



Hansgrohe Group

SUSTAINABILITY REPORT

/ 2022

Content



Dear Readers,

“The only constant in life is change” – is the 2,500-year-old saying by the Greek philosopher Heraclitus. The external circumstances of entrepreneurial activity have seldom been so subject to change as in the past few years. No sooner had we put the coronavirus pandemic behind us when conflict broke out in Eastern Europe, changing the world again.

Change is necessary and is part of our business. However, growing uncertainty is restricting the ability to plan economically, leading to higher investment risks and trade challenges. High inflation rates and increasing regulatory requirements are making it necessary for Hansgrohe to become more adaptable and flexible in order to remain internationally competitive and to prove our resilience in the long term.

There are also other forms of change that are needed in order to survive, such as adapting to climate change. As a globally operating manufacturer of durable consumables with over 5,000 employees, Hansgrohe, bears responsibility for people and the environment. We embrace the European Union’s goal of making Europe the first climate-neutral continent by 2050 as a challenge and opportunity for our company. Hansgrohe is committed to being a pioneer in the industry and supports the European Union’s sustainability goals.

This goal is reflected in our business strategy. We define the linking of these social trends with corporate goals and their translation into an anticipatory and ambitious sustainability strategy as a core competence and decisive factor in our company’s ability to adapt and survive in the long term.

Our impact on the environment is increasingly at the core of our business model. Our focus is on responsible water management and the interrelation between resource conservation and climate protection. Our purpose, our vision and our mission are aimed at these interrelationships. We accept the challenge of change. Read on in this report to see how we are doing that.

Hans Jürgen Kalmbach,
Chairman of the Executive Board

Company portrait – tradition and innovation shape Hansgrohe



Trendsetting solutions for bathrooms and kitchens

Hansgrohe stands for 122 years of innovation, design and quality. Grown from our roots as a family business, today we are an international group. As a company, we assume responsibility for people and the environment. This standard for ourselves, for our thoughts and our actions is deeply anchored in the Hansgrohe Group.



The signet for our sustainability communication combines water drops, fingerprints and waves, complemented by our mission statement to take responsibility for people and the environment, for our planet.

The Hansgrohe Group – In Touch with our Planet

Headquartered in Schiltach, Baden-Württemberg (Germany), the Hansgrohe Group is a leading company in the sanitary industry. The group of companies consists of Hansgrohe SE as well as 33 companies and 20 sales offices worldwide. The two shareholders are the Masco Corporation headquartered in Taylor, Michigan (USA) at 68.35 percent, and Syngroh Verwaltungs- und Beteiligungs-GmbH headquartered in Schiltach with the remaining shares (learn more about this in the Governance chapter at [page 69](#)). Thanks to distribution in 152 countries, the company is a reliable partner to its customers in all regions of the world.

The group produces and markets high-quality showers, shower systems, bathroom and kitchen faucets, as well as fittings and sinks under the AXOR and hansgrohe brands. The products are characterized by innovation, design and quality. In 2022, the Hansgrohe Group has seven of its own production locations, of which four are in Germany, and one each in France, the United States, and China.

A distinct sense of responsibility towards people and the environment is part of the Hansgrohe Group's self-image. Sustainable thinking and action are firmly anchored in the company. The products are to be manufactured in an environmentally friendly and socially responsible manner and contribute to sustainability when used. To make this ambition visible, the company uses the mission statement "In Touch with our Planet" in internal and external communication.

Key brands and product categories

AXOR and hansgrohe products are used in the bathroom and kitchen areas of application. In the bathroom, we offer showers, faucets and fittings, as well as thermostats. The shower products include hand showers, overhead showers, side showers, shower sets, shower systems, and accessories. For faucets and fittings, we distinguish between products for vanities, showers, tubs, and bidets. We offer kitchen faucets and fittings, as well as sinks for the kitchen.

Our design brand AXOR develops and produces iconic objects for luxurious bathrooms and kitchens. In cooperation with world-renowned designers – including Philippe Starck, Antonio Citterio, Jean-Marie Massaud and Barber Osgerby – products are created in a wide range of styles. All faucets and fittings, shower heads and accessories from AXOR meet the highest quality standards. With expertise that extends well beyond the actual products, AXOR inspires and empowers architects, interior designers and design enthusiasts to create long-lasting bathrooms in individual styles.

The premium brand hansgrohe stands for holistic solutions in the bathroom and kitchen, water-saving and energy-saving technologies, intelligent functions, and durable quality. With its timeless premium products, the brand that is rich in tradition combines pioneering innovations with a sustainable and mindful lifestyle with a high level of comfort. Together with the long-standing design partner PHOENIX, smart living applications are also created, which enrich everyday life with added functionality and safety.

With our brands and product lines, we meet different customer wishes and offer different features, operation options, design styles and installation solutions suitable for different needs. With the expansion of our product portfolio by 2023 to include the categories of shower channels, vanities, toilets, and bathroom furni-

ture, we are responding to a changing market logic: our customers are increasingly demanding coordinated product solutions from a single source. That is why we are increasingly seeing our role as that of a designer of holistic bathroom experiences.

Moreover, we have set ourselves the goal of operating with a focus on sustainability. That is why we founded the Green Company team in 2020. The members of the core team are dedicated to defining and implementing our sustainability goals and measures – in product development, as well as in management (learn more about this in the chapters Strategy starting [page 9](#) and Products from [page 18](#)).

Market presence and investments

The Hansgrohe Group is a brand-name company that is well-known in many parts of the world. Our focus markets are Germany, France, the UK, the US, and China. We sell our products in different marketing channels, such as sanitary wholesalers, through plumbers, in online stores, or in the DIY market. In addition to marketing to end customers, global project business is particularly important. As one of the leading companies in our sector, we want to set new standards in our industry. We are using patents for our innovations to position ourselves as an innovation leader in the market.

With our own manufacturing facilities in Germany, France, China, and the US, we have access to an international production network. The two biggest German production facilities in Offenburg and Schiltach are supported by the branch office in Willstätt. With ESS (Easy Sanitary Solutions), a majority holding of Hansgrohe SE, the hansgrohe Center of Excellence for Shower Channels and Drains was created in Bad Bentheim.

Hansgrohe created 266 jobs worldwide in 2022 (2021: 400). In total, the investments made in 2022 by the Hansgrohe Group amounted to 89.2 million euros (2021: 51.3 million euros). The majority of these investments were made in the construction of a new production plant in Serbia, which began in 2022. This new location will strengthen our European manufacturing network. The first faucets and fittings by hansgrohe have already been manufactured there since mid-2023. The modernization of the Schiltach production plant and the conversion of the Alpertsbach location into an innovation park make up the other investments. We invested in higher manufacturing capacities and greater automation, in tools for numerous new products, but also in information technology and the safety of digital process in the basic manufacturing and assembly areas.

The new production site in Valjevo, Serbia, which was opened in June 2023, strengthens the Hansgrohe Group’s European manufacturing network.



	2020	2021	2022
Production sites	5	6	7
Tons of products delivered	23,295	28,024	29,798
Companies	32	34	33
Sales ¹ (billions of euros)	1.074	1.365	1.528
Employees ²	4,714	5,373	5,639

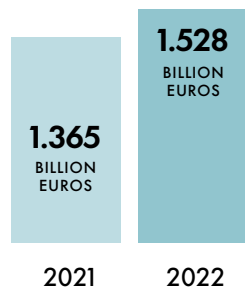
¹ Annual statement according to US-GAAP
² Figures do not include temporary staff

Record fiscal year 2022

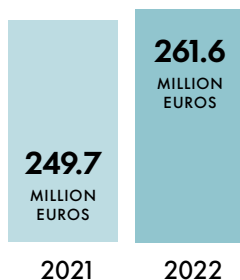
Despite a difficult global economic environment, the Hansgrohe Group set a new sales record in 2022. With total sales of 1.528 billion euros (2021: 1.365 billion euros), we achieved growth of 11.9 percent and thus exceeded the 1.5 billion euros line for the first time. The operating result rose to 261.6 million euros, 4.8 percent above the previous year (249.7 million euros). The resulting sales/earnings ratio of 17.1 percent is slightly below that of 2021 (18.3 percent).

The strong growth was based on increases in all regions, especially due to the good sales developments in China and India, as well as in the German market. The growth from business outside Germany was 13.9 percent. The Hansgrohe Group generated around 76 percent of its sales abroad in 2022, two percentage points more than in 2021. We are still generating the largest proportion of sales of 371 million euros in our home market of Germany (plus 6.2 percent). The number of companies within the Hansgrohe Group was reduced by one: Hansgrohe SE split from its subsidiary in Russia in June 2022.

Total Sale



Operating result rose



Select memberships

Hansgrohe SE and its subsidiaries are members in associations and organizations in their economic and social environment. A selection related to sustainability topics can be found here:

- Aktionskreis gegen Produkt- und Markenpiraterie (APM) (Action Group Against Product and Brand Piracy)
- Bundesverband der Deutschen Gießerei-Industrie (BDG) (Federation of German Foundry Industry)
- Bundesverband Materialwirtschaft, Einkauf und Logistik (BME) (Federal Association of Materials Management, Purchasing and Logistics)
- Bundesvereinigung der Firmen im Gas- und Wasserfach (figawa) (Federal Association of Companies in the Gas and Water Industry)
- Deutsche Gesellschaft für Galvano- und Oberflächentechnik (DGO) (German Society for Electroplating and Surface Technology)
- German Association for Human Resource Management (DGFP)
- German Institute for Standardization (DIN)
- European Association for the Taps and Valves Industry (CEIR)
- Institut Bauen und Umwelt (IBU) (Institute of Building and the Environment)
- German Design Council
- Wirtschaftsverband Industrieller Unternehmen Baden (WVIB) (Baden Business Association of Industrial Companies)

There is an extensive and current list of our memberships, including those of our international subsidiaries, available as a PDF download on our corporate website (www.hansgrohe-group.com) under Sustainability > Sustainable Corporate Governance.

Strategy – shaping the future through responsible business



Corporate Strategy: Growth through sustainability

Working for a sustainable future – that’s our business. Hansgrohe is making a commitment to green transformation with sustainable corporate governance based on binding, forward-looking values.

Hansgrohe’s entrepreneurial success is based on future-oriented, responsible corporate governance. When we speak of value creation – and value creation is one of our material topics (see page 15) –, we are not only referring to economic processes and financial returns. We also mean creating value for all of us: for our shareholders, employees, and customers, as well as for the environment and society. From elements such as money, raw materials, energy, and expertise, we create satisfaction and optimism for both internal and external stakeholders. We are aware of the social and environmental impacts of our business activities. To reduce negative impacts and strengthen the positive ones, we comply with the stipulations of international agreements and laws in all the locations in which we operate or sell products. We want to align the company with long-term, profitable growth in order to become more resistant to temporary challenges, such as economic downturns or reduced availability of resources or skilled workers.

In this sense, we monitor value creation according to a series of principles, policies, management systems, and control mechanisms. They range from the Corporate Policy adopted at the end of 2021, compliance guidelines, and identity-building documents regarding our purpose, vision, and mission to our new CSR Principles dating from June 2023 (see page 13). Through our corporate strategy, we are working towards the UN’s Sustainable Development Goal SDG 8 (Decent work and economic growth).

Corporate policy: Trust through quality

Our Corporate Policy emphasizes the importance of high-quality standards in research, development, and production. Our objective is to create world-wide



The members of our Executive Board in 2023 – André Wehrhahn, Christophe Gourlan, Hans Jürgen Kalmbach (Chairman), Frank Semling (Deputy Chairman) and Sandra Richter (from left).

trust in our brands and our customer orientation. The satisfaction of our customers (both people and companies) and partners is our top priority, which is why we strive for excellence in customer service and distribution logistics. Whenever possible, we want to exceed the expectations of our customers.

Our success is based on a profitable, sustainability-oriented corporate development. Our work – both within the company and in collaboration with suppliers and other business partners – is based on a quality promise that includes sustainability, trust, and transparency. With consistent process orientation and our com-

mitment to avoiding errors, we want to increase our operational efficiency and optimize our management systems. With consistent sustainability management, we also aim to position ourselves as a player that acts responsibly while minimizing sustainability-related risks and generating opportunities in the process. In this way, we are embedding sustainability as a key factor of our corporate strategy.

Value-based positioning in the market

We aim to lead the market when it comes to sustainability and competing for talent. Our values – passion, trust, cohesiveness, and support –, shape our management and guide us towards these goals.

Hansgrohe’s supportive environment aims to encourage the creativity and passion that allows our employees to shape the present and future of our company – for sustainable, continual growth.

Orientation through our purpose, vision, and mission

Our purpose, vision, and mission create identity, solidarity, and orientation. Our purpose describes what we as a company aspire to: What does Hansgrohe as a company stand for, above and beyond its profit motive? Our vision describes the company’s future, creating a source of inspiration for our employees. And our mission stands for our long-term goal. It describes the path we must take to reach our vision. For Hansgrohe, this means:

PURPOSE: Water is life and our passion. We create inspiring moments with water while protecting this valuable element.

VISION: We want to be No. 1. This is why we set the standards for tomorrow in everything we do.

MISSION: We inspire customers with our innovation, design, quality, and sustainability. We take responsibility for humans and the environment. We strive to be the best employer in the region and in our sector. We generate profitable growth as an industry leader.

2022 Sustainability Awards

In 2022, we earned awards for our efforts to better integrate sustainability into our corporate strategy. WirtschaftsWoche, the business journal, ranked Hansgrohe SE seventh among 4,000 companies throughout Germany for its 2022 “Most Sustainable SME Pioneers” awards. We were also nominated for the Sustainability Heroes Award.



We are making our contribution to the realization of SDG 8.



"We want to protect our planet."

Three questions for ...

Hans Jürgen Kalmbach, Chairman of the Executive Board

... on the topic of value creation

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

We now have an explicitly formulated purpose, vision, and mission that help us to derive our unique "Hansgrohe Way." It is a matter of putting our company's meaning and purpose – above and beyond the economic aspects – into words, making them tangible in order to make them actionable.

What were or are the major challenges?

Since our company was established, its main element, and its purpose, has been water. The challenge is to develop joint solutions to protect this resource better. To this end, we support regional and international projects related to water protection. Through our Green Products initiative, we also aim to focus our product portfolio on sustainability by 2030. As long as energy sources with high emission values are used for hot water production, the use phase of our products is the factor through which we can have the greatest impact.

What is your vision for this topic?

We want to reduce CO₂ emissions and protect our planet. One goal of our strategy is that by 2030, our water-conveying products will only be available with water- and energy-saving technology. To achieve this, we will soon have binding specifications for the product development process. This is a challenging course, but our innovation teams develop new research and improvements every day. We owe this to future generations.



Sustainability strategy: On the route to transformation

In recent years, Hansgrohe has accomplished a lot in the area of sustainability. Based on international principles, we are working intensively to implement our sustainability strategy.

Sustainable thinking and actions are deeply embedded in the Hansgrohe Group. Our commitment to environmentally friendly products and environmental protection in production processes is a tradition that began in the 1980s. We accept that our strategy and management must adapt to the external challenges and continue to develop. After all, we want to remain a pioneer in our sector. For example, in 1992, we built what was then the largest roof-based solar power station in Germany, on top of our factory building in Offenburg. And in 2005, we were the first manufacturer in the German sanitary industry to publish a sustainability report. Numerous product innovations that save water and energy can be traced back to Hansgrohe (for more information, see the Products chapter starting on [page 18](#)).

In 2020, we founded Green Company, a dedicated core team that focuses on the realization of our sustainability goals and measures. Since 2022, all our global locations have been classified as climate-neutral (with regard to Scope 1 and Scope 2 emissions in accordance with the Greenhouse Gas Protocol). In other words, the Hansgrohe Group actively reduces these emissions wherever possible. The remaining emissions are offset by recognized, certified climate protection projects.

International conventions are the basis

Our strategic approach for sustainability is based on relevant international conventions and agreements by the United Nations, which we aim to uphold in our work. For example, we have committed to the climate goals of the Science-based Targets initiative, which are aligned with the 1.5 degree goal of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change. The climate crisis is omnipresent and influences many other factors (water supply, energy security, food, and migration), and all parts of society must make their contribution.

The Sustainable Development Goals (SDGs), another UN agreement, outlines 17 goals to be achieved globally between 2015 and 2030. Of the 17 goals, we have identified five that are particularly relevant to our business activities:



SDG-3
Good health and well-being



SDG-6
Clean water and sanitation



SDG-8
Decent work and economic growth



SDG-12
Responsible consumption and production



SDG-13
Climate action

Our company is also committed to cross-sectoral sustainability initiatives on the regional level. One example is the **WIN Charter**, which we signed in June 2022. The WIN Charter of the German federal state of Baden-Württemberg enables SMEs in particular to set up effective, verifiable sustainability management systems. The Charter's twelve guiding principles range from human rights, labor rights, and environmental topics like resource and climate protection to product innovation and financial decisions.

