

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

**Reporting period from January 1, 2024 to December 31, 2024**

**Name of the organization:** Hansgrohe SE

**Address:** Auestrasse 5-9, 77761 Schiltach

## **Table of contents**

|   |           |
|---|-----------|
| <b>A. Strategy &amp; Anchoring</b>  | <b>1</b>  |
| A1. Monitoring of risk management and management responsibility                           | 1         |
| A2. Mission statement on Human Rights Strategy  | 3         |
| A3. Anchoring the human rights strategy within one's own organization                     | 7         |
| <b>B. Risk analysis and preventive measures</b>   | <b>10</b> |
| B1. Implementation, procedure and results of the risk analysis                            | 10        |
| B2. Preventive measures in the company's own business area                                | 15        |
| B3. Preventive measures at direct suppliers   | 17        |
| B4. Preventive measures for indirect suppliers  | 22        |
| B5. Communicating the results   | 23        |
| B6. Changes in risk disposition   | 24        |
| <b>C. Identification of violations and remedial measures</b>                              | <b>25</b> |
| C1. Identification of violations and remedial measures in the company's own business area | 25        |
| C2. Identification of violations and remedial measures at direct suppliers                | 26        |
| C3. Identification of violations and remedial measures at indirect suppliers              | 27        |
| <b>D. Complaints procedure</b>  | <b>28</b> |
| D1. Establishment or participation in a complaints procedure                              | 28        |
| D2. Requirements for the complaints procedure   | 31        |
| D3. Implementation of the complaints procedure  | 33        |
| <b>E. Risk management review</b>  | <b>35</b> |

## A. Strategy & Anchoring

### A1. Monitoring of risk management and management responsibility

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

The Executive Board of Hansgrohe SE bears overall responsibility for corporate due diligence, in particular for monitoring risk management. Within the Hansgrohe Executive Board, the Executive Board member for Human Resources is responsible for compliance with human rights. In addition, a Human Rights Officer was appointed in the introductory year.

Responsible persons:

The Executive Board of Hansgrohe SE:

Hans-Juergen Kalmbach - Chief Executive Officer

Frank Semling - Chief Operating Officer

Martial Gil - Chief Financial Officer

Christophe Gourlan - Chief Sales Officer

Sandra Richter - Chief People Officer / Director of Labor Relations

Human Rights Officer:

Yvonne Birkner

**Has the management established a reporting process that ensures that it is regularly informed - at least once a year - about the work of the person responsible for monitoring risk management?**

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

- Confirmed

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

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

## A. Strategy & Anchoring

### A2. Mission Statement on Human Rights Strategy

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

The Mission Statement has been uploaded.

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

**Has the Mission Statement for the reporting period been communicated?**

**It is confirmed that the Mission Statement has been communicated to employees, the works council where appropriate, the public and the direct suppliers who have been identified as a risk in the course of the risk analysis.**

- Confirmed

**Please describe how the Mission Statement was communicated to the respective relevant target groups .**

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

### **What elements does the Mission Statement contain?**

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

**Description of possible updates during the reporting period and the reasons for doing so.**

The Mission Statement has been updated for the reporting period.

Since 2024, Hansgrohe has been strengthening its social commitment by becoming a member of the UN Global Compact, the United Nations' global initiative. Participation in the initiative is mentioned in the Mission Statement.

An update of the Mission Statement is planned for 2025.

## A. Strategy & Anchoring

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

**In which relevant departments/business processes was the human rights strategy anchored within the reporting period?**

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

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

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

Human Resources/HR:

- The recruiting team is responsible for avoiding child labor.
- HR managers, together with their respective supervisors, are responsible for preventing forced labour/slavery and any form of unequal treatment/discrimination, ensuring fair working conditions and adequate remuneration to cover living expenses.
- In coordination with the responsible HR manager, an investigation officer investigates incoming complaints. In the case of complaints about discrimination and bullying, this can be done, for example, by the Diversity, Equity & Inclusion or DE&I team or by HR staff trained in the process on site. DE&I and Human Rights Officer are contact persons for questions.

