

Sustainability

Materiality

Materiality assessment

ESRS

GRI

Art. 964a ff. CO

In 2024, Geberit carried out a comprehensive double materiality assessment (DMA) according to the European Sustainability Reporting Standards (ESRS Set 1, 2023) for the first time. The term “double materiality” relates to the mutual relationship between a company and the environment and society in which it operates. On the one hand, the business activities of a company impact the environment and society (impact materiality). On the other hand, changes in environment and society have an impact on the business success of the company (financial materiality).

The goal was to identify material topics and the associated impacts, risks and opportunities (IRO). The structured process takes into account both impact materiality and financial materiality. The results from 2024 were analysed and updated in the reporting year.

Structured process

The materiality assessment process consists of the following steps:

1. Analysis of context: Analysis of the business model, strategy, governance, value chain and relevant stakeholder groups.

2. Identification of impacts, risks and opportunities: Internal analysis and assessment of impacts, risks and opportunities across the 94 ESRS topics, supplemented by thematic specifications from Art. 964a ff. CO, SASB, GRI disclosure requirements and competitor topics based on internal expertise, studies and trends. A total of 150 impacts, risks and opportunities were identified along the entire value chain. Possible dependencies between impacts, risks and opportunities were also taken into account here. These were then subjected to a detailed assessment.

3. Shortlist: Aggregation of the identified IRO into 20 shortlisted topics for further analysis and assessment.

4. Involvement of internal and external stakeholders: As part of an online survey, a total of 168 internal and external stakeholders were invited to assess the impact materiality. Eleven stakeholder groups were involved here: investors and analysts, customers and customer associations, suppliers and transport companies, employees and employee representatives, partners in the branch, NGOs, public bodies, neighbouring municipalities and authorities, members of the Geberit stakeholder panel, scientific institutes and the media. The response rate was 59%.

Geberit management assessed the financial materiality of the 20 topics in terms of their potential impact on EBIT, reputation and regulatory risks, among others (response rate 80%). Additionally, the survey also offered the chance of adding other topics that had not yet been included.

5. Validation of the assessments: The assessment of the identified IRO and the results of the stakeholder and management surveys were compared. The same threshold of 3.0 (on a scale of 1 to 4) was specified both on the IRO and topic level for defining the materiality.

6. Plausibility check: The results of the assessment steps were evaluated to see whether there were significant differences between the assessments from the surveys and from the project team.

7. Final approval: The final list of topics was approved by the Group Executive Board on 28 October 2024 and adopted by the Board of Directors of the Geberit Group on 16 April 2025.

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8. External assessment: To ensure methodological quality and clarity, the materiality process was subjected to an independent assessment by an external auditing company.

The process for identifying, assessing and prioritising material impacts, risks and opportunities in the respective main topic is described in the topic chapters.

A periodic review of the material impacts, risks and opportunities, including reporting, sent to the Board of Directors ensures close monitoring of material impacts, risks and opportunities and the possibility of correcting them.

Methodology

Geberit applied a structured methodology in order to assess materiality according to ESRS 1. The methodology on which the materiality assessment is founded is based on the following:

Assessment criteria according to ESRS 1:

- Impacts: based on scale, scope and irremediability (for negative impacts). The likelihood is taken into consideration for potential impacts.
- Risks/opportunities: magnitude and likelihood.

Calculation of materiality values:

In order to ensure a uniform and clear assessment, the same scale (1 to 4) is used for the quantitative assessment of negative and positive impacts, risks and opportunities according to the above-mentioned criteria. The scale is closely aligned with the assessment processes in the internal [→ risk management system](#). In order to prevent a tendency towards the mean in the stakeholder assessment, a scale of 1 to 4 is used (instead of 1 to 5 as seen in internal risk management).

The assessment is made qualitatively and quantitatively, backed up by the available data, certifications, audit reports and discussions with experts. The results are transposed algorithmically into quantitative values to ensure transparency and comparability.

Potential negative impacts relating to human rights are prioritised: each individual case is considered here, with the impact weighted higher than the probability of occurrence (according to ESRS 1, section 45).

