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HANS! FOR FRIENDS

The World of Hansgrohe 2021



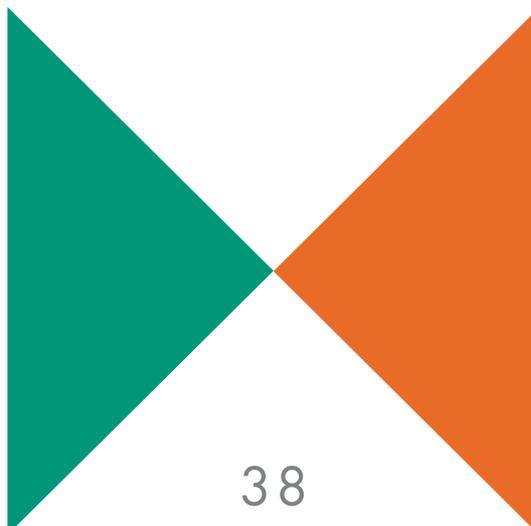




Guest Article – Prof. Andreas Fath



Interview with the Executive Board



Water In – Water Out

H₂O – We Live Water – *Vision*

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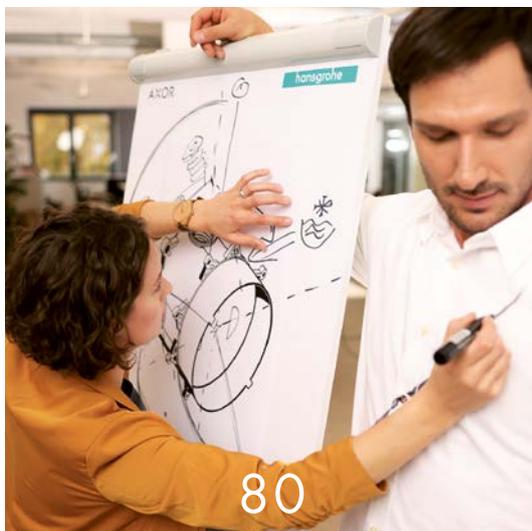
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Green Company



AXOR



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Hans Jürgen Kalmbach,
Chairman of the Executive Board

DEAR READERS,

The first “Hans! For Friends” is here and offers interesting insights into our company, a look ahead at our new plans, and a look back at last year.

I think it’s safe to say that we’re all relieved to have the uncertainty of 2020 behind us. We finally have a vaccine for the COVID-19 virus, which allows us to be optimistic about the future. The past year has taught us a great deal, and Hansgrohe has emerged in a stronger position, as demonstrated by more than just the figures alone. We even managed to set a new sales record over a period of a few months, which wouldn’t have been possible without the outstanding dedication of all the employees. The people at our company have allowed us to establish a new way of working in this unusual situation and, in many cases, have even assumed responsibility for others. To say I was impressed would be an understatement. I couldn’t imagine a better team, and for that I would like to thank everyone from the bottom of my heart.

With this sense of community as our foundation, we’ve put a great deal of thought into the future of our company, focusing on a few key questions. Which goals do we want to achieve? What is the deeper purpose of what we do? How do we want to shape the future? We found the answers in many inspiring conversations, which is how the new strategy for our company came about. With this strategy, we now have a plan for our path to global leadership, as our motto is “HansgroheNo.1.” Our plan is sure to succeed with the power of our extraordinary team spirit, which is why I’m so looking forward to the exciting times to come.

A handwritten signature in blue ink, which appears to read 'Hans Jürgen Kalmbach'. The signature is fluid and cursive, with a prominent flourish at the end.

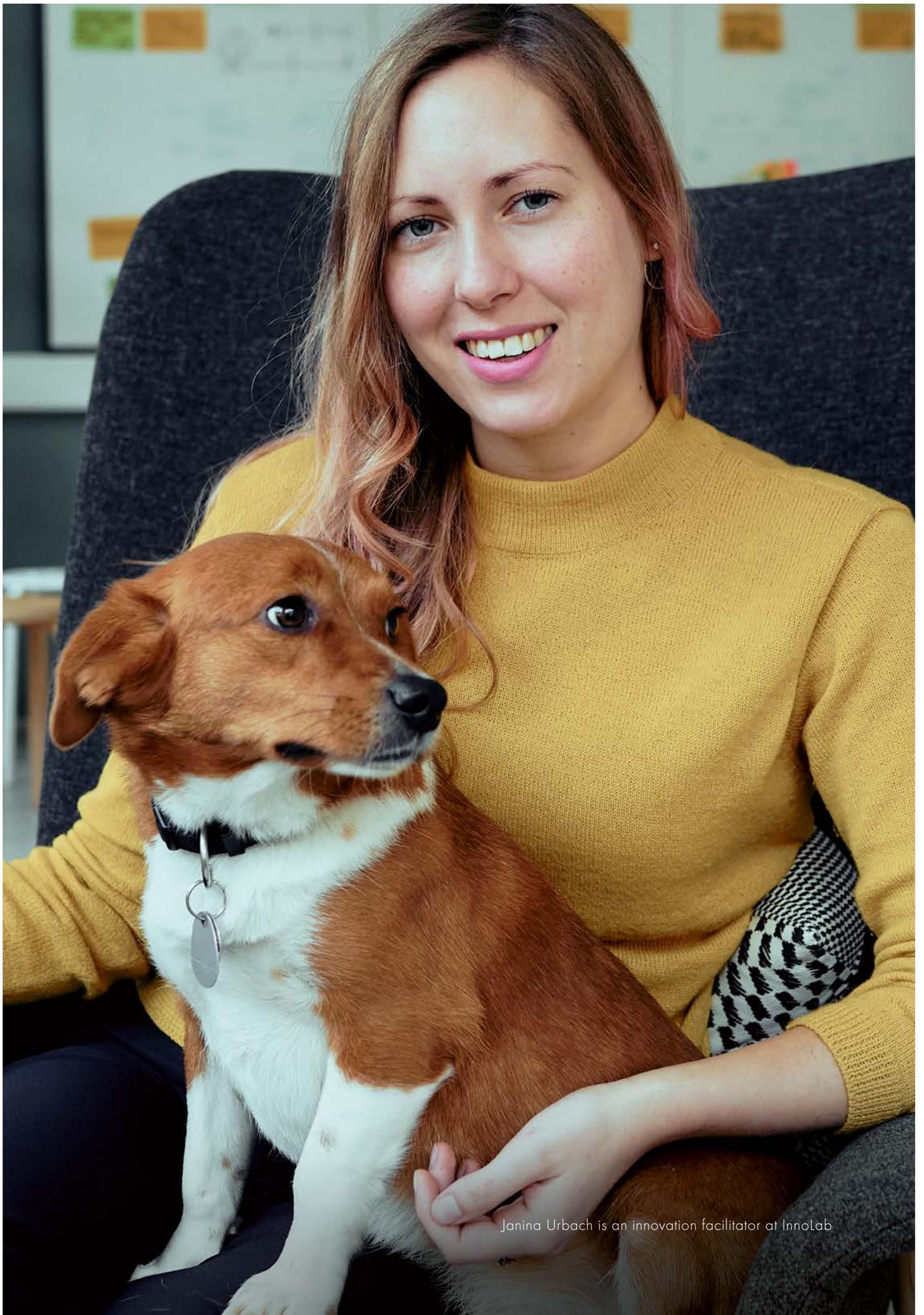
Hans Jürgen Kalmbach



DISTANCING, HYGIENE, MASKS, AND VENTILATION FOR EVERYONE

Infection prevention became so much more important both at work and at home in 2020. It goes without saying that all of our employees observed the distancing, hygiene, mask, and ventilation rules in an exemplary fashion. Many used the rest of their vacation days or flextime during the lockdowns, so there were fewer people at work and it was a little easier to maintain distance. Employees were also kept up to date on the

latest measures thanks to digital solutions such as a microsite and the “Hans! For You” app. These challenging times have advanced digital communication, with the result that video calls from home are now a standard component of many jobs. As a thank-you, Hansgrohe presented everyone with a COVID-19 bonus, amounting to €3 million in total.



Janina Urbach is an innovation facilitator at InnoLab

WATER WITH BOW-WOW EFFECT.

hansgrohe DogShower

There are 8.5 million households with dogs in Germany alone. And many dog owners are plagued by one problem in particular – their four-legged friends detest bath time and often make a run for it. An especially dog-friendly hand shower now offers a solution. The hansgrohe DogShower makes water feel more like an affectionate pat on their fur. The Hansgrohe InnoLab team came up with the idea of a dog product while conducting explorative user research in the lifestyle segment.

Are there any new target groups that face unsolved user problems? The team found the answer with two-legged customers who have four-legged friends. There is huge potential around the world. The idea for the

hansgrohe DogShower was developed with the help of innovation facilitator Janina Urbach, who supported the process with methods such as design thinking. Experts from different disciplines sat down together and, from the very start, considered the concept from a wide range of perspectives. Lean startup was another method employed: with limited financial funds and streamlined processes, a marketable prototype was produced using a 3D printer. The whole process only took six months, from the initial design to the launch of sales. Dog owners, dog groomers, veterinarians, animal keepers, animal shelter operators, and dog psychologists were presented with the prototype, and their wishes and recommendations for improvement then considered and iteratively tested.



Thanks in part to Hansgrohe jet research, the hansgrohe DogShower now features long massage nozzles as petting nubs as well as a soft jet for sensitive paws and heads. If the dog tries to escape, the flow of water is automatically reduced. The hansgrohe DogShower passed the everyday test with dog groomers, as they wash the fur of their four-legged customers several times a day. Petfluencers (influencers in the pet segment) initiated contact with dog lovers on social media. With an estimated 500 million dogs worldwide, there's still plenty of potential to exploit.

OUR COLLEAGUES HULK, SHREK, AND KERMIT

ROBOTS LEND A HELPING HAND



They're green and never stop moving: the new driverless transport systems of Hansgrohe's in-house logistics facility in Offenburg go by the names Hulk, Shrek, Kermit, and Fiona. The forklifts cover long distances and transport the materials required for production.

Twenty new robot arms then lend a helping hand at the faucet production facility at the Hansgrohe location in Offenburg. Eight robot arms get to work at one of the most highly automated assembly lines. Costing around €2 million, the assembly line is an investment in the future, as nearly 20 percent more thermostats can now be produced in the same amount of time. Tailored designs and small batches are also possible, thanks to exceptional flexibility. "We can even restructure the assembly line and then use the robots. They're extremely flexible," explains project manager Martin Schatz. "The robots have also created twelve new jobs." The heavy base plates no longer need to be moved manually, as they pass through all of the stations automatically on supports. A fully automated assessment process ensures high quality. To protect their human colleagues, the arms are positioned behind a pane of glass – it's best to maintain a safe distance from the tremendous forces at work.

A robot arm even helps with preassembly: a handle machine assembles 354 thermostat handles an hour, compared to the 250 that could be done by hand in the same amount of time. Assembly worker Medea Gajer appreciates the relief. "Now we just refill materials and correct the occasional error." Her experience proved highly valuable when it came to system delivery, as she tested the system technology for the team. Automation is even advancing Medea Gajer professionally, as she's in the process of training for new responsibilities as assembly line technician.





GUEST ARTICLE

LIKE A FISH TO WATER



ANDREAS FATH

Professor of Chemistry at Furtwangen University, Germany

Bringing sports and science together – Prof. Andreas Fath has already swum and examined the Rhine and the Tennessee River, and will tackle the Danube in summer 2021.

SWIMMING FOR SCIENCE

Scientists have always had a reputation for being a little crazy. As a professor of chemistry, Andreas Fath fulfills this cliché, even without the disheveled hair and wild experiments in the lab. He has been a professor of physical chemistry and analytics at Furtwangen University for ten years and has even gained international attention with his spectacular “Rheines Wasser” and “Tennesswim” projects. In 2014 and 2017, he swam the full length of the Rhine and the Tennessee River, from the source to the mouth.