Our CSR Principles focus on fundamental policies

The SDGs are the basis of our new, binding CSR Principles. With them, we focus our policies and fundamentals of corporate social responsibility (CSR). The CSR Principles explain to our employees what the SDGs are, why we have selected the five goals listed above as our focus, and how we understand and implement them within our context. The other sections of this internal document are dedicated to the following topics:

FOCUS ON HUMANS: Working conditions and human rights; child labor and forced labor; occupational health and safety; employee development; diversity, equal opportunity and integration; employee unions

HARMONY WITH NATURE: Energy and emissions; water and wastewater; materials and waste; environmental pollution; product life cycle, consumer health and safety

DESIGNING COMPLIANCE CULTURE: Fighting bribery and corruption; anti-trust law and fair competition; responsible information management; freedom for private political activities; reporting violations

Hansgrohe Group's CSR Principles are both a fundamental document for sustainable management and a code of conduct.

Three areas of action as a contribution to protecting our planet

The Green Company organizational area was set up in 2020 to oversee sustainability initiatives for the entire corporate group. The sustainability strategy consists of three areas of action, classified into ten initiatives. This is our approach to making our value-driven corporate and sustainability strategy operational. The three areas of activity are:



































HANSGROHE CONSERVES WATER CYCLES: Secure fresh water is a valuable resource. In regions where water is scarce, it is vital to use it sparingly. But even regions where water is abundant must constantly invest in its treatment. Hansgrohe conserves water cycles by manufacturing products that save water while providing the same showering experience.

HANSGROHE PROTECTS THE ENVIRONMENT: Hansgrohe Group's products are environmentally friendly and support the goals of the Paris and Glasgow agreements. Heating water consumes lots of energy. Saving water with Hansgrohe products also means reducing the energy consumption of sanitary facilities and protecting the climate.

HANSGROHE BECOMES PART OF THE CIRCULAR ECONOMY: Resources that are reused instead of being extracted conserves our ecosystem and saves energy and water in production processes. Hansgrohe develops durable products that can be repaired and recycled, as well as sustainable packaging. We are working to use materials that best conserve our ecosystem.



The ten initiatives have been defined to contribute to these three areas of action with detailed goals and specific projects. We describe the overarching goal with the words “ECO 2030.” By this, we mean that by 2030, we are aiming to have converted our entire shower and faucet portfolio to “ECO.” “ECO 2030” is the flagship project of the Green Products strategic initiative. Specifically: by 2030, we are aiming for all of our water-conveying products to only be available with water- or energy-saving technology (more in the Products chapter starting on [page 19](#)).

Green Company Initiatives	Hansgrohe conserves water cycles	Hansgrohe protects the climate	Hansgrohe becomes part of the circular economy
 Climate Protection Strategy			
 Green Mindset			
 Green Products			
 Green Packaging			
 Green Supply Chain			
 Green Production			
 Green Energy			
 Green Transparency Services			
 Green Controlling			
 Social Engagement			

As part of the Green Products initiative, we are implementing a comprehensive product portfolio change over the next few years. After all, reducing the water consumption of our products during their long usage phase represents the greatest potential for saving water, energy and therefore, CO₂. This is particularly applicable as long as primarily energy sources with high emission values are used for hot water production. Lowering the demand for fresh hot water is our top priority.

Comprehensive sustainability management

Our locations are oriented and in part certified according to recognized management systems. These systems are also a key instrument for implementing our initiatives: ISO 9001 for quality, ISO 14001 for environmental protection, ISO 37301 for compliance management, ISO 45001 for occupational safety, and ISO 50001 for energy management.

Hansgrohe Operating System make sure that our systems are continuously updated. The team regularly reports on the systems’ performance to the Executive Board. Inhouse consultants and technical specialists support the team. In our production facilities, sustainability management is strengthened by the managers of the Compliance, Environment and Safety, and Energy departments among others.

The Executive Board of Hansgrohe SE monitors the sustainability strategy and the achievement of our Green Company/sustainability targets (read more about the individual goals and the degree to which we have currently achieved them in the Environment chapter starting on [page 37](#) and the Social Issues chapter starting on [page 50](#)).

Analysis of material topics

Our actions have social, environmental and economic impacts. To continuously improve our sustainable engagement, we focus on the issues where we can make the most difference or where there is the greatest urgency. These key topics are regularly revisited.

As part of a materiality analysis carried out during our 2021 water symposium, we asked guests and program participants questions about business, ecology, and social issues. A total of 17 people from different stakeholder groups (authorities, suppliers, municipal politics, works council, customers and owners) completed the questionnaire, which we then evaluated. The information we collected served as the basis for an internal workshop in which we discussed and evaluated the impacts of the Hansgrohe Group’s business on humans and the environment. Representatives from relevant departments participated in the workshops.

The Executive Board of Hansgrohe SE and the division representatives validated the results. We identified nine topics around which we organized the concepts and measures in the present sustainability report.

Our current nine topics (in order of their materiality) and their relationship to the SDGs (in some cases their targets), the GRI standards applied in the present report (see the index from [page 74](#)), and the chapters in this report are as follows:

Topic	SDG	GRI	Chapter
Value creation	8, 12	2 (section 5), 201, 202	Strategy
Environmental performance	12, 13	301, 302, 303, 305, 306	Environment
Occupational health and safety	3, 8	403	Social issues
Employer responsibility	8	2-7, 401, 404, 407	Social issues
Innovation	8.2, 12, 13	302-5	Products
Procurement practices	12	204, 308, 408, 409, 414	Products
Product responsibility	3, 6	416, 417	Products
Diversity and equal opportunity	8	405, 406	Social issues
Compliance	16,5	2 (section 4), 205, 206, 415, 418	Governance



In dialogue with stakeholders

Throughout our business activities and the further development of our strategy, we continuously engage with our stakeholders: owners, suppliers, customers, authorities, neighbors, and employees to understand their interests.

The stakeholder selection is a result of the Hansgrohe Group's business activities and international presence and is regularly reconciled with the representatives of the relevant national subsidiaries.

We engage our interest groups in Germany through regular employee satisfaction surveys ("Social – together as one team") and standardized customer satisfaction surveys ("Products – for more sustainability in the bathroom and kitchen"). In addition, we are in close contact with industry experts, are active in standards committees, and communicate with regulators through associations ("Governance – implementing and living up to our responsibility").

We invite suppliers and service providers to join us and embark on our journey of transformation to becoming a Green Company with workshops, joint projects, and ongoing dialogue. Within the company, it is essential to address the demands of our stakeholders so that they can be considered in the corporate decision-making process.

With the »Hans! For You« employee app, which we introduced in 2020, we established a communication platform dedicated to encouraging dialogue with comment, like, and feedback functions. All Hansgrohe employees, temporary staff, and employees on parental leave or partial retirement can use business and personal devices to access the app. The »Hans! For You« app is now the hub of the Hansgrohe Group's internal communications. It provides access to comprehensive employer topics, including career development, consulting and health services, and an internal job portal. In China, employees use a different local technical system to communicate. Above-average activity rates and a user base of more than 4,800 in late 2022 (2021: c. 4,500) prove the platform's popularity. It is regularly updated and optimized with additional services, such as digital time recording, online sick leave reporting, and other useful applications.



IDEA MANAGEMENT VIA EMPLOYEE APP

Now that we have implemented our new idea management function, Hans! Your Idea, all employees can submit suggestions for improvement via the Hans! For You app. Submitted ideas are read by the employee's direct supervisor and forwarded to the relevant office in the company. With "Challenges," employees can submit ideas that are grouped by topic: saving energy or optimizing packaging, for example. The current status of the submission can be viewed at any time. In 2022, a total of 736 ideas were submitted by employees – over 250 more than the year before.

Products – for more
sustainability in
the bathrooms and
kitchens

3

Innovation as opportunity

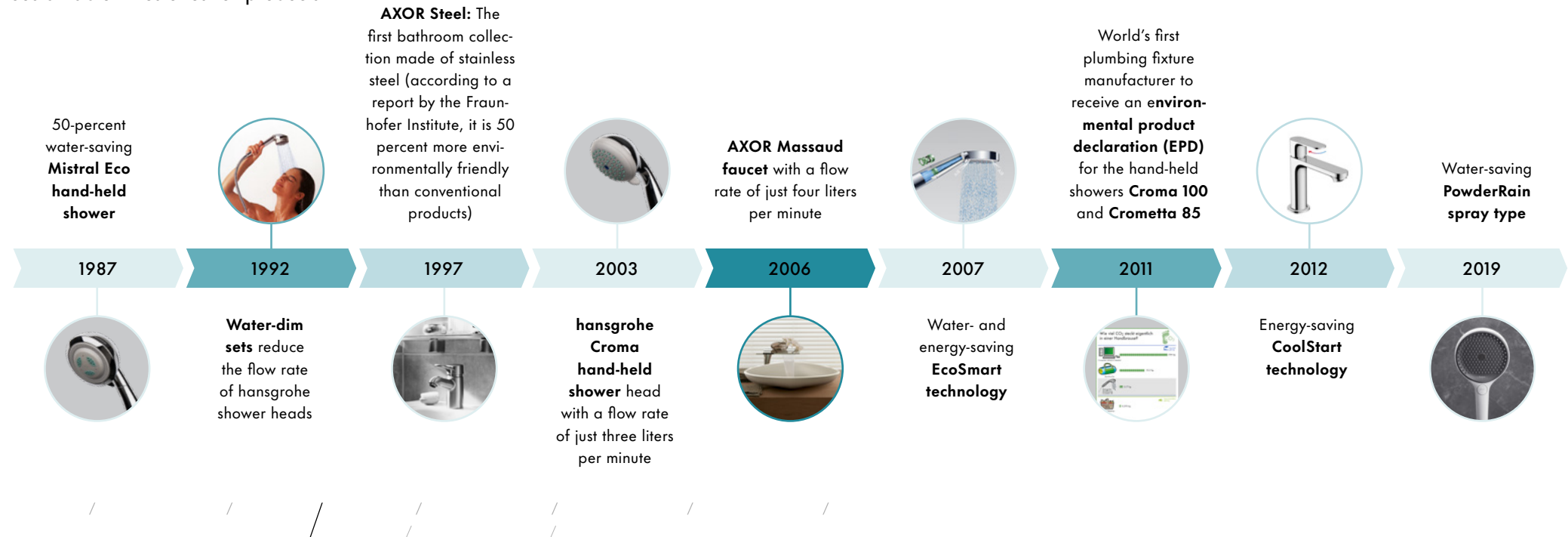
Hansgrohe wants to improve the quality of life of its customers through its innovations. Committed teams of unconventional thinkers develop the ideas of the future. They bring products to market that offer added value, meet the growing environmental awareness, and satisfy high quality standards.

We develop trend-setting solutions that combine form and function to turn encounters with water into unique experiences. Since 1901, the Hansgrohe Group has proven itself to be one of the creative pioneers in the plumbing fixture industry. We register hundreds of intellectual property claims every year, and currently own around 20,000 intellectual property rights. Since 2018, we have been among the top 100 innovators of German medium-sized companies. Since 1974, we have won over 700 design awards with our two brands, AXOR and hansgrohe.



We are making our contribution to the realization of SDG 6, SDG 12, and SDG 13.

Sustainable milestones for products



Focus on green products

We aim to make life easier and more comfortable with innovations while treating the environment responsibly. In accordance with our mission statement “Water is life and our passion,” we want to protect freshwater as a resource in particular. We carry through on this commitment not only during production and at our own locations (see the Environment chapter starting on [page 37](#)), but also when customers use our products.

We are aware that our products have an impact on people and the environment through their manufacture and use. The usage phase is the most intensive in terms of water and energy consumption. But it is exactly in this area where we can make adjustments to our product portfolio that have a positive impact. In this way, we can help our customers to practice sustainable behavior and thus seize the opportunity to position ourselves as a green pioneer in the industry. That’s why we invest in product innovations in line with our purpose and mission statement “In Touch with our Planet,” which we developed in 2022 (learn more about this in the Strategy chapter starting on [page 9](#)).

The Green Company sustainability team at the Hansgrohe Group has defined ten initiatives, including “Green Products.” The flagship project of the Green Products Initiative is “ECO 2030”: By 2030, we will convert our shower and faucet portfolio to “ECO” so that we only offer plumbing fixtures exclusively with water or energy-saving technologies in the future. We define “ECO” as a reduction in water and/or energy consumption of plumbing fixture products in use by at least 22 percent compared to 2020.

In particular, we can contribute to the achievement of SDG 6 (Clean water and sanitation), as well as SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).



Hansgrohe technologies help save water and energy in the bathroom, even in turbulent everyday family life.

Increasing the proportion of green products

We refer to all products that are equipped with water- and/or energy-saving technologies as “green products.” The most important technologies include EcoSmart (max. 9.5 liters per minute for shower heads and max. 5 liters per minute for sink faucets), EcoSmart+ (max. 7 liters per minute for shower heads and max. 4.5 liters per minute for washbasin faucets), and CoolStart (only cold water flows when the faucet handle is in the middle position). These technologies allow for up to 60 percent water savings compared to conventional washbasin faucets and shower heads. Our following plumbing fixture product categories are currently included in the calculation of the “green” share: Hand-held shower heads, hand-held shower head sets, overhead shower heads, shower systems, washbasin, and kitchen faucets. The sales share of green products within the relevant portfolio was 55.7 percent in 2022 (2021: 51.9).

Product concepts are developed by AXOR and hansgrohe business units, which work closely with the respective design offices and the Research & Development Department and report directly to the CEO. The business units are the owners of the entire brand product portfolio, and they manage both new product development and the phase-out process. They are also responsible for transforming the entire brand portfolio in line with relevant ecological requirements.

Planet-centric approach at the InnoLab

The Green Company and Innovation Management Departments, together with the Hansgrohe InnoLab, report to the Head of Innovation Management & Sustainability. The InnoLab was founded in 2017. Here, innovative products and services are developed in an exploratory manner to advance environmental, economic, and social sustainability.



With the help of the working methods of start-ups, extraordinary product solutions are created in the Hansgrohe InnoLab.

Under our “planet-centric” approach, we focus on the current challenges of water cycles, environmental protection, and the circular economy, but also on such issues as diversity and access to clean water in the Global South.

The working methods of the InnoLab are agile, with iterative processes, creative group work, rapid visualization through prototypes, and customer-centric testing based on a start-up model, as well as the indicators of sustainability, desirability, viability, and feasibility.

Every three months, the teams present their results, and our InnoBoard decides which concepts will be pursued further. The Board of Directors, along with internal experts and external consultants, work on the InnoBoard in the areas of design, user behavior, sustainability, and global markets. Each project will last a maximum of 18 months. Thanks to these processes, the InnoLab can work to improve the existing product range and advance related business opportunities, such as digital and green transformation, and open up new business areas.

The success of the InnoLab is measured by the innovation projects that are implemented. The goal is to achieve a conversion rate (meaning conversion to real, marketable products) of 10 percent. The additional success factors are: building knowledge and skills, recruiting talent, and strengthening the Hansgrohe Group’s methodological skills, as well as developing management and organizational models.

We also incorporate outside ideas into our innovative approaches: For an average of six InnoLab projects per six-month period, seven to 15 qualitative interviews or product tests are conducted with potential customers, which may be repeated during the same period.

Our products equipped with EcoSmart technology reduce water and energy consumption compared to conventional products by up to:

60 %



Three questions on ...

Rachel Leow, Head of Innovation Management

... on the topic of innovation

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

Global and/or societal challenges serve as the starting points of our innovation methodology. We always take environmental, social, and economic aspects into account when developing new products and services.

What were or are the major challenges?

Increased project failure rates are a result of the complex task of trying to reconcile three priorities. The task of finding affordable solutions that protect the environment and advance the needs of society alike, while also delivering value to customers, is a demanding but delightful challenge.

What is your vision for this topic?

The Hansgrohe mission and focus on sustainability and innovation prompted us to formulate the Green Vision concept study, which would allow the bathroom of the future to generate 90 percent fewer CO₂e emissions and consume 90 percent less energy – on the basis of a four-person household and an average technology and energy mix in Germany.



Vitality index

For years, the Hansgrohe Group generated a large part of its sales from new products that are no more than three years old. To measure this, we utilize a vitality index. The vitality index tells us the share of sales of products that were first launched on the market no more than 36 months ago.

	2020	2021	2022
Vitality index (as a percentage)	21,9	21,9	25,8

2022 awards

In the summer of 2022, our InnoLab achieved first place in the Innovation Lab category of the Digital Lab Award given by the business magazine “Capital”. The most successful innovation units were selected from 60 teams and evaluated across the areas of growth and potential, speed and commercial success.

