

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.

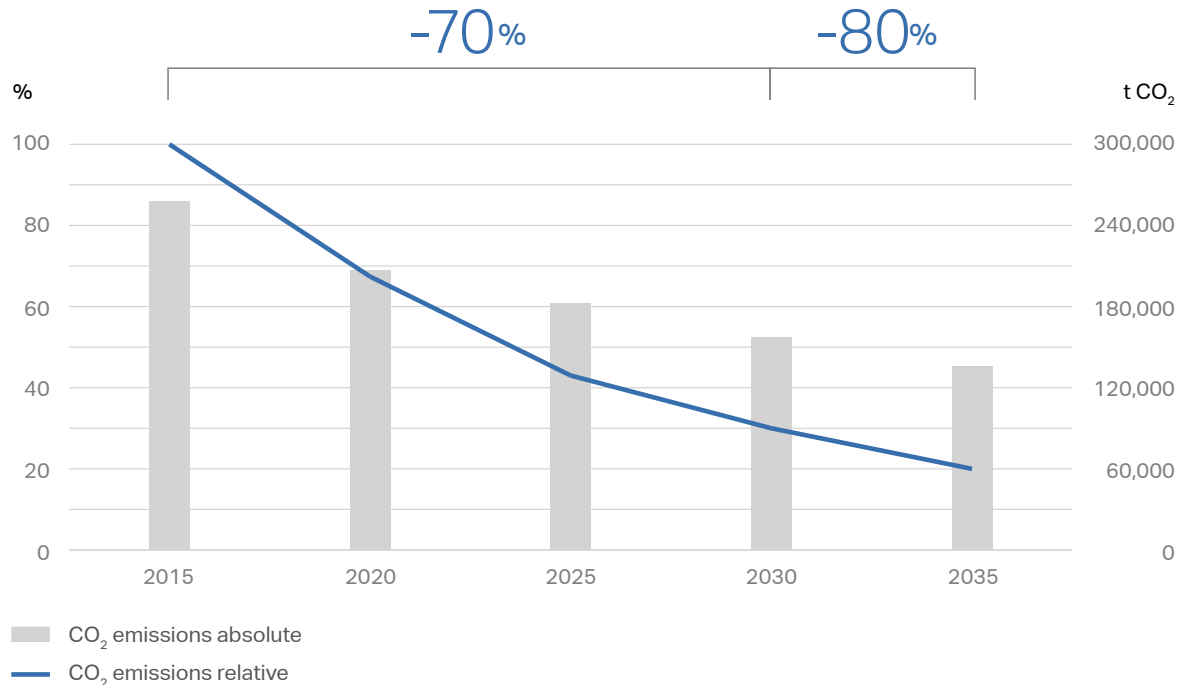
Overview of measures to reduce CO₂ emissions

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.

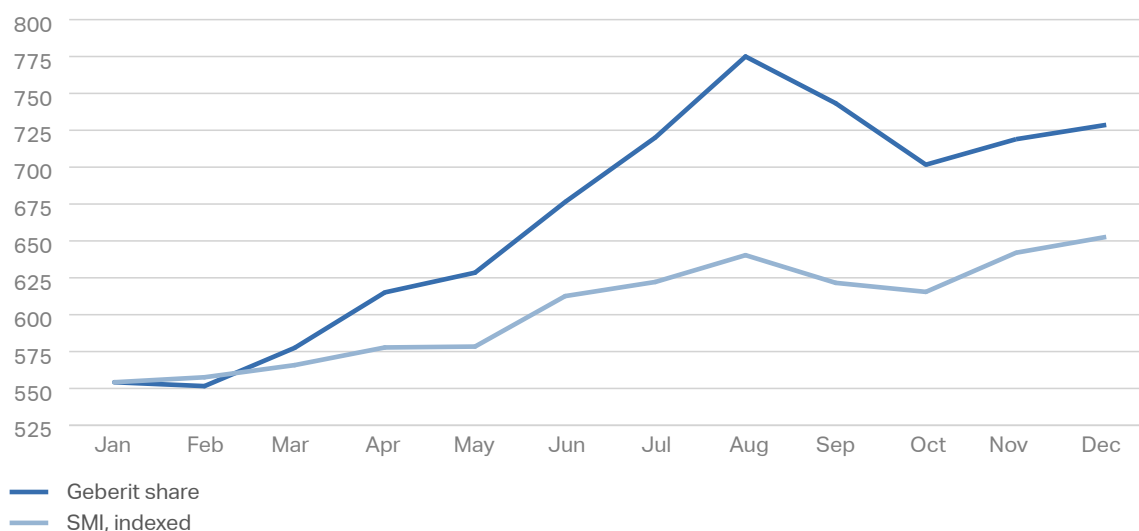
The Geberit shares are listed on the SIX Swiss Exchange, Zurich.

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

Share price development

1.1.–31.12.2021

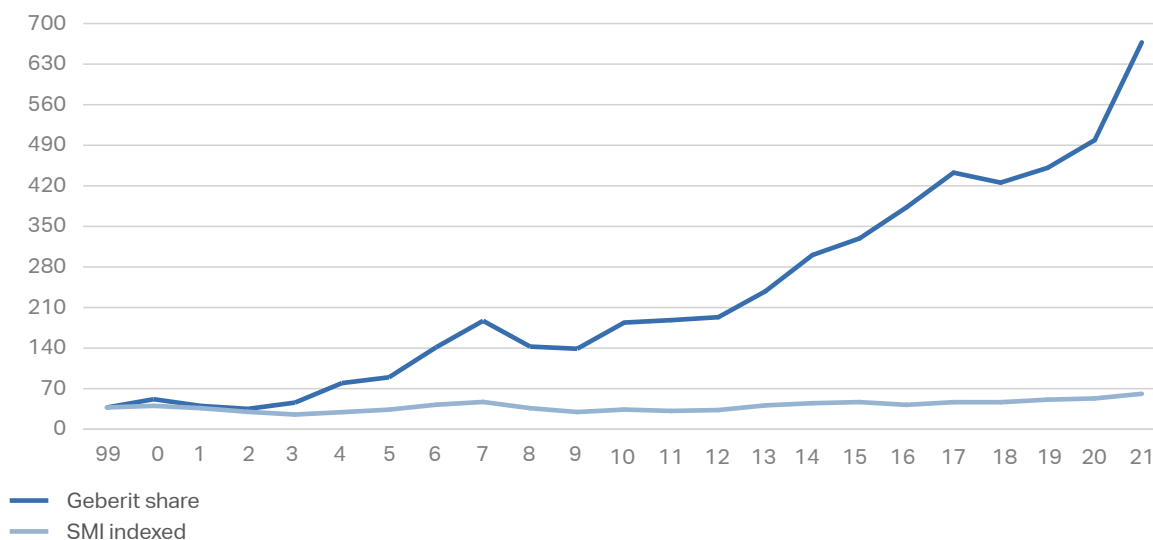
Monthly average share price



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	Vice Chair
Albert M. Baehny	Eunice Zehnder-Lai

