

orasgroup



Sustainability Report 2021



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This is Oras Group

Oras Group is a major provider of sanitary fittings in Europe: the market leader in the Nordics and a leading company in the rest of Europe. Our mission is to create the smartest water experiences for everyone, and our vision is to become the Perfect Flow Company. We are a proud owner of two strong brands: Oras and HANSA.

Oras Group specializes in the production of high-quality innovative sanitary fittings for both private and public use. At Oras Group we have over a hundred years’ heritage of providing safe, convenient, and sustainable access to water for everyone.

Oras Group supplies faucets and showers to the construction industry and retailers. Around 30% of our business is project business, which means providing solutions to new establishments, while the remaining 70% of our sales go to replacement, modernization, and other small businesses.

GLOBAL BUSINESS

Oras Ltd. was established in 1945 in Rauma, and HANSA was established in 1911 in Stuttgart. Oras Group was founded in 2013 with the acquisition of Hansa Armaturen GmbH by Oras Ltd. Oras Group is owned by Oras Invest, a family company, and an industrial owner.

The domicile of Oras Ltd, the parent company of the Group, is in Rauma, Finland, and the Group operates three manufacturing sites: Kralovice (Czech Republic), Olesno (Poland) and Rauma (Finland). The Group operates with its own staff in 17 markets. Most of Oras Group’s customers are found in Finland, Sweden, Norway, Denmark, Germany, Austria, Poland, and Belgium.

In 2021, Oras Group’s net sales were 233.5 million euros. The EBIT of Oras Group increased to 29.4 million euros (17.7 million euros in 2020) making it the best EBIT in the history of Oras Group. At the end of the year, Oras Group employed 1 250 people. The Group also maintains a large network of suppliers and partners around the world.





SUSTAINABILITY APPROACH

Since its foundation, the company has focused on high-quality design products featuring user-friendly technical solutions that contribute to water and energy saving. As early as the 1990s, Oras was the first company to introduce touchless electronic faucets to the market.

Our sustainability work is based on our values, thorough risk analysis and our commitment to ISO-standards. In 2021 we drafted a sustainability strategy that is integrated into our business operations for the current strategy period 2022–2024.

This is the first time we are publishing a comprehensive sustainability report to increase transparency in our operations and communicate our environmental, social, and economic impact in the society. The GRI G4 core level standards are followed where applicable to us.

The report highlights the current situation and actions undertaken in 2021 and sets goals for further improvement. As an organization with over five hundred employees, we are obligated to adhere to the EU directive for non-financial reporting.

This report relates to the entire organization at Group level and the data represents all affiliates, unless otherwise stated. The GRI index can be found at the end of the report.

Our sustainability work is based on our values, thorough risk analysis and our commitment to ISO-standards.

CEO's Statement

Welcome to join Oras Group's sustainability journey!

Supporting sustainable and responsible decisions in our everyday lives is and has always been at the core of what we at Oras Group do. Our product philosophy focuses on proactively providing faucet and shower features that promote water and energy savings, such as opportunities to control water flow rates and temperature. In addition, since the end of 1990s, we have pioneered in touchless faucet development – a specialty that in the last couple of years has gained even more significance and given substance to our brand promise “Water Smart Living”.

Making our mission, “The Smartest Water Experiences for Everyone” true requires a lot, not only from our products but also from ourselves. It means active everyday choices, actions, and accomplishments, keeping the four sustainability themes presented in this report as our guiding light. How do we ensure that our operations take recycling and energy savings as well as environmentally friendly decisions into account? How to support diversity and different views in our personnel, and guarantee fair treatment? And how do we manage to reach the end users' needs regarding sustainability when we innovate something totally new or develop existing products? These are questions we have concentrated especially intensely during the past couple of years and continue to do so in the near future.

This first sustainability report in Oras Group's history begins to make our hard work visible. It also states our devotion to

sustainable actions as a company. We have already calculated our CO₂ emissions and made decisions about scopes 1 and 2. We have defined what sustainability means for us, and under what themes we plan to develop. We have had our actions assessed by EcoVadis. We are also deepening our knowledge about our products' lifecycle and the impact they have on the environment. But above all, we are committed to improve along the way. Let's enjoy the journey together!



Kari Lehtinen
President and CEO

This first sustainability report in Oras Group's history begins to make our hard work visible.

Year 2021 highlights

Sustainability in strategy

In 2021 we integrated our sustainability work into our business strategy. In the current strategy period, we will measure and develop sustainability commitments together with our business goals.

Sustainability program & report

We defined our sustainability program in 2021, including action planning and target setting. Based on the program, a sustainability report on Group level will be published every other year.

EcoVadis evaluation

Our sustainability work was evaluated by EcoVadis for which we received a bronze medal.

All time high EBIT

The financial result of Oras Group improved substantially thanks to higher net sales and lower one-off costs. The EBIT increased to 29.4 million euros (17.7 million euros in 2020).

Our carbon footprint

We have calculated our carbon footprint at the Group level and initiated measures to reduce emissions from our operations.

Impacts of the pandemic

Consumer demand for housing has kept both residential construction and renovation at a satisfactory level. The COVID-19 pandemic continued to increase such investments.

Management Approach, Strategy and Risk Assessment

Our mission: The Smartest Water Experiences For Everyone

- **The Smartest**
builds on our traditional strengths in technology, know-how and innovation.
- **Water Experiences**
refers to our ability to deliver value beyond faucets, components, technologies, interiors and design.
- **For Everyone**
refers to our commitment to enable the most sustainable ways to consume water for the benefit of us all
– in private and public spaces.

Our Vision: The Perfect Flow Company

- Perfect Flow** not only refers to the perfect flow of water in all spaces and interfaces, but also to
- perfected logistics and supply chain
 - optimized use of user data
 - optimal user and installer convenience

BUILDING SUSTAINABILITY MANAGEMENT SYSTEM

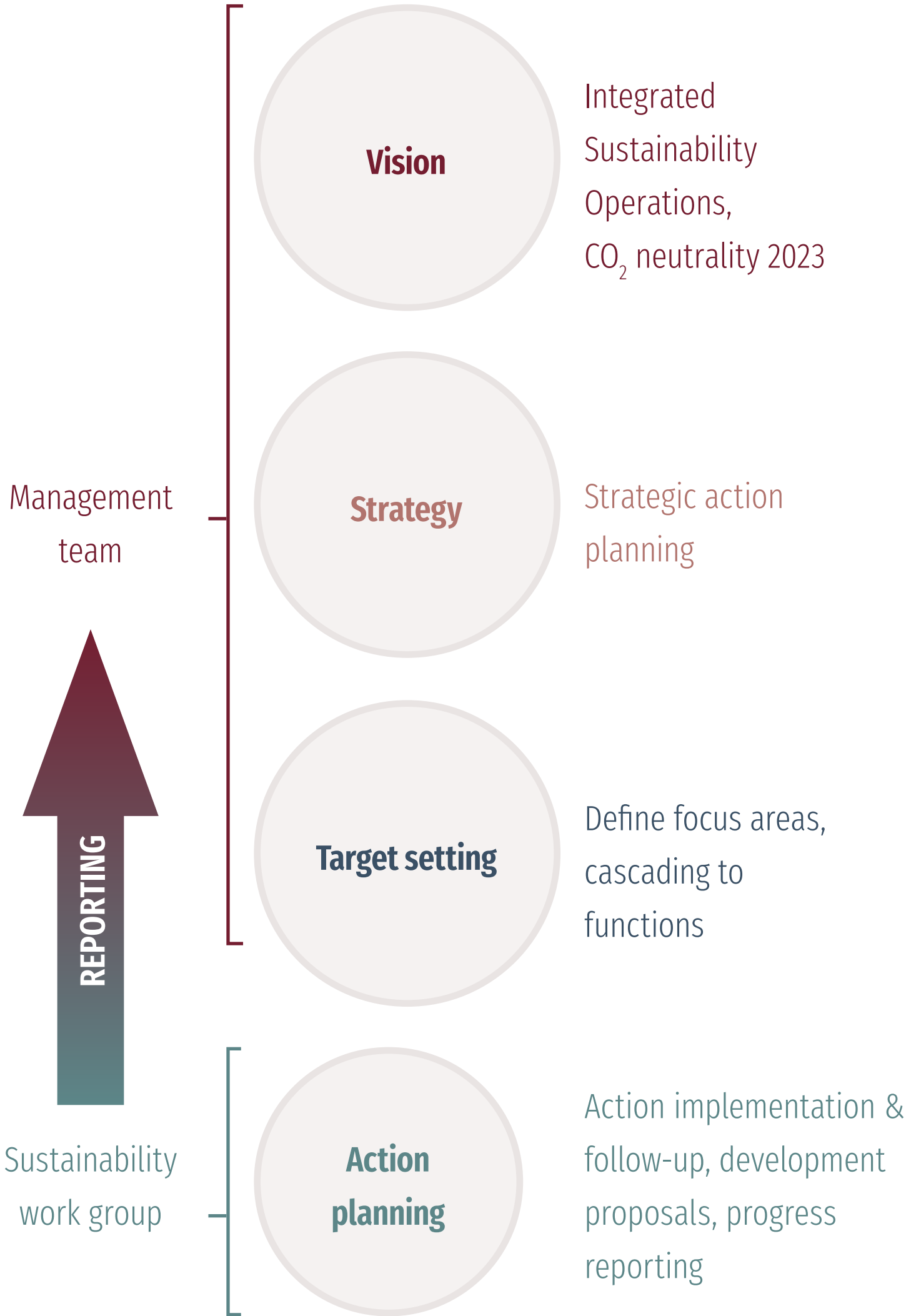
The Company is structured in the following hierarchy:

- **Board of Directors (from April 2022):**
Markus Lengauer, Maciej Gwozdz,
Pirjo Väliaho, Eerik Paasikivi, Heli Leskinen,
Petri Kokko
- **CEO:** Kari Lehtinen
- Group Management Team
- Sustainability Work Group

We are committed to building an efficient and transparent sustainability management system that is aligned with our internal roles and responsibilities. Sustainability related KPI's will be part of progress monitoring and integrated into our strategy and risk assessments.

A cross functional team of experts is established to ensure that sustainable practices are incorporated in all our processes accross functions. This work group reports directly to the Group Management Team.

SUSTAINABILITY GOVERNANCE MODEL



MANAGING RISKS

Risk management is based on the Group's holistic approach to identifying, assessing, managing, and monitoring risks. The CEO and other Group Management Team members ensure that risk management is a continuous, integral part of the Group's day-to-day operations.

