



## **Statement**

The UK Modern Slavery Act 2015 came into effect on 29th October 2015. The law requires manufacturers and retailers doing business in the UK which supply goods or services and have an annual turnover exceeding £36 million to disclose information regarding their policies to eradicate slavery and human trafficking from their supply chain and within their business.

Grohe Limited recognises that it has a responsibility to take a robust approach to slavery and human trafficking. We are committed to preventing slavery and human trafficking in our corporate activities, and to ensuring that our supply chains are free from slavery and human trafficking.

During this financial year Grohe Limited has taken steps to ensure that slavery and human trafficking are not taking place in any of our supply chains or any parts of our own business. We are proud of the steps we have taken to combat modern slavery and human trafficking. This statement sets out the actions we have taken to ensure our supply chain and our organisation is free from slavery and human trafficking.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our organisation's slavery and human trafficking statement for the financial year ending 2021.

## **About Grohe Limited**

Grohe Limited is part of GROHE. GROHE is a leading global brand for complete bathroom solutions and kitchen fittings and has a total of over 6,000 employees, 2,400 of which are based in Germany. GROHE has been part of LIXIL Group since 2014. LIXIL Group is a company which is listed on the Tokyo Stock Exchange. It is Japan's largest supplier of building materials and furnishings for residential buildings.

### Products and services

GROHE is a manufacturer and supplier of sanitary fittings and a global brand for innovative sanitary products. As a provider for complete bathrooms solutions, the company carries products to furnish the entire bathroom from a single source. The product range includes design fittings for bath and kitchen, thermostats, shower heads and shower systems, installation and flushing systems, WCs and ceramics.

### Production network and Quality Management

The production network of GROHE comprises three plants in Germany with subsidiaries in Hemer, Porta Westfalica and Lahr, as well as further plants in Albergaria (Portugal) and Klaeng (Thailand). The individual GROHE production sites form so-called competence centres and are each specialised in the manufacture of specific products such as sanitary fittings, sanitary systems or showers.

## **Our risk assessment**

To adequately address the concerns of its business partners, customers and the general public GROHE systematically carries out risk assessment regarding potential Compliance violations (including violations of Human Rights) on a regular (quarterly) basis. This risk assessment focuses on the identification of concerned interest groups as well as the probability of Compliance rules (including

Human Rights) being violated, the severity of potential violations and the possibility of the GROHE having a counteractive or preventive influence.

Furthermore, GROHE introduced a due diligence process for its business partners including suppliers and service providers, to ensure that GROHE's business partners also meet GROHE's high compliance standards.

### **Our CR Strategy**

For GROHE it is instrumental to ensure that all employees worldwide have relevant employee rights and high ecological and economic standards, which are required by international organisations (UN – United Nations, ILO – International Labour Organisation) and in countries where GROHE does business. Thus, GROHE meets all relevant requirements in the areas of Human Rights, work standards, environmental protection and anti-corruption (as required e.g. in the UN Global Compact, to which GROHE is committed as a result of the parent company LIXIL's membership).

GROHE has anchored this issue in its Supplier Code of Conduct, therefore assuring that all applicable Human Rights are also respected in the supply chain. Here, global suppliers are required to comply with ecological and social standards as well as ethically correct conduct. In terms of working conditions, the code specifies that employment practices must be in accordance with the provisions of the International Labour Organisation (ILO) and the agreements of the United Nations (UN), in particular, provisions governing forced labour, minimum age and child labour.

Suppliers shall treat employees fairly and equally and promote a culture of respect, tolerance and diversity. Furthermore, they shall provide safe, healthy and fair working conditions, fair work schedules and fair remuneration and must not allow any type of discrimination among their employees. In addition, employees shall have the right to join employee organisations and to select their representatives, to organise their administration and activities, as well as formulate their programmes and goals, without negative consequences.

In addition, GROHE's supplier management also includes CSR questionnaires for suppliers. By this questionnaire GROHE cooperates with its suppliers to ensure their compliance with its own CSR standards. This initiative includes CSR Management, Fair Business, Human Rights, Labour, Occupational Health and Safety, environmental Conservation and Contribution.