Environmental management:

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



Occupational safety & occupational health management:

Both areas ensure health and safety at work. Occupational health management is supported by the occupational health service and external employee counselling.

Purchasing/Procurement:

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

Legal/Compliance:

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

Community/Stakeholder Engagement:

The legal department, which is part of MASCO Corporation and MASCO Europe S.à r.l., is responsible for the complaints procedure at group level. MASCO Corporation is the parent company of Hansgrohe SE.

Other:

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

**Describe how the strategy is integrated into operational processes and procedures.**

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

**Describe what resources and expertise will be provided for implementation.**

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

Human Resources/HR:

Employees have special training. With regard to the "Effective handling of those affected by discrimination", several confidential counsellors from the HR department were trained. In addition, to the DE&I managers and Human Rights Officer, all regional and a large number of local HR managers were trained in the process and how to conduct an investigation in the event of a complaint as part of an investigation training. This ensures that trained people can carry out an investigation in all Hansgrohe companies. The training is based on the global guideline "Anti-Discrimination and Bullying".

Environmental management:

Company representatives with special training are responsible for ensuring this.

Occupational safety & occupational health management:

Company representatives with special training are responsible for ensuring this.

Occupational health management:

The occupational health management team serves as a point of contact for health-related issues. Employees also have in-depth knowledge of how to deal with people affected by discrimination.

Purchasing/Procurement:

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

Legal/Compliance:

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

Community/Stakeholder Engagement:

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

Other:

Every employee can turn to the members of the works council in confidence.

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

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

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

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

The annual risk analysis was carried out from January to the beginning of December 2024.

**Describe the risk analysis process.**

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

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

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

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

#### Direct suppliers:

In the first step, the external service provider was provided with a list of direct suppliers with information on the country of origin and product group for the risk analysis. An abstract risk assessment was then carried out with the help of the service provider's Excel tool. Following the risk-based approach, risk-specific questionnaires were then sent to the suppliers concerned. Based on the feedback, the specific residual risk was determined. No priority risks were examined.

#### Own business area:

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

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

On the basis of the gross risks determined, a data sheet was generated for each Hansgrohe company, in which the country- and product group-specific score values for human rights and environmental aspects were recorded. After a plausibility check has been carried out, taking into account the type and scope of business activities, the regulations, procedures and other measures already implemented in the Hansgrohe Group for every human rights and environmental risk were examined in addition to the gross risks.

- Preventive measures already implemented - are listed and the probability of an injury occurring is assessed. The responsible departments were surveyed and questionnaires were sent to individual Hansgrohe companies. It was determined whether human rights or environmental aspects were violated or there was a risk of such a violation in the company's own division. Based on the feedback from the specialist departments and on the questionnaires as well as the preventive measures already implemented, the net risks for the individual Hansgrohe companies were determined. The gross-net analysis selected in the company's own business area influences the implementation of the weighting and prioritization, as its evaluation criteria, in particular the probability of occurrence, have already been taken into account as part of the risk analysis. For the 2024 reporting period, no remaining net risks were identified in the Group's own business area, so that weighting and prioritization according to the appropriateness criteria was not carried out. The results determined in this way were summarized in a risk matrix.

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

- Yes, due to other events: Yes, due to reports that affected the company's own business area.

**Describe the specific occasions.**

Based on reports and confirmed violations, event-related risk analyses were carried out in the company's own business area.

**Describe what insights the analysis has led to in relation to a significantly changed and/or expanded risk situation.**

As part of the event-related risk analyses in the company's own business area, the preventive measures already implemented at the respective locations were reviewed. Depending on the circumstances of the individual case, further measures were taken, e.g. refresher training or increasing inspection intervals. Remaining residual risks were assessed as low.