The purpose of risk management is to support Oras Group strategy and goals, and to ensure the continuity of its business operations by defining a systematic approach for the management of business risks. We have incorporated the ESG risks into our risk mapping and follow them carefully as part of our risk management throughout the year. Climate-change risk assessment is part of our annual risk management process as well.

We are committed to building an efficient and transparent sustainability management system.

VALUE AND ETHICS GUIDING OUR SUSTAINABILITY WORK

At Oras Group, sustainability is at the core of what we do. Our mission is to create the smartest and the most sustainable water experiences for everyone.

The company values guide all our decisions, big and small, and help us prioritize matters. The values apply to all of us in every position. We are all expected to act according to the company values and avoid any behavior that contradicts them.

This is how our values lead our commitment to sustainability:

- **Courage:** Courage stands for an open-minded approach to new things and having the ability to tackle new challenges related to water and energy use.
- **Fairness:** We adhere to the principle of fairness in our decision-making and operations, to ensure healthy relationships with our employees, suppliers, and other stakeholders.
- **Effectiveness:** Effectiveness stands for improving our operations to achieve better results cost-effectively.
- **Openness:** We are open and transparent to our employees, customers, and other stakeholders, and they can trust our working methods.

CODE OF CONDUCT

Our business ethics is guided by the Oras Group’s Code of Conduct, which is the foundation of our operations as a company, work community and a corporate citizen. Training regarding our Code of Conduct is mandatory for all our employees.

The Board of Directors have approved the Code of Conduct. It comprises of the following principles:

1. All our stakeholders can trust us to always act honestly and reliably.
2. We base our decisions and operations on a straightforward and goal-directed co-operation.
3. We achieve results by doing the right things right.
4. All our operations are transparent.

In addition to the Code of Conduct, we comply with regulations as well as national and international laws.



BUSINESS ETHICS

We strive to maintain a transparent business climate and high business ethics. We have implemented a whistle-blowing channel in 2021. This is an important tool to foster high ethical standards and maintaining customer and public confidence in us. We encourage external stakeholders and employees to report wrongdoing affecting people, our organization, society or the environment through this channel. All announcements and discussions are anonymous and treated confidentially and with respect towards the whistle-blower and the victim. If any violation of our principles is suspected, our employees are also encouraged to contact their supervisors.

The whistle-blowing channel may be used to report actions that violate our values or good business practices; breaches to legal or regulatory obligations; or conduct that could seriously harm the company. In 2021, there were 2 incidents reported via the whistle-blowing channel.

In addition, our cyber security risks have been assessed and GDPR processes are also in place.

One may report of any breaches to

- Legislation and business conduct
- Discrimination, bullying and harassment
- Information security and data privacy
- Environmental matters
- Competition legislation
- Corruption, bribery, and conflict of interest

QUALITY, SAFETY, ENVIRONMENTAL AND ENERGY MANAGEMENT

Our management system complies with the standards ISO 9001, ISO 14001, ISO 45001, and ISO 50001. Sustainability practices have been integrated into our processes, forming the management system for Oras Group.

The management system certificates are valid for development, marketing, sales, and after-sales services, logistics, manufacturing, assembly, and distribution of sanitary fittings. More information about them can be found [on our website](#).

The management system and all its content are accessible by all Oras Group employees. Roles and responsibilities are clearly defined. The processes are audited regularly, both internally and externally, to enable continuous improvement on our ways of working.

Economic Impact

KEY FIGURES € MILLION	2019	2020	2021
Net sales	225.4	226.1	233.5
EBIT	-6.4	17.7	29.4
Cash flow after investments	16.8	43.4	13.1
Equity ratio %	39.3	40.8	35.6
Capital expenditure	4.7	3.1	11.7

Oras Group is committed to meet all statutory compliance obligations in each country it operates in. Transfer pricing is in accordance with the “arm’s length principle” and OECD standards are applied. Oras Group aims to have an open and transparent relationship with tax authorities and other relevant governmental bodies. Oras Group has no pending tax disputes.

In 2021, Oras Group’s total tax contribution was 50.2 million euros. Corporate income taxes account for 3.5 million euros, VAT remitted 27.5 million euros and payroll taxes 18.7 million euros. In 2021 personnel costs of Oras Group were approximately 62.5 million euros.

Oras Group has suppliers in more than 60 countries, where we are indirectly creating economic value for the local communities.

Oras Group has received grants from the Finnish government and the EU for its development projects. The financial year corresponds to the calendar year, and our other reporting follows the same cycle.

Stakeholders and Markets

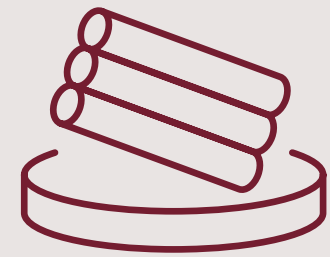
We aim to exceed our stakeholders’ expectations and deliver high-quality sustainable products to our customers. To ensure this, we endeavor to maintain a transparent relationship with our stakeholders by sharing up-to-date information on our sustainability work. In developing our business, we always consider our stakeholders’ concerns and feedback.

Needs and expectations of relevant stakeholders for Oras Group have been identified by the management team. Relevant stakeholders are the ones who can affect our ability to provide products and services according to customer needs and legal requirements.

KEY STAKEHOLDERS
INTERESTED IN ORAS GROUP’S
SUSTAINABILITY

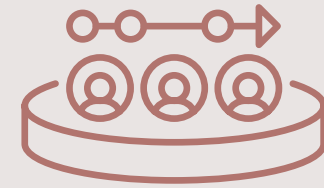


Supply Chain Overview



RAW MATERIALS

- Mostly from European suppliers
- Safe and recyclable
- Brass and composite are the main materials sourced
- 18 % of our spend come from China



COMPONENTS

- Long partnerships
- Common targets for sustainable operations
- Electronics and other faucet and shower components, for example: brass bodies, shower hosepipes, gaskets, cardboards, ceramic stones, technical plastic parts



MANUFACTURING

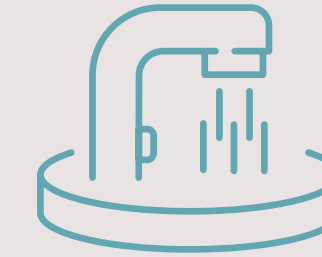
- Own manufacturing in Europe
- Sustainability driving our development activities
- Production of faucets, showers and shower systems

Target:
Own manufacturing
operations carbon neutral by
2023.



DELIVERY

- Reliable partners
- Effective planning
- Delivery to customers mostly by road cargo
- Outside Europe deliveries by sea transport
- Air cargo is used only on special occasions
- Upstream mostly on sea transport from China, from Europe on land



USE

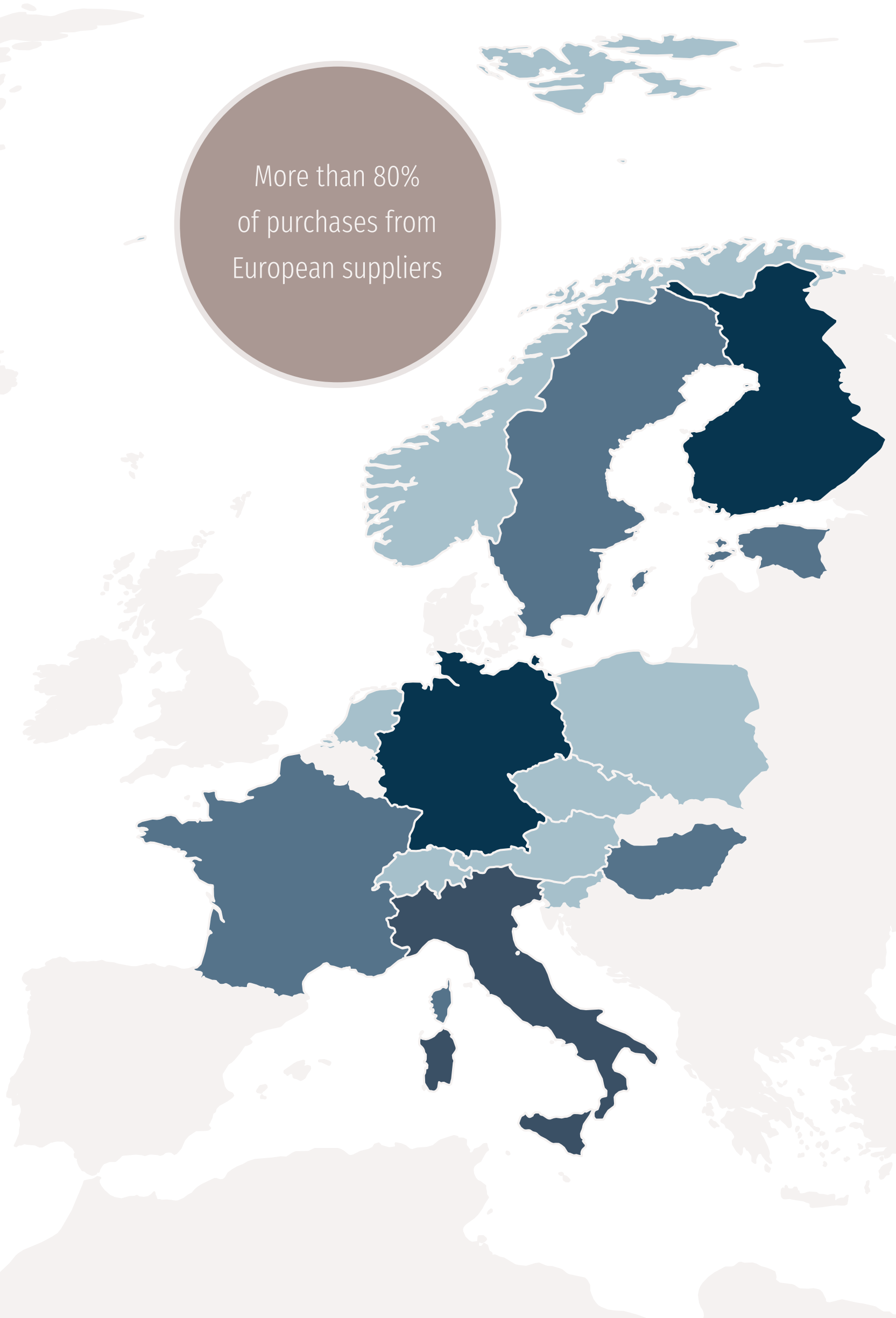
- Products helping consumers to save energy and water usage
- Increasing sustainability awareness
- Long lifetime and spare part availability
- Product lifetime is on average 20 years



DISPOSAL

- Recycled according to local rules
- Brass and composite recycling

More than 80%
of purchases from
European suppliers



Total carbon footprint and environmental impact analysis of our supply chain is in progress. In the coming years, we will engage more with stakeholder dialogue. Currently, we communicate with our main partners through annual surveys and discuss the concerns on sustainability issues in 1-2-1 meetings and supplier audits.