### **Our CR Policies**

GROHE operates the following policies that describe our approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in our operations:

- LIXIL Code of Conduct
- LIXIL Group Human Rights Principles
- International Trade Controls Policy
- Anti-discrimination and Harassment Policy
- Policy on Third Party Compliance for Suppliers

### **Our Supply Chains**

Our suppliers from various countries help us providing the quality our customers and business partners expect. We source a wide range of products and services from across the globe. As we expect our suppliers to meet our high standards, we are in constant exchange with them and seek for common understanding and united action.

## **Our Measures taken to address modern slavery**

A robust governance, clear policies, an effective risk assessment as well as a profound understanding of our supply chain are basis for a targeted approach to addressing slavery and human trafficking. At GROHE we incorporate mechanisms to preventing modern slavery at various stages: when selecting a supplier, when engaging with suppliers, when assessing them and when aiming for further development.

### Selection process

For new suppliers we have integrated social and environmental aspects in our supplier pre-assessment. It includes:

- A commitment to our Supplier Code of Conduct
- A commitment to comply with the requirements on the quality of production processes (e.g. ISO9001, ISO14001, OHSAS18001, ISO50001)
- Compliance with Minimum Wage legislation

This helps us to carefully select suppliers supporting the values GROHE stands for. Furthermore, it is expected that the supplier ensures compliance with the same diligence and regulations under which he operates for GROHE from all its sub-suppliers.

### Key suppliers

Because of their degree of integration, the nature of their products and services or volume certain business partners play a key role in our company's success. We are closely engaged with these key suppliers to reassure their commitment to the principles of our Suppliers Code of Conduct as well as international rules on human rights.

To ensure this, we require a key supplier to commit to our Supplier Code of Conduct. Furthermore, key suppliers are subject to an initial due diligence process before accepted as a supplier. Finally, key suppliers are monitored to ensure that they keep to comply with the Supplier Code of Conduct throughout the business relationship.

### Supplier Audits

All new suppliers are subject to a risk-oriented supplier audit covering quality, compliance, environmental and social concerns. This is an integral part of GROHE's Purchase Order Management.

In addition, we conduct audits of existing suppliers on a case-to-case basis.

Monitoring includes the following issues:

- Material specifications
- Supply quality and delivery reliability
- Environmental safety
- Occupational safety
- Forced labour
- Child labour
- Health and safety
- Fair competition, corruption and bribery

In case necessary, corrective action plans are agreed on which will be subject to review during the next audit at the latest.

126 suppliers were audited against their commitment to Environmental Management & Worker's Protection in 2018. Around 40 additional audits were conducted at the premises of the suppliers in 2019.

### Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business, we provide training to our staff. Our training covers:

- Trainings on our Code of Conduct including the relevant topics of work safety and human rights
- Training on anti-discrimination and anti-harassment for all management level as well as all employees
- Training on anti corruption and fair competition

In addition, GROHE expect its business partners to provide training on these topics to their staff and suppliers and service providers.

### **Whistleblower system**

GROHE has implemented a whistleblower system. Employees and third parties such as customers, suppliers or other business partners can use the system to flag up grievances or report violations of laws or internal regulations without any risks being posed to the person submitting the report. Reports can be submitted 24/7 online or via telephone and on an anonymous basis.

### **Evaluation of the effectiveness of our measures**

As part of our structured approach, we review the measures taken and – in case it is necessary – redirect our efforts. At GROHE we rely on

- Expert judgment (e.g. from our agents, regional experts)
- Stakeholder dialogue (e.g. with industry associations)
- Benchmark (e.g. to adopt best practice)

### **Forward Looking Statement**

GROHE has taken various effective measures to address modern slavery and human trafficking. In an attitude of continuous improvement, we remain committed to further strengthen our efforts in the upcoming years. We are determined to even better understand our suppliers' activities to combat modern slavery.

This statement has been approved by the organisation's members, who will review and update it annually.

[Signature of Director/Member/General Partner/Partner - as appropriate]



[Grohe Limited]

Date: 19/10/2020