

FOREWORD BY THE BOARD

With the valuable resource water at its core, GROHE pursues a 360-degree approach to sustainability, which includes employees, suppliers, customers, processes, products, and social responsibility in equal measure.

GROHE places particular emphasis on its impact on humanity and the environment. The brand recognizes its responsibility to uphold and promote the principles of human rights and environmental protection. GROHE is committed to manufacturing solutions worldwide in a way that respects and protects the inherent dignity of all people and minimizes the impact on the environment.

The brand ensures that its business activities comply with internationally recognized human rights principles, such as the United Nations Universal Declaration of Human Rights and the core conventions of the International Labour Organisation (ILO).

German Supply Chain Act – Policy Statement

1. Introduction

GROHE (Grohe Holding GmbH, Germany and all its direct and indirect subsidiaries) is a leading global brand for complete bathroom solutions and kitchen fittings. Striving for the highest level of sustainability is an integral and essential part of GROHE's DNA¹. Every product is based on the brand values of quality, technology, design and sustainability. Since 2014, GROHE has been part of the brand portfolio of LIXIL Corporation ("LIXIL"). LIXIL is a manufacturer of water and housing products, that is committed to improving the quality of people's lives, delivering safe and comfortable products and services through responsible and sustainable innovations.

GROHE identified its essential areas of activity over 20 years ago back in 2000, based on various fundamentals like the 16 principles for sustainable development of the International Chamber of Commerce (ICC). Through legal conformity, the brand consistently pursues a 360-degree sustainability approach that incorporates employees, suppliers, customers, processes, products, and social responsibility in equal measure. GROHE contributes to LIXIL's purpose "*to make better homes a reality for everyone, everywhere*". In doing so GROHE strives to uphold and promote the protection of the environment and human rights, as enshrined in international human rights instruments and national laws, throughout its business activities.

GROHE believes that it can have a meaningful impact on reducing the environmental burden of society through its products.

In addition to the brand's initiatives to achieve the goals of sustainability and the protection of human rights, its Code of Conduct², Supplier Code of Conduct, policies and this policy statement set out the strategic approach to protecting human and workers' rights at GROHE.

2. Purpose

The purpose of this policy statement is to address the risks associated with GROHE's own business activities and its business partners (including suppliers) regarding human rights and the environment. Those risks have been identified through a risk analysis and all necessary mitigating measures have been defined.

¹ Please visit: [GROHE's mission for a sustainable future on www.grohe-x.com](https://www.grohe-x.com).

² Please visit and download GROHE's Code of Conduct and Supplier Code of Conduct by clicking [here](#).

3. Guiding Principles

LIXIL is a participant of the UN Global Compact³. As part of LIXIL, GROHE conducts its business by following and respecting internationally recognized principles and standards:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- Tripartite Declaration of Principles concerning Multinational Enterprises and ILO Social Policy
- Ten Principles of the UN Global Compact
- OECD Guidelines for Multinational Enterprises
- The UN Guiding Principles on Business and Human Rights

LIXIL's business activities are also built on a fundamental respect for human rights. The LIXIL Human Rights Principles⁴ are founded in accordance with the similar international standards and principles listed above. GROHE, as a part of LIXIL, is also committed to following LIXIL's Human Rights Principles to strengthen its dedication to embody these principles into its business activities. Additionally, GROHE is committed to ensure compliance with all applicable national laws and regulations in the countries it operates.

4. Scope

This policy statement applies to all members of GROHE, its employees (full-time, part-time, contract, fixed-term etc.) and officers (including directors and Executive Officers). GROHE also expects its business partners, including suppliers, to respect and adhere to this policy statement.

5. Objectives

GROHE seeks to fulfill its commitments regarding the protection of the environment and human rights by implementing the necessary procedures and incorporating the compliance by design principle into all of its business activities, from research and development to procurement, production, supply chain, marketing, and sales. GROHE's human rights strategy aims to achieve the following objectives:

³ Please visit [Supporting International Initiatives](#).

⁴ Please visit: [Human Rights | Foundation for Our Initiatives](#).

- a) Strengthening the legal and institutional framework for ESG (environmental, social and governance)
- b) Raising awareness and understanding of environmental issues and human rights among its employees and business partners (including suppliers)
- c) Addressing human rights and environmental challenges (see below 6. Key Focus Areas)
- d) Enhancing collaboration with civil society organizations, international bodies, and other stakeholders to advance the protection of the environment and human rights.
- e) Monitoring and reviewing the impact of its initiatives and policies on human rights and environmental principles to ensure continuous improvement and effectiveness.

6. Key Focus Areas

GROHE has identified key focus areas that have a high potential for impacting human rights and the environment. The key focus areas are defined and detected through a risk analysis which is associated with GROHE's own business area and suppliers. Depending on the key focus area addressed below, GROHE has appropriate channels/means to implement the measures to prevent and mitigate the risks. GROHE communicates and implements its standards and principles on the key focus areas (also including other compliance topics) through several instruments such as its Code of Conduct, Supplier Code of Conduct, compliance clauses in contracts, policies and third-party due diligence procedures.

- *Forced Labor and Child Labor*

GROHE prohibits forced labor, bonded labor and other forms of slavery or human trafficking. Child labor is also prohibited and all employer practices, including the minimum age for employment, are in compliance with ILO standards.

Further, GROHE prioritizes establishing business relations with business partners that have appropriate policies and measures to fight against forced and child labor. Before entering into a business relationship, GROHE expects suppliers to sign and adhere to GROHE's Supplier Code of Conduct to make sure that all suppliers respect the fundamental human rights.