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	Pricing Frank Heuser	Production Plants CER*** Simon Imhof	Legal Albrecht Riebel
	Belgium José Wyns	Middle East/Africa Daniel Engelhard	Master Data Management Jürgen Lay	Quality Andreas Lange	Internal Audit Martin Reiner
	Austria Guido Salentinig	South Africa Mark Schurr	Technical Documentation Werner Trefzer	Technology/ Innovation Thomas Mattle	
	France Yves Danielou		Training & Education Florian Maurer	Accredited Test Laboratory Markus Tanner	
	United Kingdom Mark Larden		IP Management Ari Tervala	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 Kőszeghy				
	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

1 Focus on sanitary products	<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>
2 Commitment to innovation and design	<p>Innovation leadership in the sanitary industry in order to set new standards and to get additional competitive advantages</p>
3 Selective geographic expansion	<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

4 Continuous optimisation of business processes	<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

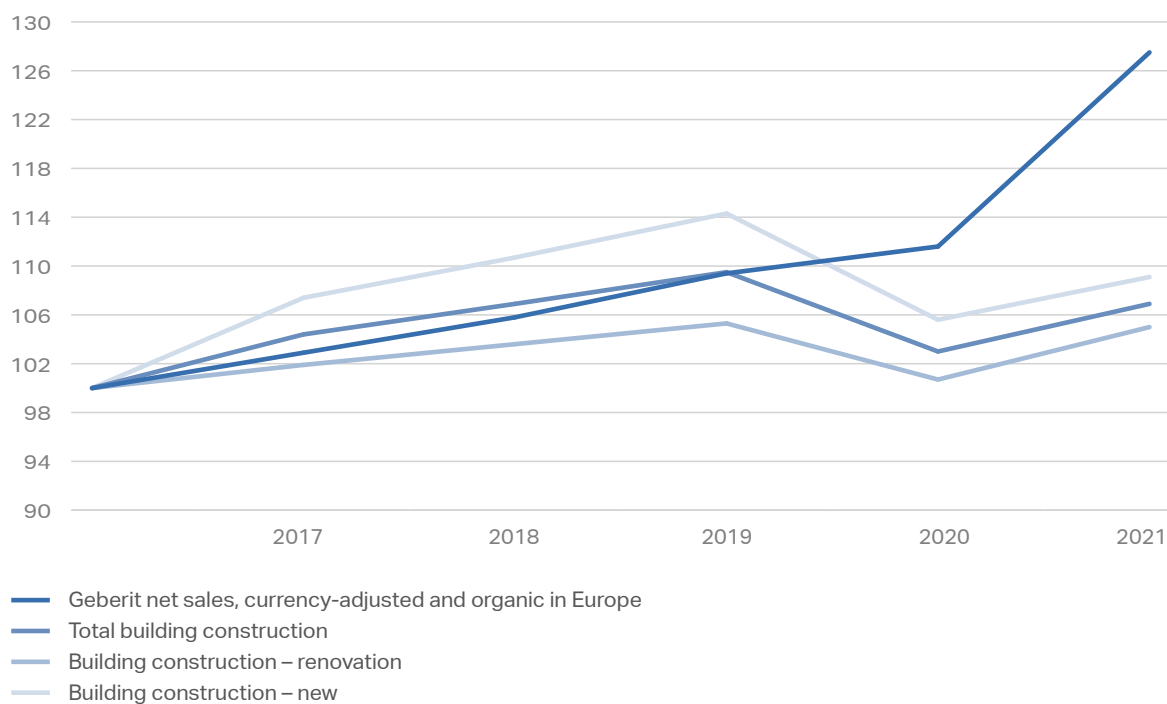
The construction sector developed positively in most regions in 2021. COVID-19-related catch-up effects largely led to pleasing growth figures in the market environment.

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

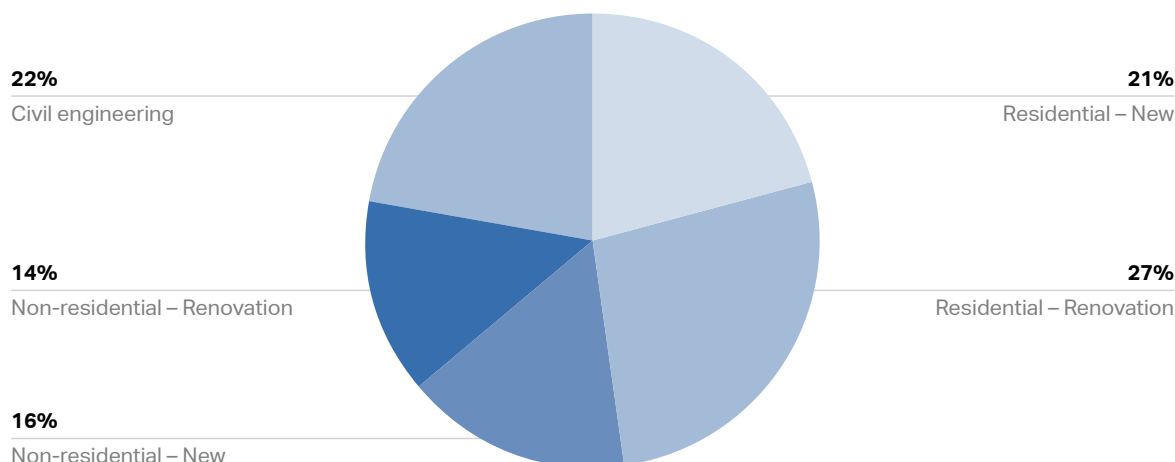
(Index 2016 = 100)



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.