During his river adventures, he also took samples of the water and studied them in his laboratory. He wants to promote dialogue between science and society with scientainment and, in his research, focuses on wastewater and the pollutants it contains. He views plastics, in particular, as a huge problem for the environment. Andreas Fath is the author of the textbook "Mikroplastik" and, in 2010, received the Fraunhofer-Gesellschaft science award for developing a process for reducing fluorinated surfactants in wastewater. Hansgrohe won him over as a water ambassador in 2019, as clean water is an issue that's also very near and dear to him.

LET'S BEGIN WITH THE MOST IMPORTANT THING – WATER. DO YOU PREFER STILL OR SPARKLING?

Andreas Fath: Well, I guess I'll go with still.

WE HAVE THAT ON TAP. ARE YOU SATISFIED WITH THE QUALITY?

Andreas Fath: Absolutely. The water is completely safe here. Unfortunately, that's not the case everywhere. For example, drinking water is sourced from the Rhine for more than 20 million people. However, the purification plants in Switzerland, Germany, France, and the Netherlands are unable to filter out all of the pollutants.

WHAT ARE SOME OF THE POLLUTANTS THAT HAVE BEEN FOUND IN THE RHINE?

Andreas Fath: Anything and everything, ranging from antibiotics and the hormones in birth control pills to pesticides and residue from cocaine byproducts. That's dangerous.

SO WHY DID YOU SWIM THE RHINE?

Andreas Fath: This allowed my team and I to do two things at the same time. On the one hand, we wanted to take samples from the entire length of the river, which we did every 50 km. I also wore a membrane on my leg to collect organic substances. On the other, I wanted to raise money swimming for an unbelievably expensive analysis device for my university. With this high-resolution mass spectrometer, we can now verify the presence of substances with high precision.

WHAT'S IT LIKE BEING ALONE IN THE RHINE?

Andreas Fath: I never had the chance to get lonely. There was a larger team of students, guides, and family members accompanying me. Around 20 people had a whole lot to do – collecting water samples, filming a documentary about the project, and driving the camper from one stop to the next. I swam ten hours a day at most and covered a distance of approximately 50 km in that time. I even swam on the days it was pouring down rain.

HOW DOES IT WORK? DOES AN ORGANIZATION DONATE PRIZE MONEY FOR YOUR SWIMMING INITIATIVES?

Andreas Fath: That would be nice. In this case, the prize money was a gift from sponsors, which made it much more affordable for us to purchase really good devices. Sometimes you need to sing for your supper, even in the field of science. Smaller universities such as Furtwangen in particular should use strategies like this.

“You could say that water is my natural habitat.”

IS IT EVEN POSSIBLE TO REMOVE POLLUTANTS FROM THE WATER?

Andreas Fath: It would be best if they didn't end up there in the first place. We need to introduce effective preventive measures. Things cannot continue as they are today. But there are actually ways to make substances safe. I did research on wastewater during my time in the industry and developed a device for breaking down pollutants. You can eliminate a lot of terrible substances with an electrochemical process. We aim to use solar energy to simply mineralize radiocontrast agents, antibiotics, corrosion inhibitors from dishwasher tablets, and other similar pollutants. I really want to continue pursuing this topic with my research.

FOR YOU AS A CHEMIST AND ENVIRONMENTAL ACTIVIST, WATER IS MORE THAN JUST H₂O. DID YOU HAVE A SPECIAL MOMENT OF REALIZATION IN YOUR LIFE?

Andreas Fath: I've been a long-distance swimmer since I was young. In a way, you could say that water is my natural habitat. And my passion for research drew me out of the laboratory and to the rivers.

ARE THE RHINE AND THE TENNESSEE RIVER, WHICH YOU ALSO SWAM, NOT TOO DANGEROUS FOR SWIMMERS?

Andreas Fath: Of course. You shouldn't underestimate the current or shipping traffic. But otherwise I've always been safe. It's not something you can do right off the bat. It takes training and professional equipment.

YOU HAVE A NEW LARGE-SCALE PROJECT PLANNED FOR THE SUMMER: CLEAN DANUBE 21. WHAT'S IT ALL ABOUT?

Andreas Fath: For me, the Danube is just as interesting as the Rhine. It's more than 2,800 kilometers long and flows through ten different countries. And it begins in the Black Forest. Scientists are looking for answers: What ultimately ends up in the Black Sea? Where does it enter the river? What can we do to prevent that from happening? This summer, I'll be spending another two months in a wetsuit as the well-known, crazy professor.

WHAT DO YOU EXPECT TO FIND ALONG THE WAY?

Andreas Fath: Most likely beautiful landscapes and cities along the banks, and definitely unsightly plastic in the water, which has already been measured by



EVERYTHING YOU NEED TO KNOW ABOUT ANDREAS FATH

- Diploma thesis "Synthesis and coordination chemistry of macrocyclic tetrathioether ligands with exocyclic π -systems"
- PhD dissertation "Chemistry of macrocyclic Polythiaethers"

Awards

- Heinz-Leuze Award 2001 presented by the German Society of Plating and Surface Technology (DGO) for "Adjusting internal stress"
- UMSICHT Science Award 2011 presented by the Fraunhofer Institute for Environmental, Safety and Energy Technology for "Electrochemical Decomposition of Fluorinated Tensides (FT)"

“Microplastics are a pollutant and should be prohibited.”

scientists. Four metric tons of plastic reach the Black Sea every day, which is why it's essential that we reduce water pollution, avoid plastic waste, and learn to appreciate nature again.

AND HOW DO WE GO ABOUT DOING THAT?

Andreas Fath: There's an actual program. We want to make the locals aware of the problems in their environment in an entertaining way. And that's just what we'll be doing with the floating knowledge workshop, a ship with interactive stations that teach visitors important information about microplastics and our journey. We'll also be offering a variety of workshops with our partners along the route, primarily targeting young people and the employees of local government agencies, institutions, and companies. They'll then receive training and learn how to avoid plastic.

THAT SOUNDS LIKE QUITE AN UNDERTAKING.

Andreas Fath: It is. But we have a really big team consisting of the association for wildlife protection e.V. (AWP) and Furtwangen University. And someone will need to actually get in the water, which will be me again. It's donations, funding, and sponsors such as Hansgrohe that make it possible for us financially.

BUT WILL CLEANDANUBE 21 ALSO BE CONDUCTING RESEARCH?

Andreas Fath: Definitely. The other activities will be happening at the same time. We'll collect and analyze water samples on a daily basis, looking primarily for microplastics, industrial chemicals, medications, nitrate, phosphate, COD, and sweeteners.

SWEETENERS?

Andreas Fath: I mean synthetic sweeteners. Acesulfame potassium, sucralose, and sodium cyclamate can be found in many, many different foods such as chewing gum and diet cola. But they pass through the body unprocessed, which is why they have no calories, unlike normal sugar. These sweeteners end up in wastewater, but cannot be broken down in purification plants. We'd like to know what sort of impact sweeteners have on our environment. We want to find answers through Cleandanube 21, which is why our mobile laboratory will be accompanying us. Many international research institutions will also be involved in taking samples and analysis. The river is 2,800 kilometers long, which makes this quite a challenge.

POLITICS, SCIENCE, BUSINESS, AND SOCIETY ALL BEAR RESPONSIBILITY.

Andreas Fath: A clean Danube is important for Europe.

THANK YOU FOR THE CONVERSATION. WE WISH YOU ALL THE BEST! WILL YOU BE SWIMMING HOME VIA THE SCHILTACH AND KINZIG RIVERS?

Andreas Fath:

I'm thinking about it. But I think I'd prefer a quiet lake and a warm shower afterwards.





4 METRIC TONS OF PLASTIC

THE NUMBER OF METRIC TONS OF PLASTIC WASTE
THAT REACH THE BLACK SEA EVERY DAY



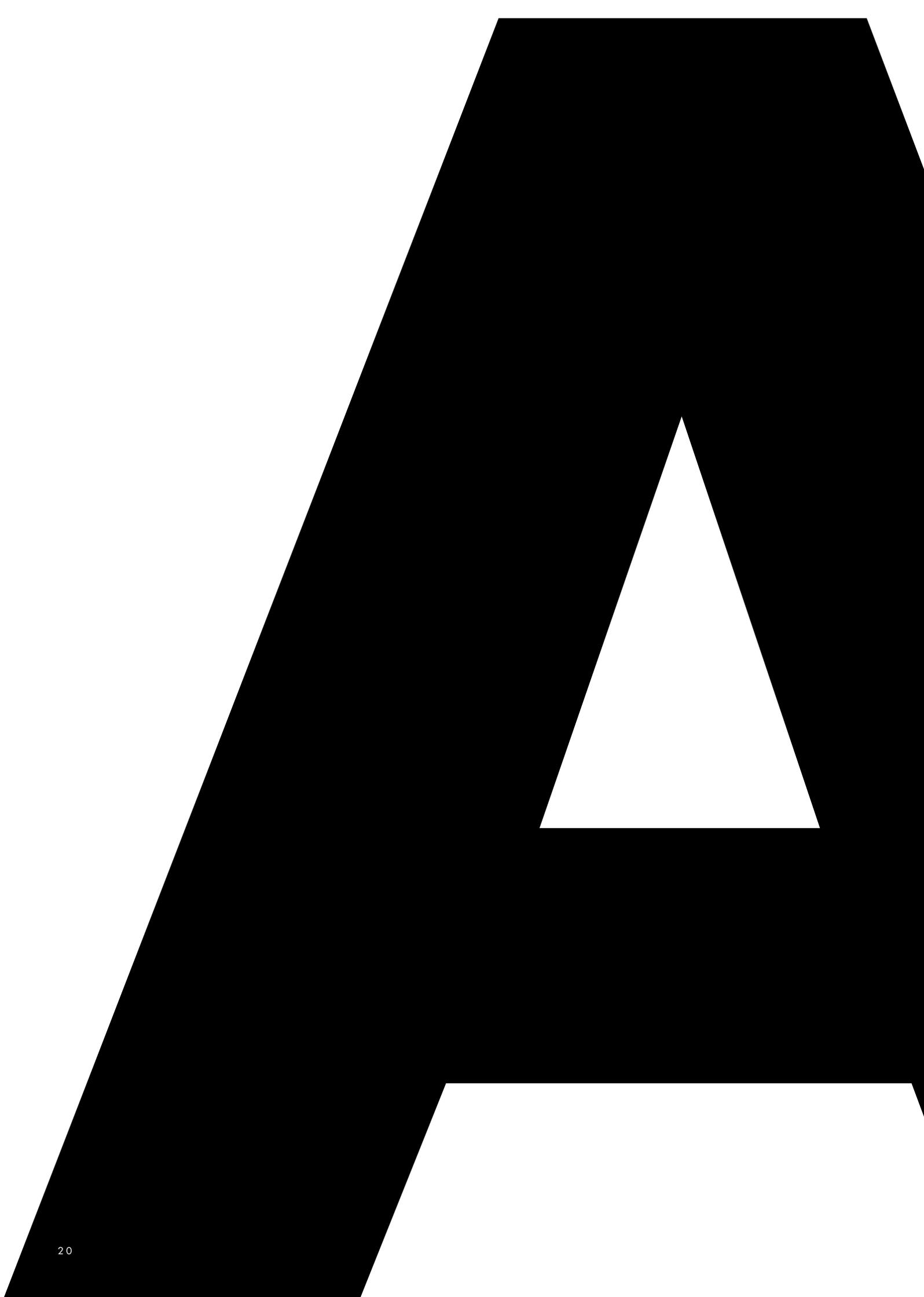
20,000,000

THE NUMBER OF PEOPLE WHO SOURCE THEIR DRINKING
WATER FROM THE RHINE



63

THE NUMBER OF FISH SPECIES IN THE RHINE





A NEW BEGINNING

2020 was a challenging year – it's time for some new goals.

WHAT THE EXECUTIVE BOARD HAS TO SAY ABOUT 2020
AND THE FUTURE.

