



Environmental, Social & Governance Report
Kohler Mira 2023

“We were founded on the belief that as our presence grew, so did our responsibility to our planet, communities and people. This is why we continue to embed our founding principles into our environmental sustainability and social impact framework based on the notion that our best can always be better.”

David Kohler, Chair and Chief Executive Officer



About this report

At Kohler Mira, we see sustainability as a responsibility. Not a choice. We've always believed that our business should have a positive impact on the planet, the communities around us, and the talented, hard-working employees who drive everything we do. And our rich heritage of innovation, built upon a century of pioneering design and engineering, has sustainable solutions at its heart.

This Environmental, Social and Governance (ESG) Report, our second, showcases with full transparency the progress we have made towards our goals this year. It also illustrates our plans to embed sustainability even deeper into our daily operations.

Sustainability is an important journey, and we want to take you along with us, as we continue to move towards a more sustainable future for all.

Important notes: unless otherwise stated, this report covers all entities under Kohler Mira Ltd across the period from January 2023 to December 2023. This report has been created with reference to the GRI Standards – you can view a GRI Standard content index in the Appendix. This report was approved by Kohler Mira's Executive Team.



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“Our commitment to have a positive impact on our people, planet and communities continues to be a core ethos of our business and since the launch of our first ever ESG report last year our associates have passionately brought this to life to bring real change to our business operations. In last year’s ESG report we set out our long-term sustainability goals, detailing our roadmap and documenting our journey on the way and I am incredibly proud of the progress we have made in these last 12 months. Over our 100-year plus history, we have often led the way with our brands Mira Showers and Rada, investing in innovation and delivering world-firsts that have improved the experiences for our users in a sustainable way and this year is no different. We launched our most innovative digital shower to date which enables consumers to monitor their water use and set targets to enable more sustainable water use and tackle the issue of water scarcity. In addition to this, we also launched our new Mira Sport electric shower with our improved Airboost™ technology that infuses water with air to create a more powerful flow without using any more water.

One of our most exciting milestones this year is the acquisition of Recoup Energy Solutions, a specialist supplier of Waste Water Heat Recovery products. This acquisition cemented our commitment to bring new innovation to our portfolio and provide consumers, installers and specifiers a range of sustainable products that have a positive impact on our planet by helping users reduce their energy use.

As one of the UKs leading showering manufacturers, we recognise that the biggest positive impact we can have on our planet is by reducing our carbon emissions and we are proud

of our new National Distribution Centre which is now carbon neutral thanks to the installation of 1,860 solar panels. But being a sustainable business is much more than minimising our environmental impact. This comprehensive report also outlines the action we have taken to create a better workplace for our associates, and I am delighted to have achieved the National Equality Standard, the UK’s leading Diversity, Equity and Inclusion Standard. My leadership team and I are passionate about creating an inclusive workplace for all our associates and this accreditation is testament to our focus in this area.

The progress we have made this year makes me proud of our continuous focus on our ESG targets and gives me huge encouragement for the potential to do better. We know we still have a lot to focus on and we will continue to challenge ourselves to rethink how we do business, making incremental changes that have a positive impact on our planet, our customers’ lives, our associates, and our communities as we look to leave the world in a better place for future generations.”

Emma Foster

Emma Foster, Managing Director.



Introduction 01

About Kohler Mira

Kohler Mira Ltd (referred to as Kohler Mira hereafter) is the UK division of Kohler Co. (hereafter Kohler), a global manufacturer in kitchen, bathroom, hospitality and power systems. The UK business is made up of three brands: Mira Showers, Rada and the recently acquired Recoup Energy Solutions.

In the UK, we have 710 associates across our Head Office in Cheltenham, our National Distribution Centre (NDC) in Worcester, our manufacturing facility in Hull, our RADA Europe team and our Recoup team in Norfolk – as well as fully remote employees based around the UK.

We partner with Kohler teams in the UK and around the world both as part of Kohler's Kitchen and Bath Global Product Innovation group, and through our shared services – from IT to recruitment.

For more than 100 years now, Kohler Mira and Rada have been leaders in innovation across products and services – with a focus on pioneering sustainable change in everything we do. We know we can make a difference – through the choices we make as a business, and by helping our customers to improve their own sustainability impact. And we firmly believe that sustainability never has to compromise price, quality and positive customer experience.





