



# Hansgrohe Group

AXOR · hansgrohe

2024

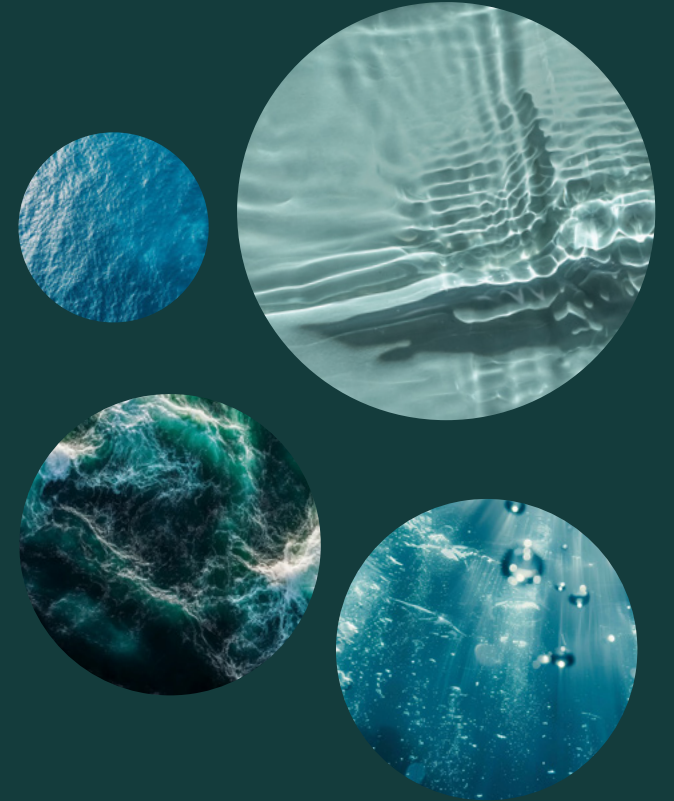
ANNUAL REPORT WITH SUSTAINABILITY REPORT

# Content

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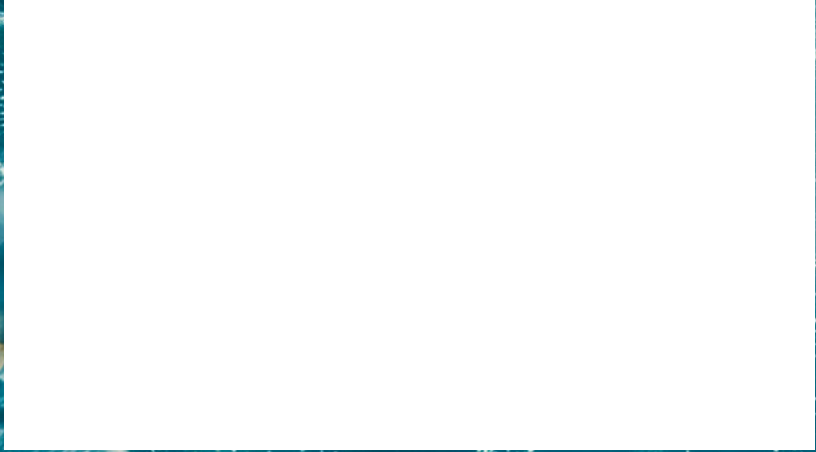
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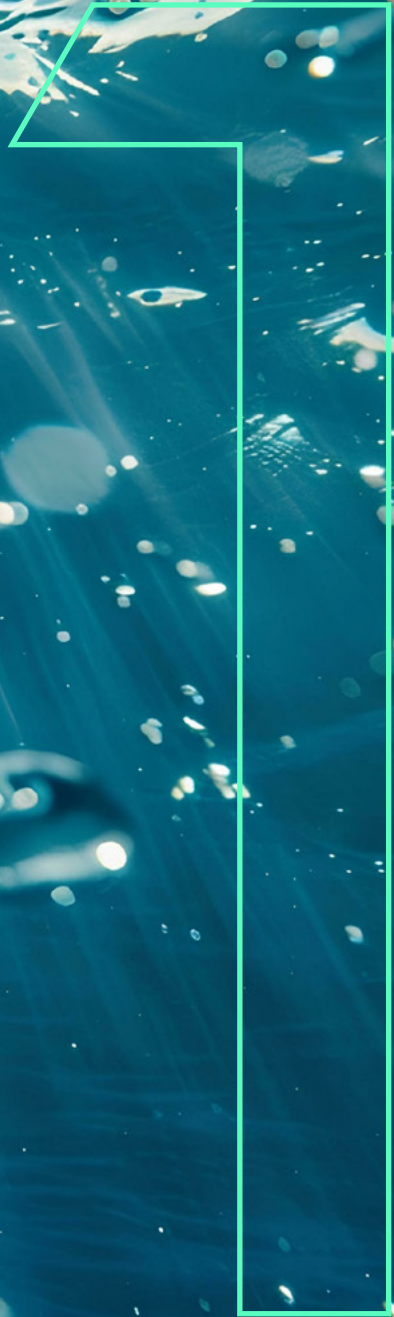


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# Our Company





**Dear Readers,**

With geopolitical tensions and regional uncertainties, the ongoing war in Ukraine, the situation in the Middle East, and increasing protectionism in some markets, the economic environment remained challenging in 2024. Things are only slowly picking back up in the construction industry. Germany, our largest and most important market, is no exception. We continued to see strong growth in Asia in 2024, particularly in India and Indonesia. China, on the other hand, stagnated due to the ongoing challenges in the real estate sector. Thus, our order volume in 2024 was rather subdued. We achieved considerable success in the project business, while the traditional retail business declined slightly.

After our record years in 2021 and 2022, we experienced a significant decline in sales and earnings in 2023. We have faced these challenges and learned from them. In 2024, things stabilized, and the decline in sales was minimal, which can be seen as a positive turnaround all things considered. Nevertheless, we are looking ahead with confidence. On the one hand, we can count on the commitment, flexibility, and team spirit of our employees. On the other hand, thanks to our innovative spirit and our intuitive feel for the challenges to come, we offer our customers fantastic water and bathing experiences with our customary high level of quality. We are particularly looking forward to presenting a large number of new, exciting products at the ISH trade fair for HVAC and water in 2025.

Considering volatility and the unknown, it is important to be goal-oriented and focus on the essentials. Our “Next Level” strategy helps us to achieve this. In all we do, we want to set the standards of tomorrow. We prioritize our initiatives across five fields of action. Another key aspect is to consistently pursue our path towards greater sustainability in all aspects of the company. To this end, we have bundled our goals into an ESG strategy through 2030. Receiving the German Sustainability Award 2024 for our pioneering role in the transformation was not the only confirmation that we are on the right track. The independent EcoVadis rating awarded for our sustainability performance gave us the top rating of “Platinum.” This puts us in the Top 1 percent of all companies rated worldwide. We are not resting on our laurels. Because there is always room for improvement. In this combined Annual and Sustainability Report, you will find out how we aim to reach our “Next Level”, both in terms of economic and sustainability indicators, and what steps we have taken to achieve this in 2024.

Best Regards,  
Hans Jürgen Kalmbach, Chairman of the Executive Board

**Dear Readers,**

The Hansgrohe Group has had another challenging year. Difficult market conditions and a rapidly changing environment require adaptability and, above all, team spirit. These are qualities that company employees have proven many times over with their passion and flexibility.

The Supervisory Board is also tackling the constant change and supporting the Executive Board in its important work. This also means using a solid strategy to stabilize our position and providing some orientation. The “Next Level” strategy sets the course for renewed growth. The corporate values of passion, appreciation, cooperation and trust, which Hansgrohe has demonstrated throughout its global presence, lay the framework for this.

A key aspect reflected in both our value orientation and our strategy, is the company’s focus on sustainability: taking responsibility for people and the environment is a longstanding tradition at Hansgrohe, an integral part of thought processes throughout the company, and the motivation behind numerous initiatives and projects.

The achievements and successes presented in this report show that Hansgrohe is on the right track. Prizes and awards such as the German Sustainability Award 2024 also make it clear that our initiatives of recent years have been fruitful.

Yours,  
Klaus F. Jaenecke  
Chairman of the Supervisory Board

# Hansgrohe Group – Shaping the Future with a Passion for Water

For 124 years, we have been shaping everyday life in the bathroom and kitchen with our innovative solutions and our passion for water. As an internationally active group in more than 145 countries, we take responsibility for people and the environment and rely on our intuition when challenges arise.

## Our Company

Headquartered in Schiltach, Baden-Württemberg (Germany), the Hansgrohe Group is a leading company in the sanitation industry. The group of companies consists of Hansgrohe SE, as well as 35 companies and 22 sales offices worldwide. With its brands AXOR and hansgrohe, the company offers high-quality showers and faucets for bathroom and kitchen sinks, as well as bathtubs. In addition, sanitary ceramics and bathroom furniture round out the product portfolio. In 2024, the Hansgrohe Group operated eight in-house production sites, four of which are in Germany and one each in France, Serbia, the US, and China. The company employs 5,645 people, with around 60 percent of them working in Germany.

The Masco Corporation, a US company headquartered in Livonia, Michigan, is the majority and controlling shareholder. Masco currently owns 68,35 percent of Hansgrohe SE shares. Masco is a global leader in the design, manufacture and distribution of branded home improvement and building products. The company has been involved with Hansgrohe SE since 1985. Syngroh Capital GmbH, a management and investment company owned by the Klaus Grohe family, holds the remaining 32 percent of Hansgrohe SE's shares.



Five members of the Executive Board manage the business of Hansgrohe SE, each with clearly defined areas of responsibility. Since August 1, 2018, Hans Jürgen Kalmbach has been Chairman of the Executive Board. The other members are André Wehrhahn as Chief Financial Officer (until June 30, 2024) or his successor Martial Gil (since July 1, 2024), Christophe Gourlan as Chief Sales Officer, Frank Semling as Deputy Chairman of the Executive Board and Chief Operations Officer and Sandra Richter, Chief People Officer. Hansgrohe SE shareholders are represented by the six-member Supervisory Board, as well as two employee representatives. Klaus F. Jaenecke is Chairman of the Supervisory Board.

The Headquarters of the Hansgrohe Group lies in the center of the small Black Forest town of Schiltach.

## Our Brands and Product Categories

The products that the Hansgrohe Group sells under its AXOR and hansgrohe brands are used in the bathroom and kitchen. For bathroom furnishings, we offer showers, faucets, thermostats, bathroom furniture, ceramics, toilets, and mirrors. The range also includes drain systems for showers, bathtubs and sinks. The shower products include hand-held showers, overhead showers, body sprays, shower sets, shower systems and accessories. For faucets and fittings, we distinguish between products for sinks, showers, bathtubs and bidets. For the kitchen, we offer kitchen faucets and sinks.

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

[www.axor-design.com](http://www.axor-design.com)

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

[www.hansgrohe.com](http://www.hansgrohe.com)

With our brands and product ranges, we meet the diverse needs of our customers and offer features, controls, design directions, as well as installation solutions and facilities for comprehensive bathroom experiences tailored to various requirements.

## Product Awards 2024

Since 1974, we have won over 800 design awards with our two brands, AXOR and hansgrohe. In the year under review, hansgrohe received five iF awards for the following product families: Rainfinity Extension, Xarita Lite, Xevolos, Xanua Q and Ecostat Fine, as well as Ecostat Element.

## Award for Sustainable Innovation

In August 2024, hansgrohe received the “Most Sustainable Innovative Solution” award in Dubai. This prize was awarded to our EcoSmart and CoolStart technologies, which are in particularly high demand in the Middle East.



## New Space for Spray Research

Open, bright, with plenty of space and modern equipment for new ideas and creative teamwork: this is how the new premises of our spray research department can be described following its relocation within the company headquarters in Schiltach. Since 1997, this department has been researching and working on the perfect performance, comfort, sound, spray pattern, and water efficiency of our products.

At numerous test stations with various water connections and measuring methods, spray researchers and product developers work on innovations. This is where expertise and measured values come together, discussions take place, and equipment and test areas can be shared. Technologies for our digital products are developed in the new electronics laboratory. High-tech digital photography technology makes it possible to document and analyze spray images.

In three new shower cabins, initial samples can be tested without noise interference; personal showering habits and analyses thereof can be transmitted via touchscreen. The new premises offer ideal conditions for our experts to develop new product ideas that help to reconcile the enjoyment of water with the efficient use of resources.



At the water testing station, the Hansgrohe experts scrutinize the spray pattern closely.

## Our Innovative Spirit

Hansgrohe has been a creative pioneer in the sanitation industry since 1901. The first hand-held shower with different spray types, the first pull-out kitchen faucet, or even the first shower bar are just some of the unique inventions that we use to improve our customers' quality of life and turn their encounter with water into an enriching experience. At the same time, we want to use clever technologies to sustainably reduce our impact on the environment and society. To this end, we have dedicated teams of unconventional thinkers working on ideas for the future. They bring products to market that offer added value, meet growing environmental awareness, and satisfy high quality standards.

We register hundreds of intellectual property claims every year and currently own more than 20,000. Since 2018, we have been among the top 100 innovators of German medium-sized companies. Also, we have always generated a large portion of our sales from new products that are no more than three years old. We use our vitality index to measure the proportion of total sales accounted for by products that were first launched on the market in the previous 36 months.

## Vitality index 2024

20.1 %



### Market Presence and Investments

The Hansgrohe Group is a brand-name company that is well known in many parts of the world. We distribute our products in the German market in a three-stage distribution channel – via wholesalers and plumbers, otherwise depending on the market situation, product segment and customer type in very different channels such as the sanitary and kitchen trade, via specialist partners, tradesmen or DIY stores. In addition to these specialized customer groups, global project business is particularly important: our products are present worldwide, on renowned cruise ships, in luxurious 5-star and boutique hotels in major international cities, in extraordinary spas, in high-class restrooms in lodges and luxury villas, in public facilities and in countless homes. With our own manufacturing facilities in Germany, France, China, Serbia, and the USA, we have access to an international production network and serve these markets locally based on demand. The two biggest German production facilities in Offenburg and Schiltach are supported by the branch office in Willstätt. With ESS (Easy Sanitary Solutions), the Hansgrohe Center of Excellence for Shower Channels and Drains was created in Bad Bentheim. ESS has been wholly owned by Hansgrohe SE since January 2024.

In total, the investments made in 2024 by the Hansgrohe Group amounted to 55.5 million euros (2023: 81.6 million euros). The lower level of investment compared to previous years is due to the completion of our new manufacturing facility in Valjevo, Serbia. The new site will strengthen our European production network and, together with our manufacturing facility in Schiltach, create Centers of Excellence for valve production. We are continuing to develop our manufacturing facilities in Offenburg and Wasselonne (France) into hubs for the manufacture of shower products.

Accordingly, in our investment, we also focused on both the modernization of the equipment and tools at our production facilities and their specific orientation. In the basic production and assembly areas, we invested in higher production capacities and greater automation, as well as in tools for new products. The development of numerous product innovations and the preparation of new product launches for the world's leading trade fair ISH, which will take place in March 2025, also required investment.

In 2024, a particular focus was also on our information technology projects with preparations for switching over to the new S/4 HANA business software and investments in the security of our digital processes.

The AXOR Citterio collection fits perfectly into the ambience of the Bulgari Hotel Roma, which is inspired by Roman history, the baths of Caracalla and the design preferences of Emperor Augustus.



# Hansgrohe 2024 IN FIGURES

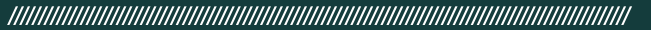
24%  
of our managers  
are female



20.1%  
VITALITY  
INDEX

97.4%

electricity from renewable sources at our production sites for the Hansgrohe Group (2023)



95%

of our relevant purchasing employees have completed training on ENVIRONMENTAL AND SOCIAL ISSUES in the SUPPLY CHAIN

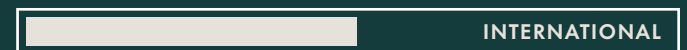


5,645 employees

~ 60%



~ 40%



8 PRODUCTION SITES 22 SALES OFFICES DISTRIBUTION IN MORE THAN 145 COUNTRIES



>20.000  
PROPERTY  
RIGHTS HELD

over 800  
DESIGN AWARDS  
RECEIVED SINCE  
1974

# Strategically Setting Tomorrow's Standards

Faucets in assembly line production: no matter what assembly step, no matter who is manufacturing (human or machine), the focus is always on precision and quality.

Our corporate strategy sets the Hansgrohe Group priorities for the coming years. With the help of binding and forward-looking values, it creates the framework for sustainable corporate management and helps us to pursue our goals in a focused manner.

By "Value Creation," one of our key topics → **page 45** we mean more than just economic processes and financial returns. We create value for everyone: our shareholders, our employees, our customers, the environment, and society. After all, we are aware of the social and environmental impacts of our business activities. To reduce negative impacts and strengthen the positive ones, we comply with the stipulations of international agreements and laws in all the locations in which

we operate or sell products. We want to continue to focus the company on long-term, profitable growth to become more resistant to temporary challenges, such as economic downturns or reduced availability of resources or skilled workers.

In this sense, we monitor value creation according to a series of principles, policies, management systems and control mechanisms. They range from the corporate policy adopted in late 2021, compliance guidelines and identity-building documents regarding our purpose, vision and mission to our CSR Principles → **page 83**.

## Trust through Quality

Our corporate policy emphasizes the importance of high quality standards in research, development and production. Our objective is to create worldwide trust in our brands and our customer orientation. The satisfaction of our customers – both people and companies – and partners is our top priority, which is why we strive for excellence in customer service and distribution logistics. Whenever possible, we want to exceed the expectations of our customers.



As an experience center, the Hansgrohe Aquademie in Schiltach offers product exhibitions, shower experiences in its ShowerWorld, workshops for new building projects and renovations, factory tours and seminars for specialist partners.

Our success is based on a profitable, sustainability-oriented corporate trajectory. Our work – both within the company and in collaboration with suppliers and other business partners – is based on a quality promise that includes sustainability, trust and transparency. With consistent process orientation and our commitment to avoiding errors, we want to increase our operational efficiency and optimize our management systems. With consistent ESG management (→ **page 42**), we also aim to position ourselves as an entity that acts responsibly while minimizing sustainability-related risks and generating opportunities in the process.



### Value-based positioning in the market

We aim to lead the market when it comes to sustainability and competing for talent. Our values – passion, trust, teamwork and appreciation – shape our management practices and guide us towards these goals. Our supportive environment aims to encourage the creativity and passion that enables our employees to shape the present and future of our company – for sustainable, constant growth.

### Orientation through purpose and ambition

Our purpose describes what we as a company aspire to: What does Hansgrohe stand for as a company besides being financially profitable? Our ambition describes the company’s long-term goal and the path we need to take to achieve it. For Hansgrohe, that means:

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

**AMBITION** – We reach the next level by setting the standards of tomorrow in everything we do. We create enthusiasm with water through innovative products and superior technologies. From inspiration to implementation, we offer an outstanding experience to our customers. Because we are constantly improving, which is a testament to our company-wide orientation toward success. We take responsibility for society and our environment. We support our team and are the best employer in our industry.



# Focus on the next level

Setting the standards of tomorrow in everything we do: that is the essence of Hansgrohe's "Next Level" corporate strategy. In this interview, the Executive Board members explain how they are implementing this in their respective areas.



The members of the Hansgrohe Executive Board (from left): Christophe Gourlan, Sandra Richter, Hans Jürgen Kalmbach (Chairman), Martial Gil and Frank Semling (Deputy Chairman).

The economic situation continues to be challenging. At the same time, companies are increasingly expected to adopt a sustainable approach. How do these topics align?

**HANS JÜRGEN KALMBACH:** I am convinced that companies need to act sustainably in order to grow in the long term. Even in difficult times. Sustainability is a stabilizing factor; it secures our future viability. That is why we are consistently pursuing our path of green transformation. We not only continue to invest in measures for greater sustainability but also look beyond the horizon in order to develop new approaches together with our environment and identify potential for improvement.

**SANDRA RICHTER:** Young talents are not the only ones looking for responsible employers. The "feel-good factor" is also determined by our stance on diversity and inclusion and the services we offer to help our employees achieve a good work-life balance. Our Klaus Grohe



**"Sustainability secures our future viability."**

HANS JÜRGEN KALMBACH,  
CHAIRMAN OF THE EXECUTIVE BOARD

day care center, comprehensive health management, further training at our CAMPUS, modern workplaces and the option of mobile working are just some of the things that make us an attractive employer.

**How much more attractive can you become on the market for applicants and for your own employees?**

**SANDRA RICHTER:** These benefits are milestones in our continuous development and help us in the search for the best talent. We achieve the best possible results with a motivated, well-trained and globally networked workforce. We therefore focus on the development of our employees, especially our colleagues with management responsibility, and on measures and projects that promote diversity, equal opportunities and inclusion. Because we



**“We are constantly developing our employer quality.”**

SANDRA RICHTER,  
CHIEF PEOPLE OFFICER

respect people in their diversity and are aware of their value to our company. We are also strengthening our global team and sharing our knowledge across national borders. This is because we sell our products worldwide and the proportion of international colleagues is increasing.

**Keyword turnover and growth: What is Hansgrohe doing in terms of competitiveness and ultimately job security?**

**MARTIAL GIL:** In order to achieve our growth targets, we are making targeted investments into our manufacturing facilities, workforce, and marketing. In order to be able to finance this, we are increasing effectiveness and efficiency in many areas by analyzing expenditure and identifying and exploiting opportunities and potential. This enables us to develop better products and to purchase, produce, and sell them more efficiently and sustainably. This will enable us to remain competitive in the future.

**FRANK SEMLING:** By preparing for the future today and repositioning ourselves, we are securing production in Germany in the long term. We are optimizing our global production network: Offenburg and Wasselonne are and will remain our shower production facilities, Valjevo will be our hansgrohe faucet production

facility, and Schiltach will remain our AXOR Center of Excellence. Products that begin their production process in one place, should also be completed here. This is also based on our “local for local” strategy, which we consider to be important and correct in view of the geopolitical situation worldwide. This ultimately strengthens all our production sites in the long term.

**Digitalization, especially AI applications, are surely also opening up new perspectives in terms of efficiency?**

**MARTIAL GIL:** That’s right. We are currently revising our IT architecture and strengthening our IT base. We are also building up capacities to utilize the possibilities of artificial intelligence (AI). Our own HansAI serves as the basis for the provision of AI services throughout the company. To accelerate the digital transformation, we promote collaboration between IT and other business areas. In multidisciplinary teams, we create digital solutions that make our day-to-day work easier.

**Surely efficiency and sustainability also go hand in hand in production processes?**

**FRANK SEMLING:** In fact, we discover and develop potential in many areas through active ideas management and with the



**„Digital and sustainable go hand in hand for greater efficiency.“**

MARTIAL GIL  
CHIEF FINANCIAL OFFICER

help of know-how from innovative partners. Thanks to a cutting-edge technical innovation, we are closing the recycling loop for galvanized plastics at our Offenburg site with an individually developed process. A joint and binding roadmap for the “energy transition” at our facilities in Schiltach and Offenburg will help us to achieve our goal of





**“We are aligning our production sustainably and thus ensuring the future viability of our locations.”**

FRANK SEULING  
CHIEF OPERATIONS OFFICER,  
DEPUTY CHAIRMAN OF THE  
EXECUTIVE BOARD

completely eliminating fossil fuels at all German sites by 2030. A combination of renewable energy sources should help here: by consistently using waste heat, for example, we can reduce our gas consumption by more than 50 percent.

The move towards becoming a complete bathroom provider began around two years ago in response to changing customer needs, which made it a necessity to offer bathroom furnishings in addition to faucets and showers: single source purchasing. What does this entail and how is it being received?

