

# CSR-principles at Hansgrohe

Hansgrohe Group  
2023

## Foreword

Dear colleagues,

The Hansgrohe Group acknowledges its social, ecological, and economic responsibilities. With this document, Hansgrohe intends to convey to its employees the values that apply and are lived at our company.

This document applies to the entire Hansgrohe Group (hereafter "Hansgrohe" or "we") and summarizes our policies regarding the topics mentioned above. This document will be reviewed annually. If changes occur within this period, they will be adjusted independently of the regular review cycle. Should you have questions regarding this document, please contact your supervisor.

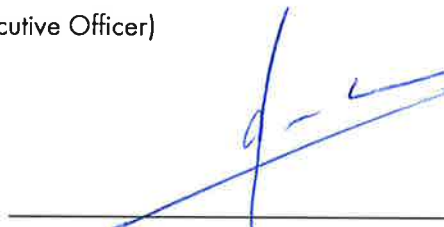
By signing this document, we commit ourselves to the enforcement of the principles of conduct and to compliance described in this document.



(Hans-Jürgen Kalmbach, Chief Executive Officer)



(Frank Semling, Chief Operating Officer)



(Christophe Gourlan, Chief Sales Officer)



(Sandra Richter, Chief People Officer)



(André Wehrhahn, Chief Financial Officer)

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# 1 The Sustainable Development Goals as a Strategic Guiding Framework

In September 2015, the United Nations have adopted the 2030 Agenda which provides a shared blueprint for peace and prosperity for people and the planet. It includes 17 goals for sustainable development - the Sustainable Development Goals (SDGs). The 193 UN member states have thus agreed on an action plan that aims to achieve a sustainable transformation of our world.

Hansgrohe focuses on three central issues: responsible business practices, social responsibility, and ecological awareness. From the United Nations' 17 Sustainable Development Goals for a sustainable future, we have explicitly committed ourselves to the five following goals:



Hansgrohe is aware of the impact of the substances used in production on people's health and the environment. For this reason, we take precautions to protect our employees, the society and the environment.



Water is both our life and our passion. This is why we have made it our goal to preserve water cycles. We strive to reduce water consumption in our production sites and to ensure the high quality of our wastewater. In addition, the promotion of community water projects is important to us. We have a responsibility for the water that flows through our products. Our aim is to maintain the quality of the water and minimize water consumption. Water filters as well as water-saving technologies are part of our current and future product portfolio.



Through innovative as well as efficient processes and products, we promote economic growth while maintaining fair working conditions.

We conserve resources by closing our internal and external cycles. Each resource which no longer needs to be harvested, but can rather be recycled, preserves our ecosystems and saves energy and water in our production lines. We develop long-lasting, repairable and recyclable products with sustainable packaging.



We inform our stakeholders about environmental impacts. This creates transparency, enables us to derive comprehensible targets and encourages our partners towards making improvements.



Sustainable practices are a part of Hansgrohe's DNA. We take responsibility for our climate, promote awareness of sustainable development and provide resources to make our contribution to mitigating climate change.

For a clearly understandable elaboration of our goals, we have derived fields of action from the SDGs and made them the strategic framework for our daily work

## 2 People at the Center

As work often takes up much of our day, it is important to have a work environment that is just right. A place where we can share day-to-day work with colleagues who accept us as who we are and appreciate our efforts is key. At Hansgrohe, we view ourselves as **one big team**. We appreciate and trust each other and provide one another with fair feedback.

### 2.1 Working Conditions and Human Rights



We conduct our business activities in a responsible manner to promote the health, safety, and well-being of our employees as they are our most valuable resource. Therefore, the employment relationship and treatment of our employees are of great importance to us. We respect all applicable legal regulations regarding working hours, the workplace and compensation.

Since we believe that employment is not only about work, we offer social benefit programs that go beyond legal labor requirements:

- We offer flexible working hours as well as remote working to increase the mobility of our employees.
- Eligible employees receive performance and special bonuses.
- At our Hansgrohe Campus we offer free and wide range of trainings for our employees.
- We offer a health management program to maintain and promote the health and well-being of our employees on an individual basis.
- We support eligible employees with an individual employer-financed pension plan.<sup>1</sup>

To monitor the satisfaction of our employees, we conduct regular employee satisfaction surveys and derive measures and actions according to the results.