**Describe the extent to which findings from the processing of information/complaints have been incorporated.**

In the company's own business area, known information/complaints were taken into account in the risk analysis. These were indications/complaints from the reporting period made via the appeal procedure.

A risk management tool "Sphera" was used to alert purchasing to potential risks with foreign suppliers. The indications/complaints were investigated. Due to the preventive measures already implemented, no new preventive measures have been defined.

## **Results of the risk assessment**

**What risks were identified as part of the risk analysis(es) in your own business area?**

- Prohibition of the engagement or use of private/public security forces that may cause disruption due to a lack of training or supervision
- Disregard for occupational safety and health hazards
- Destruction of natural resources through environmental pollution
- Disregard for freedom of association - freedom of association & right to collective bargaining
- Unlawful violation of land rights
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Prohibition of child labor
- Prohibition of withholding a fair wage

## **Results of the risk assessment**

### **What risks were identified in the risk analysis(s) for direct suppliers?**

- Disregard for occupational safety and health hazards
- Destruction of natural resources through environmental pollution
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment

## **Results of the risk assessment**

### **What risks were identified in the context of the risk analysis(s) for indirect suppliers?**

- None

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

No.

#### **Justify your answer.**

The gross-net analysis selected in the company's own business area influences the implementation of the weighting and prioritization, as its evaluation criteria, in particular the probability of occurrence, have already been taken into account as part of the risk analysis. For the 2024 reporting period, no remaining net risks were identified in the Group's own business area, so that weighting and prioritization according to the appropriateness criteria was not carried out.

## B. Risk analysis and preventive measures

### B2. Preventive measures in the company's own business area

**Which risks were prioritized in the reporting period in the company's own business area?**

- None

**If no risks have been selected, justify your response.**

The gross-net analysis selected in the company's own business area influences the implementation of the weighting and prioritization, as its evaluation criteria, in particular the probability of occurrence, have already been taken into account as part of the risk analysis. For the 2024 reporting period, no remaining net risks were identified in the Group's own business area, so that weighting and prioritization according to the appropriateness criteria was not carried out.



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

- Conducting training in relevant business areas
- Implementation of risk-based control measures
- Other/additional measures:  
Occupational safety measures, global anti-discrimination policy, checklist

**Implementation of training courses in relevant business areas**

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

All employees of the Hansgrohe Group received appropriate training. Employees with their own Hansgrohe e-mail access were asked to complete an e-learning course on The Act. This is a mandatory e-learning. All employees of the production plants in Germany without Hansgrohe e-mail access were trained on site to become The Act.

In the period from November to December 2024, a total of 1,155 employees of the domestic/foreign production companies took part in the training units. Of these, 772 are nationally employed. At the production sites in Wasselonne in France, Atlanta in the USA, and Valjevo in Serbia, all employees without e-mail access were trained on site in the course of the 2024 financial year. A total of 110 employees at the Wasselonne site, 83 employees in Atlanta and 184 employees at the Valjevo site participated.

As part of the annual compliance training at the Chinese site, a training course on anti-discrimination was conducted. A total of 101 employees took part.

In the 2024 reporting year, a total of around 4,350 employees completed training measures.

In addition, all global managers of the Hansgrohe Group were invited to participate in an online live training course. In the 2024 financial year, an e-learning course was made available for this purpose, which was mandatory for those global executives who were unable to participate in the online live training in the previous year. In addition, e-learning ensures that new managers can also be trained directly. A total of 466 managers completed the training in the 2023 reporting year and 177 managers in 2024.

Procurement employees were trained in a target group-oriented manner.

## B. Risk analysis and preventive measures

### B3. Preventive measures at direct suppliers

**Describe how training is appropriate and effective to prevent and minimize priority risks.**

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

### Implementation of risk-based control measures

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

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

During the course of the year, during systems audits carried out at the production sites, the responsible departments also answered questionnaires designed in accordance with The Act. The answers were evaluated and taken into account in the risk analysis. The Managing Directors of Hansgrohe's foreign companies, for which the country- and product group-specific abstract risk analysis showed a very high or high gross risk of individual human rights, were interviewed using questionnaires. In some cases, individual meetings were then held with the responsible managing directors in order to answer any questions.