TAKING A LOOK BACK AND INTO THE FUTURE





Though successful thus far, the Hansgrohe strategy has been updated, and the new version should take the company to a whole new level. In this interview, the Executive Board looks ahead to the future and back on last year.

“We aim to be No. 1 worldwide in our industry.”

Hans Jürgen Kalmbach, CEO

DOES THE NEW STRATEGY HAVE ANYTHING TO DO WITH THE EXPERIENCES OF 2020?

Hans Jürgen Kalmbach: Yes, but quite by accident. The idea of a new strategy has been around much longer. I've been toying with the thought since I was appointed Chairman of the Executive Board I think about the future of the company just about every day. We've considered the future in a variety of scenarios and worked together to develop a joint plan.

THE STRATEGY IS VERY STRAIGHTFORWARD.

Hans Jürgen Kalmbach: That's an art in itself. Our goals and our path to achieving them are clearly defined. Everyone at the company should be able to understand and apply them without requiring much explanation, as we can only move forward together.

WHAT ARE THE IDEAS BEHIND THAT?

Hans Jürgen Kalmbach: We asked ourselves the important questions. Where do we want to go? Why do we want to go there? How do we get there?

WERE THE ANSWERS JUST AS EASY TO FIND?

Hans Jürgen Kalmbach: This process is, of course, much more complex in reality. We looked at everything from many different perspectives, analyzed it, and gathered facts, as our company operates in an environment consisting of markets, competitors, society, regulations, and politics. Everything has some sort of impact. And of course we spent a great deal of time examining our strengths and weaknesses.

WHAT ARE THE STRENGTHS?

Hans Jürgen Kalmbach: The list is long. Our employees come first. A team of 4,700 people with the necessary knowledge and skills. And then there's our two unbelievably strong brands: AXOR and hansgrohe, both of which are well known and, more importantly, popular. Our good reputation makes many things easier for us. Potential new customers, in particular, are curious about our products, so they're easier to impress with our innovations.

Christophe Gurlan: I'd say that sales is definitely one of our strengths. We're very well positioned in that area. With our locations around the world, we have access to all of the important markets, which helps with global project business. We're never far from our customers and are well acquainted with their needs. One of our strengths that should not be underestimated is the awareness of our brands, which has increased over the years. Brand awareness requires investment such as cycling sponsorships, which we provide with the hansgrohe brand with very successful results. We not only expose our logo to the cameras and thus ensure our presence in the media, but can also invite our customers to events in order to maintain and strengthen our relationships with them.

Hans Jürgen Kalmbach: Now it's time to more effectively exploit these strengths.



HANS JÜRGEN KALMBACH



FRANK SEULING



REINHARD MAYER



CHRISTOPHE GOURLAN

“Merely maximizing profit has never been our approach, nor will it ever be.”

Reinhard Mayer, CFO

AND WHAT ABOUT THE WEAKNESSES?

Hans Jürgen Kalmbach: They do exist – in a positive sense. We have a weakness for water. But seriously, we should have a little more confidence in ourselves because we have a solid foundation as well as unbelievable potential right at our doorstep. For that reason, I see our weaknesses primarily as opportunities.

AND WHAT'S THE GOAL?

Hans Jürgen Kalmbach: I can offer of a nice regional comparison. No matter where they're from around the world, people always associate cuckoo clocks with the Black Forest. We want to achieve a similar goal – with the formula, bathroom equals Hansgrohe. We aim to be no. 1 worldwide in our industry, which is why our strategy is confidently entitled “HansgroheNo.1.”

IS THAT EVEN POSSIBLE ON A GLOBAL SCALE?

Christophe Gourlan: Though it's ambitious, this goal is realistic, as we already have the necessary global structures. After all, we generate nearly 80 percent of our sales abroad.

HOW DO YOU PLAN TO IMPLEMENT THE STRATEGY?

Hans Jürgen Kalmbach: Our master plan focuses on two key elements: growth and excellence. At Hansgrohe, these two factors belong together, as size is not an end in itself. We're in the process of kicking off several initiatives for growth. In line with the motto, Core Growth, we're expanding our core segment of faucets and showers. And we plan to do the same in China with the business there. With Reboost USA, we aim to promote business in the United States again. And the category expansion mentioned above will make our project range more attractive. That's one of the elements.

IT'S NOT ENOUGH TO GET YOU TO FIRST PLACE?

Hans Jürgen Kalmbach: Growth alone is not enough. For us, being No. 1 means being the biggest and the best, in this combination. Quality continues to play a key role throughout our company, which is why we're taking our excellence to a whole new level in many areas. Connected Sales, Commercial Training 4.0, Connected Products, Improve4Invest 2.0, Ready-Now!, and Green Company. These might need more explanation. The Connected Sales concept is about promoting digital connectivity, as it allows us to assume the viewpoint of our customers from every angle.



SO TECHNOLOGY LEADS TO BETTER UNDERSTANDING?

Hans Jürgen Kalmbach: It also works the other way around. Understanding leads us to new products, which we refer to as Connected Products. We aim to impress our customers in their smart home with our Connected Products because we understand their demands and life situations.

NOW WE'RE TRANSITIONING FROM THE INFORMATION AGE TO THE UNDERSTANDING AGE.

Hans Jürgen Kalmbach: Exactly. Data alone are boring. It's more about what they mean. That's what makes them knowledge, which we share and multiply. With our Commercial Training 4.0, we qualify our customers and partners. Digital training courses make learning easier and save time. In that respect, the past several months have taught us something we can apply to the future.



SUSTAINABILITY IS, OF COURSE, THE TOPIC OF THE HOUR.

Hans Jürgen Kalmbach: Hour sounds too short to me. It's the topic of the future. And something we've been practicing for decades. For Klaus Grohe, sustainable thinking and behavior were a matter close to his heart. And the same applies to us and me personally today, which is why we established the Green Company goal in the strategy. We want to implement sustainability more consistently. What was once merely an issue for us will be a success factor in the future, as companies will soon struggle if they fail to assume responsibility. We want to be an example in this area and would also like to motivate others. That would be a nice side effect.



1) Top Employers Institute named Hansgrohe SE Top Employer 2021.

“We were able to maintain our normal operations, for which I am truly thankful to our people.”

Frank Semling, COO

WHAT SORT OF INFLUENCE WILL RESPONSIBILITY HAVE IN THE FUTURE?

Hans Jürgen Kalmbach: It will affect everything, including sustainable business. With Improve4Invest 2.0, we plan to invest and reinvest.

WHAT MIGHT THAT LOOK LIKE?

Reinhard Mayer: For example, the profits generated should benefit the company. In other words, we’re extending its life cycle, which demonstrates our commitment to our own tradition. Merely maximizing profit has never been our approach, nor will it ever be.

ALSO OUT OF A SENSE OF SOCIAL RESPONSIBILITY?

Frank Semling: Absolutely. That has long been a tradition at our company, which is why we insist on maintaining this value in the future. Then we’ll be perceived to be the best employer¹ here in the region and in our industry. We can only fulfill our high quality standards with qualified employees, which we have thankfully. But we need to continue expanding all of our knowledge for new technologies and working worlds, which is why we’re preparing all of our employees for the coming challenges with the ReadyNow! initiative.

WAS THE PANDEMIC A TEST FOR THAT?

Frank Semling: Yes, but not like in the laboratory. That was real life. With this new situation, everyone suddenly had to learn many things and make many changes. Our employees proved to be highly flexible and responded very quickly. In that way, the people at the company have once again demonstrated ingenuity. We were able to maintain our normal operations, for which I am truly thankful to our people.

THAT SOUNDS LIKE APPLAUSE.

Reinhard Mayer: I agree. But we wanted to do more than just clap. Our team has earned more than just a few friendly words, which is why we presented all of our employees around the world with a coronavirus bonus. This thank-you is an important signal of our appreciation. Commitment pays off at Hansgrohe. We were only too happy to provide this form of recognition, especially at a time like this.

“With our locations around the world, we have access to all of the important markets.”

Christophe Gourlan, CSO

AND THAT WOULD BRING US BACK TO SOCIAL RESPONSIBILITY.

Frank Semling: That’s true. Health and safety, in particular, have always been important to us, but have also required a great deal of us. That proved to be quite a challenge especially at the beginning. In that respect, we’ve actually come out of the crisis in a stronger position mentally. Everyone worked together as a team, which made me feel even more confident about our ambitious goal. This spirit will allow us to become No. 1 worldwide.

WHAT DOES THIS GOAL HAVE TO DO WITH A WIDER PRODUCT PORTFOLIO?

Frank Semling: Up until recently, we’d limited ourselves and our scope of specialization for good reason. But with a wider range, we can increase our chances of lasting success, as coordinated products offer customers more benefits. Order processes are simplified, and customers can opt for a more consistent bathroom design. The individual product is thus part of the solution. With the purchase of Easy Sanitary Solutions, we’re taking the first step.

WHY?

Frank Semling: Their shower channels and bathroom equipment complement our range in a sensible way. Easy Drain is clear evidence of their outstanding innovation. And the Dutch family business has a similar spirit to ours. We’ll come together to form a harmonious whole.

SO IT’S A GOOD INVESTMENT?

Reinhard Mayer: Yes. We were happy to invest in our own future and are thus paving the way to industry leadership. But continuous growth needs to be profitable. We don’t want to be a huge soap bubble, but rather an ocean.

SO HOW WAS LAST YEAR FINANCIALLY?

Reinhard Mayer: We continue to do very well, so we can all breathe a sigh of relief. We also grew profitably in 2020. Operating profit of €197 million – that’s the most successful year in our history. We even had a few months with record sales at the end of the year. The construction industry continues to boom, the positive effect of which can be seen in our figures. Our environment will develop even more quickly, and we want to keep up.



BUT HASN'T THE PANDEMIC ALREADY LEFT ITS MARK IN MANY COUNTRIES?

Christophe Gourlan: The impact of COVID-19 has been dependent on the local situation. In most of the countries, the waves have occurred at a staggered pace. For example, we experienced major drops in sales in Italy. Fortunately, we're not dependent on individual regions abroad and everything balanced out over time. Hopefully, we'll be able to find our way back to normality in the months to come.

Hans Jürgen Kalmbach: We already feel like we're No. 1, and the rest will follow.

THANK YOU FOR THE CONVERSATION.

