

AXOR

hansgrohe

CH AM GE

HANS!
FOR FRIENDS

Change

"Just as water changes its form,
change is a part of our daily lives.
After all, we move with the times
and are proud of our history.
We represent a positive present
and are planning a better future."

HANS!
FOR FRIENDS

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Hans Jürgen Kalmbach,
Chairman of the Executive Board, Hansgrohe SE

DEAR READERS,

A period of change began for all of us in 2022, which not only included a new sales record, but also a catastrophe with global consequences. The war in Ukraine makes us very concerned because of its human tragedies. But the initial shock quickly gave way to action, and my colleagues went to work collecting donations for aid organizations active in the war zone. They were able to raise around half of the €900,000 through donated working hours and vacation days, an amount that we as a company were more than happy to increase. Hansgrohe Poland provided medications and relief supplies, while Schiltach employees delivered another round of supplies to the Polish-Ukrainian border. I couldn't be prouder of the solidarity demonstrated by our employees. By the way, we sold our Russian subsidiary in the middle of the year.

External events have always had an influence on our company, which itself has an influence on people and the environment. Many situations develop over a period of decades, which we respond to looking to the future. The climate crisis is a prime example of that, which is why our company has been climate-neutral* at all of our German locations since 2021. By the end of 2022, our global sites have also been converted to green power and climate neutrality* has been achieved. Other situations are unforeseeable and can change everything in a matter of seconds. But we can also prepare for those – for example, by nurturing our team spirit. This allows us to help shape the change and respond with combined strength and sustainable success.

The war has not only increased the cost of energy and electricity and hampered economic growth, but has also boosted the prices of raw materials and parts and delayed deliveries. Inflation has taken its toll on people and possibly even restrained investment. As a solid international company, we will be able to overcome these challenges and can therefore continue to pursue our "HansgroheNo.1" goal.

Despite the new global situation, the success of last year continues to motivate us, as it allows us to do something crucial – which is to take action and invest in the future. And that's more than enough.

Yours Hans Jürgen Kalmbach
Chairman of the Executive Board

* Climate neutrality refers to Scope 1 and 2 greenhouse gas emissions (direct emissions and energy consumed at the locations) in accordance with the Greenhouse Gas Protocol. The Hansgrohe Group actively reduces these emissions wherever possible and offsets remaining emissions with recognized, certified climate action projects. Additional information is available at <https://www.hansgrohe-group.com/en/about-us/sustainability>

ALWAYS CURIOUS ABOUT TOMORROW

Klaus Grohe was honored for his life's work

Klaus Grohe is not only an idea generator, a man of action, a perfectionist, and a philanthropist, but also a Black Forest boy, a nature lover, an environmentalist, a pioneer, and an entrepreneur. And on September 13, 2022, he received the German Founders' Award, one of the most prestigious business awards, for his life's work in Berlin, making him an acknowledged role model as well. This award is presented by the German magazine Stern, the German bank Sparkasse, the German broadcasting ZDF, and Porsche.

A look at his life's work also reveals social upheavals over the past six decades. Klaus Grohe was influenced by pop culture, just as he was by new technologies. He seized on trends and developed ideas to blend these with the bathroom. He came to realize early on that outstanding design is a success factor and understood before others in the industry how branding and marketing can increase value. He himself became an advertising figure as a laid-back guy in the shower. Though quite bold for an entrepreneur, this step boosted the image.

A résumé with one big step after another

At the age of 85, Klaus Grohe continues to think about water, responsibility, and faucet details. Inspired and inspiring, motivated and motivating – as has always been his way. Incidentally, the inventor didn't really kick off his life's work until the age of 25, but he was well prepared for it. He had completed a technical apprenticeship, gone to college, taken part in international training programs, and worked as an intern. Things finally kicked off in Schiltach in 1968, and he offered

a new and fresh way of thinking. He implemented his unconventional ideas as Head of Organization, Head of Marketing, Sales Director, CEO, and Chairman of the Executive Board. He served as Chairman of the Supervisory Board from 2008 to 2015. Klaus Grohe's visionary ideas continue to bear fruit and inspire us to this day. It was his openness to change that allowed the family business based in the Black Forest to evolve into a successful global player. Klaus Grohe has set one standard after another in the sanitation industry.

Ahead of his time

His understanding of different cultures in the bathroom also proved to be a great source of help. Klaus Grohe amazed Germany with the bathroom as a wellness oasis and completely reinvented the hand shower. In fact, the Raindance shower series represented a turning point for Hansgrohe. Even the name itself promised more than any of the well-known showers at that time – an experience. Klaus Grohe and his team combined multiple spray modes with ultra-quiet, low-splash sprays of micro-sized droplets. He never shied away from new ideas. In fact, Klaus Grohe made environmental thinking and behavior a company maxim in the 1980s. In 1992, he had a solar power plant installed on top of the factory building, which was the largest rooftop-integrated plant in Europe at that time. And he provides international experts with an important forum in the form of the Water Symposiums at the Aquademie. Today, Klaus Grohe is delighted by the passionate green spirit of the new generation at Hansgrohe, which is continuing his life's work with the Green Company project.

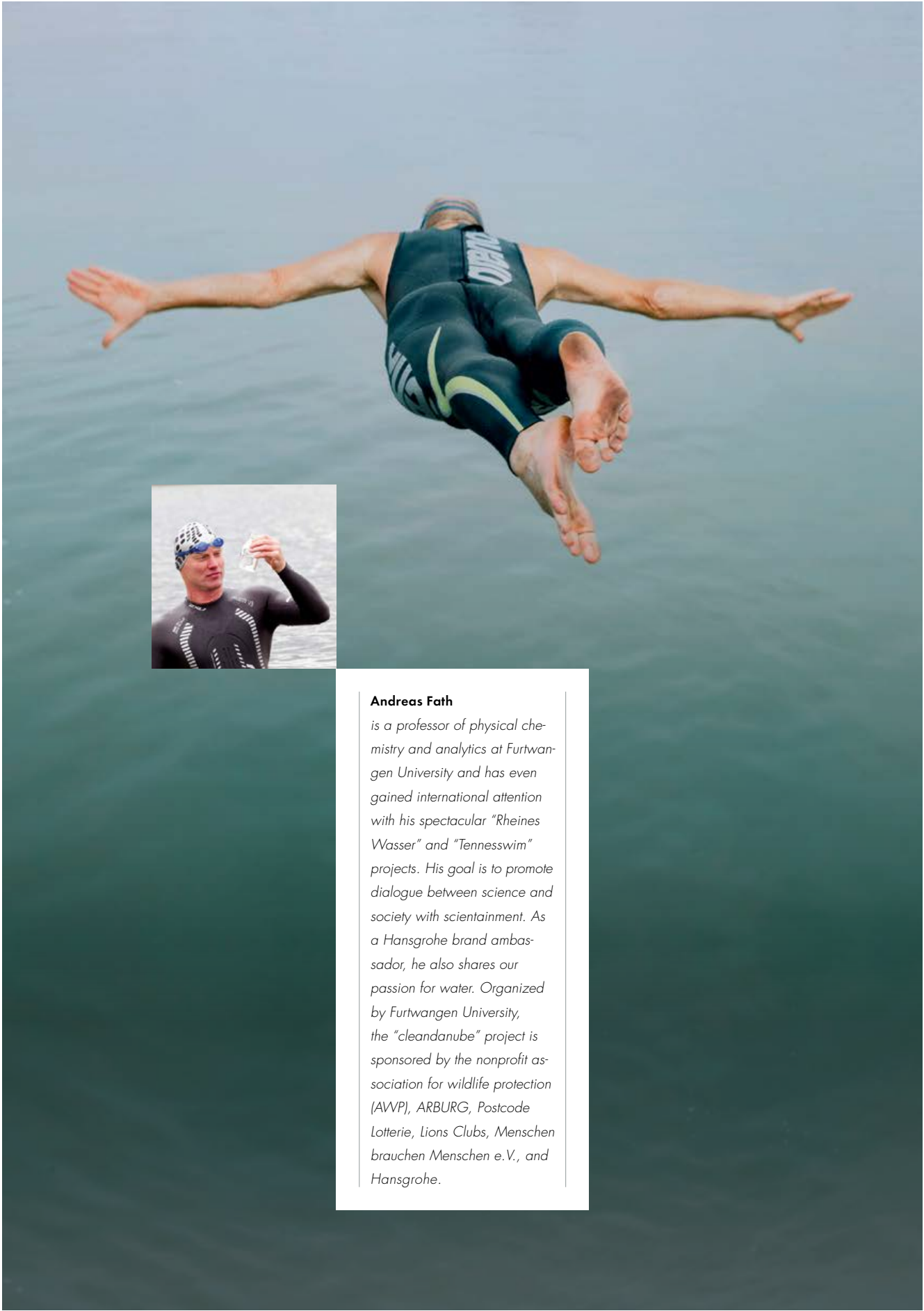
IN THE BEAUTIFUL BLUE DANUBE

The Danube was anything but blue when the swimming professor Andreas Fath discovered significant environmental issues in the water and along the banks in 2022. For his most recent environmental initiative, “cleandanube”, he swam more than 2,700 kilometers along Europe’s largest river.

From the Black Forest to the Black Sea, he and his team collected water samples and examined them in his lab. These form the foundation of a scientific study. Andreas Fath views the Danube as Europe’s lifeline. Its biodiversity and many different river habitats make it unique. But unfortunately, more than four metric tons of plastic flow down the Danube into the Black Sea every day, which is an enormous problem. Some neighboring countries lack efficient purification plants and environmentally compatible waste disposal systems. With no waste prevention strategies to speak of, plastic bottles and bags and other waste clutter the banks and the riverbed. Researchers have found microplastics, which are particularly destructive, in higher numbers than fish larvae in the Danube. Swimming has even become hazardous in highly contaminated stretches.

It’s particularly the populations along the Danube that are so important to Andreas Fath and his team, as the river’s beauty is now limited to tiny sections. The issues facing the unique river landscape don’t receive the public attention they deserve. But an initiative like “cleandanube” can raise awareness. Media bring the topic to the public eye and thus the political agenda, which is why Andreas Fath would like to encourage local action. The AWP, association for wildlife protection, which implements environmental projects worldwide and has a large network of Non-Governmental Organizations in the Danube region, provides assistance and has developed accompanying activities for the project that target young people between the ages of 14 and 25. These include joint swimming initiatives, clean-up events on the banks, receptions with speeches and music, strolls through nature, and kayak excursions, all of which focus on two key issues: What can we ourselves do to clean up the Danube? How do we keep plastic out of the water? The workshops were offered in collaboration with local initiatives and organizations.

Andreas Fath was fascinated by the inspiring natural experience. He wrote in his diary every evening after an exhausting day of swimming, recording the thoughts and ideas he had while in the water. People excited about the work he was doing were there to welcome him at each of his stops, which served as a form of motivation every day. Filmmaker Shane McMillan accompanied Andreas Fath on his two-month water journey. His documentary “Über Grenzen” (Beyond Borders) is sure to inspire even more people about the issue of clean water.



Andreas Fath

is a professor of physical chemistry and analytics at Furtwangen University and has even gained international attention with his spectacular “Rheines Wasser” and “Tennesswim” projects. His goal is to promote dialogue between science and society with scientainment. As a Hansgrohe brand ambassador, he also shares our passion for water. Organized by Furtwangen University, the “cleandanube” project is sponsored by the nonprofit association for wildlife protection (AWP), ARBURG, Postcode Lotterie, Lions Clubs, Menschen brauchen Menschen e.V., and Hansgrohe.

We turned fingerprints into donations



For clean drinking water in Kenya

A total of 1,620 of our employees quite literally lifted a finger for a good cause. The Hansgrohe Group donated €10 for every fingerprint – for a combined €16,200 – to the WellBoring organization, which builds and repairs groundwater wells in Kenya, providing more people with better and safer access to clean water. The fingers of Hansgrohe employees in Belgium, China, Germany, France, India, Croatia, Mexico, the Netherlands, and South Africa were involved in this wonderful initiative.