Axor and hansgrohe also won a number of design prizes in 2022, including the “**ICONIC Award: Innovative Architecture**” for our hansgrohe Aqittura M91 kitchen faucet, which also achieve the outstanding distinction “Best of the Best”. The water-conserving faucet innovation hansgrohe Rebris was given the “**ICONIC Awards 2022: Innovative Architecture Winner**” award. We also won Gold at the German Design Award (Special Mention: Pulsify shower system) as well as at the **iF Awards** or **Red Dot Design Awards** (read more about our award-winning innovations in the “**Focus on people and nature: new products for 2022**” section).



hansgrohe Rebris E faucets impress with straight lines, clear edges and water-saving technologies.



ECO design principles

To ensure that our upcoming products are designed around sustainability, we have formulated ten ECO design principles that we use as a guide whenever possible – while not compromising the comfort level of users.



1 PLANET-CENTERED INNOVATIONS: With carefully thought-through innovations, our products overcome the limitations of the status quo. As a result, we set new benchmarks in minimizing negative environmental impact, while maximizing comfort.



2 TRIPLE SAVINGS BY USING LESS WATER – water, energy, costs: Our products only use water when it is necessary. At the same time, they are designed to ensure maximum comfort with reduced water usage.



3 ENERGY-SAVING MODE ON: Our products use energy-saving and energy-efficient technologies. The energy required for heating the water in the usage phase is minimized by reduced (hot) water volumes, among other things. Electronic and digital functions are provided in an energy-efficient manner.



4 LONG PRODUCT LIVES: The design and construction of our products is timeless and made to last. Any maintenance or repairs can be carried out easily and without special tools. In order to extend the products' service life, they are designed so that they can be technically and visually updated.



5 CLOSING THE CYCLE: Our products are completely separable by type. The exclusively recyclable components are returned to the material cycle. This is done via recycling by the customer or via a product take-back with subsequent remanufacturing/recycling by Hansgrohe.



6 LESS MATERIAL: Our products are material-efficient, which means they consist of as little raw material as possible. Environmental properties play a central role in material selection. Previously used materials are replaced by more sustainable alternatives. Our products do not use inseparable composites or material mixes.



7 LESS COMPLEXITY: Our products consist of components and parts that can be used universally across the portfolio. This reduces complexity and costs. Innovative design languages are realized via very few new parts.



8 LESS COATINGS: Our products are durable, even without a coating. If it is necessary though, they are made with environmentally friendly surface technologies and the least amount of material. To enable component recycling, the thickness of the coating must be as thin as possible.



9 STAYING CLEAN: The design and materials of our products avoid dirt deposits and calcifications. Cleaning them is easily possible without the use of environmentally harmful, aggressive cleaners.



10 AWARENESS GUIDES BEHAVIOR: Our products create transparency, and we sensitize our customers about the conscious use of water and energy through education.

In addition, we developed the Sustainability Diamond, a tool that evaluates the sustainability properties of a product and reveals opportunities for optimization. Based on a product-specific definition of sustainability goals, we evaluate the new product properties across the entire development process. This enables us to make product decisions based on their sustainability rating.

Environmental impacts across the product life cycle

Since the end of 2022 and during 2023, the Hansgrohe Group has been publishing environmental product declarations (EPDs) for nine structurally identical product categories across both brands. They summarize their average environmental impact based on the entire life cycle, from the extraction of raw materials through production and long-term use phase to eventual recycling or disposal. The EPDs cover around 1,400 of the best-selling chrome-plated products from the standard range from AXOR and hansgrohe. All EPDs have passed the verification process of the Institut für Bauen und Umwelt (IBU), Berlin. You can find them on the [website](#) of the Hansgrohe Group.

Finding new ways with partners

Partnerships help us to implement innovations, develop technologies, and improve processes. We are currently cooperating with the University of St. Gallen, Furtwangen and Offenburg universities, the Technical University of Ilmenau, KIT Karlsruhe, KDG Glas Consulting, the Öko-Institut Freiburg, and the German Society for Personnel Management (Deutsche Gesellschaft für Personalführung). An overview of all our 2022 memberships can be found on our [website](#).

In the year under review, we also started an open innovation collaboration between our parent company Masco Corporation and start-ups that the German InnoLab has rated.

Raising societal awareness

To bring the topic of resource conservation and the use of appropriate technologies to the attention of our customers, in the year under review we

- released a report on [Analysis of the impact of bathrooms on the CO₂e footprint](#) as an interactive PDF and made the analysis tangible for visitors to the Greentech Festival (Berlin) in June 2022 using augmented reality;

- updated our [water savings calculator](#) to calculate the savings potential in the bathroom in terms of both CO₂e and water, which shows what switching to water and energy saving products means both in monetary savings and in benefits for the environment.

Focus on people and nature: new products for 2022

In line with the innovative solutions that we have released in recent years, our new products for 2022 continued to focus on the convenient and sustainable use of water as a resource (excerpt):

hansgrohe Aqittura M91: The award-winning faucet with filter and mineralization function provides quick access to high-quality drinking water straight from the tap. It can even be carbonated and chilled to your taste. Our filter system filters the water and features the innovative MINTEC® mineralization technology, which enriches the water with important minerals.

AXOR Starck Nature Shower and AXOR Conscious Shower The AXOR Starck Nature Shower takes the classic design, the indoor shower column by Philipp Starck, outdoors – now made of weather-resistant, durable materials. When selected in the EcoSmart+ variant, the large overhead shower heads in the AXOR Conscious line reduce the flow rate to less than six liters per minute while providing virtually the same level of comfort.

hansgrohe Rebris EcoSmart+ Since its 2022 update with EcoSmart+ technology, the faucet now consumes just four liters per minute – that's a 20 percent reduction in flow compared to previous EcoSmart products. In addition, the CoolStart technology ensures that the faucet does not waste unnecessary energy to heat the water when it is switched on and off briefly when the faucet handle is in the middle position.



We are making our contribution to the realization of SDG 3, SDG 12, and SDG 13.

Product responsibility – to ensure safety

Hansgrohe offers resource-efficient products that are premium quality. We make no compromises when it comes to product safety or our product compliance.

Our corporate policy includes our principles for how we want to achieve economic success while also prioritizing social responsibility and environmental protection. Product responsibility represents a key cornerstone to this vision. We place high demands on our own products, as well as on our suppliers (also see the Supply chain section on page 29). Our products are manufactured, approved, and patented according to strict quality standards. We also make sure that we comply with the relevant standards, laws, and internal guidelines as stipulated in our group-wide product compliance guideline.

We are aware that our products can have an impact on people and the environment, from manufacture, through use, and to eventual disposal. We therefore pay attention to the selected materials and surfaces throughout the entire product life cycle, as well as to our resource-saving and recyclable packaging. Products and their packaging should meet our quality requirements, but they should also not impair the health of our customers and be sourced from responsibly managed procurement processes. Furthermore, we also focus on the longevity of our products to help support the lowest possible consumption of resources. In this way, we contribute to the UN sustainable development goals, such as SDG 3 (Health and well-being), SDG 12 (Responsible consumption and production), and SDG 13 (Climate protection measures).

The AXOR and hansgrohe business units with their respective Vice Presidents and our CEO are responsible for setting product policy.

When designing the product portfolio, our experts take many aspects into account. We take note of the overarching trends transforming the bathroom and different design preferences in the sales markets while remaining constantly focused on the customer. Requirements specified by the standards and compliance guidelines, as well as the cost-effectiveness of the products in the various markets shape product policy, as do the goals and guidelines we set ourselves, such as our Sustainability Diamond Tool.

New product categories influence the decisions we make about the existing portfolio. We constantly review it in light of the specified criteria and adjust it, if necessary. Overall, our product policy advances our calling to develop and offer differentiated and popular products to position ourselves as a trendsetter in the market.



Colors, shapes, functions: Our product also looks towards various trends for bathroom set-ups.

Ensuring product quality and safety

The Hansgrohe Group ensures the high quality of our products through our quality management, which is certified according to ISO 9001. All product components are systematically subjected to various tests – from development to completion. Furthermore, we commission independent testing and certification companies, such as the TÜV or the German Association for Gas and Water (DVGW), to test the scald or drinking water protection, water and energy conservation, as well as safe operation or electronics of our products. This underscores our high quality, consumer, and environmental protection standards.

We carry out many tests as part of our quality management in our own laboratory, which operates according to the international competence standard for laboratories (ISO/IEC 17025). In addition, we regulate product requirements through developing internal standards. One example is our internal standard related to “Environmentally friendly products – Substances”. In accordance with the requirements of the EU directive on the restriction of the use of certain hazardous substances, such as lead, cadmium, or chromium trioxide in electrical and electronic equipment (RoHS), we registered all affected products during the reporting period.

Our products also comply with international drinking water specifications and far exceed the required standards. This is evidenced by the numerous certificates demonstrating compliance with ISO standards (which can be reviewed on our [website](#)).

Tests with artificial sweat, a “tanning bed,” salty air and endurance tests: With HG Labs, Hansgrohe operates one of the most modern test laboratories in the world. Here you can see a test rig for cartridges.



Taking responsibility in the product development process

Another pillar of product safety at the Hansgrohe Group is our product compliance. As a manufacturing company, we attach great importance to this as it forms an essential part of our ethics and compliance culture. The company managers confirm this on a quarterly basis with the owners of the Hansgrohe Group. We want to preventively counteract specific risks along the product lifecycle process using our product compliance guideline, which applies to all employees, and our product compliance management system (Product CMS), which we implemented in mid-2023. In addition to country-specific laws, the focus here in particular is on technical regulations and standards.

Our Board of Directors remains legally responsible for ensuring product compliance. Our Group compliance officers and our compliance multipliers, i.e., representatives of various departments, such as quality assurance, sales, or product management, ensure proper implementation.

It is not uncommon for our protected designs or entire products to be forged. We take active and vigorous action against counterfeit products. In this way, we make our customers aware of the existence of these infringements and protect them from the dangers of inferior quality.



"Product compliance concerns us all."

Three questions for ...

Nicole Michels, Group Compliance Officer

... on product responsibility

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

We created a rough draft for our product compliance management system and designed training courses for it. Product compliance audits at the Schiltach and Offenburg sites, as well as in the United States show us that we are on the right track. The identified optimization needs are implemented to detect and reduce risks in the area of product compliance at an early stage.

What were or are the major challenges?

As a manufacturer with a varied product range, we must stay on top of and comply with EU level, as well as global regulations und product requirements. Regardless of how much effort is involved in complying with these regulations, we must ensure that our products comply with the legal requirements in all sales markets.

What is your vision for this topic?

Ensuring product compliance is not only a task for product developers, product engineering, the international approvals team, and our colleagues in production, but also, for example, for sales, purchasing, logistics, and marketing. In short: product compliance concerns us all. It is an important key to maintaining the competitiveness of our strong AXOR and hansgrohe brands. We give every employee the tools they need to stay on top of processes and guidelines.



In dialogue with customers

The direct service contacts with our dealers and private consumers also form part of our product quality and safety measures. A standardized survey gives us additional valuable information. The Net Promoter Score (NPS) acts as a key control variable. For the year under review, it stood at plus 44 on a scale of minus 100 to plus 100.

Our German sales agents team visited over 30,000 customers in 2022. We also processed more than 300,000 (2021: 100,000) written and 200,000 phone queries (2021: 250,000). In addition to technical questions from consumers, our experts from the master service also answer questions from specialist customers in the plumbing fixture sector in an approachable manner. After all, each individual is a trained plumber with a master craftsman's certificate. In 2022, they received approximately 115,000 (2021: 90,000) phone and over 20,000 written queries, which was similar to 2021.

We deployed the chatbot "Hans!" since the year under review. As a digital assistant, it has relieved our service employees of having to answer more than 10,000 customer inquiries. The artificial intelligence learns something new every time it receives a request. The chatbot answers questions about products, shows videos with cleaning instructions, helps locate spare parts, or helps with finding a specialist partner. If it is not able to handle a customer request, the service employees in the office take over.

Reduction of packaging and plastic components

Packaging is part of our product responsibility. We want to develop more sustainable packaging for our products as part of the circular economy. This not only protects the ecosystem, but it also reduces our volume of waste (see more in the Environment chapter, [page 47](#)).

One of our ten initiatives (see Strategy chapter, [page 9](#)) within our Green Company vision is "Green Packaging". Packaging is a necessity for shipping products with sensitive surfaces. To meet our sustainability standards here as well, we launched our "Plastic-free packaging" project in 2021. The aim is to make our packaging completely plastic-free by 2025. To this end, we are working on solutions that can be 100 percent recycled as paper after use. To protect our products, we are increasingly using bubble paper, flat paper bags, paper sleeves, and tissue paper.

The Value Engineering and Green Company departments are responsible for redesigning the packaging. In addition to environmental considerations, such as recyclability, great attention is also paid to packaging that is standardized and modular. This also affects the optimization of our logistics for sustainability (for more information on this, see the Environment chapter, [page 35](#)). We test alternatives through transport simulations and tests. For example, at the end of 2022, we switched to paper for the bubble bags used to secure our product packaging within transport packaging. They are now made from unbleached recycled fibers, with a one-sided organic film made from a compostable potato starch mixture that guarantees impermeability. A certificate confirms that the paper has been recycled. This enabled us to save around seven tons of plastic in 2022 compared to the previous year. In addition, in 2022 we reduced the use of stretch plastic films by around eight tons compared to 2021 due to the reduced film thickness.



Bubble envelopes from paper replace plastic film in packaging. They are biodegradable and fully recyclable in the paper recycling cycle.

Supply chain – sustainable value creation

Our company operates in more than 150 countries around the world. To produce our products and deliver them worldwide, we operate a complex manufacturing and supplier network.

Sustainable and lasting partnerships with our suppliers form the basis for mutual success. We also do not lose sight of protecting human rights and the environment along the value chain.

In our Corporate Policy and in our CSR Principles of June 2023, we stipulated that we support social responsibility and human rights along the value chain. We reject all forms of child and forced labor, as well as all forms of modern slavery and human trafficking. It goes without saying that we adhere to ethical business practices with our partners.

We are aware of the diverse effects that our business activities can have on people and the environment, and this is also true in procurement. Challenges in many supply chains include, for example, ensuring observance of human rights, environmental protection, the use of conflict minerals, and corruption. From a regulatory point of view, this group of topics presents an increasing number of requirements, such as, for example, within the framework of the German Supply Chain Due Diligence Act (LkSG), which has been in force since January 1, 2023 (for more information on this, see the “Minimize risks, build good relationships” section below, [page 33](#)).

Through our supply chain management and our work with suppliers, we want to contribute to SDG 8 (Decent work and economic growth) and SDG 12 (Responsible consumption and production).

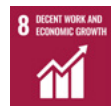
The Chief Operations Officer controls procurement together with the Vice President of Purchasing, Quality Management & Continuous Improvement (CIP). The management of suppliers and service providers is the responsibility of the Procurement of Non-Production Material, Procurement of Finished Goods, and Procurement of Production Material departments.

Managing resources and materials

The Hansgrohe Group obtains 46 percent of the resources for the manufacture of its products (in terms of purchasing volume) from Germany, 14 percent from Europe (excluding Germany), and 40 percent from Asia. We then manufacture our products at several German plants as well as in France, the United States, China and since 2023 also in Serbia.

We use ABS (acrylonitrile butadiene styrene copolymer) for 45 percent of the plastics used in our injection molding. As with other plastics, the starting material for ABS is crude oil. In 2022, we worked on the development of an alternative that has 50 percent bio-attributed content compared to conventional ABS. We have been using this material for all ABS parts from our Offenburg plant since March 2023.

The other materials used by the Hansgrohe Group are metals and chemicals. Metals are primarily used for the manufacture of washbasin faucets or shower heads. A faucet consists largely of brass, which is melted down and cast into shape at our plants. Chemicals are mainly used in the electroplating process for the surface coating of the brass and plastic body. For chrome plating, the blank is first copper and nickel plated and then immersed in an electrolytic bath with chromic (VI) acid.



We are making our contribution to the realization of SDG 8 and SDG 12.



We also use smaller amounts of (natural) plaster and ceramics, and even smaller amounts (for some AXOR design products) of regionally sourced wood or leather.

Materials used at the Hansgrohe Group* (in t)

	2021	2022
Metals	18,986	18,531
thereof brass	15,483	15,247
thereof zinc	2,509	2,355
thereof steel	737	699
Plastics	4,77	4,421
thereof PVC	1,156	984
thereof ABS	1,172	981
thereof PPE/PS	629	571
Chemicals	1,651	1,611
thereof hydrochloric acid	408	433
thereof caustic soda	218	264
thereof calcium hydroxide	250	217

* Main material groups with the three largest items in each; figures are rounded.
2020 figures not available in a comparable quality and are therefore not reported.

Since the Hansgrohe Group uses a large number of materials to manufacture its products, it is currently not possible to reliably determine the proportion of recycled materials. We welcome the increasing demands for product transparency and are already working hard with our suppliers to determine the actual recycled content of the materials in our products. At the same time, we are creating the system infrastructure to show and control the proportion of recycling.

