

Hansgrohe, Inc.

7/26/2021

Re: Hansgrohe Service **& Pricing Update**

To Our Valued Customers,

As we continue to navigate these challenging times and market conditions caused by the COVID-19 pandemic, the safety and well-being of our teams, customers, and communities are our top priority.

Unfortunately, our industry is still experiencing increasing supply chain and staffing challenges. These challenges and increased demand for hansgrohe and AXOR products have resulted in extended order fulfillment times. As we closely monitor this evolving and fluid situation, we continuously implement measures to ensure our staff's health and safety while making changes to our processes to improve lead and response times.

With the challenging times we are all facing, we have made the decision to stabilize current pricing. Despite rising material and production costs, **Hansgrohe will forego a mid-year price increase in 2021 for AXOR and hansgrohe products.**

Improvements we have achieved since June's Communication:

- Further production volume increase over prior year
- Production department now staffed at 98% of needed levels
- Increased production and incoming orders have resulted in challenges with timely shipping. We are implementing an additional shift in the shipping department to address this challenge
- Continuously adding personnel to the customer and technical service team with streamlined training to onboard associates faster

Ongoing improvements:

- Facility investments to improve speed to market with a focus on finishes
- Continuing efforts to add qualified personnel to the production, shipping, and customer service teams (onboarded 4 customer service associates in June)
- Improving the self-service tools, including the customer portal, stock report, and our hansgrohe PRO website, as well as enhanced phone options (including call back feature)
- Continued focus on the production of the full breadth of AXOR and hansgrohe collections, and migration of production to USA location to improve speed to market

With the continuous increase in demand and inquiries, we genuinely appreciate your understanding that our response time may be longer than usual. We are dedicated to improving service levels, and we appreciate your patience during this time.

Our goal is to provide consistent communication, reduce lead times, and deliver timely responses in the upcoming months. In line with this commitment, we will provide more information and available updates in August 2021.

If you have an immediate concern, please contact Sales Support at sales.support@hansgrohe.com.

Sincerely,



Jeff Johnson, Sr. Director of Sales