Combined strengths are more sustainable

How the WIN Charter moves us forward

We can achieve more working with other companies, which is why we signed the WIN Charter in 2022. With the WIN Charter, we acknowledge and commit ourselves to environmental, economic, and social responsibility, as the twelve basic principles of the charter will be taking effect in many of our departments. We've already made good progress with most of them, but now we have additional companions on our green journey. Like us, they are based in Baden-Württemberg and pursue similar goals to ours, which is what makes exchange with the other 300 companies of the WIN Charter so interesting for us. We're more than happy to share our experiences and findings and are open to the ideas of other members of the network. Together, we're not only reducing emissions, but also assuming responsibility for our products. What's also important to us is the well-being of all the employees as well as sustainable investments that benefit the region. For sustainable operations, the WIN Charter offers us a unique management system. Incidentally, it was developed as part of the sustainability strategy of the state of Baden-Württemberg. By signing the charter, we're now officially and verifiably sustainable.



Winning people over

As the winner of the Employer Branding Award

We also have plenty of ideas when it comes to finding good specialists, which is why our recruitment campaign received the Employer Branding Award in 2022. But what attracts applicants to our company? And why do they stay? We put those questions to our more than 5,000 employees and found the answers with interviews and workshops.

There are plenty of good reasons take a job at Hansgrohe, including teamwork, internationality, a familiar atmosphere, profit sharing, and a healthy work-life balance. But the most frequently mentioned and therefore most important argument for Hansgrohe as an employer is self-fulfillment. The campaign motto was therefore "Be in your element – let your ideas flow," a message communicated by 16 employees as authentic ambassadors. Even CEO Hans Jürgen Kalmbach demonstrates acting talent with his oral fluency in the video. This creativity also won over the award jury, and the award was presented to the Hansgrohe team and the teufels agency based in Rottweil at Hotel Schönbrunn in Vienna in May 2022. As Head of HR Marketing & Recruiting, Christoph Pross is delighted with the 2021/2022 Best Employer Branding Award and, even more so, with the positive response to the campaign. After all, it allowed him and his team to acquire many new Hansgrohe colleagues in 2022. The campaign images and video were visible as job ads, on social media, on the website, at trade fairs, and on regional buses and trains.

Bonus for dedication

As a thank-you for the new record

2022 was a year like no other, which means Hansgrohe employees can be all the prouder of the success they achieved. After all, they contributed to the company's profits. Hansgrohe thanked its employees worldwide for their extraordinary performance with €3.7 million.

Be in your elem ent.



Every- thing is always chan- ging

A guest article by Silvia Balaban



Silvia Balaban

is a qualified business psychologist and lecturer on occupational health management at the German University of Health and Sports (DHGS). Her book, "Peak Performance halten: Wie Sie als Leistungsträger im Business leistungsfähig bleiben", will be published in 2023. With her company, REcalibration, she also supports Hansgrohe with health management.

Our lives changed drastically from one day to the next in March 2020. Recreational activities such as eating out, working out at the gym, or an evening spent with friends were no longer allowed. Schools and day care centers were closed, and employees sent home, a scenario that no one could've possibly imagined just one week before. And even though the situation demanded something else from each of us, there was one thing that we all had in common: we needed to learn at record speed to deal with a very big change that we had never experienced before. Such an extreme change can be particularly challenging for companies and employees.

Every day is new

Change is a part of life, whether it happens slowly or occasionally very quickly. Sometimes we actively take it into our own hands, and sometimes we're not even consulted. Whether we want it or not, change is always there in our careers and private lives, which is why it makes good sense to accept change and even make friends with it. You simply need to look at the benefits and opportunities and then assess what you need to get through the change to the best of your ability. It's also worth mentioning that there are many who assume that change is easy for everyone because life is full of changes. But that's not the case, as dealing with change requires a multilayered set of skills. But these can also be learned. Companies can simplify the change process by providing their employees with the necessary support.

The ability to adapt keeps you moving

"It is not the strongest of the species that survive, nor the most intelligent, but the one more responsive to change," said Charles Darwin, one of the most important

naturalists in history, describing the ability to adapt to new things as the most important survival strategy. And that applies to both living things and companies. Why is change important from their point of view? Let's assume a broader perspective. As part of a large company, employees are the first to feel the effects when a change is introduced. Day-to-day work is increasingly dominated by automation, digitalization, and artificial intelligence. Change is proactively promoted by some and welcomed by others, while a few find change more difficult to start with, and even fewer seem to fight it.

Companies in motion

Change is essential for the survival of all companies, as it allows them not only to remain competitive in the market and secure or consolidate market shares, but also to optimize work with new processes and promote innovation. The ability to adapt to new situations ensures survival of the individual and the community.



But all change processes require the same thing for success – willing employees – all of whom need to be informed, brought up to speed, and incorporated into the process, giving change a real chance over the long term. The principle of “empowering those involved” is therefore absolutely essential. Managers in particular need to be able to recognize the fears and concerns of employees and respond with understanding and empathy, as ability to cope with change will determine success.

Change requires quick-change artists

Let’s take a look at what’s inside people. There are basic patterns that we all demonstrate. While we all desire security, control, and order, we also yearn for the joy of variation, spontaneity, and creativity. Some of us require more of one, and others more of the other. While employee A is overwhelmed when a new coffee variety is introduced in the kitchen, employee B begins to truly blossom in turbulent times full of change.

It’s a question of character type. Do you want things to stay as they are, or would you prefer a little variation? Understanding this basic pattern is one of the first steps in recognizing how you respond to change. But how do you deal with a change effectively that you did not initiate yourself? This requires the ability to view change as an interesting and exciting challenge rather than a risk or a terrifying threat, and thus deal with it successfully.

Scientific literature does not provide a generally accepted definition of ability to cope with change. But to put it simply, the ability to cope with change is based on “capability” and “desire.” “Capability” refers to potential skills and the ability to change – i.e., all of the personality traits and behaviors that help you cope well with change. This includes determination, initiative, flexibility and creativity in the search for solutions, enthusiasm, and the knowledge and skills necessary for the change. But even organizational tools and change management expertise are important. Motivational employees share knowledge and techniques through corresponding training courses and workshops. They provide the time necessary for change and offer employees support for the change process.



Agile employees achieve more

Companies driven by innovation, in particular, have an interest in employees who are open to and welcome change. This aspect has more to do with the person’s internal attitude, which has an influence on their openness to change. A positive outlook on life, an openness to new things, and creativity help you recognize and accept the benefits of change. An openness to change like this makes it easier to deviate from your usual routine. Routine provides us with security, while development and new things are always associated with the risk of mistakes and failure. How we deal with mistakes personally and in the organization can also have an effect on our openness to change. An error culture that focuses on learning from mistakes also encourages people to implement new and extraordinary ideas.

Systematic change

There are many things that can help make changes a success, whether they’re initiated by you or others. It’s always a good idea to assume a strategic approach to coping with change, which is why companies that recognize the value of employees who are open to change should provide help and support.

Change and abiding values

Compass for change

Every decision results in change. Standing still is not an option. In everything we do, we're guided by our values.





The Hansgrohe Group performed well again in 2022 despite the unexpected situation resulting from the war in Ukraine, which raises many questions. How does the Executive Board deal with changes? How can a global company prepare for new things?

Hans Jürgen Kalmbach (Chairman), Frank Semling (Deputy Chairman/Chief Operations Officer, Labor Director), Christophe Gurlan (Chief Sales Officer), and André Wehrhahn (Chief Financial Officer) provide answers in the interview.

What happened at Hansgrohe in 2022?

Hans Jürgen Kalmbach: A lot of good. I'll start with my colleagues. We've grown globally to 5,639 employees. Our German sites now employ 3,474 people. We have really good people everywhere – and more importantly, they stick with us, which we on the Executive Board are very happy about. This extraordinary team spirit has existed at our company for over 121 years.

And last year was also successful economically speaking?

Hans Jürgen Kalmbach: More than anything else, it was an eventful year. The new sales record fills us with optimism and self-confidence. But this isn't the time for celebration. I would like to emphasize one thing: Our good financial position and resumed growth are paving the way to the future for us, which pleases me more than the number itself. A moderate up and down is completely normal in the economy. While society and technologies tend to change at a very slow pace, politics can lead to immediate disruptions that are felt by everyone, as the war in the Ukraine makes it horribly clear. The suffering of the people there has affected us very deeply.

“We will, of course, continue to pursue our long-term strategy. ‘HansgroheNo.1’ is still the goal.”

Hans Jürgen Kalmbach,
Chairman of the Executive Board

Has Hansgrohe felt the consequences of the war?

Hans Jürgen Kalmbach: The Russian and Ukrainian markets were not strategically important for us. But the extremely high demand in the raw material markets has proven to be quite a challenge. Despite the increased difficulty of the situation, the people at the company achieved more than we thought possible and refused to let the customers down. They really earned the €3,7 million success bonus.



“Our employees experience and embrace this extraordinary company culture on a daily basis.”

Frank Semling,
Chief Operations Officer/Labor Director, Deputy Chairman

rent scenarios. While our goal is clear, there are no straight paths there. For example, the pandemic forced us to suspend operations briefly, which we used as an opportunity to think about the future of the company. Plans are just as important to us as flexibility because things rarely go according to plan.

How did you respond to the news?

Hans Jürgen Kalmbach: We were momentarily shocked. But we got together for a meeting soon after. Then in the middle of the year, we sold our Russian subsidiary. What was important was humanitarian aid for Ukraine. We work with twelve sales representatives in Ukraine, who brought their families to safety in Germany. And we're helping them find somewhere to stay in the Black Forest.

How did you deal with the new situation?

Hans Jürgen Kalmbach: Many events leave us with very little time to respond. In situations like these, we in the Executive Board speak to the departments affected, so that we can analyze the situation, evaluate options and consequences, and ultimately make a decision. We were able to apply some of what we learned from the pandemic to the economic consequences of the war. Fortunately, we managed to pass this initial stress test with success. Today we can also organize extreme external changes very well internally.

So, you'd say that Hansgrohe is agile enough?

Hans Jürgen Kalmbach: Yes. Because we fulfill important criteria. First of all, agility requires the ability to take action, which is what makes our economic success possible. And second, it requires adaptability. There are always lessons to be learned when situations change. And more importantly, change can lead to new developments.

What would you say that entails?

Hans Jürgen Kalmbach: For example, innovative products. Actually, that applies to everything at the company, from technical processes to new working models. Times are changing, and we're changing along with them.

And what's the secret to success for good company management?

Hans Jürgen Kalmbach: Without motivated employees, management is difficult to impossible. My colleagues are up for the challenge and adapt unbelievably quickly to new situations. Take for instance new working models that enable remote working in a well-functioning team. That's why we do well even in fast-changing environments.

Frank Semling: I have something to add to that. For us, “new work” is more than just a keyword. Work has always changed with and as a result of new insights. What comes to mind is industrialization, which took work away from people and gave it to machines. It's a similar situation with digitalization and automation. New technology simplifies work, but it also changes the way in which we work together.

Back to the topic of changes, how do they influence Hansgrohe's path?

Hans Jürgen Kalmbach: We will, of course, continue to pursue our long-term strategy. “HansgroheNo.1” is still the goal. We're also preparing for the consequences of the war in Ukraine. While the issue may not be simple, we will be able to resolve it sooner or later. At least, that's how it looks for the time being.

So, you're still optimistic?

Hans Jürgen Kalmbach: Yes. We expect there to be bottlenecks, but so far we've been able to supply our plants without any gaps. The three-year pandemic has taught us a great deal, which wasn't always easy, particularly when it came to international logistics. But the consequences of the war in Ukraine are sure to pose a whole new set of challenges. At least we're prepared and have the experience to resolve many issues.

What do you base your decisions on?

Hans Jürgen Kalmbach: The question of why is more important than anything else. Every decision results in change, but doing nothing is often the worst choice. When it comes to important decisions, I seek out as many other opinions as possible. I like to discuss different arguments. With the right information, we can draw the right conclusions together. Decisions you make on your own can have serious consequences, which is why we avoid them whenever possible. In everything we do, we're guided by our values. They continue to serve as our compass.