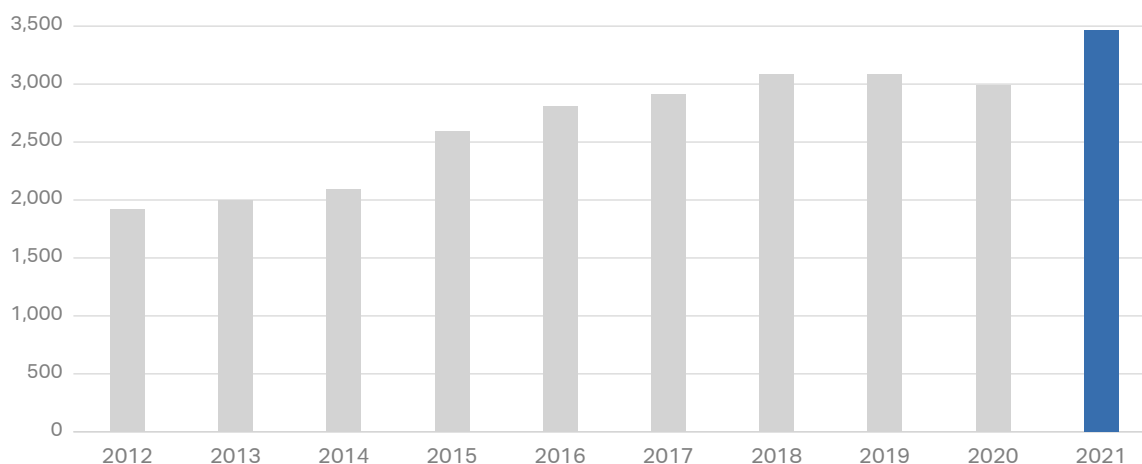
The currency exchange gains contained in net sales amounted to CHF 35 million. In 2021, 64% of net sales were generated in euros, 9% in Swiss francs, 4% in US dollars, 3% in British pounds and 20% in other currencies.

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

Net sales development

2012–2021

(in CHF million)

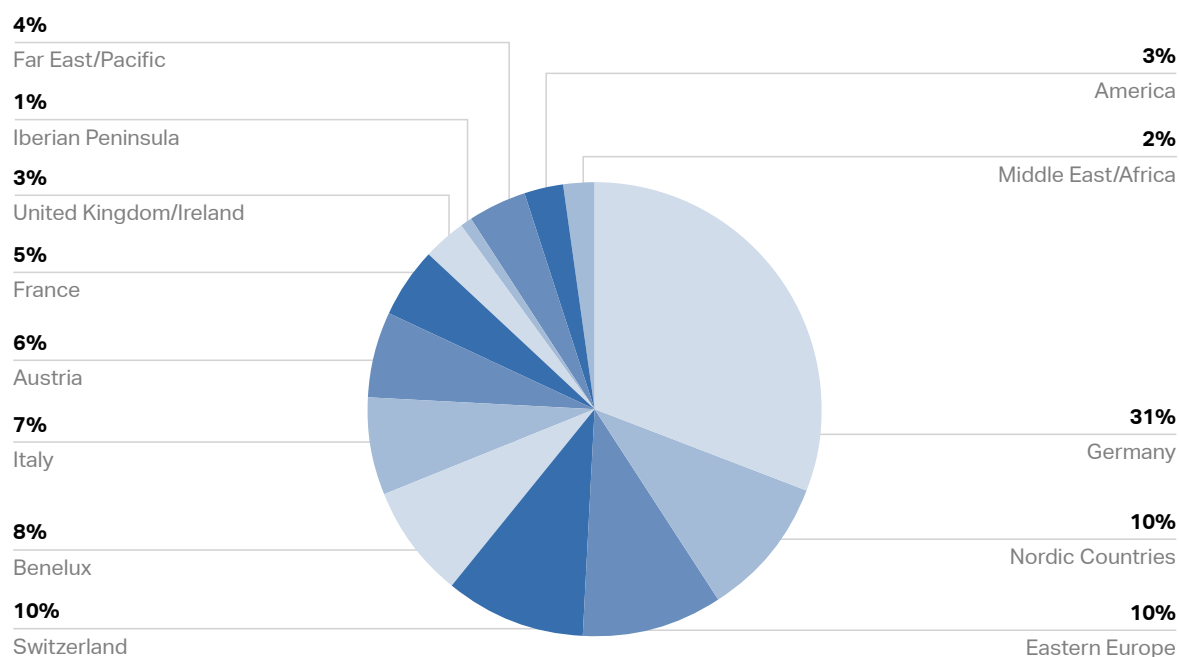


Strong currency-adjusted growth in net sales in all markets

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%.