Due to the announcement at the Offenburg plant regarding the water test benches, which are operated to test the tightness and spray pattern of the showers, the frequency for regular water samples was increased and structural measures were implemented to protect employees from respiratory diseases.

**Describe the extent to which the measures taken to prevent and minimize the priority risks are appropriate and effective.**

The managing directors were sensitized by including The Act questionnaires in system audits, the questions asked and the answers to the questionnaires. The answers to the questionnaires sent out were evaluated. The results were taken into account as part of the risk analysis. No net risks were identified.

Increasing the frequency of regular water samples at the water test benches and implementing structural measures are appropriate and effective in protecting employees from potential respiratory diseases by means of early detection.

**Other / further measures**

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

All new managers of Hansgrohe SE are assigned operator duties training as a measure within the framework of occupational safety. To gain this qualification, employees must complete a one-hour online seminar at EHS. Here the essential topics of duties of care and operator duties are instructed. In addition, the Hansgrohe tools will be presented, which support supervisors in implementing these obligations.

Hansgrohe has introduced a comprehensive anti-discrimination policy that is valid worldwide. This policy was originally written in English and translated into a total of 23 languages. This is to ensure that it can be understood and applied in all countries in which Hansgrohe operates. This policy is communicated via the business partners of the respective countries.

When acquiring land and land for production facilities, it is crucial to take human rights aspects into account. A checklist has been created to ensure that the purchase is done ethically and responsibly..

**Describe the extent to which the measures taken to prevent and minimize the priority risks are appropriate.**

The operator duties training for all new managers gives managers an overview of essential requirements from the occupational health and safety and environmental sector and an overview of the HG tools that facilitate the implementation of these requirements. This training further deepens the necessary knowledge regarding the delegation of entrepreneurial duties - in addition to the written transfer of these duties.

The anti-discrimination policy clarifies Hansgrohe's position that discrimination in any form will not be tolerated. It provides clear guidance on how to handle discrimination cases and raises awareness of the issues of discrimination and bullying. Hansgrohe is actively committed to promoting a respectful and inclusive working environment in which all employees are treated equally and feel safe.

The checklist for the acquisition of land and land at production facilities ensures that risks are prevented and minimized by taking human rights aspects into account.

**What risks were prioritized for the reporting period with direct suppliers?**

None.

**If no risks have been selected, justify your response.**

Although potential risks were identified as part of the abstract risk analysis, these were not confirmed in the subsequent concrete risk analysis - no concrete risks existed. Against this background, no risk prioritization had to be carried out.

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

- Development and implementation of appropriate procurement strategies and purchasing practices
- Integration of expectations into supplier selection
- Obtaining contractual assurances for compliance and implementation of expectations along the supply chain
- Agreement and implementation of risk-based control measures
- Other/additional measures: Sending evaluation questionnaires to suppliers, obtaining evidence such as certifications from suppliers, conducting training on The Act

**Other Categories:**

selected:

- Integrating expectations into supplier selection
- Obtaining contractual assurances for compliance with and implementation of expectations along the supply chain
- Agreement and implementation of risk-based control measures
- Other/further measures

**Describe the extent to which the measures taken to prevent and minimize the priority risks are appropriate and effective.**

On the basis of the procurement strategies and purchasing practices, a pre-selection of potential suppliers is made. As part of the selection of suppliers, the requirements of the MASCO Supplier Business Practices Policy are taken into account and the expectations of suppliers are clearly communicated. Suppliers are contractually bound to the principles of the MASCO Supplier Business Practices Policy. With regard to compliance with the requirements of the MASCO Supplier Business Practices Policy, suppliers who tend to be at higher risk are regularly audited on site. Suppliers for whom an abstract risk of a violation of the provisions of The Act has been identified are also trained in these regulations.