Our approach is always to use materials optimally and to recycle as many resources as possible. That is why we strive, particularly with regard to raw materials and brass, to use recycling-oriented approaches and to return them as recyclable materials to the corresponding material cycles. The Hansgrohe Group, for example, participates in a Europe-wide brass cycle. We are currently evaluating with suppliers how we can measure and report the recycled content of the brass that is supplied to us. In the case of plastics, it was previously not possible to recycle chrome-plated production waste. In 2024 we plan using a machine that can separate and recycle both plastic and chrome plating in a process specially developed by Hansgrohe

From raw materials to product

Taking the product category of faucets as an example, we show which raw materials go into a typical chrome plated Hansgrohe product, how it is manufactured, and what CO₂ emissions are associated with it. The associated environmental product declaration, which is available on [our website](#) and contains a great deal of additional information, serves as the basis for the data.



The production process of a Focus washbasin fitting begins in the Schiltach factory with the **SHAPING OF THE SAND CORE** for the casting process



This is followed by the **CASTING OF THE BRASS BODY** of molten brass. After solidification, the sand is shaken out.



The **GRINDING AND POLISHING** of the coarse brass body is the basis for the later surface quality.



The **CHROME PLATING** of the polished brass body completes the first part of the process. The finished body is delivered to the factory in Offenburg.



SCHILTACH FACTORY

CLIMATE IMPACT

The "Global Warming Potential" of the entire value chain from raw material extraction to the packaged product is an average of just under 6 kilograms per is on average around 6 kilograms of CO₂ equivalents (CO₂e). The CO₂e emissions in the usage phase or during subsequent recycling are not included in this figure.

Parallel to the production of the base bodies in Schiltach West, the **ASSEMBLY OF THE PLASTIC CARTRIDGES** is in progress at the Offenburg plant.



OFFENBURG FACTORY

LASER MACHINING AND ASSEMBLY of the product brings together base body, cartridge and other components such as aerator, hoses and tie rods.



The process concludes with the **PACKING OF THE PRODUCT** and the operating instructions in product and shipping packaging.



Minimizing risks and establishing good relationships

At the Hansgrohe Group, we ensure responsible procurement through our purchasing management system. To minimize risks, we take responsible action and build long-term relationships with our suppliers; we also prioritize compliance with ethical standards, responsible working methods, and environmental protection at the time of selection. These requirements are contractually binding; they are included in **Supplier Business Practices Policy** of our parent company Masco Corporation. We formally ban child and forced labor, as well as discrimination and demand compliance with fair wages and working hours, as well as the right to freedom of association.

New suppliers are accepted by the Hansgrohe Group when they have been approved by an internal specialist committee and all contractual documents are available. The composition of the internal specialist committee can vary depending on the supplier category. In the case of production material suppliers, technical experts and supplier auditors are also involved in addition to the commodity buyer. Suppliers of production materials are assessed for quality as part of an on-site potential analysis at the production sites. This way we ensure that our requirements can be met, thereby laying the foundation for a reliable and long-term partnership.

When the Hansgrohe Group approves the addition of suppliers to its pool, it also confirms that they comply with all REACH requirements. REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) is an EU chemicals regulation that has been in force since 2007. According to the “no data, no market” principle, only applicable chemical substances that have been previously registered may be placed on the market. The Hansgrohe Group neither produces chemical substances or mixtures nor imports them into the EU. As a “downstream user” under the REACH requirements, we are therefore not subject to any registration obligations.

To establish adequate risk management of human and environmental rights in accordance with the requirements of the German Supply Chain Due Diligence Act (LkSG), we set up a project team in 2022 and created a full-time position for Risk & Compliance Expert Supply Management. In this way, we want to better strengthen human and environmental rights in the future.

Since mid-2022, we have been working with a service provider for all current suppliers on a risk analysis and assessment within the framework of the requirements of the LkSG. In the next step, measures for addressing this risk should be defined for the suppliers where a corresponding risk has been identified.

Auditing sustainability performance in the supply chain

We take advantage of the opportunity to verify the sustainability performance of our supply chain through supplier audits. We use specially trained auditors for this purpose. In the period under review, ten auditors completed the process audit standard of the German Association of the Automotive Industry (VDA 6.3), thereby demonstrating their competence. The random audits are carried out both by our parent company Masco Corporation and by our own experts. In 2022, we carried out 26 process audits in Europe, nine of which were for new suppliers (2021: six, four of which were for new suppliers). The low number of audits in 2021 was due to the travel restrictions caused by the Coronavirus pandemic. In 2022, Hansgrohe onboarded 15 new suppliers (2021: 20).

Silver medal at EcoVadis

In mid-2022, the Hansgrohe Group received the EcoVadis silver medal. This puts us among the top 25 percent of all companies assessed by EcoVadis in the second year of participation. EcoVadis evaluates how well a company has integrated a sustainability approach in its management system for issues of the environment, labor and human rights, ethics and sustainable procurement. Since its inception in 2007, EcoVadis has grown to become one of the world’s largest and most reliable providers of corporate sustainability evaluations and has built out an international network of more than 100,000 evaluated companies. Our next goal is to win a gold medal.



“Taking greater account of sustainability factors”

Three questions for ...

Martin Jäggle, Head of Global Procurement Solutions

... on the subject of the supply chain

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

In 2022, the focus was clearly on satisfying the requirements of the Supply Chain Due Diligence Act. In addition, we worked intensively on the development of approaches to take greater account of sustainability factors in the selection of suppliers when awarding contracts.

What were or are the major challenges?

The conversion of supply chains to make them more sustainable often conflicts with the cost pressures of procurement. In addition, the appropriate resources are required to advance the conversion. Not all technologies offer a sufficient number of more sustainable options.

What is your vision for this topic?

We want to continue to develop our processes and tools in order to adapt to upcoming developments and requirements in good time.

Transport and logistics

We operate complex logistics chains to ensure that our customers are supplied on time and reliably. For example, they can receive our goods from warehouses in Offenburg, Shanghai, China, and Alpharetta (Georgia) in the United States. However, our logistics not only handle the distribution of our goods, but also the internal transport to or between the production sites, as well as the disposal logistics.

We largely use our own employees and vehicles to transport goods to and from our factories. We are assisted by external service providers for the transport of components, as well as semi-finished and finished products. Across all of these, we optimize our logistics processes to continuously improve our CO₂ balance (also see the Environment chapter, [page 37](#)).

Our logistics experts carry out continuous improvement processes and streamline projects, and they have made significant progress in the area of volume optimization. More parts in the boxes and more boxes per pallet improve the utilization of our shipments.

In 2022, for example, we reduced the volume of the smallest possible box by another 80 percent compared to the previous year. The filling level of the boxes has improved by eight percent since 2018. With an annual volume of around two million boxes, even this small change has positive effects: the number of boxes per pallet (the volume ordered by the customer, provided there is sufficient volume) improved by 0.6 boxes in 2022. This corresponds to a reduction in the annual use of 8,500 pallets and thus a significant improvement in freight volume. On average, we transport around 170,000 kilograms fewer goods on the road a year than we did 2020. Regular quality campaigns and optimization of our packaging help to avoid damage during transport and returns, which all improve sustainability.

The box types have also been optimized to smaller sizes for the around 100 small consignments from our logistics center every day. This also has positive effects for storage and transport. Until now, almost every product had its own packaging. In the future, our packaging will be adaptable to suit various products and contents.

2022: **3,320,462**
ORDERED ITEMS
were processed per year at the Offenburg logistics center

30
TRUCKS
left the site every day

8,723
PACKAGES
left the site every day

2021: **3.,053,550**

35

7,300



Environment –
how we act here
and now

4

The transformation starts at the corporate level

At the Hansgrohe Group, we are setting aspirational environmental goals because we want to protect that which surrounds us. Sensible use of energy, efficient production, and the reduction of waste and harmful effects on the environment are key objectives at all our sites.

Hansgrohe has incorporated the value of “responsibility for society and the environment” into its mission statement for decades. Our sustainability strategy (see Strategy chapter, [page 9](#)) addresses the huge challenges of our time such as climate change, water scarcity and dwindling resources. We develop sustainability targets and measures in line with our motto “In Touch with our Planet” and our three strategic fields of action: water, climate, and recycling.

To improve our efforts to mitigate our environmental impact, we are focusing on two different aspects. First, on our products and product developments, since the utilization phase is the most emission-intensive when it comes to water and energy use (find out more on this in the Products chapter, [page 18](#)). Second, on the construction and operation of our manufacturing facilities, warehousing and administration sites, and our logistics, as they are associated with carbon emissions, as well as resource and material consumption.

We also aim to reduce harmful environmental consequences of our business activities at the operational level by increasing energy and resource efficiency, reducing emissions, protecting water, reducing waste, and optimizing logistics.

Efforts like these are not only beneficial to the environment but help us meet society’s higher expectations and increasingly demanding environmental regulations at an early stage. Companies with a strong environmental performance can also be more attractive to specialized employees. Furthermore, we make ourselves less dependent on volatile markets, for instance in fossil fuels, and reduce costs through lower consumption of resources and lower carbon emissions.

The financial implications of climate change were rated as “material” in an internal, overarching review of the topic of sustainability, including in terms of financial impact, reputational impact and marketplace impact. Our environmental performance is contributing to the UN Sustainable Development Goals SDG 6 (Clean water and sanitation), SDG 12 (Responsible consumption and production), and SDG 13 (Climate action).



We are making our contribution to the realization of SDG 6, SDG 12, and SDG 13.



Water cycles are lifelines for nature, culture and prosperity. Hansgrohe is part of these cycles. Our faucets and showers are directly integrated into them during use and can control water consumption. Furthermore, the production and disposal of our products also have an impact on the climate and resource cycles of our planet.

Environmental management identifies opportunities

Our Green Company team holds overall responsibility for all of our sustainability goals and measures. Individual sustainability targets are set for energy, water, and waste jointly with the Green Controlling department, which is responsible for capacity utilization and production volumes at the factories, and the factory managers at the international production sites on location. The corresponding measures are reviewed together each quarter.

The Operating Systems unit is responsible for certifications, while the Environment & Safety (E&S) unit is responsible for implementing legal requirements in the areas of occupational health and safety and the environment. The Purchasing, Production and Logistics departments identify sustainability opportunities and then actively implement them. In the reporting year, these opportunities were managed on a cross-plant basis by an Operational Sustainability Board under the direction of the Chief Operations Officer. Furthermore, the Hansgrohe Group expects a Green Company Agreement from certain suppliers in the future. This is a statement that they will adhere to all of Hansgrohe’s environmental management regulations.

Implementing emissions reduction goals on a scientific basis

We are pursuing the 1.5°C target of the Paris Climate Agreement, and therefore joined the Science Based Targets initiative (SBTi) in 2022. We are currently developing our emissions reduction targets and associated action plans and aim to complete the validation process in 2023 (read more about our climate protection commitment starting on [page 42](#)).

Environmental management system based on an international standard

We have implemented an environmental management system in accordance with ISO 14001 at all Hansgrohe Group sites. We comply with environmental and waste disposal regulations and record consumption data for resources such as energy and water at all production sites and define specific efficiency metrics. They are used as performance indicators to determine whether the measures taken are having an impact and whether we are achieving the goals we have set. This has allowed us to achieve our overarching efficiency metrics in the areas of electricity and water consumption as well as waste generation in 2022.

We also engage in internal and external audits of our environmental management system. Independent auditors inspect all production factories in Germany, France, the United States, and China. During the reporting year, our eight plants underwent our internal system audit between March and August, and also the external system audit in July/August and October 2022.

Absolute efficiency metrics*

	2021 ¹	2022 goal ²	2022 ²
Electricity efficiency (in MWh/sales tonnage)	2.26	2.23	1.95
Water efficiency (in m³/sales tonnage)	4.79	4.26	4.12
Waste efficiency (without special waste) (in t/sales tonnage)	0.214	0.202	0.185
Special waste efficiency (in t/sales tonnage)	0.059	0.051	0.060

*The scope includes all Hansgrohe Group production sites and the values of the headquarters in Schiltach, Germany. Energy efficiency is no longer listed in comparison to the Sustainability Report 2021. The reason for this is that gas is mainly used for heating, and therefore the focus is on electricity as the main source of energy.

¹Reference year 2019.

²All figures are based on our new reference year 2021. This was determined during the reporting year as part of the accession to SBTi due to the improved data situation.

Development of the efficiency indicators in relation to the respective reference year * (in %)

Compared to 2021, we were able to reduce the ratio of resources used (electricity and water) per sales tonnage and thus further improve efficiency. A significant avoidance of waste was also achieved.

	20211	2022 goal2	20222
Electricity efficiency	-13.5%	-1.1%	-13.6%
Water efficiency	-25.6%	+1.3%	-14.1%
Waste efficiency (non-hazardous)	-0.2%	-5.4%	-13.5%
Waste efficiency (hazardous)	-12.4%	+1.0%	-14.3%

*The scope includes all Hansgrohe Group production sites and the values of the headquarters in Schiltach, Germany. Energy efficiency is no longer listed in comparison to the Sustainability Report 2021. The reason for this is that gas is mainly used for heating, and therefore the focus is on electricity as the main source of energy.
1 Reference year 2019.
2All figures are based on our new reference year 2021. This was determined during the reporting year as part of the accession to SBTi due to the improved data situation.

Making sustainable investment plannable in the long-term

Sustainable project ideas often pay off only after a few years, so they do not have the shortest return on investment (ROI). To nevertheless be able to consciously promote environmental protection projects and plan for long term, we implemented an internal CO₂ price for our profitability calculations in 2022. As an example, the conversion from propane gas to induction heating of a riser pipe in our foundry in Shanghai (see also section “Measures to reduce energy consumption”, page 43) was shown to have a 19 percent lower ROI, thus making this measure preferable over conventional alternatives. The internal carbon price is adjusted annually. Additional support for sustainable investments is provided through a Green Fund in the investment budget. This fund is available solely for sustainable projects.



During the Kinzig Clean-up, Hansgrohe employees clear the banks of the Kinzig River of trash.

Implementing active environmental projects

Environmental protection within the company is a continuous process that relies on the commitment and ideas of many people. The Green Company team can rely on a large number of supporters, since a large number of employees at Hansgrohe participate in in-house environmental protection campaigns. During the reporting year, for example, the banks of the Kinzig River were cleared of plastic and other garbage during the annual Kinzig Clean-up, just like every year. The Rhine tributary flows right past our Schiltach site.

Additionally, the Hansgrohe Group has been an official partner of the German Black Forest National Park since 2021. The focus here is on species and biotope protection. During the reporting year, employees once again supported the “Grinden” maintenance project as part of corporate volunteering. In this project, the wet meadows in the high-altitude regions of the Black Forest are cleared of new trees, to protect the habitat of native animals and plants.

In 2022, we also provided financial support to Professor Dr. Andreas Fath, a scientist known as the “swimming professor,” for his [CleanDanube](#) project. Our water ambassador and professor of chemistry at Furtwangen University swam 2,700 kilometers of the Danube from the Black Forest to the Black Sea during the reporting year to draw attention to the pollution and microplastic contamination of Europe’s second largest river.

With daycare children from Schiltach, CEO Hans Jürgen Kalmbach put young salmon into the Kinzig River combined with a donation of 10,000 Euros for [WEBW](#) (Wanderfische Baden-Württemberg). The successful reintroduction of the fish is an indicator of water quality.



As part of our partnership with the Black Forest National Park, Hansgrohe interns dedicated themselves to caring for the forest-free mountain heaths that are an important habitat for native animals and plants.



Every day, more than four tons of plastic spill from the Danube into the Black Sea. Accompanied by the media, researchers and environmental organizations, Andreas Fath drew attention to the massive problem with his “CleanDanube” project.

"We strive for
the reduction of
fossil fuels."



Three questions for ...

Rebecca Weigold, Team Lead Green Company

... on the topic of
environmental performance.

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

There are many important and good sustainability projects at Hansgrohe that are implemented by many departments and motivated employees. In this case, these are particularly the projects relating to energy supply and production. These include, for example, the heating of our electroplating baths at the Shanghai factory using heat pumps, the substitution of heating oil with a heat pump and a small gas boiler at the Alpirsbach site. Finally and water-saving projects through water recycling in the electroplating part at the Offenburg factory.

What were or are the major challenges?

Unfortunately, the substitution of fossil fuels is not so simple. For example, an intercultural project team consisting of Chinese and German experts switched the technology of riser heating from propane gas to green electricity in a pilot project at the brass foundry in the Shanghai factory. This worked very well. However, transferring this technology to our other sites is still very difficult due to the availability of these systems in Europe. Our foundries and technologists are working on this together with suppliers.

What is your vision for this topic?

At Hansgrohe, we strive to reduce fossil fuels. If we ban heating oil and natural gas as a source of heat from our sites as much as possible and use fleet vehicles with alternative driving technologies, we will already have made a great step towards our goal.

Climate protection and decarbonization are the focus

In terms of climate change, we see our most urgent task in the reduction of emissions. Fossil resources are finite and are associated with considerable emissions. That is why the upgrading to renewable energy sources is necessary. We are directing our actions in this area toward making real progress.

