

Report on The German Supply Chain Due Diligence Act (“The Act”)

Reporting period from January 1, 2023 to December 31, 2023

Name of the organization: Hansgrohe SE

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A. Strategy & Anchoring

A1. Monitoring of risk management and management responsibility

What responsibilities were defined for monitoring risk management during the reporting period?

The Executive Board of Hansgrohe SE has overall responsibility for corporate due diligence, in particular for monitoring risk management. Within the Hansgrohe Executive Board, the Chief People Officer is responsible for the observance of human rights. In addition, a Human Rights Officer (HRO) has been appointed.

Responsible persons:

The Executive Board of Hansgrohe SE:

Hans-Juergen Kalmbach – Chief Executive Officer

Frank Semling - Chief Operating Officer

Christophe Gourlan - Chief Sales Officer

Sandra Richter - Chief People Officer / Director of Labor Relations

André Wehrhahn - Chief Financial Officer

Human Rights Officer/HRO:

Yvonne Birkner

A. Strategy & Anchoring

A1. Monitoring of risk management and management responsibility

Has senior management established a reporting process to ensure that they are regularly informed - at least once a year - about the work of the person responsible for overseeing risk management?

It is confirmed that the management has established a reporting process that ensures that it is regularly informed - at least once a year - about the work of the person responsible for monitoring risk management within the meaning of Section 4 (3) The Act.

- Confirmed

Describe the process that ensures risk management reporting to senior management at least once a year or on a regular basis.

The Executive Board of Hansgrohe SE is informed by HRO on a regular, quarterly basis, but at least once a year or on an ad hoc basis, about the status and further development of risk management within the meaning of The Act, about complaints regarding human rights or environmental aspects, the results of the investigations carried out as a result and the findings from risk analysis. In addition, the Executive Board will be informed of any reports from the HRO on an ad hoc basis.

A. Strategy & Anchoring

A2. Mission statement on the strategy on human rights

Is there a mission statement that has been prepared or updated on the basis of the risk analysis carried out during the reporting period?

The mission statement has been uploaded.

<https://www.hansgrohe-group.com/en/about-us/sustainability/corporate-management>

A. Strategy & Anchoring

A2. Mission statement on the strategy on human rights

Has the mission statement for the reporting period been communicated?

It is confirmed that the mission statement has been communicated to employees, where appropriate to the works council, the public and direct suppliers who have been identified as being at risk in the course of the risk analysis.

- Confirmed

Please describe how the mission statement was communicated to the relevant target groups.

The mission statement was published and made available to employees via the company's own app, as well as to the public, direct suppliers and third parties via the company's website. The works council was informed of the mission statement by e-mail.

A. Strategy & Anchoring

A2. Mission statement on the strategy on human rights

What are the elements of the mission statement?

- Setting up a risk management system
- Annual risk analysis
- Anchoring preventive measures in the company's own business unit, with direct suppliers and, if necessary, indirect suppliers and reviewing their effectiveness
- Remedial measures in the company's own business unit, with direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Provision of a complaints procedure within the company's own business unit, with suppliers and their effectiveness review
- Documentation and reporting obligations
- Description of the identified priority risks
- Description of human rights and environmental expectations of own employees and suppliers
- Other elements: Commitment of the Hansgrohe Group Responsibilities

A. Strategy & Anchoring

A2. Mission statement on the strategy on human rights

Description of possible updates during the reporting period and the reasons for them.

The mission statement has not been updated for the reporting period.

For the Hansgrohe Group, such a mission statement was drawn up for the first time due to the entry into force of The Act.

An update of the mission statement is planned for 2024.

A. Strategy & Anchoring

A3. Anchoring the strategy on human rights within one's own organization

In which relevant departments/business processes was the anchoring of the strategy on human rights ensured within the reporting period?

- Human Resources/HR
- Environmental management
- Occupational Safety & Occupational Health Management
- Purchasing/Procurement
- Legal/Compliance
- Community / Stakeholder Engagement
- Other: Works Council

Describe how the responsibility for executing the strategy is distributed within the different departments/business processes.

The strategy on human rights is a collaborative effort that spans different areas and business processes to ensure human rights and environmental due diligence in these areas. The overall responsibility for the implementation of the strategy lies with the Executive Board and is bindingly defined in the description of risk management within the meaning of The Act and anchored in the following specialist departments.