The impact of the COVID-19 pandemic caused enormous challenges to the availability of raw materials and components. Supply chain security also came under tremendous strain.

In the recent years, we have put more effort to supplier management, and 26% of the top 70 suppliers were audited during the reporting year. Risks identified in the supply chain and measures taken include:

- Supply Chain Risk Management under development
- Risk Scoring System established
- Risk reduction measures initiated for the top 259 items

Our top suppliers come from the following countries:

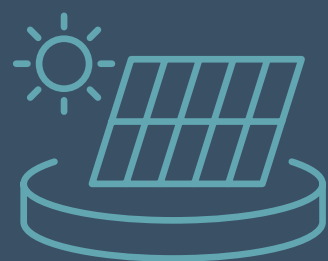
- Germany (15), Finland (12),
- China (10), Italy (9),
- Estonia (2), France (2), Hungary (2), Sweden (2), Taiwan (2),
- Austria (1), Czech Republic (1), the Netherlands (1), Norway (1), Poland (1), Slovenia (1), Switzerland (1)



Sustainability Challenges in the Industry

Climate change presents unprecedented risks to our industry and the share of non-renewable resources remains relatively high in our operations. We have identified and addressed several challenges in manufacturing and during the products’ lifetime. By developing and implementing improved processes to reduce, reuse and recycle water, raw material, non-renewable materials, other inputs, by-products, and waste we can also find business opportunities.

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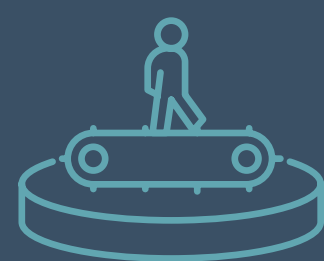
ENERGY & WATER EFFICIENCY

- Use of renewable and non-renewable energy
- Reduce water and resource use



RESPONSIBLE SOURCING

- Operations and waste associated with metal extraction and processing
- Protection of the landscape, soil, water, and air
- Safety of mine workers (injury, toxins)
- The rights of landowners
- Conflict-free materials from sustainable sources



SAFE AND EFFECTIVE PRODUCTION

- Emissions from sourcing, transportation, manufacturing
- Energy-efficiency of production
- Waste usage and effluent disposal
- Working conditions and safety
- Circular economy processes in production



OPPORTUNITIES

- Recyclability and reusability of the products
- Develop sustainable and resource efficient products (durability, technology)
- Packaging material choice and reduction

Sustainability in Oras Group

Oras Group is a pioneer in the safety, hygiene, comfort, and energy efficient water usage. We take a data-driven approach to sustainable consumption of water that allow us to develop even smarter ways to use and enjoy water.

VISION FOR SUSTAINABLE BUSINESS

Our goal is to be the forerunner of smart water solutions and do our part in solving the global environmental challenges. We acknowledge the issues of water scarcity and diminishing natural resources and the challenges these problems put on the planet as well as our business.

Consequently, we feel the need to set even more ambitious targets on our sustainability than ever before: we aim for carbon neutrality in our own operations by 2023.

We strive to create sustainable growth that also ensures the continuity of our business. Our objective is to create value for our owners, and aid well-being for society and individuals. We are committed to achieving sustainable financial growth.

We take a practical approach with sustainability – our commitment shows in all our daily operations. To deliver solutions for water scarcity and to improve energy efficiency, we employ our strengths in technology, design, and innovation.

We design a better future by utilizing advanced technology in energy harvesting, IoT, and cloud services. We are committed to ensure that our products deliver value beyond faucets, components, technologies, interiors, and design and are

responsible throughout the entire supply chain.

Our innovative approach and expertise results in products that enhance health, comfort, and sustainability.

We strive to provide a workplace that serves as a platform of learning and growth for all employees. We are committed to continuously improving the safety and well-being of our employees.





CURRENT STATE EVALUATION

The duties and responsibilities of Oras Group’s various governing bodies are determined by Finnish law and the Company’s corporate governance principles. We are planning to join UN Global Compact initiative in 2022 to further strengthen and validate our work on Sustainability.

To get a better understanding of the quality of our sustainability activities, we took part in the EcoVadis evaluation in 2021. As a result, we were awarded a bronze medal and received suggestions for further improvements. This work continues in 2022.

As part of our business strategy, we have identified the following focus areas to further support our sustainability commitments:

- 1. Customer Centric Commercial Excellence (Governance);
- 2. High Performing Team (People);
- 3. User Experience Driven Innovation;
- 4. Efficient and Responsible Operations (Environment and Human Rights).

Each business area has its own dedicated person ensuring the implementation of the sustainability targets into everyday operations.

In the following pages, we offer an in-depth review of Oras Group’s main sustainability themes and actions.

Sustainability as Part of Oras Group Strategy

- We provide products and services that are safe, enable hygienic water usage, good drinking water quality and reduce water consumption.



CUSTOMER CENTRIC COMMERCIAL EXCELLENCE

Inspiring our customers to live even more responsible everyday life with our Perfect Flow products

HIGH PERFORMING TEAM

By continuously developing leadership and culture, we aim to create a platform of learning and growth for all employees.

- Safe working environment with the help of automation and technological innovation, creating sustainable growth
- We ensure continuous learning, labor rights and equal treatment of all employees



USER EXPERIENCE DRIVEN INNOVATION

Boosting new innovations via our sustainability ecosystem and enabling sustainable profit and growth.

EFFICIENT AND RESPONSIBLE OPERATIONS

Aiming for socially and environmentally responsible production from mines to factories and end users of the products – For the benefit of the environment and people, globally

- We reduce our own CO₂ emissions step by step
- We develop smart and sustainable ways to use water with our products and green energy.

- We ensure responsible and transparent processes in our operations and require the same from our suppliers
- We develop products and services that reduce water and energy consumption

Customer Centric Commercial Excellence

Water is one of the most essential resources that we have and something that we must protect. To reduce negative impact on the environment, we provide our customers with detailed instructions on the efficient use of our products that will save energy and water.

We make sure that our products comply with legal requirements and standards and that they are aligned with our sustainability targets. All information provided to our customers and other stakeholders are fact-based.

We strive to be a trusted partner to our customers – we want to exceed our customers’ expectations and help them find the perfect, most sustainable solutions for their specific needs. Our focus is on offering products and services that reduce water and energy consumption as well as improve well-being and hygiene.

To achieve our sustainability vision for customer centric commercial excellence, we rely on three practical steps for further development.

DEVELOPING PRODUCT PORTFOLIOS

One of our most important customer segments, the construction industry, has set ambitious environmental targets especially in the Nordic markets. Demand relating to our products has rapidly increased. We do our utmost to satisfy the needs of our customers as well as end-users, professionals and B2B customers that often act as intermediaries.

For this reason, we assess Environmental Product Declarations (EPD) that present transparent, verified, and comparable information about the life-cycle environmental impact of products and services.

EPD’s also support carbon emission reduction by making it possible to compare the impacts of different materials and products to select the most sustainable option. These declarations will become a central part of our product portfolio.

We will continue to support our customers in the construction industry in achieving certificates such as BREEAM, LEED, WELL and Swan.

We want to exceed our customers’ expectations and help them find the perfect, most sustainable solutions for their specific needs.



EXTERNAL COMPETENCE BUILDING

To strengthen our position as the most desirable partner within our industry, we will develop our external competence building to help integrate sustainability into our customers’ decision-making.

Our training material for customers includes company information, general information about HVAC systems and products. Approximately 1 500 students and customers attend our faucet and valve schools each year. These training courses focus on the technical aspects of our products, as well as instructions on daily usage, installation, and drinking water hygiene.

Moving forward, we will be offering services that allow constant monitoring of water consumption and educate customers on the optimal use and maintenance of faucets.

MARKETING & COMMUNICATIONS STRATEGY

Finally, we are working on integrating relevant EPD and sustainability information to our communications and marketing. It will ensure that the end-users of our products have practical tools to create more sustainable lifestyles.

MAIN GOALS



We Help Our Customers To Become More Sustainable

Together with our stakeholders, we innovate and design products that meet our stakeholders’ and our planet’s needs. Building a sustainability ecosystem is therefore important to us.



NEW BERLIN AIRPORT

With millions of passengers expected to travel through Berlin Brandenburg each year, the airport administration wanted to equip the airport’s 200 sanitary rooms with touchless faucets that flush automatically and save water and energy.

High-performing HANSAELECTRA (Oras Electra) fixtures are equipped with Bluetooth technology, which can help prevent stagnation in drinking water systems through automatic flushing.

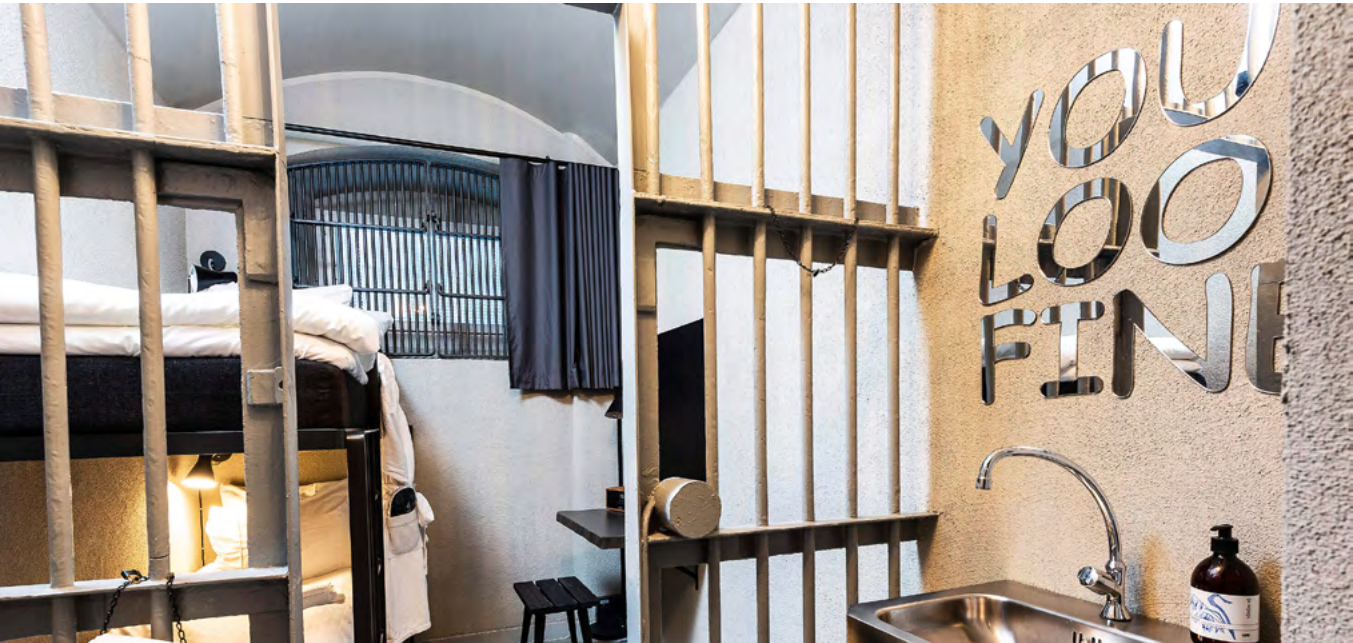
Along with being theft- and vandal-proof, the faucets are quick and easy to clean, further elevating hygiene standards while saving time and money in an industry that has no time for delays.

