 307: 2016	Environmental compliance
GRI 103: 2016 103-1/103-2/103-3	Management approach
307-1	Sanctions due to non-compliance with environmental laws and regulations

Profit

GRI Standard/ Disclosure	Title
	Product management and innovation
GRI 103: 2016	Management approach

GRI Standard/ Disclosure	Title	GRI Standard/ Disclosure	Title
103-1/103-2/103-3		201-3	Benefit plan obligations
	Quality	201-4	Financial assistance received from government
GRI 103: 2016 103-1/103-2/103-3	Management approach	GRI 419: 2016	Socioeconomic compliance
	Product compliance	GRI 103: 2016 103-1/103-2/103-3	Management approach
GRI 103: 2016 103-1/103-2/103-3	Management approach	419-1	Sanctions due to non-compliance
	Sanctions due to non-compliance with product liability regulations		Customer relations
	Procurement	GRI 103: 2016 103-1/103-2/103-3	Management approach
GRI 308: 2016	Supplier environmental assessment	GRI 416: 2016	Customer health and safety
GRI 103: 2016 103-1/103-2/103-3	Management approach	GRI 103: 2016 103-1/103-2/103-3	Management approach
308-1	Assessment of new suppliers based on sustainability criteria	416-1	Conducted health and safety assessments
308-2	Sustainability-related impacts in the supply chain	416-2	Non-compliance with health and safety requirements
GRI 414: 2016	Supplier social assessment	GRI 417: 2016	Marketing and labelling
GRI 103: 2016 103-1/103-2/103-3	Management approach	GRI 103: 2016 103-1/103-2/103-3	Management approach
414-1	Assessment of new suppliers based on sustainability criteria	417-1	Requirements for product information and labelling
414-2	Sustainability-related impacts in the supply chain	417-2	Non-compliance with product information and labelling requirements
	Production	417-3	Non-compliance with marketing communications requirements
GRI 103: 2016 103-1/103-2/103-3	Management approach		Digitalisation/BIM
	Logistics	GRI 103: 2016 103-1/103-2/103-3	Management approach
GRI 103: 2016 103-1/103-2/103-3	Management approach	GRI 418: 2016	Customer privacy
GRI 201: 2016	Economic performance	GRI 103: 2016 103-1/103-2/103-3	Management approach
GRI 103: 2016 103-1/103-2/103-3	Management approach	418-1	Compliance concerning violations of customer data privacy
201-1	Value added and its distribution		
201-2	Opportunities and risks due to climate change		

SASB Content Index

Geberit uses the Sustainability Accounting Standards Board (SASB) Content Index to provide structured information for investors on SASB-relevant topics. In the industry classification system provided by → SASB, Geberit is assigned to the SASB Building Products & Furnishings industry standard. However, the respective set of disclosures is not the most appropriate in consideration of the business of Geberit. Building products from wood such as bathroom furniture only account for an insignificant share of total sales. In alignment with the financial materiality and the respective set of disclosures, the SASB industry standard «Construction Materials» has been defined as most appropriate to our business. It covers, among others, companies that produce construction materials, such as plastic materials, for sale to construction firms or wholesale distributors, and that purchase raw materials from the mining and petroleum industries. Geberit offers customers high-quality sanitary products and concentrates on installation and flushing systems for sanitary facilities, piping systems for transporting water in buildings, as well as bathroom systems. More detailed information on Geberit's main business activities and product range is provided → online. The SASB Content Index makes reference to the Geberit Sustainability Performance Report which is presented in accordance with the guidelines of the Global Reporting Initiative (GRI) and the respective "Comprehensive" option of the GRI Standards.