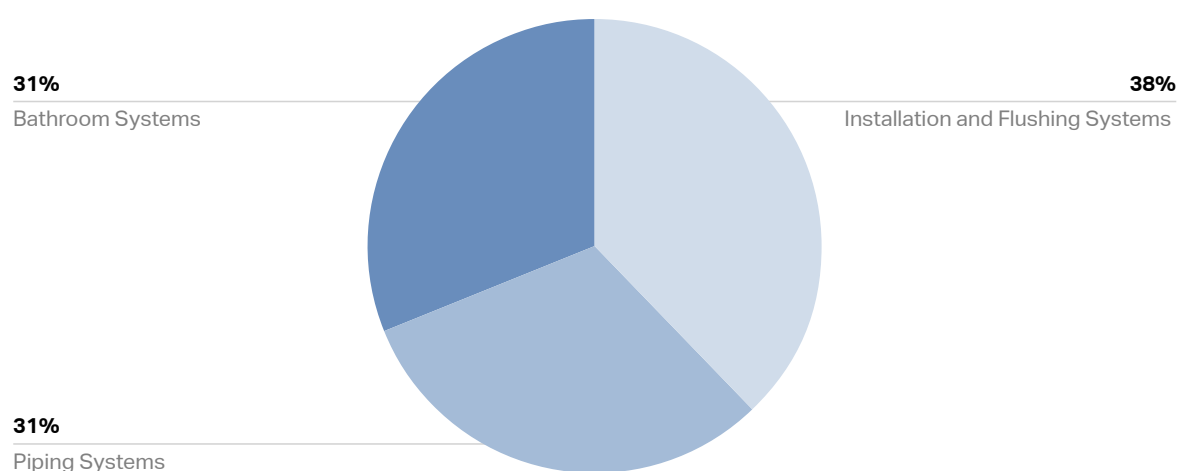
Net sales by markets/regions 2021



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



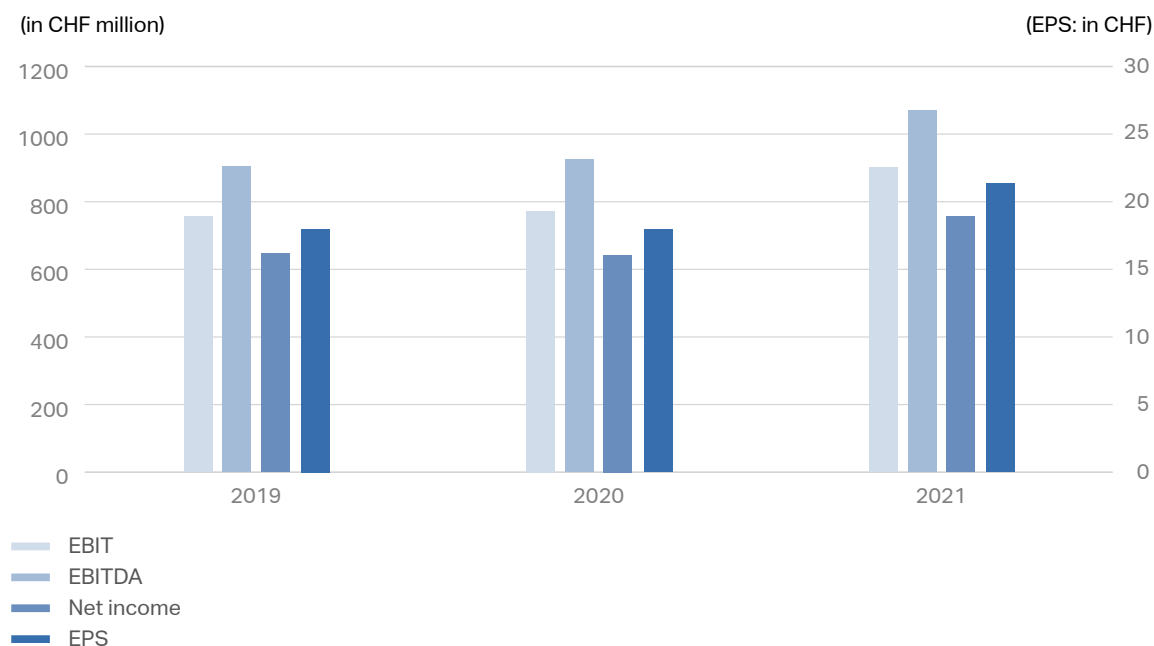
Results

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.

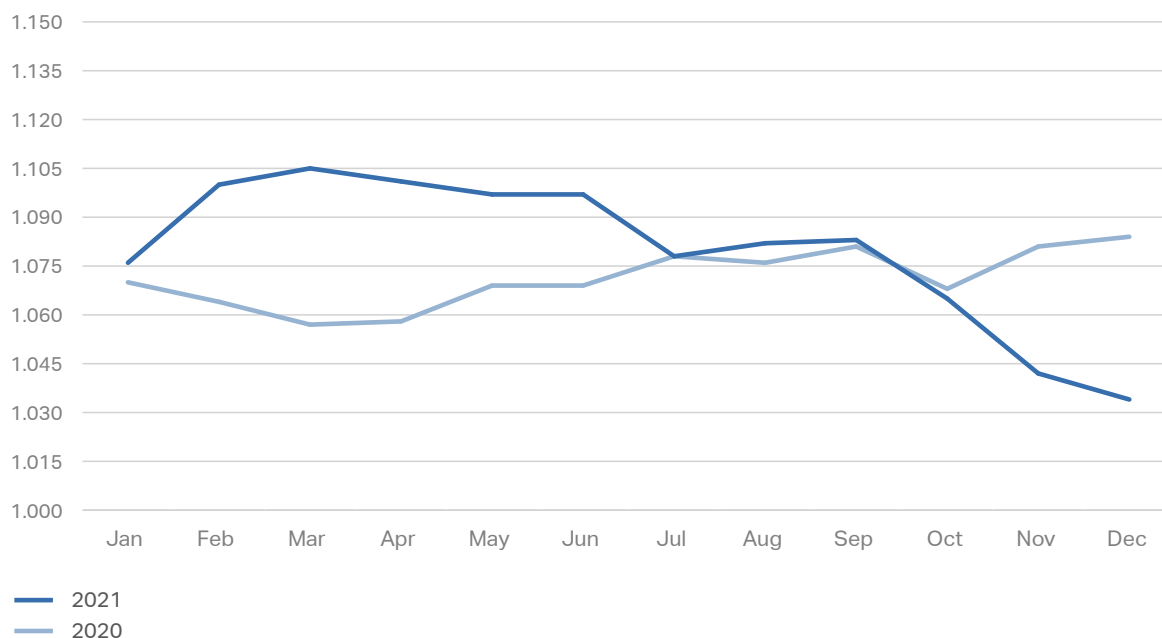
EBIT, EBITDA, Net income, Earnings per share (EPS) 2019–2021



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.

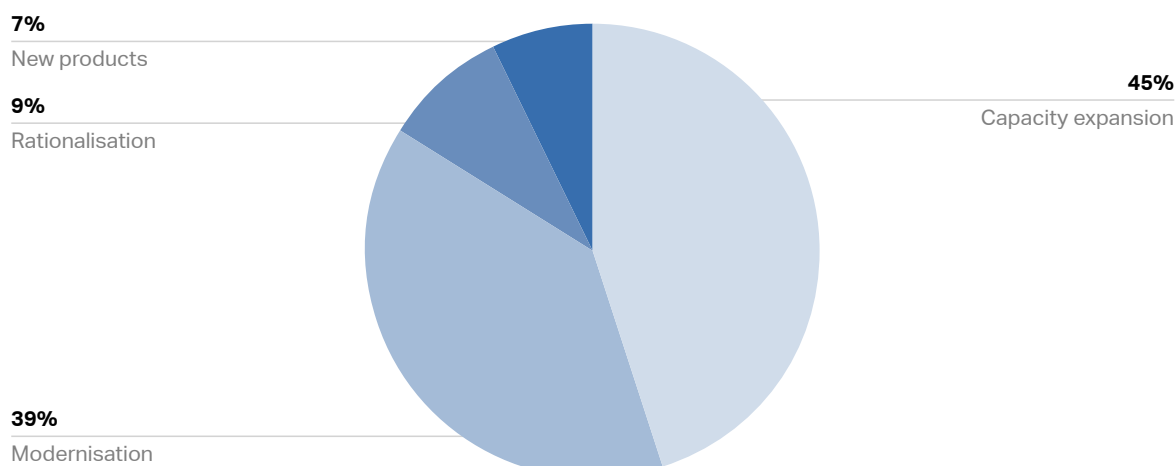
The biggest undertakings in the reporting year were expansion and modernisation projects at the plants in Pfullendorf (DE), Langenfeld (DE), Lichtenstein (DE) and Ozorkow (PL) as well as at the Nordic plants in Ekenäs (FI) and Bromölla (SE). As in previous years, significant investments were made as 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)