**CHRISTOPHE GOURLAN:** In terms of expertise, processes and logistics, we have now established a solid position. This was – and to a certain extent still remains – a feat of strength, a transformation that does not happen overnight. There are two key success factors here: On the one hand, there is our visibility in the exhibitions. On the other hand, we want, we want to inspire and excite our customers when it comes to complete bathrooms: you can experience just how beautiful and individual hansgrohe bathroom furnishings can be with our Inspirator tool, for example, which won us three awards in 2024, including the Red Dot Award in the “Digital Solutions – Brand Experience” category. We have achieved initial success in hotel and residential construction projects in Poland and Switzerland, where our ceramic products and toilets are used in addition to our faucets. Incidentally, after

the launch in six countries, we added additional points of sale in 2024. Our furniture, mirrors, and ceramics can now be purchased throughout Europe.

**How are sales going in general?**

**CHRISTOPHE GOURLAN:** In order to become the number one in Europe, we are strengthening our retail partnerships and focusing on getting closer to our end customers, installers, and planners. We want to become even more service-oriented and offer an outstanding customer experience with specialist knowledge, consultation, and the right platforms. We are also continuing to expand our sales structures worldwide in additional markets, such as Turkey, Romania, the Middle East, and Africa. Asia remains our most important growth region, with further expansion opportunities in India. We want to continue our success story in China with even more market orientation despite the weakening real estate market.

**What customer experiences can we look forward to in the future?**

**HANS JÜRGEN KALMBACH:** Obviously, ISH 2025 will once again be a highlight. With pioneering product innovations and inspiring presentations, we are once

again living up to our reputation as an industry driver in innovation, design, quality, and sustainability. We inspire our customers with dream bathrooms and water experiences and use pioneering water technologies to demonstrate ways of protecting this precious resource.



**“With even more service, customer experience and market orientation, we are further expanding our global sales.”**

CHRISTOPHE GOURLAN  
CHIEF SALES OFFICER



# Highlights 2024

Our review of many positive events



**Primož Roglič and our Red Bull – BORA – hansgrohe team won the overall standings at the Vuelta a España tour of Spain. We celebrated the victory together with Spanish customers from the hotel, construction and sanitary sector.**

## Campaign for Water Protection

In 25 days, Andreas Fath, professor at Furtwangen University in the Black Forest (and formerly Chief Chemist at Hansgrohe Group), swam the entire Elbe river and organized workshops and campaigns. As part of the PureElbe project, he analyzed the river water and drew attention to the pollution caused by microplastics. After swimming the Danube, Rhine and Tennessee River in the USA, Hansgrohe once again supported this high-profile environmental campaign as a sponsor.



[pureelbe.org](https://pureelbe.org)



## Social Commitment

An initiative by the subsidiary in India is an example of Hansgrohe’s commitment to social projects: they sponsored the construction of new toilet blocks and hygienic washing facilities for teachers and students of the Government High School in Mettukuppam. There was a water treatment system for clean drinking water.



## Anniversary: AXOR Starck collection

In 1994, the AXOR Starck collection changed the design of the bathroom for the first time, from cool sanitary to warm well-being spaces. The over 30-year collaboration with Philippe Starck has produced five AXOR bathroom collections and ground-breaking icons of design. In Paris, the anniversary of the success story was celebrated together.

## AXOR and hansgrohe at the Olympics

At the Olympic Games in Paris, all eyes were on the athletes’ sporting performance. Many of them used showers and faucets from our hansgrohe brand in around 6,000 apartments in the Olympic village. AXOR took advantage of the wave of renovations in the hotel sector to prepare for the event by fitting out 47 hotels, including the Bulgari Hotel shown here.




# Highlights 2024

Looking back  
on 2024 highlights

## Plastics Recycling

In June, Hansgrohe made a global technical novelty operational: a recycling process for galvanized plastics developed jointly with ImpulsTec GmbH. The system processes the production waste from chrome-plated components so as to make the decoated plastic available again directly on site in the Hansgrohe plastic injection molding plant for the production of new parts.

[See press release Hansgrohe Group | Hansgrohe Group](#) 



## 25th Anniversary: Hansgrohe China

In 1999, the Chinese subsidiary was founded. In what is now Hansgrohe's second largest market with more than 700 employees, important milestones included the subsidiary's own faucet factory and exhibition center, a flagship store in the middle of Shanghai and, most recently, the Innoparc – a development hub for the Chinese market. In other words: reason enough to celebrate the 25th anniversary.



In the "Pioneer of Transformation" category, we were recognized with the **German Sustainability Award 2024** for our sustainable innovations in the "Energy, Water and Sanitary Technology" category.

AWARDED

# 98 %

of the materials processed  
in the new recycling plant  
can be reused



An aerial photograph of turbulent ocean waves in shades of teal and dark blue. A large, hollow teal outline of the number '2' is positioned on the left side of the image. In the center-right, the words 'Management Report' are written in a bold, white, sans-serif font. Below the text, there is a solid white rectangular box.

# Management Report

# A. Company Foundation

## Corporate Structure

With its brands AXOR and hansgrohe, the Hansgrohe Group, based in Schiltach, Germany, is a leading company in the bathroom and kitchen industry, known for its innovative spirit, and its focus on strong design and highest quality products. With its faucets, showers and shower systems, the company, which was founded in the Black Forest in 1901, gives water both form and function. In combination with sanitary ceramics and bathroom furniture, the company offers individual design options from a single source for holistic bathroom experiences. Unique inventions, such as the first hand-held shower with different spray modes, the first pull-out kitchen faucet and even the first shower bar are milestones in the company's 120 years of existence. The company holds more than 20,000 active property rights. The Hansgrohe Group stands for durable, high-quality products and responsible actions for people and the environment. The sustainable manufacture of resource-conserving products is firmly anchored in our corporate activities all around the world. By developing innovative technologies for faucets and showers, Hansgrohe protects water as a resource and limits and adapts to climate change to the maximum extent possible during the use of its products. As part of its comprehensive sustainability strategy, the Hansgrohe Group aims to implement water- and/or energy-saving technologies in all of its water-bearing products by 2030 – this is known as the ECO 2030 strategy.

With 35 companies, 22 sales offices and distribution in more than 145 countries, the company operates in the global sanitation industry as a reliable partner for its customers in all regions of the world. The Hansgrohe Group and its brands and products have received numerous awards, including over 800 design awards since 1974. The products of the Hansgrohe Group are present worldwide, on renowned cruise ships, in luxurious 5-star and boutique hotels in major international cities, in extraordinary spas, in high-class restrooms in lodges and luxury villas, in public facilities and in countless homes. The Hansgrohe Group guarantees quality through production at eight wholly-owned production sites, of which four are in Germany and one each in France, Serbia, the United States and China.

## B. Economic Report

### Economic Environment

With support from decreasing inflation and initial monetary easing in many large national economies, the global economy grew 3.2% in 2024<sup>1</sup>. However, geopolitical tensions, regional instabilities and the impact of the high cost of living are still crucial factors. The advanced economies saw moderate growth. Consumption was supported by rises in real wages and stable labor markets, while investments and housing recovered only slowly. Due to rising interest rates and high construction costs, the housing market in many countries experienced a significant decline in building permits in 2024, and construction activity slowed down considerably.<sup>2</sup> Whereas inflation in many countries reached the targeted level, core inflation remained relatively high due to the shortage of skilled labor in the service sectors. Regional trends continued to diverge: While Asia, led by India and Indonesia, saw dynamic growth, recovery in Europe was sluggish. Growth in real income supported consumption in the US. Global risks due to causes such as geopolitical tensions and protectionist tendencies remained in place.<sup>3</sup>

Economic output in the People's Republic of China slowed in 2024, growing by 4.9%. Consumption remained weak due to the high retirement savings ratio, which was accompanied by a higher household savings rate. Growth in industrial production was supported by rising exports, while the protracted correction in the real estate sector continued. In 2024, the crisis in the Chinese real estate sector persisted, marked by the bankruptcies of leading developers such as Evergrande and a growing number of at-risk loans, which severely undermined confidence in the industry.<sup>4</sup> Net exports rose by 2.2%.<sup>5</sup> The unemployment rate decreased by 0.1 percentage points year-on-year to 5.1%.<sup>6</sup>

The US saw gross domestic product growth of 2.8% in 2024 in spite of high interest rates; this growth was supported by strong private (+2.7%) and public (+2.4%) spending. The household savings ratio held steady at 4.9%. The unemployment rate remained low with a moderate rise to 4.0%. Net exports were down 0.4%.<sup>7</sup>

<sup>1</sup> Real GDP.

<sup>2</sup> Source: Currie & Brown, How to navigate 2024: Balancing challenge with opportunity. Retrieved from <https://www.curriebrown.com>

<sup>3</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, pp. 12-20, 22-23, 29-30

<sup>4</sup> Source: Reuters (2025), China Evergrande's unit receives liquidation order from Hong Kong court. Retrieved from <https://www.reuters.com/world/china/china-evergrandes-unit-receives-liquidation-order-hong-kong-court-2025-01-13/>; Reuters (2025), China's residential foreclosures increase in 2024 amid property slump. Retrieved from <https://www.reuters.com/world/china/chinas-residential-foreclosures-increase-2024-amid-property-slump-2025-01-07>

<sup>5</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, p. 15, pp. 124-127

<sup>6</sup> Source: IMF World Economic Outlook, October 2024: Policy Pivot, Rising Threats from October 22, 2024, p. 34

<sup>7</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, pp. 259-262

In the eurozone, economic output rose 0.8% in 2024, due in part to a 0.2 percentage point rise in private consumption growth to 0.9% and a 2.2% increase in public spending. The household savings ratio in the eurozone was 9.0%, suggesting more cautious budgeting in times of low but persistent inflation. The unemployment rate reached a post-pandemic low of 6.4%. Net exports were up 0.8%.<sup>8</sup>

Growth in Germany's gross domestic product stagnated in 2024 at 0.0%, well under the eurozone average. The German economy continues to suffer due to uncertainty about economic policy and weak demand in international commerce. Because of falling inflation and rising real wages, there were increases in both private consumption (0.4%) and public spending (1.8%), attributable in part to higher social spending and public sector wage increases. The household savings ratio rose 0.5 percentage points to 10.9%. The labor market remained tight, with the unemployment rate up 0.5 percentage points to 3.5%. Net exports showed a slight increase of 0.5%. However, exports outside the EU, especially to China and the US, failed to meet expectations.<sup>9</sup>

Gross domestic product growth in France was 1.1% in 2024. The slow recovery in private consumption (+0.8%) was supported by a high household savings ratio of 17.3% and rising real wages. The downturn in housing loans slowed gradually due to looser monetary policy. Growth in public spending rose by 1.3 percentage points to 2.1%. The unemployment rate remained low at 7.4%; net exports were up 1.1%.<sup>10</sup>

The United Kingdom's gross domestic product grew by 0.9% in 2024. This positive development is attributable to an increase of 2.2% in public spending and a steady trend in private consumption (+0.7%), supported by rising real wages. The household savings ratio rose to 8.4%. The unemployment rate was nearly unchanged at 4.2%. Net exports (-1.4%) had a negative impact on economic output as both exports and imports suffered from weak international demand.<sup>11</sup>

<sup>8</sup> Source: Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, pp. 146-149

<sup>9</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, pp. 157-160

<sup>10</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, pp. 153-156

<sup>11</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, No. 116, OECD Publishing, Paris, pp. 255-258

## Business Performance

The key financial performance indicators for managing the Hansgrohe Group and Hansgrohe SE are incoming orders, sales and EBIT.

### Hansgrohe Group:

In the economic environment described above, Hansgrohe Group sales fell to EUR 1,387.0 million in 2024 (2023: EUR 1,405.9 million). This corresponds to a decline of 1.3%. Adjusted for currency effects, Hansgrohe Group sales were down 0.02% from the previous year. However, sales trended above the previous year's forecast even with this slight decline. Domestic sales fell by 1.0% and international sales by 1.5% in the past fiscal year. Adjusted for currency effects, international business grew by 0.3%.

The share of foreign sales remained unchanged at 76.5% (2023: 76.5%).

Hansgrohe generated sales of EUR 1,234.8 million (2023: EUR 1,224.0 million), the second-highest figure in the company's history. There was modest growth in faucets, showerplace and washplace, while showers saw a slight decline. High demand for special finishes partly compensated for this decline.

AXOR ended the fiscal year below the previous year's level (-11.8%). Almost all collections contributed to the decline.

### Hansgrohe SE:

At EUR 1,054.1 million, net sales at Hansgrohe SE in the past fiscal year were slightly below the previous year's level (2023: EUR 1,063.1 million). This corresponds to a year-on-year decrease of 0.8%. This slight decrease in sales exceeds the previous year's forecast.

In view of the economic development described at the beginning, the business performance of both the Hansgrohe Group and Hansgrohe SE in 2024 was nevertheless satisfactory.

### Turnover at the Hansgrohe Group\*

(in millions of euros, rounded)	2022	2023	2024
	1,550	1,406	1,387

### Hansgrohe Group operating result\*

(in millions of euros, rounded)	2022	2023	2024
	246.8	201.7	199.9

\* according to German Commercial Code, as of 31.12.

# Balance Sheet Hansgrohe Group

(in thousands of euros, rounded, according to German Commercial Code, as of 31.12.)

ASSETS	2022	2023	2024
FIXED ASSETS	294,823	311,898	313,501
Intangible Assets	50,866	41,202	43,131
Tangible Assets	243,865	270,625	270,302
Financial Assets	92	71	69
CURRENT ASSETS	681,738	585,286	650,876
Inventories	232,676	199,004	217,102
Accounts receivable and other assets	241,713	213,490	216,676
Checks, cash on hand and in banks	207,350	172,791	217,098
DEFERRED CHARGES AND PREPAID EXPENSES	8,921	6,925	11,737
DEFERRED TAXES	5,975	3,541	4,962
DEBIT DUE TO NETTING OF ASSETS ASSIGNED TO ACCRUALS	0	3	5
<b>Total Assets</b>	<b>991,457</b>	<b>907,653</b>	<b>981,083</b>

PASSIVA	2022	2023	2024
STOCKHOLDER'S EQUITY	520,393	509,866	553,012
Subscribed capital	61,156	61,156	61,156
Capital reserve	11,735	11,735	11,735
Revenue reserve	291,232	295,512	315,266
Equity capital difference from currency conversion	2,153	-8,020	-174
Group net income	147,695	144,529	165,029
Non-controlling interests	6,422	4,954	0
ACCRUED LIABILITIES	226,824	195,081	197,601
LIABILITIES	243,489	197,910	222,283
DEFERRED ITEMS	752	4,795	8,188
<b>Total Liabilities</b>	<b>991,457</b>	<b>907,653</b>	<b>981,083</b>

## Incoming Orders

Incoming orders in the Hansgrohe Group amounted to EUR 1,320.2 million in 2024. This corresponds to a slight year-on-year decrease of 0.2%. Incoming orders were thus moderately lower than the previous year's forecast. Germany saw modest growth, while international business was down slightly.

### Hansgrohe SE:

Since the Hansgrohe Group is a key production unit, its slight negative trend in incoming orders was also reflected at Hansgrohe SE. Hansgrohe SE's incoming orders saw a slight decrease of 0.7% in the past fiscal year. Incoming orders were therefore moderately below the previous year's forecast.

## Earnings

### Hansgrohe Group:

The Hansgrohe Group saw a steady trend in sales and earnings. At EUR 256.6 million, EBITDA was down 0.1% year-on-year (previous year: EUR 256.8 million). EBIT fell 0.9% to EUR 199.9 million (previous year: EUR 201.7 million) and was thus somewhat below expectations.

The Hansgrohe Group's annual net profit for 2024 after deduction of minority interests amounted to EUR 148.7 million (2023: EUR 148.8 million), the same level as in the previous year. This is attributable to stagnating sales and cost trends.

The material cost ratio rose slightly, by 0.4%, mainly because the cost of raw materials, consumables and supplies included in the material cost ratio increased.

The Hansgrohe Group continues to focus on systematic efficiency improvements. In 2024, EBIT rose by a total of EUR 40.4 million due to such improvements.

Personnel expenditure was 1.1% above the previous year's level.

Due to currency fluctuations in 2024, other operating income included EUR 7.3 million in exchange rate gains. These were offset by exchange rate losses of EUR 11.2 million in other operating expenses.

The Hansgrohe Group's financial result increased to EUR 9.3 million in 2024 compared with EUR 4.6 million in 2023. This mainly includes interest expenses for pension provisions netted against investment income from the CTA investment. The net income from plan assets and interest expenses for pensions amounted to EUR 6.7 million; the figure for 2023 was EUR 6.9 million.

### Hansgrohe SE:

EBITDA at Hansgrohe SE amounted to EUR 153.5 million after EUR 148.9 million in the previous year.

At EUR 113.4 million, EBIT was up year-on-year (previous year: EUR 106.8 million). Hansgrohe SE's net profit for the year rose to EUR 165.0 million (previous year: EUR 144.5 million). The increase is primarily attributable to the change in the financial result.

The cost of materials rose to EUR 532.2 million (previous year: EUR 525.6 million). The margin decreased slightly as a result. This is primarily due to higher expenses for raw materials, consumables and supplies. The material cost ratio rose by 0.5%.

Personnel expenditure was slightly below the previous year's level (down 1.4%). This slight decrease is primarily attributable to reduced wages.

Other operating expenses decreased from EUR 160.6 million to EUR 159.3 million, largely due to lower marketing expenses.

Other operating income includes exchange rate gains of EUR 5.5 million. These were offset by exchange rate losses of EUR 8.7 million in other operating expenses.

## Financial Position

### Hansgrohe Group:

Taking into account the planned dividend payment of EUR 165.0 million, the Group's equity ratio decreased to 47.5% in the past year (2023: 47.9%). The return on equity after taxes fell to 38.3% (2023: 40.7%).

Liquid assets amounted to EUR 217.1 million (previous year: EUR 172.8 million), while cash flow from operating activities amounted to EUR 202.6 million. The Hansgrohe Group is therefore in a position to meet its financial obligations.

### Hansgrohe SE:

At Hansgrohe SE, the Equity ratio taking into account the planned dividend payment of EUR 165.0 million rose to 39.8% from 36.7% in the previous year.

Liquid assets amounted to EUR 82.4 million (previous year: EUR 38.0 million), meaning that Hansgrohe SE is in a position to meet its financial obligations. The company finances itself within the Group via cash pooling. Since May 1, 2008, the company has been integrated into a cash pool managed by Hansgrohe SE.

## Asset situation

### Hansgrohe Group:

At EUR 313.5 million, fixed assets in the Hansgrohe Group have increased compared with the previous year (2023: EUR 311.9 million). The value of inventories increased to EUR 217.1 million (2023: EUR 199.0 million). Trade receivables decreased from EUR 189.7 million to EUR 189.3 million. Receivables management was characterized by the consistent and SAP-supported use of credit limits.

Other provisions in the Group amounting to EUR 131.7 million (2023: EUR 124.1 million) consisted primarily of customer bonuses, vacation entitlements or flextime, and other wage and salary components, warranty obligations and supplier invoices.

The Hansgrohe Group's liabilities to banks remained low. They amounted to EUR 0 at the end of the year (2023: EUR 1,000). The Group's trade payables increased to EUR 145.5 million compared with EUR 131.5 million in the previous year.

### Hansgrohe SE:

At Hansgrohe SE, fixed assets increased to EUR 253.6 million (2023: EUR 247.9 million). The value of inventories increased to EUR 133.4 million (2023: EUR 121.9 million). Trade receivables rose from EUR 35.4 million to EUR 39.6 million. The pension provisions netted with the CTA assets fell from EUR 62.0 million to EUR 55.2 million. Other provisions increased from EUR 45.4 million in 2023 to EUR 47.2 million in 2024. Hansgrohe SE's liabilities to banks remained low. They amounted to EUR 0 at the end of the year (2023: EUR 0). Trade payables rose from EUR 101.2 million to EUR 109.1 million.

## Investments

The largest investments went into the new production site in Serbia. Other major areas of investment were tools for new products, machinery, equipment and IT and digital needs.

### Hansgrohe Group:

Investments in the Hansgrohe Group's fixed assets in 2024, including leasing, amounted to EUR 55.5 million, EUR 26.1 million below the previous year's figure (previous year: EUR 81.6 million). Depreciation and amortization in the Hansgrohe Group amounted to EUR 56.7 million in 2024 (2023: EUR 55.0 million).

### Hansgrohe SE:

EUR 46.1 million was invested in Hansgrohe SE (2023: EUR 34.1 million), of which EUR 3.1 million was invested in leasing projects (2023: EUR 1.8 million). Hansgrohe SE recognized depreciation and amortization in the amount of EUR 40.1 million (2023: EUR 42.2 million).

## Employees

As of December 31, the five German sites employed a total of 3,305 employees (based on headcount of December 31, 2023), of whom 3,124 were employed at Hansgrohe SE. In addition, there were 46 employees who worked in the internationally affiliated regional offices and 69 employees who worked for the two subsidiaries of Easy Sanitary Solutions B.V. in Germany.

The Hansgrohe Group employed 5,645 people worldwide on the reporting date. As in the previous year, staff turnover remained low at 2.4% (as of December 31, 2024).

Temporary staff, which ranged between 179 and 236 employees worldwide in 2024, provided the necessary flexibility in the past year. Of these, between 30 and 86 temporary staff were employed at the German companies.

## Disclosures on corporate governance pursuant to Section 289f (4) of the German Commercial Code

Hansgrohe continues to aim to fill vacant positions at the managerial level with those best suited to fulfill the respective tasks and obligations. However, Hansgrohe also believes that increased gender diversity is beneficial for the culture and decision-making processes at management level. Based on the German act on equal participation of women and men in leadership positions in the private and public sector (women's quota act), the Executive Board agreed at its meeting on October 24, 2022, on a quota of 25% for women in the third management level and 15% in the second management level. This target has been in effect since July 1, 2022, and must be achieved within 5 years from that date. This objective was supplemented by a Supervisory Board Resolution dated October 28, 2022, which sets a target of 20% for the participation of women on the Executive Board. This target has been in effect since July 1, 2022, and must be achieved within 5 years from that date. In the past fiscal year, the proportion of women was 20% on the Executive Board and 19.4% on the second management level. The figure for the third management level was 22.4%. In addition, a Supervisory Board Resolution dated October 28, 2022, set a target for the participation of women on the Supervisory Board of one sixth, which is to be achieved within 5 years. Last fiscal year, the proportion of women was still 0%.

## Research and Development

Since Hansgrohe Group sales stabilized at approximately the previous year's level, the headcount in research and development, and with it the scope of new product projects, also remained near the previous year's level.

The most important new products or product ranges launched under hansgrohe in 2024 include the expansion of the PULSIFY and CROMETTA lines with a variety of new shower pipe variations including the new SHOWERTABLET SELECT 360 tablet thermostat, the new ECOSTAT FINE and ECOSTAT ELEMENT exposed installation thermostats, the new TALIS SELECT M54 POWDERSPRAY kitchen faucet, and the new XARITA LITE line of mirrors. In addition, a range of STAMIS faucet variations and RAINDRAIN shower channel variations in the low-price segment was launched.

The AXOR CITTERIO C collection and the new AXOR SHOWERSELECT ID concealed installation thermostat variations (based on the hansgrohe iBox Universal) were launched to expand the AXOR product range. The launch of the AXOR FLUSHPLATE compatible with commercially available toilet flushing systems rounded out the product range.

The Research and Development department currently employs 192 people (previous year: 199). This applies to Hansgrohe SE. At Group level, there are 205 employees.

Furthermore, as part of the strategic initiative Improve for Investment (i4i), Product Development continued to have great success with various value analysis projects in 2024 by redesigning existing series products in the form of material substitution, the use of new technologies, the simplification of assemblies and the use of new platform strategies.

Another substantial portion of resources went into the development of the large number of new products to be presented at the ISH trade fair and launched in 2025, and into preparations for a major wave of changes to brass components resulting from pending regulatory changes in the German and European Drinking Water Ordinance.