Human Resources/HR:

- The recruiting team is responsible for avoiding child labor.
- HR managers, together with their respective supervisors, are responsible for preventing forced labour/slavery and any form of unequal treatment/discrimination, ensuring fair working conditions and adequate subsistence wages.
- In coordination with the responsible HR officer, an investigation officer investigates complaints of discrimination and bullying. This can be done, for example, by the Diversity, Equity & Inclusion (DEI team) or by HR staff trained in the process on site. DEI is the point of contact for queries.

Environmental management:

Environmental management ensures that business operations do not pollute the natural basis of life due to environmental impacts, e.g. harmful soil change, water pollution, air pollution, harmful noise emissions and excessive water consumption.

Occupational safety and occupational health management:

Both areas ensure health and safety in the workplace. Occupational health management is supported by the Occupational Health Service and external employee counselling.

Purchasing/Procurement:

The Purchasing department fulfils the due diligence obligations of The Act with regard to direct and indirect suppliers.

Legal/Compliance:

The Compliance department fulfils the due diligence obligations within the meaning of The Act in its own business unit.

Community/Stakeholder Engagement:

The Legal Department, located in MASCO Corporation and MASCO Europe S.à r.l., is responsible for the complaints procedure. MASCO Corporation is the parent company of Hansgrohe SE.

Other:

The members of the works council are contact persons and persons of trust in all matters relating to human rights-related risks.

Describe how the strategy is integrated into operational processes and operations.

Responsibilities have been defined so that the integration and implementation of the strategy takes place in the respective departments. The main process for The Act, in particular for risk management, has been anchored in the company and is described in the process landscape. Furthermore, the specialist departments and process owners take the strategy into account in their respective operational processes and procedures – these have been adapted accordingly if necessary.

Describe what resources and expertise will be made available for implementation.

The responsible departments implement The Act requirements in their area of responsibility on the basis of their experience and expertise.

Human Resources/HR:

Employees have special training. With regard to the "Effective Handling of Persons Affected by Discrimination", several confidants from the HR department were trained. In addition, all regional HR managers, DEI managers and the HRO were trained in the process and how to conduct an investigation in the event of a complaint as part of an investigation training.

Environmental management:

Company representatives with special training are responsible for ensuring this.

Occupational safety and occupational health management:

Company representatives with special training are responsible for ensuring this.

Occupational health management:

Employee was trained as a confidant in "Effective dealing with those affected by discrimination".

Purchasing/Procurement:

Employees have in-depth knowledge of global supply chains and the associated procedures and processes.

Legal/Compliance:

The Group Compliance Officer has many years of experience in the field of risk management.

Community/Stakeholder Engagement:

Legal advice is provided by MASCO Europe S.à r.l.

Other:

Every employee can contact the members of the works council in confidence.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Was a regular (annual) risk analysis carried out during the reporting period to identify, weight and prioritize human rights and environmental risks?

- Yes, for the own business unit
- Yes, for direct suppliers

Describe the period in which the annual risk analysis was carried out.

The annual risk analysis was conducted from January to November 2023.

Describe the risk analysis process.

The risk analysis took into account the provisions of The Act, the BAFA handouts, external data sources as well as empirical values of the responsible departments and the feedback on the questionnaires sent to Hansgrohe companies or direct suppliers.

The risk analysis process is carried out in a multi-stage process based on a risk-based approach. A variety of quantitative and qualitative data sources are used to assess human rights and environmental risks. The aim of the multi-stage process is to identify or prioritise risks at an early stage in the company's own business unit, with direct suppliers and, in the case of substantiated knowledge, with indirect suppliers.

The abstract risk analysis was carried out by an external service provider. This country- and commodity-group-specific risk analysis is based on an Excel-based risk management tool, which is continuously updated. The data used, such as press releases, indices, rankings, etc., are updated annually to ensure a dynamic, ongoing abstract risk assessment in the company's own business unit and all suppliers. Once the abstract risks have been identified, companies with abstract risks, i.e. Hansgrohe companies and direct suppliers, are subjected to a specific risk analysis.

Structured prioritization enables a structured filtering out of risk-free business units and suppliers as well as a focus on a more in-depth view of critical business units and suppliers. The procedure enables Hansgrohe to derive effective and appropriate preventive and remedial measures for priority risks or risk areas.