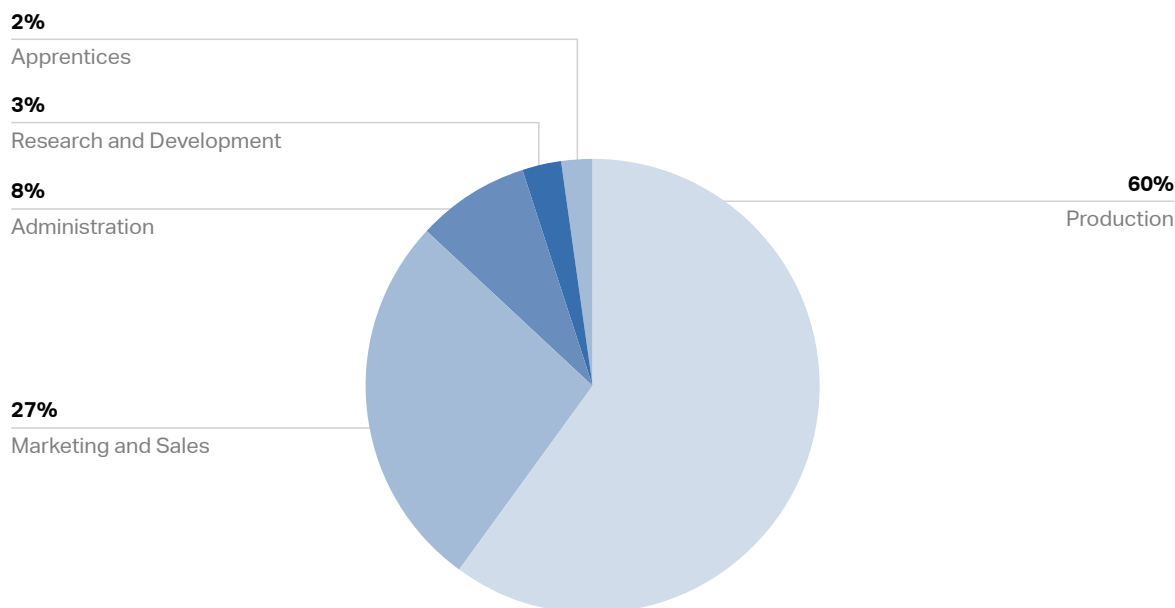
	2020	Share in %	2021	Share in %
Germany	3,297	28	3,506	30
Poland	1,647	14	1,728	15
Switzerland	1,454	13	1,505	13
Ukraine	602	5	590	5
Austria	565	5	584	5
Italy	538	5	536	4
China	495	4	403	3
Others	2,971	26	2,957	25
Total	11,569	100	11,809	100

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.

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.

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.

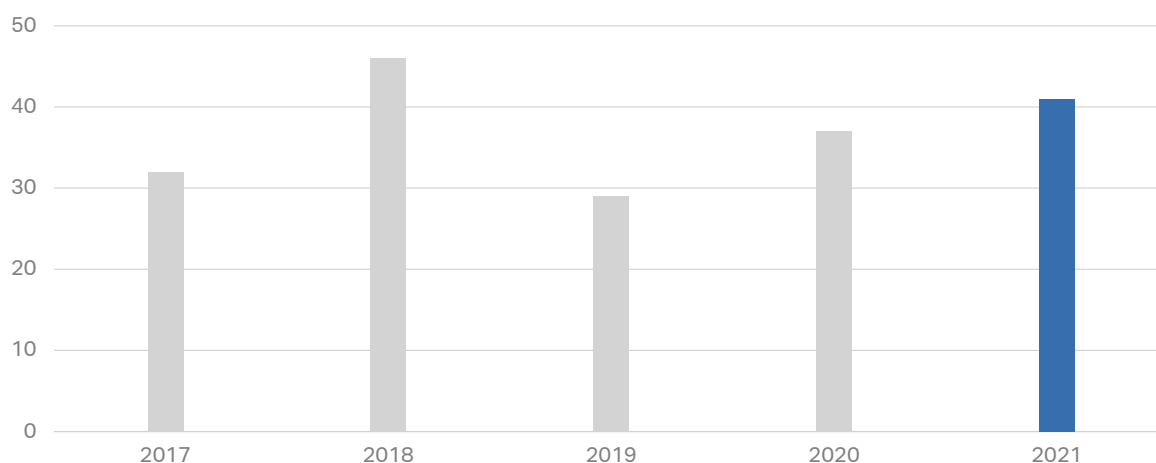
R&D expenditure

(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:

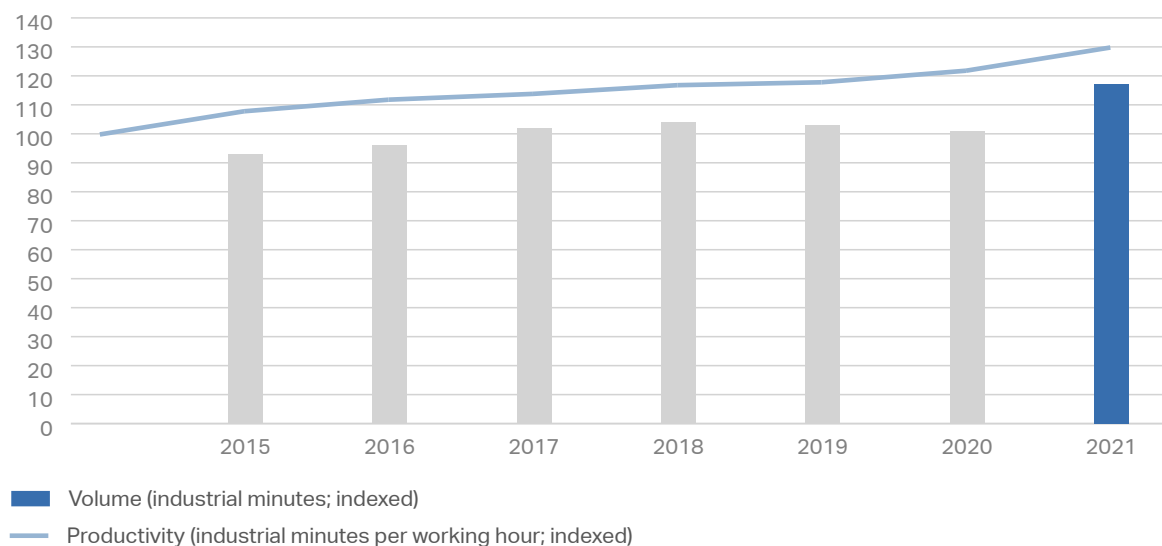
- Ceramics (10 plants)
- Plastics & Metal (11 plants)
- Composites & Metal (5 plants)

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.