**Category: Procurement Strategy & Purchasing Practices**

selected:

- Development and implementation of appropriate procurement strategies and purchasing practices

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

Hansgrohe traditionally relies on long-term contractual relationships with its business partners. Delivery times and purchase prices are subjected to regular benchmarks and checked with regard to their market conformity.

**Describe how adjustments in your procurement strategy and purchasing practices should help prevent and minimize priority risks.**

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

## B. Risk analysis and preventive measures

### B4. Preventive measures for indirect suppliers

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

- None

**If no risks have been selected, justify your response.**

There were no indications/complaints/signs of any grievances/injuries at indirect suppliers. As a result, no risk analyses were carried out for indirect suppliers, nor were priority risks identified.

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

- None

**If no preventive measures have been selected, give reasons for your answer.**

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

## **B. Risk analysis and preventive measures**

### **B5. Communicating the results**

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

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

- Confirmed



## B. Risk analysis and preventive measures

### B6. Changes in risk disposition

**What changes have there been in terms of priority risks compared to the previous reporting period?**

The risk analysis in the company's own business area did not reveal any changes with regard to risk assessment. Against this backdrop, no priority risks were identified or weighted in the reporting period. The same applies to the direct suppliers. Here, too, no priority risks were identified or weighted in the reporting period.

## C. Identification of Violations and Remedial measures

### C1. Identification of violations and remedial measures in the company's own business area

**Were violations detected in your own business area during the reporting period?**

- No

**Describe the procedures that can be used to identify violations in your own business area.**

Reports can be made via the complaints procedure by telephone or anonymously web-based. The procedure for dealing with imminent or established violations of human rights or environmental obligations within the meaning of The Act in its own business area is anchored in the escalation and remedial measure plan defined for this purpose. This escalation and remedial measure plan sets out responsibilities, investigative measures to be initiated, deadlines, internal reporting obligations and measures to be taken. The investigation is being carried out by a specially established independent task force under the leadership of the Human Rights Officer. Depending on the circumstances of the individual case, the result of an investigation could be that a Hansgrohe company violates human rights- or environment-related obligations under The Act.

Regardless of any reports, the annual risk analysis also examines whether a Hansgrohe company violates human rights-related or environmental obligations.

## C. Identification of Violations and Remedial measures

### C2. Identification of violations and remedial measures at direct suppliers

**Were there any violations found at direct suppliers for the reporting period?**

- No

**Describe the procedures used to identify violations at direct suppliers .**

The determination of violations is possible within the framework of the complaint procedure. In addition, risk-based on-site checks can be carried out on the basis of the audit clauses, which are associated with information and access rights. Hansgrohe has commissioned an external partner who regularly checks the Asian business partners in particular. The results of the specific risk analysis are then already available, so that priority risks can be examined in a targeted manner.

## C. Identification of Violations and Remedial measures

### C3. Identification of violations and remedial measures at indirect suppliers

**Were any violations found among indirect suppliers during the reporting period?**

- No

## D. Complaints procedure

### D1. Establishment or participation in a complaints procedure

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

- Participation in a procedure
- Further:

Reports of human rights or environmental risks or violations of obligations could be submitted via two different channels. One channel is the internal confidants such as the Human Rights Officer, HR representatives, DE&I consultants, or, where available, the works council, to which Hansgrohe employees can turn. The other channel is a central complaints procedure, the MASCO Ethics Hotline, which is offered by MASCO Corporation, USA.

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

Hansgrohe SE, which is majority-owned by MASCO Corporation, USA, participates in the ethics and compliance program of MASCO Corporation.

