

Procurement & Logistics

Modules and goals

Important Facts and Achievements 2016

Outlook and Goals 2017-2019

**Green Procurement**

Suppliers demonstrably comply with Geberit's high standards for environmentally friendly and socially responsible production.

- Amendment and translation of the Code of Conduct for Suppliers into an additional 13 languages. As of the end of 2016, 1,084 suppliers have signed the Code of Conduct for Suppliers (previous year 868 suppliers). This equates to over 90% of the total procurement value. Among the top 200 suppliers, the share of companies that have signed is 95.5% (previous year 93.1%).
- In 2012, the planning system for the performance of systematic audits was developed further. In addition to consistent quality audits, EHS audits (environment, health and safety) are performed in the highest sustainability risk class in particular. When a purchasing agent from Geberit next visits a supplier, they check to ensure that the corrective measures agreed with the supplier have been implemented.
- A Group-wide portfolio analysis with regard to sustainability risks showed a higher risk for 42 existing suppliers (previous year 42), which corresponds to around 7% of the procurement value of the former Geberit. 38 of these 42 suppliers have already been audited.
- Five third-party audits were carried out on suppliers in China, Poland and India.

- All new suppliers and all existing suppliers of the former Sanitec have to sign the Code of Conduct.
- Additional third-party audits of suppliers are to be carried out and the required corrective measures checked as part of re-audits.
- Sustainability risks in the supply chain of the suppliers of the former Sanitec are to be analysed.
- An Integrity Line for suppliers, via which irregularities in the purchasing process can be anonymously reported, is to be introduced.

**Green Logistics**

Geberit optimises its logistics with regard to energy consumption, emissions and packaging.

- In 2010, a logistics calculator was developed to measure the key transport and environmental figures for the most important transport service providers in Europe. The system scope was expanded by three sites compared to the previous year.
- In 2016, the transport service providers handled 302.6 million tkm (previous year 183.0 million tkm), resulting in 42,179 tonnes of CO<sub>2</sub> emissions (previous year 29,671 tonnes) – a figure that can be explained by the expansion of the system scope and sales growth.
- The share handled by Euro 5 trucks was 70.8% and the share handled by state-of-the-art Euro 6 vehicles increased further to 26.2%.
- At the beginning of 2015, work began on the expansion of the logistics centre in Pfullendorf (DE). This is expected to commence operations in 2017 and facilitates further enhancements in efficiency, including with regard to the environment.
- The implementation of Geberit processes and standards, including sustainability aspects, at the logistics sites of the former Sanitec was commenced. The number of transport service providers was reduced (Poland, Germany), with orders now being handled by existing service providers.
- Bundling of transportation and freight capacity optimisation resulted in synergies and fewer transport runs. The capacity utilisation of sea shipments to the USA increased by 20%.
- Increase in the quantities transported to Turkey by train of over 15% and daily deliveries to customers in Germany in combined transport via Ulm.
- The use of super lorries (with a length of up to 25 metres and a total weight of up to 60 tonnes) in Scandinavia increases load volumes and the number of transported pallets by around 40%.

- Extension of environmental monitoring to the sites of the former Sanitec and formulation of suitable measures in close collaboration with the transport service providers.
- Further optimisation of loading capacity with technical equipment and organisational changes.
- Discontinuation of Euro 1, Euro 2 and Euro 3 trucks and more intensive use of Euro 6 vehicles.
- Review of use of vehicles with an alternative drive technology on further routes. Truck powered by natural gas to remain in operation between Jona and Pfullendorf.