NORWEGIAN SCHOOL

The wood clad Ydalir school is a newly built complex in the Norwegian region of Hedmark which consists of a sports hall and a kindergarten.

The school was awarded the Norwegian BREEAM-NOR certification thanks to the building’s environmental performance and sustainable solutions.

When it came to bathroom and kitchen faucets, YC Rør teamed up with Oras Group to meet the strict energy and water-saving requirements and equipped the facilities with Oras Electra washbasin faucets.



THE HISTORIC KAKOLA AREA

The historic Kakola site – former prison in Turku – forms a unique entity and covers 50,000-floor square meters of old and protected buildings that are now turned into a hotel and apartments. Installing advanced resource-saving equipment allowed them to meet key requirements of strict green building certifications, such as LEED and BREEAM.

Oras Group supplied water infrastructure that conserves the site’s ecosystem and guarantees the quality, lifespan and availability of spare parts needed to ensure continuity and maintenance to the hotel. The faucets selected for “cell-rooms” have a simple design and do not have a hot water supply.

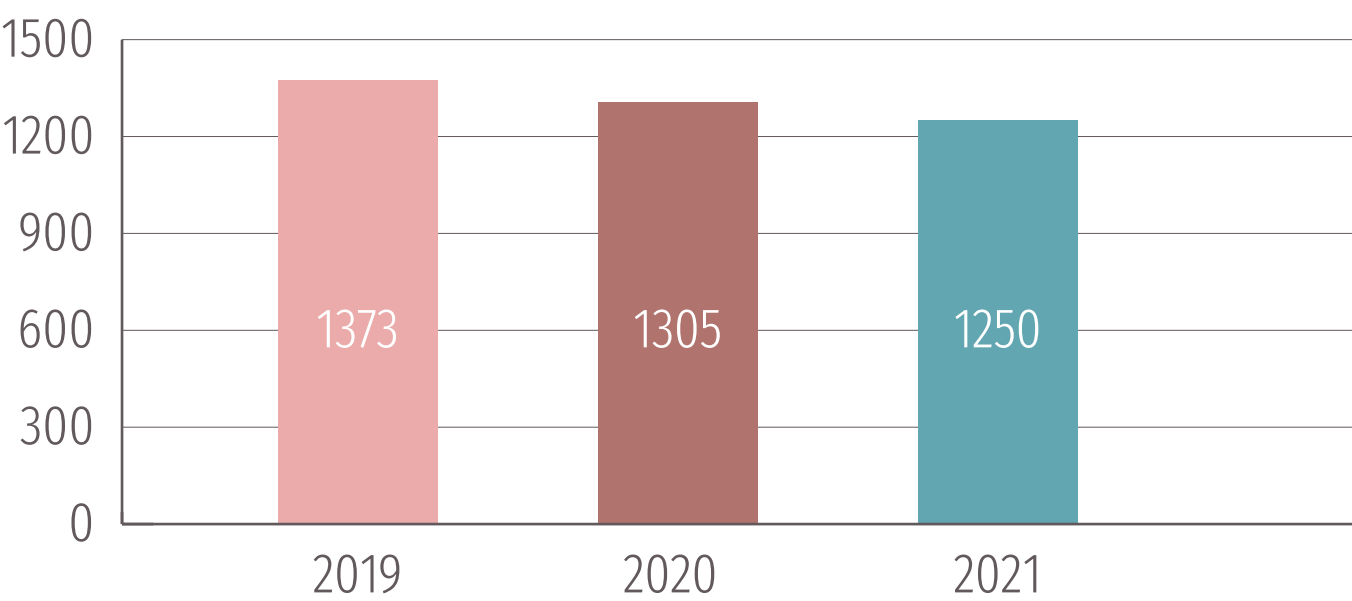
High Performing Team

We aim to build high performing teams by continuously developing organizational capability, culture and leadership that enables performance, learning, safety, and well-being for all employees. We are a responsible employer and committed to creating a diverse workplace where people are treated fairly.

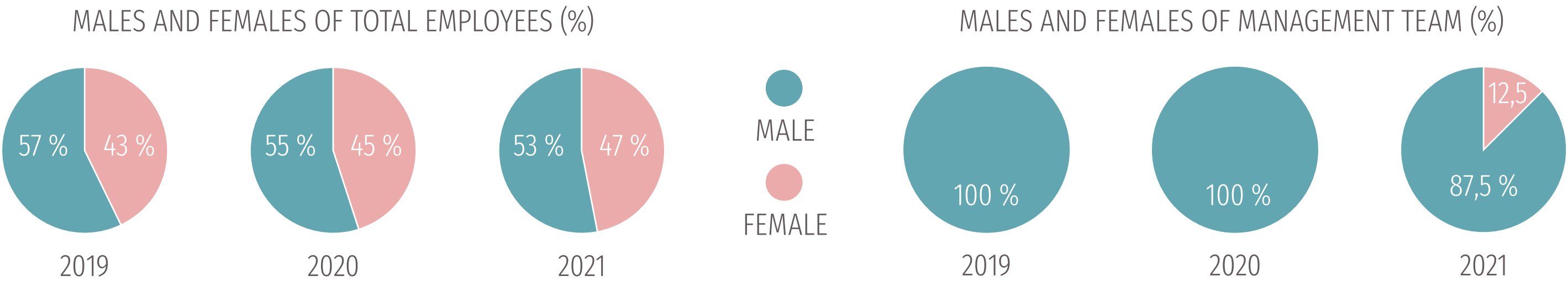
DIVERSE WORKPLACE

We have a diverse workforce located in 17 countries. The largest countries are Finland (41%), Poland (31%), Czech Republic (10%) and Germany (9%). At the end of the financial period, we had 1 250 employees. Of these, 42% were office workers and the rest factory workers. We have a good balance of genders with 47% of the employees being female. We also aim for diversity in our management and have set ourselves a long term target of at least 30% representation of each gender in the management team.

Total employees



Diversity



LEADERSHIP AND LEARNING CULTURE

We are committed to continuously develop leadership and culture of Oras Group. A comprehensive Employee Engagement Survey (EES) is carried out every year. The results of the survey are utilized to understand employees' engagement levels and to develop leadership respectively. We offer a training called Agile & United to all new managers joining the company and a possibility for leadership feedback and coaching service on a need basis. In addition, a new leadership program called FUEL the flow was launched in 2020 to strengthen leadership and learning culture. It will continue in 2021–2023.

Oras Group learning culture is clearly defined and focuses on individual development, knowledge sharing and empowerment through mentoring and feedback. We have defined competence standards for each position. Competence development is discussed annually, and the individual competence plans guide the activities throughout the year.