The world is changing faster and faster, and many things are now more complex and difficult to predict. How do you manage the uncertainty with the Executive Board?

Hans Jürgen Kalmbach: Management cockpits can help and provide us with the most important figures, keeping us up to date at the company. At the same time, we observe what's happening all around us, including markets, social currents, and even political events. In principle, we're always thinking about diffe-

“Fortunately, we’re very broadly positioned worldwide, which allows us as a company to cope with external crises.”

André Wehrhahn,
Chief Financial Officer



Because you see each other or speak to each other less?

Frank Semling: But for us, that’s still just as important as ever. A video call simply feels different from a conversation at the coffee machine. That’s something we weren’t really aware of before the coronavirus. We took daily interaction for granted. But personal exchange continues to be valuable and important to us because it allows us to inspire each other and share knowledge. That’s why digital teamwork can be challenging. Our employees receive the necessary support and assistance, turning change into progress.

How does an employer respond to change?

Frank Semling: You need to be able to recognize it early on. Automation and artificial intelligence tend to appear at the beginning. Whether we like it or not, we will have to deal extensively with both in the future. We introduced automation some time ago. As Labor Director, I was skeptical. And still, we now offer more jobs than before. But artificial intelligence will completely change everyone’s lives. Arduous tasks are made simpler everywhere, whether it’s writing in the office, accounting, or vocational training. Analyses, comparisons, and assessments can be conducted at the touch of a button. That’s quite impressive at first glance, but it also raises many questions. How will this technology actually influence our work? Where are there opportunities and dangers? People as a whole should always be our focus.

Do you already have a plan for the new approach to working?

Frank Semling: More than that. We’re already implementing it in some areas. The new working worlds demand expanded occupational health. We can’t ensure the well-being of our employees with legal requirements alone. We’ve been offering fitness and similar services for quite some time now, but the mental strength and inner resilience of each and every individual are just as important for the company. This resilience applies to many aspects. How do I deal with stress? When and where do I do my best work? How do I maintain a healthy diet? We plan to provide the answers with a variety of offers. Both professional and private life are full of changes, which is why our offers also help with personal development. We are a caring and sympathetic employer.

So you believe in humanity?

Frank Semling: We nurture it in all of its forms. A good example of that is the solidarity with the people who are suffering in Ukraine. Many of my colleagues have supported Ukraine in very personal ways. They’ve donated working hours and vacation days. We were ultimately able to donate €900,000 to a selection of aid organizations. Others gathered supplies and drove trucks themselves to the border with Ukraine. We were able to provide help with company vehicles. That, too, brings us together.

Were there any other special moments in 2022?

Frank Semling: One thing that comes to mind is the anniversary evening with the many long-term employees, whom we honored for their many years of service. The guests of the evening have been with us for 25, 40, and even 50 years. We as an employer must be doing something right. And that leads me to another wonderful moment. Hansgrohe received the Employer Branding Award, which is an unbelievable form of motivation for us. Because our cause has been acknowledged externally. We want to be the best employer in the industry. Potential applicants recognize that our quality as an employer is based on facts. Our employees experience and embrace this extraordinary company culture on a daily basis. All of us in the Executive Board are very thankful for that. You can’t be the best employer unless you have the best employees.

André Wehrhahn: You’re absolutely right. But for us, “thank you” is more than just words of gratitude, which is why we were happy to pay the success bonus again. After all, we increased our profits again, which is impressive considering the year we all had. The war in Ukraine

could have had unforeseeable consequences for us. Fortunately, we’re very broadly positioned worldwide, which allows us as a company to cope with external crises.

Does the new record also play a role?

André Wehrhahn: Most importantly, it contributes to stability over the long term. Our sales amounted to €1.528 billion and operating profit rose to €261.6 million, an increase of 4.8 percent compared to the previous year. This allows us to continue investing and implementing our growth strategy. The largest project at present is our plant in Serbia. We plan to be producing in Valjevo by the end of 2023, so there was a lot going on there in 2022. This €85 million investment represents an important part of our global production strategy and will allow us to create the capacity necessary for the European market.

Why is it necessary?

André Wehrhahn: Because we want to exploit the growing demand for high-quality design and thus increase our sales. The new AXOR Center for Excellence will allow us to do just that. After all, we’ve invested €12 million in this plant in Schiltach.



“Retailers are also familiar with the trend toward the complete bathroom. And we offer a suitable solution that also boasts extraordinary design and quality.”

Christophe Gurlan,
Chief Sales Officer

With a larger product range?

Christophe Gurlan: We did make things more attractive with the shower channels already. Now we will be expanding in Europe with sanitary ceramic and bathroom furniture.

Doesn't the market already offer enough toilet bowls?

Christophe Gurlan: Indeed. There is a large selection. And still, customers desire a larger Hansgrohe product range. We've already done it in Asia, and now we'll do the same in Europe.

Are you referring to "HansgroheNo.1" strategy?

Christophe Gurlan: Exactly. Thanks to the larger range, we'll also be able to sell more faucets and showers. A large selection is also a success factor for our core area of business. We plan to be our target groups' favorite brand and become the number one bathroom supplier.

Aren't there other challenges on the way there in Europe?

Christophe Gurlan: That's right. Asian markets certainly function differently. Everything happens faster there. Construction projects are implemented in record time. We are familiar with a similar situation in sales with trading partners. In Europe, there are structures that have grown

up over decades, and it's slower. But the wishes of our customers and the support of our close network of installers will help us a lot.

Won't that take a long time?

Christophe Gurlan: Maybe. But then it will last a long time too. Of course, we will be accepted at the showrooms only gradually, as there are often already one or two ceramic brands or even private-label brands. Retailers are also familiar with the trend toward the complete bathroom. And we offer a suitable solution that also boasts extraordinary design and quality. With us, retailers will be better able to fulfill the wishes of our shared customers.

When will things kick off?

Christophe Gurlan: Immediately. We're introducing the expanded range at ISH 2023, which will lead to major changes in sales and beyond and pose all new challenge for logistics, services, and marketing. As a provider of holistic bathroom experiences, we will be starting off in Germany, France, the UK, Belgium, the Netherlands, Luxembourg, Denmark, and Poland, after which products will be rolled out in additional countries.

Further investments are flowing into a renovation of the Hansgrohe Aquademie experience center in Schiltach. What is the background to this?

André Wehrhahn: We've renovated and updated the Aquademie, which was also money well spent, as it enhances the way in which our specialists and end customers can experience Hansgrohe. After all, we show one of the biggest bathrooms in the world. Our guests are always impressed and tell their friends and acquaintances all about it. A look behind the scenes also provides an overview of company and bathroom history, turning customers into fans. So, the investment is also well worthwhile over the long term.

How were our sales in 2022?

Christophe Gurlan: We are delighted about the record sales. My colleagues worldwide demonstrated outstanding performance once again. Demand increased everywhere among our primary target group, which is plumbers.

How was business in Asia?

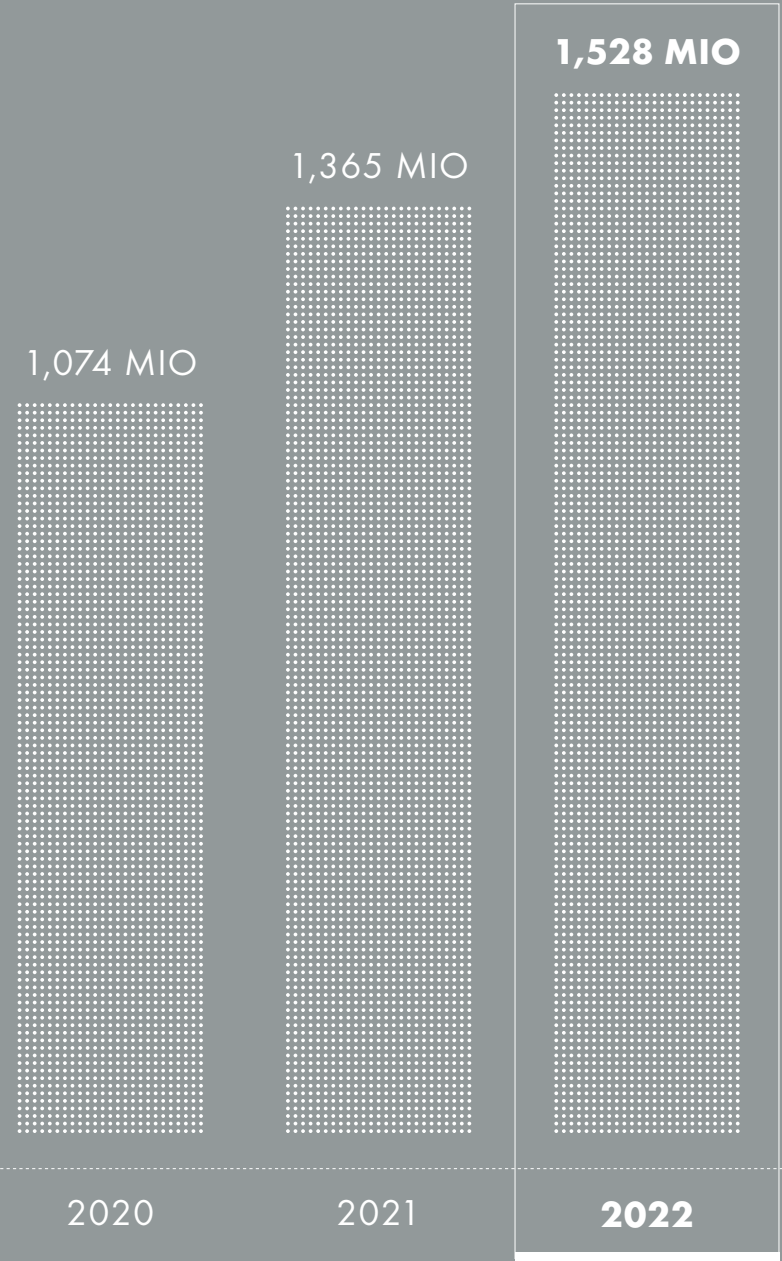
Christophe Gurlan: Outstanding once again. China performed very well last year. Over the long term, the market will be more and more important for us and should soon surpass Germany. But we made the most progress in India, and our new strategy is paying off. We're growing again in project business in Southeast Asia.

You can sell even more faucets and showers?