Hansgrohe supports the 1.5°C target of the Paris Climate Agreement (see also section “Setting emission reduction goals based on science” on page 38). Our goal is the decarbonization of the company. To achieve this, we have been balancing our own corporate greenhouse gas emissions throughout our value chain since 2019 and making them transparent as part of a corporate carbon footprint. The motto for this is “reduction before compensation.” This means that we reduce the carbon emissions of our company wherever possible. Since 2021, all German sites have been climate-neutral in terms of direct emissions and energy consumed, i.e. Scope 1 and 2 in accordance with the Greenhouse Gas Protocol (see also section “Implementing emissions reduction goals on a scientific basis”, page 38). In 2022, the international sites were also converted to green electricity (renewable energy). We only resort to the option of compensating for those emissions in Scope 1 and Scope 2 that cannot (yet) be reduced, i.e. we offset the emissions elsewhere. We use recognized and certified climate protection projects to do this.

Accounting for emissions

We calculate the greenhouse gas emissions for the Hansgrohe Group based on the methodology of the internationally-recognized Greenhouse Gas (GHG) Protocol. The following emissions are reported:

SCOPE 1 – direct emissions from combustion processes of stationary systems (natural gas, heating oil, coolant)

SCOPE 2 – indirect emissions from purchased electricity and district heating

SCOPE 3 – indirect emissions from upstream and downstream processes and services

In accordance with the GHG Protocol’s Scope 2 accounting guidelines, which have been in force since 2015, we report our greenhouse gas emissions using the “market-based” method. This means that the emissions factors of the energy provider are used to calculate the emissions.

Both primary and secondary data from scientific databases is used to convert consumption data into carbon equivalents (CO₂e). This means that in addition to CO₂, the calculations also take into account the six other greenhouse gases regulated by the Kyoto Protocol: Methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbon (FKW and H-FKW) and nitrogen trifluoride (NF₃). These are converted, using the global warming potential, into CO₂ equivalent emissions.

Hansgrohe Group emissions (in CO₂e)

	2021	2022
Scope 1	9,826	7,293
Scope 2	21,926	1,708
Scope 3	361,327	323,644
Total emissions (CO ₂ e)	393,079	332,646

Lowering energy consumption with systematic analyses

To recognize and implement savings potentials quickly, we measure energy-relevant data with our energy data recording system. It highlights the energy use in the respective factories and helps to identify the main consumption points and influencing factors. Here, we take action to minimize energy requirements in a targeted manner, for example through technical precautions, organizational changes, or specific employee training. We evaluate the measures taken to check their effectiveness and make any further adjustments. Despite higher sales volumes, we were able to reduce our energy consumption and increase and improve our energy efficiency during the reporting year.

All European production facilities in the Hansgrohe Group have this type of energy data recording system, as does the largest non-European production facility in Shanghai. Electricity and natural gas are the main sources of energy for our production sites. In 2022 the photovoltaic systems at our locations in Schiltach and Offenburg produced 217,918 kWh (2021:194.253).

Performance metrics and targets in terms of energy*

Since 2022, we no longer pursue an overall energy efficiency target. Our target now relates to electricity efficiency, as this is our main energy source. Natural gas is mainly used to heat our buildings and is therefore very dependent on the outside temperature in a single year, so thermal energy is not suitable as an efficiency indicator.

	2021 ¹	2022 goal ²	2022 ²
Electricity efficiency (in MWh per tonnage of product sold)	2.26	2.23	1.95

* The scope includes all Hansgrohe Group production sites and the values of the headquarters in Schiltach, Germany. Energy efficiency is no longer listed in comparison to the Sustainability Report 2021. The reason for this is that gas is mainly used for heating, and therefore the focus is on electricity as the main source of energy.
¹ Reference year 2019.
² All figures are based on our new reference year 2021. This was determined during the reporting year as part of the accession to SBTi due to the improved data situation.

Energy consumption of the Hansgrohe Group*

	2020 ¹	2021 ²	2022 ²
Energy consumption (in MWh)	87,699	90,072	82,407
electricity	62,234	63,673	59,595
natural gas	25,165	25,844	21,147
heating oil	94	74	1,469
district heating	206	481	196

* The scope includes all Hansgrohe Group production sites and the values of the headquarters in Schiltach, Germany, as well as all international sales offices. Energy efficiency is no longer listed in comparison to the Sustainability Report 2021. The reason for this is that gas is mainly used for heating, and therefore the focus is on electricity as the main source of energy. The figure for total energy consumption no longer includes the Hansgrohe Group's energy consumption from fuels calculated retroactively. These figures are listed separately.
¹ Reference year 2019.
² All figures are based on our new reference year 2021. This was determined during the reporting year as part of the accession to SBTi due to the improved data situation. ³ The heating oil was procured as an emergency energy plan in the event of an actual energy crisis for the winter of 2022/2023. Heating oil consumption is not measured, only its purchase. The heating oil was not needed as a reserve but was still gradually used for heating instead of gas.

Measures to reduce energy consumption

We work continuously to reduce our energy consumption. During the reporting year, we implemented targeted measures in the three focal areas of new reduction opportunities, new technologies, and renewable energies:

NEW REDUCTION OPPORTUNITIES: The energy efficiency analyses started in 2020 together with Bosch Climate Solutions were completed at the German and international production facilities in 2021. Through on-site analyses, we received valuable suggestions for reducing energy consumption, and implementation of these measures started in 2022. At the factory in Schiltach, for example, we were able to include the cooling requirements in mechanical processing in the redesign of the central cooling supply system in basic production. This allows us to combine the decentralized spindle cooling of each individual

machining center into one central cooling system. It was implemented in collaboration with the respective manufacturers of the machining centers in the first half of 2023. With the implementation, we expect annual electricity savings of approximately 340 MWh. In Shanghai, we started overhauling motors in the “grinding and polishing” area. This produced savings of 84 MWh of electricity per year. In the winter of 2022/23, starting in October, we heated the German sites, production areas and offices to a maximum of 19 degrees Celsius. In addition, all employees were called upon to consistently turn off lights and power switches that were not needed.

NEW TECHNOLOGIES: Brass casting for our fittings is a very energy-intensive process. The material becomes molten at about 1,000°C and then flows from the casting furnace via what are referred to as riser pipes into the casting mold. To keep the molten metal liquid, the riser pipes were previously kept at a constant temperature of around 800°C using a propane gas flame. In a pilot project at our manufacturing plant in Shanghai, the gas burner has now been replaced by an inductive heating system powered by green electricity. This allowed us to replace the fossil energy with a climate-neutral alternative, and since then we have saved 139 MWh of propane gas and 32 tons of CO₂e per year. Based on the positive experiences of the pilot project, the other four gas-heated riser pipes at this factory have also been converted to inductive heating with green electricity in 2023. Also in Shanghai, we switched the heating of the electroplating baths to heat pumps, saving 1,079 MWh of electricity per year. At the site in Alpirsbach, a conversion to a heat pump and a small gas heating system (500 kWh/year) was also implemented in the year under review, which eliminates the need to use heating oil and district heating.

RENEWABLE ENERGIES: As of 2021 all German sites, and as of 2022, all international production locations have been converted to green electricity, thus significantly reducing our Scope 2 emissions.

Hansgrohe Group fuel consumption*

The increased fuel consumption in 2022 is due to the fact that, following the COVID-19 pandemic in 2021, the sales companies in particular once again made more visits to customers.

Fuel consumption* (in liters and kWh)

	2021	2022
Diesel (liters)	618,581	891,146
Diesel (kWh) ¹	6,161,067	8,875,817
Gasoline (liters)	193,027	217,764
Gasoline (kWh) ¹	1,741,104	1,964,231

* The scope includes all Hansgrohe Group production sites and the values of the headquarters in Schiltach, Germany.
Conversion factors with calorific values from the [information sheet for determining total energy consumption](#) from the German Federal Office for Economic Affairs and Export Control.

Good evaluation in the CDP rating

The “Climate Change” rating of the CDP (formerly the Carbon Disclosure Project) currently evaluates over 18,500 companies worldwide with regard to their climate protection performance and transparency. The Hansgrohe Group submitted its environmental data to CDP for the first time in 2022 and achieved a B rating as a result. According to CDP, companies that receive a B rating have addressed the environmental impacts of their activities and have good environmental management. The global business community considers CDP the gold standard of environmental reporting because it has the richest and most comprehensive data set on corporate and municipal measures. We have set an overarching goal of achieving an A rating with CDP Climate Change in the future.



Water protection in times of water scarcity

Using water responsibly is essential to the Hansgrohe Group. We want to use this increasingly scarce resource as sustainably and respectfully as possible – starting with the manufacturing of our products.

Using freshwater resources wisely

The largest share of the water we use is for our surface coating operations, which focus on electroplating. This process describes electrochemical processes involving depositing metallic deposits to form a coating. We also use water for cooling, in other production processes or for presentation purposes in our Aquademie, a bathroom exhibition where our products can be tried out. We also use water for the sanitary systems at our sites.

The goal of our water management is to continuously reduce the water consumption within our company. Our general principle when it comes to water consumption says it all: avoid, reduce, and recycle.

- This means that most of the water used in electroplating is utilized and only consumed via slight evaporation losses. Much of the water for rinsing and flowing that cannot be recirculated goes into the sewer system via the wastewater treatment plant.
- Our recirculating technology in most of our electroplating systems is state-of-the-art. This reduces the need for fresh water in running operation, for example via rinsing cascades or spray rings.
- We also close off water circuits wherever possible. In 2022, for example, we switched to reusing the rinsing water in one of the process steps at the electroplating facility in Offenburg. By recycling and recirculating this water, we were able to save 1,100 m³ of fresh water per year, a water savings of 300 m³ compared to the previous year.



The water treatment system in our Offenburg plastic electroplating facility, a so-called ion exchanger, helps to use water sustainably.

- We also reduce our freshwater requirements by applying recycling technologies such as chrome evaporation, nickel recycling, or copper recovery. This is achieved both directly through optimized, efficient processes for water recycling and also indirectly since our suppliers no longer need to use water to produce operating materials.
- Wastewater is separated according to its content and treated in a separate wastewater treatment facility before it is released into the municipal wastewater network.

In many factories and facilities, we use municipal water networks. Water that is not recirculated as processing water is discharged into local public wastewater networks at the respective production sites. Here, we strive to reduce our impact on the environment by disposing of processing water in a responsible manner.

At our West factory in Schiltach, we can draw on natural river water from the Kinzig. The low rainfall year meant that at times the water level was lower than in previous years. In 2022, about 4,655 m³ of water (2021: 8,415 m³) was taken from the Kinzig. There was an increase in water consumption in 2021, which returned to normal during the reporting year. The increase was partly due to higher sales and partly due to the fact that the amount drawn from the Kinzig River fluctuates greatly (2020: 1,692 m³; 2021: 8,415 m³, 2022: 4,684 m³).

Operational water usage for the Hansgrohe Group (in m³)

	2020	2021	2022
Water usage (including water from the Kinzig)	125,279	134,292	122,678

Water efficiency (in m³/t of product sold)

	2020		2021		2022	
	Target	Actual	Target	Actual	Target	Actual
Water efficiency	6.28	5.38	6.62	4.79	4.26	4.12

The Kinzig flows through the Middle Black Forest and the Upper Rhine Plain over a length of 93 kilometers. It is the largest Black Forest river flowing towards the Rhine.



Materials and waste management

We conduct research into resource-efficient manufacturing processes for our products. We work in a process-oriented manner, focusing on error prevention and continuous improvement to avoid unnecessary waste.

Processing materials

We mainly use brass, plastics, and chemicals to manufacture our products (see the Products chapter, section Supply chain, [page 29](#)). The base materials here are brass, which is cast in molds at our plants, and plastic, from which we manufacture product components by injection molding. Further production steps include finishing, polishing and grinding (brass), and electroplating (brass and plastic). The products are then mounted and packaged.

We formulated own guidelines and standards for our raw materials to ensure consistently high quality and to comply with all national and international laws and industry standards. We define all the requirements and specifications that our materials and components must meet in our own factory standards. We continuously update these. We place particular importance on our standard for environmentally compatible products and ingredients, as well as on conformity with the European chemicals regulation REACH. The factory standards are mandatory for all suppliers (read more about this in section Supply chain, [page 29](#)).

Keeping materials in circulation

We attach great importance to ensuring that production is geared towards sustainability. By using or recycling products and materials for as long as practical, we not only reduce the use of resources, but also transport distances.

During the reporting year, for example, we melted down and recycled the brass scrap in the foundry at our Schiltach production site in the interest of resource efficiency. This allows us to save an average of 16.2 tons of brass per year compared to production without scrap recycling.

In addition, we developed a product line in 2022 where we also process recycled material from production waste: In the Planet Edition (available from September 2023), resource conservation is incorporated into all areas of the product life cycle. We switched to a recyclate for all components, through which water does not flow, in order to conserve chrome. The Pulsify Planet Edition hand-held shower handle is made of recycled plastic. The ABS plastic is obtained from used products and rejected goods; coated plastic is crushed up and cleaned beforehand. This is followed by conversion into a high-quality regranulate. This alternative to petroleum-based primary plastics achieves a significant reduction in resource and energy consumption.

But we don't just work on process and product optimization. We also think about internal processes in terms of recycling. In 2022, for example, we introduced our RECUP and REBOWL deposit system in the cafeterias at our sites in Germany.

Disposing of and recycling waste

Our manufacturing processes generate waste, particularly in gravity die casting into permanent metal molds and the plastic injection molding process. All in all, there are around 35 different types of waste to be recycled or disposed of. These are divided into hazardous and non-hazardous waste (see "Waste and special waste", [page 48](#)).

All production departments work individually to avoid and reduce waste. The progress of the projects is continuously monitored in cooperation with the Green Company Team in the working groups. The topic of waste efficiency is on the agenda at every production site every quarter. Our waste officers at the sites draw up specifications for the departments, taking into account the relevant legal requirements.

We do not currently operate our own processing facilities for the disposal of our waste, but instead use reliable external disposal companies. Here, we place great importance on waste being returned to the materials cycle, where practical. For example, our shower hose scraps are used to make floor mats for cars. However, initial project planning is already underway to allow us to recycle production scrap at our own sites in the future. It is our goal to put a plastic recycling system into operation during 2024.

Performance metrics and goals in the area of waste (in m³/t of product sold)

	2020		2021		2022	
	Target	Actual	Target	Actual	Target	Actual
Waste efficiency (non-hazardous)	0.227	0.231	0.225	0.214	0.202	0.185
Waste efficiency (hazardous)	0.079	0.072	0.069	0.059	0.051	0.06

Waste and special waste for the Hansgrohe Group (in t)

	2020	2021	2022
Waste generation (non-hazardous)	5,533	5,986	5,508
Waste generation (hazardous)	1,887	1,661	1,513

Disposal of hazardous waste* (in % of the total amount of special waste)

	2020	2021	2022
Recycling	55	33	54
Recovery, including energy recovery	16	4	5
Combusted waste	1	39	39
Waste disposal	10	1	1
Other (chemical-physical treatment)	18	24	1

* The proportion is based on the weight of hazardous waste that is sent to the disposal company. Of that, the disposal company recycles 80%.

Handling waste responsibly

Manufacturing our products also generates waste, such as wooden pallets, foils or used core sand from brass molding, which we can no longer process in-house. These materials are handed over to authorized disposal companies at all production sites, where they are recycled as far as possible. Regular training measures are also held at all production sites.

Social – together
as one team



IN TOUCH
WITH OUR
PLANET

Operating responsibly as an employer

Responsibility, flexibility, diversity, and a motivating, healthy working environment are highly valued at Hansgrohe. Shared values lay the foundation for the long-term success of the company.

At Hansgrohe we regard ourselves as one big team. We emphasize team spirit as much as a respectful environment in which trust is cultivated and constructive criticism is supported. These elements apply just as much to managers as they do to team-level employees. This approach is how we breathe life into the concept of employer responsibility, which is one of the essential components of our sustainability management.

We defined four core values for the embodiment of our teamwork:

- **Passion:** We are proud to be part of Hansgrohe and pursue our work with dedication and enthusiasm. These are prerequisites to developing new ideas and products that excite our customers and partners alike. True to our vision: We love water.
- **Appreciation:** We treat each other respectfully and fairly and provide constructive feedback. We share opinions openly, acknowledge the actions and achievements of others, and assist one another reciprocally.
- **Teamwork:** We interact openly and show interest in others. We support and motivate each other. Our best ideas, our most attractive designs, our most exceptional triumphs are achieved together – as a team. We are proud of our achievements and are eager to actively take on the opportunities and challenges of the future.
- **Trust:** We do what we say, make decisions together, and are cordial. We are empowered to take ownership.

The more than 5,600 employees of the Hansgrohe Group are the key to ongoing success. 2022 was yet another record-breaking year financially, despite lingering pandemic-related conditions and integration of the new production site in Serbia. The company celebrated this success by distributing performance bonuses to its employees amounting to 3.7 million euros.