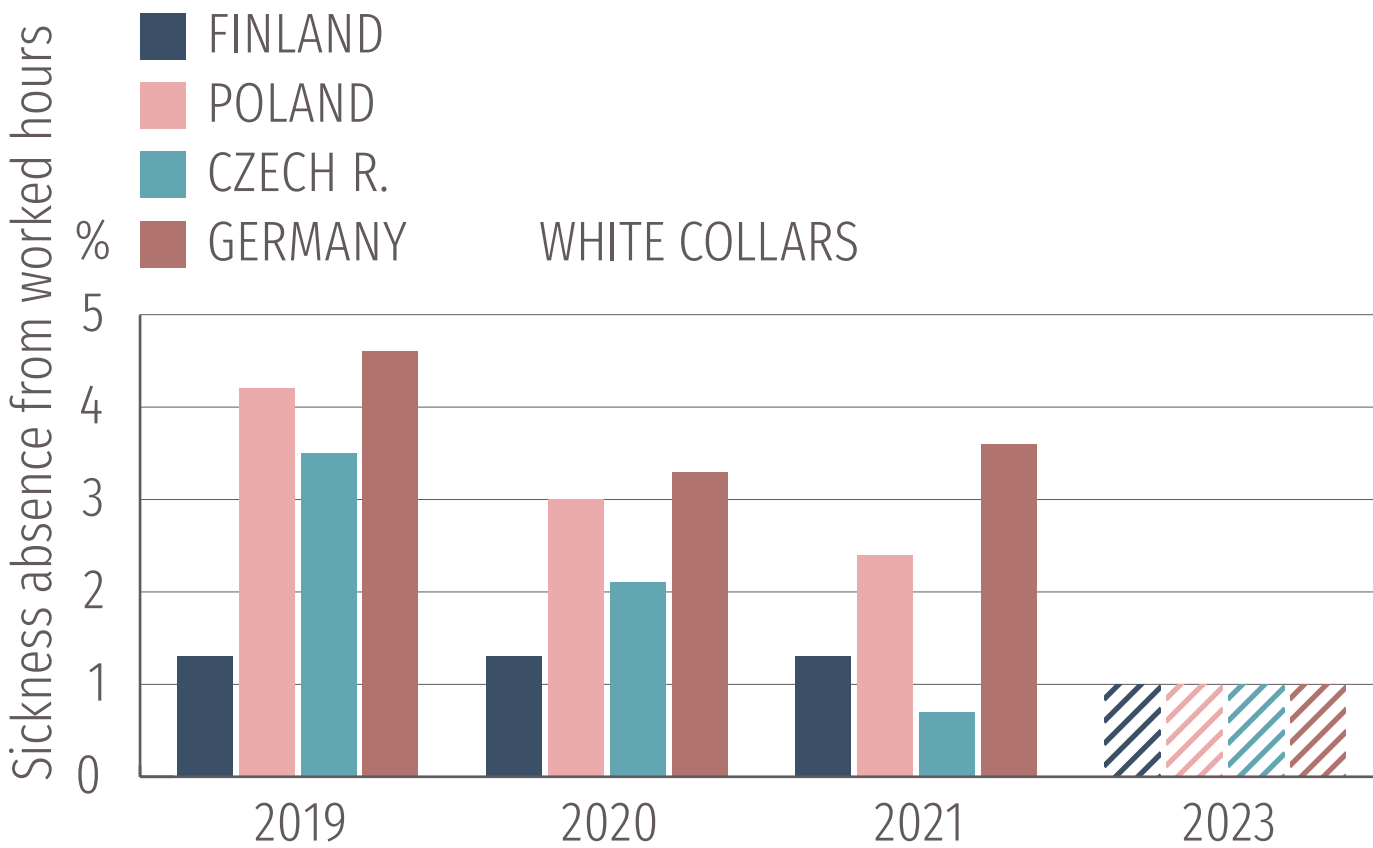
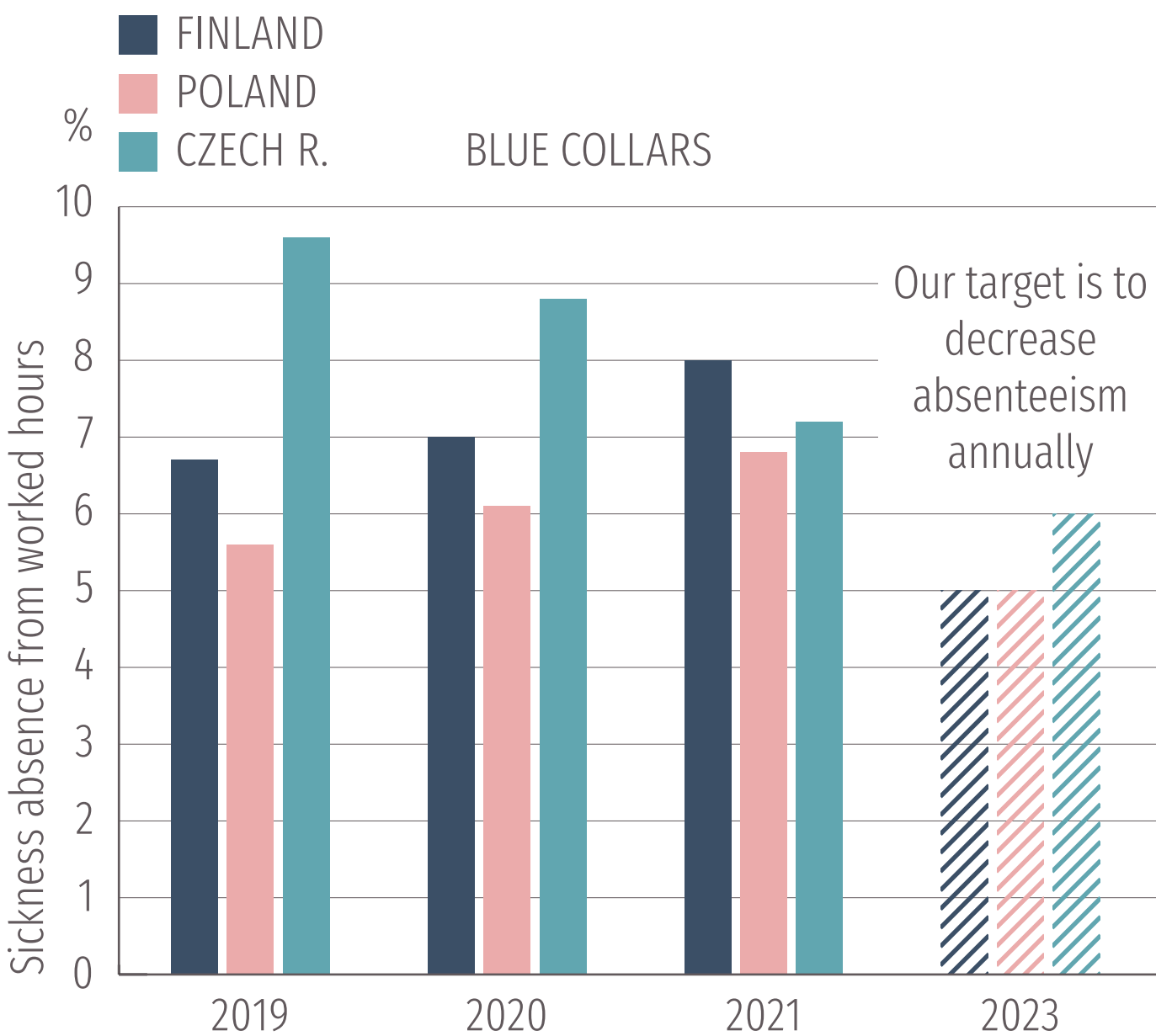
Our employees have the possibility to attend several kinds of training programs during the working hours. In addition to classroom trainings there is a wide range of e-learning materials available. We do not calculate the actual hours spent on training as it is an integral part of our learning culture vision to provide all employees an opportunity to develop professionally. For example, our complete sales staff will attend an extensive sales training during 2021–2022.

SAFETY AND WELL-BEING

We have an occupational health and safety policy in place. We keep track of work-related injuries, sick days, and absences annually. We provide healthcare services to all our employees and have safety management processes to ensure safe working conditions to our staff in different locations, offices, and factories.

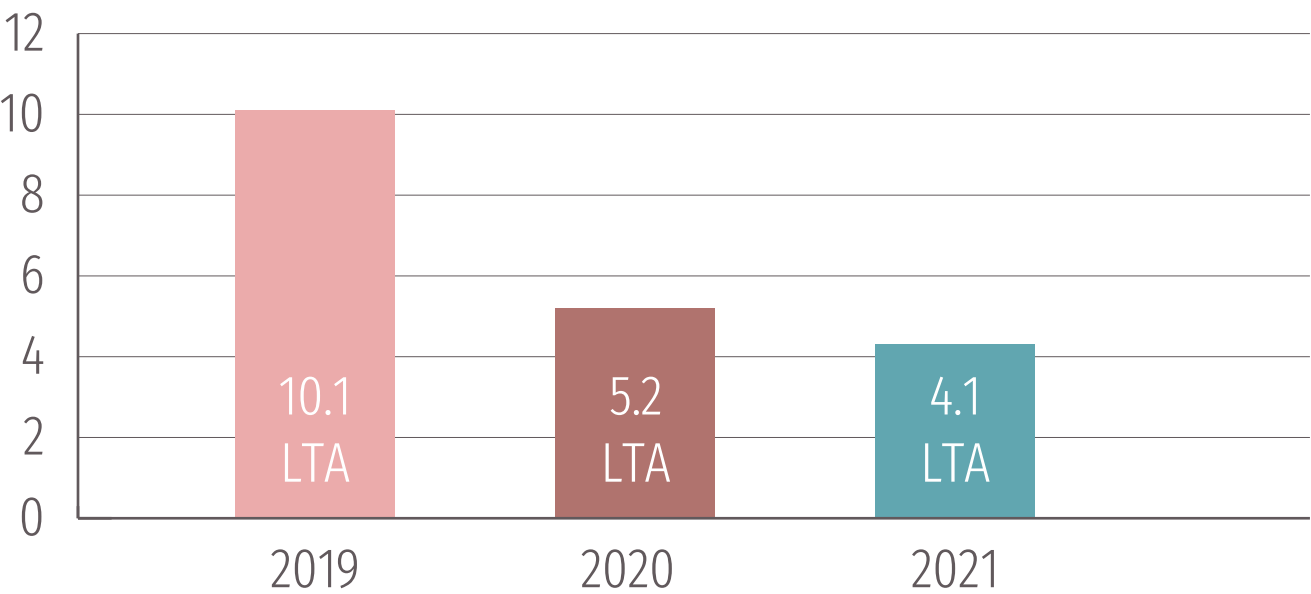
We believe that good work ability is largely the result of proactive leadership including high-quality HR planning, day-to-day management and rapid response to warning signals. But when work does not go as planned, we require intervention: All Oras Group countries have an early intervention model in place to get the work ability back on track or to create new conditions for effective work.

Absenteeism



Our target is to have zero accidents annually.

Accident frequency rate



LTA, Lost time accidents:
The number of accidents that cause absences lasting at least one day per one million working hours.



FAIR AND EQUAL WORKPLACE

We believe that values are lived through actions. Our compensation practices ensure fair and equal pay for all employees. We use internationally recognized position grading to evaluate jobs and to define pay levels according to the markets where we operate. Our internal process ensures that pay increases are distributed in a way that stresses employee performance and considers position demands and competence. Our committed leaders guarantee that the process remains transparent. From 2022 onwards the job grading will also be visible to employees to increase transparency.

In addition, we follow up gender equality in pay and talent processes to ensure equal treatment between genders.

MAIN GOALS



User Experience Driven Innovation

Our strategic objective is to create an excellent customer experience by understanding the most relevant customer needs and address them in a convenient, safe, measurable, and sustainable way.

To recognize the customer needs we are conducting a bi-annual Customer Experience (CX) study in our main markets: Finland, Sweden, Norway, Denmark, Germany, Austria, and Belgium. The respondents consist of installers, wholesalers, and specifiers.

We believe understanding the lifecycle impacts of our products is key to developing and innovating more sustainable products.

Majority of our environmental impact derives from the end-use of our products. We can create positive impact, if we enable our customers to use our products economically and sustainably by saving water and energy. Water conservation is vital because the global water resources are already scarce and depleting rapidly.

BUILDING SUSTAINABILITY ECOSYSTEM

To ensure that our products are sustainable from start to finish, we have built a sustainability ecosystem to support our business processes. Our ecosystem includes sustainable material usage in products and packaging, as well as supporting the use of recyclable materials. We also do our outmost to ensure that human rights are respected throughout our supply chain.

Together with our stakeholders, we innovate and design products that meet our stakeholders' and our planet's needs now and in the future. We carefully consider our key sustainability targets in all

our technology and product development programs. On page 21 we presented some case stories where the sustainability aspect has been an integral part of the co-creation project with clients.

We believe understanding the lifecycle impacts of our products is key to developing and innovating more sustainable products.



DEVELOPING SUSTAINABLE INNOVATIONS

We are committed to continuing sustainable and innovative product development and scale our selection of Eco-labelled products. This work is done together with EDP's in 2022.

Our smart products, such as the Oras Hydractiva Digital / HANSAACTIVEJET Digital hand shower, have won many awards in various design competitions, the most recent achievements including the Green Good Design Award for HANSAACTIVEJET Digital.

At present, approximately 10% of our innovations have either a positive environmental impact (water-saving or low carbon) or social impact. Altogether, these innovations account for almost 17% of our revenue.