The VP General Counsel of MASCO Corporation leads the Ethics and Compliance Program, which also includes the management of the central complaints procedure, the so-called MASCO Ethics Hotline. Complaints can be made via the MASCO Ethics Hotline by telephone and via a web-based input mask. This is used, among other things, to meet the requirements of the German Supply Chain Due Diligence Act.

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

If the reporter wants to submit complaints via the web-based input mask, it is possible to choose from different languages. The reporter will receive a reply in the selected language; the receipt is confirmed and the further way of dealing with the complaint is shown. Complaints can be filed according to a selection of topics; Human rights and environmental issues are among other topics to choose from. The person making the report then has the opportunity to describe the facts.

**Which potential parties have access to the complaints procedure?**

- Own employees
- Communities close to their own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc

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

- Rules of procedure available to the public in text form
- Information on accessibility
- Information about the process
- All information is clear and understandable
- All information is publicly available

**Publicly available rules of procedure in text form****Optional: Describe.**

The link to the MASCO Ethics Hotline and the rules of procedure are available on the Hansgrohe Group website.

The Rules of Procedure can be found at:

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

The MASCO Ethics Codex and Masco Corporation's Supplier Business Practices / SBP Policy are available on the MASCO Corporation website. Masco Corporation's Supplier Business Practices Policy can be found at: <https://masco.com/our-suppliers/>.

**Accessibility Information****Optional: Describe.**

The MASCO Ethics Hotline can be reached by phone and via the web-based tool. The confidential counsellors can be reached via the contact information published within the company.

## Process Information

### **Optional: Describe.**

The complaints process via the MASCO Ethics Hotline includes the following steps, whereby the reporter has the option of communicating in one of 20 languages to choose from:

First, the reporter is asked to indicate whether he or she is acting in the capacity of a supplier. The reporter is then asked to provide information on the location and place where the risk to be reported exists or where the injury to be reported occurred. The reporter is then shown telephone numbers for the report and is given the opportunity to report via the web-based input mask. When reporting via the web-based input mask, the reporter is shown an information text on data protection, the preservation of anonymity and the procedure. On the following page, the person making the report is asked about the focus of their report. On the reporting page, the reporter formulates their complaint in their own words and, if they wish, answers questions via the simple answer selection.

After submitting their report, the person making the report will receive a file number. With this file number and in combination with their password, the reporter can log in to the website again and find out about the progress of their complaint or tip-off. If the reporter wishes to remain anonymous, their anonymity is protected as long as they do not enter personal data that would allow conclusions to be drawn about their identity.

## All information is clear and understandable

### **Optional: Describe.**

All information has been described in the Rules of Procedure in a form that is understandable to laymen.

## All information is publicly available

### **Optional: Describe.**

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

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

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

## D. Complaints procedure

### D2. Requirements for the complaints procedure

**Was the Rules of Procedure for the period under review publicly available?**

File has been uploaded

**On the Rules of Procedure:**

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

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

The review and internal assignment of reports submitted via the MASCO Ethics Hotline is carried out by dedicated functionaries of MASCO's legal department .

The complaint submitted via an internal person of trust or via the MASCO Ethics Hotline is handled primarily by the Human Rights Officer, members of MASCO's legal department and consulted experts.

Once the assignment has been completed, employees with corresponding functional roles have access to the backend of the MASCO Ethics Hotline to review and evaluate the report and take the necessary steps. Depending on the type of risk or breach reported, these include:

- Human Rights Officer
- Members of the Legal Department of MASCO Corporation, USA, or MASCO Europe S.à r.l., Luxembourg,
- HR representatives of Hansgrohe SE or MASCO Corporation, USA,
- Consulted subject matter experts, such as DE&I consultants.

The information about the notification is shared only to the extent necessary - "need-to-know" - basis. The persons handling the facts of the case are obliged to secrecy. The complaint and the procedure are confidential and protection against discrimination or punishment based on a complaint made in good faith is guaranteed.

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

- Confirmed



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

- Confirmed

**Describe what arrangements have been made, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.**

From a technical point of view, only those persons who have been assigned to the backend of the MASCO Ethics Hotline have access to the reports of risks or injuries.