Foundations of our human resources practices

We live in a rapidly changing and ever more complex world, making human resources increasingly important. Amplifying this is the vigorous growth of the corporate group and our international expansion. The Vice President of Human Resources (HR) leads our employee development operations. Managers, as well as various subject-matter experts are assigned to this position.

As part of Strategic Workforce Planning, we share with all managers once per year as to whether we are cultivating new skills to confront current or future challenges. This structured and global process also entails decisions regarding succession planning and qualification programs.

In addition to our permanent workforce, we employ a varying proportion of temporary staff to compensate for production fluctuations with agility. As a rule, we make efforts to take on temporary staff as permanent employees. We concluded 36 such transitions in 2022 (2021: 52).

Our CSR Principles constitute an essential foundation of our human resources practices. In the “People at the center” section of the CSR Principles, we formulated and defined our expectations and policies regarding the following issues (excerpt):

- **Working conditions:** To foster the health and well-being of our employees, we offer social benefits, flexible working hours, and continuing education.
- Human rights, child labor, and forced labor: We condemn all forms of child labor and forced labor, as well as all forms of modern slavery and human trafficking.
- **Occupational health and safety:** Observance of stringent occupational health and safety standards is a given for us. Accordingly, we conduct risk assessments to evaluate potential hazards.
- **Employee development:** Learning, teaching, and networking are central components of our daily work. These actions set our company up for the future, drawing in talent that will remain with us for the long term.
- **Diversity, equitable opportunities, and integration:** It is important to us that all employees know they are accepted as they are and that everyone is afforded the same opportunities.
- **Labor unions:** We expressly recognize the right held by all employees to form a collective labor union and to practice collective bargaining.

We therefore uphold our claim of contributing to the UN’s Sustainable Development Goals (SDGs) in a measurable way including employment issues. We support in particular SDG 8 (Decent work and economic growth) and some of its targets:

- SDG 8.5: Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value;
- SDG 8.6: Reduce the proportion of youth not in employment, education or training; and
- SDG 8.8: Protect labor rights.

What we offer our employees

We offer an extensive range of social benefits so our employees will continue to regard us as an attractive employer. Employees of the Hansgrohe Group

- may work fulltime or parttime, depending on the requirements of their job profile, and take parental leave that fits their needs;
- may perform their tasks in the administrative area in consultation with their teams, in the office or mobile, for example from home;
- enjoy an extensive development program (more on page 55);
- benefit from a comprehensive health management program (more on page 61).

At the Schiltach and Offenburg sites, employees may take advantage of various childcare services during school vacation times. For instance, we participate in the vacation childcare services of the city of Schiltach, organize our own vacation program for the Pentecost holidays, and collaborate with other companies in the greater Offenburg area for the summer vacation program. The new company daycare center in Schiltach will open its doors in the fall of 2023.

In Germany, employee compensation is generally based on the collective wage agreement for the metal industry. As for benefits granted, we do not differentiate between part-time and full-time employment; they are merely adjusted to the scope of the agreed working hours. To encourage environmentally friendly commuting, German locations also offer bicycle leasing and a subsidized job ticket for local public transport. Our company agreements comply with the legal and collective bargaining framework. At Hansgrohe in Germany, we have company agreements regarding working hours, compensation, work clothes, protective equipment, workplace safety, corporate retirement plans, social affairs, and data protection. Our international sites are bound to similar employer’s contributions based on country-specific guidelines. The relevant provisions are outlined as rule-books or operating regulations. In addition to the collective wage agreement for the metal industry, collective agreements are stipulated for partial retirement, reduced working hours, and fair wages.



We are making our contribution to the realization of SDG 8.

Flexible work – in terms of place and time

The HR departments are working closely with the Organizational & Cultural Development (OCD) department we founded in 2021 to achieve our growth strategy internally. This will help us refine our corporate culture and the way we practice teamwork together. One focal point of this initiative in 2022 was to redesign the working environment in our company.

For instance, the offices at the headquarters in Schiltach were redesigned as part of a collaboration with employees. What arose was a flex-work area – a section of workstations that can be occupied by different employees, and in an inspiring atmosphere. The concept will be rolled out to other German and international sites.

Remote work and the ability to opt for different working hours enable free design of work practices. This allows us to foster flexibility and equitable opportunities. Employees may opt to work remotely if circumstances allow. The Hansgrohe guidelines for the autonomous organization of all teams are based on mutual trust. These guidelines are intended to encourage staff to take ownership and develop optimal solutions that benefit the team, the individual team members, our customers, and the company. It remains our principle to offer a place for personal encounters and collaboration.

In this way, we support employees in reconciling work and family or private life. To create a more attractive work environment for our production employees, we are redesigning our lounge areas and smoke-free outdoor zones. In 2022, part of this project included the creation of Hans! Alley, a leisure path on factory grounds in Offenburg for getting out in the fresh air and taking a relaxing break.

As a family-friendly company, we strive to find ideal solutions and include everyone. These can be different working time models to suit the individual needs, but also the possibility for employees in part-time models to take on management responsibility. The Hans! For You employee app offers a way for employees to stay connected to the company even during time off. Employees also continue to have access to IT equipment and email accounts during parental leave, if they choose. The goal is to strike the optimal balance between each person's life situation and career based on their personal wishes.



77%
of employees participated
in our employee survey.

A break in the
greenery is offered by
the recreation areas
along Hans! Alley.

In a dialogue with the employees

We employ various formal and informal conversation formats and conduct a employee survey every two years. The survey is an important instrument for maintaining a dialogue between management and the workforce. We use the surveys not only as a sentiment barometer, but also as a driver of concrete improvement measures. Thus, our standard practice is to conduct a follow-up process that includes workshops. In 2022, over 30 dialogue workshops were held, each of which had 25 participants. Based on these workshops, we developed a standardized communication medium for factory employees and put together communication training for shift leaders.

The employee survey conducted in February and March of 2022 was the first on a fully international level. All subsidiaries with more than five employees were included; the survey was available in 15 languages. Employees with company email addresses received their access code to the online survey via email. Shop-floor employees could participate in the survey using their smartphone and a QR code sent through the mail or using a laptop in the survey booth near their work area. To ensure anonymity, we worked with an external research center that sent us only aggregated results that could not be traced back to an individual person. 77 percent of employees participated – 11 percent more than in 2020.

As in previous years, we concentrated on four areas: employer attractiveness, employee motivation, corporate philosophy, and working conditions. It continues to be shown that employees are happy working at the Hansgrohe Group: 89 percent of respondents are proud of their company, and 83 percent would recommend their company as an employer. The other areas are also predominantly positive across the board. The primary areas identified for improvement are compensation (60 percent satisfaction) and workload (64 percent satisfaction). This compares with 82 percent satisfaction with job security, which is three percent higher than in the previous survey in 2020.



Authentic models:
Hansgrohe employees
promote their company and
various career opportunities.

Top Employer 2022

Confirmation of employee satisfaction from another angle comes from our evaluation by the international Top Employer Institute. More than 350 criteria are researched as part of the evaluation; the results are then compared with national and international companies. In 2022, we were awarded the Top Employer seal by the international Top Employer Institute for excellent working conditions for the third time. We were evaluated among 2,100 Top Employers in 121 countries and regions. The award underscores Hansgrohe's commitment to our workforce. This is embodied, for example, in the employee app and other digital platforms. They make it easier for our colleagues to network and share information within the company. This seal spurs us on to continue our efforts to become the best employer in the industry.



Three questions for ...

Thomas Egenter, Vice President of Human Resources

... regarding employer responsibility

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

A sustainable HR policy is part of sustainable development. 2022 was shaped by fostering our growth. We were able to bring in qualified specialists in many areas that currently have a strong need for such professionals, including in information security, expansion of our product categories, and the new factory in Serbia.

What were or are the major challenges?

The greatest challenge is to openly satisfy many different requests as an employer – to fulfill as many of them as possible while also seeing to it that we continue to work as a team, each with the same rights and responsibilities. The pandemic simplified some aspects, such as remote work. However, at the same time it has become more challenging to convey our values to new colleagues so that they resolve to work for Hansgrohe for many years.

What is your vision on this topic?

We must continue to refine ourselves as an employer, including in terms of sustainability, and we must do so in a compelling manner. After all, more and more applicants are looking at sustainability. My vision is for us to be recognized as an attractive employer and as the company that takes responsibility for people and the environment, even beyond the borders of the Black Forest.

Employee development – growing together

We provide training and development opportunities to all employees so they can overcome challenges that come their way at the company, now and in the future. Together with our employees, we translate the corporate strategy and external requirements into qualifications and skills.

Digital technologies, new ways of working, changing values, cultural diversity, and an aging society: These are just some of the challenges we face today. The Hansgrohe Group is committed to the continuous development – both professional and personal – of all employees to prepare the company for the future and attract and retain talents. This has been the responsibility of the Vice President of Human Resources and since March 2023 lies in the responsibility of the new member of the Executive Board and Chief People Officer

Lifelong learning and employees' ability to overcome current and future challenges are core tasks for which the different HR teams work together with the departments. We regularly assess the performance of our workforce and identify individual training needs with the help of evaluation questionnaires or by drafting the appropriate target agreements. We give our international subsidiaries the freedom to adapt their human resources management systems to conditions and circumstances in their respective countries. In the factories, we also work with qualification matrices. These matrices define local training needs and provide the basis for deriving job descriptions to close gaps through qualification.

After one year of service and with the approval of their respective manager, employees can also take advantage of job-related continuing education outside of work alongside their employment. The training must be pertinent to their position and result in the awarding of a professional credential, such as a bachelor's or master's degree or a certificate in business administration. Employees from Hansgrohe are provided guidance and financial support in this pursuit.

Welcoming trainees and students

We opened the Hansgrohe Talent Factory at our headquarters in Schiltach to support the vocational training of young people. This facility is a state-of-the-art training workshop for technical and business administration occupations. It gives vocational trainees the opportunity to work independently on tasks and projects, under the supervision of a team of instructors. As one of the largest employers and training companies in the Kinzigtal region, the quality of our training is par-

LENDING A HAND AND TAKING RESPONSIBILITY

Both vocational trainees and dual education students work on various social and ecological projects throughout the course of their training or employment with us. Vocational trainee cohort 2021 built an "insect hotel" during the reporting year. They worked on this project with Hausacher Bärenadvent e.V., an association that supports children with disabilities. Others organized Olympic Games at the Loßburg children's home, devised a scavenger hunt with a recreational group for people with disabilities, made crafts with the Offenburg disability center, or chaperoned a residents' outing for the Martin-Haug-Stift in Freudenstadt.



ticularly important to us. That’s why we have had ourselves assessed periodically by AUBI-Plus GmbH, an independent certification body, since 2018; we continue to be awarded the BEST PLACE TO LEARN® training seal. The seal is based on evaluations submitted by 314 current and former vocational trainees and training instructors. Upon our recent recertification in 2022, our training program again received the rating “very good” (the second best of four categories).

To further increase the visibility of our brand, we coordinate with various schools in the region, offer student internships, and participate in education fairs. We also host our own events, such as our annual Night of Training, which provides an opportunity for those interested in learning about study and vocational training opportunities.

Interaction with the vocational trainees and dual education students begins immediately after the contract is signed. We organize a vocational trainee warm-up event so that future talents can also get to know their sponsors at the company. We offer a diverse program to get started with, including workshops and nature experiences. Our training team supervises the vocational trainees throughout their entire training period. After graduation, we also offer work prospects. Our goal is to welcome all vocational trainees and dual education students to the team. The training ratio in 2022 was 4.6 percent (2021: 4.8). The training ratio (see table on the right) is an important indicator in Germany for the future viability of a company. In 2022, it only decreased in terms of percentage, not number, which is due to the increased number of employees.

Additionally, our German sites have an average of 50 students per semester who complete their internship semester, final thesis, or student internship activities with us. These students bring their ideas and drive to all areas of the company.

Training ratio at Hansgrohe SE (in %)*

	2020	2021	2022
Training rate	5.6	4.8	4.6

* As of September 1st (start of training year); ratio of trainees to total employees.

Trainees and students at Hansgrohe SE (per capita)*

	2020	2021	2022
Dual education students	72	72	72
Industrial trainees	58	56	58
Business administration trainees	28	27	27

* Only in Germany, as of September 1st

Continuing education at CAMPUS

With six categories (Strategy & Innovation, Brand, Sales, Efficiency, Employee & Leadership, and Digital), our CAMPUS learning platform provides the specific professional training needed to overcome future corporate challenges. With events, seminars, and workshops, CAMPUS is a place for staff to meet and share knowledge. CAMPUS integrates, challenges, and drives all who train there – regardless of department, hierarchical level, or professional experience. In 2022, we expanded the offering by one category. The purposes of this addition were to be in line with the expansion of our product range, as well as to accompany the new strategic direction and involve the employees in this from the start.



Presentations on the latest news and exciting matters from different departments are prepared by employees for delivery at various informative events to both colleagues and outside experts. For instance, Green Hours serve to provoke reflection regarding sustainability, as well as to support project development related to our vision of a carbon-neutral bathroom and the sustainable orientation of our company.

854 events took place at CAMPUS in 2022 (2021: 655), in which both in-house and outside experts participated. Making up the total were 701 in-house events (2021: 561) and 153 external (2021: 94). 14,107 participants were in attendance (2021: 8,558). In addition to CAMPUS, we organized numerous mandatory training sessions regarding occupational health and safety and environmental protection. These sessions are administered to the individual factories, including international locations.

Creating new work prospects with talent management

Our talent management program also ensures that we have transparency regarding our talent across the group – including our international sites. In addition, we established structures to professionally handle international employee transfers, whether for an individual project or for extended stays abroad. Contract durations can be up to three months or from two to five years (with a local employment contract). International employee transfers took place again in 2022 (none were conducted in 2021 due to the pandemic). More are planned to take place again in 2023.

The mentorship program we launched at the end of 2021 will create new work prospects and professional orientation. We see the mentor-mentee pairings as an open offer of communication for all employees, regardless of age, department, country, or hierarchical level. By the end of the year, 40 pairings had already been formed.



Mentoring offers the opportunity to be accompanied in one's own development through regular exchange on current challenges and to learn from the experiences, assessments and perspectives of the mentor.

Achieving diversity and equity

Equitable opportunity, diversity, and inclusion are all part of team Hansgrohe. We aspire to have a diverse workforce in which all have the same opportunities. We are convinced of the added value that diversity brings our team, and we strive to enhance and promote diversity and inclusion.

The Hansgrohe Group is a diverse, globally established company. More than 5,600 people across three generations work with us, each of whom brings a unique background, which fosters connection over separation. We always support respectful and appreciative interaction. All employees should enjoy equitable opportunities – regardless of age, ethnicity, skin color, nationality, gender, or gender identity, physical or mental abilities, religion or worldview, sexual orientation, or social background. As a global company, we encourage our employees to be accepting of other perspectives, to be empathetic, and to learn from each other. By embracing this mindset, we at Hansgrohe can successfully work together for more diversity and inclusion.

Commitments established

The CSR Principles, which function internally as a code of conduct, constitute the formal foundation for our approach to managing diversity and equity (see page 13). Our policies emphasize that the diversity of our employees reflects

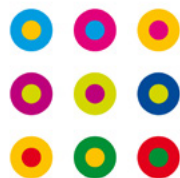
our values and is part of a recipe for future success. It is important to us that we have a working environment where different perspectives and backgrounds are considered and promoted, which results in better teams, better solutions, and thus more innovation. These are the reasons why diversity and equity collectively constitute one of the material topics in our sustainability strategy. Conversely, we have a zero-tolerance policy for discrimination, for disregarding the dignity of a human being based on outward appearance, or other factors of societal diversity. As an expression of our commitment to diversity and inclusion in general, as well as our heightened involvement in these issues, we were one of the first companies in the sanitary industry to sign the **Diversity Charter** in 2021. By signing the Charter, we are committing ourselves to increase our level of participation and to strengthen the equal rights of everyone in our company.

Encouraging and embedding diversity

The team Diversity, Equity & Inclusion (DEI) works toward entrenching the issues surrounding diversity and inclusion in our company. The project team also took on the new role of Diversity & Inclusion Consultant in the Human Resources department in 2021. Listening, learning, and self-reflection are at the core of their work. The goals are to promote discussion among our workforce surrounding diversity and inclusion and to build and expand upon knowledge of these issues. Furthermore, as a subsidiary of Masco Corporation, we are part of a network of colleagues from all over the world with whom we can all share our respective experiences.

For instance, the project team's first workshop included a segment about bringing subconscious thought patterns and possible prejudices to the conscious mind. The team aspired to impart awareness regarding these issues, empower employees to always act in solidarity, and institute equal rights for everyone in the company.