EMPLOYEES

1,743 EMPLOYEES



PERCENTAGE IN-
TERNATIONAL

47

TOTAL EMPLOYEES — 2020



2,971 EMPLOYEES

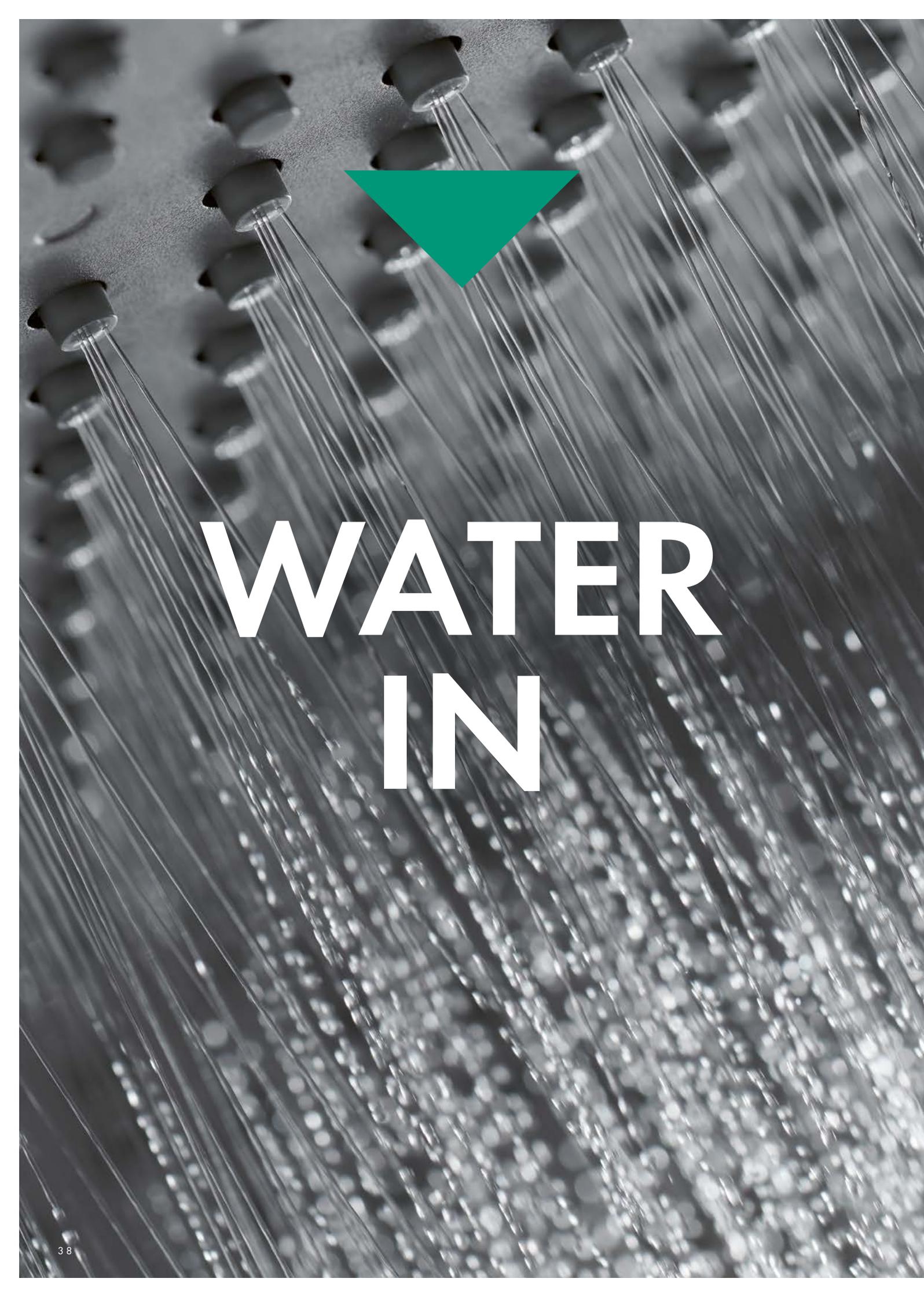


PERCENTAGE IN
GERMANY

14

RESTRUC TURING

Hansgrohe expands its range –
with Easy Sanitary Solutions.

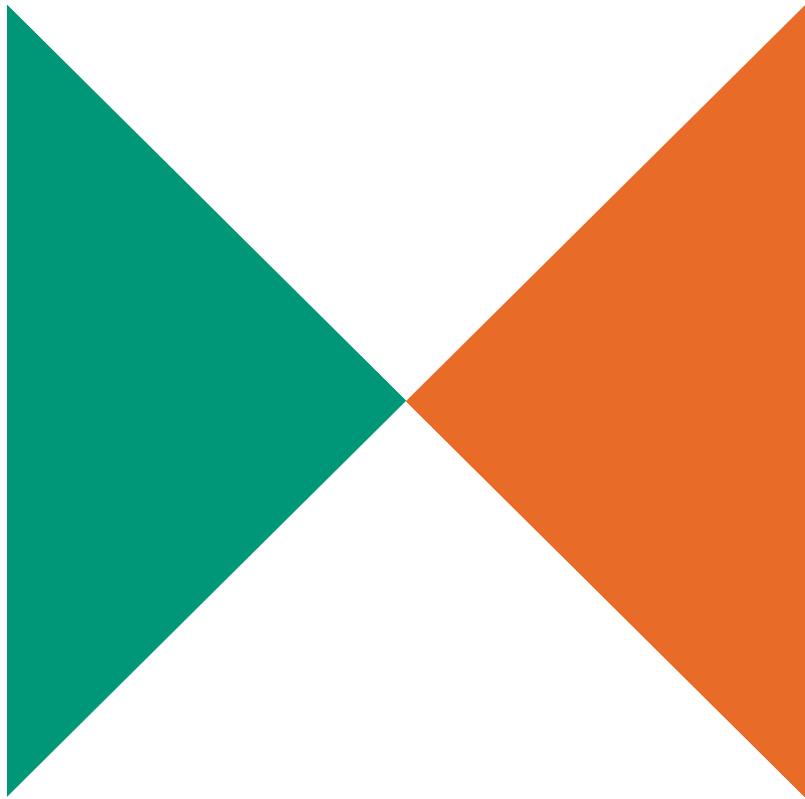


WATER IN

WATER OUT



HOW TWO COMPANIES



BECOME ONE

EVERYTHING FLOWS

Ebb, flow, and canals – water plays an important role everywhere in the Netherlands, which may have even been the inspiration for the experts at Easy Sanitary Solutions. It's difficult to imagine a modern bathroom without shower channels, which have been a company innovation since 2002. The Dutch family business has plenty of ideas, making collaboration with Hansgrohe a natural choice.



"Hansgrohe has never done anything by halves. Now we're going the whole nine yards," says Ferdinand von Hatzfeldt smiling. The Vice President Strategy and Corporate Development is enjoying some still mineral water from the Black Forest. "We've always felt at home in the shower. With the acquisition of ESS, we can help customers create an even better full bathroom." And two additional aspects are an indication of the potential provided by the deal: "Adding the drain to the product range allows us to not only more effectively differentiate ourselves from the competition, but also create a consistent design comprising the shower channel, shower, and thermostat."

His biggest project last year was Hansgrohe's acquisition of Easy Sanitary Solutions B.V. The Dutch company developed the shower channel in 2002, and that's a whole new topic in Schiltach. Ferdinand von Hatzfeldt is always following shower trends like this, which is how he discovers companies such as ESS. Over the years, shower channels have become increasingly important for various reasons. Compared to conventional point drains, they're much more understated visually. Shower channels also enable accessible showers and improve water drainage. As society ages, they have established themselves in many areas, including multigenerational households. They've even proven to be an economic factor in hotel bathrooms, as they can be cleaned quickly, which saves a lot of time for the cleaning staff. And that's a welcome side effect.

Happiness for All

"People have different demands of their bathroom today than they did 20 years ago," explains Ferdinand von Hatzfeldt. Hansgrohe recognized the potential of shower channels long ago, ultimately increasing its focus on the benefits in its own range in 2016. Up until that point, the company had simply limited itself to turning the shower on, so to speak. And now it's also about what happens to the water afterwards, making this move a logical step and a very good fit for the core business. But how would that benefit different customers? It would only make sense with clear added value for architects, craftsmen, trade partners, building operators, employees, and the people taking a shower. "There were some very persuasive arguments," says Ferdinand von Hatzfeldt. These days, complementary products from a single supplier are in high demand, as they make many things easier. This includes a consistent look and feel in the design, faster installation, and most importantly an even more enjoyable shower experience.



FERDINAND VON HATZFELDT

The Vice President Strategy and Corporate Development has been with the Hansgrohe Group since 2016 and was named Managing Director of Easy Sanitary Solutions in January 2021.



HARMONY IN THE SHOWER

Hansgrohe and ESS products complement each other perfectly. The expanded range can now more effectively meet customers' increasing demands. This example shows a shower equipped with Hansgrohe products in black. A consistent design is now possible

throughout, from the showerhead and storage space to the thermostat and shower channel. At the same time, the plumber can benefit from a simplified order process and easier installation.

Success from the Netherlands

Hansgrohe had identified ESS, the inventor of the shower channel and perpetual innovator, as the perfect partner long ago. But who is ESS? The Dutch family business has been around for more than 20 years and made a name for itself internationally as the inventor of the shower channel. Easy Drain has given the modern bathroom an unbelievable boost. In addition to its bathroom drain systems, the innovative Dutch company also develops and manufactures bathroom equipment. ESS now employs more than 100 people at its two locations in the Netherlands and Germany.

It Just Might Lead to More

We first encountered ESS at trade fairs. We've always had a good rapport with the company, as we share an interest in water. Dialogue continued over the years, as curiosity transformed into a deeper interest. "At that time, we discussed potential collaboration in many different areas," says Ferdinand von Hatzfeldt. After continuous strategic exchange, we eventually had to ask the crucial question: Do we really fit together? Both companies had to consider this question on their own. At Hansgrohe, a small team conducted a qualitative and quantitative assessment with promising results. Then experts from all of the departments had the opportunity to express their opinion. Legal, IT, Product Management, Master Service, Finance, and Controlling recognized the opportunities and supported the project. Of course, things were done differently at ESS, which is understandable for a company with just over 100 employees. In some cases, one person was responsible for several functions at the same time. But they ultimately gave the green light too.

Put to the Test

However, things didn't get any easier after that, as COVID-19 made the situation more difficult. In-person visits were no longer possible, and Ferdinand von Hatzfeldt and his team eventually wondered: "Is this really the best time for such an important project?"

While no one could predict the long-term effects of the pandemic, everyone involved was in agreement. A lot of time and resources had already been invested in the joint undertaking. It was now or never, provided the antitrust authority would approve the joint project.

The Same and Yet Different

The two partners are quite similar when it comes to fundamental things, including history as a family business, company cultures, quality standards, innovation, and design expertise. The two companies also share an identical team spirit and operate from the customer's point of view. "It's simply a good fit," says Ferdinand von Hatzfeldt. "But differences are also important, as we want to complement each other. We're actually like a patchwork family. Now we need to understand each other and harmonize our processes one step at a time.

Then we'll be able to work together on a daily basis."

The Sky's the Limit

The acquisition is a huge step for Hansgrohe and will soon position the company as a comprehensive shower expert. In turn, the global Hansgrohe sales network will promote global success for ESS products worldwide. A look at the ESS range reveals the potential for growth. In addition to shower channels and point drains, the company

also offers storage space solutions for the bathroom. Here, too, developers have looked very closely at small bathrooms for inspiration. Bolted brackets and fixtures simply take up too much space. The solution is recesses built into the wall, creating space for shower gel and shampoo in the shower, soap and towels on the sink, and toilet paper next to the toilet. These stainless steel recesses come in a variety of sizes, with surfaces that can be selected to match the look of the interior. Installation sets are available to ensure fast and 100 percent waterproof installation. These solutions are well thought out and forward-looking. For instance, there are also mirror solutions for additional storage space. "That, too, is a sensible expansion of our range," says Ferdinand von Hatzfeldt with confidence.

"With this investment, the company will continue to grow over the long term, which will also secure jobs well into the future."

The whole undertaking has even benefited the employees themselves. "With this investment, we're tapping into another international field of growth. The shower channel is currently the fastest growing product in the bathroom."

Learning from Each Other

In addition to promoting the targeted growth, the acquisition has had additional positive effects. "Hansgrohe and ESS will be able to learn a lot from each other. The Dutch team is extremely agile and boasts entrepreneurial thinking, which helps us to remain fast and solution-oriented ourselves." In turn, ESS now has access to the process knowledge and resources of a company with nearly 5,000 employees.

Everyone will be able to observe and learn from each other. The expanded range offers even more opportunity. The integrated shower for the bathroom of the future could be a shared field of innovation. On January 4, 2021, at 11:20 a.m., Easy Sanitary Solutions B.V. joined the Hansgrohe Group.