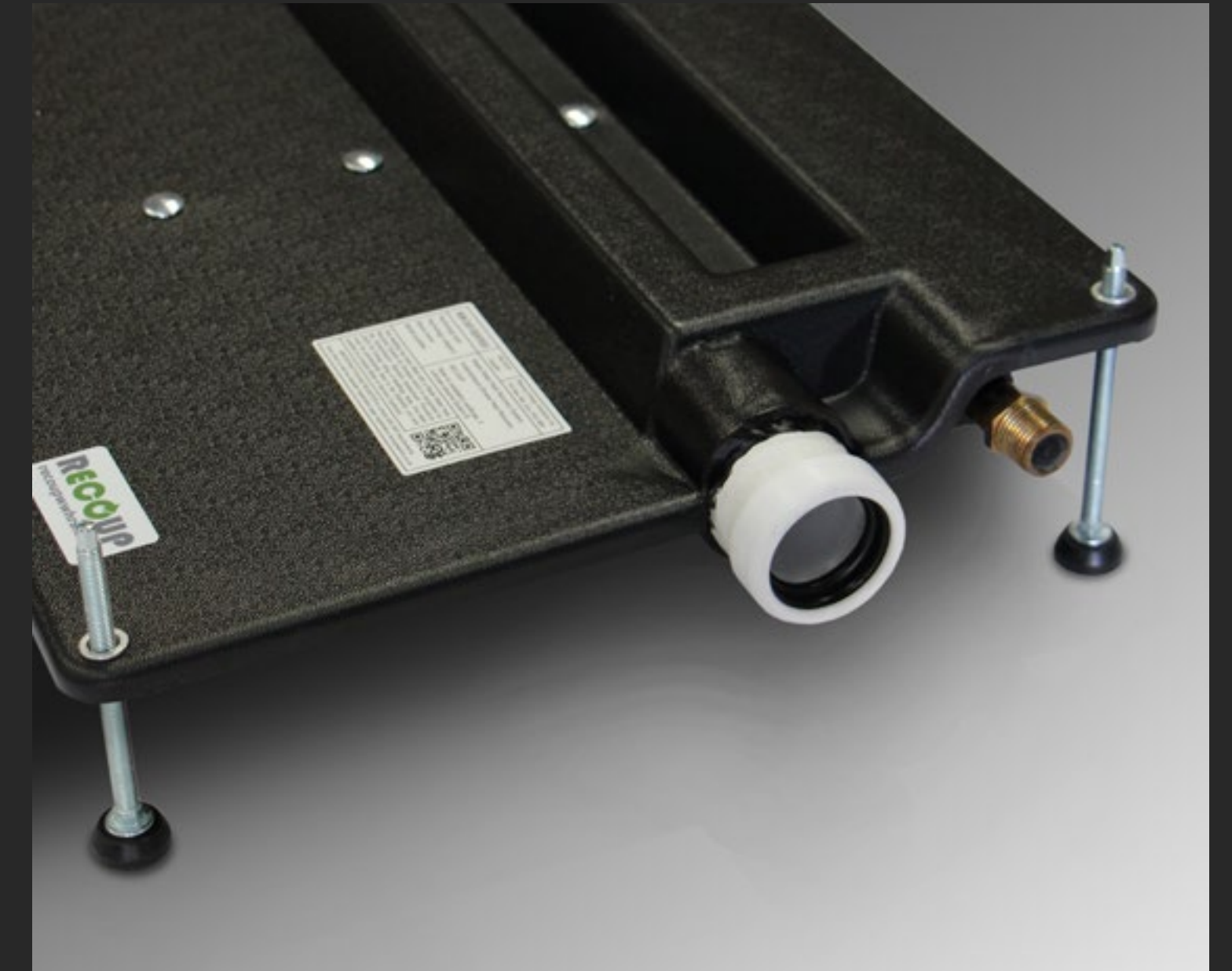
Mira Showers

Mira Showers is the most recognised shower brand in the UK, manufacturing high-quality bathroom products including showers, fittings, enclosures, trays and wall panels. Mira also offers repair and installation services to customers all over the UK.



Rada

Rada is the commercial division of Kohler Mira, with over 80 years of experience in manufacturing innovative products for organisations such as hospitals and schools across the globe. Rada products aim to keep end users safe, prevent waterborne infections and conserve resources.



Recoup Energy Solutions

Recoup specialises in waste water heat recovery systems (WWHRS) for showers. Recoup products reuse the energy that is normally lost down the drain, leading to reduced hot water requirements, lower CO2 emissions, and reduced household energy bills.

The acquisition of Recoup illustrates Kohler Mira's clear commitment to investing in the energy recovery sector and contributing to our sustainability ambitions.

Our DNA

The business choices we make every day can leave the world a better place.

At Kohler Mira, we care deeply about enhancing the quality of life for current and future generations. And we believe in the power of innovation and collaboration to help build the future we all want.

We're committed to ensuring we continue to operate within a safe, just and healthy world across the next 100 years. That's why our 2022–2027 Strategic Plan places corporate responsibility into every single area of our business. And the reason our strategic vision specifically cites people and planet as our focus.



The corporation and each associate have the mission of contributing to a higher level of gracious living for those who are touched by our products and services. Gracious living is marked by qualities of charm, good taste and generosity of spirit. It is further characterised by self-fulfilment and the enhancement of nature. We reflect this mission in our work, in our team approach to meeting objectives and in each of the products and services we provide for our customers.

Kohler Mission Statement

Governance

We recognise that governing major sustainability challenges at a global scale requires coordination. We closely cooperate with our parent company, Kohler, including regular consultations on our progress where new people and planet initiatives can be shared.

We believe that sustainability should be incorporated across the board and across various positions. To ensure that this responsibility is shared, we've created a five-member Sustainability Steering Committee led by Alexander Fagg, our New Product Development Director and Sustainability Executive Sponsor.

Alexander is also part of the Executive Board, which ensures that all sustainability matters are directly reported to the Executive team. The Executive team is our company's highest governing body and is composed of seven members, chaired by Emma Foster, our Managing Director. This body meets weekly, providing a regular, dedicated opportunity for the Sustainability Steering Committee to share updates on all sustainability-related topics.