From an organizational point of view, the following precautions have been taken: The Human Rights Officer is independent in its function and does not follow instructions, has decision-making and instruction authority for its area of activity and is entitled to access information.

In the MASCO Ethics Hotline Procedure Europe, the persons involved in processing the report are required to treat the information obtained confidentially. In addition, the MASCO Ethics Hotline Procedure Europe prohibits retaliation against people who make reports in good faith and against those who process the report.

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

Furthermore, the reporting persons are protected by the MASCO Code of Ethics and the Non-Retaliation Policy contained therein. This states that MASCO will not retaliate against anyone who makes a good faith report of a violation of the MASCO Ethics Code or other illegal or unethical conduct.

## D. Complaints procedure

### D3. Implementation of the complaints procedure

**Have any indications been received about the complaints procedure during the reporting period?**

- Yes

**Explain the number, content, duration and outcome of the procedures in more detail.**

A total of 21 reports were received.

- Of these, 15 reports are potential violations of the prohibition of unequal treatment in employment. 13 potential violations could not be plausibly checked or confirmed. Two violations were confirmed and disciplinary measures were initiated.
- Four reports are potential violations regarding the destruction of the natural basis of life by environmental pollution. These could not be plausibly verified or confirmed.
- Two reports were received as potential violations regarding the disregard of occupational health and safety and work-related health hazards. One violation was confirmed, and appropriate remedial measures were initiated. The investigation into the second report was initiated during the reporting period but could not be completed during this financial year 2024.

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

**What topics have complaints been received?**

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

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

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

Occupational safety: Various water test benches are operated at the Offenburg plant to test the tightness and spray pattern of the showers. To protect employees, the water is regularly checked for contamination. Following the notification, remedial measures and additional controls were implemented to protect the health of employees.

Unequal treatment: A focus remains on training to avoid unequal treatment in employment.

Destruction of natural resources due to environmental pollution:

Hansgrohe has daily truck and car access to its Offenburg and West plants. To protect the environment, technical barriers have been installed in the rain water and wastewater sewerage systems, which are regularly inspected. Upon notification, emergency kits provided on-site are deployed to prevent environmental pollution. In addition, various departments and external service providers are consulted based on an alert matrix to initiate further measures to avert potential environmental damage.

## E. Risk management review

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

**In which subsequent areas of risk management is the appropriateness and effectiveness tested?**

- Resources & Expertise
- Risk analysis and prioritization process
- Preventive measures
- Remedial measures
- Complaints procedure
- Documentation

**Describe how this audit is carried out for the respective area and what results it has led to, especially with regard to the prioritized risks.**

Audits in the company's own business area are carried out on the basis of pre-formulated key performance indicators, which in turn are reviewed annually and adjusted if necessary. In order to meet the requirements of The Act, the personnel and financial resources as well as the expertise of the Human Rights Officer and the processors responsible for their own business area are reviewed.

When reviewing the risk analysis, including weighting and prioritization, as well as the underlying processes, the focus is on the number and scope of potential risks reported. The knowledge gained in this way is taken into account in the quality control of preventive and remedial measures, among other things.

Complaints procedure:

The appeal procedure was reviewed in the year under review for effectiveness, appropriateness and completeness. Decisive factors are, for example, feedback from those affected on the accessibility of the trusted persons and the MASCO Ethics Hotline, the user-friendliness of the MASCO Ethics Hotline, the number of reports via the web-based tool compared to the use of other reporting channels, and the findings from test runs.

Documentation:

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

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

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

- Resources & Expertise
- Preventive measures
- Remedial measures
- Complaints procedures

**Describe the processes or measures for the respective area of risk management.**

Resources & Expertise:

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

Preventive measures:

Testing as part of the efficacy test

Remedial measures:

Testing as part of the efficacy test

Complaints procedure:

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