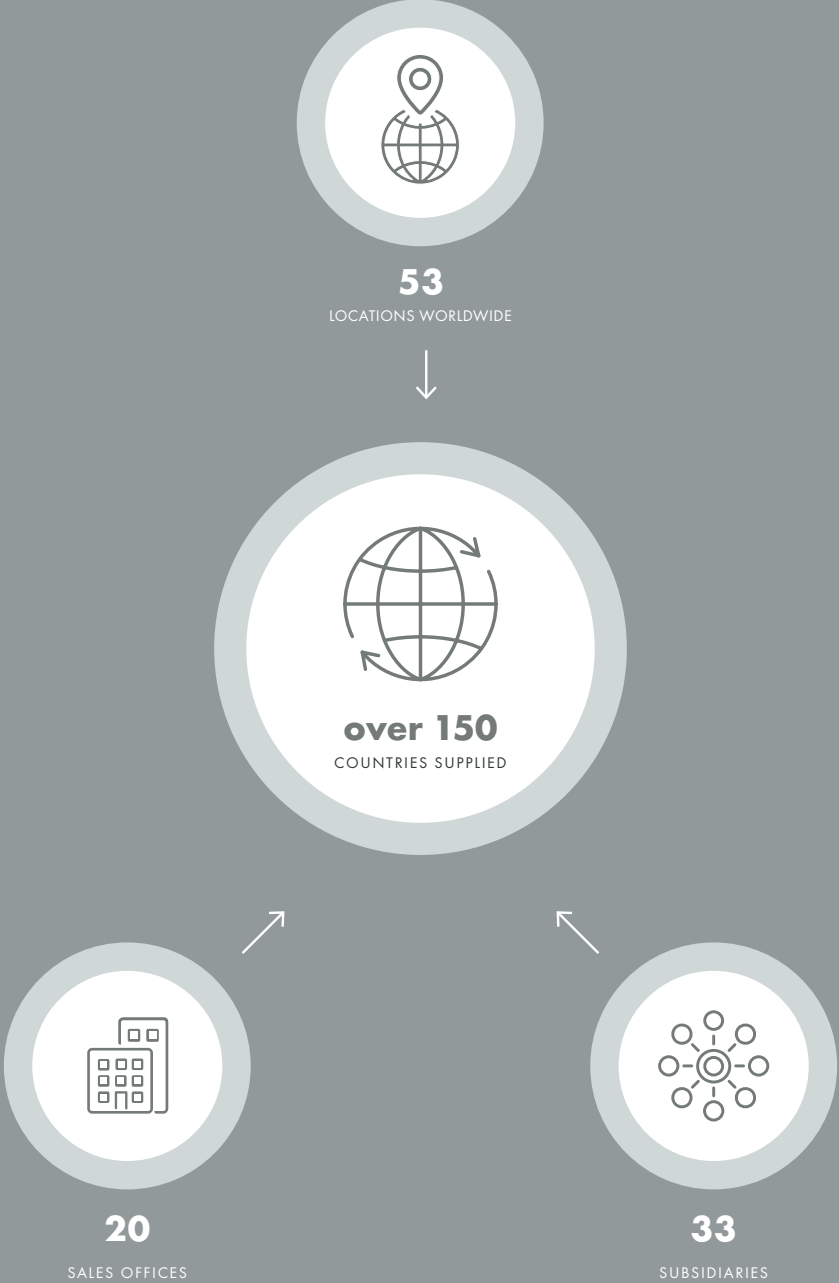
Christophe Gurlan: Yes, we were able to sell more faucets and showers in our core area of business. We increased our market shares again in 2022.

SALES

IN EURO



LOCATIONS



Career Paths to and at Hansgrohe

1



28

PEOPLE

PEOPLE

There's much we can change by developing ourselves and shaping an entire company. Anything's possible together.

29

Green light for all career paths. Whether you're looking to switch vocational schools, complete a vocational course later in life, or customize your career path, we offer highly personalized development opportunities at our Talent Factory training center, which always lead to responsible careers and the fun they provide. Independent certifier AUBI-plus GmbH presented us with the "BEST PLACE TO LEARN" quality seal for our in-house training courses again in 2022. This seal is a confirmation of our commitment as an employer, particularly in this day and age.

3 of 5,639

PEOPLE

Get acquainted with three employees and their development paths on the following pages.

FROM TEMP TO FOREMAN

Granit Kryeziu now calls the Black Forest home. When he left Kosovo for Germany in 2014, he had big plans – he wanted to study marketing. However, at that time he simply lacked the language skills. But he didn't let that get in his way.

Granit started out at Hansgrohe as a temporary worker, assuming the role of collector and polisher. But he was determined to advance his career. Before long, the company noticed his extraordinary motivation and offered him a vocational training course, a challenge that Granit was more than happy to accept. He started with an internship at our Talent Factory, which he enjoyed, and then went on to complete a process technician course with a focus on plastics and rubber technology. In those three years, Granit also had an opportunity to get to know different departments, at which point things became more and more interesting for him. His German continued to improve, and he progressed at a fast pace.

While the other trainees in his year were younger, Granit had one advantage. He was already well acquainted

with his colleagues and the responsibilities, allowing him to evolve into a role model. This positive experience motivated him to continue. For the past year, Granit has been responsible for his team as shift supervisor. What he's most proud of is their team spirit, as he simply enjoys working with people.

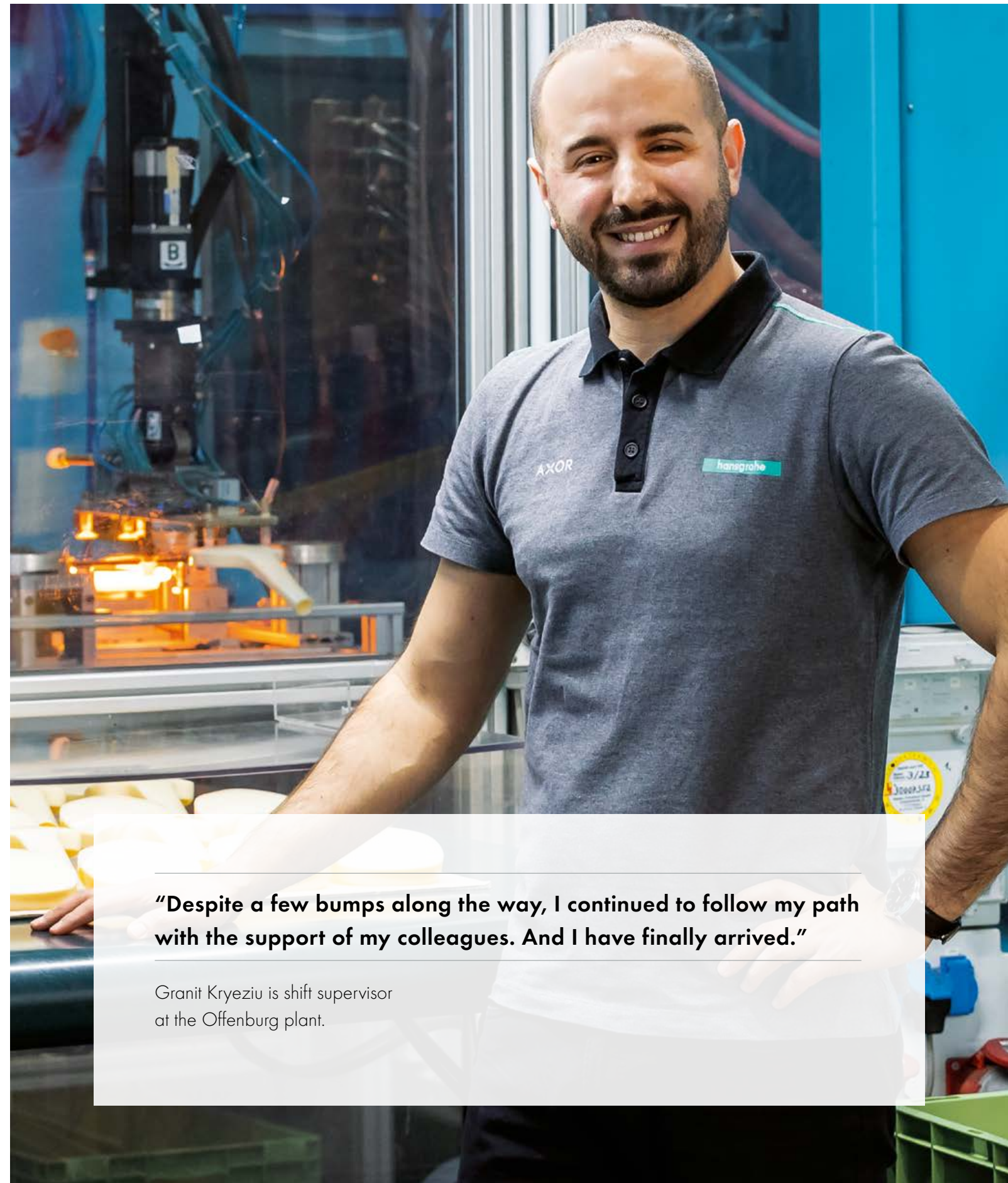
And now there's another change in Granit's career on the horizon: he's studying for his Plastics and Rubber Technology Foreman qualification. As a process technician, he can look forward to a promising future, as he's also in high demand at our company as an expert in new and sustainable

plastics. While his originally planned path may have changed, the new one is just as interesting, if not more so. Granit is sure of that after eight years in Germany. There's plenty to keep him busy at the plastic injection molding facility in Offenburg.



“Despite a few bumps along the way, I continued to follow my path with the support of my colleagues. And I have finally arrived.”

Granit Kryeziu is shift supervisor at the Offenburg plant.



FROM INTERNSHIP TO MANAGEMENT

Evelyn Gas's career began in 2017 with a required internship at our company and an opportunity to get acquainted and look around. At that time, Evelyn was still studying international business at Heilbronn University. She continued her responsibilities as a work student and then wrote her bachelor thesis at the company. And now she's Head of Risk Management & Insurances.

While Evelyn already had an idea of what her career would look like, she had no way of knowing for sure until she spent some time in the sector. Fun at work was also an important criterion for her in her search for an attractive employer. She found plenty of good reasons to join Hansgrohe, but despite all the advantages, arguments, and facts, what really counted for Evelyn was ultimately a good feeling. It was simply a good fit.

She liked the team spirit from the very start and recognized the many opportunities available at a successful, growing, and international company. She also quickly proved herself and was entrusted with demanding tasks. Evelyn originally comes from Kinzig Valley and wanted to return there after her studies, which she was able to do with her job in Schiltach. Evelyn spent a year and a half as a controlling and risk management

trainee, which provided her with the opportunity to get acquainted with other departments, including our finance department at the US subsidiary in Atlanta for a period of two months. Evelyn then assumed the role of risk manager at the beginning of 2020. Two challenging years have since passed and she is now in charge of the team.

Many people join the Hansgrohe team in much the same way as Evelyn. We have around 120 students with us each year, who complete their required internship, write their thesis, or are employed as a work student. Of these, more than

ten percent end up staying with us, thanks in part to the close contact we maintain with the universities, which allows future specialists to hear about us at an early stage. During the internship, they can see for themselves the opportunities available to them.



"It was the right decision because internationality, responsibility, and team spirit all come together here. I wouldn't do anything different."

Evelyn Gas developed from an intern to the Head of Risk Management & Insurances.

WORKING IN PEACE

Wars are destroying lives and tearing families apart all over the world, a fate also experienced by our metalworking specialist Ismail Nazari. As an eleven-year-old, he fled Afghanistan with his uncle after the Taliban bombed his school, leaving his parents, two sisters, and three brothers behind. Ismail and his sister only survived by chance, as they were running late that morning.

The 18-year-old now works in the foundry at the West plant in Schiltach. But his path there was anything but simple. His uncle adopted him in accordance with Afghan law so that they could flee together. However, the adoption was not recognized in Germany, and Ismail ended up in a home for troubled youth, where he was exposed to another horrible experience – the violence that displaced children inflict on one another.

Then an attentive employee of the Youth Welfare Office placed him with a foster family, whose support led to a new beginning for Ismail. He still maintains contact with his family in Afghanistan to this day, and they talk on the phone as often as possible. It didn't take long for Ismail to settle into his new home. He took a language class and was able to make friends at his secondary school in no time thanks to his outgoing personality. He was equally successful in his private life and found

friends his age in the Black Forest particularly through sports. He plays in the Ohlsbach soccer club and even made it into the semifinal of the German Federal Youth Games.

Even before finishing school, Ismail was already thinking about his career path. He eventually attended the "Training Day" at our Talent Factory, which sparked yet another change in his life. Then he applied for a training position as a machine and system operator and was immediately accepted. But he was bullied by the other students from Afghanistan, of all people, taking all the fun out of the vocational school for Ismail. Fortunately, he trusted his trainer Björn Thau, who helped him

out of the situation. By switching to a metalworking specialist course, Ismail was able to attend a new school. He achieved his goal when he successfully completed his training in July 2022.



"My training here was a good start. Now I can make a future for myself. And that's what I plan to do."

Ismail Nazari fled Afghanistan and completed his vocational training with us.

Growth with a Sense of Family

Development of the Klaus Grohe daycare center

The new Klaus Grohe daycare center in the building of the former Schiltach elementary school allows kids to grow up in a child-friendly environment as their parents pursue their careers. Schiltach Mayor Thomas Haas, architect Philipp Groß, daycare expert Dr. Ilse Wehrmann, Klaus and Philippe Grohe, Hans Jürgen Kalmbach, and Frank Semling all attended the groundbreaking ceremony on May 22, 2022, which kicked off construction. As of late summer 2023, Hansgrohe employees and Schiltach parents will be able to drop their kids off at the new center.