OPERATING PROFIT

€184,233,000



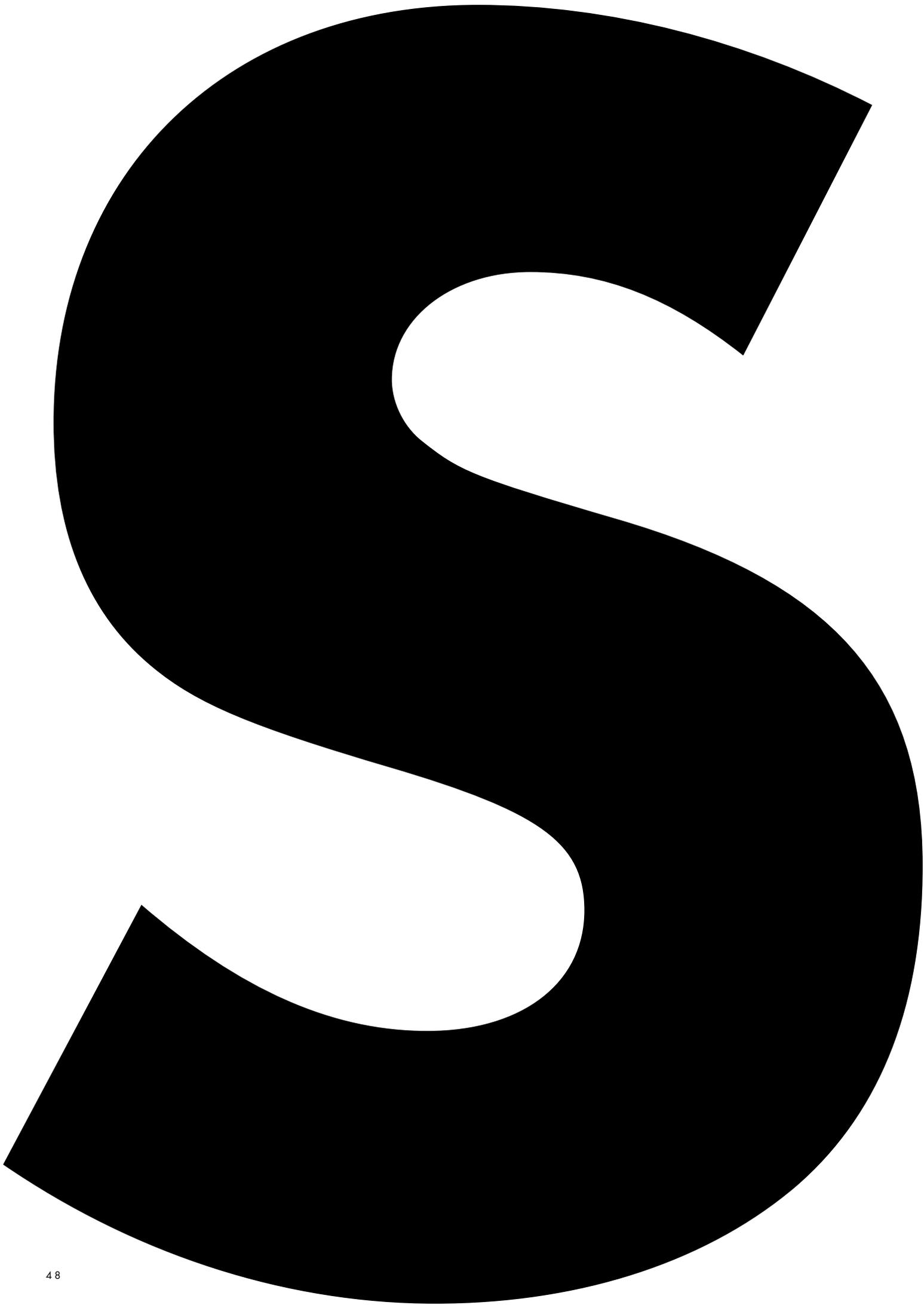
2017

€185,570,000



2018





ATTITUDE

An excellent company must excel
in every respect.



GREEN COM

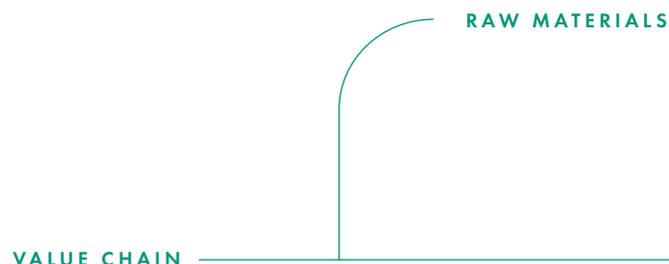
Global warming has placed the spotlight on the topic of climate protection for society and politicians alike. But today's regulations are far from sufficient, which is why more and more companies are taking responsibility of their own accord and reducing or even entirely eliminating harmful impacts on the environment. This voluntary, serious commitment is absolutely necessary.

N P A N Y



GREEN ACROSS THE BOARD

A shortsighted measure or embodied attitude? You probably need both for a healthy balance, as companies today require the agility to respond to new situations quickly. One topic that can no longer be ignored is sustainability. Hansgrohe has assigned this responsibility to Rebecca Weigold and her team, who can focus all of their attention exclusively on the topic of sustainability. The Green Company team leader is supported in her work by Head of Innovation & Sustainability Steffen Erath, who as a coach and energizer can provide valuable assistance, and by Chief Financial Operator Reinhard Mayer, who actively promotes this strategic initiative as a sponsor and acts as a mentor. This situation alone could be viewed as a neon green signal. The company is absolutely serious, which is why the Green Company goal has also been integrated into the new strategy.





RAW MATERIALS



RESEARCH & DEVELOPMENT



Why and How Hansgrohe Becomes the Green Company

“Our goal is to assume responsibility for people and the environment, which is why we’re now developing a transparent sustainability program,” explains Rebecca Weigold, whose team will assume a decisive role in the process. “We see ourselves as a strategic enabler. We aim to find ways to enable sustainability in all areas.” This is, of course, an issue of climate protection, but also applies to so much more.

An Old Hat Remains Sustainable

This topic is nothing new at Hansgrohe. It’s old hat in the very best sense of the term, as even in the 90s Klaus Grohe recognized the reality of climate change. His resulting commitment has ultimately left its mark, as this spirit continues to thrive at the company to this day. “Fortunately, we don’t have to start from scratch. We can build on the green DNA of our employees and the many early ideas,” says Rebecca Weigold. Installed on the new factory building in Offenburg in 1992, the rooftop solar power plant was the largest of its kind in Europe at that time. In 1994 the Baden-Württemberg Minister of the Environment presented the company with the state’s special achievement award for environmental protection.

Green Bears Fruit

Sustainability has established itself in politics in recent years and has received new attention, which can be seen in the increasingly stringent laws for companies. We don’t view this as an obligation, but rather an opportunity, as environmental protection serves the company’s interests. “Sustainability requires innovations and long-term investments. And those lead to new growth,” explains Rebecca Weigold. “Customers are now paying closer attention and want to ensure that the products they purchase do not harm the environment.

That's why eco-friendly manufacturing and resource-friendly products are now in even greater demand." At the same time, interior designers, plumbers, and building operators have to fulfill legal requirements and can only implement "Green Buildings" with the corresponding records and certificates, which makes life cycle assessments for products all the more important. Rebecca Weigold can also see the big picture: "We view healthy living as a trend. I would compare it to an increase in demand for regional products, which is influencing more and more people over the long term. Society's mindset is evolving, which is why the Green Company will undoubtedly be a success factor for us."



REBECCA WEIGOLD

With her team of four, the Green Company team leader will promote sustainability throughout the entire company. She has been with Hansgrohe SE since October 2015.

No Polar Bears in the Schiltach

A warmer planet affects everything, which is why sustainability efforts require climate neutrality above all else. Temperatures must not be allowed to increase any further. In fact, they need to be lowered to normal levels. And the entire company can do its part. The Green Company team is therefore taking

a closer look at all national and international locations as well as the products manufactured there. "Unfortunately, many companies only choose to implement the easiest measures. For example, it doesn't take long to switch the company's vehicle fleet to electric mobility, but the electricity has to come from somewhere and the rechargeable batteries eventually have to be disposed of. We take a holistic approach to climate neutrality and will focus on three key areas. First of all, we'll work on making heating systems more efficient in an effort to reduce emissions.





PRODUCTION



SALE & USE



Second, our aim is to become more and more energy efficient as well as obtain the required energy from green sources or even generate it ourselves. And third, we're in the process of minimizing indirect emissions, which includes the emissions resulting from our raw materials, transport, and business travel," explains Rebecca Weigold.

Everything Done with a Sense of Purpose

Sustainability is also important to employees. Young applicants in particular are very critical today and research potential employees very carefully. Even socially, companies need to provide a deeper sense of purpose. "Not many people want to spend their life at an irresponsible company. That was another key factor for me personally," explains Rebecca Weigold. "The situation in the labor market has changed drastically. Companies looking to recruit have to compete for young professionals and specialists in particular. A sustainable company culture can therefore play a key role in business success." Nothing's possible without good people, and they're only willing to get involved with employers who are just as committed as they are. Socially responsible behavior has been deeply rooted at Hansgrohe since the very beginning. "That's a little easier to put into practice if you're a regional family business, as the employer is more visible and approachable. Of course, we want to maintain that even as a global player," says Rebecca Weigold, taking a sip from her glass of tap water. "With nearly 5,000 employees, that's a huge challenge." After all, dedication like this should be visible wherever possible, whether it's through training, advancement, health, or the commute. Secure, permanent jobs are just as essential to sustainability as water is to the Schiltach river, which is why the Green Company team is also strategically rethinking corporate social responsibility.

Destination Future

Rebecca Weigold and her team are still working on detailed objectives and the schedule. The carbon footprint of the entire Hansgrohe Group was calculated for the first time last year. With this as the starting point, projects such as plant energy analysis have already been initiated. In addition, we're also researching alternative materials for our products and working on sustainable product packaging.

Sustainability Without the Need to Compromise

Rebecca Weigold believes that sustainability can also be practiced in private life every day, and has plenty of practical tips to offer: "There are so many opportunities. For example, a bar of soap is better than body lotion or shower gel, as it doesn't require a plastic bottle or contain any microplastics and is just as effective at cleaning. The same applies to toothpaste tablets, which make plastic tubes superfluous. There are machine-washable makeup remover pads made from fabric, which conserve raw materials and avoid waste. Recycled toilet paper is now also available in great quality. And you can turn off the shower when you're soaping up, which saves both water and money. It's important to make sustainability a natural part of everyday life. Then it's not a shortsighted measure, but rather an attitude you embody over the long term," says Rebecca Weigold with confidence.