### 2.2 Child and Forced Labor



We support and respect the protection of internationally proclaimed human rights and the rights of children as a fundamental and universal requirement.

At Hansgrohe, we reject all forms of child, forced and compulsory labor, as well as all forms of modern slavery and human trafficking. All work is performed voluntarily, and all employees are free to terminate employment consistent with the law.<sup>2</sup>

As a subsidiary of Masco Corporation, we offer our employees, suppliers, and business partners channels to report possible compliance violations or raise compliance concerns and give notifiers the opportunity to remain confidential (where permitted by law). We continuously promote the reporting channels and encourage employees and stakeholders to speak up when they are aware of or suspect potential misconducts.<sup>3</sup>

<sup>1</sup> See <https://www.hansgrohe-group.com/en/careers/working-at-hansgrohe/what-we-offer/our-benefits-at-a-glance>

<sup>2</sup> See Masco Human Rights Policy

<sup>3</sup> See Masco Code of Ethics, p. 7.



## 2.3 Occupational Health and Safety

The topic of occupational safety is very important at Hansgrohe. Maintaining stringent work safety standards is a matter of course for us. We have established an occupational health and safety management systems at every production site. Certified in accordance with the ISO 45001 standard, the management system is assessed by internal and external auditors.<sup>4</sup>

We conduct risk assessments to evaluate potential risks and regularly review and redefine our health and safety standards. We equip employees and partners with protective equipment as appropriate. If chemicals or hazardous materials need to be used, there are specific procedures on how to manage them. Furthermore, we raise awareness of accidents and health hazards through safety briefings, trainings, and continuing education measures, thus increasing our employees' safety awareness. A Joint Committee on Occupational Health and Safety has been established to deal with health and safety issues.

We are committed to provide modern technologies and safe and healthy working conditions, thereby achieving mitigation of work-related injuries and illnesses.

## 2.4 Employee Development

Hansgrohe relies on the continuous development of each team member to prepare it for the future, attract talented people, and retain them over the long term.

To align our employee development even more closely with our business strategy, we focus on the systematic development of our employees which includes professional, operationally necessary training, as well as annual performance reviews and feedback. Depending on the position, this can be done with development questionnaires or by formulating target agreements together with the individual. We offer a variety of training courses, which we determine together with our employees as part of the individual development plan.

Learning, teaching, and networking are key elements of the daily work at Hansgrohe. With the Hansgrohe Campus we have created a place for events, seminars, workshops, keynote lectures and interaction around best-practices. The Hansgrohe Campus offers an unlimited field of learning, where personal interaction is just as important as virtual voyages of discovery.<sup>5</sup>

## 2.5 Diversity, Equity and Inclusion

Hansgrohe is shaped by a wide variety of people with a global focus. We treat each other with respect and provide one another with fair, constructive feedback. We share our opinions openly, appreciate the efforts of others, and help each other out.

We at Hansgrohe strive to strengthen and further promote the diversity of our team. It is important to us that our employees know that they can be who they are, feel accepted, and have the same opportunities – regardless of age, ethnicity, nationality, gender identity, sexual orientation, physical or mental abilities, ideology, or social background. We base the selection and promotion of employees on a person's qualifications, performance and ability to succeed.<sup>6</sup>

<sup>4</sup> See <https://www.hansgrohe-group.com/en/about-us/sustainability/reports-key-figures>

<sup>5</sup> See <https://www.hansgrohe-group.com/en/careers/working-at-hansgrohe/career-training>

<sup>6</sup> See Masco Code of Ethics, p. 10.

With several preventive initiatives and measures, such as anti-discrimination awareness trainings, company policies and confidential whistleblower procedures (where permitted by law), we actively promote a diverse and fair working environment.

We stand by this conviction with our good name: Hansgrohe signed the Diversity Charter in 2021.<sup>7</sup> We as a company therefore voluntarily undertake to operate as a role model in terms of diversity and inclusion at all times.