Direct Suppliers:

In the first step, the external service provider was provided with a list of direct suppliers with information on the country of origin and product group for the risk analysis. After that, a risk assessment was carried out with the help of the service provider's Excel tool. Risk-specific questionnaires were sent to the immediate suppliers where an abstract potential risk was identified in order to collect further information. In the fourth step, on the basis of the feedback on the questionnaires, the concrete risk assessment was made on the basis of the type and scope of the business activity, the ability to exert influence, the expected severity of the violation, the probability of occurrence and irreversibility, as well as the type of causal contribution. The final step was the derivation of preventive and preventive measures.

Own business unit:

In the first step, the external service provider was provided with a list of Hansgrohe companies, i.e. production and sales locations in Germany and abroad, for the risk analysis. In the second step, an abstract risk assessment was carried out based on the product group and the location of each Hansgrohe company. All The Act-relevant risks were determined for each Hansgrohe company and for each location. Based on the overall risk, which is made up of the country and commodity group risk, the Hansgrohe companies were prioritized on the basis of score values. Following the risk-based approach, the Hansgrohe companies with a very high or high individual risk were first examined.

This was followed by the Hansgrohe companies, which reported a medium, low and very low overall risk. The risks identified in this abstract manner for the Hansgrohe companies were classified as gross risks in the context of further risk analysis in the sense of general risk management.

On the basis of the gross risks identified, a data sheet was generated for each Hansgrohe company, in which the country- and product group-specific score values for human rights and environment-related aspects were recorded. After the plausibility check was carried out, taking into account the type and scope of the business activity, in addition to the gross risks, the regulations, procedures and other measures to minimize risks already implemented in the Hansgrohe Group for every human rights and environmental-related risk were taken into account - prevention measures that have already been implemented - are listed and the probability of an injury occurring is assessed.

The responsible departments were interviewed and questionnaires were sent to individual Hansgrohe companies. It was determined whether human rights or environmental aspects are being violated in their own business unit or whether there is a risk of such a violation. Based on the feedback from the specialist departments and the questionnaires, as well as the prevention measures already implemented, the net risks for the individual Hansgrohe companies were determined. The gross-net analysis chosen in the company's own business unit influences the

implementation of weighting and prioritization, as their evaluation criteria, in particular the probability of occurrence, have already been taken into account as part of the risk analysis. For the 2023 reporting period, no remaining net risks were identified in the Group's own business unit, so that weighting and prioritization according to the adequacy criteria were not carried out. The results obtained in this way were summarized in a risk matrix.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were event-related risk analysis also carried out during the reporting period?

- Yes, due to other reasons:

Yes, due to the start of production in the own business unit abroad

Yes, with a direct supplier

Describe the specific occasions.

Due to the establishment of the new production company in Serbia and the start of production, an event-related risk analysis was carried out in the company's own business unit.

Through a report in a risk management tool "Sphera", Hansgrohe became aware of water contamination caused at a site of a Chinese supplier and then investigated this fact.

Describe the findings of the analysis in relation to a materially changed and/or expanded risk situation.

As part of the event-related risk analysis in its own business unit, the production company in Serbia had a rather medium to low overall risk due to the country- and commodity-group-specific risk analysis. The gross risks identified in this way were checked for plausibility and could be reduced due to the preventive measures that had already been successively implemented, after answering a questionnaire by the responsible Managing Director and after considering the probability of occurrence, so-called net risk. No remaining residual risks were identified.

A supplier identified as risky has credibly demonstrated that the deviation only came about because the auditing authority measured according to deviating strictest standards. Moreover, the deviation was not significant, but at the limit of the values within the strictest standard. Nevertheless, the supplier immediately initiated measures to immediately comply with the government's stricter target values.

Describe the extent to which findings from the handling of reports/ complaints have been incorporated.

Both in the company's own business unit and in the risk analysis relating to direct suppliers, known reports/ complaints were taken into account. In the company's own business unit, these were reports/ complaints from the reporting period as well as from the previous two years via MASCO, the complaints procedure. Through a report in

a risk management tool "Sphera" the purchasing department was informed of a potential risk at a foreign supplier. The reports/ complaints have been investigated. Due to the prevention measures already implemented, no new prevention measures have been defined.

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks have been identified as part of the risk analysis(s) with the own business unit?

- Prohibition of the assignment or use of private/public security forces that may lead to impairment due to lack of instruction or control
- Destruction of the natural basis of life due to environmental pollution
- Disregard for freedom of association - Freedom of association & right to collective bargaining
- Unlawful violation of land rights
- Prohibition of withholding a fair wage

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks have been identified as part of the risk analysis(s) with direct suppliers?