## Purchasing

Rising commodity prices in the fourth quarter of 2023 peaked in May 2024. Copper was quoted at USD 10,857/mt and zinc at USD 3,093/mt in cash settlement on the London Metal Exchange (LME), the highest levels for the first half of the year. Thanks to a good hedging strategy implemented in the first quarter of 2024, the Hansgrohe Group was largely able to avoid the May price peak. In the third quarter of 2024, prices for the metals fell in August to USD 8,620.50/mt for copper and USD 2,516/mt for zinc before climbing back to USD 8,830.50 for copper and 2,682 for zinc. During this phase, too, the Hansgrohe Group was able to soften the impact of a new peak in October, when copper and zinc reached USD 9,882.50/mt and USD 3,237.50/mt, respectively, with advantageous transactions.

The effects of the crisis in the Red Sea caused by persistent Houthi rebel attacks on container ships led to strong fluctuations in freight rates and in particular to considerably longer transit times. With targeted measures and our established consignment warehouses, we were able to cushion most of the impact of the associated challenges in supplying our plants.

As in 2023, cost management was the focus for purchasing. With the Hansgrohe "Next Level" strategy, we achieved significant cost reductions. The sweeping Sourcing 2.0 program with over 350 sourcing events made a significant contribution to the company's earnings.

Further sustainable procurement measures were implemented in 2024. One was the revision of the long-established Masco Supplier Business Practices Policy (SBPP) to add aspects of the German Supply Chain Due Diligence Act (LkSG). Another was the adoption of the Sustainable Procurement Policy, an internal guideline for buyers, whereby they commit to consider sustainability factors such as environmental, social and employee concerns, respect for human rights, and fighting corruption and bribery in their procurement activities. The implemented measures were crucial to achieving platinum status in the Ecovadis sustainability rating.

In addition to the LkSG, other regulatory requirements were added to the compliance portfolio in 2024. For both the Carbon Border Adjustment Mechanism (CBAM) and the European Deforestation Regulation (EUDR), Purchasing obtained all required information and documents relating to supply chains and reported them to the responsible authorities.

We also continued with the systematic implementation of the digital agenda, focusing on preparation for the S/4HANA migration around Easter 2025. The first major test phase was completed successfully. In addition, activities for the implementation of a new SRM solution continued. Two more bots were introduced to make the creation of master data in SAP more efficient, and three buyers were trained as AI experts to better leverage the potential of AI applications in Purchasing.

## Global Production and Quality Management

### Production:

In our production network, 2024 was defined by our Next Level strategy, the development of initiatives, and sluggish orders, but also by very strong demand for surface finishing with PVD coatings.

It quickly became clear in 2024 that the existing capacity and working configuration for PVD at the German sites will not be enough to meet the sharp rise in demand.

We quickly implemented process optimization measures and achieved significant results. We also decided to change the work system and to implement additional shifts. With the necessary recruiting and training, this measure lasted into the fourth quarter of 2024. We achieved a considerable increase in the output of both departments, but it is still not enough to satisfy the increased overall demand for special finishes. Investments in three new PVD coating systems were initiated parallel to the modification of the work system. These systems will begin operation in the first or second quarter of 2025.

In addition, we ordered supplemental brushing and cleaning equipment for the PVD department at the Schiltach production facility. Since the systems will not begin operation until the first or second quarter of 2025, we expect the back order situation for PVD to continue through the end of the second quarter of 2025.

The electroplating facility in Valjevo began operation in September 2024 after several months' delay due to late official approval. As a result, cast parts from Valjevo were sent to the Schiltach production facility for coating, while the Songjiang facility assisted with quantities for a prolonged period. The planned quantity of cast parts produced in Valjevo thus fell short of the original target, but Valjevo greatly exceeded its assembly targets and its ramp-up is making progress.

Our facility in Songjiang is undergoing changes. Plans originally called for a year of low volume. Because of the situation in Valjevo (described above), we produced much more volume in Songjiang again. This situation will change in 2025 as the Valjevo ramp-up proceeds. A considerable decrease in volume, especially in the second half of the year, is to be expected in Songjiang. The campaign initiated in past years to develop key skills is bearing fruit in Songjiang; with product training in basic production and assembly being implemented at an unprecedented scale in 2024. This will be especially beneficial in the months and years ahead as the Brass Next initiative progresses.

Our facilities in Wasselonne, Atlanta and Bad Bentheim were less affected by changes in 2024. All of these continued to perform well. Worthy of mention in this regard is Atlanta, where production productivity has stabilized at over 80%.

Last year we were again able to count on all of our employees, who demonstrated a high degree of dedication and flexibility. The only negative aspect is the higher illness rate, especially in the German production facilities, a trend that unfortunately can be observed in many companies, including Hansgrohe.

Investments were below plan during the past reporting period, but we again invested in a balanced manner and mainly in new projects. A further basic component of our investments of course remains our localization and regionalization strategy, which was given even higher priority by the Hansgrohe strategy.

In conclusion, it can be said that 2024 was multifaceted and challenging. With the Hansgrohe strategy, we set the course for our future activities. We have taken the first steps and even achieved initial success. We are confident that, with the measures and projects we have initiated, we are on the right path towards success.

**Improve for Investment:**

The i4i program remains an integral part of our corporate activities. The direct contribution to earnings again increased significantly compared with the previous year.

Manufacturing costs were reduced, in particular by optimizing material and production costs, which accounted for more than 70% of i4i's direct contribution. Significant potential was tapped in 2024 in the procurement of production materials and in the facilities. Activities contributed to about 90% of the overall reduction in manufacturing and logistics costs.

All departments are involved in the i4i program. Process improvements and lean activities in all departments and subsidiaries make a major contribution to earnings and create efficiency.

**Corporate Responsibility and Sustainability**

Cyclical monitoring took place in October 2024, and the auditors from our certification company confirmed the effectiveness of our management system. In addition, measures were derived to improve and refine the management system. These measures were reviewed by our lead auditor in January 2025 as part of a document review.

The previously initiated projects for EU taxonomy and CSRD (Corporate Sustainability Reporting Directive) readiness pushed ahead in 2024 as they are to be applied at Hansgrohe from fiscal year 2025 onwards.



## C. Forecast

In the following, we describe the expected performance of the Hansgrohe Group and Hansgrohe SE, and the general conditions affecting their business activities. In the risk and opportunity report, we present the risks and opportunities that could lead to a deviation from the developments that were forecast.

### Global Economic Development

Moderate global economic growth is expected in 2025, supported by a continued drop in inflation, robust employment growth and less restrictive monetary policy. Global GDP growth is estimated at 3.3%<sup>12</sup>, with regional divergences expected to lessen as the recovery gains traction in Europe, while growth slows in the US and Brazil. In Asia, strong domestic demand in India and Indonesia and new fiscal stimulus in China and Japan should continue to promote solid growth. Inflation is likely to decrease further in 2025, returning to target levels in many important economies; this in turn should boost consumption and investment. In spite of the positive outlook, there are significant risks: geopolitical tensions, particularly in the Middle East and Ukraine, could destabilize global markets. Growing trade protectionism, especially on the part of the large economies, is a further risk as increasing uncertainty and import-restricting measures cause rising costs and prices, discourage investment, weaken innovation, and could ultimately slow growth.<sup>13</sup>

Economic growth of 4.7% is forecast for the People's Republic of China in 2025. Consumption growth will remain steady, restrained by continued high retirement savings and the ongoing weakness in the real estate market. Investment will grow, benefiting from loose monetary policy and higher government spending. An increase of 1.1% is expected for net exports.<sup>14</sup> The unemployment rate is likely to remain unchanged from that of the previous year, 5.1%.<sup>15</sup>

Economic growth in the US is expected to be 2.4% in 2025, a slight year-on-year decrease of 0.4 percentage points. Because of moderate wage increases, growth in private consumption is estimated at 2.3%. The household saving ratio will remain nearly unchanged, falling only 0.1 percentage points to 4.8%. A decrease of 1.8% in public spending and an unemployment rate of 4.1% (up 0.1 percentage points year-on-year) are expected. A slight decline of 0.3% is forecast for net exports.<sup>16</sup>

Eurozone economic output is expected to grow 1.3% in 2025, a slight increase over 2024. Growth in private consumption (up 1.3%) will be supported by rising real incomes and a stable labor market. According to forecasts, public spending will increase by 1.2%, supported by investments from the Next Generation EU program. The household saving ratio is expected to rise to 9.2% and the unemployment rate should be at 6.3%. A marginal increase of 0.1% is expected for net exports as trade with important partners stabilizes.<sup>17</sup>

After stagnating in 2024, the German economy is forecast to grow 0.7% in the year ahead. This moderate growth is driven by a 0.9% increase in private consumption, boosted by rising real wages and falling inflation. Public spending should rise by 0.7%, with fiscal restrictions continuing to limit flexibility. Unemployment is likely to rise to 3.6%, while the household savings ratio is estimated at 11.2%, a sign of uncertainty among consumers. Net exports are expected to remain unchanged.<sup>18</sup>

<sup>12</sup> Real GDP

<sup>13</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, p. 12, p. 18, pp. 28-33

<sup>14</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, p. 12, pp. 28-33

<sup>15</sup> Source: IMF World Economic Outlook, October 2024: Policy Pivot, Rising Threats, p. 34

<sup>16</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, pp. 261-264

<sup>17</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, pp. 148-151

<sup>18</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, pp. 159-162

Economic growth in France is expected to be 0.9% in 2025, a slight decrease from the 2024 figure (1.1%). Private consumption will be up 1.2%, supported by rising real incomes. Public spending should increase by 0.3%, limited by cost-cutting measures aimed at consolidating the budget. There will be a slight rise in the unemployment rate to 7.7%, attributable to weak demand for labor in some sectors. The household savings ratio is expected to be 17.2%, only slightly lower than the previous year's figure (17.3%). Net exports are expected to show minimal growth of 0.2%.<sup>19</sup>

Economic growth of 1.7% is expected for the United Kingdom in 2025. Growth in private consumption is expected to be 1.2%, supported by recovery in real incomes and moderate monetary easing. Public spending will increase by 3.0% thanks to a fiscal expansion package, which in turn will boost infrastructure investment. The unemployment rate should hold steady at 4.0% as higher public spending creates new jobs. The household savings ratio is expected to be 8.1%, only slightly lower than the previous year's figure (8.4%). Net exports are expected to see a minimal decrease of 0.1%.<sup>20</sup>

### Commodity Prices and Currency Trends

The currency market was characterized by a number of uncertainties and risk factors in recent months; this situation will continue in 2025. Along with geopolitical tensions, particularly the ongoing war in Ukraine and the tense situation in the Middle East, the outcome of the US election was cause for heightened nervousness in financial markets. Economic policy decisions in the US, especially relating to tariffs and trade relations, will be crucial in determining whether the dollar not only maintains but increases its strength. Meanwhile, the euro remains under pressure. With respect to the US dollar, the euro traded in a range between 1.03 and 1.12 in 2024.

The price of copper dropped to about USD 9,000 per metric ton toward the end of 2024, a decrease of more than 17% from the highs reached in May (USD 10,857 per metric ton). This decline is attributed to weak economic data from China and the appreciation of the US dollar. In spite of increased production capacity, copper prices are expected to continue rising in the medium to long term. In addition to an improved global economy in the coming year, macroeconomic trends should also be considered as price drivers. As one of the most important metals for the energy transition, electromobility and digitalization, copper will see a lasting increase in demand.

### Investment Planning

Construction of the production plant in Serbia will continue to progress in 2025. Implementation of the new Next Level strategy will be a focus of investment. We will continue to invest in tools for new products, information technology, and machinery and equipment, with a focus on capacity expansion, automation and digitalization.

### Outlook

Due to geopolitical uncertainties and higher inflation, a slight increase in sales and incoming orders and a significant increase in earnings (EBIT) are expected for 2025. There will be an increased focus on measures to increase efficiency in 2025. The Hansgrohe Group therefore considers itself well prepared to maintain profitable and sustainable earnings in the coming fiscal year.

The outlook for Hansgrohe SE, the main production and control unit, is derived from the forecast of the Hansgrohe Group and is primarily responsible for planning measures to increase efficiency. Hansgrohe SE is planning for a slight increase in sales and incoming orders, and a significant decrease in earnings (EBIT) in 2025.

<sup>19</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, pp. 155-158

<sup>20</sup> Source: OECD Economic Outlook, Volume 2024 Issue 2, pp. 257-260

## D. Opportunities & Risks for Future Development

### Risk Management

The Hansgrohe Group is exposed to a variety of risks that are inextricably linked to its global position and the associated international activities. The systematic risk management process at the Hansgrohe Group includes handling risks at an early stage, enabling potential opportunities to be identified and exploited. For Hansgrohe, when future events or developments can lead to a deviation from the plan or a failure to meet targets, this is defined as a risk.

In addition to the detailed identification of risks, it is equally important for Hansgrohe to identify opportunities. The company's successful growth and profitability will continue in the future if it consistently capitalizes on the opportunities that present themselves. In this context, the objective is also to secure and enhance the company's competitiveness.

The risk management system is intended to systematically and continuously identify, record, update, analyze, assess, control and monitor risks.

The objective of the risk management process is to minimize, limit or even eliminate risk. The identified risks are analyzed with regard to their potential negative impact on the Hansgrohe Group. Based on the analysis, suitable risk management measures are agreed upon and introduced where possible in the area of risk under review. The risk management team at headquarters records the risks for the entire Hansgrohe Group. Risks are identified and monitored with the respective risk owners in recurring risk workshops. The number of risk workshops has been greatly increased in recent years.

The primary objectives of the Hansgrohe risk management system are as follows:

Target	Description
Support of the company's goals	Evaluate strategic and operational goals in the context of the risks to be taken and make risk-aware decisions
Increased planning security	Stabilize company results through the inclusion of risks
Transparent risk situation	Determine the current risk situation
Active culture of risk assessment	Take corporate action based on the conscientious handling of risks
Risk control through risk management	Systematically implement all risk-related tasks in an effective risk management process
Risk management as a management process	Use processes to orient risk management as a key management task
Risk management as a component of all operational processes	Essential component for control in all processes instead of a purely headquarters-based task

Hansgrohe has implemented a system for early detection of risks that complies with the requirements of Section 91 (2) AktG (German Stock Corporation Act). This risk management process for risk identification, risk documentation, etc. is supported by the implemented internal control system (ICS). The ICS is aligned with the requirements of the Sarbanes-Oxley Act (SOX) and other guidelines. The SOX requirements for Hansgrohe are based on the US stock market listing of Masco Corporation.

The risk management system serves to identify risks at an early stage and covers all areas of the company. The following information focuses primarily on risk areas that have the potential to jeopardize the development and/or continued existence of the company.

The risk assessment accounts for the probability of occurrence and the potential impact of damage.

The Hansgrohe Group assesses damages at the EBIT level. A risk's probability of occurrence is assessed according to a percentage-based scale. The categories shown in the risk matrix provide five possible classifications within the scale. There are four categories for assessing fiscal impact: low, medium, high and very high. The graphical representation is based on the risk matrix below:

		≤ 10%	> 10% ≤ 50%	50%/ 50%	> 50% ≤ 75%	> 75%
<b>Gross loss amount</b>	DA	DB	DC	DD	DE	<b>Very high</b> > EUR 10 million
	CA	CB	CC	CD	CE	<b>High</b> > EUR 5 million ≤ EUR 10 million
	BA	BB	BC	BD	BE	<b>Medium</b> > EUR 1 million ≤ EUR 5 million
	AA	AB	AC	AD	AE	<b>Low</b> ≥ EUR 100,000 ≤ EUR 1 million

**Probability of Occurrence**

In comparison with the two previous years, Hansgrohe's risk profile has not changed with respect to the issues. The eight reported opportunity and risk areas in 2023 are also included in the risk reporting for 2024. There were slight changes in the rankings of the individual opportunity and risk areas. This is due to the growing risk posed by cyberattacks, as the number and complexity of cyber threats have increased worldwide. There has also been a significant increase in targeted attacks on critical infrastructure and businesses in recent years. Cyber threats, with their associated unavailability of corporate IT, were still ranked second at Hansgrohe in 2023. Due to current developments, they have now been moved to the top rank. In the worst case, a cyberattack could lead to a complete standstill at production facilities. In addition, sensitive company data could be stolen and made public, leading to substantial financial and reputational damage. The rising threat of cyberattacks has led to a strengthened focus on IT security measures. These include the implementation of advanced security technologies, regular employee

training, and the development of comprehensive emergency plans to ensure quick and effective responses in the event of an attack.

We continue to observe the economic and political situation with a critical eye. There are numerous current political conflicts worldwide, such as the ongoing wars in Ukraine and Israel. Hansgrohe is also closely monitoring the conflicts between the US and China and the conflict over Kosovo. Based on these and other political influences and developments in 2024, both in terms of sales and production, Hansgrohe implemented further measures in 2024 and attached greater importance to risk management policies related to sales and production fluctuations. This is reflected in several areas, particularly in the diversification of the product range to include ceramic products and bathroom furniture and the expansion of the database of alternative suppliers. As our remarks demonstrate, Hansgrohe is pursuing a holistic risk management process and has attached great importance to the political climate and to protecting our digital infrastructure and sensitive corporate data. Hansgrohe anticipates further challenges in this area in the coming months and years, especially with regard to possible cyberattacks. Hansgrohe will continue to optimize processes and implement additional measures to improve its starting position and thus proactively gain room to maneuver.

Hansgrohe is well positioned in the international markets. Because of existing risks and the economic downturn, particularly in the construction sector, the company was unable to continue its growth trend of recent years in 2024. Higher construction costs, which are attributable in part to interest rate increases and the skilled labor shortage, have far-reaching consequences for the entire sanitation industry and thus also for the Hansgrohe Group. Since moderate business performance is again expected in the year ahead, we adjusted our personnel cost structure to the changed conditions in 2023. Due to these effects, earnings will remain stable in 2024.

## 1. IT security/high-performance IT systems (rating: CB)

**RISKS:** The threat to the economy from cyber threats has substantially increased in recent years. Maintaining continuous and uninterrupted business operations depends on secure and high-performance IT systems. Because Hansgrohe operates internationally, it is important for the company that information be current, complete, correct and constantly available. A reliable IT infrastructure is therefore essential. An IT failure or major data loss could cause significant damage to Hansgrohe's business operations. Protection of the systems against events such as cyberattacks is continuously adjusted based on risk. The company also works with Masco on this issue, in terms of both systems and audit activities. Collaboration with external partners was also intensified. Cyberattacks can cause problems at more than just one's own company. Other potential effects are interruptions and delays at suppliers' and customers' organizations, for example in the form of delivery issues and sales fluctuations.

**OPPORTUNITIES:** Hansgrohe uses high-performance IT systems. The ongoing digitalization of company processes applies not only to individual departments, but the entire company. This is why Hansgrohe attaches great importance to the efficient organization of work and business processes throughout the Group. The risks associated with increasing digitalization pose a challenge. However, Hansgrohe also sees the challenge as an opportunity to further develop the company and its processes. From 2020 to 2023, years heavily influenced by COVID-19, Hansgrohe accelerated the digitalization projects already implemented and launched new projects. This made it possible to keep the processes stable, even when more than 50 percent of the staff were working from home. Hansgrohe continues to focus on exploiting the opportunities offered by digitalization to accelerate processes while making them more flexible and stable. In 2024, the focus was mainly on the major project planned for 2025: the migration to SAP S/4HANA, which saw further progress. This migration will enable a comprehensive modernization of our IT infrastructure, optimize our business processes, and speed up data processing with real-time analyses.

## 2. Market orientation and lack of customer focus (rating: DA)

**RISKS:** The Hansgrohe Group was also able to achieve a reasonable level of sales and earnings in 2024, similar to the previous year's level. Hansgrohe continues to pursue ambitious goals with its new Hansgrohe Next Level corporate strategy. If current risks become reality, they could be reflected in future company figures and lead to a failure to meet targets. Market and competitive developments will therefore continue to be closely monitored and analyzed. In terms of setting up for the future, Hansgrohe continues to invest heavily in research and development to secure and improve the market position it has achieved. As part of the expansion of the product range, a decline in the proportion of sales generated from new products could reduce the momentum in growth seen in recent years over the medium to long term. This could prevent the company from achieving its targets. Extensive and regular monitoring and control activities have been implemented. This ensures that planning errors are identified early and that root cause analysis can enable decisions to be made promptly if necessary, in particular to initiate countermeasures.

**OPPORTUNITIES:** "Market orientation and customer focus" issues should not only be regarded just in terms of their risk, however, but also in terms of their opportunities. Hansgrohe can count on a culture of innovation that has grown over the decades, enabling the company to meet increasing customer needs in terms of sustainability. The current design- and quality-oriented product range goes hand in hand with potential opportunities. On this basis, our aim is to continue to grow faster than the market. In this context, Hansgrohe is constantly expanding its product range. For example, we expanded our product range to include bathroom furniture and ceramic products in the spring of 2023. As a result, new sales potential can be tapped into on the global markets. In addition, the Research and Development department in China was expanded to include a Research & Development Center to meet the corresponding customer requirements and product requests in the Asian markets. Based on the company's current positioning and its competitive product range, it can currently be assumed that the company's steady performance in recent

years can be continued and driven forward. The opportunity for further growth arises primarily from the company's international positioning in markets such as China and India.

Another key factor in Hansgrohe's success is intensive collaboration between internal and external designers and internal design engineers and among the Research & Development, Product Management and Marketing departments. Our products' high quality strengthens our position on the international markets and, in combination with the factors of innovation, sustainability and design, leads to a good starting point for the company's continued positive trajectory in the coming years.

## 3. Economic environment/political climate (international focus) (rating: CA)

**RISKS:** arise for companies – including Hansgrohe – primarily from the consequences of numerous political conflicts worldwide, such as the wars in Ukraine and Israel, fluctuations on the international financial markets, and protectionist actions by some countries and markets. Difficult political and economic conditions are direct risks for companies. In addition to the situation in Ukraine, the focus continues to be on issues such as trade relations between the US and China.

**OPPORTUNITIES:** If the risks do not materialize, or if the global situation stabilizes or improves, Hansgrohe's global positioning could also present opportunities. The various government support measures in individual countries, such as in the house and apartment construction sector, can also have a positive effect on Hansgrohe's sales situation.

#### 4. Sustainability, tighter environmental regulations and requirements for product approval (rating: DA)

**RISKS:** Global developments toward greater sustainability are reflected not only in increased customer requirements, but also in increasingly demanding international environmental regulations (laws, standards, guidelines, etc.) for companies and their products. Requirements in both areas (companies and products) pose solvable challenges whose risks are reduced with improved processes and monitoring methods. To meet current and future requirements in this area, the requirements and next steps for CSRD reporting and EU Taxonomy were analyzed for the first time in 2023 as part of a consulting project. A detailed formulation of these requirements was drawn up in 2024; they will be relevant for the Hansgrohe Group from 2025.

**OPPORTUNITIES:** Closely monitoring new developments, trends and upcoming mandatory issues enables on-time development and market launch of suitable product solutions. This enables Hansgrohe to be present on the global markets with the right products at the right time. Stricter environmental requirements offer the opportunity to gain additional market share in the future and to establish ourselves as a strategic business partner by fulfilling pending new requirements early, even before requirements become legally binding for all manufacturers. In addition, Hansgrohe is setting cornerstones for the future by placing even greater emphasis on sustainability, an issue it has already given great attention. This strategy will further promote sustainability and make it possible to meet our own and our customers' expectations. Sustainable products, processes and other measures should also help increase sales in the future. The topics are collectively managed by the Green Company organizational unit.

#### 5. Risks along the supply chain (rating: CB)

**RISKS:** High quality standards and increased growth over the last few years have driven Hansgrohe to work intensively with its current pool of suppliers. We have cultivated close and trusting business relationships with a great number of our main suppliers over many years. Materials (raw materials, components, etc.) represent a significant cost, and fluctuations in this cost lead directly to variations in earnings. For these reasons, long-term contracts are concluded to hedge risk by smoothing deviations. Ensuring the timely delivery of materials in the desired quality and quantity is a high priority, as interruptions to production would have a negative impact on earnings. The price increases and supply bottlenecks of recent years have proven to be largely stable again.

**OPPORTUNITIES:** Systematic benchmarking of suppliers provides the basis for ensuring Hansgrohe's ability to deliver. Prorated supplier contracts counteract fluctuations on the supplier side. Continuous monitoring significantly shortens the response time in the event that action is required. Intensive procurement market analyses have been and will continue to be conducted as part of purchasing activities to identify weaknesses early enough.