Accounting Metric(s)	Code	Category	Location in GRI/ Sustainability Performance Report or Response
Greenhouse Gas Emissions			
Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	EM-CM-110a.1	Quantitative	→ GRI 305-1, → GRI 201-2 Geberit is currently hardly affected by the regulation of emissions, as only one ceramic plant in Sweden pays CO ₂ taxes. Detailed key figures on the environmental impact are provided at → Key figures Sustainability > Environment
Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-CM-110a.2	Discussion and Analysis	→ GRI 305
Air Quality			
Air emissions of the following pollutants: (1) NO _x (excluding N ₂ O), (2) SO _x , (3) particulate matter (PM10), (4) dioxins/furans, (5) volatile organic compounds (VOCs), (6) polycyclic aromatic hydrocarbons (PAHs), and (7) heavy metals	EM-CM-120a.1	Quantitative	(1), (2), (3), (5): → GRI 305-7 (4), (6), (7): Producing sanitary ceramics is completely different than producing cement from a chemical point of view. E.g. there is no clinkering process with related air emissions. Air emissions at Geberit primarily result from the combustion of natural gas (see positions 1, 2, 3 and 5). Therefore, these sub-disclosures are considered not to be material to our business.

Accounting Metric(s)	Code	Category	Location in GRI/ Sustainability Performance Report or Response
Energy Management			
(1) Total energy consumed, (2) percentage grid electricity, (3) percentage alternative, (4) percentage renewable	EM-CM-130a.1	Quantitative	(1), (2), (4): → GRI 302-1 (3): Geberit does not consume energy from alternative sources other than mentioned under (4). Detailed key figures on the environmental impact are provided at → Key figures Sustainability > Environment
Water Management			
(1) Total fresh water withdrawn, (2) percentage recycled, (3) percentage in regions with High or Extremely High Baseline Water Stress	EM-CM-140a.1	Quantitative	(1): → GRI 303-3 (2): → GRI 303-4 (3): → GRI 303-3 , → GRI 303-5 The production plants in Lichtenstein (DE), Gaeta (IT), Kolo (PL), Wloclawek (PL), Shanghai (CN) and Pune (IN) are located in areas with high and very high baseline water stress respectively and account for 29% of total water consumption. Detailed key figures on the environmental impact are provided at → Key figures Sustainability > Environment
Waste Management			
Amount of waste generated, percentage hazardous, percentage recycled	EM-CM-150a.1	Quantitative	→ GRI 301-2 , → GRI 301-3 , → GRI 306-3 , → GRI 306-4 , → GRI 306-5 Detailed key figures on the environmental impact are provided at → Key figures Sustainability > Environment
Biodiversity Impacts			
Description of environmental management policies and practices for active sites	EM-CM-160a.1	Discussion and Analysis	→ GRI 102-47
Terrestrial acreage disturbed, percentage of impacted area restored	EM-CM-160a.2	Quantitative	This data is considered not to be material to our business.
Workforce Health & Safety			
(1) Total recordable incident rate (TRIR) and (2) near miss frequency rate (NMFR) for (a) full-time employees and (b) contract employees	EM-CM-320a.1	Quantitative	(1): → GRI 403-9 , → GRI 403-10 (2): This data is currently not being collected but prepared for future disclosure.
Number of reported cases of silicosis	EM-CM-320a.2	Quantitative	→ GRI 403-10

Accounting Metric(s)	Code	Category	Location in GRI/ Sustainability Performance Report or Response
Product Innovation			
Percentage of products that qualify for credits in sustainable building design and construction certifications	EM-CM-410a.1	Quantitative	23% of Group sales are covered by products with an EPD. Furthermore, more than 95% of the bathroom furniture of the Geberit brand is FSC™ certified (FSC-C134279). Detailed information on product innovation is provided at → Sustainability Performance Report, 10.1 Products and Innovation .
Total addressable market and share of market for products that reduce energy, water, and/or material impacts during usage and/or production	EM-CM-410a.2	Quantitative	Since 2017, Geberit has been working on a European water label that is applicable to a wide range of sanitary products. Detailed information on product innovation is provided at → Sustainability Performance Report, 10.1 Products and Innovation .
Pricing Integrity & Transparency			
Total amount of monetary losses as a result of legal proceedings associated with cartel activities, price fixing, and anti-trust activities	EM-CM-520a.1	Quantitative	→ GRI 419-1