- *Prohibited Production, Use and/or Disposal of Mercury (Minamata Convention)*

GROHE is not involved in the production, use and/or disposal of mercury according to the Minamata Convention. However, should this change in the future, organizational structures and processes are in place - certified according to ISO 14001:2015 Environmental Management Systems and ISO 45001:2018

Occupational Health and Safety Management Systems – to identify and implement proper measures to comply with all requirements / legislation.

- *The Production and/or Use of Substances Within The Scope of The Stockholm Convention (POPs)*

GROHE is not involved in the production and use of substances within the scope of the Stockholm Convention (POPs). However, should this change in the future, organizational structures and processes are in place – certified according to ISO 14001:2015 Environmental Management Systems and ISO 45001:20018 Occupational Health and Safety Management Systems – to identify and implement proper measures to comply with all requirements / legislation.

7. Implementation

This policy statement is developed in consultation with relevant departments within GROHE. For the successful implementation of this policy statement, departments such as HR, Legal & Compliance, Sales, Procurement, Supply Chain, Operations and IT are working in close collaboration.

8. Monitoring and Review

GROHE reviews this policy statement annually upon fulfilling its reporting obligation under the German Supply Chain Act⁵ and will make the necessary amendments in accordance with the report and the result of its risk assessments. The final review and approval of this policy statement is conducted by the board.

9. Risk Analysis in GROHE's Own Business Area and the Supply Chain

The human rights and environmental risk analysis serves to identify and assess the corresponding potential and actual impacts of Grohe's own business activities and those of its suppliers. As part of the annual and ad hoc basis risk analysis processes, Grohe identifies and evaluates the relevant human rights and environmental issues as well as potentially affected parties.

Starting with an abstract consideration of risks, Grohe examines industry- and country-specific risks in its own business area and at its suppliers. In the second step, those business areas and suppliers for which there is an increased risk disposition are analyzed as part of a concrete risk analysis, primarily for priority human rights and environmental risks.

The results of the risk analysis lead to an action plan, which is reviewed at regular intervals for the status of implementation and effectiveness. Additionally, the results and

⁵ [CSR - Supply Chain Act \(csr-in-deutschland.de\)](https://www.csr-in-deutschland.de).

outcomes of the risk analysis provide a basis and framework for updating GROHE's Code of Conduct and Supplier Code of Conduct, internal policies, procedures, and compliance training.

10. Preventive Measures

Based on the findings of the risk analysis, GROHE implements specific measures to fulfill its responsibilities for the protection of human rights and the environment. GROHE protects itself from risks by having a due diligence process as an initial step before starting a business relationship with suppliers which have a high country and/or industry risk. Following that, GROHE has its own Supplier Code of Conduct and expects suppliers to acknowledge it through a confirmation letter. Additionally, GROHE uses contractual compliance assurances under its supplier agreements. Therefore, the selection and onboarding process of a supplier constitutes a key preventive measure for GROHE.

Moreover, preventive measures include, for example, targeted and tailor-made training for departments and mandatory annual compliance training, developing specific procurement strategies and purchasing practices.

11. Handling Potential Issues

GROHE is committed to establishing a work environment where everyone can feel encouraged to ask questions, raise concerns and report wrongdoings.

GROHE has appropriate channels for its employees and third parties to raise concerns if they know or have any suspicions of a breach of the Code of Conduct, Supplier Code of Conduct, policies or applicable laws. With its Speak Up! System⁶, the employees and/or third parties can ask questions, seek advice and raise concerns without the fear of retaliation. It is available 24/7 online or via phone in multiple languages.

Speak Up! is available not only to all employees, but also to external stakeholders such as business partners including suppliers.

Each case is treated confidentially and with utmost care. A concern reporter may choose to remain anonymous. The investigation process will be neutral and will be conducted without any presumption of wrongdoing. The concern raiser will receive feedback on the status of the investigation within the statutory time period.

12. Awareness and Advocacy

GROHE implements appropriate education and training programs for all employees, and actively disseminates information through internal social networking services. GROHE

⁶ [EthicsPoint - LIXIL Corporation](#).

also ensures that these principles are reflected in relevant policies and necessary procedures are in place to embed them throughout its business activities.

13. Accountability and Remedies

In the case that GROHE is either directly or indirectly involved and causes adverse human rights and environmental impacts, it will make necessary remedial actions. For each case, GROHE develops a remediation plan to bring the violation to an end.

In case a violation occurs due to a supplier's business activities, GROHE will support the supplier in order to end or minimize the violation. If needed, GROHE will join and develop sector-specific initiatives and standards together with other entities within the industry.

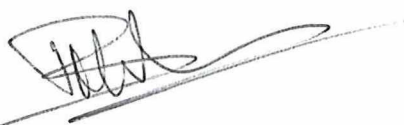
14. Conclusion

GROHE's devotion for promoting the protection of human rights and the environment will always remain steadfast. This policy statement represents GROHE's unwavering commitment to respect, protect, and promote human rights and the environment. Each department within GROHE is working in close collaboration to fulfil its objectives under this policy statement. GROHE will continue to work diligently towards creating a society where human rights are fully realized, and every individual can live a life of dignity, freedom, and equality within a safe and clean environment. For GROHE this policy statement is another step to reach this goal.

GROHE has formulated its own rules and approach towards the protection of human rights and the environment clearly and communicates these rules to all including its own employees and business partners through this policy statement, its Supplier Code of Conduct and Code of Conduct and will continue to do so.

15. Contact

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