## 2.6 Association Freedom



Hansgrohe explicitly recognizes the right of all employees to form collective employee representations and to conduct collective negotiations to regulate working conditions. Management cooperates with employee representatives in a trusting and constructive manner. Employee representatives may not be discriminated against and have the right to exercise this function in the workplace.

<sup>7</sup> See <https://www.charta-der-vielfalt.de/en/diversity-charter-association/signatory-data-base/list/show/hansgrohe-se/>



### 3 In Harmony with the Environment

Hansgrohe views itself as a "Green Company". We believe sustainability is important to achieve long-term success. We align our production facilities with ecological aspects and set ourselves high environmental objectives. Suitable use of energy consumption and efficient production are central goals for us throughout all our facilities. For us, environmental protection is a continuous process in which we involve our employees. Hansgrohe employees identify with the sustainable orientation of their "Green Company".

#### 3.1 Energy and Emissions



Energy and emissions are a central topic at Hansgrohe, in which we have high ambitions and goals. We can be proud to say that as of 2022 all Hansgrohe Group sites are climate neutral.<sup>8</sup> On our journey to preserving water, protecting the climate and becoming part of the circular economy, we committed to science based targets and we are submitting our targets to be validated officially by the Science Based Targets Initiative in 2023.

We are continuously improving to mitigate our environmental impact by taking energy efficiency and emission reduction into consideration, beginning at the development stages of our products to process optimizations in our operations.

We are striving to use our production spaces efficiently and modernize our buildings and equipment efficiently. By using technology and improving production and business processes, we can reduce the negative impact on our environment. In addition, our employees are provided training regarding sustainable behavior.

Our environmental and energy management system is based on the requirements of recognized certification standards and locally applicable environmental and energy regulations.<sup>9</sup>

#### 3.2 Water and Wastewater



Using water responsibly is very important to Hansgrohe. We have actively committed ourselves to reducing water consumption in the production of our products. We strive to optimize our water consumption and reduce it as much as possible.

By 2030, we are aiming to have our entire product portfolio of water-bearing products equipped with water- and energy-saving technologies. Furthermore, we undertake measures to prevent the contamination of groundwater, and we regularly conduct wastewater audits at our galvanization operations in our production plants.

<sup>8</sup> Climate neutrality refers to greenhouse gas emissions from Scope 1 and 2 (direct emissions and energy consumed at the sites) according to the Greenhouse Gas Protocol. Wherever possible, the Hansgrohe Group actively reduces these emissions. The remaining emissions are offset through recognized, certified climate protection projects. For more information, please visit <https://www.hansgrohe-group.com/en/about-us/responsibility>

<sup>9</sup> See <https://www.hansgrohe-group.com/en/about-us/sustainability/reports-key-figures>

## 3.3 Materials and Waste



We are committed to minimize the generation of waste through the efficient use of raw materials and to reduce, reuse, recycle waste materials where possible in our production sites. We seek to keep our waste to a minimum and follow an efficient recycling process. Throughout Hansgrohe, we separate and dispose waste properly.

We label hazardous materials separately to minimize any risk to people and the environment. We provide employees with work instructions that include specific requirements for handling and transporting hazardous materials. Our employees are trained to keep waste generation as low as possible and to use products that have a low ecological impact.

## 3.4 Pollution



With our business activities, we strive to minimize or avoid impact on the local environment. It is a top priority to avoid any local or accidental pollution. To reduce noise emissions to the surrounding environment, we built a noise control wall around our operations in Offenburg, Germany and in addition monitor noise levels at our production sites.

Furthermore, we have dust collectors at our production sites to reduce dust emissions into the environment. Should there be an accidental release of materials into the environment, we have employee instructions and operational processes in place to prepare employees for an agile response and mitigate environmental impacts. It is our goal to continuously improve our operational environmental protection and to mitigate environmental pollution.

## 3.5 Product Life Cycle and Customer Health and Safety



We not only have a great responsibility at our global operations but also at each stage of the life cycle of our products – all the way from the suppliers of raw materials to the use by the end consumer and correspondingly the recyclability of our products. For our customers, we provide information about the properties of our products and provide services to help prevent damage and complaints. We are also committed to the safety of our customers by complying with all applicable regulations for our products.

