

Hansgrohe, Inc.

10/22/2021

Re: Hansgrohe Service 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.

As mentioned in our communication from 10/1/2021, we will implement a 10% blended **cost-based price increase** on hansgrohe and AXOR products **effective January 1st, 2022**.

Orders received **before midnight on December 20th, 2021**, will still be processed with the current pricing.

Improvements we have achieved since September's Communication:

- Further production volume increase over the prior year
- Increased production and incoming orders have resulted in challenges with timely shipping. The implementation of an additional shift in the shipping department since September has realized positive results, with further improvement expected
- Improved phone system capability with new call-back feature to reduce hold times
- 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 production, shipping, and customer service teams
- Improving the self-service tools, including the customer portal, stock report, and our hansgrohe PRO website
- Improved confirmation times to less than 48-hour response for new orders
- 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 November 2021.

If you have an immediate concern, please get in touch with Sales Support at sales.support@hansgrohe.com.

Sincerely,



Jeff Johnson, Sr. Director of Sales