- Destruction of the natural basis of life due to environmental pollution
- Disregard for freedom of association - Freedom of association & right to collective bargaining
- Prohibition of forced labor and all forms of slavery

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Results of the risk assessment

What risks were identified as part of the risk analysis(s) for indirect suppliers?

- None

B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

Were the risks identified in the reporting period weighted and, if necessary, prioritized, and if so, on the basis of which adequacy criteria?

- Yes, based on the expected severity of the injury by degree, number of people affected and irreversibility
- Yes, on the basis of one's own ability to exert influence
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of your own business activities
- Yes, on the basis of the type of causal contribution

Describe in more detail how the weighting and, if necessary, prioritization was carried out and what considerations were made.

For direct suppliers, risks are prioritized on the basis of the following criteria: typically expected severity of the violation, irreversibility of the violation, probability of occurrence of the violation, type of causal contribution of our company, type of business activity of the supplier, scope of the supplier's business activities, Hansgrohe's ability to influence the direct cause of the injury or risk. As part of the prioritization of human rights and environmental risks, the country-specific and product group-specific criteria of the direct suppliers were considered in particular. The data model used generalizes the probability and severity of a risk based on the assigned country of origin and the product group of the direct supplier.

Based on these results, 36 Chinese suppliers and one supplier from Turkey were identified, which were identified as an abstract risk in the abstract risk assessment. The prioritization and weighting carried out are based exclusively on information outside of a company-specific context. In addition, the trading volume with the business partner was compared with the publicly available information on the total turnover of the business partner in order to define Hansgrohe's ability to exert influence.

B. Risk analysis and preventive measures

B2. Prevention measures in the company's own business unit

Which risks were prioritized in your own business unit during the reporting period?

- None

If no risks have been selected, justify your answer.

The gross-net analysis chosen in the company's own business unit influences the implementation of the weighting and prioritization, as their evaluation criteria, in particular the probability of occurrence, have already been taken into account as part of the risk analysis. For the 2023 reporting period, no remaining net risks were identified in the Group's own business unit, so that weighting and prioritization according to the adequacy criteria were not carried out.

B. Risk analysis and preventive measures

B2. Prevention measures in the company's own business unit

What preventive measures were implemented for the reporting period to prevent and minimize the priority risks in the company's own business unit?

- Implementation of training courses in relevant business units
- Implementation of risk-based control measures

Implementation of training courses in relevant business units

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/scope).

In the company's own business unit, no remaining net risks were determined on the basis of the gross-net analysis chosen. Nevertheless, risk mitigation measures have been initiated:

All Hansgrohe Vice Presidents were informed about the essential contents of The Act and its significance for the individual Hansgrohe companies.

All employees of the Hansgrohe Group with their own Hansgrohe e-mail account were asked to complete an e-learning course on The Act. This is a mandatory e-learning course. In the 2023 reporting year, around 3,000 employees completed the e-learning.

All global executives of the Hansgrohe Group were invited to take part in the online live training. It is a mandatory training. A total of 466 managers completed the training in the 2023 reporting year. In order to ensure sustainability, especially for new managers, an e-learning course was developed. This is mandatory for all new managers.

All employees at the German site with their own Hansgrohe e-mail were asked to complete an e-learning course on the German General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz). This is a mandatory e-learning course. A total of 2,000 employees completed the e-learning in the 2023 reporting year.

All employees of the production plants in Germany without Hansgrohe e-mail access were trained on site for The Act and German General Equal Treatment Act. In the period from November to December 2023, a total of 1,002 employees took part in the training sessions.

As part of the annual compliance training at the Chinese site, a training course on anti-discrimination was conducted. A total of 105 employees took part.

As part of the risk analysis in the company's own business unit, the following control measures were initiated:

Freedom of association: The Managing Directors of the Hansgrohe companies, where the

country-specific abstract risk analysis showed a very high or high gross risk in granting freedom of association, a questionnaire was sent.

Describe how the training is appropriate and effective to prevent and mitigate the priority risks.

Training is an essential component for raising awareness among employees. It enables employees to behave accordingly, to be able to perform their duties effectively and to provide information about relevant rules and processes. Depending on the area of responsibility, potential risks can be communicated and informed about appropriate behaviors. Only those who are familiar with it can recognize critical situations and deal with them with the necessary sensitivity. Well-informed employees can make a significant contribution to minimize risk.

Implementation of risk-based control measures

Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/scope).