## 4 Shaping the Compliance Culture

We comply with legal regulations and requirements applicable to us. As a subsidiary of Masco Corporation, Masco's Code of Ethics as well as all Masco policies apply to Hansgrohe to their full extent. Our robust compliance activities have been developed to respond to the growing number of complex laws and regulations in our global markets. Our company works closely with Masco Corporation in all compliance matters.<sup>10</sup>

### 4.1 Anti-Bribery and Anti-Corruption

Hansgrohe is committed to perform business ethically, legally, and fairly. It is important that we comply with the anti-bribery and anti-corruption laws that apply wherever we operate.<sup>11</sup> We mitigate the risk of corruption and bribery through preventive measures such as risk assessments, awareness trainings or our whistleblower process. Through our training programs, which are managed by Masco Corporation, we increase our employees' knowledge of corruption prevention and bribery issues.

It is prohibited for employees of Hansgrohe to offer business partners any benefits such as gifts, invitations or payments or receive or accept such from them that could lead to an impairment of an objective and fair business decision or even give the appearance of such.<sup>12</sup>

### 4.2 Anti-Trust and Fair Competition

We want to succeed on the strength of our products, services, brands, and people – not through unfair or anticompetitive actions. The antitrust and competition laws regulate how we do business, including how we interact with competitors and customers. These laws are designed to promote consumer welfare and preserve and foster competition. Hansgrohe and all its employees are committed to comply with these regulations of fair and free competition in our business relationships.<sup>13</sup>

### 4.3 Responsible Information Management

In our business processes, Hansgrohe protects personal data and its business information in compliance with applicable legal requirements. To help prevent information security breaches, we train our employees on information management. In addition, we have established an incident response procedure (IRV) to manage security breaches to confidential information.<sup>14</sup>

Additional Hansgrohe guidelines regarding the storage of data, the sending of sensitive information, the protection of personal data and information security provide a mandatory framework for all employees.<sup>15</sup>

<sup>10</sup> See <https://foryou.hansgrohe.com/content/page/5f0ee91fa3e52a6b8b88e9bd> (Only accessible for Hansgrohe employees)

<sup>11</sup> See Masco Anti-Corruption Policy Relating to Governmental and Masco Other Officials; Masco Conflicts of Interest Policy; Masco Gifts and Entertainment Policy.

<sup>12</sup> See Masco Code of Ethics, p. 15 and 18.

<sup>13</sup> See Masco Code of Ethics, p. 16; Masco Antitrust Compliance Policy; Masco Competition Law Compliance Policy for the EU; Masco Guidelines for Gathering Competitive Intelligence; Masco Practical Guide for Business Communications.

<sup>14</sup> See Masco Code of Ethics, p. 11 and 24.

<sup>15</sup> See <https://foryou.hansgrohe.com/content/page/5f0ee90f3fee1a4c44b6ac76> (Only accessible for Hansgrohe employees)

#### 4.4 Freedom for Private Political Engagement

Each of our employees has the right to participate in political activities in his or her personal time, using their own resources. However, it is important to keep own individual actions separate from roles at the Company.<sup>16</sup>

#### 4.5 Reporting of Violations

Our employees are encouraged to report illegal, unethical, and other questionable behavior. Employees can make reports in a variety of ways: By contacting their supervisor or Human Resources representative, the Compliance function, their business unit attorney in the Masco Legal Department, the Masco Director of Ethics, or the Masco General Counsel. In addition, we have an ethics hotline, which offers a confidential reporting option (where permitted by law) and is managed by an external service provider. Information on how to access the ethics hotline number is advertised on information posters throughout our company, including at our foreign subsidiaries and sales offices. The hotline number can also be found in the Hans! For You employee app and in Masco's Code of Ethics, which is available to all employees and is translated into multiple languages.<sup>17</sup>

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<sup>16</sup> See Masco Code of Ethics, p. 21.

<sup>17</sup> If you wish to raise a concern or make a report, please visit [www.stand4ethics.com](http://www.stand4ethics.com) or call the number posted at your workplace.