By signing the Diversity Charter, Hansgrohe committed itself to sustainable diversity management. The diversity of employees is consciously promoted as part of the personnel strategy and organizational development.



charta der vielfalt

One of the sensitivity measures in 2022 included a Diversity Day with a focus on the theme of unconscious bias. We took this opportunity to develop a new e-learning program on the topic and to host discussion sessions. Our DEI team has gotten various empowerment programs off the ground and, in the process, has effected change in the basic framework of our company. Adaptations include offerings for employees on parental leave (workshops, continuing education, networking meetings, and information sessions for return to work), as well as empowerment programs for female talent. Particularly the empowerment of women at the company – primarily those with both care-taking and occupational responsibilities – makes an important contribution toward the compatibility of work and family.

Additionally, we assess and optimize our processes for inclusion and equity to ensure they are aligned with and supportive of the diversity of our employees. One example of a measure we take is evident in the application and hiring process, which we have optimized to promote diversity in terms of gender and other indicators. This includes, among other things, a gender-neutral approach, the use of inclusive visual language, as well as rules for the selection process – such as gender parity and the four-eyes principle. The recruiting team conducted workshops in support of this initiative. We hosted a Girls' Day to demonstrably support the next generation of women. The aspiration "shaping diversity" is also part of our leadership model.

Employees with severe disabilities or substantial limitations are assigned official representatives at German Hansgrohe sites. These representatives are appointed members of the workforce. Our initiatives include working toward implementing easy access to buildings, health management, and ways to support inclusion through digital means. The rate of people with severe disabilities at our German locations was 4.64 percent in 2022.

We report our progress and the long-term trajectory of our measures internally to the Executive Board on a continuous basis. We report this same information to Masco Corporation on a quarterly basis in the context of group-wide diversity initiatives.

Managerial staff at the Hansgrohe Group (in %)*

	2020	2021	2022
Under 30	2	3	3
30 to 50	70	71	71
Over 50	29	26	26

* By age group, as of December 31st

Managerial staff at the Hansgrohe Group (in %)*

	2020	2021	2022
Male	79	78	77
Female	21	22	23

* By gender, as of December 31st



"Diversity is a strength and a source of innovation."

Three questions for ...

Rebecca Sieferle, Global Lead, Diversity, Equity & Inclusion

... regarding diversity

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

2022 was all about the motto "done with stereotypes." We ran numerous campaigns to make our employees aware of unconscious bias and provided training via employee meetings, e-learning, and other avenues. What's important to us here is integrating these concepts into our day-to-day business, such as by adapting our HR processes.

What were or are the major challenges?

Many think of diversity, equity, and inclusion as buzzwords that are primarily associated with topics such as gender issues and the percentage of female staff. That's why an important part of our job is to enlighten people about DEI, make the reasons for our commitment transparent. DEI is not a separate thing or program, it is a lens through which HR tools, processes and services are viewed with a different perspective.

What is your vision on this topic?

We aspire to have a working environment in which everyone is recognized and respected equally and has the opportunity to let their individual talents unfold. This includes not only recognizing diversity, but also appraising it as a strength and a source of innovation. We break down barriers to ensure equitable opportunities. The goal is to create an environment in which everyone feels that they belong and are accepted. After all, diversity is powerless without inclusion!

Ensuring occupational health and safety

The Hansgrohe Group wishes to promote and protect the health of its employees. That's why we assess our processes for accident and safety risks and why we invest in an advanced health management program.

Safe work areas are a basic prerequisite for the motivation and commitment of employees, and they are an essential responsibility of an employer. That's why we at the Hansgrohe Group consider health maintenance to be particularly important and why we go above and beyond what is legally required. Our initiatives include preventing workplace accidents and offering health promotion measures. A functioning occupational health and safety management system protects employees and can also prevent job-related accidents. All of these reasons are why occupational health and safety is one of the main focuses of our sustainability management system.

Clearly organized structures and guidelines

To ensure the health and safety of employees, the Environment and Safety (E+S) department and the occupational health management team analyze processes and working conditions of all employee target groups for health and safety risks. These teams also implement numerous measures in the different departments. Occupational health and safety is firmly anchored in our corporate guidelines and in the CSR principles. Our ISO 45001-certified occupational health and safety management system is implemented strictly at all production sites, both domestic and international.

The E+S team is responsible for the system on an organizational level. As a staff unit, the team supports the Executive Board, managers, and employees in the implementation of occupational safety in the company. A central occupational health and safety committee headed by the Executive Board meets regularly to address cur-

rent occupational health and safety issues. Executive Board members and Hansgrohe SE doctors attend those meetings. The core function of the E+S Team includes creating guidelines for the subsidiaries, taking local laws and regulations into consideration. For instance, the team ensures implementation of the legal requirements for occupational health and safety, as well as the guidelines of accident insurance agencies (professional bodies) in a lawful manner. The legal requirements for occupational health and safety matters are assigned as responsibilities of management via the legal register.

Assisting with concrete measures

By evaluating key safety findings and metrics, we continue to make working conditions even safer through the addition of training courses, technical measures, and process improvements. In addition to having dedicated company doctors in Germany (since January 2023), we work with external company doctors for sites outside of Germany – including services for construction site safety in the case of construction sites, such as for the new factory in Serbia. External companies receive safety training upon entering the company premises. Risk assessments are conducted for every process.

In addition to established safety instructions in the context of our occupational health and safety management system, we have a notification system for potentially unsafe conditions or situations. Employees can use it to send a notification if they feel a work situation is unsafe. The form, available in our Hans! For You



Ergonomically designed workplaces are an essential component of health protection, both in the administrative area and in production.

app, allows electronic capture of the report and evaluation in very little time. The E+S Team evaluates reports with regard to a potential accident's severity and probability of occurrence. Measures for improved occupational health and safety are then implemented as necessary together with the respective departments. The app contains a lot of other useful information, as well as tools for occupational safety and for health management.

Increasing safety awareness

Employees of the Hansgrohe Group receive regular training on occupational safety at Hansgrohe CAMPUS. Just as in the previous year, eight occupational health and safety committee meetings were held in 2022 – four at our German sites and four at our production site in Wasselonne, France. Our production sites in the US and China are subject to local regulatory requirements and address occupational safety issues accordingly.

A total of 8,561 occupational safety training sessions (online and on-site; 2021: 7,242) were held during the period under review – the increase is explained by the increased employee headcount. The sessions include annual training tailored to the needs of production departments and online training for all administrative staff. To increase employees' awareness even further, we introduced the "five-minute occupational safety" awareness medium. This medium offers an opportunity for brief discussions on safety issues to ascertain the level of safety and to capitalize on measures to increase safety awareness. A survey with this same objective was administered to employees at the German factories, in which the safety sentiment was evaluated in terms of levels.

Injuries by type and region

	America			Europe			Asia		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Male	0	0	1	13	20	19	1	2	0
Female	0	1	0	3	3	6	0	0	0
Total	0	1	1	16	23	25	1	2	0
Days absent	0	4	2	142	277	361	96	224	0
Type of injury									
Cut and puncture wounds	0	0	0	4	4	12	0	0	0
Contusion, compression, sprains	0	1	1	10	20	8	0	2	0
Fractures	0	0	0	2	1	1	1	0	0
Chemical burns	0	0	0	1	1	4	0	0	0

* Figures for Hansgrohe SE, Hansgrohe Deutschland Vertriebs GmbH, Hansgrohe Wasselonne S.A.S, Hansgrohe Inc, Hansgrohe Sanitary Products (Shanghai) Co. Ltd.; as of December 31st.

Supporting preventative health measures

A comprehensive health program is part of the benefits package of the German Hansgrohe Group sites. Hans! Fit includes everything for maintaining and promoting each individual's health and wellness. As part of our health management program, we offer our employees a broad package of diverse benefits. At our international sites, the local HR managers are in charge of putting together suitable arrangements and offerings.

The workplace health management team is a position within the Human Resources department. At headquarters in Schiltach, the team consisted of a Health Manager with the support of an intern in 2022. Supplementing the team in the future will be an occupational health service with an external company doctor, with the support of two company paramedics. They will be organizing a first-aid course (education and training) and offering travel medical examinations and advice, among other offerings. A network of external partners for specific needs will also become part of the package, including clinics, rehabilitation service providers, health insurance providers, and credentialed health and fitness trainers. Available at all German sites is a return-to-work management program, as required by law, which includes a comprehensive portfolio of occupational rehabilitation measures. A permanent company doctor has supplemented the occupational health service portfolio and the health management program offerings since January 2023.

Responding to needs with flexibility

At the start of 2022, the health management program was still heavily shaped by the implementation of measures related to the coronavirus pandemic. For instance, we ran a coronavirus hotline, implemented the latest regulations, and organized and scheduled vaccination dates. Our production site in Songjiang, China had to close at the beginning of April because of the area's lockdown. Our Chinese HR colleagues put together care packages – loaded with meat, fruits, and fresh vegetables – for all the employees who remained at home. We also distributed tips for staying healthy, book and movie recommendations, and session information for online group fitness classes. Following the pandemic, we

also helped our sites in Germany to come back from the psychological effects, such as by contracting an external partner to conduct resilience workshops. The occupational health management program is there to respond with flexibility to the needs of employees in the office, on the shop floor, or in field sales.

We do not gather key performance data in the area of health management. The measures we take are based on various factors, including health reports from health insurance providers. These reports provide us (in Germany) with anonymous analyses of the main reasons for illness-related absenteeism of our employees. They also provide a clinical picture that sets the foundation for preventative measures. We were able to conduct a colorectal cancer screening campaign in conjunction with a corporate health insurance fund in November 2022. The many employees who participated provided key data, resulting in valuable information regarding the frequency of risk and the value of early detection.

The health management program is deeply rooted in our processes starting as early as occupational training. Vocational trainees learn about the importance of ergonomics and movement in their first year of training, physical health in the second, and nutrition in the third.

PROTECTING HEALTH AND THE ENVIRONMENT WITH STADTRADELN

Employees in Offenburg and the Ortenau district have done something for both their health and the environment by participating in Stadtradeln, an annual biking competition. In September 2022, the Hansgrohe SE team took second place overall. Our 183 colleagues on the team earned this spot by covering 27,625 kilometers in three weeks. The purpose of the Stadtradeln campaign is for cities and communities all across Germany to collectively elevate bike riding, climate protection, and quality of life. Our team alone was able to save 4,251 kilograms of CO₂ by participating in the campaign.



“Even small measures can have a major impact.”



Three questions for ...

... Jennifer Gerdung, Hansgrohe Health Management

... regarding health at the company

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

After the COVID-19 restrictions were relaxed, it was crucial for me to once again offer more in the area of workplace health promotion and thus to be closer to the employees. A particular focal point of this objective was to take a comprehensive look at mental health, which was promoted through focused training, methods for finding balance, and assistance programs.

What were or are the major challenges?

The main challenge in 2022 was the uncertainty regarding the development of the pandemic. Generally speaking, the broad range of needs means that individual solutions are often needed in health management. We try to meet the needs of as many employees as we can with what we offer.

What is your vision on this topic?

I aspire to use a broad range of assistance programs to strengthen the degree of health awareness and thus to promote physical and mental health. It is wonderful to see that even small measures and bits of advice can often have a major impact.

Our workforce

The Hansgrohe Group employed 5,639 people worldwide in 2022, up from 5,373 in 2021, of whom three quarters were employed in Europe. The total number includes all full- and part-time staff, vocational trainees, and dual education students. Temporary staff, who generally work in production, are not included in this statistic.

At the German sites, the number of new hires in 2022 was 187 (2021: 319; full and part time). Hansgrohe took on 41 vocational trainees during the period under review (2021: 42). Thirty-six temporary employees were given permanent employment during the period under review (2021: 52), and the turnover rate was 6.7 percent across the entire company (2021: 8.7).

Unless otherwise stated, all production sites of the Hansgrohe Group, its headquarters in Schiltach, and all subsidiaries have been included in the following tables. The key figures for new hires include replacement hires and newly created positions; they do not include interns, students writing their final thesis, seasonal workers, or vocational trainees. All figures are as of December 31st.

Employees by region (in %, rounded)

	2020	2021	2022
Europe	75	75	76
Asia	19	19	19
America	5	5	4
Africa	1	1	1
Australia	0	0	0

Employees by age around the world (in %, rounded)

	2020	2021	2022
Under 30	19	19	19
30 to 50	55	56	57
Over 50	26	25	24

Employees by gender around the world (in %, rounded)

	2020	2021	2022
Male	62	62	62
Female	38	38	38

Employees by employment status (per capita*, total)

	2020	2021	2022
Full-time employees	2637	2912	2870
Part-time employees	334	378	378
Temporary employees	92	73	30**

* Only Hansgrohe SE and Hansgrohe Deutschland Vertriebs GmbH

** The number of temporary employees was reduced in 2022 due to the rate of order placement.

New hires by age and gender (per capita, total)

	2020	2021	2022*
Under 30	214	401	327
30 to 50	195	521	441
Over 50	27	110	69
of which are male	241	593	491
of which are female	195	439	345

* One person without gender specification in 2022

New hires by region (per capita, total)

	2020	2021	2022
Europe	246	634	570
Asia	119	235	183
America	64	155	74
Africa	1	2	6
Australia	6	6	4

Overall employee turnover rate (in %, rounded)

Total turnover rate	4.3	8.7	6.7
Gesamtfluktuationsrate	4,3	8,7	6,7

Employee turnover rate by age, gender, and region (per capita*, total)

	America			Europe			Asia			Africa			Australia		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Under 30	7	25	7	22	37	42	43	79	27	0	0	0	0	0	0
30 to 50	15	38	31	43	72	85	61	134	53	1	0	2	0	1	0
Over 50	2	19	10	5	16	22	1	0	1	0	0	0	2	1	1
of which are male	1	5	4	36	64	86	96	191	59	1	0	1	2	0	0
of which are female	23	77	44	34	61	63	9	22	22	0	0	1	2	2	1
total	48	164	96	140	250	298	210	425	162	2	0	4	6	4	2

* The values from 2021 were adjusted retroactively, as holiday workers were erroneously included in the values for this year. Vocational trainees, interns, seasonal workers, students writing their final thesis, student interns, etc. are no longer included in the values.

Governance –
implementing and
living up to
our responsibility



Corporate governance aiming for sustainability

At Hansgrohe, our high standards for sustainability start with responsible corporate governance. The Executive Board and Supervisory Board don't just shape economic and financial objectives, but actively participate in setting the sustainable orientation of the company.

Executive Board and Supervisory Board

Currently (2023) there are five Executive Board members who manage Hansgrohe SE business operations, each with clearly defined responsibilities. They also represent our company to the outside world. Since August 1, 2018, Hans Jürgen Kalmbach has been Chairman of the Executive Board. Further members included André Wehrhahn as Chief Financial Officer, Christophe Gourlan as Chief Distribution Officer and Frank Semling as both Chief Operating Officer and Labor Director until the end of 2022. In addition to his role as Chief Operating Officer, Frank Semling has been Deputy Chairman of the Executive Board since January 1, 2023. As a member of the Executive Board and Chief People Officer, Sandra Richter joined as the fifth member on March 1, 2023. The remaining areas of responsibility have not changed.

Hansgrohe SE shareholders are represented by the six-member Supervisory Board. Masco Corporation, a US company, is the majority and controlling shareholder. Masco currently owns 68 percent of Hansgrohe SE shares. Headquartered in Livonia, Michigan, Masco Corporation is a global leader in the design, manufacture and distribution of branded home improvement and building products. The company has held a stake in Hansgrohe SE since 1985. Syngroh, a management and investment company owned by the Klaus Grohe family, holds 32 percent of the company's shares. Klaus F. Jaenecke is Chairman of the Supervisory Board. In 2022, there were seven regular meetings of the Supervisory Board and two constituent meetings.



The Supervisory Board and Executive Board of the Hansgrohe Group work together to ensure the company's success. The members of the Supervisory Board of Hansgrohe SE consists of: Jürgen Nähr, Matthias Dittmann, Klaus F. Jaenecke, Keith Allman, Jai Shah, Richard Grohe (from left); picture as of 2023.

The Supervisory Board and Executive Board of the Hansgrohe SE work jointly for the company's success. Operations management is in the hands of the five members of the Executive Board. They are assisted by the Supervisory Board, which monitors the work of the Executive Board and represents the interests of Hansgrohe SE shareholders and employees.

Further information on the activities and the bodies of the Executive Board and Supervisory Board can be found in the Hansgrohe SE 2022 Management Report, which is located on the [Federal Gazette](#) website.

Sustainability-related topics managed by the Executive Board

On the Executive Board, the Chairman is responsible for the subject of sustainability. He works in close collaboration with the Head of Innovation Management & Sustainability and the Head of the Green Products strategic initiative. Of the ten initiatives forming part of the Green Company strategy (see Sustainability strategy, [page 12](#), for more information), it is the one that is the most visible initiative to the outside world. The four areas of Green Company, Innovation Management with the InnoLab, Social Business, and Start-up Engagements fall under the responsibility of the Head of Innovation Management & Sustainability.