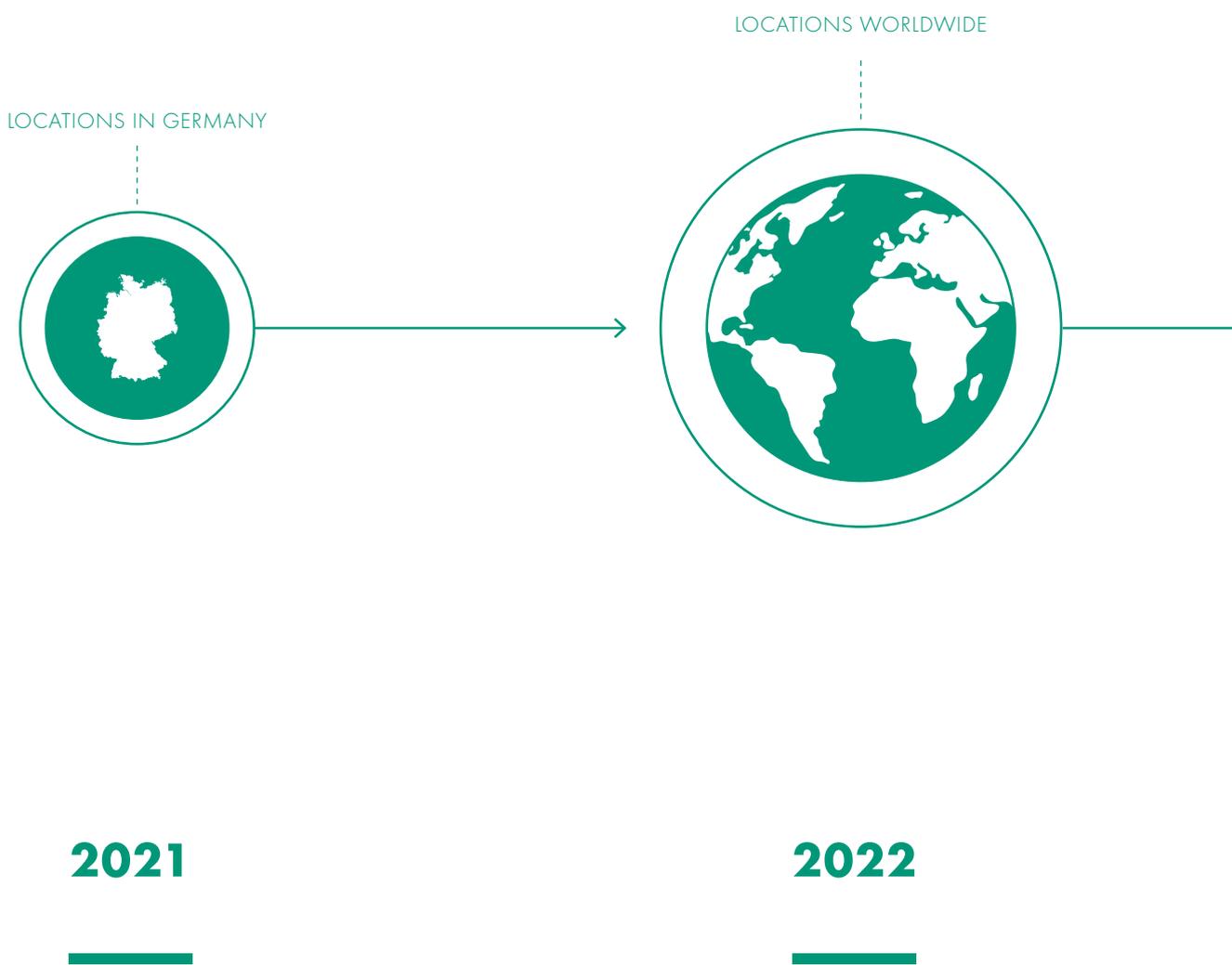
LOGISTICS & TRANSPORT



SERVICE & REPAIR

DISPOSAL & RECYCLING

OUR GOAL: CLIMATE-NEUTRAL COMPANY



CLIMATE-NEUTRAL COMPANY
(INCLUDING PRODUCTS)



2030



Where does the problem lie? The workshop quickly answers the question and solves the issue.

ELIMINATING THE ROOT CAUSES OF MISTAKES

RCCM WORKSHOPS

Mistakes offer a benefit: we learn from them. Bastian Boschert of the HGOS team puts this wonderful worldly wisdom into practice at Hansgrohe. The Hansgrohe operating system consists of both new and tried-and-tested methods, tools, and processes that help us successfully implement our strategic goals. This also includes identifying any deviations from the goals and systematically solving the problems behind them.

That works best in a team: employees from different departments are brought together in workshops to examine the situation from a whole host of different perspectives. Each of the participants has a chance to speak and can openly and honestly say what they believe led to the problem – without looking for someone to blame, but rather getting to the root of the problem. At his workshops, Bastian Boschert employs the “Root Cause Countermeasure” method, which is a targeted approach to identifying the cause and systematically defining and monitoring countermeasures. In recent years, this approach has allowed us to acquire valuable insight into many areas of our organization. Both at the headquarters and on an international level, we’ve managed to eliminate obstacles in various areas, from production and product management to sales.

An approach in this comprehensive form was new to many, but RCCM quickly proved to be highly effective. Participants initially share their point of view and attempt to clarify the crucial question: What is the root cause of this problem? This open, solution-oriented exchange refrains from assigning blame and reflects Hansgrohe’s open company culture. The varying perspectives play a key role in establishing a shared understanding of the problem and revealing the root cause, which is rarely visible at first glance. Working together also increases the acceptance of countermeasures and ensures support in the team, which helps us to learn from our mistakes – and improve just a little every day.



TUMETOKA MBALI

A NEW SHOWROOM IN TANZANIA

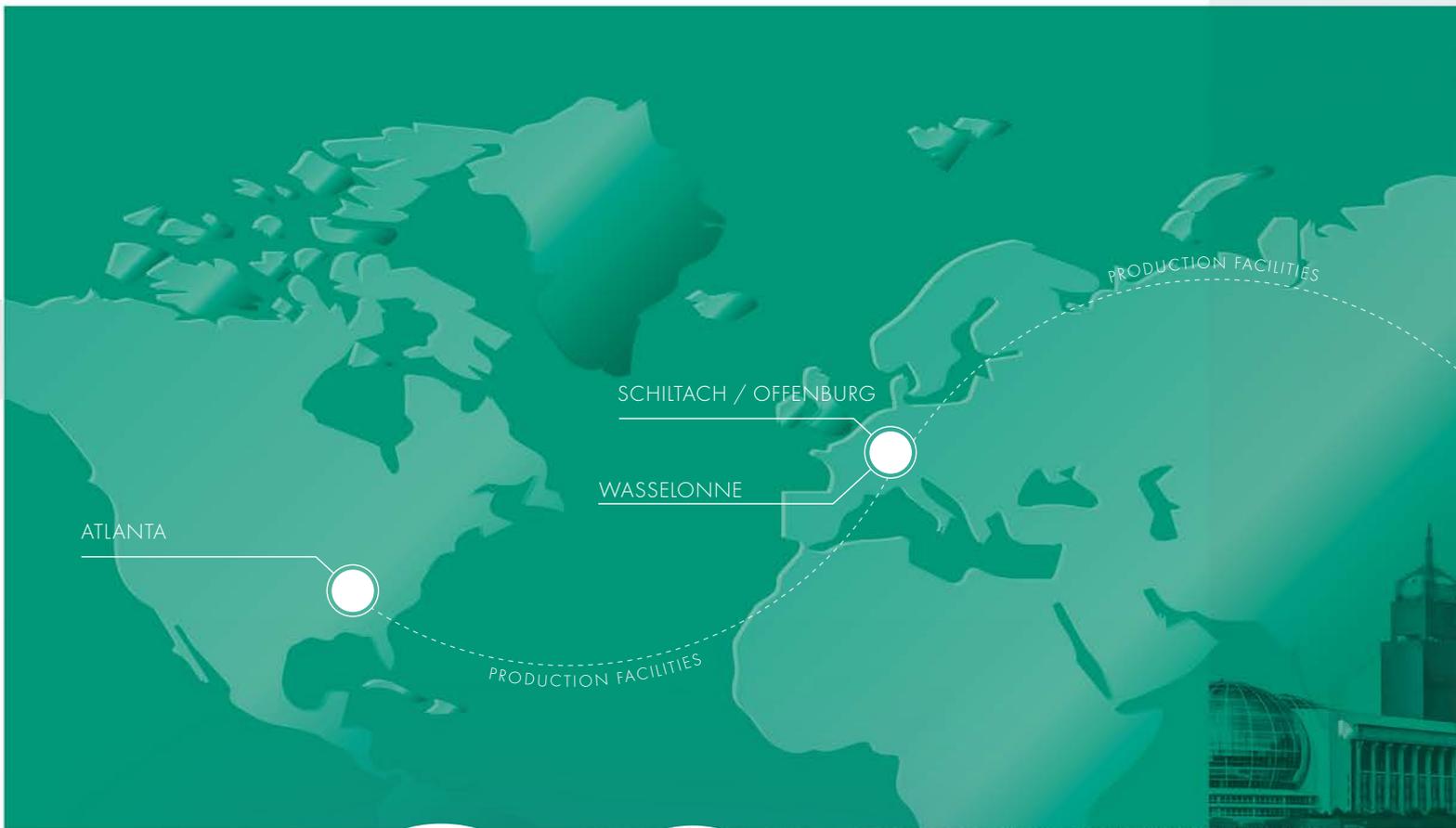
Tumetoka mbali. This is Swahili for “We’ve come a long way.” Hansgrohe has actually been in Africa for quite some time – but a new showroom finally opened its doors in Tanzania last summer. Africa’s sub-Saharan region has eight larger showrooms and 50 smaller ones, and there are good reasons for each and every one of them. Brian Ombego, Business Developer East Africa, can offer a simple explanation for the new showroom: “We can’t bring everyone in Africa to Schiltach, which is why we’re bringing Schiltach to Africa.” The continent has a bright future ahead of it and is similar to Europe in many ways. Each country has its own language and culture. Hansgrohe approaches these differences and customs with care. In Tanzania, for example, advertising featuring naked people in the shower is considered to be offensive. Like Germans, Africans have their own limits as to what is considered good taste. Marketing therefore has a checklist for every country outlining typical blunders and taboos. Politics and infrastructure can also be quite challenging. While the infrastructure is still under development in one country, elections in another can shut everything down for months. At a time like this, no important decisions can be made, with projects often taking much longer than originally planned.

As Managing Director South Africa, David Cooper is still optimistic about the future. And Martial Gil is also confident that Hansgrohe already has a leading edge with its pioneering spirit. The Vice President Sales for the region sees great potential in Africa. The continent of the future is growing by leaps and bounds. In 20 years’ time, there will be three times as many people with a mid-range income. It’s estimated that more than half of global population growth will occur in Africa. And by 2030, 50 percent of all Africans will live in cities, which will require living space. Hansgrohe wants to be involved in this boom and grow. Tujengo leo, mafankio kesho. You need to build today for the success of tomorrow. This is as true in Swahili as it is in English.



THE WATER STUDIO

**Perfection
in form
and function**
A rich culture
of innovation
and tradition
since 1901.



ATLANTA

SCHILTACH / OFFENBURG

WASSELONNE

PRODUCTION FACILITIES

PRODUCTION FACILITIES

LOCATIONS

AXOR®
hansgrohe

SHANGHAI

54

LOCATIONS – WORLDWIDE



146

COUNTRIES SUPPLIES



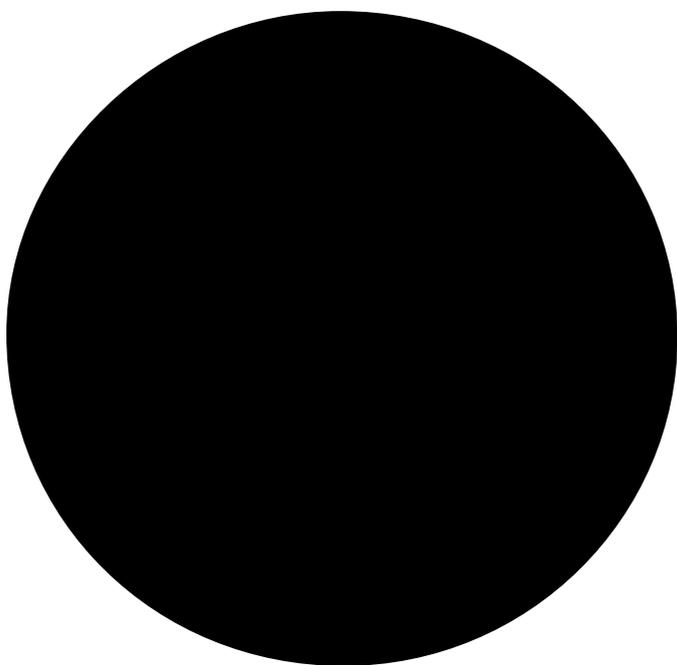
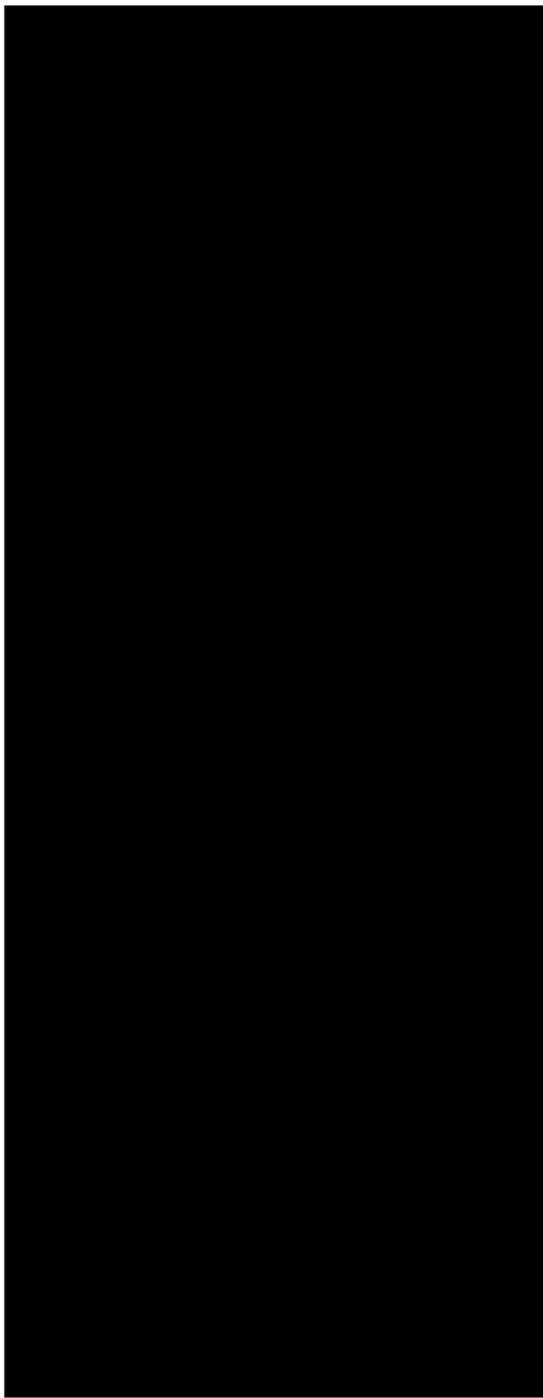
22

SALES OFFICES



32

SUBSIDIARIES



NEXT HANS!