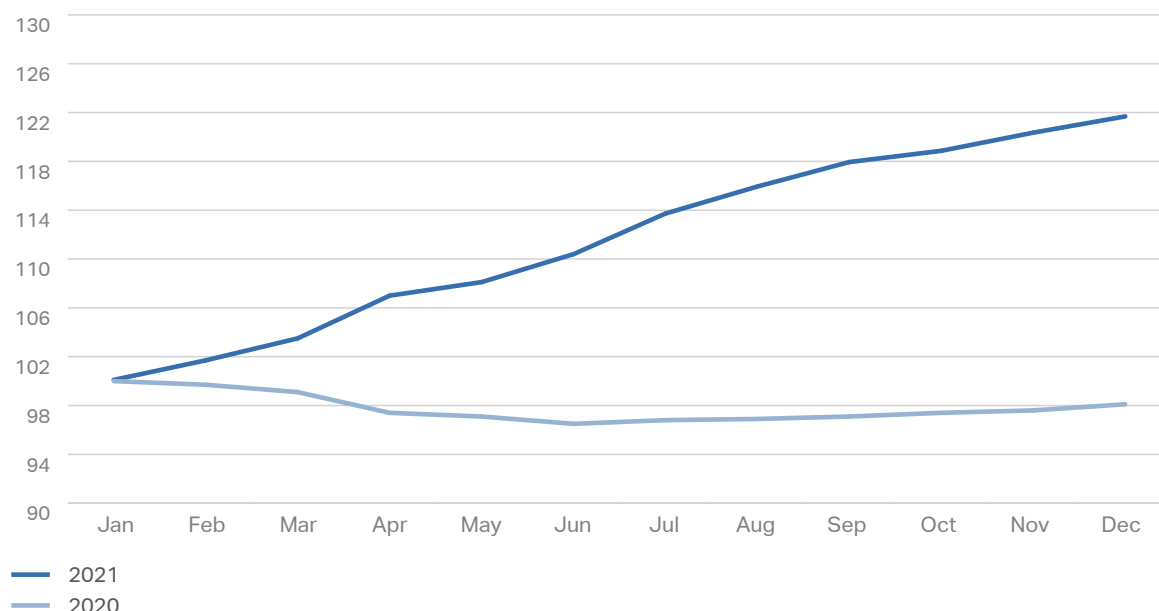
Viewed overall for the entire Geberit Group, the bottlenecks experienced with raw materials and transport capacities in the reporting year did not result in any relevant shortfalls in the availability of Geberit products.

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

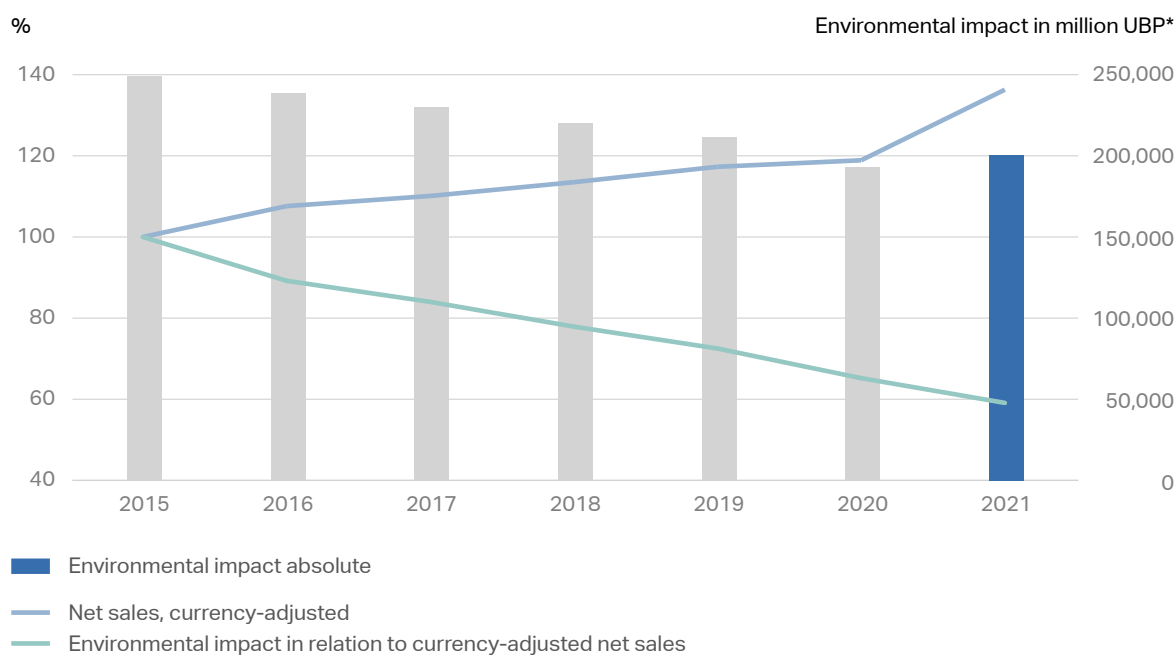
Further improvement of environmental performance at a high level in the reporting year

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)



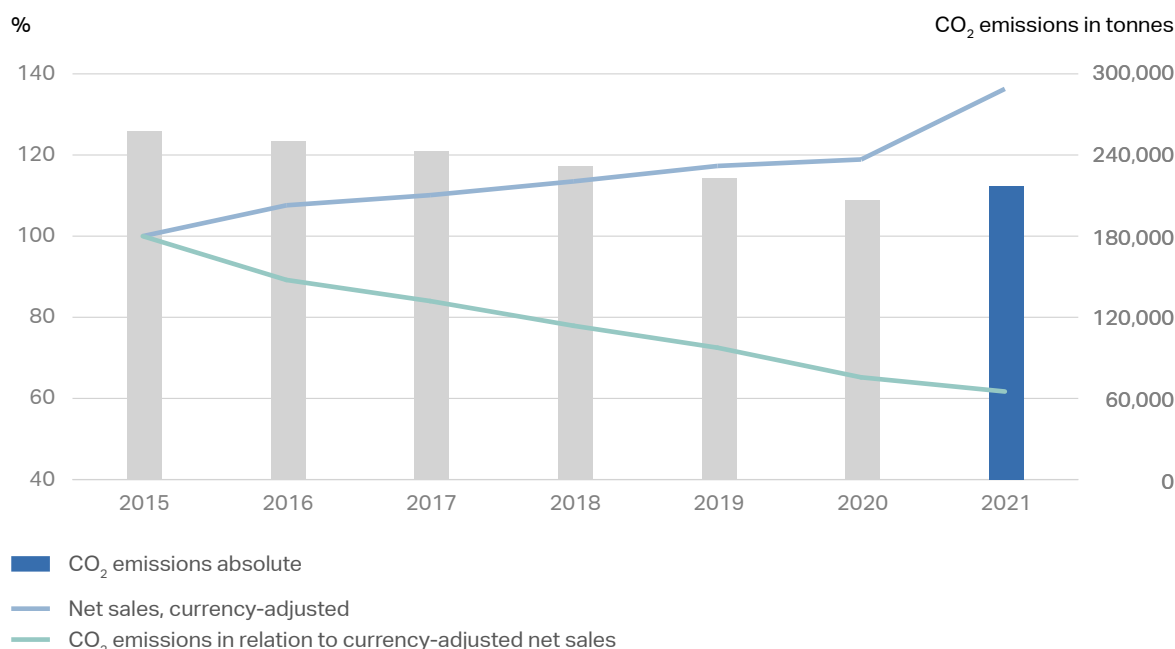
* UBP = Ecopoints in accordance with the Swiss Ecological Scarcity Method (version 2013)