This ensures close collaboration with our People initiatives and overall business strategy, helping to facilitate development across all ESG issues and strategy.

To efficiently manage and implement sustainability initiatives, we have aligned responsibilities across the organisation. This involves all associates below our Sustainability Steering Committee and the Executive team.

Additionally, due to internal structural changes, Kohler Mira now directly reports to Craig Baker, Chief Innovation Officer, who then reports directly to David Kohler. Through this development, a clear and direct link is established between Mira and Kohler's values.

We believe that sustainability should be incorporated across the board and across various positions.



Craig Baker, Chief Innovation Officer



Ethical integrity

We value transparency and provide proof of our progress through open disclosure and sincere, respectful communication. This means that our brands are built on ethical integrity – with key policies core to this.

Our internal Ethical Code of Conduct sets out how each of our associates is expected to fulfil their responsibilities, as well as the remediation process for any type of misconduct or question of critical concern.

To help embed ethical integrity across our business, ethics, and bribery and corruption training is compulsory for every associate each year. Alongside this, our ethics helpline is in place for associates to report any type of illegal or unethical behaviour. In the reporting period, we have not had any reports of any such misconduct.

In addition, the scope of our annual financial audit, conducted by PwC, includes investigation into corruption, fraud and anti-competitive behaviour. The most recent audit concluded that no ethical risks were present in our operations.

Ethical procurement

Operating with ethical integrity also extends to how, where and from whom we source our products. In our view, choosing the right suppliers is an ethical consideration. While many of our competitors moved to a sourced model (i.e. they procure their products and then resell), we want to maintain full control over how our products are designed and manufactured. As an integral part of the business, we believe it is important to have a responsible supply chain and work with suppliers and partners that share our commitments and values.

We also value building relationships with local partners – not least because large and complex supply chains often come with great risks. This is why we have a fully UK-based manufacturing, design and engineering process. We also carefully consider where we source our materials and componentry – to ensure we always meet the highest levels of quality, while also supporting our ambitions to build a robust supply chain, as well as our wider sustainability goals. In 2023, 48% of our total procurement spend was made in the UK.

To ensure that our suppliers adhere to our high standards, we have set out a rigorous process that ensures we eliminate potential ESG risks. Our Modern Slavery and Human Trafficking policy reflects our commitment to acting ethically and with integrity in all our business relationships – as well as implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains. Additionally, we conduct regular on-site supplier audits. During the reporting period, 17 on-site audits have taken place.

Additionally, all our suppliers are required to sign our global Supplier Code of Conduct. This sets out our expectation that all suppliers conduct business to the highest legal, moral and ethical standards – while aligning themselves with the UN Guiding Principles. We ask our suppliers to renew their commitment to our Code of Conduct every five years.

We are proud to say that suppliers that account for 99% of our 2023 spend have signed our Code of Conduct, or supplied their own, equivalent version. We continually review our supplier database for compliance – identifying any new suppliers, or those we may have paused or repurchased from in the year.

We also issue our suppliers with a Global Supplier Quality Manual, which includes further policies that they must abide by. To reinforce both initiatives, we also have sustainability embedded in the Kohler Terms & Conditions – for example, clauses around ethical conduct, data security, conflict minerals, employment and environmental impact.

In terms of Governance, our procurement practices are governed at the Group level. Through Kohler, we have several initiatives in place to ensure that our suppliers are as responsible and diverse as possible. In 2022, we rolled out the new Responsible Sourcing Program with the goal of reducing the risk of human rights and forced labour issues within our supply chain. Part of this program involves performing due diligence on our suppliers, including a Supplier Selection Questionnaire, self-assessments, and on-site audits on a regular basis for both new and existing suppliers.

Going forward, we will continue raising internal awareness on sustainable procurement practices by organising workshops and other communication initiatives both in-house, and in collaboration with external partners. In addition to internal awareness, we also want to engage and raise awareness directly among our suppliers. We believe that both parties will benefit through this collaboration – helping to ensure that we robustly tackle the environmental and social challenges in our supply chain.

99%

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Material topics

Material topics are reviewed as part of our sustainability strategy, every two years. Our sustainability strategy underpins our business strategy and is devised and approved by the Kohler Mira Ltd Executive Board, and then approved by the Kohler Co. Leadership team, including the CEO.

In 2022, we conducted our first materiality analysis based on industry research and a consultation with the Sustainability Steering Committee. The topics identified in this analysis are still considered relevant to date and will be evaluated again in 2024 as part of the next sustainability strategy review.

Environment

- Energy consumption and product carbon footprint
- Water and accidental pollution
- Materials and waste
- Electronic waste

Labour

- Employee health and safety
- Working conditions
- Career management and training, recruitment
- Diversity, discrimination and harassment

Ethics

- Corruption and fraud
- Anti-competitive practices
- Information management and data security

Procurement

- Controversial sourcing
- Sustainable supply chain

Other

- Product design and life cycle management
- Product quality and safety
- Corporate giving



A woman is seen from behind, holding a young child in her arms. They are standing on a hillside, looking out over a landscape filled with wind turbines. The sun is low on the horizon, creating a warm, golden glow and lens flare effects. The woman's arms are raised, and the child's arms are also raised, reaching towards the sky. The wind turbines are silhouetted against the bright sky. The overall mood is peaceful and hopeful, suggesting a connection between nature, renewable energy, and a better future.