An idea takes root

The idea for the Klaus Grohe day care center came about following an employee survey in April 2019, as there were no more day care vacancies available for many employees with children under the age of six. Then everything went rather quickly. The first rough concept was developed in collaboration with an external provider in the summer. At that time, the responsible team was still considering renovating the Hansgrohe student dormitory, but that proved unsuitable. Fortunately, Mayor Haas offered the former elementary school for the project in the fall. The city of Schiltach assumed the role of investor and contractor, making our project possible.

It won't be long now

Two Hansgrohe teams are working with outside contractors to ensure that the daycare center opens on schedule in the fall. The day care center will open its doors to the first group of children in September, who will have more than 1,000 square meters of space over two floors in which to play, sing, romp, frolic, and get their creative juices flowing. After the final stage of expansion, there will be spaces for a total of 90 children: three groups of ten children under the age of three and three groups of 20 children over the age of three. There's

a children's restaurant in which kids can enjoy fresh meals prepared daily in the kitchen. Hansgrohe's extraordinary spirit will also extend into the restrooms and even the center's own water adventure spaces, where children can shower, splash around, and experiment with water.

When it came to developing the child-friendly concept, we enlisted the help of qualified social education specialist and educator Dr. Ilse Wehrmann, who advises companies on workplace daycare centers as well as daycare facilities. Schiltach architect Philipp Groß is responsible for planning and managing the site. The daycare center will be operated by pme Familienservice GmbH, which is responsible for more than 90 daycare facilities, 24-hour backup centers for childcare, and family nurseries nationwide, including the workplace daycare centers of large, well-known companies.

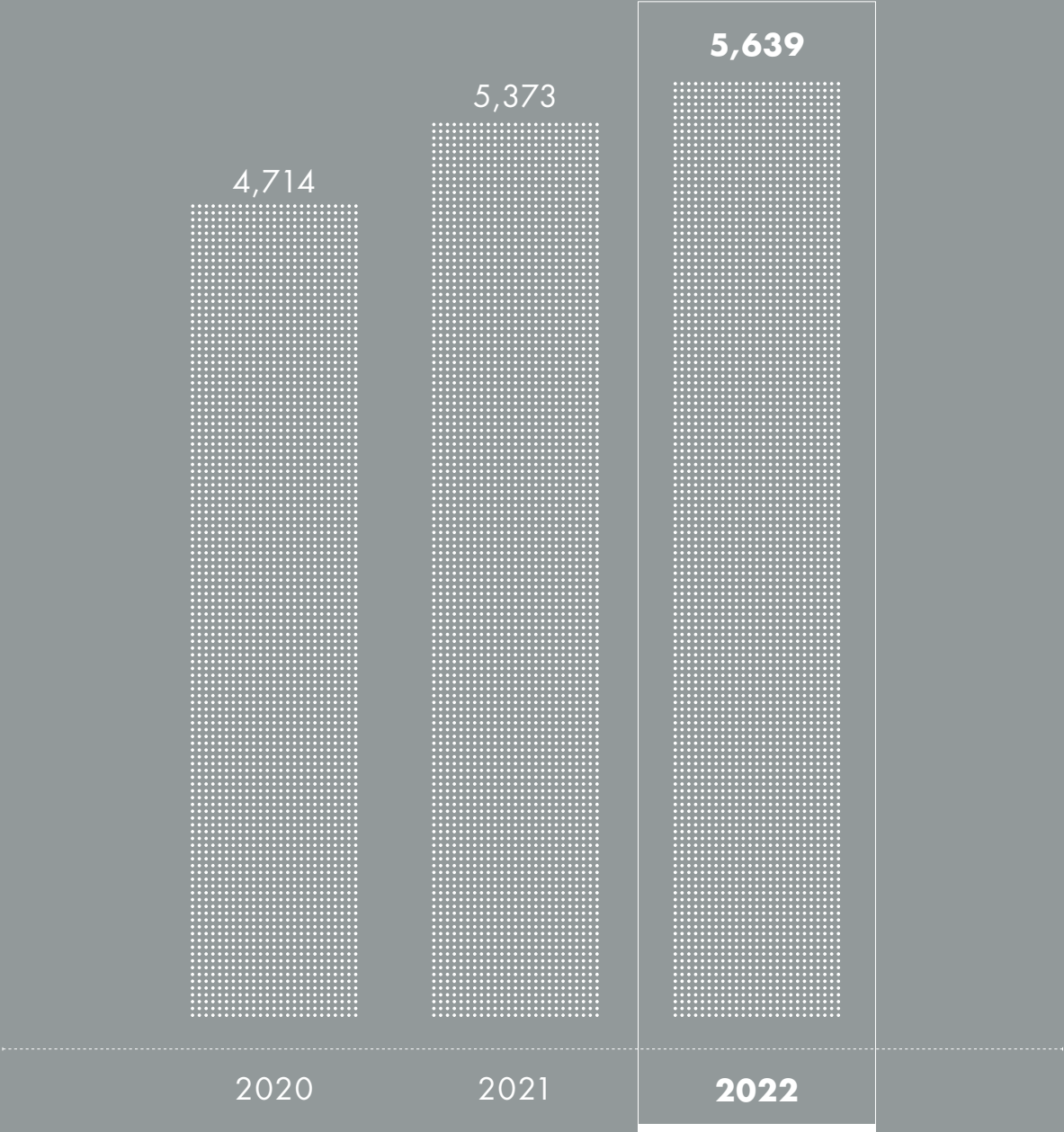
Roots that go deep

The entrepreneurial family of Klaus Grohe has been closely linked to Schiltach for generations. It is committed to helping local people within the framework of the Klaus Grohe Foundation. Our daycare center will be called "Klaus Grohe-Kita" to honor our long-standing company head, pioneer, and idea generator Klaus Grohe.



EMPLOYEES

We are delighted about the renewed strong growth in the number of employees. As a large and strong team, we will master the challenges of change together on our way to "HansgroheNo.1".



In Touch with Our Planet

2



ENVIRONMENT

The climate crisis requires quick action. We responded with many measures along our green journey again in 2022.

We're making the well-being of our planet the focus of everything we do as a company to ensure a better future and benefit coming generations. With the motto "In Touch with Our Planet," we are acknowledging our responsibility for society and the environment. We managed to make some progress on our green journey for water, climate, and circular economy in 2022.

**An Overview of
Global Challenges**

ENVIRONMENT

As a Green Company, we're developing an effective sustainability strategy. Using the valuable resources of water and energy carefully in the bathroom is one of our core areas of focus and an aspect of our 2022 bathroom analysis.

OUR PATH TO THE GREEN TRANSFORMATION

A progress report on our sustainability strategy

With our sustainability strategy, we support the 1.5-degree target of the Paris Agreement and have progressed as planned on our path there. Our German locations have been climate-neutral* in terms of direct emissions and energy consumption since 2021. We also switched the international production sites to green energy in 2022. All of our electricity comes from green sources, allowing us to reduce our annual CO₂ emissions by more than 26,000 metric tons. But we plan to do even more.

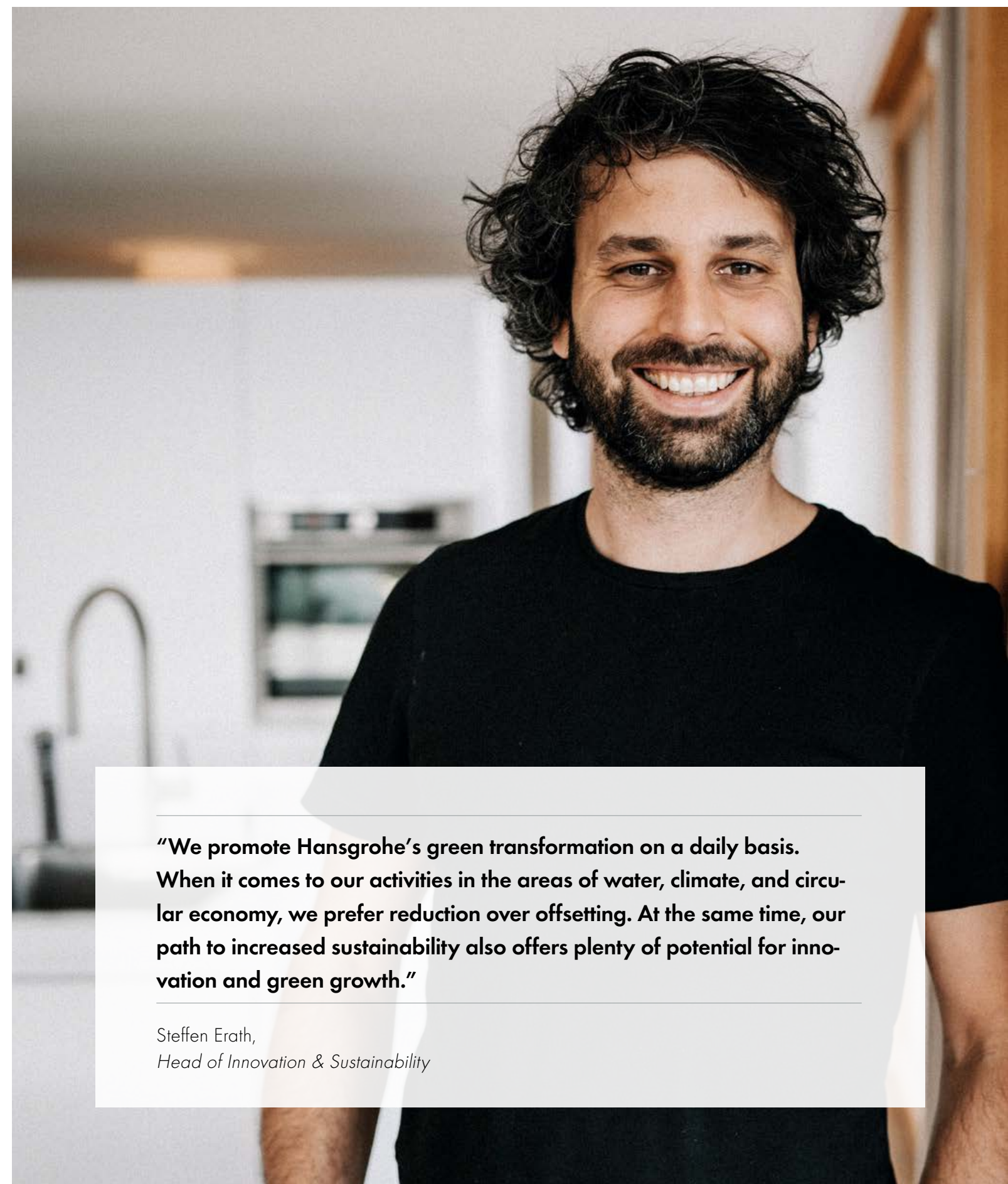
We can use energy more efficiently. We found additional potential at the German plants, in Wasselonne, France, and in Shanghai, China. With combined heat and power plants, photovoltaics, and planned peak loads and sunlight, we will soon be saving even more energy. In Shanghai, heat pumps already provide the heat required for electroplating baths.

In addition, all of the international production plants have set their own sustainability targets in reference to water, waste, and energy. Locations will also be measuring their emissions, as defined in our Corporate Carbon Footprint project. All of our plants follow the rules of our Operational Sustainability Board, which is looking for additional sustainability potential for them and is managed by Frank Semling, Chief Operations Officer. We're also working tirelessly with our partner materialsout to identify alternative, eco-friendlier materials for our products. But we're also taking action outside of the company, as the

Hansgrohe Group will expect all of its primary suppliers to submit a Green Company agreement in the future. In doing so, they will agree to fulfil the conditions of environmental management.

Many of our showers already use up to 60 percent less water than conventional products, while maintaining the same shower experience. Through our "Eco2030" initiative, we plan to switch all of our products that use water to water-saving technologies by 2030. Even in production, we protect water as a resource by maintaining closed water cycles. In addition, we not only promote the circular economy at our plants, but already melt production rejects and use them again as raw materials. And we develop visionary and unconventional concepts for an environmentally friendly bathroom, with a reduction in water and energy consumption and CO₂ emissions of up to 90 percent.