In the company's own business unit, no remaining net risks were determined on the basis of the gross-net analysis chosen. Nevertheless, risk mitigation measures have been initiated:

Freedom of association: The managing directors of the six foreign Hansgrohe companies for whom the country-specific abstract risk analysis showed a very high or high gross risk in granting freedom of association were surveyed by means of a questionnaire. In the introduction, the importance of the human right to freedom of association was described. In addition, reference was made to the enshrinement of freedom of association and the prohibition of trade union discrimination in the conventions ratified locally and in national legislation. It was also stressed that a minimum level of trade union activity must be ensured. As a result, the awareness of the Managing Directors was raised.

Describe the appropriateness and effectiveness of the measures taken to prevent and mitigate the priority risks.

On the basis of the explanatory presentation on freedom of association as a human right, the questions asked and the answers to the questionnaires, the Managing Directors were sensitized. The answers to the questionnaires sent out were evaluated. The results were taken into account as part of the risk analysis. No net risks have been identified.

B. Risk analysis and preventive measures

B3. Preventive measures at direct suppliers

What risks were prioritized for direct suppliers during the reporting period?

- Destruction of the natural basis of life due to environmental pollution
- Disregard for freedom of association - Freedom of association & right to collective bargaining
- Prohibition of forced labor and all forms of slavery

Destruction of the natural basis of life due to environmental pollution

What is the specific risk?

Harmful soil contamination

Where does the risk occur?

- China
- Turkey

Violation of the freedom of association - Freedom of association & right to collective bargaining

What specific risk is involved?

Disregard for freedom of association

Where does the risk occur?

- China

Prohibition of forced labour and all forms of slavery

What specific risk is involved?

Forced labour

Where does the risk occur?

- China

B. Risk analysis and preventive measures

B3. Preventive measures at direct suppliers

What preventive measures were implemented for the reporting period to prevent and minimize the priority risks at direct suppliers?

- Development and implementation of appropriate procurement strategies and purchasing practices
- Integrating expectations into supplier selection
- Obtain contractual assurances to meet and implement expectations along the supply chain
- Agreement and implementation of risk-based control measures
- Other/further measures: Sending evaluation questionnaires to suppliers, obtaining evidence such as certifications from suppliers

Other categories:

selected:

- Integrating expectations into supplier selection
- Obtain contractual assurances to meet and implement expectations along the supply chain
- Agreement and implementation of risk-based control measures
- Other/further measures

Describe the appropriateness and effectiveness of the measures taken to prevent and mitigate the priority risks.

On the basis of procurement strategies and purchasing practices, a pre-selection of potential suppliers is made. As part of the selection of suppliers, the requirements of the MASCO Supplier Business Practices Policy are taken into account and the expectations of the suppliers are clearly communicated. Suppliers are contractually bound by the principles of the MASCO Supplier Business Practices Policy. With regard to compliance with the requirements of the MASCO Supplier Business Practices Policy, suppliers who tend to be at a higher risk are regularly audited on site.

Category: Procurement strategy & purchasing practices

selected:

- Development and implementation of appropriate procurement strategies and purchasing practices

Describe the measures implemented and the extent to which the determination of delivery times, purchase prices or the duration of contractual relationships have been adjusted.

Hansgrohe has traditionally relied on long-term business relationships with its suppliers. Delivery times and purchase prices are subject to regular benchmarks and

with regard to their market conformity.

Describe how adjustments to your procurement strategy and purchasing practices will help prevent and mitigate priority risks.

The company's own procurement strategy and purchasing practices are regularly reviewed and adjusted if necessary. At Hansgrohe, new suppliers go through an onboarding and qualification process. As part of this process, the supplier must sign the MASCO Supplier Business Practices Policy and thus confirm its compliance. In addition, a release audit for new suppliers is carried out before delivery in the series production process. Existing suppliers are also examined from time to time with regard to the revised procurement strategy and purchasing practices.

B. Risk analysis and preventive measures

B4. Preventive measures at indirect suppliers

Which risks were prioritized for indirect suppliers on the basis of the event-related risk analysis?

- None

If no risks have been selected, justify your answer.

There were no notes/complaints/indications of any grievances/violations at indirect suppliers. As a result, no risk analysis have been carried out for indirect suppliers, nor have priority risks been identified.

B. Risk analysis and preventive measures

B4. Preventive measures at indirect suppliers

What preventive measures were implemented for the reporting period to prevent and minimize the priority risks of indirect suppliers?