Better Lives 02

“Our world is changing and so are the challenges we face – from extreme weather to dwindling water resources. It is important that we adapt our business and mindset to meet these challenges. With every challenge comes an opportunity, and looking back at the past year I am confident we are prepared for what comes next.”

Laura E. Kohler – Chief Sustainable Living Officer



Better lives

We have a choice of how to tackle the world's modern challenges. We choose to be a part of the solution and leave the world a better place, every day.

This vision is dependent on our ability to provide better lives for everyone. We take our responsibility and the impact we have on the world and people seriously – and we use it to shape our sustainability objectives. Driven by the Group's 'Believing in Better' philosophy, we embed socially responsible practices at every step of the way.

We recognise the opportunity to achieve a positive impact beyond simply our business operations – from sustainable innovation, DE&I and our net zero carbon ambition, to a circular economy and how we engage with our communities.

We have a responsibility not just over how we design, manufacture and supply our products, but also how our customers use them – and we want to maximise the positive impact we have on the world and people's lives. Through Craig Baker's position as Vice Chairman of the Bathroom Manufacturers Association (BMA), we collaborate with others in our industry with the goal of setting better sustainability practices, and ensuring product compliance with international and national standards. Our industry is already highly regulated, but we want to make sure that we go above and beyond expectation – to build a truly sustainable business.



All our new products are developed with sustainability in mind.

Water and energy are at the core of how our products are designed, and how they work. From the amount of water our products use, to sustainable water and energy usage in the manufacturing process, we aim to use the latest digital technology – focusing on safety and sustainability – to set new standards in water delivery.

One key challenge that has a considerable impact on our business is ever-evolving sustainability legislation, particularly involving the new-build market. As more and more areas of sustainability are being added into the national policy, stricter regulation is being introduced for new construction.

For Kohler Mira, this means that any new-build regulation will have a direct impact on the industry standard – and products must meet this standard as quickly as possible to stay competitive. Equally, housebuilders are under increasing pressure to meet and future-proof against government sustainability targets – including water reduction.

We take our role in the new-build market seriously and make sure that we report on our product sustainability to help meet those targets.

To achieve this, we work closely with our trusted customer partners to develop products with sustainability in mind – always considering how we can contribute towards an energy-

For Mira, delivering energy-efficient and sustainable products while maintaining an exceptional showering experience, is at the heart of our mission.

efficient home, improve water efficiency and increase the circularity of our products.

For Mira, delivering energy-efficient and sustainable products while maintaining an exceptional showering experience, is at the heart of our mission. The recent acquisition of Recoup Energy Solutions already contributes greatly to this endeavour. For Rada, operating in sectors serving vulnerable users, such as healthcare and education, there is an added pressure to maintain the highest level of health and safety.

The sectors we operate in care deeply about the environment and face increasingly demanding sustainability pressures. This adds extra urgency to our focused efforts to provide solutions that promote resource efficiency without compromising on performance, safety and customer experience.



Sustainability at Kohler Mira

Our parent company, the family-owned Kohler established in 1873, has defined its sustainability and social impact strategy under the over-arching philosophy of 'Believing in Better'. Kohler Mira also operates under this framework and lives the values of Kohler.

Our own sustainability strategy is based on our drive to stand up for a better future for all people and the planet, helping our customers improve their own impact, without compromising the highest standards of quality, safety or customer experience.

We believe in the power of innovation and collaboration to ensure we leave the world a better place. Together, we can achieve more – both for our communities and our associates.

We're facing unprecedented challenges from climate change. As an employer, as well as a manufacturer, supplier and consumer of products, we have a huge part to play in helping to tackle them. And to help direct positive change across our business, we've placed five key UN Sustainable Development Goals at the heart of our strategy – SDG 5, SDG 9, SDG 12, SDG13 and SDG 17.



SUSTAINABLE
DEVELOPMENT
GOALS



SDG5

Many key functions in our industry, such as engineering, remain male-dominated professions. We are committed to equal opportunities for all our associates, but also our customers and the industries that are so important to our products.

See Diversity, equity, & inclusion (p.30) and Charity initiatives & partnerships (p.49) for Kohler Mira's initiatives that contribute to SDG5.



SDG9

Innovation is a core part of our company DNA and our culture. Our associates are encouraged to innovate big and small, everywhere. We contribute to this SDG by continuously innovating our products and services, as well as improving our production and logistics processes.

See Technology & innovation (p.20), for Kohler Mira's initiatives that contribute to SDG9.



SDG12

Continuous innovation to reduce the resources our products consume is an essential part of our product development process and business strategy. We also focus on incorporating circular principles in waste management, looking at how we can do more with less. To contribute to this SDG, we carefully consider what products and services we provide as well as how we provide them.

See Technology & innovation (p.20), Efficient water use (p.41), and Waste management (p.43) for Kohler Mira's initiatives that contribute to SDG12.