SDG Reporting

As a driving force in the field of sanitary technology, Geberit provides solutions that ensure the maximum possible efficiency in water usage and, thus, sustainable building in cities and communities worldwide. Thanks to constant investment in research and development, the company is driving innovation in the sanitary industry. As a sound employer with attractive working conditions, the company is also a stabilising economic factor in many regions. Geberit is thus making a contribution to the UN 2030 Agenda for Sustainable Development, focussing primarily on four of the 17 goals (Sustainable Development Goals, SDG). In addition, Geberit is consistently committed to climate change mitigation (SDG number 13), see [→ CO₂ strategy](#).



Ensure availability and sustainable management of water and sanitation for all.

Modules in the Geberit sustainability strategy that are relevant to this goal:

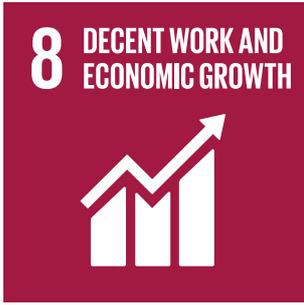
- [Water](#)
- [Eco-design & Sustainable Products](#)

Relevance for Geberit

The biggest environmental contribution made by Geberit products lies in the conservation of water, which is one of the pivotal aspects in the company's contribution towards sustainable development. Innovative Geberit sanitary products reduce the amount of water consumed and help to systematically optimise the way in which water is used in buildings while maintaining the highest hygiene standards – including in terms of drinking water.

Geberit's contribution

- Geberit has a comprehensive range of products that facilitate sustainable sanitary solutions, and that contribute to increased quality of life with low water, resource and energy consumption and with environmentally friendly materials. Geberit's water footprint shows that nearly 100% of the water consumption is attributable to the use of products by customers. This is where Geberit's product portfolio comes into its own.
- The flushing cistern is the central element when it comes to water conservation. A model calculation shows that all Geberit dual-flush and flush-stop cisterns installed since 1998 saved around 3,590 million m³ of water in 2021 alone in comparison with traditional flushing systems. Water conservation is the result of a balanced overall system. Reducing the flush volume in the cistern while at the same time ensuring that the WC pan is optimally flushed out is just as important as correctly dimensioning the drainage system.
- Stagnation and dirt in the drinking water system are among the greatest risks that can adversely affect the quality of the water in domestic installations. Geberit offers various solutions (e.g. hygiene filters, sanitary flush units) for ensuring drinking water hygiene in a reliable and economical manner.
- Thanks to targeted investments in research and development in areas such as hydraulics and virtual engineering, Geberit is working on developing innovations for the future. Here, Geberit regards eco-design as the key to environmentally friendly products and as an integral part of the development process. Eco-design has been an integral part of the development process since 2007 and has already been adopted in more than 170 development projects.
- For many years, Geberit has been supporting the development of standards initiated by the sanitary industry aimed at helping products that use resources and water as sparingly as possible to be a success on the market. Geberit thus contributed to the launch of a new European water label for sanitary products from the European Bathroom Forum (EBF).



Promote sustainable economic growth, employment and decent work for all.

Modules in the Geberit sustainability strategy that are relevant to this goal:

- [Employees & Corporate Culture](#)
- [Health & Safety](#)
- [Social Responsibility](#)

Relevance for Geberit

Motivated and skilled employees are one of the key pillars on which Geberit's long-term business success is built. Geberit has been committed to providing attractive jobs as an employer for almost 150 years and the company's profitable growth allows it to continuously generate added value for regional economic areas, suppliers and business partners. In doing so, Geberit assumes social responsibility across the board.