#### 6. Currency risks and material price risks (rating: CA)

**RISKS:** Conducting business on an international level exposes Hansgrohe to currency and material price risks. Natural hedging counteracts risk resulting from economically necessary cash flows in foreign currencies, both current and future. Hansgrohe also uses forward exchange transactions to limit the additional risks arising from currency fluctuations.

**OPPORTUNITIES:** The risks of currency transactions can be minimized through professional treasury management.

## 7. Personnel risks (rating: BB)

**RISKS:** Personnel risk remains an issue for Hansgrohe. The shortage of skilled workers associated with changing demographics also affects Hansgrohe, particularly at its locations in Germany. This is not only a matter of filling positions for employees who are retiring, but in particular about new jobs created as a result of company growth. Working with the HR department, corporate management has introduced measures in recent years to counteract the risks in personnel recruitment. These measures – some of which have already been implemented, others of which are in progress or planned – are intended to make the company even more attractive to potential new employees. Due to its extensive activities in this area, Hansgrohe therefore sees more than just the risks.

**OPPORTUNITIES:** By continuing its efforts to position itself as a global and attractive employer, Hansgrohe is attempting to minimize future personnel risks in the company and to take advantage of the opportunities offered by its positive corporate image to attract and retain employees. On this basis, positive corporate development will be further pursued with a quantitatively and qualitatively adequate workforce. In addition, the company will continue to focus on systematic training and further education. With its faculties and lectures, the Hansgrohe Campus offers the knowledge and training that are essential for achieving the company's strategic goals together. Hansgrohe is also taking a close look at the expected effects of the digital transformation. In this respect, it is particularly important for employees to be sufficiently qualified. Employees should see developments not as a risk, but rather as an opportunity. This objective is supported by the introduced training module and other HR measures. Various teams support employees with the basics of digitalization. Hansgrohe provides completely up-to-date employee communication via the employee app "Hans! For You," which has been in use for some time. This makes it easier to better involve all employees in corporate communications and gives employees the opportunity to contribute to current issues, using functionality such as comments or like buttons.

## 8. Stoppage of production facilities (rating: DA)

**RISKS:** The possible stoppage of central production areas represents a significant business interruption risk. Thanks to strong investment activities, in this context especially in relation to construction of the new logistics center and the electroplating facility in Offenburg, Hansgrohe is now very technologically advanced in these central areas, especially in terms of building safety, fire alarm systems, etc. This ensures the necessary safety for people and the environment, and reliability for production and customer supply.

In general, buildings or parts of buildings can experience stoppages due to fire, natural disasters, etc. By providing adequate building and safety equipment, Hansgrohe aims to minimize risk and ensure a rapid response to mitigate damage. In addition, the buildings, machinery and inventory are covered against external influences by comprehensive insurance. The company also has business interruption insurance for risks such as fire, storm, hail, etc.

**OPPORTUNITIES:** Hansgrohe has always continuously invested in its growth, particularly in its production facilities. When implementing investment projects, Hansgrohe always focuses on topics related to machine or system investments, such as control, monitoring and safety technology. The risk of production downtime is countered by the aforementioned measures and by systematic routine maintenance. This reduces risk to an acceptable level. As a result, Hansgrohe can take advantage of the opportunities offered by production processes free of unexpected downtime. Hansgrohe is increasing both process reliability and process speed through investments already made and projects currently being implemented.

In addition to the risk areas already named, there are other (unforeseeable) events that could negatively impact business activities.

### Overall statement on risk at the Hansgrohe Group

Overall, it can be stated that there are currently no identifiable risks that could jeopardize the continued existence of the Hansgrohe Group when considering the current and planned countermeasures.

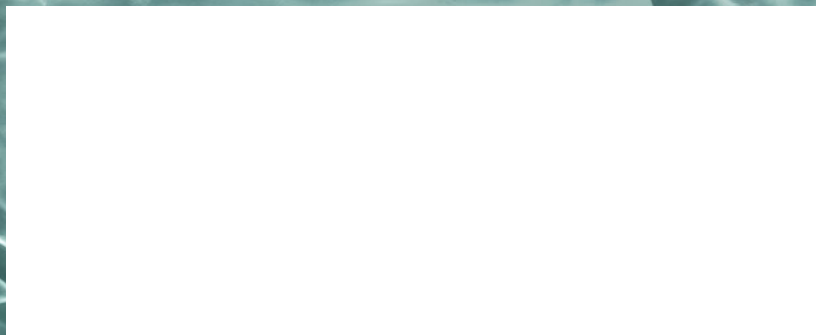
The company's development in recent years continues to make us optimistic that the existing risk situation will not jeopardize the company's further development, but rather that risks can be minimized or avoided by seizing opportunities and that continued positive development can be pursued along our path. In previous years, we have been able to achieve consistently positive company results despite difficult conditions. Monthly sales were maintained consistently high in 2021 and 2022. The economic influences described above slowed the Hansgrohe Group's growth in 2023 and 2024. The decline in the construction industry in the Hansgrohe Group's largest markets, such as Germany and China, could not be offset by growth in other markets such as India and Turkey. Nevertheless, the earnings and cash flow situation remains positive. The Hansgrohe Group is confident that it will continue to be well positioned in the coming years and generate sales growth again. The company's financial situation is strong enough to handle the risk. We assess our risk tolerance in terms of equity and liquidity as adequate for the opportunity and risk situation. The statements about Hansgrohe Group also apply to the controlling company Hansgrohe SE.

## E. Dependency Report

The Executive Board declares that the company received appropriate consideration for each legal transaction based on the circumstances known when the legal transactions were conducted. No measures were taken or omitted at the instigation of or in the interests of the controlling company or its affiliated companies.

Reference is hereby made to the separate Dependency Report of the Hansgrohe Group.

# Sustainability Report



3.1

## ESG Management




# Our Transformation

Not only are we actively shaping the transformation of our company and our products, but we also want to serve as an example for our entire industry. To this end, we are working extensively on various sustainability issues. The environment has long been a focus for us, as we have close links and a great deal of influence in this area due to our core business.

Water is life – this is our guiding principle for innovation and transformation. The commitment to resource-efficient products and environmental protection in production has been a tradition at the Hansgrohe Group dating back to the 1980s. In 1993, we built what was then the largest roof-based solar power station in Germany on top of our factory in Offenburg. Numerous innovations for conserving water and energy can be traced back to Hansgrohe. We want to remain a pioneer in our industry and are therefore constantly evolving.

## Our SDG Contribution











At Hansgrohe, we are also making our contribution to the UN Sustainable Development Goals (SDGs) by 2030. Of the 17 goals, we have identified five that are particularly relevant to our business activities:

The SDGs provide the basic principles, which inform how we understand our corporate social responsibility. Hansgrohe Group's CSR Principles (CSR: Corporate Social Responsibility) are both a fundamental document for sustainable management and a code of conduct. They bring together various topics in three areas: FOCUS ON PEOPLE – HARMONY WITH NATURE – DESIGNING COMPLIANCE CULTURE. For more information, see [CSR Principles | Hansgrohe Group](#) 



# Our Green Company Initiatives

Since 2020, the Green Company organizational unit has continued to manage our sustainability initiatives for the entire Hansgrohe Group with a focus on environmental aspects. Ten initiatives with targets and measures are assigned to three fields of action. The three fields of action are:

	Hansgrohe conserves water cycles	Hansgrohe protects the environment	Hansgrohe becomes part of the circular economy
	Safe fresh water is a valuable resource that should be used sparingly. Hansgrohe conserves water cycles by manufacturing products that save water while providing the same showering experience.	Heating water consumes lots of energy. Saving water with Hansgrohe products thus also means reducing the energy consumption of sanitary facilities and protecting the climate. Products from the Hansgrohe Group are becoming increasingly environmentally friendly.	Every resource that is reused conserves our ecosystem and saves energy and water in production processes. Hansgrohe develops durable products that can be repaired and recycled, as well as sustainable packaging. We are working to use materials that best conserve our ecosystem.
 Climate Protection Strategy	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>
 Green Mindset	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Green Products	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Green Packaging	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Green Supply Chain	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Green Production	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Green Energy	<input type="radio"/>	<input checked="" type="checkbox"/>	<input type="radio"/>
 Green Transparency Services	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Green Controlling	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
 Social Engagement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="radio"/>

# Material Topics as a Basis

Our actions have positive and negative effects. We want to work on the issues where our impact can be the greatest and where we can make the biggest difference. Nine material topics are currently guiding us.

The following overview shows the current material topics with the associated references to the European Sustainability Reporting Standards (ESRS). A new materiality analysis in accordance with Corporate Sustainability Reporting Directive (CSRD) is currently being prepared, which we will use for reporting starting from the 2025 financial year.



In workshops and training courses, we support our specialist partners from the retail and trade sectors, as well as architects and planners, and in this way also take responsibility for high-quality bathroom solutions in terms of design and function. In workshops and training courses, we support our specialist partners from the retail and trade sectors, as well as architects and planners, and in this way also take responsibility for high-quality bathroom solutions in terms of design and function.

Topic	ESRS	Chapter
Value creation	G1-1	1. Corporate strategy 2.B Management Report/ Economic Report
Environmental performance	E1, E2, E3, E5	3.3. Environment/Management approach to environmental performance
Occupational health and safety	S1-14	3.4. Social/Occupational health and safety
Employer responsibility	S1	3.4. Social/Employer responsibility
Innovation	E1-3, E1-4, E2-1, E2-2, E5-1, E5-2, S4-1, S4-2	3.2. Product responsibility/ Sustainability didn't start yesterday, Green products
Procurement practices	G1-2	3.5. Governance/Procurement practices and supply chain
Product responsibility	S4-1, S4-2	3.2. Product responsibility
Diversity and equal opportunity	S1-1, S1-9, S1-12, S1-15	3.4. Social/Diversity and equal opportunities
Compliance	GOV-1, GOV-5, G1-3, G1-4, G1-5	3.5. Governance/Compliance

See ESRS-Index  
→ **page 105**

# ENVIRONMENT



# 100 %

of our water-bearing products contain water- and energy-saving technologies.

We have a  
**100 %**

fossil-free energy supply business practice policy in our German production sites.

We are reducing our CO<sub>2</sub>e emissions by

# 77.3 %

in Scope 1-2 ...

... and by

# 25 %

in Scope 3 compared to the base year 2021.

# Our 2030 Goals

Hansgrohe ESG Strategy

# GOVERNANCE



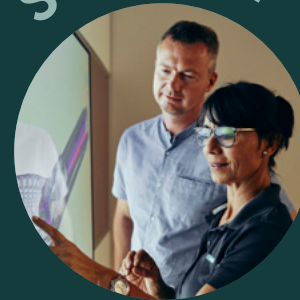
# 100 %

of our suppliers have signed the supplier business practice policy.

# 100 %

of our employees have completed training on the code of ethics.

# SOCIAL



# 30 %

of our managers are women.

We reduce the number of working days lost by

# 10 %

every year. Lost Day Frequency Rate, LDFR, compared to the previous 18-month average.

# Stakeholder Dialogue

Thekla Walker, Minister of the Environment of the State of Baden-Württemberg and Hans Jürgen Kalmbach at the presentation of the certificate on the occasion of our joining the Baden-Württemberg Climate Alliance.

Stakeholder selection is a result of the Hansgrohe Group's business activities and international presence and is regularly reconciled with the representatives of the relevant national subsidiaries. The demands of our stakeholders are processed such that they can be incorporated into business decisions.

We interact with our stakeholder groups – owner, suppliers, customers, authorities, local residents, employees – in various ways, these include, for example, the following:



Stakeholder group	Engaged, for example, via
Owner	Supervisory Board meetings
Suppliers	Workshops, joint projects and ongoing business-related interactions
Customers	In Germany: Customer satisfaction surveys
Authorities	Exchange with industry experts, involvement in standardization committees, exchange with standard setters via associations
Local residents	Publications in local media
Employees	Employee surveys; employee app "Hans! For You" as a dialog-based communication platform; the employees in China use a comparable, local system

Around  
**5,040**  
 employees use the  
 "Hans! For You" employee app.

### New Pathways with Partnerships

We work together with external stakeholders, for example since 2022 in the cross-sector KLIMAWIN initiative of the state of Baden-Württemberg. The initiative's twelve guiding principles range from human rights, labor rights and environmental issues such as resource and climate protection to product innovation and financial decisions. Hansgrohe is also a member of the Baden-Württemberg Climate Alliance, an association of 57 companies from the region that are jointly pursuing the goal of achieving climate neutrality in the medium to long term. A number of commitments and memberships take place at the German or international level.

[Managing Hansgrohe Sustainably & Mission Statement | Hansgrohe Group](#) 



### Management Systems

A key tool for implementing various sustainability aspects are recognized management systems, which our production sites follow and are certified as follows.

Management system	Coverage of the production sites
ISO 9001 – Quality	100%
ISO 14001 – Environment	75%
ISO 45001 – Occupational safety	75%
ISO 50001 – Energy	50%

The officer for management systems makes sure that our systems are continuously updated. The Hansgrohe Operating Systems team regularly reports on the systems' performance to the Executive Board. In our production facilities, sustainability management is reinforced by the managers of the Compliance, Environment and Safety and Energy departments, among others. The Executive Board of Hansgrohe SE monitors sustainability activities such as the Green Company initiatives and the ESG strategy.

# Memberships, Awards, Ratings

## Ratings



In 2024, the Hansgrohe Group submitted its environmental data to CDP for the third time and once again achieved a B rating.

In 2024, the Hansgrohe Group received the **EcoVadis platinum medal**. This puts us among the top 1 percent of all companies assessed in our fourth year of participation.



We are a member of the German Association Materials Management, Purchasing and Logistics (BME).



As a member of the **Water Europe** association, we work with other market actors to promote sustainable water management and innovation in the water sector. Our CEO has been an active member of the Water Europe executive board since 2024.



We have joined the **Science Based Targets initiative (SBTi)** and had our near-term emissions reduction targets validated in 2023.



We are a founding member of the Sanitary Technology and Design Industry association, which was founded in 2023 as part of the German Engineering Federation (VDMA).

## Awards

We received the **German Sustainability Award 2024** in the "Energy, Water and Sanitary Technology" category for our sustainability activities.



As a member of the German Sustainable Building Council (DGNB), we are actively involved in promoting sustainable building and real estate standards.



As a member of the **UN Global Compact**, we are further expanding our commitment and reputation in the area of sustainability.



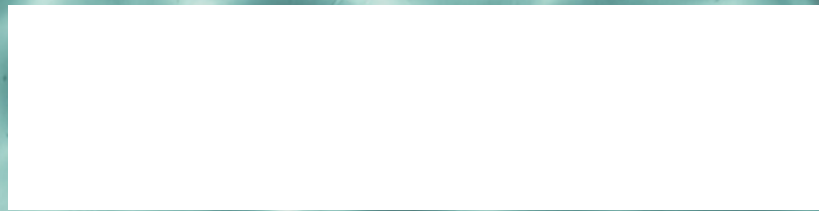
By signing the **Diversity Charter**, we have committed ourselves to consistent diversity management.





# Product Responsibility

3.2



# Traditionally Sustainable

We are aware that our products have an impact on people and the environment, from manufacture through use up to disposal. That is why sustainability defines our work, starting from the product development stage and aligning the entire product life cycle accordingly.

Since 1901, we have been proving that we are one of the creative pioneers in the sanitation industry, which means that we are constantly investing in innovations. For almost 40 years, we have been regularly launching product innovations on the market that use clever technologies to conserve valuable resources. A primary focus of ours is on water- and energy-saving technologies. What began in 1987 with the Mistral Eco hand-held shower can now be found in a large number of our products.



**hansgrohe Pulsify Planet Edition hand-held shower**

- EcoSmart+ technology for up to 60 percent less water and energy consumption than our conventional showers
- Shower handle and hose set made from recycled materials, no chrome coating

- 60 %



**hansgrohe EluPura Original**

- Optimized internal geometry for excellent washing results with only 4.5 liters of water consumption per wash
- Ceramics as a natural and recyclable material as well as optional SmartClean glaze and plastic-free packaging

4.5 Liters



**AXOR Starck Organic**

- Faucets in the collection consume up to 50 percent less water than a standard faucet (flow rate of 3.5 liters/minute)
- Has an integrated flow control at the spout so that not a single drop is wasted

- 50 %

### Creativity as a Group Effort

Product concepts are developed by the AXOR and hansgrohe business units (BUs), which work closely with the respective design offices and the Research & Development department. Research and Development acts as an overarching “corporate function” and is also responsible for the technical and design development of all products, as well as international approvals and possible property rights such as patents and design.

Since 2017, a team at the Hansgrohe InnoLab has also been developing innovative products and services through exploratory approaches. In addition to our climate protection, water and circular economy areas of action, topics such as diversity and access to clean water in the global south are also on the agenda. This means we think about sustainability, both comprehensively and from the outset. The way we work in the InnoLab is based on the way start-ups work: agile, interdisciplinary, with iterative processes, creative group work, rapid visualization using prototypes and customer-centric tests. In this way, the InnoLab can work to improve the existing product range and advance related business opportunities, such as digital and green transformation, and open up new business areas. We measure success by the innovation projects we implement. In so doing, we aim to achieve a conversion rate (i.e. conversion to real, marketable products) of 10 percent.

In addition to overall responsibility for the brand product range and product policy, the BUs also manage the transformation of the entire portfolio toward sustainability and collaborate to this end with the Green Company team and the InnoLab. Together with the Research and Development department, they report directly to the Executive Board.

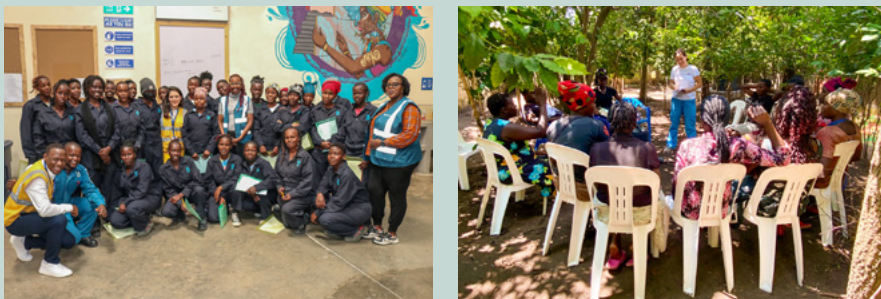
Technologies that promote the sustainable use of water and energy are developed in basic research by the Research and Development department, in the InnoLab and in the spray laboratory and made available to the BUs for use in future projects to develop new products. The choice of materials for products is based on the optimum compromise between design requirements, sustainability and the long service life of the components.

### Innovation Projects for Improved Quality of Life

There are places where unimpeded access to hygiene and water is not a given. With the new “Social Innovation” field, the Hansgrohe Group is committed to innovations that serve a social purpose. On World Water Day on March 22, 2024, Hansgrohe presented the first social innovation projects in regions of the world where infrastructural challenges pose problems for water supply.

In Kenya, young women from low-income communities are acquiring technical knowledge as well as entrepreneurial and practical life skills. Hansgrohe is cooperating locally with Buildher, the first and so far only training institution for the building industry in Kenya that only trains women and actively promotes gender equality in the industry. [www.buildher.org](http://www.buildher.org) In Uganda, the focus is on the joint development of innovations for water-efficient and affordable products for daily hygiene. Hansgrohe is thus tapping into future markets in a socially responsible way.

[See press release | Hansgrohe Group](#)



Water-efficient products in Uganda and vocational training for women in Kenya are the focus of social innovation at Hansgrohe.

# Green Products

We strive to treat the environment responsibly and, in line with our vision “Water is life and our passion,” protect freshwater resources in particular. The focus here is on how customers use our products.

The usage phase for our products is the most intensive in terms of water and energy consumption. We can make a big difference here and support our customers in their sustainable behavior with water- and energy-saving technologies such as EcoSmart and CoolStart. We refer to all products that are equipped with at least one of our sustainable technologies as “green products.”

## ECO as a target by 2030

The goal of our “ECO 2030” initiative is: By 2030, we are planning to convert our entire shower and sink faucet portfolio to “ECO” so that we only offer plumbing fixtures with water or energy-saving technologies in the future. We define ECO as reducing the average water and/or energy consumption of water-bearing products in use by at least 22 percent compared to the base year 2020. In the reporting year 2024, the sales share of green products within the relevant portfolio was 54.6 percent (2023: 52.7 percent). This includes the following water-bearing product categories: hand-held shower heads, hand-held shower head sets, overhead showers, shower systems, sink faucets and kitchen faucets.

## Sustainable technologies for the ECO 2030 goal

### Showers



EcoSmart+  
(6.0 l/m)



EcoSmart  
(8.0 l/m)



EcoSmart  
(5.0 l/m)



EcoSmart+  
(4.0 l/m)



CoolStart

### Kitchen Faucets



EcoSmart  
(5.0 l/m)



EcoSelection



CoolStart

The most important technologies for achieving the ECO 2030 target currently include the following:

- **EcoSmart** (max. 8 liters per minute for showers and max. 5 liters per minute for faucets) and **EcoSmart+** (max. 6 liters per minute for showers and max. 4 liters per minute for faucets), which can save up to 60 percent water compared to conventional faucets and showers.
- **CoolStart**, where only cold water flows when the handle is in the middle position, whereas standard taps immediately use energy to provide hot water.
- **EcoSelection**, in which a high-quality ceramic cartridge reduces water consumption at the kitchen sink by up to 50 percent.

We use various virtual engineering methods to validate the requirements as early as the development stage in order to avoid resource-intensive changes to physical parts that may later become necessary. We also use 3D printing processes to produce prototypes in the product development phase in order to accelerate the iterative change processes in design and optimize the quality of the development results.

54.6 %

share of green products  
in portfolio



### High transparency through environmental product declaration

We have been publishing Environmental Product Declarations (EPDs) for existing AXOR and hansgrohe products since the end of 2022. The Declarations summarize the average environmental impact of the respective products based on the entire life cycle, from the extraction of raw materials to production, long-term use and recycling or disposal.

In addition to the nine existing product categories, we published new EPDs for the three product categories of wallbar sets, ceramic sinks, and toilets in the reporting year and added 149 new products to EPDs in existing product categories. We thus cover over 1,700 of the best-selling chrome-plated products from the standard range from AXOR and hansgrohe. All EPDs are verified by the independent Institut Bauen und Umwelt e. V. (IBU) and can be found on the Hansgrohe Group website. [Sustainability Report and Certificates | Hansgrohe Group](#)

EPDs also provide information on the environmental impact of new product categories: toilets and washbasins.



It is clear that the publication of environmental product declarations now also has a major impact on sales success: For example, the French Accor Group will equip the properties of its hotel brands IBIS ROUGE, IBIS STYLE and IBIS BUDGET with 50,000 water-saving shower heads from the hansgrohe Crometta Vario Green brand – and can thus demonstrably prove the improvement in the carbon footprint based on the information in the EPDs.

### Easy Repairs for longer service life

In order to optimize service life, the focus is on making product use as intuitive as possible. We also focus in particular on the repair-friendly technical design of our products. We want to extend the overall service life of our products with simple repair options. In addition, our Technical Service Center guarantees the availability of replacement parts for 15 years after the product in question has been discontinued.


## Raising Societal Awareness

We carried out various measures in the reporting year to raise awareness among our customers and, more broadly, our industry and society as a whole about conserving resources and saving water.

- With the new “Life is waterful” brand claim, hansgrohe showed how daily water routines become unique experiences and also support a sustainable lifestyle.

[Life is waterful. – hansgrohe Brand film – YouTube](#) 

- Water-saving calculators are integrated on the brand websites, which can be used to calculate potential cost savings by using water-saving products from AXOR and hansgrohe.

[Water costs: Calculate your savings potential](#) 

- In the “Green Week” campaign on the AXOR and hansgrohe social media channels, we provided information about sustainability for seven days.
- We have taken part in various events, including a panel talk at the World Water Week in Stockholm, an exhibition booth and a panel talk at the Heinze Climate Festival, both in Berlin.