SDG13

We pride ourselves in contributing to this SDG with our ambitious net zero target. An example of this is the installation of 1,820 solar panels at our National Distribution Centre (NDC), which together have generated 319.46 MWh of energy in 2023. The building of the NDC itself has also enabled us to substantially reduce delivery miles.

See GHG emissions & energy (p.39) for Kohler Mira's initiatives that contribute to SDG13.



SDG17

As we progress along the journey of continuous improvement in ESG, we recognise the value of partnering with others to achieve common goals. From our community and charity partnerships to industry bodies and water stewardship, we are committed to developing impactful and long-term collaborations.

See Charity initiatives & partnerships (p.49) for Kohler Mira's initiatives that contribute to SDG17.

Technology and innovation

The domestic plumbing industry has gone through considerable change in the past century – from introducing taps and showers in virtually all households and institutions across the UK, to the latest trend of digitisation of bathrooms. As leaders in this area, we have driven real innovation in the smart and connected shower market.

A key success over the past year has been the continued development and optimisation of the next-generation Mira Showers App, which connects our customers' smart showers with their mobile devices to enable full control of their product – including water temperature, time presets and remote start-up.

Our app also works with smart home technology such as Google Home and Alexa, and includes accurate flow monitoring, which reports on how much water has been used each time the shower is in operation – with the aim of encouraging a greater awareness of water usage and efficiency.

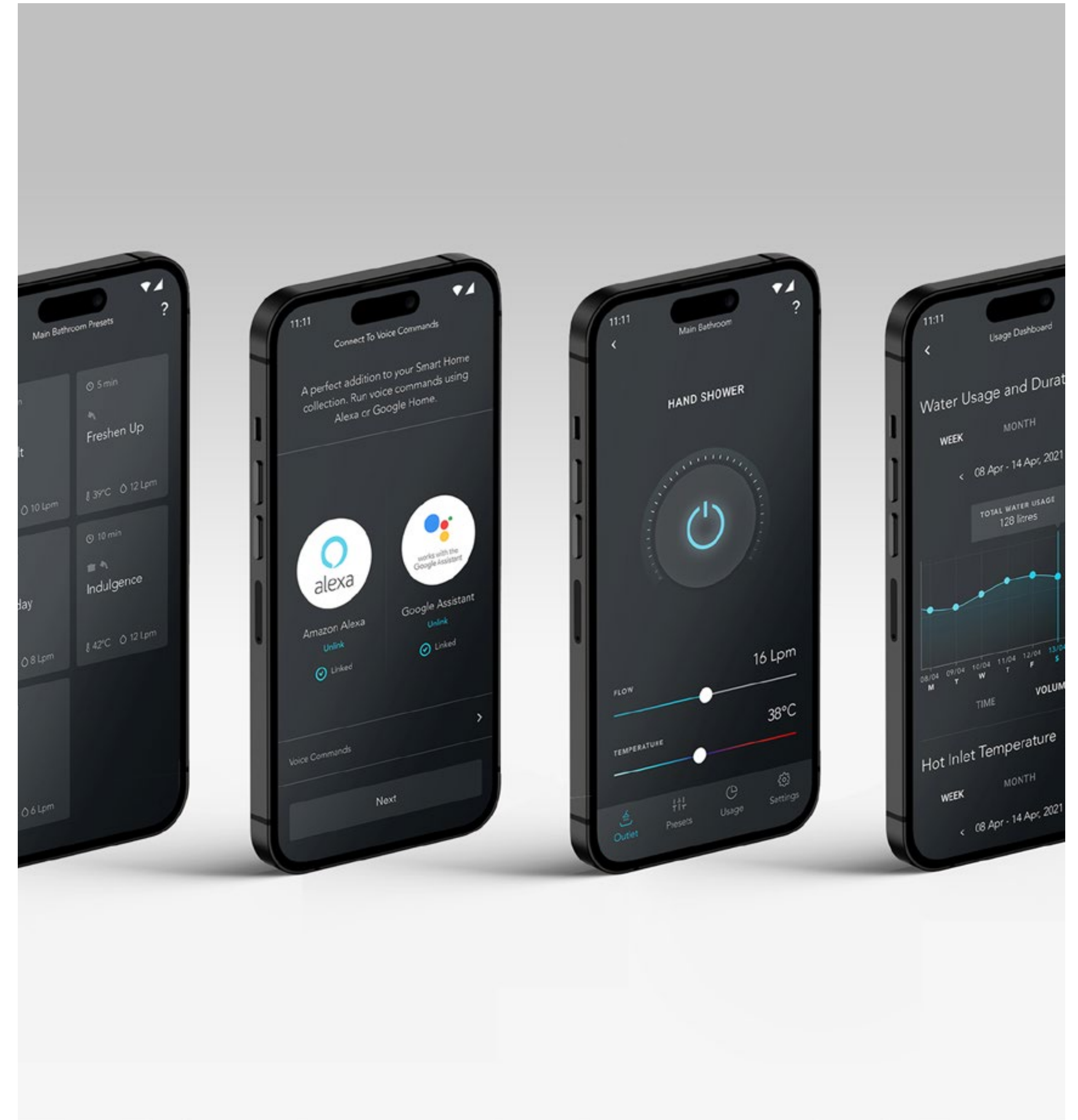
Another development of the Mira Showers App is the integration of Mira Platinum – a shower that was at the forefront of the digital category when it launched with the first wireless shower controller in 2008. Today's updated product range includes app compatibility for the first time, while maintaining the features that have made it so successful over the last 15 years. The new Mira Platinum transforms our customers' showering experience with precise controls and personalised settings through digital control – by app, or by

voice. This allows precise heat and flow control, presets like eco, and a customisable maximum temperature setting to help enable safer showering for families. Innovations like these showcase our continued ambition to do better, every day.