Members of the Executive Board are tasked in their respective areas of responsibility with managing our company's impact on sustainable development in our business environment. In the first instance, this is the Chairman of the Executive Board (CEO) along with the Innovation & Sustainability Department and the Green Company team. In 2023, we also established a Green Company Board, which coordinates management functions between the CEO and the various working groups that form part of our ten strategic Green Company initiatives. The Green Company Board convenes four times a year and discusses ideas, projects, and the status of their implementation.

The Sustainability Report is reviewed by the Executive Board and made available to the Supervisory Board (for more information on the cooperative relationship between the Executive Board and sustainability management, please read the Strategy chapter on [page 9](#)).

To consistently pursue dynamic development in the area of sustainability, the members of the Executive Board hold four annual meetings at which external experts present specific topics. During these meetings, the focus is on the company's orientation toward sustainability. Additionally, the Executive Board members take part in training courses, seminars, and conferences on their respective areas of responsibility.

At each Supervisory Board meeting, the Executive Board presents the latest company developments and thereby submits itself to an evaluation of its performance by the Board, including in the area of the company's sustainability orientation. Once a year, the Supervisory Board formally approves the actions of the Executive Board. In addition, the Chairman of the Executive Board and the Chairman of the Supervisory Board meet every two weeks to exchange information. Given the growing number of employees around the world, the Supervisory Board decided in 2022, for example, to focus more on the topic of people and to introduce the company's own executive position for human resources starting in 2023.

Managing critical topics

Potentially critical issues are resolved as necessary during regular exchanges on the Executive Board, Supervisory Board, and Annual General Meeting. Internal or external stakeholders may address their concerns to the respective specialist department, Masco's Ethics Hotline, the responsible human resources administrator, or the Works Council. Concerns that are expressed via departments are passed on to the responsible Executive Board member at regular monthly Vice President meetings. The Hansgrohe Group Vice Presidents form the senior management level. Each of them is assigned multiple department heads or team leads. In 2022, concerns that passed through the Works Council were forwarded from the Chairman of the Works Council to the Head of Human Resources. Since 2023, they have been reported to the Labor Director. Concerns and suggestions can also reach the Executive Board via our idea management that maintains a regular discussion group with our Director of Production (for more information on our idea management, see the info box on [page 16](#)).

In special cases, critical concerns about political or economic circumstances can prompt the formation of a task force. For example, a task force focusing on the energy crisis met regularly in 2022.

Compliance – The cornerstone of our corporate culture

Hansgrohe’s corporate culture is shaped by the fair treatment of one another, mutual respect, and a high level of trust placed in our employees, our business partners, and our customers. For this reason, it goes without saying that we comply with all applicable laws and regulations.

Beyond compliance with legal requirements, we are also guided by the moral values of our society. The terms ethics and integrity, which are also anchored in the Masco Code of Ethics, stand for this. Regular training helps our employees to recognize conduct that complies with the rules.

Our company’s impeccable reputation, which is created and sustained above all by the joint efforts of all its employees, is one of its most important assets. Furthermore, all staff must behave in accordance with our compliance policies and avoid any conduct that could damage the integrity and reputation of our company.

We rigorously ensure that we always adhere to statutory rules and other requirements and, at times, exceed them. Our goal is to ensure complete compliance. The expectation that all rules and regulations are followed also applies to our employees, suppliers, and visitors. With our compliance management, we want to contribute to UN Sustainable Development Goal 16 (SDG 16), especially to Target 16.5 (“Substantially reduce corruption and bribery in all their forms”).



Compliance policies of Masco Corporation

As a subsidiary of Masco Corporation, Hansgrohe follows the Masco Compliance Program. It supports our culture of integrity and consists of a number of elements that help our managers and employees understand our commitment to ethical business practices.

A key document is the Masco Code of Ethics. Annual training on the Code of Ethics is provided to all employees, as well as to new employees as part of their onboarding process. In 2022, 97 percent of Hansgrohe Group office workers completed the training. We draw attention to it in both the employee app and via notices in the company. It is also publicly available in English on [Masco Corporation’s website](#).

In addition, Masco Corporation has formal written policies that address bribery and corruption, antitrust and fair competition, conflicts of interest, gifts and entertainment, health and safety, financial reporting, insider trading, data privacy, discrimination, and other areas of risk. We periodically train our employees on these and other governance topics. Our compliance policies in the areas of prohibitions on boycotts, economic sanctions, and export controls as well as our money laundering policy serve to prevent the international circumvention of sanctions and economic crimes. A quiz on compliance available via the employee app helps employees quickly recognize compliant behavior for many typical conflict issues.

The Hansgrohe Group has also worked together with Masco Group’s Legal Department to establish an international data protection management. The tasks of the data protection officer cover the entire range of legal requirements in the countries where the company is active. These are continuously monitored and updated. No substantiated data protection complaints were received in the period under review.

Reporting potential violations

Our employees are encouraged to report activities they believe are illegal, unethical, or legally questionable. We have outlined in our Code of Ethics, in the new CSR Principles and in our training program how to report concerns, including through our Ethics Hotline, which provides a confidential and anonymous reporting option. We will not retaliate against anyone who in good faith reports a violation of the Code or other illegal or unethical conduct.

Reports from the Ethics Hotline went to the Head of the Human Resources Department until April 2023, and since May 2023, the notifications are being forwarded to the Labor Director of the Executive Board.

Establishment of a Public Affairs Department

Sustainability has become one of the central social issues in recent years, and this has also led to a rise in expectations of companies. The range of sustainability issues consists of climate protection topics to working and manufacturing conditions and beyond. As part of the “European Green Deal”, the European Union specified how it defines sustainability and requires that companies meet the challenges of sustainable development with transparency and effectively. We aim to get a head start on complying with new regulatory requirements.

For these reasons, we established a Public Affairs Department in July 2022 with the goal of using our professional expertise in industrial production and our profound knowledge acquired from operational practice to be a competent and constructive dialogue partner for politicians, authorities, and members of civil society. This new department is responsible for advising Hansgrohe Group policy and representing company interests to political stakeholders. In doing so, its geographic focus is on the European Union, Germany, and the federal state of Baden-Württemberg. We are already registered in the European transparency register and the German Lobby Register. Moreover, we have formulated a Public Affairs Code of Conduct that defines the principles of our work in this area. It goes without saying that we comply with all legal and compliance-related regulations and always act objectively, transparently, and in a manner that is well-

grounded in carrying out all initiatives. In doing so, we also build upon collaboration with associations and interest groups.

The central themes of our advocacy are water and energy consumption in buildings as well as essential technologies and manufacturing processes for products. For example, we have been involved as part of the Energy Performance of Buildings Directive (EPBD) on the EU level with the objective of driving awareness of the contribution of water and energy saving technologies in faucets and shower heads for increasing the energy efficiency of buildings. Water heating accounts for 15 percent of energy consumption in buildings. In addition, 90 percent of a bathroom’s carbon footprint results from the usage phase of installed products. Therefore, saving water means saving energy and reducing emissions.

By including water efficiency as a criterion for the energy efficiency of buildings, households and energy consultants may have more incentives to install faucets and shower heads with water and energy-saving technologies, resulting in a reduction in the water and energy consumption of buildings.

"The green transformation of the economy is necessary."



Three questions for ...

... Fiona Félix, Head of Public Affairs

... on the work of the new Public Affairs Department

Which measures in the context of sustainable development at Hansgrohe were decisive in your topic area in 2022?

Public Affairs strikes a balance between the expectations of external stakeholders and the interests of Hansgrohe as a company. Therefore, our focus was on establishing the new policy department within the organizational structures and processes and the development of a network of relevant political contacts.

What were or are the major challenges?

Common sense says that saving warm water and energy-efficient technologies contribute to resource efficiency. Therefore, the green transformation of our product range is well received. However, politically leveraging its potential and implementing it at the regulatory level is an extremely complex and time-consuming process.

What is your vision on this topic?

As a constructive contact partner for politics and society, we ensure that we will continue to be a successful company in Europe backed by a long tradition. Political and regulatory requirements may challenge companies, but should also enable businesses to thrive and nourish economic growth.

GRI content index

Application note	Hansgrohe SE has reported in accordance with the GRI Standards for the 2022 financial year and thus in the reporting period from January 1 to December 31, 2022.
GRI 1 applied	GRI 1: Foundation 2021
Applicable GRI sector standard(s)	–

Number	Name	Page	Omission / Commentary
GRI 2: General Disclosures 2021			
The organization and its reporting practices			
GRI 2-1	Organizational details	5–6	
GRI 2-2	Entities included in the organization's sustainability reporting	80	
GRI 2-3	Reporting period, frequency, and contact point	80, 81	
GRI 2-4	Restatement of information	38, 39, 43	
GRI 2-5	External assurance		
Activities and workers			
GRI 2-6	Activities, value chain and other business relationships	5–6, 29, 33	
GRI 2-7	Employees	65–67	
GRI 2-8	Workers who are not employees	50, 66	
Governance			
GRI 2-9	Governance structure and composition	9, 69–70	
GRI 2-10	Nomination and selection of the highest governance body	69	
GRI 2-11	Chair of the highest governance body	9, 69	

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GRI 2-12	Role of the highest governance body in overseeing the management of impacts	70	
GRI 2-13	Delegation of responsibility for managing impacts	10, 14–15, 70	
GRI 2-14	Role of the highest governance body in sustainability reporting	70	
GRI 2-15	Conflicts of interest	71	
GRI 2-16	Communication of critical concerns	70	
GRI 2-17	Collective knowledge of the highest governance body	70	
GRI 2-18	Evaluation of the performance of the highest governance body	70	
GRI 2-19	Remuneration policies	–	Classified as confidential and not of public interest.
GRI 2-20	Process to determine remuneration	53	Partially reported. Otherwise see GRI 2-19.
GRI 2-21	Annual total compensation ratio	–	See GRI 2-19.
Strategy, policies and practices			
GRI 2-22	Statement on sustainable development strategy	3	
GRI 2-23	Policy commitments	12–15	
GRI 2-24	Embedding policy commitments	12–15	
GRI 2-25	Processes to remediate negative impacts	3, 9, 15, 19, 24 25, 29, 35, 37, 70	
GRI 2-26	Mechanisms for seeking advice and raising concerns	70, 72	
GRI 2-27	Compliance with laws and regulations	71–72	
GRI 2-28	Membership associations	7, 13, 58	
Stakeholder engagement			
GRI 2-29	Approach to stakeholder engagement	16	
GRI 2-30	Collective bargaining agreements	51	

GRI 3: Material Topics 2021

GRI 3-1	Process to determine material topics	15	
GRI 3-2	List of material topics	15	
Value creation			
GRI 3-3	Management of material topics	5–7, 9–11	
GRI 201	Economic Performance 2016		
201-1	Direct economic value generated and distributed	7	
201-2	Financial implications and other risks and opportunities due to climate change	37	
GRI 202	Market presence 2016	6–7	Not including 202-1 (confidentiality, see GRI 2-19) and 202-2 (not available, timing of availability uncertain).
Environmental performance			
GRI 3-3	Management of material topics	37–39, 41–42	
GRI 301	Materials 2016		
301-1	Materials used by weight or volume	29–32, 47	
301-2	Recycled input materials used	30, 31, 47	
301-3	Reclaimed products and their packaging materials	30, 31, 47–48	
GRI 302	Energy 2016		For GRI 302-5, see under Material Topics: Innovation.
302-1	Energy consumption within the organization	43–44	
302-3	Energy intensity	38–39, 43	
302-4	Reduction of energy consumption	43–44	

GRI 303	Water and Effluents 2018	
303-1	Interactions of water as a shared resource	3, 10, 11, 12–14, 19, 26, 37, 45–46, 72
303-2	Management of water discharge-related impacts	40, 41, 45–46
303-3	Water withdrawal	38–39, 46
303-4	Water discharge	45–46
303-5	Water consumption	45–46
GRI 305	Emissions 2016	
305-1	Direct (Scope 1) GHG emissions	42
305-2	Energy indirect (Scope 2) GHG emissions	42
305-3	Other indirect (Scope 3) GHG emissions	42
305-5	Reduction of GHG emissions	41–44
GRI 306	Waste 2020	
306-1	Waste generation and significant waste-related impacts	47–48
306-2	Management of significant waste-related impacts	38
306-3	Waste generated	48
306-4	Waste diverted from disposal	48
306-5	Waste directed to disposal	48
Occupational health and safety		
GRI 3-3	Management of material topics	61–64
GRI 403	Occupational Health and Safety 2018	
403-1	Occupational health and safety management system	61

403-2	Hazard identification, risk assessment and incident investigation	61–62	
403-3	Occupational health services	61	
403-4	Worker participation, consultation and communication on occupational health and safety	61–64	
403-5	Worker training on occupational health and safety	61–64	
403-6	Promotion of worker health	63–64	
403-8	Workers covered by an occupational health and safety management system		All.
403-9	Work-related injuries	62	
Employer responsibility			
GRI 3-3	Management of material topics	50–51, 54	See also
GRI 401	Employment 2016		
401-1	New employee hires and employee turnover	6, 66, 67	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	51	
401-3	Parental leave	51, 59	Parental leave taken at the German locations: Parental leave taken in 2022: 128 Returning from parental leave in 2022: 123
GRI 404	Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	55–57	
404-3	Percentage of employees receiving regular performance and career development reviews	50, 55	All employees covered by collective agreements receive an annual performance appraisal; in 2022, 3.8 per cent of employees at the German sites were not covered by collective agreements.
GRI 407	Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	51	None.

Innovation			
GRI 3-3	Management of material topics	18–24	
302-5	(part of GRI 302 Energy 2016) Reduction in energy requirements of products and services	19, 21, 23–24	
Procurement practices			
GRI 3-3	Management of material topics	29, 33–35	
GRI 204	Procurement practices 2016	29–34	Without disclosure 204-1 (data not available; the proportion of spending for local suppliers is not a control variable at Hansgrohe).
GRI 308	Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	33	
308-2	Negative environmental impacts in the supply chain and actions taken	29, 33–34	
GRI 408	Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor		None.
GRI 409	Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		None.
GRI 414	Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	33	
414-2	Negative social impacts in the supply chain and actions taken	29, 33–34	
Product responsibility			
GRI 3-3	Management of material topics	25–27	
GRI 416	Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	26	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		None.

GRI 417	Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	25–28	
417-2	Incidents of non-compliance concerning product and service information and labeling		None.
417-3	Incidents of non-compliance concerning marketing communications		None.
Diversity and equal opportunity			
GRI 3-3	Management of material topics	58–60	
GRI 405	Diversity and Equal Opportunity 2016		
405-1	Diversity in governance bodies and employees	59	
GRI 406	Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken		In 2022, there was one reported case in which labour law measures prevented a recurrence.
Compliance			
GRI 3-3	Management of material topics	71–72	See GRI 2-15 und 2-27.
GRI 205	Anti-corruption 2016		
205-2	Communication and training about anti-corruption policies and procedures	71	
205-3	Confirmed incidents of corruption and actions taken		None.
GRI 206	Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices		
GRI 415	Public Policy 2016	72–73	
415-1	Political contributions		None.
GRI 418	Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		None.

About this report

The Hansgrohe Group, headquartered in Schiltach (Baden-Württemberg, Germany), publishes sustainability reports since the reporting year 2004 every two years – usually based on the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). From the reporting year 2021, the publication changed to an annual rhythm. In preparation for the uniform European reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS), this is the last stand-alone sustainability report. From the 2023 reporting year onwards, the publication of an integrated annual and sustainability report is planned.

In preparation for the increasing reporting requirements, we have significantly expanded the scope of this Sustainability Report 2022. Based on a materiality analysis, we identified key reporting topics and assigned them to relevant GRI standards. These are fulfilled here in as much detail as the current data situation allows. At the same time, we are working on internal reporting lines and data collection systems to collect the data required for the CSRD in the future. These will likely apply to the Hansgrohe Group from the reporting year 2028.

As a further preparatory step to the CSRD, we already changed the structure of the sustainability report so that it corresponds to the proposed structure for the sustainability statement in the management report in accordance with ESRS 1, Appendix F.

The Sustainability Report 2022 includes all fully consolidated companies of the Hansgrohe Group in Germany and abroad. A list of these companies can be found in the Hansgrohe Group Management Report 2022, which can be found at www.bundesanzeiger.de. Unless otherwise stated, all data in the report refers to these companies.

Forward-looking statements are non-binding and are deemed to be intentions that were considered realistic when the report was published. They are characterized by terms such as “believe”, “can”, “expect”, “will”, “should”, “aim”, “intend”, “plan”, “estimate” and the like. We disclaim any obligation or liability for such statements. Targets do not constitute obligations, promises, or guarantees.

This report contains links to our own and other websites as well as references to third parties. These are not part of the report itself, and we cannot accept any liability for their accuracy.

The reporting year corresponds to the calendar year. Significant developments and changes relating to our sustainability strategy and sustainability management that were known up to the editorial deadline of September 30, 2023 are also reported.

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