Geberit's contribution

- As a profitable company, Geberit is an attractive employer for its 11,809 employees worldwide and paid out a total of CHF 812 million in salaries and social benefits in 2021.
- Geberit sets particular store on solid education and further training and on equal opportunities for all employees. In 2021, employees across the Group attended on average 11.3 hours of internal and external education and further training.
- At the end of 2021, Geberit employed 278 apprentices in commercial, industrial and technical professions. The aim is to impart all the skills that are required for apprentices to pursue their chosen careers in a professional, independent and responsible manner. The transfer rate to a permanent employment relationship was 85%.
- The occupational health and safety of employees has the highest priority at Geberit. Using 2015 as the reference year, the aim is to halve the frequency and severity of accidents by 2025. Geberit also offers its employees precautionary healthcare opportunities through various offers and activities.
- The economy benefits from Geberit's leading role in the change towards a more sustainable sanitary industry: through the contribution to better sanitary standards, a durable, resource-efficient sanitary infrastructure, through know-how transfer in the sanitary industry, via impetus for the economy in regional economic areas, and through orders with suppliers.
- Geberit has also supported facilities for disabled persons for many years, where simple assembly and packaging work is carried out. In the reporting year, this work amounted to CHF 9.7 million and gave some 550 people meaningful work.



Build resilient infrastructure, promote sustainable industrialisation and foster innovation.

Modules in the Geberit sustainability strategy that are relevant to this goal:

- [Resources & Circular Economy](#)
- [Energy & CO₂](#)
- [Green Production](#)
- [Eco-design & Sustainable Products](#)

Relevance for Geberit

An efficient, innovative and sustainable industry requires a modern infrastructure that is fit for the future, plus innovations along the entire value chain. Geberit regularly upgrades its own infrastructure and facilities, and invests consistently in research and development.

Geberit's contribution

- Thanks to the Geberit Production System (GPS), all Geberit production sites have a modern and future-oriented foundation. Continuous improvements are made by means of "lean manufacturing" and the shift in production philosophy from the workshop principle of step-by-step manufacturing to a comprehensive system of continuous flow production.
- The Geberit Group has a Group certificate in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2024. In addition, five German plants are certified in accordance with ISO 50001 (energy) and nine sales companies in accordance with ISO 9001 (quality).
- Since the acquisition of the energy intensive ceramics business in 2015, ten tunnel kilns for ceramic production have been retrofitted with state-of-the-art burner technology. Each kiln can bring about energy savings of over 20%. Eco-efficiency (environmental impact per currency-adjusted net sales) has been improved by 40.9% since 2015.
- Approximately CHF 75 million is invested in research and development every year. This helps to consolidate Geberit's position as market leader and set trends in the industry with sanitary products. The investment is also further proof that Geberit is committed to the development of water-saving and sustainable products within the framework of eco-design. In addition to traditional product development, investments are made in ten relevant fields of competence for sanitary technology as the basis for future innovations: hydraulics, materials technology, hygiene, surface technology, electronics, sound insulation, statics, fire protection, process engineering and virtual engineering. The focus is on the collaboration between the various areas and the continuous testing of new, integrated product and system solutions, materials and concepts.



Make cities and communities safe, resilient and sustainable. Modules in the Geberit sustainability strategy that are relevant to this goal:

- [Sustainable Building](#)
- [Resources & Circular Economy](#)

Relevance for Geberit

The sustainable development of cities and areas relies on buildings that are sustainably planned, constructed, operated and dismantled. With a wide range of products, Geberit provides sustainable solutions for sanitary systems and water management in buildings. At the same time, Geberit is thus developing a sustainable market segment that is geared towards sustainable building.

