

Geberit's Approach to Tax

Geberit is a responsible taxpayer in all countries it operates and supports the economic and social development of these countries by paying a fair amount of taxes. In alignment with its business and sustainability strategies, Geberit strives for a long-term sustainable approach to the management of tax matters based on the following 5 guiding tax principles.

1. Tax Compliance

Geberit acts accordingly to applicable tax laws and regulations, and complies with relevant international standards, including OECD Guidelines. Geberit is committed to meet its tax compliance and reporting responsibilities in all jurisdictions where it operates and pay the right amount of taxes in the right country. We monitor legislative developments and engage external advisors when required to ensure compliance with local law.

We do not pay taxes that are not legally due or that are claimed based on unprincipled or unjustified bases.

2. Tax Governance

Our tax governance and risk management is aligned to the group's overall framework on governance. It ensures legal compliance, transparency and tax risk management. Geberit's tax matters are organized globally and are managed by the Group Tax Department, which reports to the Chief Financial Officer (CFO) who is member of the Executive Committee, and ultimately supervised by the Board of Directors. Geberit applies diligent professional care and ensures that all decisions are taken at an appropriate level and are supported by consistent processes and guidelines and thorough documentation. Potential impacts on stakeholders and Geberit's reputation are considered.

As a multinational company Geberit is exposed to a variety of tax risks and these include tax reporting and compliance risk, transactional risk and reputational risk. These risks are managed by following the internal control and escalation procedures and, where appropriate, by looking to engage proactively with tax authorities to disclose and resolve issues. We seek to anticipate and resolve disputes without recourse to courts wherever possible. We protect the reputation of the company.

3. Business Driven Tax Planning

Geberit executes a tax strategy that is proactive, fully compliant, competitive, sustainable, transparent and aligned with the Group's corporate objectives. Our goal is to integrate this strategy into daily operations while anticipating changes in the global tax landscape. This is increasingly characterised by complex economic, financial and political dynamics.

We do business driven tax planning by analyzing and managing the tax impacts of current and future business operations and transactions. Geberit does not engage in aggressive tax planning to minimize its tax liabilities. We do not adopt tax structures based on form without economic substance nor use hybrid instruments or other artificial arrangements.

This approach results in an effective group tax rate that reflects Geberit's global footprint and the nature of the business.

4. Transfer Pricing Policy

Geberit operates globally. As a result, there are many intra-group transactions between Geberit Group companies and international standards for cross-border transactions must be recognized (transfer pricing). Transfer pricing is the terms and conditions defining the prices at which a multinational enterprise transfers physical goods and intangible property or provides services to affiliated companies that are resident in different countries. Transfer pricing is important for taxpayers and tax authorities as it largely determines the taxable profits of multinational enterprises in the respective countries that they operate in.

Geberit's transfer pricing policy is based on OECD Transfer Pricing Guidelines, Art. 9 of the OECD Model Tax Treaty and on the Base Erosion and Profit Shifting ("BEPS") Project deliverables. The basic principle is that taxes should be paid where economic value is generated and risks are assumed. Therefore, the allocation of profits among subsidiaries are based on their economic and value contribution, taking into account in particular the assets used, functions performed and risks assumed by each subsidiary and in accordance with the "arm's length" principle.

Geberit maintains transfer pricing documentation in compliance with international and local regulations.

5. Tax Transparency

Geberit is committed to openness and transparency. We maintain a cooperative and transparent relationship with the tax authorities. Tax audits are conducted in a supportive way and reasonably requested information is provided in a reasonable timeframe. Wherever possible we work collaboratively with tax authorities to achieve an agreement on disputed issues as early as possible to reach legal certainty.

In compliance with the OECD BEPS Actions and the EU Directive, Geberit prepares the Country-by-Country Report (CbCR) for the entire Group and provides it to the Swiss Federal Tax Administration. Swiss tax authorities share the Geberit CbCR with countries that have signed agreements allowing for that exchange. The result of the CbCR demonstrates that Geberit is duly complying with its tax obligations and paying its fair share of taxes.

Geberit has implemented a reporting process to manage the Mandatory Disclosure Reporting (DAC-6).