- None

If no preventive measures have been selected, justify your response.

No risks were identified with indirect suppliers during the reporting period, so no specific measures were derived for the priority risks.

B. Risk analysis and preventive measures

B5. Communication of results

Were the results of the risk analysis(s) for the reporting period communicated internally to key decision-makers?

It is confirmed that the results of the risk analysis(s) for the reporting period were communicated internally to the relevant decision-makers, such as the Executive Board, the Management Board or the Purchasing Department, in accordance with Section 5 (3) The Act.

- Confirmed

B. Risk analysis and preventive measures

B6. Changes in risk disposition

What changes have occurred in terms of priority risks compared to the previous reporting period?

This is the first reporting period. In the past, potential operational and strategic risks were reported to the Executive Board, which, however, did not take into account the risks according to The Act.

C. Determination of violations and remedial action

C1. Identification of violations and remedial actions in the company's own business unit

Were any violations detected in the company's own business unit during the reporting period?

- No

Describe the procedures used to identify violations in your own line of business .

Reports can be made via the complaints procedure by telephone or anonymously via the web. The procedure for dealing with imminent or established violations of human rights or environmental obligations within the meaning of The Act in the company's own business unit is anchored in the escalation and remedial action plan defined for this purpose. This escalation and remediation plan regulates responsibilities, investigative measures to be initiated, deadlines, internal reporting obligations and measures to be initiated. The investigation is being carried out by a specially established independent task force led by the HRO. Depending on the circumstances of the individual case, the result of an investigation could be that a Hansgrohe company is violating human rights or environmental obligations under The Act.

Irrespective of any notifications, the annual risk analysis also examines whether a Hansgrohe company violates human rights or environmental obligations.

C. Determination of violations and remedial action

C2. Identification of violations and remedial action at direct suppliers

Were there any violations at direct suppliers during the reporting period?

- No

Describe the procedures used to detect violations at direct suppliers.

The determination of violations is possible as part of the complaints procedure. In addition, risk-based on-site inspections can be carried out on the basis of the audit clauses, which are linked to information and access rights. Hansgrohe has commissioned an external partner to regularly review its Asian business partners in particular. The results of the specific risk analysis are then already available, so that priority risks can be examined in a targeted manner.

C. Determination of violations and remedial action

C3. Identification of violations and remedial action at indirect suppliers

Were any injuries detected at indirect suppliers during the reporting period?

- No

D. Appeal proceedings

D1. Setting up or participating in a complaints procedure

In what form was a complaints procedure offered for the reporting period?

- Participation in a procedure

Describe the company's own process and/or the process in which your company participates.

Hansgrohe SE, which is majority-owned by MASCO Corporation, USA, participates in MASCO Corporation's Ethics and Compliance Program.

MASCO Corporation's VP General Counsel leads the Ethics and Compliance Program, which includes leading the central grievance process. This is used, among other things, to comply with the requirements of The Act.

Part of the central complaints procedure is the MASCO Ethics Hotline, a web-based tool that can be used to submit reports of human rights and environmental risks as well as violations of human rights or environmental obligations. In addition to the MASCO Ethics Hotline, Hansgrohe employees can also contact trusted persons such as HRO, HR representatives, DEI consultants, works councils, etc. to report complaints.

The MASCO Ethics Hotline, which is used as part of the central complaints procedure, is available to all employees, employees within the supply chain and those who could otherwise be directly or indirectly affected by Hansgrohe's economic activities or by the economic actions of a company in the supply chain in a human rights or environmental risk situation in accordance with The Act. Complaints can be made via the MASCO Ethics Hotline by telephone and via a web-based input mask.

The protection of the information provided and the identity of reporters is ensured. In order to make this possible, the following must be taken into account when using the MASCO Ethics Hotline: If the reporting person wishes to remain anonymous, no personal information must be provided, e.g. name, address, e-mail address, whereabouts or relationship to the underlying facts or the parties involved. The link to the MASCO Ethics Hotline must be entered directly into the address bar of the browser and a bookmark must be set in order to be able to access the system again later.

If the reporting person wants to submit complaints via the web-based input mask, it is possible to choose from different languages. The reporting person receives an answer in the selected language; the receipt is acknowledged and the further way to deal with the complaint is shown.

Complaints can be submitted according to a selection of topics. Human rights and environmental issues are available to choose from, among other topics, and there is also the possibility to file complaints that are independent of the topic.

Receipt of the complaint will be acknowledged to the person making the complaint; it has the opportunity to discuss the facts.