Geberit's contribution

- With its wide range of products in front of and behind the wall, Geberit spans the entire flow of water within a building and helps to optimise significant aspects of the system as a whole, such as water and energy consumption or sound insulation. In addition to their quality and high degree of water and resource efficiency, Geberit products also impress with their good environmental compatibility and recyclability.
- Geberit products have a very long industrial service life, as many of them will be installed in buildings for decades. In addition, Geberit products are in some instances backwards-compatible, can be cleaned and maintained easily, and spare parts are available for up to 25 years for a significant proportion of the product range. This supports the circular economy approach in buildings.
- Construction processes are complex and require a healthy working relationship between the various parties involved. With this in mind, Geberit has been passing on valuable expertise and training customers and partners for many years. In 2021, around 36,000 sanitary engineers and plumbers received education and further training on products, tools and software tools at 30 Geberit Information Centres.
- Geberit invests in digital tools such as the interdisciplinary planning method BIM (Building Information Modelling), with the aim of optimising the entire planning and building process. BIM facilitates an efficient exchange of information between architects, sanitary engineers and building owners, thus enabling sanitary systems in buildings to be holistically planned, simulated in the respective context and implemented as a complete solution. This is also entirely in keeping with the spirit of sustainability.
- More and more buildings are being constructed and certified in accordance with sustainability standards such as LEED, BREEAM, DGNB or Minergie. Geberit also offers comprehensive expertise and system solutions in the areas of sanitary technology and water management. This combination impresses investors, project developers, owners and tenants alike. In particular, Geberit offers numerous products with Environmental Product Declarations (EPD) in accordance with the European standard EN 15804, which can also be used directly for sustainable building standards. This means that products with an EPD now account for 23% of Group sales.

Communication on Progress UNGC

Human rights

Principle 1:

Support and respect the protection of internationally proclaimed human rights in the company's own area of influence

- When hiring employees and determining their assignment in the company, Geberit attaches great importance to qualifications appropriate to the task description. In accordance with their qualifications, the majority of Geberit employees at the production sites and sales companies are paid well above the minimum wage range. This considerably reduces the risk of human rights violations. See → [GRI 202-1](#)
- In its Code of Conduct, Geberit undertakes to be an exemplary, reliable and fair business partner and employer at all times. As a fair partner, Geberit recognises all laws, directives and internationally recognised standards as well as the UN Guiding Principles on Business and Human Rights, and complies with them in full. All new employees at Geberit are trained on the Code of Conduct as part of the Welcome events. See → [Code of Conduct for Employees](#), → [GRI 102-16](#), → [GRI 412-2](#)
- Compliance with the Code of Conduct is monitored Group-wide as part of an annual survey and supplemented by internal audits on site. There were no breaches related to human rights in 2021. See → [GRI 412](#), → [GRI 419](#)
- The Geberit Integrity Line gives all employees the opportunity to report irregularities anonymously. Two cases related to management behaviour were recorded by the Integrity Line for employees in 2021. Both cases are being investigated.

Principle 2:

Make sure the company is not complicit in human rights abuses

- With respect to human rights abuses, the greatest risk for Geberit lies with suppliers, who can be influenced only indirectly. Geberit does all it can to minimise this risk and requires that business partners and suppliers comply with comprehensive standards. See → [Sustainability strategy](#), → [Management Approach Procurement](#)
- The Code of Conduct for Suppliers is intended to ensure that Geberit's suppliers act in accordance with internal and external guidelines, such as the UN Guiding Principles on Business and Human Rights and the ILO core labour standards. As of the end of 2021, a total of 2,568 direct and indirect suppliers had signed the Code of Conduct. This equates to over 90% of the total procurement value. In 2021, 171 existing suppliers were identified in the highest risk category as defined by Geberit, which corresponds to around 8% of the procurement value of Geberit. A systematic planning and performance of audits is conducted for these suppliers. See → [Code of Conduct for Suppliers](#), → [Management Approach Procurement](#)
- In 2021, five third-party audits were carried out at suppliers in China. The results showed that the majority of obligations set out in the Code of Conduct for Suppliers were complied with. Appropriate corrective measures were agreed in cases of non-compliance. See → [GRI 308-2](#), → [GRI 414-2](#)