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

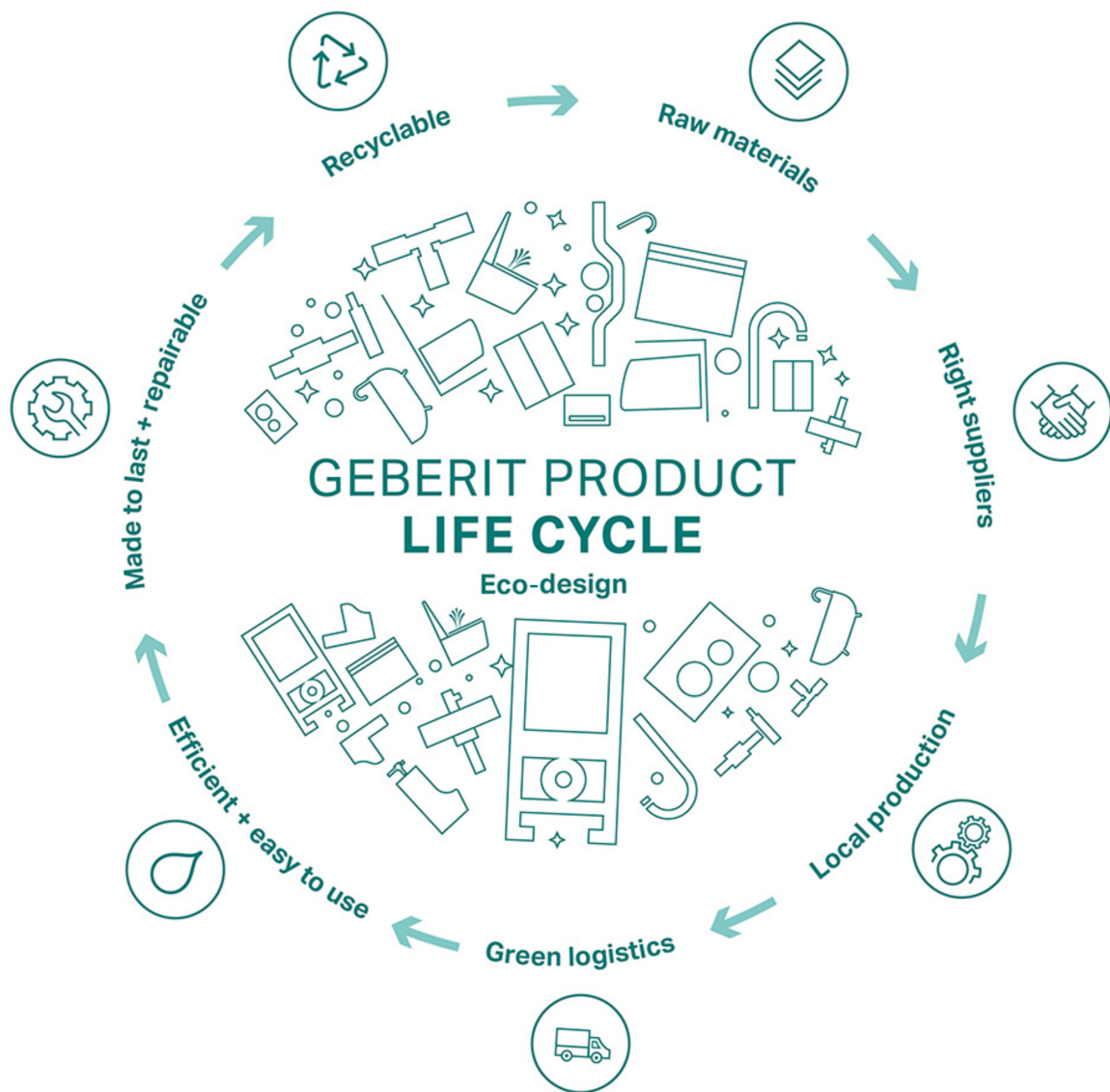
For many years now, Geberit has been committed to reducing its environmental impact and contributing to achieving global climate goals. A new CO₂ strategy was developed to reduce emissions further. This new strategy is a continuation of the successfully implemented strategy 2015–2021. Since the acquisition 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 regrgranulate 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.

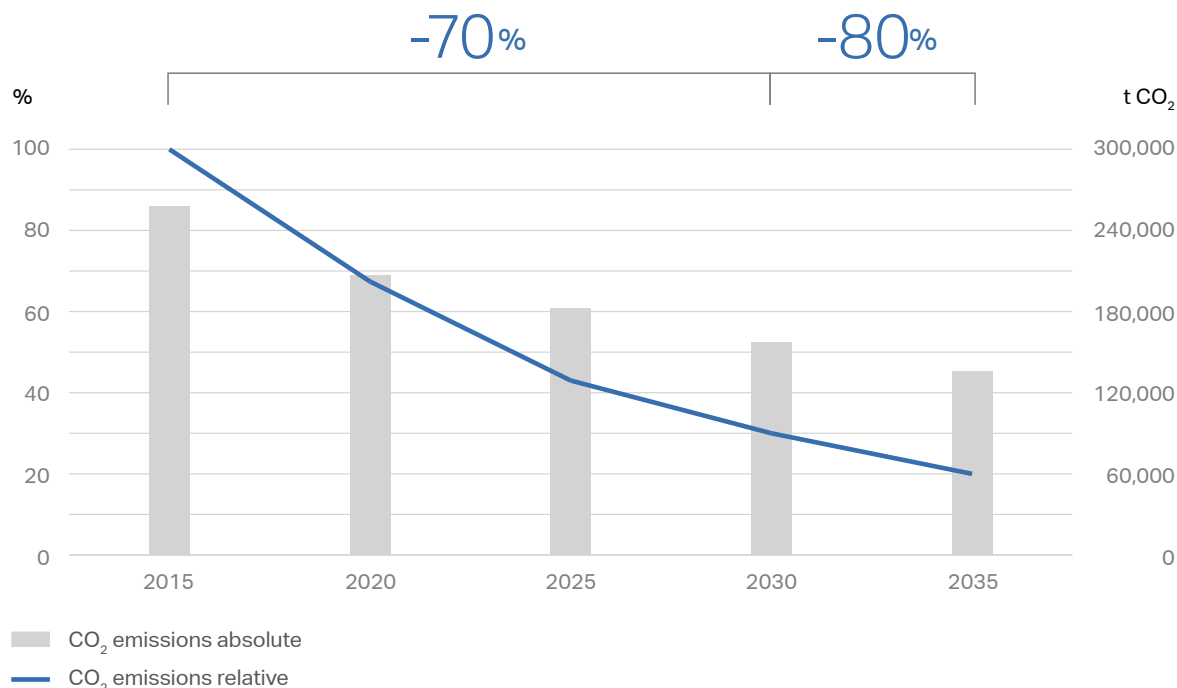
New CO₂ strategy for further reduction of emissions