The processing of a reported risk or violation of human rights or environmental obligations is primarily carried out by the HRO and subject matter experts of Hansgrohe SE, if necessary with the support of MASCO Corporation. The information about the report will only be shared to the extent necessary - "need-to-know" - basis. The persons handling the case are obliged to maintain confidentiality. The complaint and the procedure are confidential and protection against disadvantages or punishment as a result of the complaint is guaranteed.

D. Appeal proceedings

D1. Setting up or participating in a complaints procedure

Which potential parties have access to the complaints procedure?

- Own employees
- Communities near your own locations
- Employees at suppliers

How will access to the complaints procedure be ensured for the different groups of potential stakeholders?

- Publicly available rules of procedure in text form
- Information on accessibility
- About the process
- All information is clear and understandable
- All information is publicly available

Publicly available rules of procedure in text form

Optional: Describe.

The link to the MASCO Ethics Hotline and the rules of procedure are available on the Hansgrohe Group website. The rules of procedure can be found at: <https://www.hansgrohe-group.com/en/about-us/sustainability/corporate-management>

Accessibility Information

Optional: Describe.

The MASCO Ethics Hotline can be reached by phone and via our web-based tool. The link to the hotline can be found under <https://www.hansgrohe-group.com/en/about-us/sustainability/corporate-management>

Process information

Optional: Describe.

The complaints process via the MASCO Ethics Hotline includes the following steps, with the reporting person having the option to communicate in one of 25 languages to choose from: First of all, the reporter is asked to provide information about the whereabouts and the place where the risk to be reported exists or where the injury to be reported has occurred. The reporter will then be provided with telephone numbers for the report.

or opens up the option of reporting via the web-based input mask. When reporting via the web-based input mask, the reporting person is shown a general information text to protect anonymity and the procedure. On the following page, the reporter is asked about the focus of their report. On the reporting page, the reporter formulates their complaint in their own words and, if they wish, answers questions via the simple answer selection.

After submitting their report, the reporter will receive a file number. With this file number and in combination with their password, the reporting person can log in to the website again and find out about the progress of their complaint or notice. If the reporter wishes to remain anonymous, his or her anonymity is protected as long as he or she does not enter any personal data that would allow conclusions to be drawn about his or her identity.

All information is clear and comprehensible

Optional: Describe.

All information has been described in a clear and comprehensible manner in the rules of procedure.

All information is publicly available

Optional: Describe.

The information and description are available on the Hansgrohe Group website:

DE: <https://www.hansgrohe-group.com/de/ueber-uns/nachhaltigkeit/unternehmensfuehrung>

EN: <https://www.hansgrohe-group.com/en/about-us/sustainability/corporate-management>

D. Appeal proceedings

D1. Setting up or participating in a complaints procedure

Were the rules of procedure for the reporting period publicly available?

File has been uploaded

The rules of procedure:

<https://assets.hansgrohe.com/celum/web/hgw-hansgrohe-group-appeals-procedure-rules-of-procedure-2023.pdf>

D. Appeal proceedings

D2. Complaints Procedure Requirements

Specify the person(s) responsible for the procedure and their function(s).

The review and internal assignment of reports is carried out by dedicated functionaries of the legal department of MASCO Corporation, USA and MASCO Europe S.à r.l., Luxembourg.

Once the assignment has been made, employees with corresponding functional roles have access to the system to pick up on the message and take the necessary steps. Depending on the type of risk or breach reported, these are:

- Human Rights Officer
- HR Representatives
- DEI Consultants

Access to the content of a report and the involvement of subject matter experts in the assessment of a reported risk/violation is only provided to the extent necessary to assess the reported risk/violation of human rights or environmental aspects - "need-to-know" basis.

It is confirmed that the criteria contained in § 8 para. 3 The Act for the responsible persons are met, i.e. that they offer the guarantee of impartial action, are independent and are not bound by instructions and are obliged to secrecy

- Confirmed

D. Appeal proceedings

D2. Complaints Procedure Requirements

It is confirmed that precautions have been put in place for the reporting period to protect potential participants from discrimination or punishment as a result of a complaint.

- Confirmed

Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.

In her function, the HRO is independent and not subject to instructions, has decision-making and instruction authority in her area of activity and is entitled to access information.

Anonymous reports are possible, both by telephone and via the web-based input mask. After submitting the report via the web-based tool, the reporter receives a file number. With this file number and in combination with a password, the reporter can log on to the website again and inform him-/herself or communicate about the progress of the complaint or notice.