Labour practices

Principle 3:

Uphold the freedom of association and the effective recognition of the right to collective bargaining

- No rights with respect to exercising the freedom of association or collective bargaining as defined in the ILO core labour standards are subject to restriction at the Geberit Group. This is verified annually as part of a Group-wide survey. No restrictions were in effect in 2021. See → [GRI 407](#)
- There are currently 10,090 employees (corresponding to 83% of the workforce) who are covered by collective agreements (e.g. collective labour agreements, wage agreements). In Germany, Austria, Switzerland, France, Italy, Finland, Sweden, Poland and Ukraine, over 90% of employees are subject to a collective labour or wage agreement. There are no collective agreements with employees in place in the USA and China. See → [GRI 102-41](#)

Principle 4:

Uphold the elimination of all forms of forced and compulsory labour

- Geberit's exposure with respect to forced and child labour is considered low because of its industry, business model, the countries in which business activities are carried out, as well as its high level of vertical integration and high quality requirements. See → [GRI 408](#), → [GRI 409](#)

Principle 5:

Uphold the effective abolition of child labour

- Geberit categorically rejects all forms of forced and child labour. According to the annual Group-wide survey, no cases of forced and compulsory or child labour were discovered in 2021, nor were any cases revealed during the course of the audits performed among the suppliers. The basic principles established in the Code of Conduct for Suppliers expressly include compliance with the ILO core labour standards for the exclusion of forced and child labour. See → [GRI 408](#), → [GRI 409](#)

Principle 6:

Uphold the elimination of discrimination in respect of employment and occupation

- The Geberit Code of Conduct clearly specifies how employees are to behave and how Geberit assumes responsibility as an employer in order to counteract discrimination in adherence with the ILO core labour standards. According to the annual Group-wide survey, there was one case of bullying in 2021, with two people accused. Both the accused people have left the company and the case is closed. See → [GRI 406-1](#)
- Geberit's personnel policy and recruitment practices do not differentiate between members of the local community and other applicants or employees. See → [GRI 202](#), → [GRI 406](#)
- Protection of the principles of equality is anchored in the Geberit Code of Conduct. This includes the prohibition of discrimination against any employee on the basis of gender. Fair and equal pay for men and women is a matter of course at Geberit, as was verified and documented in 2021 as part of the annual Group-wide survey. The certified auditors PwC checked and confirmed that the analysis was carried out correctly. The proportion of female employees at the end of 2021 was 24%; in management this figure was 11%. See → [GRI 405](#), → [Geberit Code of Conduct](#)

Environmental protection

Principle 7:

Support a precautionary approach to environmental challenges

- Since 1990, Geberit has followed a long-term environmental strategy, plus a sustainability strategy that was developed later. It has been committed to environmentally friendly, resource-efficient production as well as to the development of water-saving and sustainable products. This is also defined as a management principle in the Geberit Compass. Environmental criteria are considered in all decision-making processes. A demonstrably high standard is achieved in this regard, one which often exceeds statutory requirements. See → [Geberit Compass](#), → [Environmental policy](#)
- A core element of the new → [CO₂ strategy](#) is its integration into all relevant business processes. In addition to improved transparency brought about by a comprehensive monthly CO₂ report, a focus is being placed on the measurability and direct responsibility of management and employees by means of short-term and medium-term goals. The annual achievement of objectives regarding CO₂ reduction is now relevant to bonuses with a weighting of 20% for Group management as well as employees in Switzerland (a total of 1,500 employees). In order to integrate the CO₂-reducing activities into the business processes in the best possible manner, an internal CO₂ pricing has now been introduced. Once a year, the Group Executive Board defines an internal CO₂ reference price as part of the budget. This price serves as a basis for deciding on investments in measures to reduce the amount of energy used or CO₂ emissions.
- In 2021, CO₂ emissions (Scopes 1 and 2) amounted to 217,009 tonnes, corresponding to an increase of 5.1%. The improvement in CO₂ intensity (CO₂ emissions in relation to currency-adjusted net sales) was 8.4%, thus exceeding the target of 5% per year. See → [GRI 305-2](#)
- Since the acquisition of the energy-intensive ceramics business in 2015, Geberit has been able to reduce CO₂ intensity by 38%. In addition, absolute CO₂ emissions were able to be reduced to 217,009 tonnes and are therefore under the target value of 240,000 tonnes. These results mean that between 2015 and 2021 Geberit overfulfilled the target specified in the Science Based Targets Initiative (SBTi) of limiting global warming to "well below 2°C" above pre-industrial levels. Geberit would like to continue down and further expand on this successful path. The goal in the future is to continue to reduce CO₂ intensity by an average of at least 5% per year. See → [GRI 305](#)