MAIN GOALS



Efficient and Responsible Operations

Oras Group aims for socially and environmentally responsible production from material acquisition to operating factories, the end-use and recyclability of our products.

The essence of our sustainability thinking is in our products and their design. They are durable, safe and enable our customers to save water and energy. We also strive to become the most attractive and trusted sustainability partner for our customers. We expect sustainability commitments from all operators in our supply chain.

FULFILLING THE LEGAL REQUIREMENTS

We began to evaluate our sustainability performance in 2021. Our partner in this endeavor has been EcoVadis, one of the largest and most trusted providers of business sustainability ratings. In our first evaluation we were awarded a bronze medal. However, our target is to continuously improve our sustainability performance.

The key areas for improvement are optimizing production processes, improving energy efficiency, reaching carbon neutrality, and ensuring a sustainable supply chain.

Oras Group operates in a market that is highly regulated. We follow the legal requirements and standards with the utmost diligence in all our market areas.

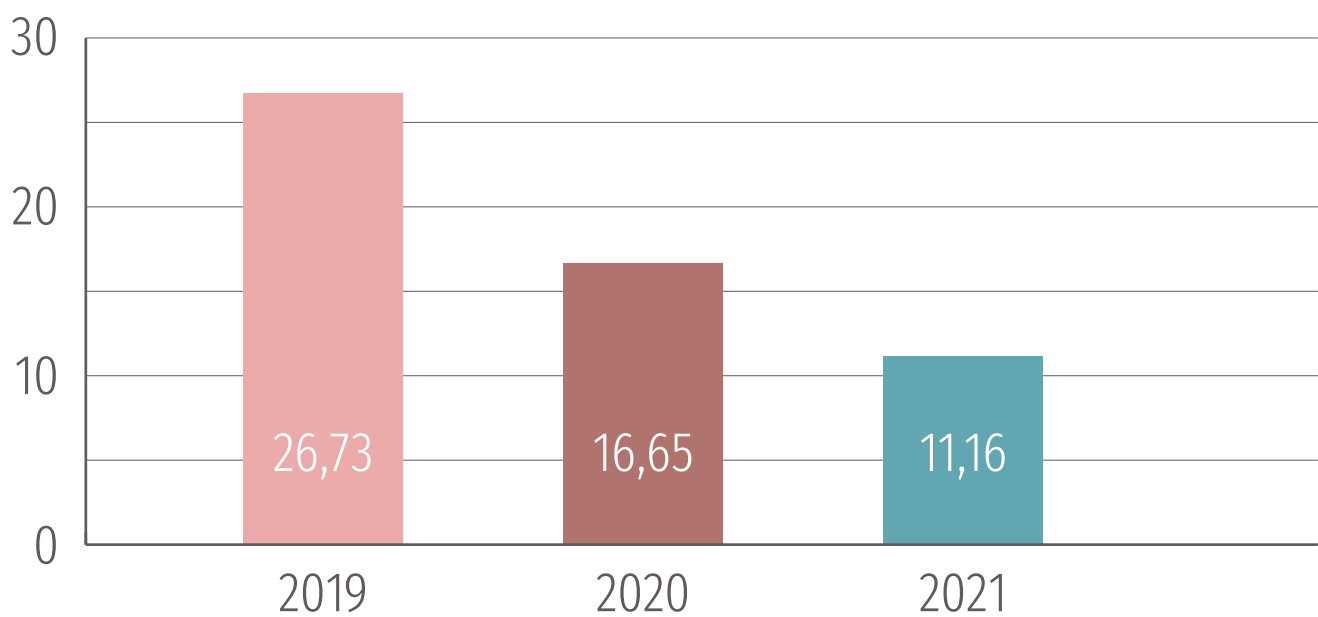
OPTIMIZING PRODUCTION PROCESSES

We are committed to reduce the use of materials, energy, and water in all our production processes, including packaging. We make

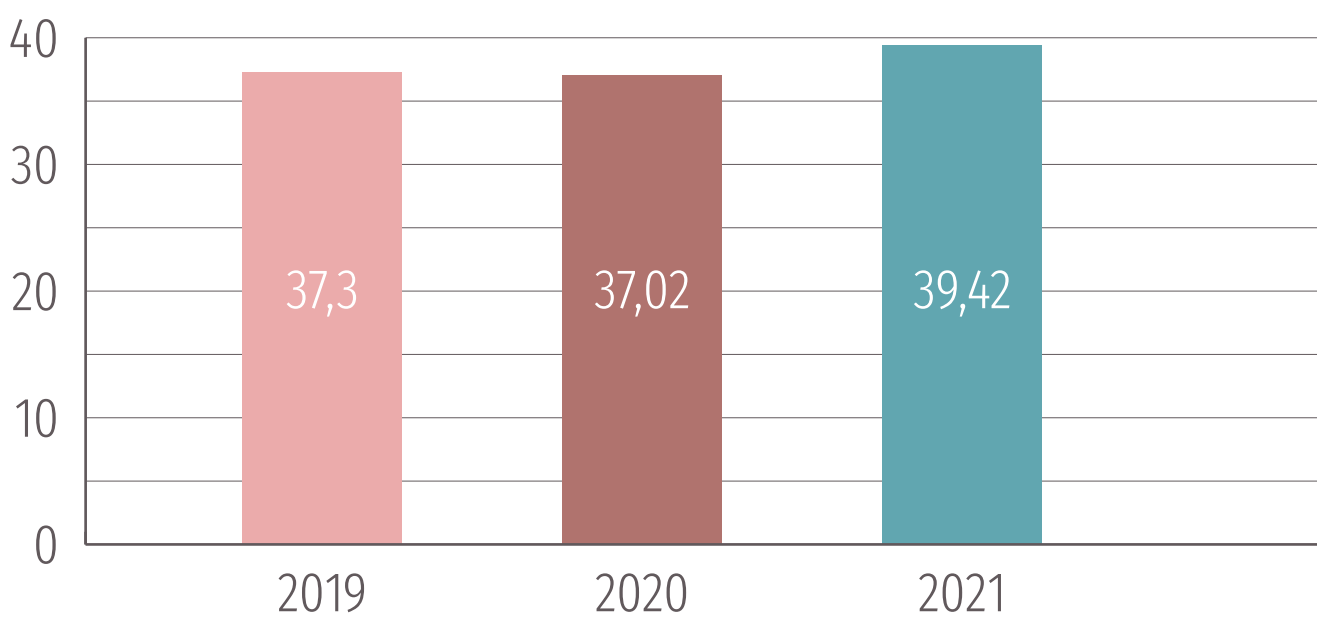
sure that all materials used are safe, recyclable, and ecological. Oras Group implements sustainability in products' entire lifecycle, starting with ideas, design, and use.

Analysis of packaging material recyclability and action plan to increase the amount of recycled packaging materials will be conducted in 2022. Approximately 50% of materials used to produce our primary products are from recycled sources.

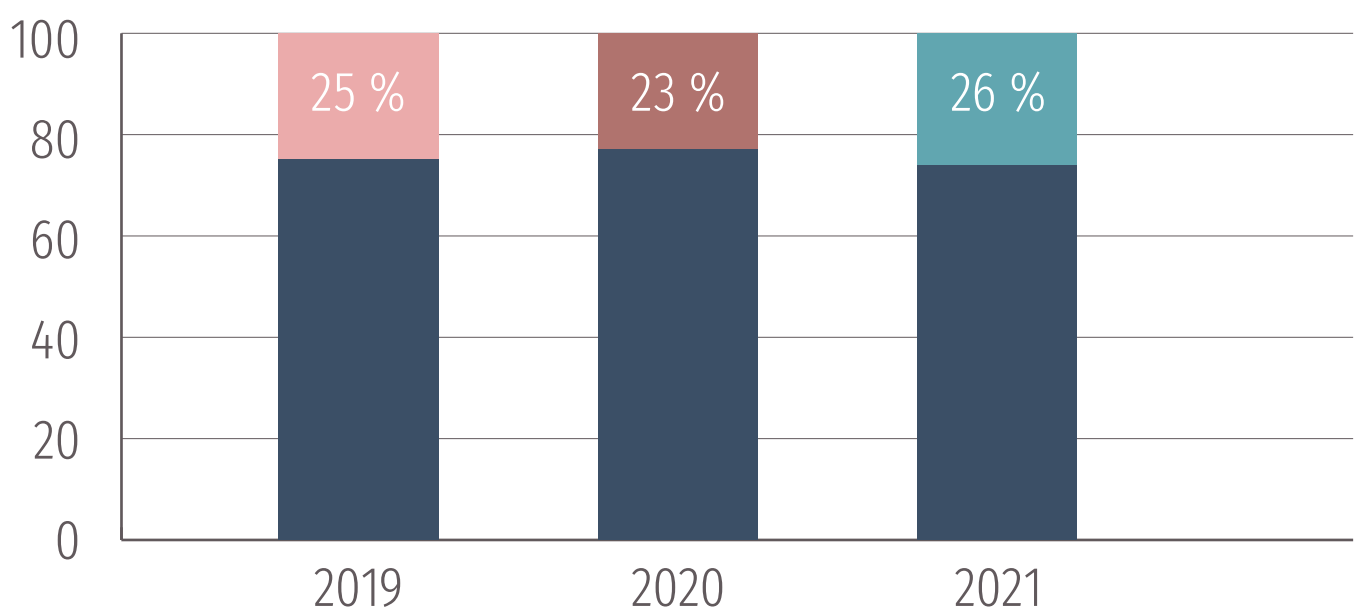
Water consumption (Ml)