* Climate neutrality refers to Scope 1 and 2 greenhouse gas emissions (direct emissions and energy consumed at the locations) in accordance with the Greenhouse Gas Protocol. The Hansgrohe Group actively reduces these emissions wherever possible and offsets remaining emissions with recognized, certified climate action projects. Additional information is available at <https://www.hansgrohe-group.com/en/about-us/sustainability>

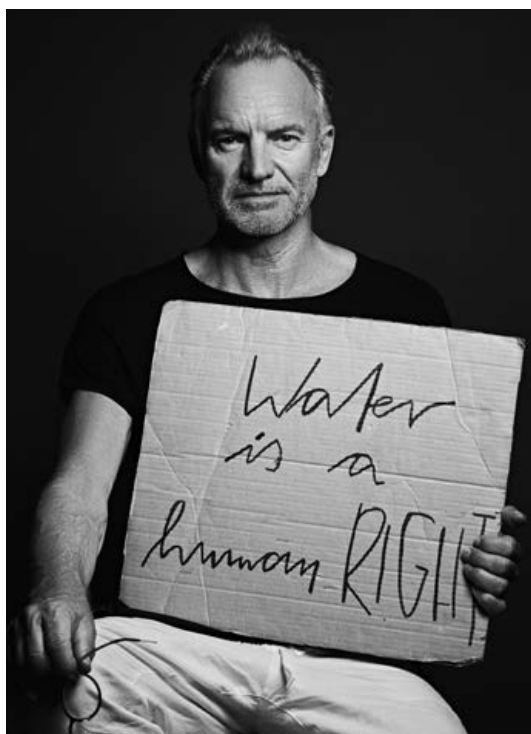


"We promote Hansgrohe's green transformation on a daily basis. When it comes to our activities in the areas of water, climate, and circular economy, we prefer reduction over offsetting. At the same time, our path to increased sustainability also offers plenty of potential for innovation and green growth."

Steffen Erath,
Head of Innovation & Sustainability

Water Is Valuable

In 2022, Hansgrohe supported the nonprofit organization Viva con Agua through its sustainability strategy. But what does Viva con Agua do?



Carolin Stüdemann
is Managing Director of Viva con Agua de Sankt Pauli e.V. In line with the motto "Water for all. All for water," the aid organization implements global projects in disadvantaged regions.



Why does Viva con Agua exist?

Carolin Stüdemann: Everyone in the world should have access to clean water. Unfortunately, that's still not the case. A total of 771 million people still have limited access to clean water, and around 489 million people even lack a basic supply of drinking water. That's roughly the same amount of people as in Europe, which is why Viva con Agua is committed to ensuring access to clean water.

What does water mean to you personally?

Carolin Stüdemann: For me, it's more than life. There's something magical about water. It's powerful and can change. Water can be a lake, a river, the sea, ice, morning fog, or snow. And that's why people love it and should do everything in their power to protect it.

And if there isn't enough?

Carolin Stüdemann: That can lead to increased illness and high child mortality. And it's worse for women and children in poor countries, as they're the ones who have to organize water. That leaves little time for paid work or school, which is why Viva con Agua works with local and international partner organizations to support water projects. At the moment, primarily in Ethiopia, Mozambique, South Africa, Uganda, and Tanzania.

How does that work?

Carolin Stüdemann: All of the projects supported follow the WASH principle, which stands for water, sanitation, hygiene. Viva con Agua takes a holistic, sustainable approach. The provided wells, toilets, and handwashing facilities should also continue working over the long term, which requires things like tools and knowledge about maintenance. Working with its partner organizations, Viva con Agua was able to reach around 3.6 million people worldwide with its projects. That sounds like a lot, but it's still not enough.

Could the targets be expanded and diversified?

Carolin Stüdemann: Certainly. Clean water is the basis for many of the United Nations Sustainable Development Goals. For example, health, education, and food are linked directly or indirectly to water. And it always has something to do with money.

Where do you spend money?

Carolin Stüdemann: Each project requires a different approach, which is why we often organize them locally. In Tanzania, for example, we can't use groundwater. But there are high levels of humidity. Special nets capture the fog and release it as drinking water. In Ethiopia, we have to drill very deep into the earth to find drinking water. Just about every well is unique due to the geographical conditions on-site.

Do you finance the projects with donations?

Carolin Stüdemann: Most of them. We first made a name for ourselves with the Viva con Agua mineral water, which is available throughout the country at beverage markets, in retail, and at restaurants and cafes. Each bottle offers multiple benefits. It provides refreshment, finances our projects, offers information, and advertises for donations. We invest the profits in our projects.

Which then make things better.

Carolin Stüdemann: In Africa, for now. As everyone knows, the continent suffers from droughts. But the heat and the associated lack of water will expand to Europe. The climate crisis will also be a water crisis, which we were able to clearly observe, for example, when the Rhine dried out in summer 2022. We're already familiar with scarcity as a result of natural gas and need to prepare early on. But first we need to develop an understanding.

So water will be more valuable?

Carolin Stüdemann: We need to view water as a luxury item. Not many are aware of that fact. In regions with limited water, accessing water is a complicated task. In Europe, we shower with drinking water. Here in Germany, people take clean water for granted. We consume on average 120 liters per person per day. A person needs around five liters of water every day just to prepare meals and to drink, which is little compared to the 115 liters we use every day for showering, washing our hands, and flushing the toilet. But that's only the water we use directly. Though we can't see it, the water required to manufacture products flows continuously. This virtual water can be found behind just about every product.



And we help pay for this virtual water.

Carolin Stüdemann: Not really, because 1,000 liters of drinking water costs just €5.50 in Germany. While everyone can afford it, the price does not reflect its true worth. In Europe, we can still afford to leave the faucet running, but we can change that over the long term.

How?

Carolin Stüdemann: An understanding of the true value of water can help, which is why Viva con Agua plans to reconnect people with water emotionally. There is no easier way than with experiences and stories. There are a lot of fascinating facts about water, some of which you encounter yourself on a daily basis. That's how we inform schoolchildren, for example.

In other words, start small or, better yet, start with the little ones?

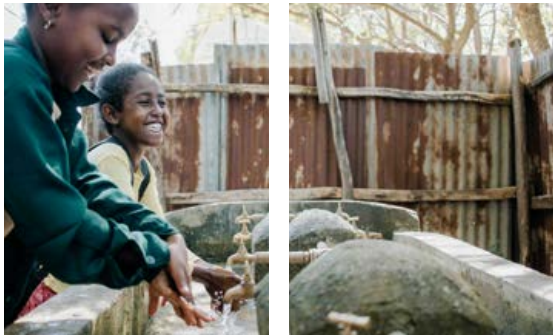
Carolin Stüdemann: That also applies to grown-ups. A guilty conscience alone won't be enough over the long term, which is why we plan to implement three changes. Politics can initiate a fundamental change with eco-friendly laws. Businesses can reduce water consumption in their production processes. And in their private lives, people should use water more carefully out of conviction. That would make a huge difference.

What can companies do to increase awareness?

Carolin Stüdemann: I could imagine a sort of water footprint similar to the energy efficiency rating of light bulbs and the Nutri-Score for food. The product label would then indicate how much water is consumed in production, and consumers would have a much better understanding of the value of water. After all, many people want to be sustainable. And they should receive the help they need to do that.

So, industry, politics, and consumers should all work together.

Carolin Stüdemann: Yes. We should think beyond ourselves and consider the big picture. It's not just about your own benefits, but also future generations and the earth as a whole. It's called a blue planet for good reason.



How do you save water in your personal life?

Carolin Stüdemann: I don't turn on the water and then let it run. I've never done that at home anyway. I now automatically ask myself two questions in day-to-day life. Is that really necessary? Is there a faster way to do it? That way, water consumption drops almost on its own – whether you're washing your hands or using the dishwasher. Many things are superfluous or at least can be reduced. Of course, my job makes me much more aware of consumption of virtual water. How much water does a tomato, hamburger, or a pair of jeans require? Food and clothing require a lot more water than ten minutes of showering or the flush of a toilet.



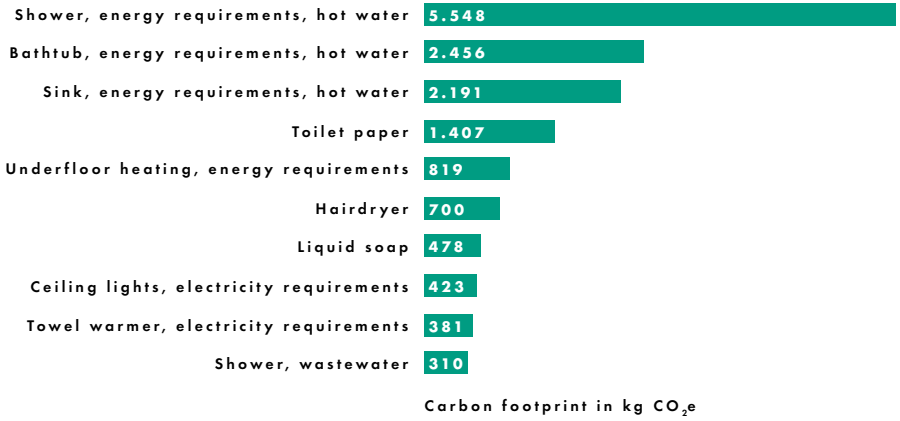
HOW THE BATHROOM CAN PROTECT THE CLIMATE

Our bathroom analysis entitled “On the Path to the Green Bathroom”

There was one question that occupied our minds: Where can you do something in the average German bathroom to protect the climate? Hansgrohe's 2022 bathroom analysis provides answers.

We presented it for the first time at the 2022 GREENTECH FESTIVAL in Berlin, a global platform that allows idea generators and doers to share green ideas and technologies for sustainable living and business. More than 200 exhibitors, 1,000 award guests, 1,500 conference participants, and 10,000 visitors attended the trade fair, the motto of which was “Together we change.” And that's exactly what we plan to do, which is why we installed a bathroom at our stand that showed visitors the results of our 2022 bathroom analysis using augmented reality. Various sources of CO₂ were presented, ranging from showers and ceramic to toilet paper, because their production and daily use also consumes energy. The data behind the analysis provide useful insights and fact-based “what if” scenarios for the sustainable bathroom. We're already conserving resources with water-saving technologies such as hansgrohe EcoSmart and the energy-saving hansgrohe CoolStart function. But we also plan to further improve the carbon footprint of the bathroom, and inspire others to do the same in the process.

The 10 biggest CO₂ drivers in bathrooms



Based on a standard bathroom with 20 years of use in a four-person household. Daily 40-minute use per person with an average of 345 days of occupancy per year. Electricity generation in the electricity mix. Heat generation technology in an average new building. Use of standard materials and product variants.

Innovative Brands

3

PRODUCTS

Our AXOR and hansgrohe brands move with the times and always look to the future, as the world and customer requirements are constantly changing.

When it comes to developing new products, we always consider the big picture, which includes environmental action and the highly sophisticated bathroom. Faucets, accessories, and storage space: all of the fixtures and fittings should complement one another, as our customers desire more than just a product. They also demand bathroom solutions that enrich life and make it more convenient and sustainable.

Developed for a New Age

PRODUCTS

The AXOR and hansgrohe brands also unveiled some innovations again in 2022, each of which perfectly blends design and convenience with sustainability.

AXOR

The Spectrum of Water



"Viewing colors through water is a unique approach employed in faucet design. As a result, AXOR One Colors by Barber Osgerby emphasizes our design standards."

Anke Sohn,
Head of Global Brand Marketing AXOR

AXOR One Colors by Barber Osgerby

A certain shade of color resembles a drop in the ocean. Designers Edward Barber and Jay Osgerby searched far and wide for the truly extraordinary colors, which discerning customers can now find in the form of AXOR One Colors, curated by Barber Osgerby. Presented in 2022, the bathroom collection boasts a range of colors like no other before it. The two British designers were inspired by the interplay of light, color, and water. Anke Sohn tells the story behind it. "Edward and Jay observed something very interesting. When viewed through water, colors often appear more vibrant and intense. This visual effect is the perfect reflection of the elementary connection between our brand and nature in the form of water."



iniscient of the transition between land and sea, while Muschel represents a cool, light grayish pink. And Sand calls to mind the receding tide along the coastline. You could almost say that each of these colors was developed underwater.