Two brands with a future: AXOR and hansgrohe. Innovative brands always provide a glimpse into the world of tomorrow and communicate a good feel for the new and the unknown.

DESIGN IS A
NECESSARY
LUXURY

AXOR

Anke Sohn prefers her mineral water with medium carbonation. As Head of Global Brand Marketing AXOR, she also appreciates this understatement when it comes to luxury. It may help to define the often misunderstood term, as luxury here does not refer to golden pomp and exaggerated symbols of social status. AXOR has never subscribed to this traditional idea of excess and immoderation, and instead transforms inventiveness as an intrinsic value into an appropriate, self-evident form. A quote by artist Lyonel Feininger could be adapted accordingly. "Design is a necessary luxury." Without design, function is free of any joy.





Porcelain mounting plate with craquelé paint from AXOR MyEdition.

MORE AND MORE PEOPLE WANT LESS

The appeal of subtle luxury grows ever stronger, as design that stands the test of time is increasingly important to a society concerned with sustainability. “People are also turning away from opulence and decoration in Asia and Russia,” says Anke Sohn. Particularly in China, Western designers and architects have long enjoyed an exceptional reputation, which is why people consult them for their knowledge and build on their design visions. “That offers us as a global brand many opportunities,” adds Anke Sohn. Therefore, a luxury brand still offers plenty of potential, which is entirely in keeping with the “HansgroheNo.1” strategy. The luxury brand already represents the excellence established there. And not even the efforts to achieve the very best have been exhausted. Anke Sohn sees the potential: “One aspect of excellence is individuality. Unique design with a personal touch will soon be an important criterion – in the bathroom and beyond.” AXOR fulfills these wishes with its own Signature Service, the FinishPlus surfaces, and collections such as AXOR MyEdition. The faucets with individually designed mounting plates offer a whole lot of character as a single piece or in small batches, while individualization options make them more appealing for architects and interior designers.



ANKE SOHN

As Head of Global Brand Marketing, she has managed the AXOR brand since 2019. For the current campaign, “Places of Memory,” she named international top designer as brand ambassador.



PLACES OF ORIGIN

Excellence also refers to the origin of the materials. Even in this respect, AXOR MyEdition offers a unique alternative to anonymity. The leather used for the AXOR MyEdition mounting plates directly at the sink are manufactured at the special facility of master saddler Sebastian Rampf. The cowhide nappa leather is used for interior design on yachts and is also suitable

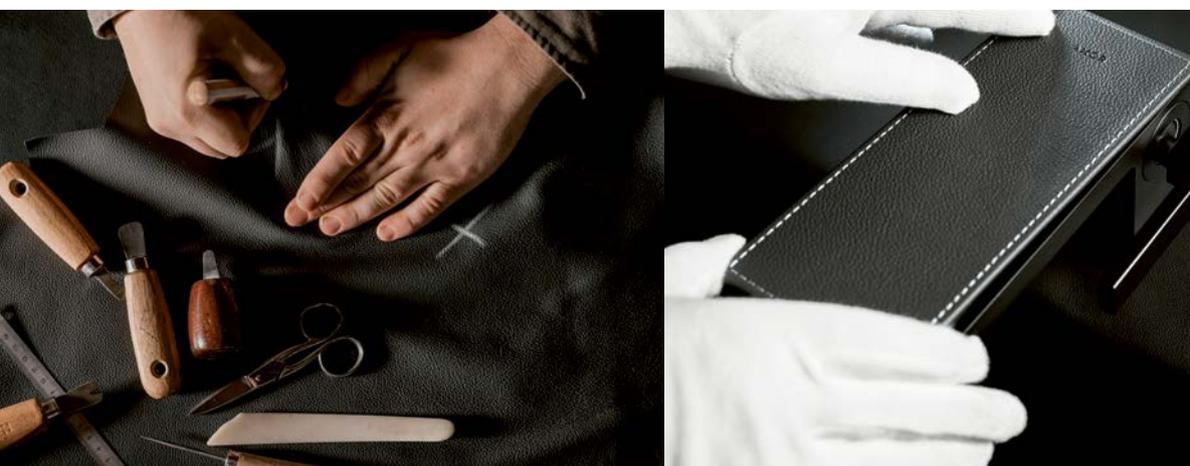
for areas exposed to water. The leather he uses comes exclusively from southern Germany and Austria. He examines each piece of hide by hand and checks the surface for scars to ensure they're not visible in the final product. Details like these and a look behind the scenes provide the brand with a sensual quality.

Out of the Ordinary

"Local designers unveiled their MyEdition sketches at an event in Shanghai. It was very impressive." Anke Sohn can remember one plate made from metal with a surface reminiscent of ice crystals: "Absolutely extraordinary." Edward Barber and Jay Osgerby, who have already worked for AXOR, also demonstrated their instinct for new trends. "The British design duo brought a plate made from moss and lichen." Their place of inspiration is also part of the Places campaign – a cottage at Trearddur Bay in Wales. Creations like these are designed to transcend boundaries. As a result, they leave an impression in the minds of the architects, who then recognize the opportunities that AXOR can provide them with. These deviations from the norm are also always worth a story in the media. "They make new customers aware of AXOR. What looks a little odd at the beginning ultimately serves a purpose," explains Anke Sohn. For example, when trade partners implement their customers' needs.

Discovering Spaces

Last year, AXOR launched the Places campaign, which focuses on special locations. For the Places of Memory, renowned designers talk about locations that are important to them personally as well as geographically identifiable sources of inspiration. COVID-19 made the original campaign idea even more relevant, as the pandemic limited freedom to travel just about everywhere around the world and thus increased the longing for special places. "The campaign came at just the right moment, when time seemed to stand still. 2.4 million people saw the image online, which is something we had not expected. We thus exceeded our goal," says Anke Sohn. The campaign has been running in all key AXOR markets ever since and will even continue this year. Additional events are planned in China, with new chapters to be written in the successful campaign.



Visitors Become Users

The pandemic had the biggest effect on trade fair appearances. The important Salone del Mobile in Milan was just one of the fairs to be cancelled. At least a few designer events with 300 people were held in Asia. AXOR will appear in digital form at ISH 2021, which just might be a good thing, as the lack of an opportunity to present the brand at a trade fair also promotes its digitization. "Fortunately, we invested in the digital transformation of the brand before the pandemic began and were therefore well prepared for the digital channels." Anke Sohn and her team still had to be flexible and try out different formats, as a 100 percent online event had never been held before. Customers and partners are now happy to accept online videos, social media content, webinars, and video calls. Due to activities and travel to and from the event, trade fairs are often too time-consuming or strenuous for many, which is also why a dedicated AXOR and hansgrohe platform went online in March 2021. AquaDays is so much more than a permanent virtual exhibition. Anke Sohn is delighted with the opportunities it provides: "We can acquire new contacts, as not everyone can visit the large trade fairs in person. And more importantly, once produced the content remains available on a permanent basis." Even more doors are opening digitally. Digital technology expands the AXOR experience on the smartphone and tablet. Augmented reality shows users the spatial effect of products in an impressive way. And the purchase of Easy Sanitary Solutions makes it even more interesting. "Architects think in terms of the entire room. With coordinated products, we can show them a shower and sink with a consistent design."

Modern vs. Stylish

"Everything has its time. Except for AXOR. Our products are designed to be timeless." Anke Sohn continues to rely on the brand's avant-garde style, which calls the Starck collection to mind: "Misunderstood at the beginning, it has managed to make a name for itself over the decades. This classic now represents a new beginning in the bathroom." This ever-growing success is a benchmark for the developments of today, which is why we don't follow fashionable trends, but prefer to go our own way with a clear goal. Sustainable design requires style that can stand the test of time. AXOR doesn't follow trends – it sets them, which is what distinguishes the brand. Items designed to be purely decorative quickly become overpowering visually. And then the once-loved object is replaced with something allegedly more modern. AXOR takes a different approach. Discerning people often ask critical questions. What were the reasons for the design? Where does the material come from? Was it produced in an

eco-friendly way?

AXOR has answers.

That's why we also refer to AXOR

Places as "Places of Origin," which

provide a look behind the scenes,

so to speak. This, in turn, creates trans-

parency. "When

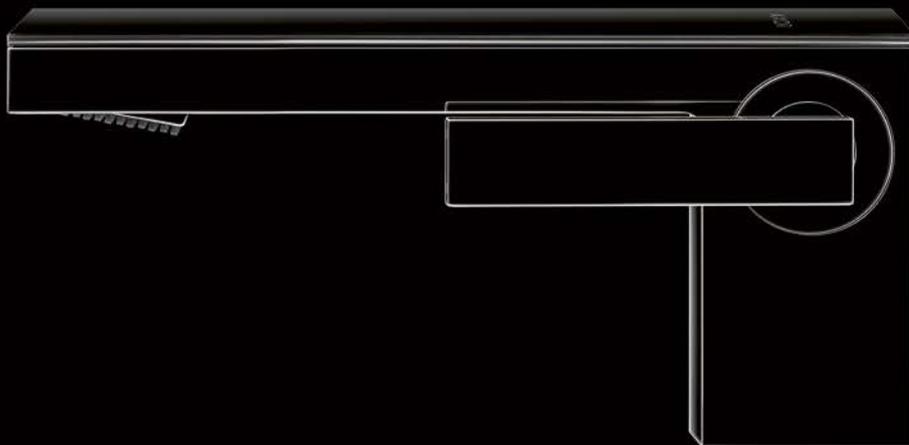
it comes to MyEdition, we talk about,

for example, the

origin of the wood,



marble, leather, traditional features, and craftsmanship," explains Anke Sohn. All of the related stories help generate fascination for the product and ultimately trust in the brand. "Every little feature contributes to the overall appearance. Like the renewable walnut wood from master carpenter Jürgen Gaiser in the Black Forest. Or the white marble from Jennwand quarries in South Tyrol, which we process here at our location in Oberkirch. That, too, demonstrates our attention to detail," explains Anke Sohn. "Our regional approach strengthens us as a global brand."