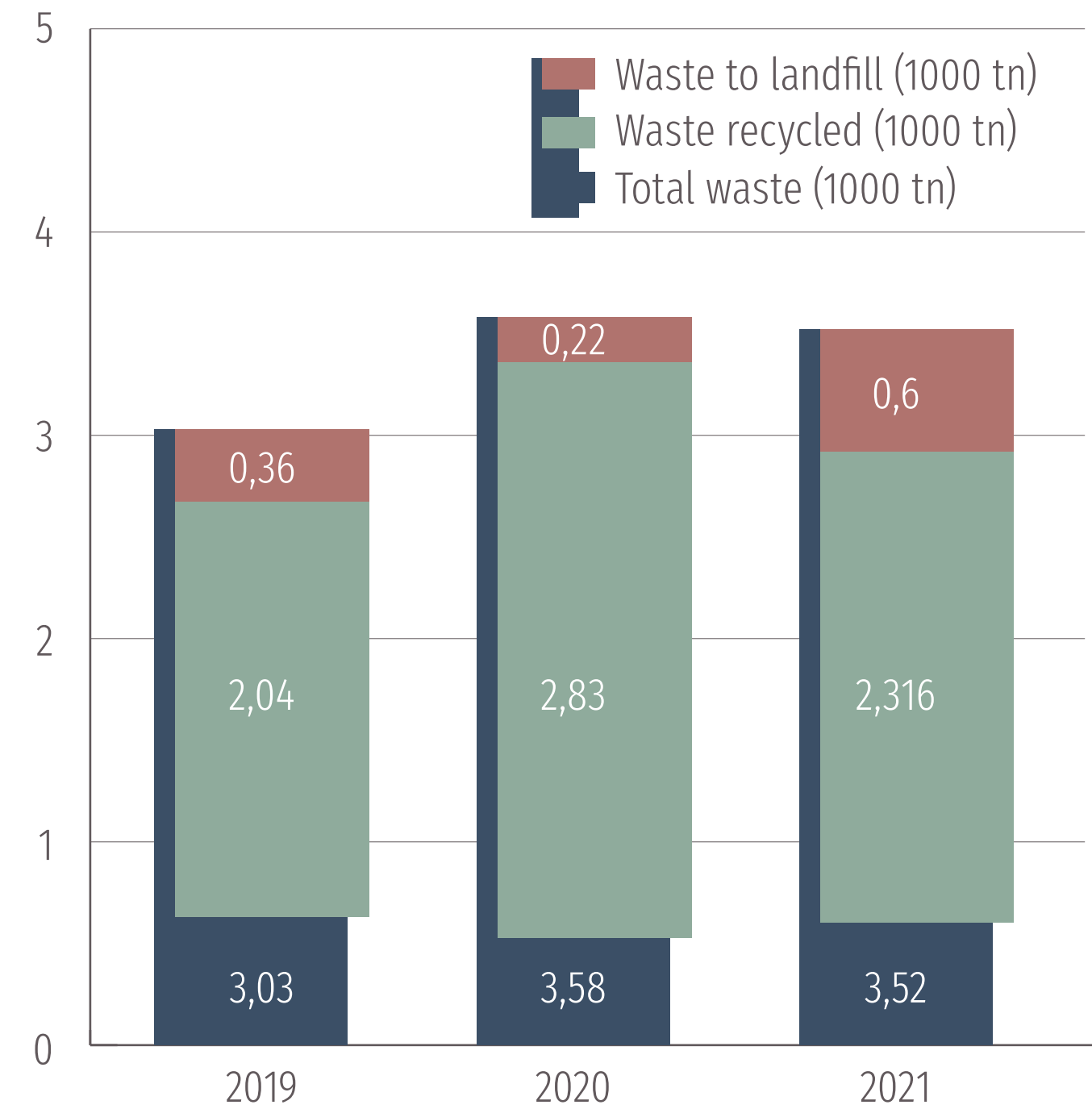
Energy consumption (1000 MWh)



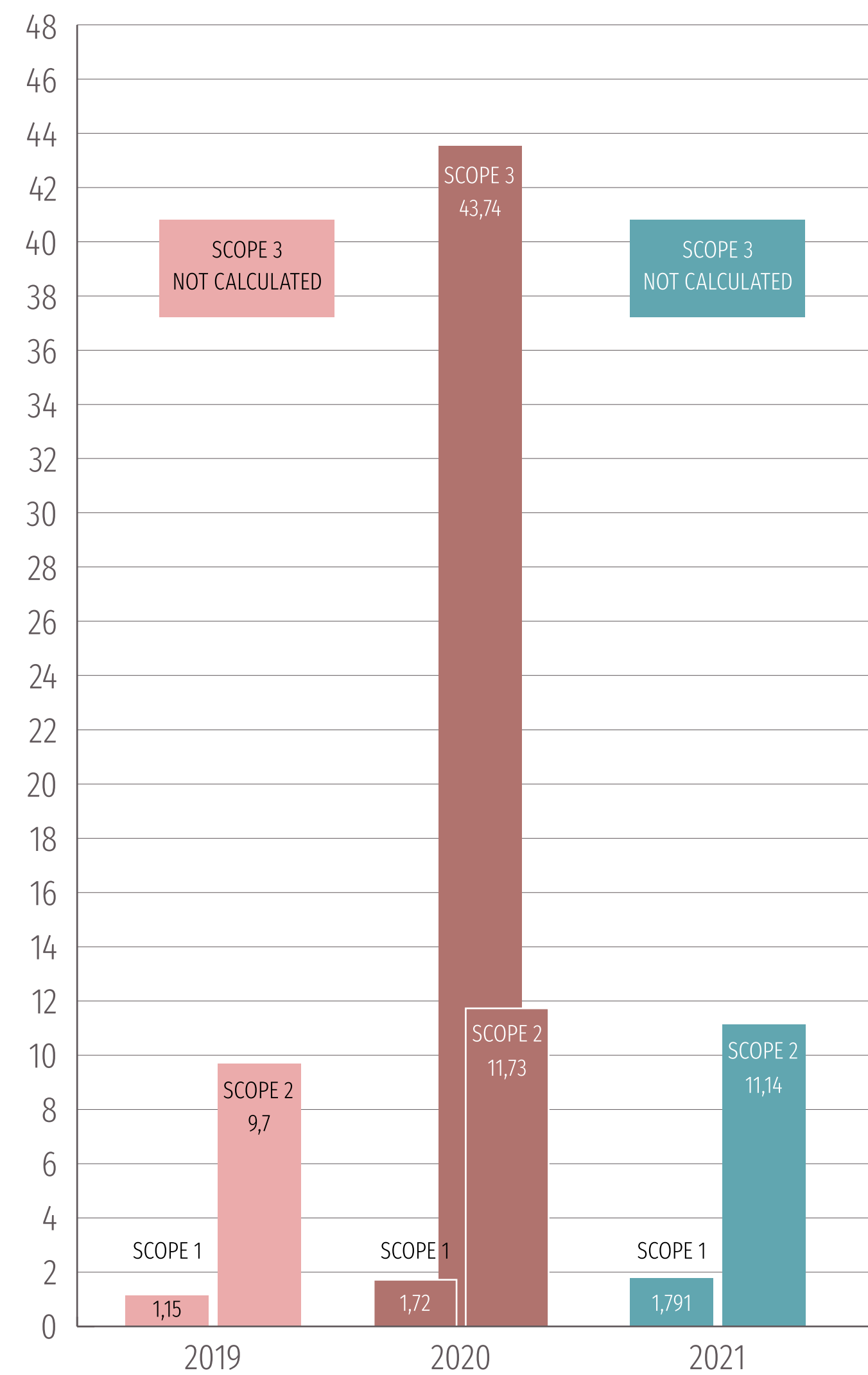
Percentual share of energy from renewable energy sources (%)



Total waste (1000 tn)



GHG emissions scope 1 & scope 2 (1000 tn Co₂E)

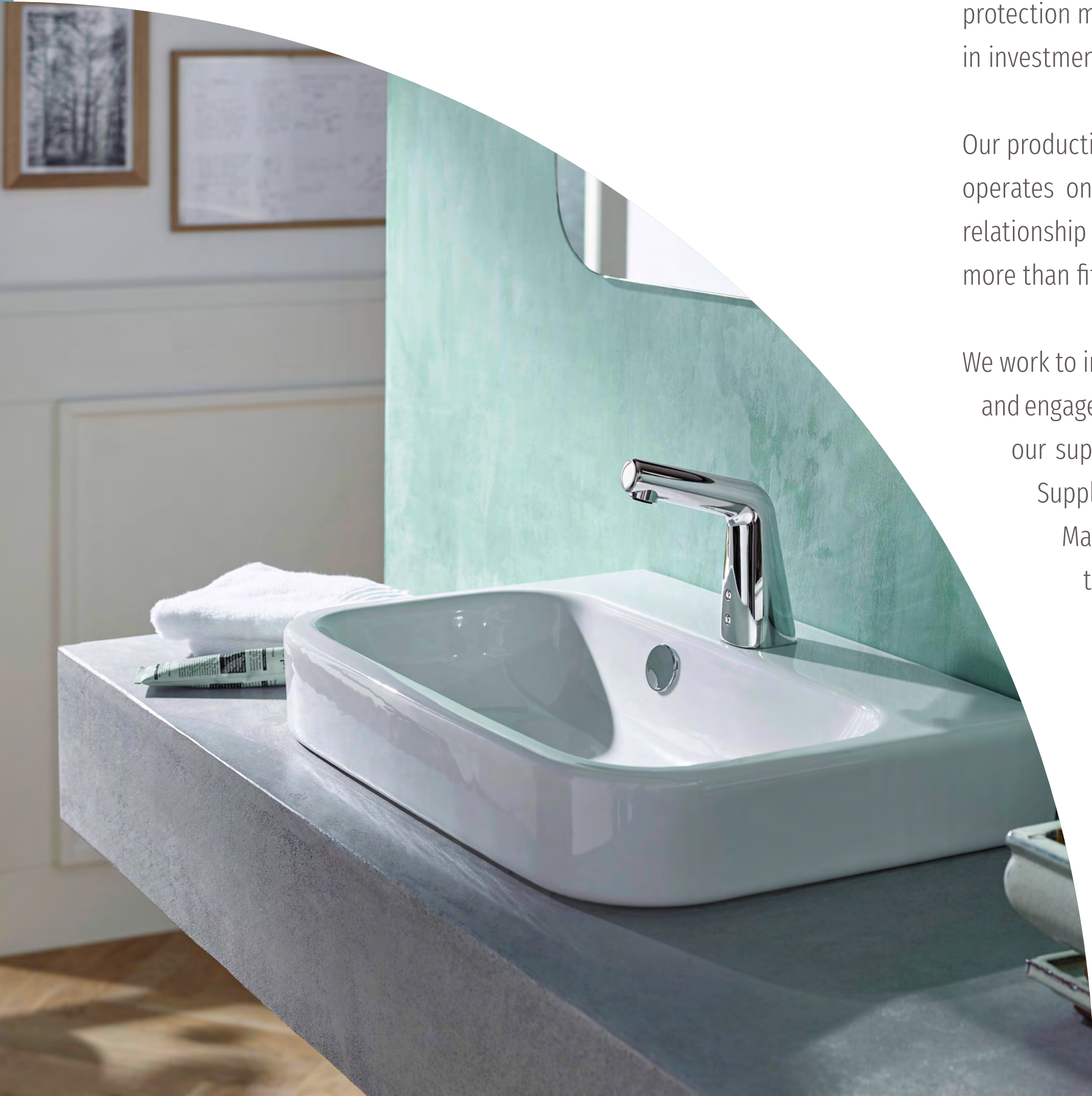


BECOMING CARBON NEUTRAL

We built our first climate program in 2021. As part of the project, we calculated our carbon footprint (57 090t CO₂e) and developed concrete plans for improvement for each of our production sites.