As we continue to connect our products with the digital world, we realise that concerns regarding data protection and information security might arise. As a company, we understand the value of our customers' data and take their concerns and expectations of privacy seriously. To ensure the highest degrees of data security, we subject the Mira Showers App to a penetration test prior to every major update – engaging ethical hackers to attempt to exploit any loopholes in the code. Any issues found are reviewed by the development team and steering committee and then resolved prior to launch.

During the set-up process, we give our customers the option to grant or deny their permission for the app to share information with Kohler Mira. This primarily entails analysis of customer information through the Firebase platform by our marketing and app development teams. A monthly report is produced with top-level information including the number of app downloads and active users.

The Mira Showers App is currently managed at Kohler Company level, allowing us to leverage our internal expertise. To ensure compliance with information security legislation while providing the highest-quality software experience, we involved our shared services IT/cybersecurity team as well as our legal team, during the app's development.



Beyond integrating digitalisation aspects into our products, a key part of our product development process is assessing all new products against their potential impact on the environment – supporting our commitment to be innovative in this area. We call this our Design for Environment process and it looks at the full product lifecycle of every new product we launch. This helps us to determine if the product is Positive by Design and this is a key metric for our Product and Development teams. In 2023 93% of our products launched were Positive by Design from 90% in 2022.

For example, during the reporting period, we launched Mira Form, a multi-fit mixer shower which is manufactured in a bio-plastic. The shower's packaging also includes no single-use plastic content, increased recycled and recyclable plastic material, and a 100% recyclable outer carton.



93%

of our products launched were
Positive by Design in 2023.



Rada SF160 – colourful nozzle mats to reduce water use

As a leading manufacturer of commercial taps and showers, Rada understands what it takes to deliver safe and efficient washrooms.

We're currently working with one of the UK's largest student accommodation providers to help them reduce water and energy use across their sites – and in turn reduce their overall running costs.

Taking a holistic approach to their water management, we recommended showers with a flow rate of six litres per minute – two to six litres per minute less than their existing showers.

“Rada showers are helping us save water, but also time. The showers include brightly coloured detachable nozzle mats. By using two of the four colours available on a rotational basis, our team can quickly identify which heads require cleaning. The nozzle mat can be easily removed and cleaned in a dishwasher. This reduces the need to use harmful cleaning chemicals and reduced the time spent cleaning.”

– Estates Manager, student accommodation

Rada's Resource Saving Calculator is enabling customers to work out how much water, energy and carbon they can save when they specify Rada products.



Better Workplace 03

Better workplace

We believe in the need to feel fulfilled by what you do. That's why we create opportunities for our employees to live and work better. At Kohler Mira, we're committed to fostering a fair and respectful workplace – and we nurture a culture where all our people can develop, in order to achieve their full potential.

We also value purpose-driven individuals who are passionate about our mission to be industry leaders. With more than 710 permanent associates, we continuously look to improve our workplace – providing opportunities for professional development and growth, and encouraging our associates to individually contribute toward a better world.

82%

participation rate in our most recent engagement survey in October 2023.





Internal communication and engagement

We recognise the importance of creating, and maintaining, a dialogue between the management team and our associates. From regular site visits by our Managing Director to monthly update meetings from department heads, we create opportunities to share ideas, voice concerns and keep everyone up to date with recent business activities.

Regular internal communication is conducted through various channels, including emails, video messages, ad-hoc face-to-face discussions, as well as social media. This multi-channel approach ensures that we have enough touchpoints throughout the year to successfully reach all our associates.

What's more, we've also been introducing several internal systems throughout 2023 to facilitate administrative details and internal information sharing for Kohler Mira associates. One example is myHR – providing a simplified, automated online platform that offers our associates direct control of their personal information.

Besides utilising the regular internal communication channels, we also instigate discussions and provide feedback opportunities for our associates through anonymous GLINT engagement surveys – an initiative we began in 2021. We conduct surveys twice a year – a shorter, more focused GLINT pulse survey in May for a half-year check-in, and a full survey in October which focuses on, among other things, growth, culture and DE&I.

Our most recent engagement survey in October 2023 achieved a participation rate of 82% – focusing on 12 topics including work-life balance, engagement, growth and manager effectiveness. We received over 730 comments, ideas and questions across these topics, with feedback and learning and development having high positive sentiment.

Manager effectiveness received high scores, as well as work-life balance. Areas of improvement were identified in professional growth and career opportunities, and a sense of purpose and belonging.

An example of a change made as a result of this feedback is our improvements in communications to associates who don't have access to networked computers – specifically with our campaign for MyBenefits, a portal that offers associates access to salary sacrifice schemes, health and wellbeing services, and exclusive offers.