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](#), 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 (Finanzmarktinfrastukturgesetz, 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](#)), 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](#)), to the information in the [→ Annual Report 2021, Financials, Financial statements Geberit AG](#), 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](#) 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](#) (www.geberit.com/downloadcenter-en) and the → [Organisational Regulations of the Board of Directors of Geberit AG](#) (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](#). 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 Piancabo 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.geberit.com/downloadcenter-en) (new from 2022; up to 2021: → [Sherpany](http://www.geberit.com/downloadcenter-en)) 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.](http://www.geberit.com/downloadcenter-en)

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, Aryzta, 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.

Objective setting (December/January)	Mid-year review (July)	Final review (December/January)	Determination of compensation (February/March)
Determination of individual objectives	Mid-year discussion on performance to date against predefined objectives	Self-appraisal and performance assessment	Determination of actual variable compensation

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.

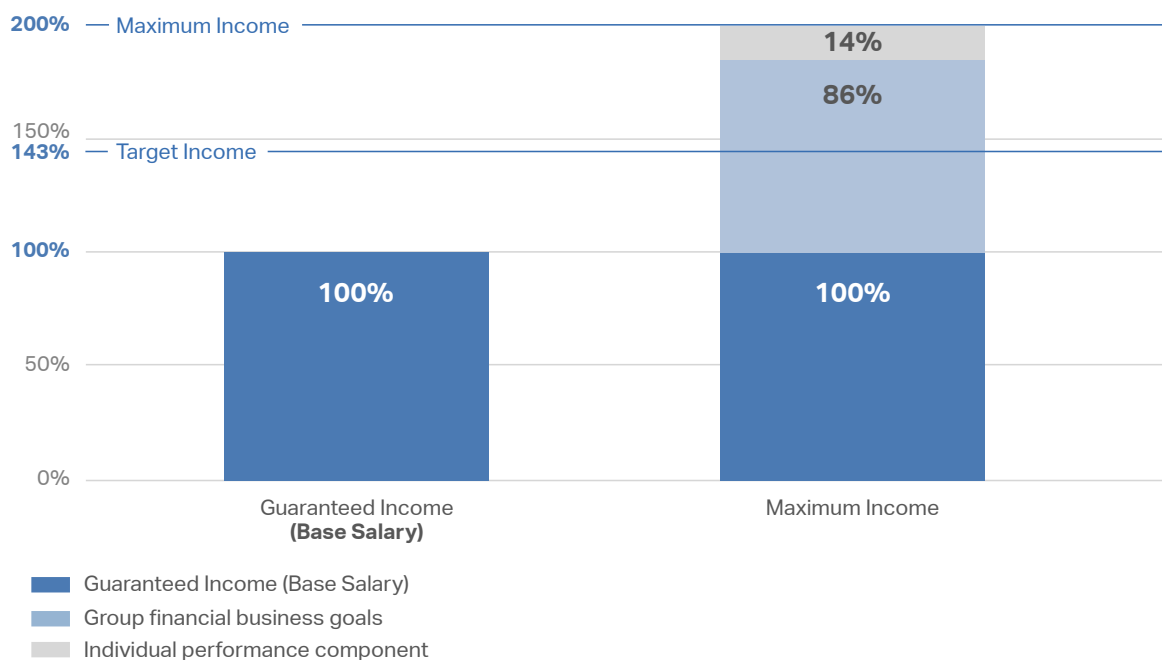
Variable cash remuneration/short-term incentive (STI)

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		
	Other reasons		Regular exercise period	Regular blocking 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.

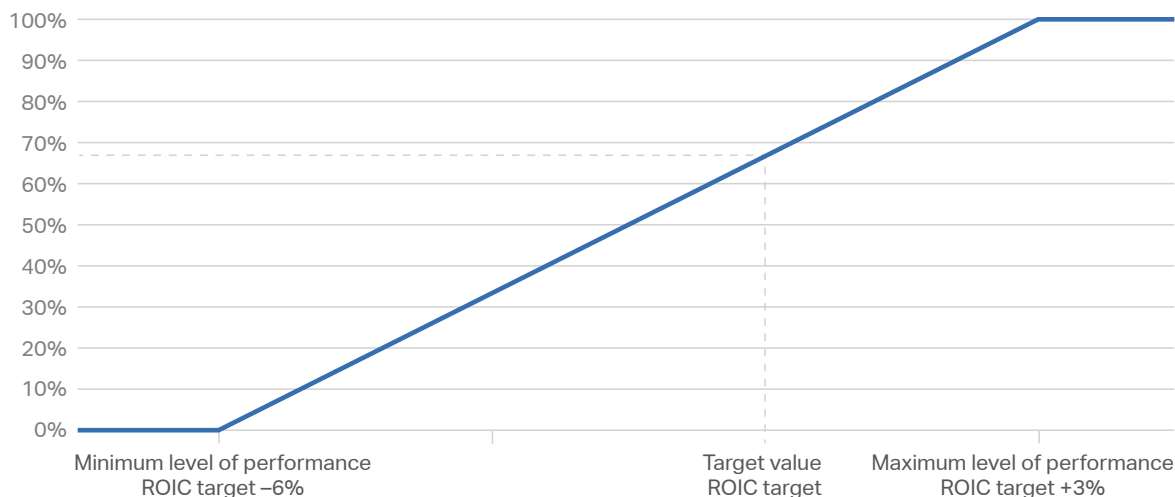
² Inadequate performance or conduct on the part of members of the Group Executive Board is determined at the due discretion of the Board of Directors.

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	
		Unvested options	Vested 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
		1 Jan 2021 to 2021 AGM	1 Jan 2022 to 2022 AGM	2021 AGM to 2022 AGM	AGM 2021	AGM 2021
AGM 2021–AGM 2022	2021					
Board of Directors (Total)	2,294,770	-572,495	573,433	2,295,708	2,350,000	98%
		1 Jan 2020 to 2020 AGM	1 Jan 2021 to 2021 AGM	2020 AGM to 2021 AGM	AGM 2020	AGM 2020
AGM 2020–AGM 2021	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 Tрист	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 price ²	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	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

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