We are committed to switching to certified green electricity in our production to reduce our Scope 2 emissions. We target to reduce our energy consumption by 1% annually. Remaining scope 1 & 2 emissions will be compensated to achieve carbon neutrality of our own operations by the end of 2023. Plans at this moment vis-à-vis scope 1 & 2 include a shift to green electricity on all sites; renew manufacturing equipment; improve heat recovery; and prepare for solar panels on new sites.

Later we will investigate scope 3 to further define actions. Our largest environmental impact stems from our Scope 3 indirect emissions that cover 78% of our carbon footprint. We will develop our internal coordination as well as our supply chain management and procurement practices after having achieved carbon neutrality on Scope 1 and 2 emissions.



ENSURING SUSTAINABLE SUPPLY CHAIN

Our goal is to ensure sustainable supply chains. Environmental protection must be a top priority for all our suppliers who operate in investment goods, materials, and components.

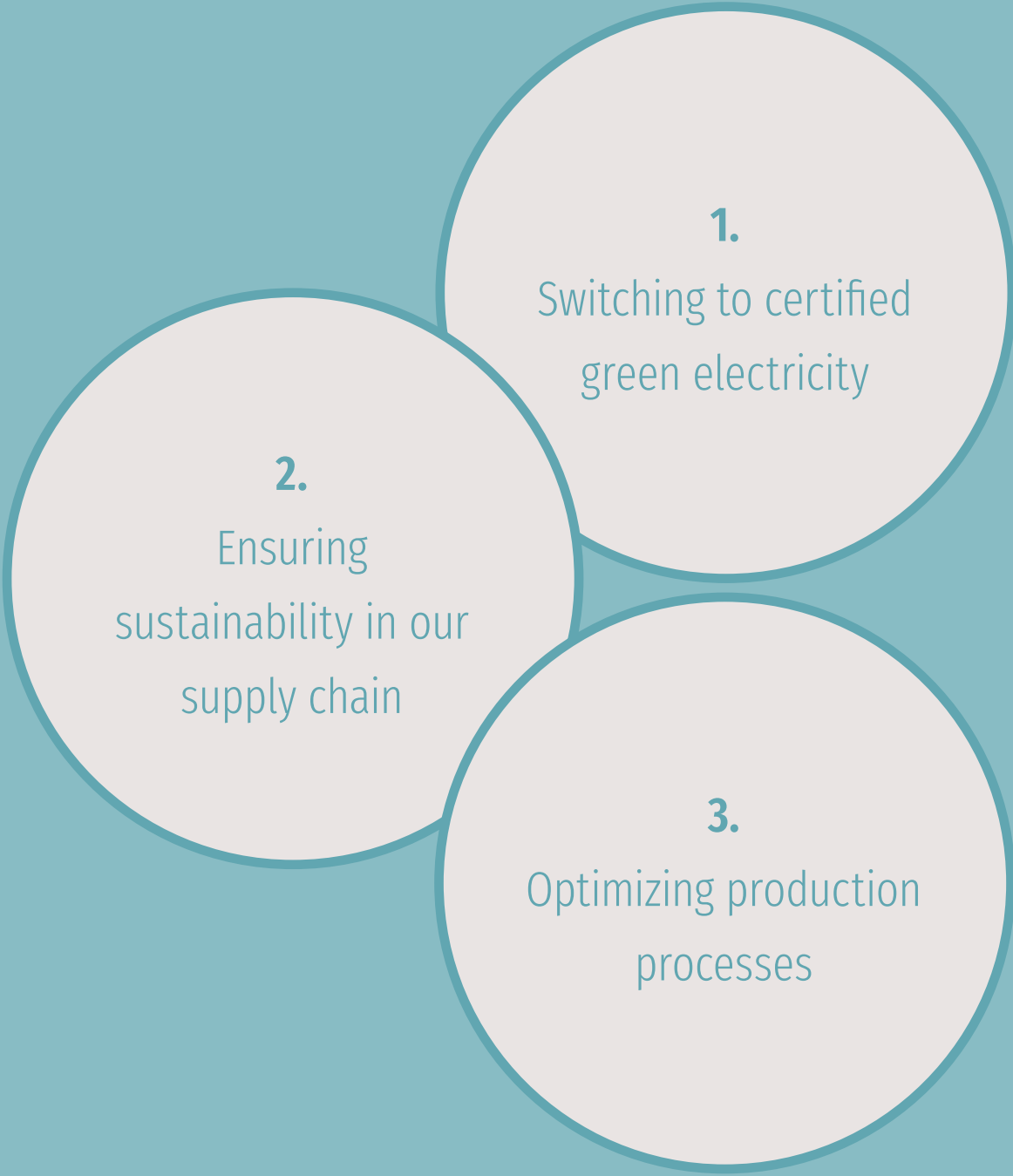
Our production facilities are in Europe, but our entire supply chain operates on a global scale. We take pride in our supply chain relationship management as some partnerships have lasted for more than fifty years.

We work to improve our supply chain risk management procedures and engage our suppliers in an open dialogue. Currently we expect our suppliers to comply with our Supplier Code of Conduct, Supplier Self Evaluation Form, Supplier Manual, and Audit Management Procedure. In this process we also audit the human rights and child labor issues. We have zero tolerance for human rights violations.

CUSTOMER HEALTH AND SAFETY

We ensure that our products are safe to use with regards to hot water and hygiene. All Bluetooth Touchless faucets are equipped to support automatic flush function, which limits stagnated water in the water supply.

MAIN GOALS



GRI-INDEX

102 - GENERAL DISCLOSURES		Page reported & additional comments
Description of the organization		
102-1	Name of the organization	Page 3
102-2	Activities, brands, products, services	Page 3
102-3	Location of headquarters	Page 3
102-4	Location of operations	Page 3
102-5	Ownership and legal form	Page 3
102-6	Markets served	Page 3
102-7	Scale of the organization	Page 3
102-8	Information on employees and other workers	Page 3, 22-24
102-9	Supply chain	Page 13
102-10	Significant changes to the organization and its supply chain	Page 12-14
102-11	Precautionary principle or approach	Page 9-10, ISO standards & code of conduct
102-12	External initiatives	Page 9-10, ISO standards, UN Global Compact in 2022, Supporting clients to achieve certificates such as BREEAM, LEED, WELL, and Swan
102-13	Membership of associations	-
Strategy		
102-14	Statement from senior decision-maker	Page 5
102-15	Key impacts, risks, and opportunities	Page 8, 15
102-16	Values, principles, standards, norms of behavior	Page 7 & 9
Governance		
102-18	Governance structure	Page 8
Stakeholders		
102-40	List of stakeholder groups	Page 12
102-41	Collective bargaining agreements	Applied to all our employees
102-42	Identifying stakeholders	Page 12
102-43	Approach to stakeholder engagement	Page 12, 16, 19-20
102-44	Key topics and concerns raised	Page 19-20
Reporting		
102-45	Entities included in the consolidated financial statements	Page 3
102-46	Defining report content and topic boundaries	Page 4
102-47	List of material topics (economy, environment, social)	Page 18
102-48	Restatements of information	-

102-49	Changes in reporting	This is the first report
102-50	Reporting period	Page 4
102-51	Date of most recent report	This is the first report
102-52	Reporting cycle	Page 6, Every second year
102-53	Contact point for questions regarding the report	Page 31
102-54	Claims of reporting in accordance with the GRI Standards	Page 4
102-55	GRI content index	Page 30
102-56	External assurance	EcoVadis evaluation (page 17), DNV certified ISO-standards (page 10)
103 - MANAGEMENT APPROACH		
103-1	Explanation of material topic and its boundary:	Page 18
103-2	Management approach & it's components: For each material topic (economic, environmental and social impact)	Page 19-29, based on Oras Group's Business Strategy
103-3	Evaluation of management approach	Page 8
ECONOMIC RESPONSIBILITY		
201 - ECONOMIC PERFORMANCE		
201-1	Direct economic value generated and distributed	Page 11
203 - INDIRECT ECONOMIC IMPACTS		
203-1	Infrastructure investments and services supported	Page 11
204 - PROCUREMENT PRACTICES		
204-1	Proportion of spending on local suppliers	Page 14
ENVIRONMENTAL RESPONSIBILITY		
301 - MATERIALS		
301-1	Materials used by weight or volume	-
301-2	Recycled input materials used	Page 27
302 - ENERGY		
302-1	Energy consumption within the organization	Page 27
302-4	Reduction of energy consumption	Page 13 & 27
302-5	Reductions in energy requirements of products and services	Page 19 (scope 3) EPDs
305 - EMISSIONS		
305-1	Direct scope 1 GHG emissions	Page 28
305-2	Scope 2 GHG emissions (energy indirect)	Page 28
305-5	Reduction of GHG emissions	Page 27-28
306 - EFFLUENTS & WASTE		
306-1	Water discharge by quality and destination	Page 27

306-2	Waste by type and disposal method	Page 28
306-4	Transport of hazardous waste	-
308 - SUPPLIER ENVIRONMENTAL ASSESSMENT		
308-1	New suppliers that were screened using environmental criteria	Page 14
308-2	Negative environmental impacts in the supply chain and actions taken	Page 13
SOCIAL RESPONSIBILITY		
401 - EMPLOYMENT		
401-1	New employee hires and employee turnover	In 2021 headcount turnover was 8.4%
401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	-
403 - OCCUPATIONAL HEALTH AND SAFETY		
403-2	Types of injury and rates of injury, occupational diseases, lost of days, and absenteeism, and number of work related fatalities	Page 23
404 - TRAINING AND EDUCATION		
404-1	Average hours of training per year per employee	Page 23, hours not calculated
404-2	Programs for upgrading employee skills and transition assistance programs	Page 23, hours not calculated
404-3	Percentage of employees receiving regular performance and career development reviews	Including all employees
413 - LOCAL COMMUNITIES		
413-1	Operations with local community engagement, impact, assessments, and development program	Page 21
413-2	Operations with significant actual and potential negative impacts on local communities	-
414 - SUPPLIER SOCIAL ASSESSMENT		
414-1	New suppliers that were screened using social criteria	Page 29
414-2	Negative social impacts in the supply chain and actions taken	Page 13
416 - CUSTOMER HEALTH AND SAFETY		
416-1	Assessment of the health and safety impacts of product and service categories	Page 29
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents during the reporting period

orasgroup



CONTACT POINT FOR QUESTIONS REGARDING THE REPORT

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