The communications reached associates directly through a mix of visual campaigns, in-person surgeries, virtual webinars, watch-again recordings and methods to reach associates via their personal devices (as part of Bring Your Own Device). Over 72% of associates accessed the MyBenefits portal during the latest scheme window to view or enhance their benefits package. We're also improving communications to associates through improved planning and advertising to create equal access to events and associate opportunities.

Career development and growth

An engaging and supportive workspace is at the core of a strong workforce. Our associates value the working environment we have created for them – a fact that’s proven by our long average tenure, which grew to 13.1 years for the reporting year, compared to 12 years in 2022.

We focus strongly on associate retention and place a lot of emphasis on professional development, which is directed and personalised by each associate. All (100%) of our associates undergo regular performance and development reviews. Within their individual development plan, associates set out their own path – with 70% of development goals directly related to their job, 20% formal coaching and 10% formal learning of their choice.

In addition to on-the-job training, we also have training available through our company-wide subscription to LinkedIn Learning – offering associates a variety of options for training and learning new skills.

The courses available are varied and associates can focus on topics such as Excel Essentials, Speaking Confidently and Effectively, Customer Service Foundations and Digital Marketing Foundations.

Furthermore, we also utilise the global Kohler Career Management (KCM) platform, focusing on two elements: performance and development. The KCM platform is available to all our associates, including managers, and is used

during performance reviews to set personal development goals. In addition, the platform is designed to eliminate any discrimination and bias.

We understand the important role our leaders play in developing our people and driving our culture – which is why we created a People Leader Forum (PLF), a community representing over 70 of our people leaders in the business. This community meets once a quarter for training and coaching, to help them effectively inspire our people, and deliver the people element of our strategic plan.

To further upskill our leaders, Kohler Mira has adopted several Kohler-led initiatives. For instance, Kohler Mira was one of the first Kohler businesses to roll out the Bold Leader Program, which is a unique multi-module leader development experience designed to build Bold Leader capabilities in Inclusive Leadership, Self-Leadership, People Leadership and Business Leadership. So far, 62 Kohler Mira leaders (69%) are participating – with a further 23% (28) of our leaders starting the Bold Leader Program in the first quarter of 2024.

Additionally, this year we rolled out the Better Up Coaching Program, a targeted initiative that focuses on individuals who are midway through their leadership journey. These individuals are assigned a coach who provides one-on-one sessions to enhance their leadership skills and capabilities.

In line with our ambition to provide development opportunities not only to leaders but to all associates, Kohler Mira has also rolled out the Lean for Leaders Program. This is a five-day training workshop that embeds lean principles

into the manufacturing parts of our business. So far, 72 Mira associates have taken part in the training, with more sessions planned for 2024. This course teaches the Continuous Improvement (CI) method including Toyota lean principles, encouraging manufacturing associates to ‘own’ the areas they work in and ultimately contribute to more efficient manufacturing operations. Through collaboration between managers and operators, we aim to identify process improvement opportunities, and empower teams to make small, low-cost, rapid improvements.

69%

of Kohler Mira leaders are participating in our Bold Leader Program.



“Lean for Leaders at Mira Cheltenham has been a truly valuable experience both professionally and personally. Observing the team dynamics grow and evolve during the week is fascinating as more ideas are generated and the scientific approach to Continuous Improvement is explored. Coming from an engineering background, I can understand why our need to drive CI into the business – making things easier, safer and more efficient for our shop floor associates – is so compelling and important. I’m excited for what the future brings, and we can continue to develop and support our staff further!”

Kristian Derrett, Operations Training Specialist

Mentoring is an essential element of personal growth, and we want all our associates to benefit from it. Our global program Bold Mentoring is an internal initiative offering all managers the chance to become mentors. Associates can then find the most suitable mentor based on their requested skill sets. This process enables associates to connect with different departments as well as different entities across the entire Kohler group.

Kohler Mira currently offers ‘mutual mentoring’, which represents a development relationship based on mutual reciprocity. This means that mentees learn from lived experiences and perspectives of other associates representing protected characteristics. From 2024 onwards, we aim to provide mentoring with a specific Diversity, Equality and Inclusion (DE&I) focus to enhance inclusive behaviour in our business. This is an important step we will be making, based on our associates’ wishes that became apparent from the results of our latest engagement survey results as well as the NES assessment.



A fair and equitable employer

Our compensation and benefits team ensures that we remain a competitive and fair employer. In April 2022, the team conducted a bi-annual pay review, looking at all salaries within each job family and this will be repeated in 2024 as part of the continuous review programme.

In addition to a competitive salary, we also offer our associates a wide variety of benefits. For this, we launched a new online benefits platform in January 2023: MyBenefits. Here, our associates have an overview of all their current benefits provided by the business in one place. This includes the Healthshield cash plan, access to private health care, maternity, paternity, adoption leave, additional holiday earned on time served, and the possibility of career breaks.

As part of this newly launched platform, our associates can also further personalise their benefits portfolio by adding enhanced features, including writing a will, free mortgage advice, a range of technology to purchase and access to a virtual GP. We are proud to share these benefits with all associates and to accommodate their individual needs and preferences, subsidised by £100 per associate from the business. We have secured a 72% engagement rate with the platform in November 2023, compared to 68% at the launch in April 2023.