[Greentech Festival](#) 



14,000 visitors, 200 exhibitors,  
and 250 speakers: the Greentech  
Festival is now Europe’s most  
important sustainability event.



multipliers (i.e., representatives from various departments such as Quality Management, Purchasing and Product Management).

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

### Ensuring Quality and Safety

We ensure the high quality of our products and processes through ISO 9001-certified quality management. All components of a product are systematically subjected to various tests from development to completion.

We perform many tests as part of our quality management system in our own laboratory, which operates in accordance with the international competence standard for laboratories (ISO/IEC 17025). In addition, we regulate product requirements using various internal standards. Our products comply with international drinking water regulations. One example of our internal standards is the standard for constituents of environmentally friendly products. Per the requirements of the EU directive on the restriction of certain hazardous substances such as lead, cadmium or chromium trioxide in electrical and electronic equipment (RoHS), we registered all affected products during the reporting period.

Furthermore, we commission independent testing and certification companies, such as the TÜV or the German Association for Gas and Water (DVGW), to test the scald or drinking water protection, water and energy conservation, and safe operation or electronics of our products. This underscores our high standards in quality and consumer and environmental protection.

## 100 percent Plastic-free Product Packaging by End of 2025

Packaging is part of our product responsibility. In the spirit of the circular economy, we are developing more sustainable packaging for our products in order to protect ecosystems and reduce waste. One of our ten Green Company initiatives is therefore "Green Packaging."

Our goal: to package all products plastic-free and more sustainably by the end of 2025. The Green Company and Value Engineering divisions are responsible for redesigning the packaging. The measures include the review and standardization of packaging sizes and the shift to new padding materials: instead of flat bags and air cushions, substitutes made of cardboard or paper are used. The decision to use cardboard and paper was a conscious one. While packaging alternatives, such as biodegradable plastic alternatives cannot yet be easily recycled through industrial processes, paper recycling has a very high rate in Germany and can be recycled ten to 25 times.

Our paper campaign will save around 312 tons of plastic packaging at our German facilities every year. For example, sensitive surfaces still pose challenges. However, we have already successfully implemented the changeover for numerous products.



The good recycling possibilities tipped the scales in favor of switching to paper and cardboard for product packaging.

### Customer Service

The most direct and competent service contact possible with our dealers, installers, and end consumers is part of the Hansgrohe Group's self-image. A standardized survey provides us with additional valuable insights. In the reporting year, we replaced the net promoter score that we used to use in the survey with a customer satisfaction score (CSAT).

Solution-oriented, practical and available around the clock: experienced HVAC masters help with technical questions, complex bathroom planning, standards and regulations or questions about spare parts.

Our German sales agents team made over 35,000 customer visits in 2024. We also processed nearly 320,000 written (2023: 282,500) and 145,000 phone queries (2023: 176,000). In addition to technical questions from end consumers, our experts from the master service department competently answer questions from specialist customers from the sanitation sector. In 2024, they responded to approximately 20,000 written (2023: 21,300) and 114,000 (2023: 123,000) phone queries. At the same time, our ProVideo service enabled us to replace numerous on-site technical interventions with digital solutions. This saves travel and time.

The chatbot "Hans!" has been in use since 2022. As a digital assistant, it relieved our service employees of answering more than 4,500 sales inquiries in 2024. The chatbot learns with every request and can answer questions about products, show videos on cleaning, help with the search for spare parts or find specialist partners. Service employees in the back office take over when the chatbot reaches its limits or direct contact is required.





# Environment

# Management Approach to Environmental Performance

For decades, we have firmly embedded “responsibility for people and the environment” as a core value. Three fields of action are central to Hansgrohe's environmental performance: climate and water protection, as well as the circular economy. We aim to reduce detrimental environmental consequences of our business activities at the operational level by increasing energy and resource efficiency, reducing emissions, protecting water, reducing waste and optimizing logistics.

To improve our environmental efforts, we are focusing on two key aspects: on the one hand, the primary leverage we have lies in our products and product developments, as the majority of water and energy consumption, as well as emissions comes from the usage phase of products. We deal with these aspects in particular in the “Product Responsibility” chapter (→ [page 50](#)).

Second, we are focusing on the construction and operation of our manufacturing facilities: warehousing, administration sites, logistic systems. They are associated with carbon emissions and waste, as well as resource and material consumption, including energy and water. We also want to save costs wherever possible, for example through resource efficiency.

## Organizational Anchoring of Environmental Performance

Our Green Company team holds overall responsibility for all goals and measures relating to the environment. Individual targets for energy, water and waste are set on location as a joint task between the Green Controlling department, which is responsible for capacity utilization and production volumes at the facilities, and the plant managers at the national and international production sites. The corresponding measures are then jointly reviewed on a quarterly basis.



The Operating Systems division is responsible for management systems and certifications in the areas of environment, energy, and occupational safety. Implementation of the legal requirements is monitored by the Environment, Health & Safety (EHS) department. In the regular meetings of various working groups (e.g. Production, Supply Chain, Communication), potential is identified, projects and measures are derived, and these are then implemented in the specialist departments. The Green Company team manages the working groups. In the case of major decisions, issues are brought to the attention of the cross-divisional Green Company Board, which meets quarterly and is chaired by the Chairman of the Executive Board. The various departments responsible for ESG issues are currently being reorganized: the Green Company and Compliance & Data Privacy teams

Hansgrohe joined forces with energy service provider badenova to set a pioneering example for the energy transition by inaugurating a new wind turbine at the Kall-enwald wind farm in the Black Forest: the energy generated here will in future cover around 25 percent of the requirements of the Offenburg and Schiltach sites.

will now be integrated into the HR Director’s division. Further structural changes and the creation of new positions (e.g. in supplier management) will gradually follow in order to position the organization well in light of new regulatory requirements.

Sustainable investments often only pay off after a few years. To be able to conscientiously promote these and plan for the long term, we have been using an annually adjusted internal CO<sub>2</sub> price for our profitability calculations since 2022. Additional support for sustainable investments is provided through a Green Fund in the investment budget. This fund is available solely for sustainable projects.

### Environmental Management System Based on International Standard

The Hansgrohe Group has implemented an environmental management system in accordance with ISO 14001 at 75 percent of its production sites, as well as at its headquarters. We comply with environmental and waste disposal guidelines, record consumption data for resources such as energy and water, and use intensity indicators to manage our activities. They indicate whether the measures taken are having an impact and whether we are achieving the goals we have set.

In addition, we have all production sites in Germany, France, the USA, China, and Serbia inspected by independent auditors. In the reporting year, these eight facilities underwent and successfully completed our Internal System Audits between February and September, as well as the External System Audit in October and November.

### Review of Environmental Performance

In the long term, we aim to achieve an absolute reduction in energy and water consumption, as well as the waste produced in our facilities and have set ourselves corresponding targets. In addition, we use intensity indicators to check the ratio of energy and water consumption and waste generated per quantity of product sold.

In 2024, all of our overarching intensity indicators increased slightly. One of the reasons for this is our new manufacturing facility in Valjevo (Serbia) and the associated activities, which led to higher consumption in all areas during the reporting period. At the same time, our volume of products sold fell slightly.

### Environmental Indicators

	2022	2023	2024
Electricity consumption (in MWh)	59,714	56,939	65,458
Water withdrawal (in m <sup>3</sup> )	132,254	123,744	222,678
Waste, non-hazardous (in t)	9,139	6,786	9,489
Waste, hazardous (in t)	1,538	1,374	1,531

### Intensity Indicators

	2022	2023	2024
Electricity intensity (in MWh/t of product sold)	2.00	2.58	3.20
Water intensity (in m <sup>3</sup> /t of product sold)	4.44	5.60	10.88
Waste intensity (non-hazardous waste) (in t/t product sold)	0.31	0.31	0.46
Waste intensity (hazardous waste) (in t/t of product sold)	0.05	0.06	0.07

Hansgrohe Group, data for 2022 and 2023 updated accordingly

### Broad Support for Environmental Protection

Environmental protection is a continuous process that relies on the commitment and ideas of many people. Hansgrohe can rely on a large number of supporters, as many of the employees take part in the various in-house environmental protection campaigns.

In the reporting year, with the participation of many colleagues, the Kinzig Clean-Up once again cleared the banks of the Kinzig river of plastic and other waste. The Rhine tributary flows right past our Schiltach site. The Kinzig Clean-Up is part of the overall Rhine Clean-Up project, and for years, we have been supporting the initiative to reduce pollution in the Rhine and the North Sea.

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

Under the motto "Green Mindset," 13 colleagues at the German locations and 17 international colleagues were trained as "Green Experts" in 2024. During a four-month learning journey, our Green Experts first build up theoretical specialist knowledge and then apply this in a practical project phase.



Rivers and forests are habitats and recreational areas. As part of clean-up campaigns or the annual salmon stocking campaign on the local river Kinzig, employees are committed to their environment.

# Climate Protection and Decarbonization

Our focus is on reducing the emissions caused directly at the sites. The biggest lever for achieving this is to stop burning fossil fuels to generate heat. For the Hansgrohe facilities in Schiltach and Offenburg, there is now a new overall concept on the way to decarbonization.

**In view of climate change, we see the reduction of our emissions as an urgent task. The switch to renewable energy sources is also necessary. We are directing our actions to make real progress.**

Hansgrohe supports the 1.5-degree target of the Paris Climate Agreement and is systematically pursuing this goal through a transition plan for climate protection. Our transition plan provides for concrete measures to decarbonize all production processes and locations. Our motto along the way is: "Reduction before compensation." This means that we reduce our company's emissions of carbon dioxide equivalent, wherever possible (CO<sub>2</sub>, equivalents CO<sub>2</sub>e).



## Our Climate Targets

In 2022, we joined the Science Based Targets Initiative (SBTi) and we set the targets for reducing CO<sub>2</sub>e emissions officially validated by the SBTi in 2023. Accordingly, we commit to reducing our absolute greenhouse gas emissions in relation to the base year 2021:

- in Scopes 1 and 2 by 77.3 percent by 2030, and
- in Scope 3 by 25 percent by 2030.

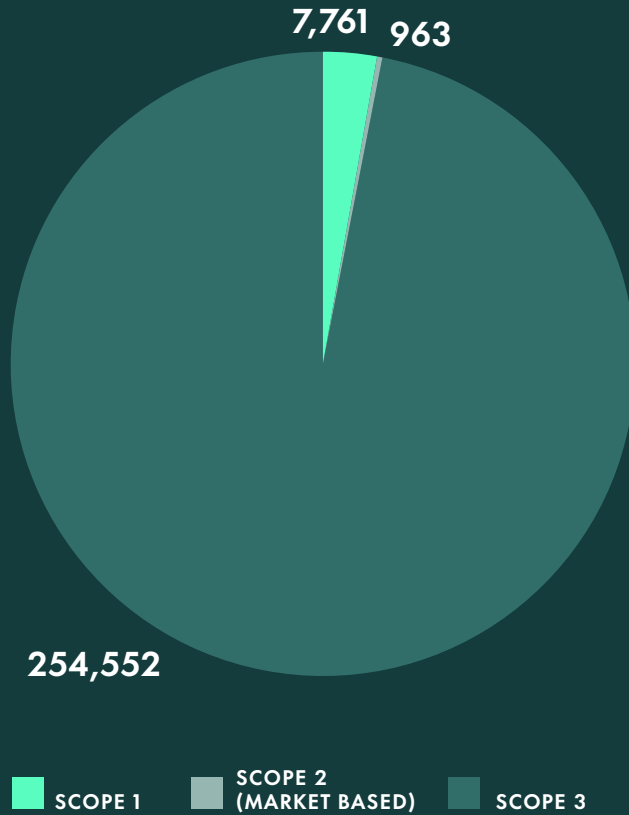
All German locations have been climate-neutral in terms of Scope 1 and 2 since 2021, excluding Scope 3 (according to Greenhouse Gas Protocol). In addition, the international production sites have been completely converted to green electricity since 2022. We offset the Hansgrohe Group's remaining emissions in Scopes 1 and 2 elsewhere. To this end, we rely on recognized and certified climate protection projects.

[More information | ClimateID Tracking](#) 

With our "Transformation Concept for the Energy Transition," we are also planning to make our German facilities completely independent of fossil fuels by 2030. From 2026, a new directive will oblige all locations worldwide to purchase only green electricity from renewable sources. In addition, we have decided to no longer procure company cars with combustion engines from 2030.

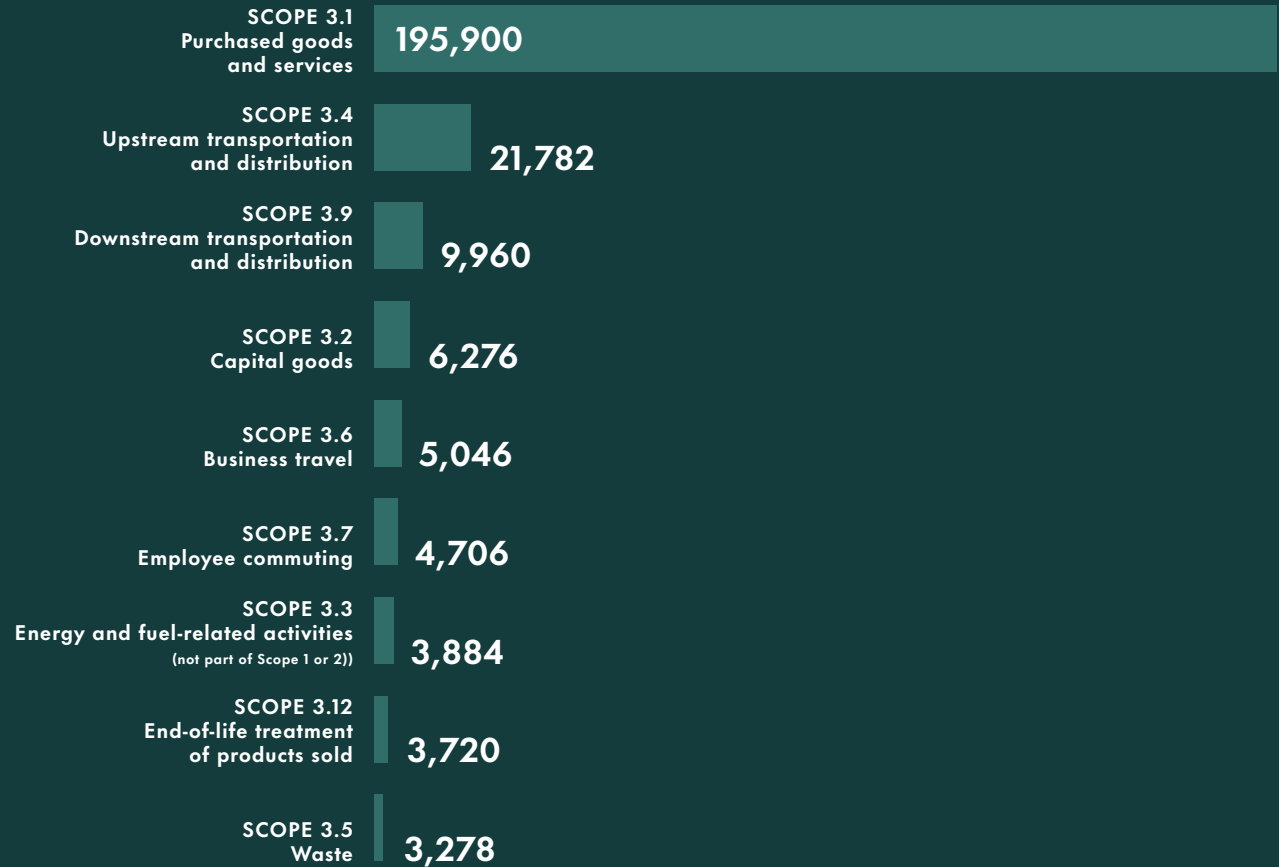
## Emissions 2024 by Scope

(in t CO<sub>2</sub>e)



## Scope 3 Emissions 2024 by Category

(in t CO<sub>2</sub>e)



Determined according to GHG Protocol.  
 Categories 3.8, 3.10, 3.11, 3.13, 3.14, and 3.15 are not relevant for us and are therefore not included.

### Making Emissions Transparent

We record and analyze the CO<sub>2</sub>e emissions generated by the Hansgrohe Group’s operational activities. To this end, we apply the methodology of the internationally recognized Greenhouse Gas (GHG) Protocol and have the quality of the data collected certified annually by an independent auditing company.

Only a comparatively small proportion of our CO<sub>2</sub>e emissions are directly linked to our locations (Scope 1 and 2). Nevertheless, we have a direct influence here and can reduce emissions, for example; by purchasing green electricity or implementing energy-saving measures. The majority of our emissions are generated in our upstream and downstream supply chains (Scope 3). The biggest drivers here are category 3.1 Purchased goods and services as well as logistics in the upstream supply chain (category 3.4).

### CO<sub>2</sub>e emissions

(in t CO <sub>2</sub> e)	Base year 2021	2023	2024	Δ 2021 to 2023	Δ 2021 to 2024
Scope 1	9,826	6,936	7,761	-29.4 %	-21.0 %
Scope 2	21,926	2,131	963	-90.3 %	-95.6 %
Scope 3	361,327	258,382	254,552	-28.5 %	-29.6 %
Total	393,079	267,449	263,276	-32.0 %	-33.0 %

### Systematically Reducing Energy Consumption

To recognize and implement savings potential quickly, we measure data with our energy data recording system. It indicates the energy use in each facility and helps to identify the main consumption points and influencing factors. We use this information to minimize energy requirements in a targeted manner; for example, through technical precautions, organizational changes or tailored employee training. The effectiveness of the measures taken is regularly evaluated. All of the Hansgrohe Group’s European production facilities, as well as the new facility in Valjevo, Serbia, and our largest non-European facility in Shanghai have such an energy data recording system. Half of our production plants are also ISO 50001 certified. Electricity and natural gas are the main sources of energy for our sites. The largest share of consumption is electrical energy, i.e. electricity.

Hansgrohe Group; calculated according to the market-based method; data based on the location-based method is also shown in the data overview.

Michael Klein (Managing Director of badenovaWÄRME-PLUS), Thekla Walker (Baden-Württemberg Minister of the Environment), Hans-Martin Hellebrand (badenova Board of Management) and Hans Jürgen Kalmbach (Hansgrohe Board of Management) at the inauguration of the new wind turbine at the Kallenwald wind farm (from left).

### Energy Consumption

(in MWh)	2022	2023	2024
Energy consumption, total	82,891	76,739	90,306
of which is electricity	59,714	56,939	65,458
of which is natural gas	21,498	18,333	24,553
of which is heating oil	1,440	1,245	0
of which is district heating	239	223	295

Hansgrohe Group, data for 2022 and 2023 updated accordingly

### Electricity Intensity

(in MWh/t of product sold)	2023	2024
Electricity intensity	2.58	3.20

Hansgrohe Group, data for 2022 and 2023 updated accordingly

We now cover almost 95 percent of the Hansgrohe Group’s total electricity requirements with renewable energies. The construction of a new photovoltaic system on the roof of the Offenburg plastics electroplating facility was successfully advanced in the reporting year. Covering an area of around 8,000 square meters, the facility will supply around 473 MWh of clean electricity per year, covering around five percent of the annual requirements of our production and logistics site in Offenburg. At the same time, a photovoltaic system was planned and installed at the Schiltach site. Both facilities are scheduled to go into operation in the second quarter of 2025.



**-72.5%**

**Reduction in CO<sub>2</sub>e emissions (Scope 1 and 2) between 2021 and 2023**

## Fossil-free in Germany by 2030

With the “Transformation concept for the energy transition,” we are pursuing a comprehensive overall concept for the decarbonization of German locations. The Offenburg and Schiltach sites, for example, currently rely on natural gas. The energy transformation project aims to replace the current heat generation, which is currently predominantly based on natural gas, by heat waste and pumps.

By 2030, all of Hansgrohe’s German facilities are to completely dispense with fossil fuels. Our energy supply of the future will be electricity-based and therefore completely decarbonized in combination with standardized procurement of green electricity. A combination of alternative energy sources helps here: by consistently using heat energy that is wasted in the production process, the previous gas consumption, for example, in the foundry or electroplating shop can be reduced by up to 70 percent. This is not only sustainable, but also saves more than 12 GWh of energy every year and therefore a high six-figure sum in energy costs. Heat pumps powered by purchased and self-produced green electricity and additional photovoltaic systems then cover the remaining energy requirements.



Further photovoltaic systems are gradually being installed on all available and suitable (roof) surfaces at Hansgrohe sites, such as here on a roof at the Offenburg facility.

In the reporting year, we also signed a power purchasing agreement (PPA) with the regional energy service provider badenova. Running from 2024 to 2029, the PPA covers the supply of the Offenburg and Schiltach facilities with a total of around 10 GWh of renewable electricity from the Kallenwald wind farm.

We equipped the new facility in Valjevo, Serbia, directly with photovoltaics. The already installed system will supply approx. 400,000 kW/h per year when it is in operation; the final approvals are currently in progress. We are planning an additional capacity of 800,000 kW/h per year as a result of the expansions in 2025. The Hansgrohe subsidiary in Austria is also pushing ahead with the further expansion of photovoltaic systems, and the roof of our new UK subsidiary in Warwickshire has also been equipped with a system. We have taken a major step towards a fossil-free future at our production site in Shanghai, which is the first facility we have made completely gas-free. As this may be the right way for us to move towards fossil-free energy, we have developed the “Transformation Concept for the Energy Transition,” initially for the German production sites, with which we aim to completely dispense with fossil fuels by 2030.

### Production Site Measures

We are continuously working to reduce our energy consumption and therefore our emissions and regularly evaluate the status and further potential. We implemented the following measures in the reporting year:

- In the plastic electroplating facility in Offenburg, the installation of a smaller and more modern side-channel blower will result in savings of more than 45 MWh of electricity per year in the future.
- At the brass electroplating facility in Schiltach, the replacement of five previously non-frequency-controlled pumps reduces electricity consumption by around 38 MWh per year.

The plastic blanks for the hand-held showers are produced by injection molding and then chrome-plated in the electroplating shop.



- By replacing a blow-off nozzle and converting a blower to a more energy-efficient version, hose production at the Willstätt site will now save more than 20 MWh of electricity per year.
- Our oldest production hall at the Offenburg site was extensively renovated in the reporting year. The improved insulation of the roof structure reduces annual natural gas consumption by more than 300 MWh.
- Extensive modernization measures were carried out on the building technology at our headquarters in Schiltach. Replacing two ventilation systems with smaller, more efficient systems saves more than 80 MWh of electricity and additional natural gas every year.
- Installing insulating film on the window fronts of the offices at our Wasselonne site leads to annual electricity savings of more than 10 MWh. In addition, four new charging stations for e-vehicles were installed and the electricity infrastructure was expanded so that even more charging stations can be built in the future.
- The control cabinet air conditioning system installed at the Schiltach facility in 2023 has confirmed its effectiveness in its first full year of operation. The new technology should now gradually be installed in other applicable areas and facilities.