Assumptions

The assessments are based on the following assumptions:

- The assessment focuses on current business activities, supplemented by scenarios on regulatory trends, e. g. increasing requirements relating to water consumption, CO₂ emissions or due diligence obligations relating to human rights.
- It is assumed that existing management systems (e. g. ISO 9001, 14001, 45001) are effective in minimising risks.
- External benchmarks (competitors, industry and trend reports, other reporting standards, rankings) are taken into account.
- The surveys were considered as a snapshot from 2024. Changes in the regulatory environment or social expectations are considered qualitatively in workshops and may lead to adjustments in future assessments.

Integration and role of due diligence processes

The double materiality assessment process is closely linked to existing due diligence processes in the Group that relate to human rights and the environment. These include:

- Internal and external supplier audits and assessments of the Code of Conduct along the entire value chain, focusing on high-risk areas (e. g. regions with an increased risk of child labour or corruption, regions with an increased risk of violations of environmental or occupational safety standards)
- Risk-based selection of suppliers
- Internal audits of occupational safety and environmental standards at the production sites
- Participation in industry initiatives for transparency in the supply chain (e. g. EcoVadis, CDP, UNGC)

These due diligence activities are taken into account systematically in the materiality assessment process, particularly if increased risks are identified due to particular geographical circumstances, business relationships and activities. The risk profile of the supply chain is low in terms of social, environmental and business ethic risks. This is due to a regional procurement strategy with short supply chains, a high production depth and a very high share of Western European suppliers. For further information, see [→ Due diligence declaration](#).

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Overview of material impacts, risks and opportunities

ESRS GRI

A total of 25 material impacts, risks and opportunities were identified. These are listed below by topic together with their location in the value chain.

Climate change and energy

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
Geberit products support a sparing use of water as a resource (through water-saving sanitary systems), which contributes to climate change adaptation in water-scarce regions.	Positive impact, actual	✓					✓
Geberit's business activities result in CO ₂ emissions along the entire value chain, particularly in raw materials, logistics and disposal.	Negative impact, actual	✓			✓	✓	✓
Extreme weather events caused by climate change may increase demand for Geberit sanitary solutions, thereby creating additional market or sales potential for Geberit.	Opportunity, potential		✓	✓			✓

Water

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
The use of water-saving sanitary systems can reinforce Geberit's competitive position and lead to higher market shares, higher sales and income.	Opportunity, potential	✓				✓	✓
A positive image in the area of water saving can reinforce brand recognition and customer loyalty, thus promoting the market position.	Opportunity, potential	✓					✓

Own workforce: working conditions

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
Fair remuneration and pensions increase the financial stability of the employees and their surroundings.	Positive impact, actual	✓				✓	
The reconciliation of work and private life increases the well-being and motivation of employees, and has a positive impact on their surroundings (good work-life balance, flexitime).	Positive impact, potential	✓				✓	
A stable work environment resulting from long-term business success leads to increased job security.	Positive impact, actual	✓				✓	
Good working conditions increase the employees' motivation and loyalty towards the company. Continuity of expertise contributes to business success.	Opportunity, potential	✓				✓	
Good working conditions lead to improved work results and contribute to business success.	Opportunity, potential	✓				✓	

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Own workforce: education and further training

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
Performance assessments and measures for personal development through a performance review process (valYOU) increase employee motivation and satisfaction.	Positive impact, actual	✓				✓	
Comprehensive global management of training and education with programmes for promoting talent opens up career perspectives for employees and strengthens their position on the labour market.	Positive impact, actual	✓				✓	
Vocational education and training: practical vocational education and further training open up career perspectives (for young people) and make their career start easier.	Positive impact, actual	✓				✓	
Training and further training measures can reduce fluctuation and have a positive impact on commitment and loyalty.	Opportunity, potential	✓				✓	
The possibility of recruiting well-trained employees from within the company reduces recruitment outlay in a competitive job market.	Opportunity, potential	✓				✓	

