8.2 SOCIETY

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 guidelines on prevention and employees receive training in this area. Compliance with the guidelines is monitored as part of 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)
An annual survey is carried out at all Geberit Group companies 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 2020, the Internal Audit Department audited a total of 23 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. Guidance on the correct handling of donations (i.e. anti-corruption guidelines) are being updated 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 2020.

Anti-competitive behaviour (GRI 206)

Management approach anti-competitive behaviour
The prevention of anti-competitive behaviour is a matter of priority for Geberit. Cartels of any kind and other anti-competitive behaviour are categorically rejected. A further internal antitrust audit was carried out in 2020 to ensure compliance in this area and also to improve it.

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 2020, the eLearning programme on antitrust legislation was revised and rolled out for all European sales companies.

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.
Legal proceedings due to anti-competitive behaviour (GRI 206-1)

After a suspected case of conduct in violation of antitrust law, the company concerned reported the incident to the local antitrust authority on its own initiative. Internal investigation of the case is ongoing and Geberit is cooperating fully with the authorities.

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 due to positive side effects from direct economic action. With its innovative solutions for sanitary products, Geberit aims to achieve sustained improvement in the quality of people’s lives. 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. 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.

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 downstream on the customer side at sanitary engineers, plumbers and end users, as well as upstream 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 products significantly reduce the burden on water and waste water systems. According to one model calculation, all dual-flush and flush-stop cisterns installed since 1998 have so far saved around 34,620 million m$^3$ of water in comparison with traditional flushing systems. In 2020 alone, the water saved amounted to 3,350 million m$^3$. This is more than
half of the annual consumption of all German households.

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 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. In 2017, Geberit contributed to the foundation of a new platform for the European sanitary industry – the European Bathroom Forum (EBF).

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 22,000 professionals were provided with training on Geberit products, tools, software tools and installation skills at 29 Geberit Information Centres in Europe and overseas, see Business Report > Business and financial review > Financial Year 2020 > Customers.

At the end of 2020, Geberit employed 262 apprentices, thus supporting training in different countries, see also GRI 404.

The indirect economic impact on suppliers and transport companies is also significant. In 2020, Geberit had business relations with a total of 1,721 direct suppliers, corresponding to a cost of materials of CHF 798 million (previous year CHF 882 million). Geberit does not have its own transport fleet and therefore generates orders for external transport companies.

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 2020. There were likewise no such cases uncovered during the audits carried out at suppliers.

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 or compulsory 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 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 2020. 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 2020, the Internal Audit Department audited a total of 23 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, which since 2020 has also been available to all employees as a 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 2020, there was no investment agreement in countries or areas that pose a special risk in terms of human rights violations.

Suppliers are fundamentally 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 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 4.0 million (previous year CHF 4.1 million) were made during the reporting year. In addition, due to COVID-19 Geberit employees contributed just 450 hours of charitable work (previous year 3,409 hours). Geberit also supports facilities for disabled persons and long-term unemployed, where simple assembly and packaging work in the amount of around CHF 8.5 million was carried out in 2020 (previous year CHF 7.9 million). This gave around 500 people meaningful work.
The focus was on the following projects and partnerships in 2020:

- Implementation of a social project in Romania in 2020, with support given to the construction of a hospital for children with cancer. Due to the COVID-19 pandemic, the team of Geberit apprentices was unable to travel to Romania as originally planned. Geberit delivered all the sanitary products, such as installation elements, drainage pipes and ceramic appliances, and contributed financially to the creation of the sanitary installations.

- The partnership with Helvetas on the subject of clean drinking water and sanitary facilities was continued, with support offered to the Helvetas campaign for clean drinking water and latrines. A major donation was also made to support Helvetas-run water projects around the world.

- The “Change of Perspective” project aimed at the promotion of vocational training and young talent was continued. In 2020, two Geberit employees travelled to Nepal to engage in a professional exchange with teachers at training centres there and to share their basic know-how in sanitary technology. For two weeks, a group of Nepalese vocational school teachers were trained by Geberit employees. Afterwards, the teachers were able to pass on their knowledge to future plumbers.

- Participation in the charitable organisation Swiss Water Partnership to promote international dialogue on the topic of water.

- Various local initiatives and collection campaigns in Germany, Austria, Belgium, UK, Poland and Romania to round off the Geberit Group’s social engagement. For example, support for homeless and hospice projects in the UK with construction products, for which the sales company received an award.