# Water

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

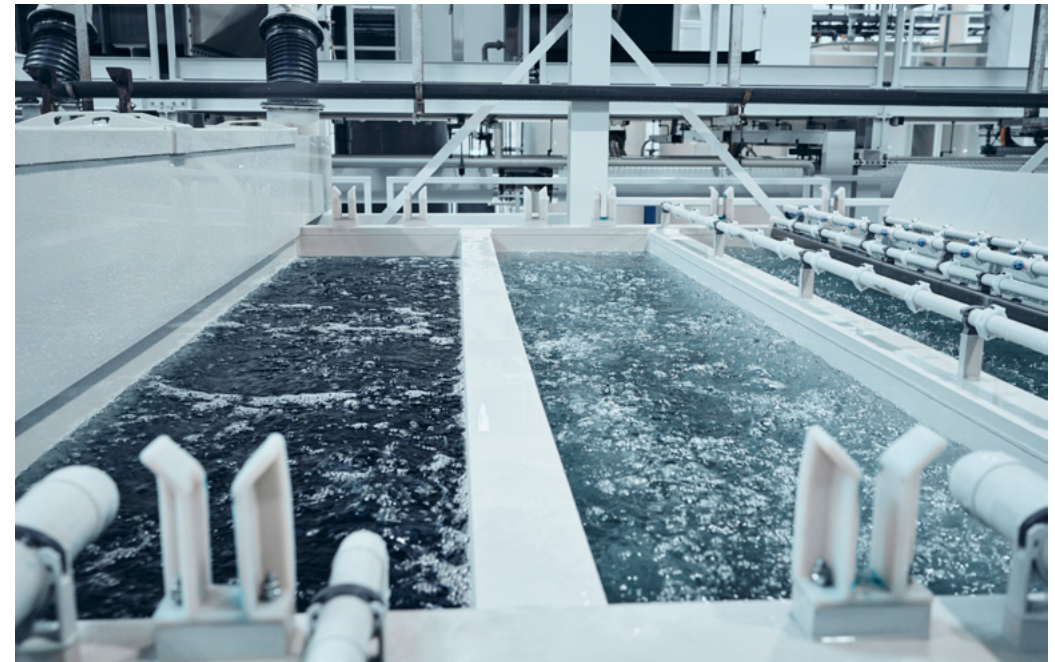
The largest share of the water we use is for surface coating operations, primarily in electroplating. This refers to electrochemical processes involving depositing metallic particles to form a coating. We also need water in other production processes, for cooling, as part of the sanitation facilities at our sites and for presentation purposes in our Aquademie, a bathroom exhibition where our products can be tried out.

## Using Water Efficiently

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

We obtain the majority of our water requirements from the networks of municipal water suppliers. At our facility in Schiltach, we were also able to draw on natural river water from the Kinzig until September 2024. Due to changing production volumes and water levels, water withdrawals from the Kinzig fluctuate; in 2024, they amounted to around 256 m<sup>3</sup> (2023: around 2,055 m<sup>3</sup>).

Where possible, the water used in the electroplating baths is treated and reused.



### Water Usage

(in m <sup>3</sup> )	2022	2023	2024
Water withdrawal, total (incl. Kinzig water until September 2024)	132,254	123,744	222,678
Water discharge, total	132,254	123,744	222,678

### Water Intensity

(in m <sup>3</sup> /t of product sold)	2023	2024
Water intensity	5.60	10.88

Hansgrohe Group, data for 2022 and 2023 updated accordingly

### Measurements at Production Sites

Automated and timed water inlets are mainly used to keep the continuous fresh water supply as low as possible in line with demand. We also close off water circuits wherever possible. In process-accompanying optimization projects, for example, it is checked whether and where water that has already been used can be used a second time in order to dispense with fresh water in certain applications. Most of the water used in electroplating is used and consumed only via minimal evaporation losses. The recirculating technology in most electroplating facilities at our facilities has been upgraded to the latest standards. This reduces the need for fresh water during operation, for example via cascade rinsing or spray rings. By applying recycling technologies such as chrome evaporation, nickel recycling, and copper recovery, we reclaim valuable materials while simultaneously reducing our freshwater consumption, both directly through optimized, efficient water treatment processes and indirectly by eliminating the water usage required for the production of operating materials by our suppliers.

In many facilities, we use municipal water networks. Water that is not recirculated as processing water is discharged into local public wastewater networks at the respective production sites. We strive to reduce our environmental impact through responsible disposal by separating the wastewater by substance before it is discharged and pre-treating it in our own wastewater treatment facility.

# Waste Management

**In our operational processes, waste management is our central starting point for the circular economy. We use reliable external waste disposal companies to dispose of our waste. Here, we place great importance on ensuring that waste is, wherever possible, properly recycled and returned to the materials cycle.**

We mainly use brass, plastics and chemicals in production. Brass is the carrier material that is cast into molds in our factories. We manufacture product components from plastic using the injection molding process. Further production steps include finishing, grinding and polishing (brass) and electroplating (brass and plastic), before the products are assembled and then packaged.

Brass and plastics are the main materials used in the Hansgrohe Group's products.



We research resource-efficient manufacturing processes for manufacturing our products. We aim to avoid unnecessary waste through process-oriented work with a focus on error prevention and continuous improvement. All production departments work individually to avoid and reduce waste. The progress of the projects is continuously monitored in working groups in collaboration with the Green Company team. Waste efficiency is a quarterly topic on the agenda at every production site. Our EHS managers at the sites draw up specifications for the production departments, taking into account the applicable legal requirements.

## Waste Reduction and Disposal

In total, our production processes generate around 35 different types of waste. One focus is on gravity die casting in permanent metal molds and surface coating. Waste, such as wooden pallets, foils, or sprues from plastic injection molding is also produced. Both our non-hazardous and hazardous waste increased in the reporting year. The reason for this is a higher sales volume in the PVD coating production area, where chemicals are used, which makes it necessary to change the rinsing water more frequently at high throughput rates.

### Waste Generation

(in t)	2022	2023	2024
Waste, total	10,677	8,218	11,020
of which is non-hazardous	9,139	6,786	9,489
of which is hazardous	1,538	1,374	1,531

### Waste Intensity

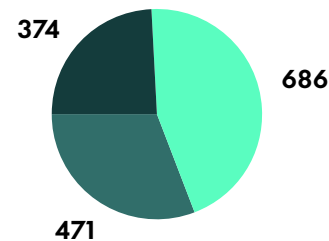
(in t/t product sold)	2023	2024
Non-hazardous waste	0.31	0.46
Hazardous waste	0.06	0.07

Hansgrohe Group, data for 2022 and 2023 updated accordingly

### Disposal of Hazardous Waste 2024

(in t)

- Landfill
- Recycling
- Incineration (including energy recovery)



Hansgrohe Group

## New Plastics Recycling Facility

The circular economy is a key area of activity for the Hansgrohe Group. Last year, we took a major step forward in the area of the circular economy by commissioning a newly developed plastics recycling facility, which we use to recycle and reuse production waste. By recycling materials, we reduce both our use of resources and transportation routes.

The innovative system at the Offenburg site uses electro-hydraulic shredding technology. All chrome-plated reject components made of ABS plastic, such as hand-held shower casings, wall flanges or knobs and buttons, are decoated using shock wave treatment. The results speak for themselves: 100 percent of the valuable metals in the chrome alloy can be recycled, 98 percent of the raw materials in total. The decoated ABS plastic is used directly in the production of new parts. This closed the recycling loop at the site.

The hansgrohe Pulsify Planet Edition product line launched in 2023 already uses recycled material: The handle of the Pulsify Planet Edition hand-held shower is made from recycled plastic, which is obtained from old products and rejects.



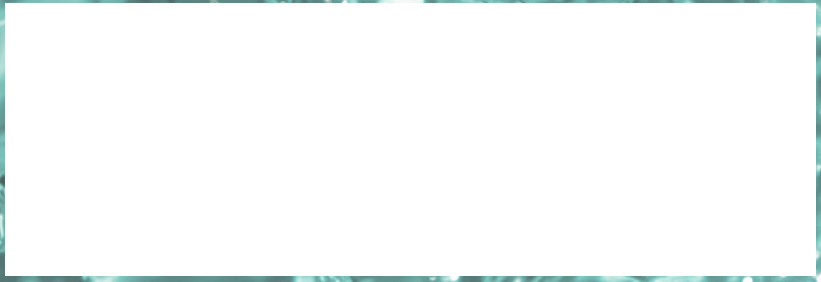
A world-first process for the recycling of galvanized plastic parts is used in Offenburg.



3


Social

4



# Management Approach to Social Responsibility

**We currently bundle all topics that affect our employees under social responsibility, in particular employer responsibility, diversity and equal opportunities, as well as occupational health and safety. As a responsible employer, we at Hansgrohe want to systematically and proactively reduce risks, seize opportunities, and strengthen positive effects.**

We live in a rapidly changing and ever more complex world, making human resources increasingly important. Amplifying this, the corporate group and our international expansion have grown vigorously in recent years. We have defined four core values for the embodiment of our teamwork: passion, appreciation, togetherness, trust. More information: [Shared values at work | Hansgrohe Group](#) 

As part of the Hansgrohe Group's current focus on the requirements of the CSRD, the social responsibility topics from the ESRS standards are being analyzed again and may be structured differently in the future. We are currently bundling social aspects relating to the supply chain in the "Governance" section. (see from → [page 86](#)).

## Practical Implementation of our Commitments

Our CSR principles provide clear guidelines. In the "Focus on humans" section, we have set out principles on various topics that fall within the area of social responsibility, including, for example, working conditions, health and safety, and human rights. In order to respect human rights, we are guided by international standards and conventions, including the principles of the UN Global Compact and the declarations and conventions of the International Labor Organization on fundamental principles and rights at work (ILO core labor standards). In addition, the United Nations' Sustainable Development Goals (SDGs) provide us with an overarching framework.

In our CSR principles for health and safety in the workplace, we have defined that compliance with strict occupational safety standards is a given for us. Issues such as fair wages and health and safety at work are managed via collective agreements or management systems, for example. In addition to internal channels, our employees can also contact an independent consultant anonymously with their concerns via Masco's ethics hotline. The ethics hotline can also be used by external stakeholders.

The CSR principles also form the formal basis for our management approach to diversity and equal opportunities. We have also defined our own stance on Diversity, Equity & Inclusion (DEI), which is based on our corporate values and sets the

Fair, trusting and respectful cooperation characterizes the cooperation within the Hansgrohe Group.



standard for our actions. As a demonstration of our commitment to diversity and self-commitment, we also signed the Diversity Charter in 2021, making us one of the first companies in the sanitation industry to do so.

**Hansgrohe Group – Signatory of the Diversity Charter** 

We expressly recognize the right held by all employees to form a collective labor union and to practice collective bargaining. 93.3 percent of Hansgrohe Group employees in Germany are covered by collective agreements. In Germany, these employees are remunerated in addition to any bonuses outside the agreed scale rate in accordance with the metal collective agreement and with additional benefits depending on the type of employment. In addition to the collective wage agreement for the metal industry, collective agreements and statutory regulations are stipulated for partial retirement, reduced working hours and fair wages. Our company agreements comply with the legal requirements and collective bargaining framework. At Hansgrohe in Germany, we have company agreements regarding working hours, compensation, work clothes, protective equipment, workplace safety, corporate retirement plans, social affairs and data privacy. Our international sites are bound to similar employer’s contributions based on country-specific guidelines. The relevant provisions are outlined as rulebooks or operating regulations.

**Employee Structure**

The Hansgrohe Group employed 5,645 people worldwide in 2024 (2023: 5,448). Of these, 3,420 were working at the German locations, including ESS Germany and the eight sales offices as of December 31 (2023: 3,419), 2,225 were working at international sites (2023: 2,029). Around three quarters of our employees work in Europe. The total number includes all full- and part-time staff, vocational trainees and dual education students. Temporary staff, who generally work in production, are not included in this statistic.

In 2024, we hired 197 new employees (2023: 419) worldwide. In the reporting period, Hansgrohe took on 29 vocational trainees (2023: 31) in Germany. A total of 16 temporary employees in Germany were given permanent positions in the reporting period (2023: 4). The turnover rate was 5,1 percent across the entire company (2023: 4.6%).

**Employees by Employment Category**

(headcount)	2022	2023	<b>2024</b>
Full-time employees	2,870	2,736	2,920
Part-time employees	378	372	431
Temporary employees	30	10	75

Only Hansgrohe SE and Hansgrohe Deutschland Vertriebs-GmbH, as of December 31

**Employees by Region**

(in %, rounded)	2022	2023	<b>2024</b>
Europe	76	77	78
Asia	19	18	17
America	4	4	4
Africa	1	1	1
Australien	0	0	0

Hansgrohe Group

# Employer Responsibility

Our more than 5,600 employees are the key to the success of the Hansgrohe Group. We are committed to the long-term success of the company on the basis of shared values, and this culture is shaped by managers and all team members alike. We have established a wide range of measures for employee development.

Our four core values guide the way we work together. One example of practical implementation is mobile working. The company relies on the autonomous organization of all teams and on mutual trust and wants to encourage people to take responsibility. On a voluntary basis and within the scope of operational possibilities, work can also be performed partly from home or on a mobile basis

Motivated employees are the basis for the company's success. Attractive working conditions and additional benefits contribute to motivation.



without a contractual basis and after consultation within the team. Our locations will continue to be a place of personal interaction and collaboration.

## Attractive Employer

As a family-friendly company, we support our employees with additional measures to help them balance work and family or private life. Since September 2023, employees with young children at the Schiltach site have been able to use childcare at the Klaus Grohe daycare center. At the Schiltach and Offenburg sites, parents may also take advantage of various childcare services for school vacation time. Individually tailored working time models are an important component, including the opportunity for employees to take on management responsibility in part-time models.

To remain attractive as an employer, we offer employees in Germany a wide range of additional benefits, for example:

- depending on the requirements of the job profile, flexible working hours full-time or part-time and parental leave
- in the administrative area after consultation with the team's local flexibility and mobile working
- a broadly focused further training program
- comprehensive health management

To promote environmentally friendly commuting, employees in Germany also have a bicycle leasing option and a subsidized work pass for local public transportation.

### Accompanying Change

The growing number of employees in the assembly areas has made the task of management increasingly challenging. The production employees wanted more connection, more individual guidance, and a contact person who was always readily nearby to answer questions. For this reason, smaller units with new contact persons (i.e. "Supervisors") were introduced as a link between shift supervisors and production employees in the assembly departments at the production sites in Schiltach, Offenburg, and Willstätt. The new organizational structure has been well received by the employees: the number of supervisors, which has now grown to 36, has rewarded this with above-average commitment and motivation. Due to the change in work organization, the works council was also involved in the project.

### Dialogue with Employees

We organize various formats to foster dialogue between the management bodies and employees. An employee survey is conducted every two to three years, with the last survey being in 2022. The "Vorstand Direkt" (i.e. "Executive Board Live") dialogue format has been held ten times. Members of our Executive Board team met with employees from all areas at our locations in Germany to discuss current issues. The Executive Board met with all managers from administration and production on three occasions during the year in the "Management Dialogue." In addition, regular video messages from the Executive Board on the "Hans! For You" employee app gave information about the current situation and the planned measures. Employees can also send in questions anonymously using the form, which the Executive Board will then answer in the next article. In addition, two works meetings were held in 2024 for all employees at the German sites, providing up-to-date information on the company's business development and the opportunity for dialogue.



### Employees in the Spotlight

As authentic ambassadors, Hansgrohe employees are in the public eye for our employer campaign. As part of an international shoot for the first time, they present Hansgrohe as an exciting employer with new faces, messages, and languages. From numerous applications and recommendations, 16 employees from different locations, departments, and career paths were selected to be in the spotlight for the campaign.

### Employee Development with Foresight

Once a year, we work with all managers in both the administrative and production departments as part of strategic personnel planning to determine whether additional skills need to be developed in order to meet future or current challenges. This structured and global process also entails decisions regarding succession planning and qualification programs.

As part of strategic personnel planning, we regularly evaluate the performance and potential of our employees and identify individual training needs with the help of development questionnaires and by drafting corresponding development targets. We give our international subsidiaries the freedom to adapt their human resources management systems to conditions and circumstances in their respective countries.

We provide training and development opportunities to all employees so they can overcome whatever challenges come their way at the company, now and in the future. The continuous professional and personal development of all employees is also key to attracting talent and retaining it in the long term. The Chief Human Resources Officer is responsible for this range of duties in collaboration with respective teams for employee development and training.

Learning opportunities tailored to the needs of the various employee target groups help with personal development.

With our CAMPUS learning platform, we offer tailor-made trainings. With events, seminars and workshops, CAMPUS is a place for staff to meet and share knowledge. CAMPUS integrates, challenges and drives all who train there – regardless of department, hierarchical level or professional experience. Employees and outside experts prepare presentations on the latest news and exciting matters from different departments. For instance, Green Hours serve to provoke reflection



# 10.2 hours of training per employee

on average

regarding sustainability and to support project development related to our vision of a carbon-neutral bathroom and the sustainable orientation of our company.

In 2024, 1,012 events took place at CAMPUS (2023: 844), of which 800 internal (2023: 706) and 212 with external experts (2023: 138). A total of 16,408 participants were in attendance (2023: 14,684). In addition to CAMPUS, we have organized numerous mandatory training sessions regarding occupational health and safety and environmental protection. These sessions are presented to the individual facilities, including international locations.

Another building block is company-wide talent management. In support of the program, we hold talent conferences around the world and many one-on-one employee development meetings. In addition, we have established structures to professionally implement international transfers of employees. These include shorter assignments abroad lasting up to three months, which eight employees completed in the reporting year. Longer assignments abroad last two to five years. Three employees started this in 2024. In order to provide the best possible support for the establishment of our new plant in Serbia, several employees from Serbia came to Germany and vice versa in 2024 to learn from each other and strengthen the transfer of knowledge.

Mentoring is an integral part of employee and talent development at Hansgrohe. Our mentorship program creates new work prospects and professional orientation

programs. We see the mentor-mentee pairings as an open offer of communication for all employees, regardless of age, department, country or hierarchical level.

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

## Hansgrohe took on **29** vocational trainees during the reporting period

### Attracting and Retaining Trainees and Students

For the vocational training of young people, there is the Hansgrohe Talent Factory at the headquarters in Schiltach, a state-of-the-art training center for technical and commercial professions. As one of the largest employers and training companies in the Kinzigtal region, the quality of our training is particularly important to us. That's why we have had ourselves assessed periodically by AUBI-Plus GmbH, an independent certification body, since 2018 and since then have always been awarded the BEST PLACE TO LEARN® training seal. Under the current certification, covering 2022 to 2025, our training received the rating "very good."

The support for trainees and dual students is comprehensive, from the trainee warm-up and the company mentor model to a varied program of workshops and social and environmental activities throughout the entire training period.

## Celebrating 100 Years of Vocational Training

Karl Wäckerle was the first apprentice to start his training as a metal spinner back in 1924. Since then, the sanitation manufacturer has trained well over 1,000 young talents and taught them sound professional skills. In the beginning, there was often only one apprentice per year, but today around 50 new apprentices and dual study students start their careers at Hansgrohe every year. "Discovering and promoting new talent is in our DNA," says Chairman of the Executive Board Hans Jürgen Kalmbach. He also began his career in 1995 with dual studies at Hansgrohe. Hansgrohe is constantly revising and expanding its training opportunities in order to be well positioned for the future. In the beginning, there were at most a handful of training occupations – mostly industrial-technical – today there are over 30 training occupations and dual studies to choose from, including, of course, many business administration and IT-oriented specializations.

[Education opportunities at Hansgrohe](#) | [Hansgrohe Group](#) 



Copyright: Hansgrohe. The first documented apprenticeship letter at Hansgrohe comes from Karl Wäckerle. He learned the trade of metal spinning in Schiltach from 1924 to 1926.

As a matter of principle, our training is demand-oriented with the aim of taking on all trainees and dual study students. Under the collective agreement, all trainees in Germany are obliged to be taken on. Depending on performance, personal desire, economic situation, and available job profiles, we always aim to take on our dual students.

External students also regularly contribute their ideas to various areas of the company and gain valuable practical experience as part of an internship semester, their final thesis, or a student traineeship. In 2024, 82 external students supported the Hansgrohe teams at the German locations, and nine of them actually began their professional careers at the company.

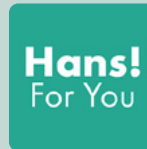
### Vocational Trainees and Dual study Students

(headcount)	2022	2023	2024
Vocational trainees	85	91	93
industrial	58	60	59
commercial	27	31	34
Dual study students	72	65	68
Training rate (in %)	4.6	5.0	4.9

As of September 1st (start of training year)

### Dialogue Platform

“Hans! For You” has become the linchpin of the Hansgrohe Group’s internal communications. The app, which is used by 89 percent of the employees worldwide, provides access to current company topics and a comprehensive collection of information such as professional development, internal job vacancies, or advice and health topics. Only the employees in China use a different local system for internal communications.



To make it easier to start a career at Hansgrohe, our Talent Factory launched the “Do it your way” initiative. In the form of informational events, advertisements and corresponding posts on social media, we promote retraining, part-time training, and entry-level qualification. As vocational trainees the campaign, career changers and part-time vocational trainees talk about their experiences.

In order to further increase Hansgrohe’s visibility as an employer, we cooperate with various schools in the region, offer student internships, participate in career fairs, and organize our own events where interested individuals can learn about study and training opportunities.

# Diversity and Equal Opportunities

The Hansgrohe Group is a diverse company with unique employees from several generations. We are fully committed to respectful and appreciative treatment and equal opportunities for all employees. We aspire to have a diverse workforce in which everyone has the same opportunities. We are convinced of the added value that diversity brings our team, and we strive to enhance and promote diversity.

As a global company, we encourage our employees to accept other perspectives, to be empathetic, and to learn from each other. By embracing this mindset, we at Hansgrohe can work together for better diversity and inclusion. All employees should have the same opportunities – regardless of age, ethnicity, skin color, nationality, gender or gender identity, physical or mental abilities, religion or world view, sexual orientation, social background, and appearance. The team Diversity, Equity & Inclusion (DEI) works toward entrenching the issues surrounding diversity and equal opportunities in our company. We report our advancements and the long-term trajectory of our measures internally to the Executive Board on a continuous basis. We report this same information to the Masco Corporation on a quarterly basis in the context of group-wide diversity initiatives.

## Worldwide Employees by Gender

(headcount)	2023	2024
Employees		
– Male	3,312	3,445
– Female	2,135	2,196
– Without indication	1	4
Managers		
– Male	506	569
– Female	25	179
– Without indication	0	1

## Worldwide Employees by Age

(Köpfe)	2023	2024
Under 30 years		
– Employees	819	943
– Managers	13	18
30-50 years		
– Employees	3,148	3,258
– Managers	461	539
Over 50 years		
– Employees	1,481	1,444
– Managers	194	192

As of December 31st

### Promotion of Diversity

We want to create an inclusive working environment in which all employees are respected, valued and supported, regardless of their individual differences. Specifically, it is about preventing discrimination, ensuring equal opportunities for all, providing targeted support to people who are disadvantaged, and promoting a culture in which differences are seen as enrichment. Within the Masco Corporation, we network with international colleagues for an intensive exchange of experience.

In the reporting year, the focus was on the following measures:

- Implementation of intercultural training and global language courses to promote even more effective international cooperation and networking between different functional areas
- Training courses for employees and managers to promote an inclusive corporate culture and raise awareness of respectful and appreciative interaction with one another
- Expansion of the Hansgrohe-wide women's network and training as part of the Women4Future program
- Further optimization of internal processes for reporting and thoroughly investigating cases of discrimination
- Further implementation of diversity and inclusion in HR processes, in particular improved approach and reduction of unconscious thought patterns in the recruiting process
- Promoting equal opportunities in our selection process for managers by requiring people from diverse backgrounds (e.g. gender, nationality, disability) to be heard in the interview process.

Regular events include Diversity Day and Girls' Day in our talent factory. The aim of the international information and involvement day is to inspire young women to pursue technical professions and support them in making their career choices. In this way, they can get a taste of future-oriented technical professions and test their own skills in exciting technical projects.

### Inclusion of Employees with Disabilities

The rate of severely disabled employees at the German locations was 4.6 percent in 2023. The new survey will only provide information on the rate in 2024 after the report has been published. Employees with severe disabilities or those with equivalent status are represented at the German Hansgrohe locations by a formal representative, who is elected as a trusted person by the severely disabled and equivalent employees in accordance with §177 SGB IX (German social security statutes). The tasks of the representative for employees with severe disabilities include promoting the participation of severely disabled persons and persons of equal status in working life and providing support in applying for appropriate measures and in obtaining degrees of disability and equal status. From October 1, 2024, Hansgrohe also appointed two colleagues from health management as inclusion officers for the German locations. Its main tasks are to monitor and support the legal obligations to integrate severely disabled people into working life. This includes, for example, monitoring the mandatory employment rate and applying for subsidies.