The selected faucets from the collection feature a glossy finish that covers the color like a thin layer of water, providing it with depth and life. This glossy surface reflects the environment much like water, and yet is very easy to care for. According to Anke Sohn, the AXOR One Colors concept has been implemented to perfection. "It has a very

simple and natural look and feel – but is also very sophisticated."

Six curated colors

The AXOR One Colors range harmonizes with different surfaces in the bathroom, from enamel and concrete to marble and wood. The blue-green of Aquamarine captures the chromatic character a calm sea, while Coral boasts a warm red-orange tone. The muted light blue of the Ice color reflects the lower blue layers of glaciers and maritime icebergs. Stone is a powerful gray rem-

Individuality and a one-of-a-kind

AXOR One Colors is available to private customers through our AXOR Signature Service and can be used to customize the design of just about any AXOR product. "With color, surface, or engraving, we can create editions with extraordinary design and unmistakable character." For Anke Sohn, that makes the fine difference of the brand even finer.

The Bathroom Redefined

AXOR Starck Nature Shower

More and more people have the desire to reconnect with nature, with living spaces increasingly incorporating an outdoor flair. After all, the door to the backyard and the green of the trees just outside the window improve well-being and help you to relax and recharge your batteries. This is architecture reinterpreted, transforming the outdoor area into a living space and vice versa.



Benjamin Holzer, Head of Product Management AXOR, can only confirm this trend. "Ideally, the living space should communicate this connection with nature before the architecture itself. Based on this idea, we developed the AXOR Starck Nature Shower column in collaboration with Philippe Starck." The idea behind it is a contemporary interpretation of luxury. What makes showers luxurious is the meditative ritual. What's priceless today is the luxury of having time and taking advantage of it. And it's only outside that this moment can occur in true harmony with nature.

A perfect balance both inside and out

The iconic classic design is expanding into its new habitat for good reason – the shower column has an elemental feel to it due to its minimalist style. Circle and cylinder are combined in a unique way. In addition to adjusting the temperature and water volume, the cylindrical handles allow you to select the shower, while the circular head shower and the rod-shaped hand shower round off the largely concentrated aesthetic. The ultra-narrow shower column blends elegantly with any outdoor space, whether in the backyard, on an urban terrace, or on a

private yacht. It also offers the perfect complement to a nature-inspired bathroom design. The shower column can be mounted on base materials such as glass, stone, metal, and wood. For Benjamin Holzer, personal style comes to mind. "Individualists demand freedom in design, which the AXOR Starck Nature Shower celebrates. Regardless of the variant, the look is always extraordinary." This is made possible with weather-resistant surfaces such as Matt Black and Brushed Bronze and with a variety of AXOR FinishPlus surfaces. For example, Brushed Bronze maintains its extreme weather resistance thanks to physical vapor deposition (PVD), the mixing cartridge, and the effective drainage system. Standing water that would otherwise freeze is therefore allowed to drain away. Sustainable quality is indispensable for outdoor use. Benjamin Holzer views the AXOR Starck Nature Shower as a consistent representation of the brand's overall image. "The shower celebrates life outside, blending indoor and outdoor together seamlessly. As a result, this concept, too, underlines our elementary connection to nature through water."

Unique with Purpose

AXOR Conscious Showers

"Luxury is a form of attentiveness that enables us to perceive special details. We take pleasure in extraordinary aesthetics, while luxury allows us to find inner balance. We do something good for ourselves, which the people around us can feel. Ideally, the environment can too." Benjamin Holzer views AXOR Conscious Showers as a commitment to assuming responsibility. The new shower range was developed in collaboration with Phoenix, taking these observations into account. Exceptional design paired with state-of-the-art technology.

"In a sense, this approach combines a responsible lifestyle with attention to detail," says Benjamin Holzer. "For example, an engraving along the contours adds a touch of finesse to the showerheads and symbolizes the flow of water, resulting in an interesting visual effect. Light falls onto this fine line and is reflected into the room. Depending on the angle, this interplay of light can be reminiscent of the sparkling surface of the sea." The hustle and bustle of everyday life can make moments like these all the more precious, whether it's a shower to start off your morning or a relaxing oasis of tranquility after a strenuous day. "Our customers would like the opportunity to experience and appreciate this ritualized moment with nature," says Benjamin Holzer, assuming the perspective of users. "And another of our innovations can help them do just that. The EcoSmart+ variant of the AXOR Conscious Shower reduces waterflow to below six liters per minute, with what feels like just about



the same level of comfort. That's because the powerful water jet of the showerhead generously envelops the body. Luxury and responsibility are no longer mutually exclusive, but complement each other to create something new."

In addition to traditional Chromium and Matt Black, the collection is also available in all of the AXOR FinishPlus surfaces upon request. These are created with the physical vapor deposition (PVD) process at the new AXOR Center for Excellence here at the company headquarters in Schiltach. Color, surface structure, and reduced design thus form the perfect complement to personal style in the bathroom. The design is therefore available in one rectangular and two round variants. Benjamin Holzer has another recommendation for purists: "The AXOR Conscious Showers can be paired with other AXOR collections to create a consistent, customized bathroom design - for example, with coordinated accessories."



"Water has a truly special spirit, which the AXOR Conscious Showers bring to life an extraordinary way."

Benjamin Holzer,
Head of Product Management AXOR

Worry-Free Enjoyment of Tap Water

hansgrohe Aqittura M91 soda system for the kitchen

As Vice President Business Unit hansgrohe, Jan Heisterhagen is also involved in the process of rethinking the kitchen, where plastic is omnipresent. According to the German Environment Agency (UBA), this applies to packaging and disposable products in particular. A study conducted by Environmental Action Germany (DUH) revealed that around two million plastic bottles are used every hour in Germany. Drinking tap water is much better for the environment. Even in terms of costs, tap water is a clear winner. In Germany, 200 liters of tap water costs around €2 (including wastewater fees). "A four-person household can save up to €1,000 by drinking tap water instead," says Jan Heisterhagen, contemplating the truly practical use of the hansgrohe Aqittura M91 soda system in everyday life. "Plus, you don't have to transport all those heavy bottles."

the product attaches to the kitchen faucet and features the smart Water Refinement plus system. "It removes pollutants, heavy metals, dirt particles, and odors from the tap water." According to Jan Heisterhagen, the system offers a major advantage over traditional carbonating systems.



The hansgrohe Aqittura M91 selection consists of two active carbon filters and the three mineralization filters – Harmony, Life, and Support – which add different amounts of sodium, potassium, magnesium, and calcium to the water. The Aqittura M91 soda system also features replaceable filter cartridges, which allow you to personalize bubble intensity and mineralization according to your taste. As a certified water sommelier, Armin Schönenberger put the system through its paces. "The critical expert himself was

impressed by the flavor and level of safety," says Jan Heisterhagen, who is more than satisfied with the launch of Aqittura M91. After all, the innovation was named the "Best of Best" in the Product category of the 2022 ICONIC AWARDS. The jury of the international architecture and design competition were impressed by the extraordinary design and innovative technology.

Introduced in 2021, the faucet dispenses filtered and mineralized drinking water – still, medium, or sparkling – with a simple touch of the handle. While drinking water in Germany is already very high-quality, the SodaBase can offer even more peace of mind. Installed below the sink,



"We view water as a priceless foodstuff. Our hansgrohe Aqittura M91 system makes it even easier and more sustainable to access water and offers mineralization for an even better experience."

Jan Heisterhagen,
Vice President Business Unit hansgrohe

A Whole New Take on the Bathroom

hansgrohe Pulsify shower line

"We've been observing two trends for years now. Living spaces are increasingly expensive especially in big cities. At the same time, there's a growing social trend toward single-person households. For new buildings, that means smaller bathrooms. We take this aspect into account with the hansgrohe Pulsify shower range." Jan Heisterhagen views this as a tangible contribution in every square meter. "Pulsify maximizes shower enjoyment even in smaller bathrooms." The hansgrohe Pulsify shower line offers a solution for any space, budget, and taste, whether it's a large family bathroom in an owner-occupied house or a mini bathroom in a rented apartment.



Jan Heisterhagen points to the ShowerTablet thermostat. "That allows you to do more than just control temperature and water volume. The upper surface also serves as a storage space for shower gel and shampoo and features a bracket for the hand shower, making an additional bracket on the wall superfluous. The flat profile of the Showerpipe also creates more freedom of movement when showering. Especially in smaller bathrooms, every square meter counts." And the highly sophisticated flow of water in the thermostat provides safety, which is a must in a shower like this. This way, the hot water inside doesn't heat up the faucet housing, making painful contact with hot surfaces a thing of the past.

Pulsify also boasts sustainable efficiency. "The EcoSmart variant reduces water consumption significantly," says Jan Heisterhagen, referring to the highly effective water-saving solution. "With the single-spray hand shower in the green version, an enjoyable hansgrohe shower is now available with maximum consumption of just six liters per minute." That's not only eco-friendly, but also saves money. To enhance the daily shower experience, Pulsify showers are equipped with the microfine Powder-Rain spray mode, which creates a gentle rain. Additional spray modes can be selected directly at the faucet at the touch of a button.

Jan Heisterhagen is more than happy to talk about the design too. "The design is modern and complements the unique bathroom ambience for a truly harmonious effect. Our customers can choose between Chromium, Matt Black, and Matt White. The rounded contours make for a visually appealing design that is also easy to care for." Pulsify can be perfectly combined with additional products at the sink and bathtub. Jan Heisterhagen can offer two recommendations. "The Vivenis faucet line comes to mind. The Wall-Storis storage system, for example, offers a good solution for storage space with a matching style. The bathroom can be equipped consistently with our brand, while complementing personal style preferences."



A Small Change with a Big Effect

hansgrohe Rebris faucet line with EcoSmart+

Armin Hübner is Head of Product Engineering in the hansgrohe brand team. His favorite 2022 product is the technology update of the hansgrohe Rebris line with EcoSmart+, as it increases sustainability in the bathroom. The innovative EcoSmart+ technology reduces water consumption to just four liters per minute at three bar – while maintaining the same skin experience. The new line therefore uses valuable resources more efficiently, as less warm water also means less energy, which is better for the environment and reduces costs. The hansgrohe CoolStart technology makes each and every day even more sustainable, as the high-energy process of heating water is only activated when actually needed. Cold water flows automatically when the faucet handle is positioned in the middle. “The water is not heated for a brief on and off – for example, when wetting your toothbrush. Very practical,” says Hübner, pleased. Valuable energy is therefore not required. Equally sophisticated is the coin slot aerator, which can easily be removed from the faucet with a coin for cleaning.



Reduced to the essentials

Both Rebris variants – Rebris S with soft, rounded contours and Rebris E with clear lines – boast a slim, timeless design and filigree faucet handle and can be tailored to personal requirements and the ambience. Rebris comes in a variety of heights for increased comfort and is available in classic Chromi-um as well as stylish Matt Black. Each style can also be extended to sink faucets, bathtub fillers, and single-lever faucets for the shower. And all of them can be harmoniously complemented, for example, with hansgrohe AddStoris or hansgrohe Vernis hand showers. “Rebris was named Innovative Architecture Winner in the Product category of the 2022 ICONIC AWARDS,” says Armin Hübner, delighted with the response of the experts. “That’s also a confirmation of the efforts of the people behind the product. The award therefore goes to all of my colleagues.”



“Even small changes can have a big effect, which we demonstrated once again with Rebris featuring EcoSmart+.”

Armin Hübner,
Head of Product Engineering hansgrohe

Saving water is important

What we do and what we make possible

There are three areas in which we can do something for the environment. And we're active in all three of them. Hansgrohe does what it can to protect water cycles and the climate and is on its way to becoming part of the circular economy, for which our sustainability team defined ten initiatives. We implement their targets in very specific projects, including the Green Production, Green Packaging, and Green Products initiatives.