Principle 8:

Undertake initiatives to promote greater environmental responsibility

- The Geberit Group has a Group certificate in accordance with ISO 9001 (quality), ISO 14001 (environment) and ISO 45001 (occupational health and safety) that is valid until 2024. The annual preparation of a corporate eco-balance has been an established part of Geberit's environmental management since 1991. The absolute environmental impact rose by 4.0% in 2021. Eco-efficiency (environmental impact per currency-adjusted net sales) improved by 9.3%, meaning that Geberit clearly exceeded its target of 5% per year. See → [ISO certificate](#), → [Chapter 9 Planet](#), → [Sustainability strategy](#)
- Central levers of energy management and the CO₂ strategy are measures for saving energy, increasing efficiency and procuring energy in the plants. The corresponding measures are implemented using an energy master plan and a rolling CO₂ forecasting of the significant plants. The proportion of renewable energies is being further increased throughout the company, always taking the internal CO₂ reference price and the economic efficiency of the planned projects into consideration. See → [GRI 302](#)
- Beginning with the development process, the most environmentally friendly materials and functional principles are used, risks are minimised and high resource efficiency is pursued. Eco-design has been an integral part of the development processes since 2007 and has already been adopted in more than 170 development projects. Eco-design is also implemented in product modifications and technology projects. Every new product is to be better than its predecessor with respect to environmental aspects. See → [Chapter 10.1 Products and innovation](#)

Principle 9:

Encourage the development and diffusion of environmentally friendly technologies

- The water footprint throughout the Geberit value chain shows that nearly 100% of the water consumption is attributable to the use of Geberit products by customers. Water-saving solutions can therefore exert a major impact: all dual-flush and flush-stop cisterns produced since 1998 have saved around 3,590 million m³ of water in 2021 alone. See → [SDG Reporting](#)
- Geberit supports the economical use of water in the sanitary industry and made a significant contribution to the establishment of the European Bathroom Forum (EBF). One of the first tasks was the launch of a new European water label as a voluntary and flexible instrument to support customers in the selection of resource-efficient products. See → [Chapter 10.1 Products and innovation](#)
- Sustainable building is a market of the future experiencing strong growth throughout the world. As a leading system provider of sanitary solutions, Geberit is already offering suitable products for this purpose.

Anti-corruption

Principle 10:

Work against corruption in all its forms, including extortion and bribery

- As a long-term member of Transparency International Switzerland, Geberit is committed to high standards in combating corruption. In addition to the Code of Conduct, there are additional guidelines on prevention and employees receive training in this area. See → [GRI 205](#)
- In 2021, the Internal Audit Department audited a total of 20 companies and did not discover any cases of corruption.
- Since 2017, an Integrity Line has been available to suppliers for anonymously reporting irregularities in the procurement process. No cases were reported in the reporting year. See → [GRI 102-17](#)
- As a rule, Geberit does not make donations to parties or politicians. All donations are neutral from a party political point of view. This was verified and documented as part of the annual Group-wide survey.