Big Plans with Foresight

"Compact Luxury" is a huge topic for 2021 and beyond. After all, high standards should also be fulfilled even in smaller living spaces, as space becomes more limited in cities. And this ongoing urbanization around the world will pose an even bigger challenge for us in the future. But architects in particular can make a valuable contribution. And AXOR will inspire them in the bathroom. The saying, "Less is more," which Ludwig Mies van der Rohe was so fond of using, may experience a new revival. The AXOR One collection, which boasts radical minimalism, will be launched in this spirit in 2021. Also new is the AXOR Citterio collection, which features new faucets with lever handles. The elegant design is also available upon request with a 3D surface in a luxurious diamond cut. And the third highlight is the AXOR Universal Circular accessories, including the increasingly popular mirrors, brackets, hooks, and other useful items for the bathroom. The soft cube and round designs will be available to begin with, and will be followed by angular shapes in 2022. Anke Sohn is most excited about the AXOR Summit planned for the fall, provided it can still be held.

Mix and Match

Anke Sohn loves to chat with top designers around the world, who inevitably have one question for her: Does she have any tips for home design? An over-styled interior highlighting a single designer is not her thing. She thinks it's boring if everything comes from a catalog or store window. "I like to combine different designers and styles. And finish off the look with an heirloom," reveals Anke Sohn. Your home should have personal value, and the overall look should be coherent. "Bringing together the most interesting things and allowing them to complement one another. That's what it's all about." And that sounds like AXOR.

THE
NEXT
MOMENT
IS
ALWAYS
THE
BEST



News from the hansgrohe Brand

As Head of Marketing in Germany, Linda Péus enables customers to experience the hansgrohe brand promise firsthand – meet the beauty of water. Even in the face of unforeseeable moments like those in 2020. “We were very active despite – or possibly due to – the situation. Fortunately, the construction industry has continued to boom,” she says. She’s speaking to us in a video call from home just to be on the safe side, which has become just as normal at the company as washing hands under the touch-free faucets. Despite the high volume of orders, the pandemic has brought about a communication challenge. Due to the canceled trade fairs last year, we weren’t able to interact with craftsmen as we once did. Most of the training courses and seminars in Schiltach and throughout Germany could not be offered as usual. But there was a solution.



hansgrohe

Meisterservice



LINDA PÉUS

As Head of Marketing in Germany, she has been responsible for the AXOR and hansgrohe brands in the German market since 2019 and a member of the German subsidiary's management team since 2021. She addresses a variety of target groups with her communication, including trade, craftsmen, architects, planners, kitchen showrooms, and end customers. Linda Péus has worked at Hansgrohe since 2011.

STRONG CAMPAIGN

hansgrohe addressed plumbers with a campaign developed specifically for them. Plumbers were less affected by the economic impact of the pandemic than other industries and had their hands full planning and building bathrooms. "We wanted to let them know that they can continue to rely on us and our services 100 percent. We were able to deliver on time and were available to assist them in customer service," explains Linda Péus. Under the motto, "Supporting Craftsmen," the campaign highlighted the benefits for professionals and, with humorous exaggeration, communicated the dedication and drive of Hansgrohe employees. In three cheerful films and the associated images, employees demonstrate their dedication to their sanitation partners. "The films and video were shot at our plant in Schiltach. The campaign shows us at work – while we're not that crazy, we are passionate about what we do," says Linda Péus, grinning.

Through the Eyes of the Customer

Plumbers spend eight hours or more of their workday at the customer's construction site. At the office, they prepare offers, plan bathrooms, order products, and organize job assignments. It's not very easy to reach this target group when the pandemic prevents the sales reps from fully serving as a contact on-site. The campaign was thus designed to interact with customers at very different locations. You can often reach craftsmen directly on their smartphones with social media posts, online ads on specialized portals, and newsletters with interesting content. From there, a link guided users to a special landing page, with the opportunity to win a barbecue event for their company. The campaign also included ads in trade magazines, a mailing, and public relations. The ads in trade magazines and the mailing also proved to be successful. "The different activities complemented each other very well. We were able to reach many of our customers with the campaign, thanks in large part to the tongue-in-cheek humor," says Linda Péus, delighted. Hansgrohe will therefore continue to build a relationship with craftsmen in 2021. Craftsmen should be able to experience the campaign promise on the construction site, whether it's through the master service with solutions on-site and on the phone, or



For premium quality: The campaign for craftsmen demonstrates the dedication of the Hansgrohe team.

through service in the back office, which is always up to date on spare parts and orders and enables a seamless process.

Supporting Each Other

Customer satisfaction is a top priority for Linda Péus, as satisfied customers remain loyal to the brand. Service is easily accessible, helpful, and simple even if there's a complaint. "Craftsmen are our equal partners," says Linda Péus. "We do our best to maintain these long-term relationships. Plumbers make bathroom

dreams come true, transform bathrooms into oases of well-being using our products, and provide users with an emotional experience. Craftsmen play a key role in how our brand is perceived, which is why we always express our appreciation to them." Craftsmen and Hansgrohe experts share knowledge with each other, allowing both sides to grow. "For example, we're not the only ones to explain products during training courses. We listen very carefully to the plumbers and learn about new challenges on the construction site, which also allows us to come up with new solutions."

In addition to technology, our seminar program also trains craftsmen in bathroom design, marketing, addressing the next generation of employees, and sales. We've even received an award for this craftsman-friendly point of view. In the biennial faucets performance rating organized by the "markt intern" trade magazine, the Hansgrohe Group won the overall ranking and took first place eight times in a total of eleven categories in 2021. Especially in the current category, "Assistance during the pandemic," the surveyed craftsmen from the sanitation, heating, and air conditioning industry gave us top marks.

A Match Made in Heaven

The purchase of ESS offers the hansgrohe brand new opportunities. Linda Péus sees plenty of new options in the expanded range. Customers can now equip their shower almost entirely with hansgrohe products, which can also benefit craftsmen: with just one contact, a single order, and one delivery, they can save time and still benefit from the same reliable service and simple installation. They can now also create an even more consistent bathroom design. The faucet, drain, and storage space for toiletries can all be ordered in the same color, so that everything comes together to produce a uniform style. In conjunction with coordinated accessories, popular colors such as matte black and gold really come into their own.

New Today

The brand is optimally prepared for the situation in 2021. While the ISH trade fair will not be held in Frankfurt, there will be a digital premiere of shower and sink innovations on the same dates. "With Finoris, which will appeal to the entire family, we're providing a whole new level of flexibility at the sink. Vivenis brings the peace and quiet of nature into the bathroom and, with a new faucet spray, creates an oasis of well-being. The Puschy shower program now also incorporates PowderRain into smaller bathrooms for new inspiration in the shower – all at an attractive price. In

Matt Black and Matt White, it complements our RainDrains as well as the Finoris and Vivenis collections – for an all-around consistent appearance. During our digital AquaDays event, the audience will be able to take a closer look at the products," explains Linda Péus.

New Tomorrow

The hansgrohe brand will play a key role in the new strategy. The idea is to secure and expand market shares and thus achieve the desired growth. The brand needs to grow too, and innovation can help make that happen. Linda Péus points to RainTunes as a current, shining example. "This is a visionary product that brings all-new functions into the bathroom technologically. And, more importantly, it fulfills our promise as a brand – meet the beauty of water." Linda Péus has big plans: "The pandemic has taught us a lot. It has become clear once again just how important the product experience is. People want to be able to perceive products and water with their senses. And that's why, in addition to digital events, we also plan to continue using personal contact – in Schiltach and at our Hamburg showroom, The Water Studio, which will be expanded in April. That said, it's now proceeding faster than originally planned. And, of course, we want to invite our customers back to the Hansgrohe Aquademie in Schiltach." But larger events are unlikely anytime soon. Digitization will allow us to provide even more experiences and solutions in the future. Excellent service should also appeal to and inspire customers and partners alike." Linda Péus is looking forward to transforming the brand into a market leader: "There's much to be done in the years to come, and we plan to give it our all."



THE PROFESSIONAL SERVICE

Professionals for professionals was an important topic in the campaign for craftsmen, as craftsmen appreciate the personal dedication of the Hansgrohe sanitation, heating, and air conditioning masters. As specialists themselves, they're happy to answer questions about

technical details and provide tips to simplify installation. Of course, they also offer information about current standards and regulations. In this way, they simplify everyday operations on the construction site and help craftsmen to make better use of their time.



Supervisory Board of Hansgrohe SE

Stefan Krischak, Jürgen Nähr, Klaus F. Jaenecke (Chairman),
Keith Allmann, Richard Grohe, Richard O'Reagan (Deputy Chairman).

This picture was taken in 2019. Due to the pandemic, the Supervisory Board meeting was held online in 2020 without a photo.

THE SUPERVISORY BOARD ON 2020 AND THE FUTURE

Hansgrohe as No. 1 worldwide – the Supervisory Board is optimistic about the ambitious goal, as growth and excellence are being developed in a logical and sensible way. These two aspects alone are important for the company's future potential. "The initiatives presented to us could make this ambitious plan a success," says Chairman of the Supervisory Board Klaus F. Jaenecke, praising the project. What everyone liked most about the initiatives outlined was the realistic assessment of feasibility. Increased presence in e-commerce, optimally positioned sales worldwide, and expanded activity in China as the largest foreign market are just some of the elements that reveal the extensive potential. And with its two brands – AXOR and hansgrohe – the group is well prepared for the new challenges. Klaus F. Jaenecke is confident: "All of this reveals outstanding prospects. 'HansgroheNo.1' has our full support." The Green Company initiative accounts for a large share of this strategy. As Honorary Chairman, Klaus Grohe wholeheartedly approves of the eco-friendly company. "These are wonderful prospects for all of the generations to come."

All of the members of the Supervisory Board expressly support the 2020 purchase of Easy Sanitary Solutions. This first step was taken at just the right time. Due to its impressive innovation, the Dutch company is an important component in the growth strategy. As part of the Hansgrohe Group, ESS can now apply its expertise in a larger dimension and sensibly complement its range.

The Supervisory Board is pleased with last year's results. "The year 2020 was a brand-new situation for every company and provided Hansgrohe SE with the opportunity to demonstrate its resilience. Our sales of €1.074 billion is something to be proud of, given the current situation. The employees achieved something truly extraordinary," says Klaus F. Jaenecke, impressed.

SALES



€1,088,497,000



2019

€1,073,704,000



2020

MASTHEAD

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All current figures and information
about the company can also be
found at www.hansgrohe-group.com



BUSINESS REVIEW

BALANCE SHEET

ASSETS (IN € THOUSANDS)	Dec. 31, 2020	Dec. 31, 2019
Cash and Cash Investments	220,835.4	203,587.4
Accounts Receivables	129,833.9	133,701.4
Total Inventory	166,551.2	139,623.1
Prepaid Expenses	53,053.9	8,181.2
Other Current Assets	867.5	680.8
Total Current Assets	571,141.9	485,773.9
Intangible Assets	157,809.3	154,796.0
Land and Land Improvements	12,844.5	12,806.6
Buildings and Improvements	121,698.8	121,415.5
Machine Tools and Equipment	361,419.5	343,080.2
Office Delivery and Other	63,873.0	57,455.2
CIP Total	17,862.1	15,989.7
Total Cost Property and Equipment	577,697.9	550,747.2
Accumulated Depreciation Property and Equipment	-292,988.3	-267,970.4
Fixed Assets Net	284,709.5	282,776.8
TOTAL ASSETS	1,013,660.7	923,346.7

LIABILITIES AND SHAREHOLDERS' EQUITY (IN € THOUSANDS)	Dec. 31, 2020	Dec. 31, 2019
Short Term Notes Payable	–	–
Accounts Payable	121,246.9	110,156.6
Accrued Liabilities	129,303.7	115,677.2
Current Liabilities	250,550.6	225,833.8
Long Term Debt Total	–	–
Operating Lease Liability	15,361.7	18,012.9
Deferred Taxes	- 13,604.9	- 9,988.1
Deferred Other	85,804.0	76,718.8
Long Term Liabilities	87,560.8	84,743.6
Total Liabilities	338,111.4	310,577.4
Shareholders' Equity	675,549.3	612,769.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,013,660.7	923,346.7