Together with the elected representative, further measures to promote inclusion are being sought, for example through easier access to buildings, digital services, and health management. Targeted inspections and subsequent redesigns promote accessibility in the working environment. New videos and e-learning courses in simple language and with subtitles improve digital accessibility.

# Occupational Health & Safety

The Hansgrohe Group strives to protect and promote the health of its employees. We therefore check our processes for accident and safety risks, including the avoidance of accidents at work and operational downtime. Offers to promote health have a preventative effect, which is why we invest in progressive health management.

Team spirit and sporting ambition are the focus of the annual company runs. Several Hansgrohe teams are at the start. Running training and tips are provided in advance.



Safe workplaces are a key responsibility of the employer. The Environment, Health, and Safety (EHS) department and Occupational Health Management regularly analyze relevant work processes and the working conditions of all employee target groups for health and safety risks. The production sites organize occupational health and safety in line with local requirements.

## Organized Structures and Guidelines

The EHS department is responsible for the organization. As a staff unit, the team supports the Executive Board, managers, and employees in the implementation of occupational safety in the company. A central occupational health and safety committee headed by the Executive Board meets regularly to address current occupational health and safety issues. In addition to the Executive Board, the Works Council and the Hansgrohe SE company doctor also attend the meetings. The core function of the EHS department includes creating guidelines for the subsidiaries, taking local laws and regulations into consideration. For instance, it ensures implementation of the legal requirements for occupational health and safety, as well as the implementation of the guidelines of accident insurance agencies (professional bodies) in a lawful manner.

In 2024, as in the previous year, a total of four occupational safety committee meetings were held at our German sites. Our international production sites are subject to local regulatory requirements and address health and safety accordingly. Occupational health and safety is firmly anchored in our corporate guidelines and in the CSR Principles. An occupational safety management system has been implemented at all production sites worldwide. With the exception of the facilities in Valjevo and Bad Bentheim, these are certified in accordance with ISO 45001.

The legal requirements for occupational health and safety matters are assigned as responsibilities of management via the legal register. This reporting year again, responsibilities were transferred to all employees with management responsibility in the form of a document to be signed. In addition, measures to improve occupational health and safety and environmental protection were again implemented in 2024.

## Injuries

	America			Europe			Asia		
(headcount)	2022	2023	2024	2022	2023	2024	2022	2023	2024
Male	1	0	0	219	23	21	0	1	5
Female	0	0	1	6	14	11	0	0	0
<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>25</b>	<b>37</b>	<b>32</b>	<b>0</b>	<b>1</b>	<b>5</b>
Days absent	2	0	1	361	642	303	0	86	368
<b>Type of injury</b>									
Cut and puncture wounds	0	0	0	12	8	5	0	1	1
Contusion, compression, sprains	1	0	1	8	26	25	0	0	4
Fractures	0	0	0	1	1	1	0	0	0
Chemical/burns	0	0	0	4	2	1	0	0	0

Production sites and Hansgrohe Deutschland Vertriebs-GmbH, as of December 31

## Measures to Increase Occupational Health & Safety

We evaluate concrete accident events and key figures to continue making working conditions even safer through, above all, training courses, technical measures, and process improvements. In addition to having dedicated company doctors in Germany, we work with external company doctors for sites outside of Germany. This includes services for construction site safety in the case of construction sites, such as for the factory in Serbia. External companies receive safety training upon accessing company premises. Risk assessments are conducted for every process.

We also have a reporting system for potentially unsafe conditions or situations. Employees can use it to send a report if they feel a work situation is unsafe. The form, available in our "Hans! For You" app, enables electronic capture of the report and evaluation in very little time. The reports are forwarded to those responsible for evaluating and implementing measures. The app contains a lot of other useful information as well as tools for occupational safety and for health management.

Employees in Germany receive regular training on occupational safety at Hansgrohe Campus.

### Supporting Preventive Health Measures

The comprehensive health program “Hans!Fit” is part of the benefits package of the German Hansgrohe Group sites. Activities are based on data such as the stress levels identified, employee feedback, and anonymous analyses of health reports prepared by health insurance companies. At the long-standing request of employees, Hansgrohe has been cooperating with “Hansefit,” the leading company fitness provider, since 2024. Employees can use numerous fitness and sports facilities throughout Germany, Hansgrohe covers part of the costs and thus supports employees in taking preventative care of their health. At our international sites, the local HR managers are in charge of putting together suitable arrangements and offerings.

Swimming pool, fitness center, online course or climbing gym: employees at the German locations can take advantage of numerous fitness and sports offers thanks to a membership subsidized by Hansgrohe.



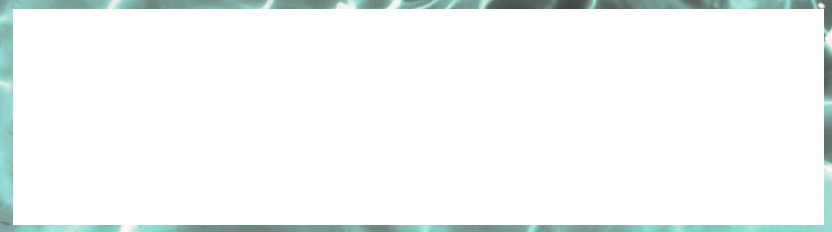
The workplace health management team is a position within the Human Resources department which, in addition to workplace health promotion and occupational integration management, also provides occupational health care for all employees in Germany. New occupational health software was introduced in 2024. This enables the connection of all examination devices and the digital documentation of the preventative measures taken at Hansgrohe in accordance with the current Occupational Health and Safety Regulation (ArbMedVV) and other occupational health measures. The documentation and tracking of procedures within the scope of occupational integration management have also been digitized, allowing the occupational health management team to work flexibly and paperlessly to a large extent.

The occupational health management team also implements measures tailored to the needs and requirements of specific target groups: in each year of training, there are special modules that lay the foundations for health-promoting work and cover the three pillars of mental health, exercise/ergonomics, and healthy eating. In addition, managers can complete a two-day training course in cooperation with a clinic for mental and psychosomatic illnesses. This gives them an insight into mental health issues with the aim of raising awareness and providing the best possible support for themselves and for employees in challenging situations. Production employees can take part in ergonomics training courses.



# 3.5

## Governance



# Management Approach to Corporate Governance

**Our high standards in ESG management start with responsible corporate governance. The Executive Board and Supervisory Board don't just shape economic and financial objectives, but actively participate in setting the sustainable orientation of the company.**

Hansgrohe SE is the central unit of the Hansgrohe Group and the parent company of the 35 subsidiaries consolidated in this sustainability report as the Hansgrohe Group. The Supervisory Board and Executive Board of Hansgrohe SE work jointly toward the company's success. Operations management is in the hands of the five members of the Executive Board. They are assisted by the Supervisory Board, which monitors the work of the Executive Board and represents the interests of Hansgrohe SE shareholders and employees.

## Sustainability is an Executive Board Topic

Members of the Executive Board are tasked in their respective areas of responsibility with managing our company's impact on sustainable development in our business environment. Below the Executive Board, the Vice Presidents of the Hansgrohe Group form the senior management level. Managing directors or heads of function are assigned to each of these, and in turn several department or team heads.

At each Supervisory Board meeting, the Executive Board presents the latest company developments and thereby subjects itself to a performance evaluation by the Supervisory Board, including in the area of the company's sustainability orientation. Five ordinary Supervisory Board meetings took place in 2024. Once a year, the Supervisory Board formally approves the actions of the Executive Board. In addition, the Chairman of the Executive Board and the Chairman of the Supervisory Board meet every two weeks to exchange information.

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



Since 2023, a Green Company Board has managed various working groups that are part of our ten strategic Green Company initiatives. The Green Company Board met four times in the reporting year to discuss ideas and projects and their implementation status. In these sessions, the focus is on the sustainable orientation of the company.

In order to bring together the teams working on projects in the ESG field and to set up sustainability management in a more comprehensive way, the areas of Compliance + Data Privacy and the Green Company team have been integrated into the division of our Chief People Officer. The area of green product innovations and new water technologies remains the responsibility of the Chairman of the Executive Board: the InnoLab and the research and development team are leveraging innovation to contribute to greater sustainability.

The new “Sustainable Procurement Policy” was also adopted in September and subsequently communicated throughout the Purchasing department. This internal guideline regulates the principles for sustainable procurement and supplements the Masco Supplier Business Practices Policy (SBPP), which defines the expectations and requirements for suppliers. Hansgrohe is continuing to position itself for sustainability and new tasks in the supply chain by strengthening its personnel in the areas of sustainable procurement and procurement compliance.

Sustainability reporting is reviewed by the Executive Board prior to publication and brought to the attention of the Supervisory Board. To stay up to date, the Executive Board members attend training courses, seminars, and conferences related to their respective areas of expertise. Potentially critical issues are resolved via regular discussion among the Executive Board and Supervisory Board.

### Taking Agreements and Guidelines Seriously

We base our sustainability activities on the following international and European human rights instruments and conventions:

- Universal Declaration of Human Rights (United Nations)
- UN Guiding Principles on Business and Human Rights
- Guidelines for Multinational Enterprises (OECD)
- ILO (International Labor Organization) Declaration on Fundamental Principles and Rights at Work – United Nations Convention on the Rights of Persons with Disabilities
- European Convention on Human Rights
- Revised European Social Charter
- Charter of Fundamental Rights of the European Union
- German Supply Chain Due Diligence Act (LkSG)

The Hansgrohe Group’s mission statement summarizes various aspects of our identity and guidelines and can be downloaded here.

[Mission statement | Hansgrohe Group](#) 

# Procurement Practices and Supply Chain

As a company with international ties, the Hansgrohe Group has a responsibility to work towards improving the global human rights situation along our supply chains and to shape our business relationships in a socially responsible manner.

The Hansgrohe Group operates in more than 145 countries around the world. In order to produce our products and deliver them worldwide, we operate within a complex manufacturing and supplier network. Sustainable and lasting partnerships with our suppliers form the basis for mutual success. We also do not lose sight of protecting human rights and the environment along the value chain.

We are aware of the diverse effects that our procurement activities can have on people and the environment. Examples of challenges and risks common to many supply chains include human rights, environmental protection, sourcing of con-

flict minerals, and corruption. The requirements are also ramping up from a regulatory perspective. In our corporate policy and in our internal CSR Principles, we have committed ourselves to support social responsibility and human rights along the value chain.

## Minimizing Risks in the Supply Chain

Procurement at the Hansgrohe Group is controlled by our purchasing management system. To minimize risks together with our suppliers through responsible action and to build long-term relationships, we prioritize compliance with ethical standards and environmental protection at the time of supplier selection. These requirements are contractually binding and are stipulated Supplier Business Practices policy (SBPP) of the Masco Corporation. We condemn all forms of child labor, forced labor, modern slavery and human trafficking. We also demand, for example, compliance with fair wages and working hours, as well as the right to freedom of association.

In high-risk regions (everything outside the EU and USMCA), suppliers are also regularly audited with regard to this directive. The random supplier audits are performed both by our parent company, Masco Corporation, and our own experts.

New suppliers are checked by the Hansgrohe Group and approved by an internal specialist committee. In addition to the commodity buyer, technical experts and supplier auditors are also involved with suppliers of production materials. The operating sites are assessed on site for quality capability to ensure that our requirements can be met and to lay the foundations for a reliable and long-term partnership. When adding suppliers to the supplier pool, we also ask them to confirm that they comply with all REACH requirements. The Hansgrohe Group itself neither produces chemical substances or mixtures nor imports them into the EU. As a downstream user, we are not subject to any registration obligations under the REACH regulations.



We have implemented adequate risk management with regard to human rights and environmental risks in accordance with the requirements of the German Supply Chain Duty of Care Act (LkSG). A human rights officer monitors the processes in purchasing and in our own business area. All employees were informed about the LkSG via the employee app. Mandatory e-learning has been initiated, and this basic training is supplemented by an annual refresher course to be completed by employees. Risk analyses are conducted in our own area of business and in our activities with suppliers. When a risk is identified, measures to address this risk are defined and implemented. We will continuously review the effectiveness of these measures and adjust them if necessary.

View of the plastic injection molding facility at the Offenburg site.



### Managing Raw Materials

The Chief Operations Officer controls procurement together with the Vice President of Purchasing, Quality Management & Continuous Improvement (CIP). The management of suppliers and service providers is the responsibility of the Procurement of Non-Production Material, Procurement of Finished Goods, and Procurement of Production Material departments. In the Global Procurement Solutions division, two employees are now specifically dedicated to compliance and sustainability issues in the supply chain.

We mainly use metals, plastics and chemicals to manufacture our products in Germany, France, the USA, China, and Serbia. The table shows the largest items in each of these three main material groups used at our production sites. (→ **page 91**). Subsidiaries were not included as their share is negligible.

Metals are primarily used for the manufacture of lavatory faucets and shower faucets. A faucet consists largely of brass, which is melted down and cast at our manufacturing facilities. We use ABS (acrylonitrile butadiene styrene copolymer) for 45 percent of the plastics used in our injection molding, whose raw material, like other plastics, is petroleum. Since March 2023, we have been using an alternative at our Offenburg facility that contains 50 percent more bio-attributed content than conventional ABS.

### Materials Used

(in t)	2022	2023	2024
Metals	18,531	14,934	16,180
brass, among others	15,247	12,385	13,433
zinc, among others	2,355	1,798	1,925
steel, among others	699	618	663
Plastics	4,421	3,558	4,130
PVC, among others	984	864	883
ABS, among others	981	785	1,023
PPE/PS, among others	571	407	469
Chemicals	1,611	1,121	1,431
hydrochloric acid, among others	433	281	332
caustic soda lye, among others	264	116	170
calcium hydroxide, among others	217	192	220

Hansgrohe Group

Chemicals are mainly used in the electroplating process for the surface coating of the brass and plastic body. For chrome plating, the blank is first copper and nickel plated and then immersed in an electrolytic bath with chromic (VI) acid. Chromium trioxide is not present in the final products, as it is completely converted in the plating process, and this applies to all products of both brands, AXOR and hansgrohe.

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

As part of the expansion of our furniture, toilet, and sink product categories, new materials have been added in recent years: chipboard and medium-density fiberboard (MDF) for furniture; clay, feldspar and quartz (vitreous china, fine fireclay) for bathroom ceramics, glass for mirrors and urea Duroplast for toilet seats.

We welcome the increasing requirements for product transparency and the circular economy. At present, it is not yet possible to reliably determine the proportion of recycled materials in the materials we use. We are working intensively with our suppliers to determine the proportion of secondary raw materials in our products and are creating the system infrastructure to manage them.

In the reporting year, we worked on the implementation of the EU regulation on deforestation-free supply chains (Regulation (EU) 2023/1115), which came into force on June 29, 2023, and which is now due to come into force on December 30, 2024, following initial plans and in accordance with the decision of the Commission and the EU Parliament on December 30, 2025. The regulation, which is directly applicable throughout the EU, stipulates that raw materials such as soya, cattle, palm oil, wood, cocoa, coffee, rubber and their products may only be sold on the Union market or imported into or exported from it if they are not associated with deforestation and forest degradation.

Our approach is always to use raw materials optimally and to recycle as many resources as possible. That is why we strive to adopt a circular approach, particularly with brass as a raw material, including returning brass to appropriate material cycles. For example, the Hansgrohe Group participates in a Europe-wide brass cycle. We are currently evaluating with suppliers how we can measure and specify the proportion of secondary raw materials of the brass that is supplied to us. In the case of plastics, it was previously not possible to recycle chrome-plated production waste. In February 2024, we put a machine into operation that can separate and recycle both components – plastic and metal – in a process specially developed with Hansgrohe (→ [page 72](#)).

### Optimizing Transport and Logistics

We operate complex logistics chains to ensure that our customers are supplied on time and reliably. We dispatch our goods, for example, from warehouses in Offenburg in Germany, from Shanghai in China, and from Alpharetta, GA in the US. However, our logistics systems also handle the internal transport to and between the production sites, as well as the logistics of disposal. We largely use our own employees and vehicles to transport goods to and between our our facilities. External service providers support us with the transport of components, as well as semi-finished and finished products. We optimize our logistics processes in all of these ways, which also leads to improvements in our carbon footprint.

We are continuously working to optimize our logistics processes in order to improve our carbon footprint.



Our logistics experts have made significant progress in the area of volume optimization. More parts in boxes and more boxes per pallet improve, for example, the utilization of our shipments. The box types have also been optimized to smaller sizes for the around 200 small consignments from our logistics center every day. In addition, our packaging needs to become more universal and a small number of formats should be suitable for different products and contents (→ **page 57**). Regular quality campaigns and optimization of our packaging help optimize freight volumes and avoid damage during transport and returns. In the reporting year, the focus was on making fewer shipments per week and per consignee through bundling and better filling. Transport optimization also improves the carbon footprint in the transport route.

### Key Logistics Figures for Central Warehouse, Offenburg, Germany

	2022	2023	2024
Order Positions (in units)	3,320,462	3,197,473	3,292,024
Delivered customer freight (in t)	30,753	26,565	26,768
Average Number of Packages per Day	8,723	7,547	7,743

# Compliance

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

The good reputation that our company enjoys is valuable and should be maintained through the joint efforts of all employees. All staff must act in accordance with our compliance policies and avoid any conduct that could damage the integrity and reputation of our company. We rigorously ensure that we always adhere

to or exceed statutes, as well as self-imposed guidelines and requirements. Our goal is to ensure complete compliance. We also expect our suppliers to comply with all rules and regulations.

## Masco Corporation Compliance Policies

As a subsidiary of Masco Corporation, Hansgrohe follows the Masco Compliance Program. It supports our culture of integrity and should help our managers and employees understand our commitment to ethical business practices. A central element is the Masco Code of Business Ethics, which is publicly available in 16 languages on the Masco Corporation website. [Masco Code of Ethics](#)

Annual training on the Code of Ethics is provided to all employees, as well as to new employees as part of their onboarding process. In 2024, 97 percent of Hansgrohe Group office workers completed the training. We continuously generate awareness of it in the employee app and at all our locations worldwide via notices.



In addition to complying with legal requirements, we are also guided by the moral values of our society. The terms ethics and integrity, which are also anchored in the Masco Code of Ethics, stand for this. Regular training courses help our employees to recognize compliant behaviour.

100%


of our sites completed an internal business ethics risk assessment in 2024.

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

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

### Expression of Concerns

Our employees are encouraged to report activities they believe are illegal, unethical or legally questionable. We have set out how to report concerns in our Code of Ethics, in the new CSR principles and in our training program. Internal options include contacting the responsible HR officer, the Hansgrohe Human Rights Officer or the Works Council. Concerns expressed by departments are passed on to the responsible Executive Board member at regular monthly Vice President meetings. Concerns that go through the Works Council are passed on to the Chief People Officer. Concerns and suggestions can also reach the Executive Board via our idea management function, which maintains regular discussion with our Chief of Production.

Our employees, just like external stakeholders, can also make use of Masco’s ethics hotline. The hotline is available in 20 languages at [stand4ethics.com](https://stand4ethics.com) and offers people the opportunity to contact an independent ombudsman anonymously. We will not penalize anyone who reports a violation of the Code or other illegal or unethical conduct in good faith. [Hotline | stand4ethics](#) 

100%

**of our locations have implemented a whistleblowing procedure.**



## Savings Potential of Hot Water in Buildings: A Study

In the EU, hot water consumption in existing buildings accounts for an average of 15 percent of final energy consumption. In Germany, it is around 16 percent, which is the second largest item in the energy balance of buildings.<sup>1</sup> With improvements in building insulation and heating technology, this proportion will continue to rise.

In addition, 90 percent of a bathroom's carbon footprint results from the usage phase of installed products. The result of our bathroom analysis "Transformation to a Green Company" from March 2022. Therefore, saving water means saving energy and reducing emissions.

At present, this tool remains unused and plays no significant role in either the public or political debate. As one of the leading manufacturers of sanitation engineering products, we want to have an impact on this important issue. The Hansgrohe Group commissioned a study, which was published in 2024, to quantify the savings potential in residential buildings and identify recommendations for regulatory measures.

The study carried out by ITG Dresden has brought to light a significant energy-saving mechanism that has been largely ignored to date: Efficiency technologies for hot water consumption. The total energy requirement of single-family homes can be reduced by up to 12 percent through the use of water-saving and energy efficiency technologies, and thus also CO<sub>2</sub> emissions. Water- and energy-efficient faucets and shower heads can reduce the total primary energy demand of single-family homes by two to six percent. In order to fully exploit the energy efficiency potential in the hot water sector, the study also highlights the need for political action that goes beyond faucets and shower heads. The results of the study serve as a basis for informing customers, partners and politicians about the benefits of efficiency technologies for hot water consumption and promoting their use. More on our website:

[Water-saving products for greater energy efficiency | Hansgrohe Group](#) 

<sup>1</sup> Source: dena-GEBÄUDEREPORT 2024



## The Basis of our Public Affairs Activities

Our Public Affairs department assists here by using our professional expertise in industrial production and our profound knowledge acquired from operational practice to be a competent and constructive dialog partner for politicians, authorities and members of civil society. This department is responsible for guiding Hansgrohe Group policy and representing company interests to political stakeholders. In doing so, our geographic focus is on the European Union, Germany and the federal state of Baden-Württemberg. We are registered in the European transparency register and the German Lobbying Register. We have formulated a Public Affairs Code of Conduct that defines the principles of our work in this area. It goes without saying that we comply with all legal and compliance-related regulations and always act objectively, transparently and in a manner that is well-grounded in carrying out all initiatives. In doing so, we also build upon collaboration with associations and interest groups.

Key issues for our lobby group are water and energy consumption in buildings. For example, on the EU level, we have been involved as part of the Energy Performance of Buildings Directive (EPBD). The aim was to ensure that the contribution of technologies that reduce hot water consumption is taken into account in energy performance certificates and energy advice in order to raise awareness of the contribution of water- and energy-saving faucets and showers in society.

In 2023, we were a founding member of the industrial association for sanitation engineering and design as part of the Verband Deutscher Maschinen- und Anlagenbau (VDMA) Armaturen (German Engineering Federation, Valves Association). Hansgrohe is involved on the Executive Board in the person of Frank Wiehmeier, Managing Director of Hansgrohe Deutschland Vertriebs-GmbH. The aim is to promote topics such as water, energy efficiency and the circular economy in harmony with securing the location and with driving competitiveness of the European sanitation industry. In the year under review, we became a member of DENEFF (German Corporate Energy Efficiency Initiative) and Efficient Buildings Europe, two associations that promote the efficient use of energy and resources in buildings.