Trusted persons such as HRO, HR representatives, DEI consultants, works councils, etc. are required to transfer reports made to the complaints procedure, so that anonymity is guaranteed from now on.

Describe what precautions have been taken, in particular what other measures are being taken to protect whistleblowers.

Furthermore, the reporters are protected by the MASCO Code of Ethics and the Non-Retaliation Policy contained therein. This states that MASCO will not take retaliation against anyone who makes a report in good faith about a violation of the Code or other illegal or unethical behavior.

D. Appeal proceedings

D3. Implementation of the complaints procedure

Were any reports received during the reporting period on the complaints procedure?

- Yes

Explain the number, content, duration and outcome of the procedures.

A total of twelve reports were received.

Of these, nine are potential violations of the prohibition of unequal treatment in employment. Seven violations could not be confirmed. Two violations were confirmed and disciplinary action was taken.

Two notifications are potential violations of the destruction of the natural basis of life by environmental pollution. These violations could not be confirmed.

One report has been received as a potential violation of occupational health and safety and work-related health hazards. The violation could not be confirmed.

All of these reports were investigated. The processing time lasted from 2 weeks to 6 months.

What issues have complaints been received?

- Disregard for occupational health and safety and work-related health hazards
- Prohibition of unequal treatment in employment
- Destruction of the natural basis of life due to environmental pollution

Describe the conclusions drawn from the complaints/reports received and the extent to which these findings have led to adjustments in risk management.

Due to the comprehensive investigations of the complaints/reports, adjustments in risk management were not indicated. Nevertheless, the risk management system is regularly reviewed and adjusted.

Immediate measures have been taken in response to the reported indication on the disregard of occupational health and safety and work-related health risks. Due to the circumstances of the individual case, no further measures were indicated.

Emphasis continues to be placed on training on how to avoid inequalities in employment. The evidence of destruction of the natural basis of life by environmental pollution has been adequately investigated. No violations could be identified. As a result, no adjustments to risk management were necessary.

E. Review of risk management

Is there a process in place to review the appropriateness and effectiveness of risk management across the board ?

In which subsequent areas of risk management are appropriateness and effectiveness assessed?

- Resources & Expertise
- Process of risk analysis and prioritization
- Prevention measures
- Remedies
- Appeal proceedings
- Documentation

Describe how this audit will be conducted for each area and the results it has produced, especially in relation to the prioritized risks.

Reviews within the company's own business unit are carried out on the basis of pre-formulated key performance indicators, which in turn are reviewed annually and adjusted if necessary. In order to meet the requirements of The Act, the human and financial resources as well as the expertise of HRO and the processors responsible for their own business unit are reviewed. When reviewing the risk analysis, including weighting and prioritization, as well as the underlying processes, the focus is on the number and scope of potential risks reported. The knowledge gained in this way is taken into account in the quality control of prevention and remedial measures, among other things.

Appeal proceedings:

The complaints procedure is reviewed once a year for effectiveness, appropriateness and completeness. On the one hand, the feedback from those affected on the user-friendliness of the web-based tool, the number of reports via the web-based tool compared to the use of other reporting channels and the findings from test runs are decisive.

Documentation:

The documentation is randomly checked once a year for traceability, practicability, effectiveness, appropriateness and completeness.

If there are processes or measures to ensure that the establishment and implementation of risk management adequately takes into account the interests of your employees, the employees within your supply chains and those who may otherwise be directly affected by the economic activities of your company or by the economic activities of a company in your supply chains in a protected legal position?

In which areas of risk management do processes or measures exist to take the interests of those potentially affected into account?

- Resources & Expertise
- Prevention measures
- Remedial actions
- Appeal proceedings

Describe the processes and/or Measures for the respective area of risk management.

Resources & Expertise:

In the risk management of the company's own business unit, the potentially affected groups of people are determined in addition to the country- and commodity-group-specific abstract risks identified by the external service provider.

Prevention measures:

Testing as part of the effectiveness test

Remedial actions:

Testing as part of the effectiveness test

Appeal proceedings:

If desired, affected employees can first contact a trusted person to describe the facts, especially for potential violations in the area of discrimination. External counselling services are also available. Affected employees, as well as employees of suppliers and other third parties, may, if permitted by national law, report anonymously via the complaints procedure. The complaint will be treated confidentially. The reporting person will be contacted within a reasonable period of time.