More effective for efficiency

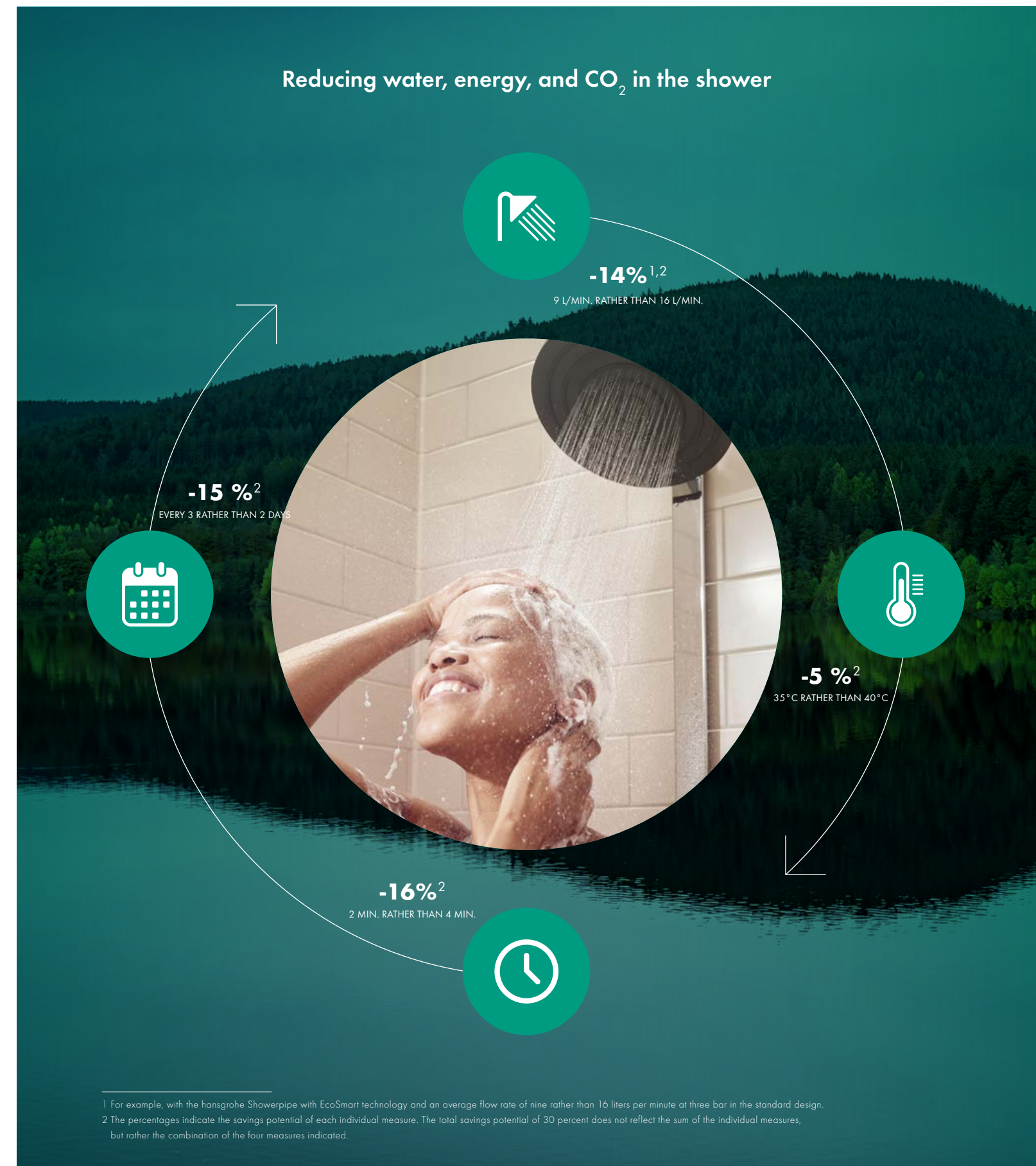
For us, saving water and energy and thus reducing CO₂ is the most effective approach. Our major goal is to reduce demand for fresh hot water, which is why we plan to switch our entire portfolio of products that use water to water-saving and energy-efficient technologies by 2030. After all, our products reduce water consumption over the long term and are often used for decades. According to our understanding, water-saving products will need to be included in all future energy renovations and every new energy-efficient building. We can therefore have a significant positive impact in the bathroom and the kitchen.

Crisis as an opportunity

It's not just the climate crisis that requires a new way of thinking and acting, as clearly demonstrated by the rising prices of electricity, natural gas, and oil. You can feel it in just about every industry. But we can all learn from the situation. It's difficult to break away from fossil fuels, which will eventually run out. A shift to renewable energies is therefore just as important as using water – our elixir of life – carefully. We have yet to comprehend just how essential this is. But there's something we can do on a daily basis.

The new generation of showering

Our bathroom analysis has revealed that 90 percent of CO₂ emissions can be traced back to the use of hot water. But these high values offer potential for improvement. We've calculated an example: a four-person household can reduce its carbon footprint by up to 30 percent with a more intentional approach to showering. This value is based on the full life cycle of a water-saving shower. Our tips for new daily routines in the bathroom couldn't be simpler. In short, don't shower too hot or too often – and use water-saving showers, as that will benefit the environment and your wallet.



THE DAWNING OF A NEW AGE

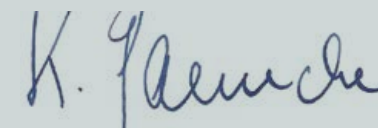
2022 was a year of change for the world. Despite this situation, Hansgrohe managed once again to make remarkable progress.

Never have there been so many people employed by the company, with new employees hired in Serbia for the first time. Business developed along a very positive trajectory in India as well, where Hansgrohe is represented in 68 cities. The China Production Center is now developing new products specifically for success in the Asian market. Again, the company set a new record in product sales, which is also very good news. For that, I would like to thank all of the employees on behalf of the members of the Supervisory Board.

As the Supervisory Board, we set great store by continuity, which is why Hans Jürgen Kalmbach's contract has been extended early by unanimous decision for another five years, concluding at the end of 2027. Chief Operations Officer and Labor Director Frank Semling has also been appointed Deputy Chairman. We would like to welcome Matthias Dittmann, who joined the Supervisory Board on May 5, 2022, and is an employee representative alongside Jürgen Nähr.

The Green Company milestones achieved thus far mean a great deal to our Honorary Chairman Klaus Grohe. That said, we would like to congratulate him on receiving the German Founders' Award for his life's work.

Hansgrohe is very well prepared for the challenges to come. Thanks to our internationality, we're positioned broadly enough to minimize our vulnerability to developments in individual countries, which means we can manage 2023 with optimism and positivity. We look forward to supporting the company's future transition on its path to becoming "HansgroheNo.1."



Yours Klaus F. Jaenecke
Chairman of the Supervisory Board



Klaus F. Jaenecke, Chairman of the Supervisory Board, Hansgrohe SE

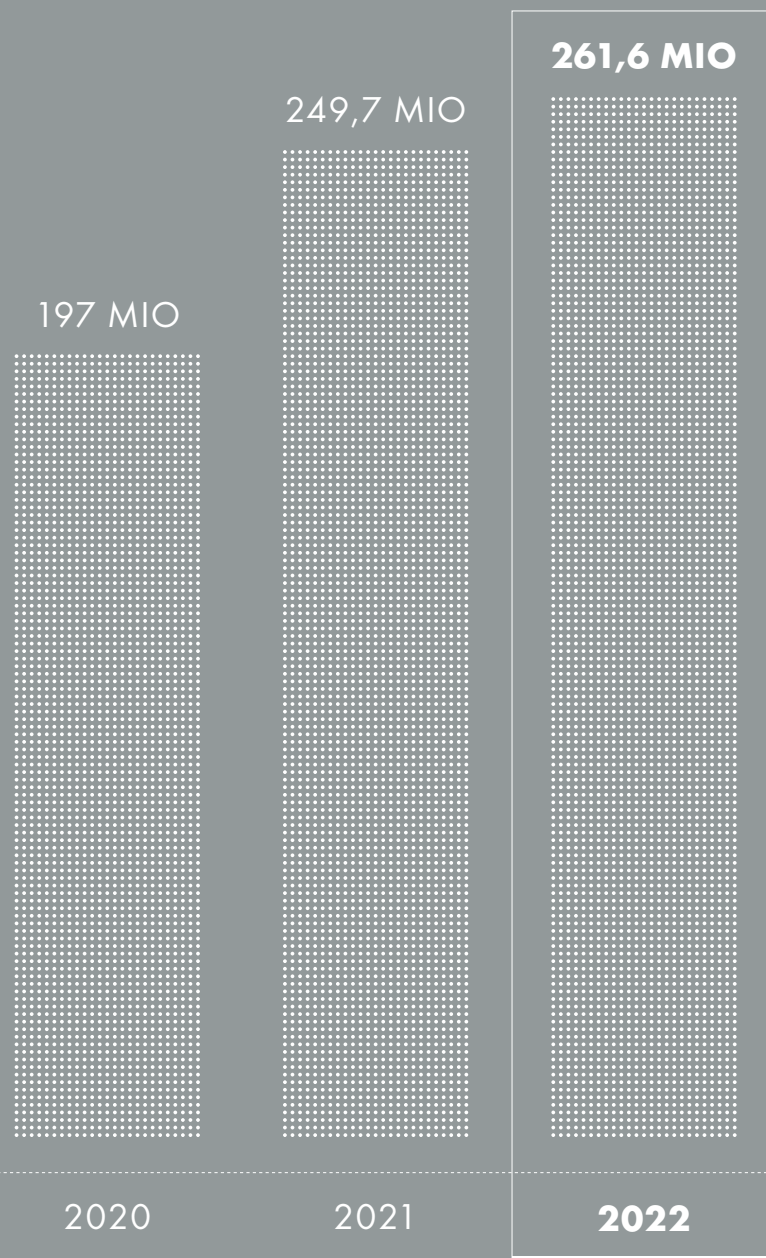
BALANCE SHEET

ASSETS (IN € THOUSANDS)	31 Dec 2022	31 Dec 2021
Cash and Cash Investments	207,299.5	336,465.3
Accounts Receivables	173,830.0	123,334.9
Total Inventory	226,539.8	215,757.1
Prepaid Expenses	11,692.9	13,257.6
Other Current Assets	575.0	706.2
Total Current Assets	619,937.3	689,521.1
Intangible Assets	212,938.3	212,097.0
Land and Land Improvements	14,181.1	13,317.6
Buildings and Improvements	133,053.6	129,206.3
Machine Tools and Equipment	402,896.6	379,165.9
Office Delivery and Other	79,587.5	71,674.2
CIP Total	54,155.8	21,901.5
Total Cost Property and Equipment	683,874.6	615,265.4
Accumulated Depreciation Property and Equipment	-343,898.2	-316,093.6
Fixed Assets Net	339,976.4	299,171.8
TOTAL ASSETS	1,172,852.0	1,200,789.9

LIABILITIES AND SHAREHOLDERS' EQUITY (IN € THOUSANDS)	31 Dec 2022	31 Dec 2021
Short Term Notes Payable	2,514.7	2,525.0
Accounts Payable	153,469.4	167,049.8
Accrued Liabilities	184,572.4	173,677.3
Current Liabilities	340,556.5	343,252.1
Long Term Debt Total	-	2,500.0
Operating Lease Liability	20,208.5	15,889.3
Deferred Taxes	-1,418.7	-9,366.6
Deferred Other	38,440.4	70,942.7
Long Term Liabilities	57,230.2	79,965.4
Total Liabilities	397,786.7	423,217.5
Noncontrolling Interest	16,506.6	18,051.1
Shareholders' Equity	758,558.7	759,521.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,172,852.0	1,200,789.9

OPERATING PROFIT

IN EURO



MASTHEAD

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IN TOUCH
WITH OUR
PLANET