# Appendix



# Data overview

## Environment

All data for Hansgrohe Group

Emissions	Unit	2021 (base year)	2022	2023	2024
CO <sub>2</sub> e emissions, total	t CO <sub>2</sub> e	393,079	332,646	267,449	263,276
Scope 1 CO <sub>2</sub> e emissions, total	t CO <sub>2</sub> e	9,826	7,293	6,936	7,761
Scope 2 CO <sub>2</sub> e emissions (market-based), total	t CO <sub>2</sub> e	21,926	1,709	2,131	963
Scope 2 CO <sub>2</sub> e emissions (location-based), total	t CO <sub>2</sub> e	31,350	28,818	23,377	29,139
Scope 3 CO <sub>2</sub> e emissions, total	t CO <sub>2</sub> e	361,327	323,645	258,382	254,552
Scope 3 upstream emissions, total	t CO <sub>2</sub> e	355,258	312,493	245,319	240,872
Scope 3.1 – Purchased goods and services	t CO <sub>2</sub> e	227,388	210,465	180,191	195,900
Scope 3.2 – Capital goods	t CO <sub>2</sub> e	27,026	53,698	9,142	6,276
Scope 3.3 – Energy and fuel-related activities	t CO <sub>2</sub> e	12,224	4,603	3,801	3,884
Scope 3.4 – Upstream transportation and distribution	t CO <sub>2</sub> e	74,446	26,853	38,817	21,782
Scope 3.5 – Waste	t CO <sub>2</sub> e	3,220	3,363	2,690	3,278
Scope 3.6 – Business travel	t CO <sub>2</sub> e	1,236	4,141	5,250	5,046
Scope 3.7 – Employee commuting	t CO <sub>2</sub> e	8,924	7,684	5,429	4,706
Scope 3.8 – Upstream leased assets	t CO <sub>2</sub> e	794	1,688	0	0
Scope 3 downstream emissions, total	t CO <sub>2</sub> e	6,069	11,152	13,062	13,680
Scope 3.9 – Downstream transportation and distribution	t CO <sub>2</sub> e	2,360	6,541	9,256	9,960
Scope 3.12 – End-of-life treatment of products sold	t CO <sub>2</sub> e	3,709	4,611	3,806	3,720

	Unit	2021 (base year)	2022	2023	2024
Change in total CO <sub>2</sub> e emissions compared to base year 2021	%	–	-15.4	-32.0	-33.0
Change in Scope 1 CO <sub>2</sub> e emissions compared to base year 2021	%	–	-25.8	-29.4	-21.0
Change in Scope 2 CO <sub>2</sub> e emissions (market-based) compared to base year 2021	%	–	-92.2	-90.3	-95.6
Change in Scope 2 CO <sub>2</sub> e emissions (location-based) compared to base year 2021	%	–	-8.1	-25.4	-7.5
Change in Scope 3 CO <sub>2</sub> e emissions compared to base year 2021	%	–	-10.4	-28.5	-29.6
CO <sub>2</sub> e emissions (Scope 1 and 2) per ton of product sold	t CO <sub>2</sub> e/t of product sold	1.13	0.30	0.41	0.43

## Energy

	Unit	2022	2023	2024
Energy consumption, total	MWh	82,891	76,739	90,306
Electricity consumption, total	MWh	59,714	56,939	65,458
Renewable	MWh	55,992	53,697	63,775
Non-renewable	MWh	3,723	3,242	1,683
Natural gas	MWh	21,498	18,333	24,553
Heating oil	MWh	1,440	1,245	0
District heating	MWh	239	223	295
Share of renewable energy in total energy consumption	%	67.5	70.0	70.6
Share of renewable electricity in total electricity consumption	%	93.8	94.3	97.4
Electricity per ton of product sold (electricity intensity)	MWh/t of product sold	2.00	2.58	3.20

<b>Waste</b>	<b>Unit</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Waste, total	t	10,677	8,160	11,020
Non-hazardous waste	t	9,139	6,786	9,489
Recycling	t	6,264	4,347	6,587
Incineration (including energy recovery)	t	1,416	1,092	1,207
Landfill	t	884	842	1,252
Not specified	t	576	505	442
Hazardous waste	t	1,538	1,374	1,531
Recycling	t	538	570	686
Incineration (including energy recovery)	t	690	470	471
Landfill	t	310	334	374
Non-hazardous waste per ton of product sold (waste intensity)	t/t of product sold	0.31	0.31	0.46
Hazardous waste per ton of product sold (waste intensity)	t/t of product sold	0.05	0.06	0.07
<b>Products</b>	<b>Unit</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Share of "Green products" in sales of the relevant portfolio	%	49.9	52.7	54.6
Products covered by Environmental Product Declarations (EPD)	Products	> 40	> 1,500	> 1,700

<b>Water</b>	<b>Unit</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Water withdrawal, total	m³	132,254	123,744	222.678
Water discharge, total	m³	132,254	123,744	222.678
Water consumption, total	m³	0	0	0
Share of relevant production sites with implemented water treatment/recycling system	%	–	100	*
Share of relevant production sites with implemented water-saving technologies	%	–	100	*
Water withdrawal per ton of product sold (water intensity)	m³/t of product sold	4.44	5.60	10.88
<b>Management systems</b>	<b>Unit</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Share of ISO 9001-certified production sites	%	100	100	100
Share of ISO 14001-certified production sites <sup>1</sup>	%	85.7	85.7	75
Share of ISO 50001-certified production sites <sup>1</sup>	%	57.1	57.1	50
Share of production sites with an environmental risk management	%	100	100	100

# Social

All data for Hansgrohe Group, deviations are indicated by footnotes

Employees	Einheit	2023	2024
Employees, total	Headcount	5,448	5,645
Employees by region			
Europe	Headcount	4,214	4,423
Asia	Headcount	959	943
America	Headcount	217	220
Africa	Headcount	47	45
Australia	Headcount	11	14
Employees by diversity factors			
Male	Headcount	3,312	3,445
Female	Headcount	2,135	2,196
Not specified	Headcount	1	4
Under 30 years	Headcount	819	943
30-50 years	Headcount	3,148	3,258
Over 50 years	Headcount	1,481	1,444
Managers, total	Headcount	668	749
Male	Headcount	506	569
Female	Headcount	161	179
Not specified	Headcount	0	1
Under 30 years	Headcount	13	18
30-50 years	Headcount	461	539
Over 50 years	Headcount	194	192

	Einheit	2023	2024
Executive Board members, total	Headcount	5	5
Male	Headcount	4	4
Female	Headcount	1	1
Not specified	Headcount	0	0
Employees by employment relationship			
Full-time	Headcount	–	5,124
Part-time	Headcount	–	521
plus temporary workers	Headcount	–	184
New hires, total <sup>2</sup>	Headcount	419	744
Male	Headcount	256	476
Female	Headcount	162	262
Not specified	Headcount	1	6
Under 30 years	Headcount	156	299
30-50 years	Headcount	228	396
Over 50 years	Headcount	35	49
Europe	Headcount	305	646
Asia	Headcount	66	56
America	Headcount	42	34
Africa	Headcount	6	4
Australia	Headcount	0	4
Employees who left Hansgrohe in the reporting year	Headcount	641	536
Employee turnover rate, total	%	4.6	5.1

**Employer responsibility <sup>2,3</sup>**

	Unit	2023	2024
Share of employees covered by collective agreements	%	93.2	93.3
Share of employees represented by a works council	%	93.2	93.3

**Training and development <sup>3</sup>**

	Unit	2023	2024
Average annual training hours per employee	h	12.1	10.2
Vocational trainees and dual students <sup>4</sup>	Headcount	138	146
Training rate <sup>4</sup>	%	5.0	4.9

**Occupational health and safety**

	Unit	2023	2024
Occupational health and safety trainings (on-site and online), total <sup>5</sup>	Trainings	7,830	9,388
Share of employees trained in health and safety <sup>6</sup>	%	82	100
Injuries, total <sup>6</sup>	Injuries	38	38
Europe	Injuries	37	32
America	Injuries	0	1
Asia	Injuries	1	5
Cuts and puncture wounds	Injuries	9	6
Contusion, compression, sprains	Injuries	26	30
Fractures	Injuries	1	1
Chemical/burns	Injuries	2	1
Share of employees provided with protective clothing and equipment <sup>6</sup>	%	100	100
Share of employees represented by a health and safety committee <sup>7</sup>	%	100	100
Share of production sites with completed health and safety risk assessment	%	100	100
Share of ISO 45001-certified production sites <sup>1</sup>	%	85.7	75

# Governance

All data for Hansgrohe Group

Supply chain	Unit	2023	2024
Suppliers, total	Suppliers	2,924	2,942
Share of suppliers required to comply with Masco Corporation Supplier Business Practices Policy	%	100	100
Share of suppliers audited regarding compliance with Masco Corporation Supplier Business Practices Policy	%	18	8
Share of procurement staff trained in environmental and social supply chain topics	%	-	95
<b>Materials<sup>8</sup></b>	<b>Unit</b>	<b>2023</b>	<b>2024</b>
Metals	t	14,934	16,180
Brass	t	12,385	13,433
Zinc	t	1,798	1,925
Steel	t	618	663
Plastics	t	3,558	4,130
PVC	t	864	883
ABS	t	785	1,023
PPE/PS	t	407	469
Chemicals	t	1,121	1,431
Hydrochloric acid	t	281	332
Caustic soda lye	t	116	170
Calcium hydroxide	t	192	220

Ethics	Unit	2023	2024
Share of sites with internal business ethics audit/risk assessment completed	%	100	100
Share of sites audited/assessed for human rights compliance (incl. child and forced labor)	%	100	100
Share of sites internally and/or externally audited/assessed for risks on information security	%	100	100
Share of sites with an whistleblowing procedure implemented	%	100	100
Whistleblower cases in the reporting year	Cases	0	0
Cases related to corruption/bribery	Cases	0	0

1: Without production site Valjevo (Serbia) until 2024  
 2: Excluding vocational trainees, dual students, interns and holiday workers  
 3: Hansgrohe SE, Hansgrohe International GmbH and Hansgrohe Deutschland Vertriebs-GmbH  
 4: Not included: Easy Sanitary Solutions B.V. (ESS) and its subsidiaries  
 5: Hansgrohe SE and Hansgrohe Deutschland Vertriebs-GmbH  
 6: Hansgrohe SE, all other production sites and Hansgrohe Deutschland Vertriebs-GmbH  
 7: Hansgrohe SE and production site Wasselonne (France)  
 8: Main material groups with the three largest items in each case; data rounded

# Report Profile

This report is the second Annual Report with an integrated Sustainability Report from the Hansgrohe Group, headquartered in Schiltach (Baden-Württemberg, Germany). The report is valid for the 2024 financial year (January 1 to December 31, 2024) and was published in March 2025. An external audit has not taken place. This report is supplemented by a formal management report in accordance with the German Commercial Code (HGB), which can be found at the German Bundesanzeiger. The formal report also includes the auditor's assurance.

## Scope of Consolidation of the Report

This report covers all fully consolidated companies of the Hansgrohe Group in Germany and abroad for the 2024 financial year. The scope of consolidation comprises 35 subsidiaries including eight production sites. The scope of consolidation of the report thus corresponds to the formal management report in accordance with the German Commercial Code (HGB) for the 2024 financial year.

Production Sites	Company
Offenburg, Schiltach West, Willstätt	Hansgrohe SE, Germany
Bad Bentheim	ESS Assemblage GmbH, Germany
Wasselonne	Hansgrohe Wasselonne S.A.S., France
Alpharetta	Hansgrohe Inc., USA
Shanghai	Hansgrohe Sanitary Products Co. Ltd., China
Valjevo	Hansgrohe DOO, Serbia

In addition to the production sites, Hansgrohe SE also includes the company headquarters and the talent factory in Schiltach Ave, the InnovationsPark in Alpribach, and a total of eight sales offices in Estonia, Finland, Kazakhstan, Morocco, Panama, Saudi Arabia, Ukraine, and the United Arab Emirates.

## Further Companies

- Hansgrohe International GmbH, Schiltach, Germany
- Hansgrohe Deutschland Vertriebs-GmbH, Schiltach, Germany
- ESS B.V., Oldenzaal, Netherlands
- ESS GmbH, Bad Bentheim, Germany
- Hansgrohe A/S, Hasselager, Denmark
- Hansgrohe S.A.R.L., Antony, France
- Hansgrohe Handelsges. mbH, Wiener Neudorf, Austria
- Hansgrohe srl, Moncalieri, Italy
- Hansgrohe S.A.U., Molins de Rei, Spain
- Hansgrohe B.V., Amsterdam, Netherlands
- Hansgrohe Ltd, Warwick, Great Britain
- Hansgrohe S.A./N.V., Anderlecht, Belgium
- Hansgrohe AB, Malmö, Sweden
- Hansgrohe AG, Neuenhof, Switzerland
- Hansgrohe Sp. z o.o., Warsaw, Poland
- Hansgrohe Pte. Ltd, Singapore, Singapore
- Hansgrohe CS s.r.o., Brno, Czech Republic
- Hansgrohe Kft, Budapest, Hungary
- Hansgrohe Japan K.K., Tokyo, Japan
- Hansgrohe S.A., Buenos Aires, Argentina
- Hansgrohe India Pvt. Ltd, Pune, India
- Hansgrohe d.o.o., Zagreb, Croatia
- Hansgrohe Pty Ltd, Abbotsford, Australia
- Hansgrohe S. de R.L. de C.V., Mexico City, Mexico
- Hansgrohe South Africa Pty Ltd, Sandton, South Africa
- Hansgrohe Armatür San. ve Tic. Ltd, Gebze/Istanbul, Turkey
- Hansgrohe Shanghai Trading Co. Ltd, Shanghai, China
- Hansgrohe Sanitary Products LLC, New Cairo, Egypt
- Hansgrohe Romania SRL, Bucuresti Sector 1, Romania

### Profile of the Sustainability Report

The aim of the Sustainability Report is to transparently show our stakeholders how the Hansgrohe Group integrates sustainability into its business model and manages it in a future-oriented manner. To this end, the report is oriented on the requirements of the European Union’s Corporate Sustainability Reporting Directive (CSRD) and the associated European Sustainability Reporting Standards (ESRS) as of May 2024. The ESRS-Index starting on → **page 105** shows the standards applied and disclosure requirements based on our current materiality analysis (see → **page 45**).

The Sustainability Report also includes all fully consolidated companies of the Hansgrohe Group in Germany and abroad and thus corresponds to the formal management report in accordance with the German Commercial Code (HGB) for the 2024 financial year. The data was collected in cooperation with the relevant departments. Unless otherwise stated, all data in the report relates to this scope of consolidation:

Data	Covered Companies
Product responsibility, environment, governance	Hansgrohe Group
Social	
Employee data, diversity and equal opportunities	Hansgrohe Group
Employer responsibility, training and development	Hansgrohe SE, Hansgrohe International GmbH, Hansgrohe Deutschland Vertriebs-GmbH
Occupational health and safety	Hansgrohe SE, all other production sites, Hansgrohe Deutschland Vertriebs-GmbH

### Significant Changes and Restatements in the Sustainability Report

If reported data explicitly refers to Hansgrohe SE, the eight sales offices are not included due to their negligible share, unless otherwise stated. This also applies to the 2023 report, but has not yet been disclosed there.

Previously, data for energy, water and waste only related to our production sites. We have expanded our data collection and, from this report onwards, are reporting all environmental data for the entire Hansgrohe Group. For this reason, data from 2022 and 2023 has been updated and is not comparable with previous reports.

In the 2023 report, waste figures were reported in cubic meters (m<sup>3</sup>), whereas the correct unit is tons (t). The values have not changed as a result.

In 2024, we implemented an improved calculation method for the share of “Green products” within the relevant portfolio. The data for 2022 and 2023 has been adapted retrospectively to ensure comparability.

### Calculation Method for the Greenhouse Gas Inventory

The calculation of the Hansgrohe Group's greenhouse gas inventory is based on the principles and methods of the GHG Protocol. The system boundaries of the greenhouse gas inventory were defined according to the operational control approach. Total CO<sub>2</sub>e emissions reported in this Sustainability Report comprise Scope 2 emissions according to the market-based approach. The following greenhouse gas emissions are taken into account in our Sustainability Report:

- Scope 1: direct greenhouse gas emissions from combustion processes in stationary applications, mobile applications and direct emissions of volatile gases.
- Scope 2: indirect greenhouse gas emissions resulting from the generation of electricity and district heating that we purchase.
- Scope 3: Purchased goods and services (3.1), capital goods (3.2), energy- and fuel-related emissions (not part of Scope 1 or 2; 3.3), upstream transportation and distribution (3.4), waste (3.5), business travel (3.6), employee commuting (3.7), downstream transportation and distribution (3.9) and end-of-life treatment of products sold (3.12).

The following Scope 3 categories were not taken into account as they are not applicable or not relevant to us: Upstream leased assets (3.8, no longer relevant since 2023), processing of intermediate products sold (3.10), use of products sold (3.11), downstream leased assets (3.13), franchises (3.14) and Investments (Scope 3.15).

Both primary and secondary data from scientific databases are used to convert consumption data into carbon equivalents (CO<sub>2</sub>e). This means that in addition to CO<sub>2</sub>, the calculations also take into account the six other greenhouse gases regulated by the Kyoto Protocol: Methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), sulfur hexafluoride (SF<sub>6</sub>), hydrofluorocarbon (HCFs), and nitrogen trifluoride (NF<sub>3</sub>). These are converted into the global warming potential of CO<sub>2</sub> and thus form the CO<sub>2</sub>e.

### Cautionary Statement and Contact

This report is also available in German. In the event of discrepancies between the versions, the German document shall prevail. All information in this report has been compiled to the best of our knowledge and with the greatest care and attention. However, no liability can be accepted for the accuracy or completeness of the information. This report also contains links to our and third parties' websites as well as references to third parties. These are not part of the report itself, and we cannot guarantee their accuracy.

Forward-looking statements are non-binding and speak only as of the date on which this information was originally prepared. All statements that are not historical facts may be forward-looking statements. Some of these statements can be identified by the use of words such as "believe", "expect", "anticipate", "may", "will", "should", "seek", "approximately", "intend", "project", "plan", "estimate" or the negative of these words and other comparable terminology. Readers should not place undue reliance on forward-looking statements, which speak only as of the date they are made. Except as required by law, the company undertakes no obligation to update or revise its forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, expected or implied.

The contact person for questions relating to the report is Franziska Seitz from Corporate Communications, who can be reached at:

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# ESRS-Index

This Annual Report with Sustainability Report is oriented on the requirements of the Corporate Sustainability Reporting Directive (CSRD) of the European Union and the associated European Sustainability Reporting Standards (ESRS) as of May 2024. The following index shows the location of the reporting standards used

at the level of disclosure requirements, without going into individual data points. The formal management report in accordance with the German Commercial Code (HGB), which has been audited, continues to be published at the German Bundesanzeiger.

## ESRS 2: General disclosures

ESRS-No.	Disclosure requirement	Comment	Page
BP-1	General basis for preparation of sustainability statements	Not applicable: 5.d./e.	102-104
BP-2	Disclosures in relation to specific circumstances 10:	Not yet reported: 9, 11 Not applicable: 15	11-12, 43-46, 103-104
GOV-1	The role of the administrative, management and supervisory bodies	Not yet reported: 21.c./e.	7, 33, 81, 87-90
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		43-44, 60-61
GOV-3	Integration of sustainability-related performance in incentive schemes	Not yet reported	–
GOV-4	Statement on due diligence		28, 88-90
GOV-5	Risk management and internal controls over sustainability reporting		33-39, 89-90
SBM-1	Strategy, business model and value chain	Partially reported: 40.b. Not yet reported: 40.c. Not applicable: 40.d.	6-9, 19, 22-25, 46
SBM-2	Interests and views of stakeholders	Not yet reported: 45.b.-d.	47-48
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Not yet reported: 48.b.-h.	33-39, 45

ESRS-No.	Disclosure requirement	Comment	Page
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Not yet reported: 53.b./h.	33-49, 45
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability report	Not applicable: 57	105-108
MDR-P	Policies adopted to manage material sustainability matters		43-44, 52-55, 60-63, 74-75, 87-88
MDR-A	Actions and resources in relation to material sustainability matters	Partially reported	43-44, 52-55, 60-63, 74-75, 87-88
MDR-M	Metrics in relation to material sustainability matters		45-46, 53, 60-61, 102-104
MDR-T	Tracking effectiveness of policies and actions through targets		45-46, 63

## E1: Climate change

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	Not applicable	-
E1-1	Transition plan for climate change mitigation	Not yet reported: 16.c.-f. Not applicable: 16.g., 17	60-67
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Not yet reported: 18	13-15, 33-39, 45-46
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		43-44, 60-65
E1-2	Policies related to climate change mitigation and adaptation		43-44, 46, 53-54, 62-67
E1-3	Actions and resources in relation to climate change policies	Not yet reported: AR21, 29.c.	64-65
E1-4	Targets related to climate change mitigation and adaptation	Not yet reported: AR 30.c.	46, 63-65, 104
E1-5	Energy consumption and mix	Not applicable: 40-43, AR36, AR38	66-67, 97
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Not yet reported: 53, AR55	64-65, 97
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not yet reported: 59-61, AR62-64	63, 97
E1-8	Internal carbon pricing	General information	61
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Not yet reported	-

## E2: Pollution

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities		37, 53-57
E2-1	Policies related to pollution		53-57, 71-72
E2-2	Actions and resources related to pollution	Not yet reported: 19	51-57, 71-72
E2-3	Targets related to pollution	Not yet reported: 24	43-44, 53, 56-57
E2-4	Pollution of air, water and soil	Not yet reported	
E2-5	Substances of concern and substances of very high concern	Partially reported	71-72, 90-91
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Not yet reported	-

## E3: Water and marine resources

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Not yet reported	-
E3-1	Policies related to water and marine resources	Not yet reported: 13-14, AR18	43, 46, 51-54, 60-62, 69
E3-2	Actions and resources related to water and marine resources	Not yet reported: 18, 19, AR20	53-55, 69-70
E3-3	Targets related to water and marine resources	Not yet reported: 23.a., 24, 25, AR22	69
E3-4	Water consumption	Not yet reported: 28.b.-e., AR30-32	70-71, 98
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Not yet reported	-

## E4: Biodiversity and ecosystems

According to the materiality assessment carried out, this topic is not sufficiently relevant for the Hansgrohe Group's sustainability management.

## E5: Resource use and circular economy

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Not yet reported: 11b	37, 43-44, 51-52
E5-1	Policies related to resource use and circular economy		43-44, 71-72, 91
E5-2	Actions and resources related to resource use and circular economy		57, 71-72, 91-92
E5-3	Targets related to resource use and circular economy	Not yet reported: 26	53, 57, 91
E5-4	Resource inflows	Main materials	91, 101
E5-5	Resource outflows	Partially reported: 36 Not yet reported: 38.a.-b., 40 Not applicable: 39	55, 57, 70-72, 98
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Not yet reported	–

## S1: Own workforce

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Not yet reported: 14.a.-g., 15-16	38, 74
S1-1	Policies related to own workforce		26, 74-76
S1-2	Processes for engaging with own workers and workers' representatives about impacts		47, 74-77, 81, 83
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns		74, 94
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Not yet reported: AR33-48	76-77, 82-84, 93-94
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not yet reported	–
S1-6	Characteristics of the undertaking's employees		75, 99
S1-7	Characteristics of non-employee workers in the undertaking's own workforce		26, 75, 99
S1-8	Collective bargaining coverage and social dialogue	Not yet reported: 61-63, AR70	74-75, 100
S1-9	Diversity metrics		81, 99
S1-10	Adequate wages		31, 74-75, 89
S1-11	Social protection	Not yet reported	–
S1-12	Persons with disabilities	Partially reported	82
S1-13	Training and skills development metrics	Partially reported	78-80, 100
S1-14	Health and safety metrics	Not yet reported: 89-90, AR94	83-85, 100
S1-15	Work-life balance metrics	Paragraph 94 applies	76
S1-16	Compensation metrics (pay gap and total compensation)	Not yet reported	–
S1-17	Incidents, complaints and severe human rights impacts	Not yet reported	–

## S2: Workers in the value chain

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information	28, 89-90
S2-1	Policies related to value chain workers		28, 44, 46, 74, 89-90
S2-2	Processes for engaging with value chain workers about impacts	Not yet reported	–
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		89-90, 93-94
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Not yet reported: 33-36; AR30-37	74, 89-90, 94
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not yet reported	–

## S3: Affected communities

According to the materiality assessment carried out, this topic is not sufficiently relevant for the Hansgrohe Group's sustainability management.

## S4: Consumers and end-users

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	General information	36, 56-57
S4-1	Policies related to consumers and end-users	Not yet reported: 16-17, AR9, AR13	8, 36, 51-52
S4-2	Processes for engaging with consumers and end-users about impacts	Not yet reported: 21	47, 52, 58
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Not yet reported: AR23	56-58
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Partially reported	36, 56-58
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Not yet reported	–

## G1: Business conduct

ESRS-No.	Disclosure requirement	Comment	Page
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies		6, 13-15, 87-89
G1-1	Business conduct policies and corporate culture		48, 56, 60-61, 83, 87-88, 90
G1-2	Management of relationships with suppliers	Not yet reported: 14	89-90
G1-3	Prevention and detection of corruption and bribery		28, 74, 89, 93-94, 101
G1-4	Confirmed incidents of corruption or bribery		101
G1-5	Political influence and lobbying activities	General information	95
G1-6	Payment practices	Not yet reported	–

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