Own workforce: occupational health and safety

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
The lifting and carrying of heavy loads, working at heights and in noisy environments, as well as handling hot surfaces and hazardous substances can put the health of employees at risk.	Negative impact, actual	✓				✓	
Silica dust in the ceramics plants can lead to health problems.	Negative impact, potential	✓				✓	
Accidents not only impact the working life of those affected, but also their personal and private lives.	Negative impact, potential	✓				✓	

Employees in the value chain

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
Employees are empowered to take on existing and new tasks; training measures lead to increased qualifications.	Positive impact, actual	✓					✓
The position of the employees on the job markets can be strengthened.	Positive impact, actual	✓					✓
Further development and training enhance the feeling of appreciation and contribute to satisfaction at the workplace.	Positive impact, actual	✓					✓

Corporate culture and antitrust legislation

IRO description	Type	Time horizon			Value chain		
		Short-term	Medium-term	Long-term	Up-stream	Own operations	Down-stream
A lack of care in adhering to ethical and social standards increases susceptibility to violations in own operations and in relationships with others.	Negative impact, potential	✓				✓	
A lack of care in adhering to ethical and social standards can lead to increased susceptibility to violations in the supply chain and impact the working conditions of the employees.	Negative impact, potential	✓			✓		✓
A good, value-based corporate culture has a positive impact on productivity, low fluctuation, and the number of ill employees.	Opportunity, potential	✓				✓	
Non-compliance with competition law or antitrust legislation can lead to material and non-material consequences (fines, damages, legal consequences, damage to the company's reputation).	Risk, potential	✓				✓	

Material topics

ESRS

SASB

The identified material impacts, risks and opportunities were assigned to the following topic standards according to ESRS:

- E1 Climate change and energy
- E3 Water
- S1 Own workforce
- S2 Employees in the value chain
- G1 Corporate culture and antitrust legislation (company-specific)

Material topics

Environmental matters	Climate Change & Energy	Water
Social matters	Own Workforce	Employees in the Value Chain
Governance matters	Corporate Culture and Antitrust Legislation	

The → materiality assessment according to ESRS and its results form the basis for the → sustainability strategy and the Group-wide ESG reporting.

Non-material topics

As part of the double materiality assessment, all topics named in the ESRS were checked systematically for their potential materiality. Topics without significant impacts, risks or opportunities were excluded from the assessment process at an early stage.

For the topic standards detailed below, no materiality was detected within the meaning of ESRS 1. As a result, no detailed reporting is made here in the 2025 reporting year:

- **ESRS E2 – Pollution:** Emissions in air and water from production are controlled and minor. Hazardous substances are managed systematically Group-wide in line with legal requirements and internal standards. There are clear standards within the supply chain. No relevant environmental pollution occurs in the product life cycle. No sub-topic reached the threshold for materiality.
- **ESRS E4 – Biodiversity and Ecosystems:** Geberit has no direct influence on biodiversity hotspots. A spatial analysis of all 26 plants did not reveal any locations in nature-sensitive areas. Exposure was determined according to a screening with the *WWF Biodiversity Risk Filter* (BRF) and a site comparison with *Key Biodiversity Area* (KBA) and *Natura 2000* areas. The preliminary clarifications suggest that the Geberit sites do not pose an increased risk for potential impacts on nearby nature-sensitive areas. No relevant dependencies on ecosystems were determined.
- **ESRS E5 – Resource Use and Circular Economy:** Resource use is documented comprehensively as part of internal environmental reporting. While there are impacts in production, these are not considered as being material by either stakeholders or management. Aspects related to the circular economy of products are taken into account due to their durability, etc.
- **ESRS S3 – Affected Communities:** Geberit primarily has facilities in regions with high environmental and social standards; material negative impacts on local communities were not determined. Contact to the local population is maintained proactively.
- **ESRS S4 – Consumers and End-users:** Risks arising from product safety, health and information obligations have not reached the threshold for materiality. Products are durable, safe and regulated; information-related aspects (e. g. data protection) are systematically addressed, but turned out to be non-material on the whole.

These topics will continue to be observed by Geberit, taken into account in environmental management systems and local relevance analyses and checked again as part of future materiality assessments.