Another key criteria of a good employer lies in understanding the importance of flexibility and giving associates the opportunity to choose how they work. Since COVID-19, we formalised our hybrid working policy, which allows associates to work from home on Mondays and Fridays, with in-person meetings taking place on 'collaboration days' (Tuesday to Thursday).

72%

engagement rate with the MyBenefits online platform in November 2023.





Health and wellbeing

A healthy working environment, work-life balance, and overall wellbeing are essential for our associates to thrive at work. This is why we take a holistic approach towards wellbeing, focusing on physical, mental and financial health.

To assess any potential physical risks, all Kohler Mira workplaces and work-related activities are subject to risk assessments, with the process formalised in a Risk Assessment Area Needs Analysis & Tracking procedure. This is a thorough undertaking, covering a comprehensive range of considerations including the potential risks identified for all separate operations activities (e.g. assembly, warehouses, offices, machine shops), risk priority areas, required PPE, reporting procedures, review mechanisms, corrective action plans, and dedicated responsibilities to ensure that all associates comply with the stipulated guidelines.

Next to physical health, mental health is one of Kohler Mira's top priorities. We currently have 11 internal mental health first aiders (trained through Mental Health First Aid England), represented across different departments, who are available for our associates. This team of first aiders are trained to recognise the signs and symptoms of mental health problems. They are committed to raising the awareness of mental health, promoting ethical behaviour, and reducing the stigma surrounding mental health issues.

Core to our associate support programme is our Employee Assistance Programme (EAP). Powered by LifeWorks, and delivered in collaboration with our partner ICAS, the EAP provides specialist 24/7

support for associates, who can discuss topics around life, family and relationships, health and wellbeing, education, and work and career. On top of this, this year we adopted Kohler's Share Care Wellbeing platform, which provides access to online resources on mental wellbeing and gives our associates access to an app that can also be downloaded onto their personal devices, so that they have access to this whenever they prefer.

In September 2022, our PLF team completed our partner LifeWorks' training session 'Fostering a mentally healthy workplace'. This session introduced 64 of our people leaders to tools and techniques to support their team's wellbeing, and provided them with practical intervention models to address sensitive situations with individuals as needed.

In relation to financial health, Kohler Mira works with partners to provide information to associates on finance management and savings support. For example, more than 300 associates participated in a series of webinars with insurance company Scottish Widows to discuss subjects such as pensions, investments and retirement planning.

64

of our people leaders completed 'Fostering a mentally healthy workplace' training session.

Diversity, equity and inclusion (DE&I)

Encouraging diverse and inclusive teams isn't just the right thing to do – it creates a more productive and innovative working environment. At Kohler Mira, we've built a culture where everyone can feel their authentic self, and where discrimination has no place. Similar to last year, we have continued focusing our efforts on ensuring our workplace is as inclusive and diverse as possible through our People Plan and the work of our Business Resource Groups (BRGs).

Our current focus is around gender diversity, as the engineering and manufacturing industry is traditionally male-dominated – a trend visible throughout our own workforce with a current 68/32 male/female ratio. While our efforts have led to an increase of female associates (39% in 2022 compared to 23% in 2021), we are committed to increasing this further.

As is common in our industry, we also have a greater proportion of males in more senior roles compared to females, which not only creates a gender pay gap but also impacts our internal diversity. Again, our efforts have led to an increase of females in executive positions (38% in 2023 compared to 30% in 2021), but we are committed to increasing this further.



National Equality Standard assessment

In 2021, we commissioned Ernst & Young to conduct the National Equality Standard (NES) assessment of our business for the first time. This evaluates a company's policies and processes related to diversity, equity and inclusion (DE&I).

Despite a strong foundation for a successful DE&I programme, having fully met 18 out of the 35 measured competencies*, we did not achieve the certification in 2022. In the last year, we worked hard on the identified improvement areas, with a specific focus on our recruitment process and organisational buy-in.

Through these efforts, we are now extremely proud to announce that we did receive the NES certification in 2023, having fully met 27 competencies. Our biggest achievements since last year's assessment are, among others, the introduction of unconscious bias training, a dedicated Talent Attraction Team, and embedding DE&I objectives and targets for leaders.

The 35 competencies are grouped in seven pillars: Core Components EDI; Your talent; Your business; Your people; Your leadership; Your relationships; and Review & Measurement.



Women in Engineering

In late 2023, the Women in Engineering mentoring programme was officially relaunched after the success of the previous year. As part of the 2022/23 programme, the participants – six talented individuals from school Year 10 at our partner schools – joined their mentors on-site to experience the Kohler Mira workplace and had monthly mentoring sessions.

In 2023, participants were offered a choice of two on-site days – which included a site tour and a networking opportunity with engineers within their area of interest, as well as an opportunity to get hands-on with CAD and Robotic Programming.

The feedback from our first cohort has been incredibly positive, with all students calling out the on-site experience and the advice and guidance on future careers as some of the biggest positives of the scheme, and all would recommend to a friend. As always, we are happy to continue to see the engagement between our mentees, their mentors, and our associates on-site, and are proud to support women in their upcoming engineering careers.



“I have enjoyed speaking to my mentor face to face and receiving the right guidance that is personal for me and my future aspirations in a warm and friendly environment.”

2022-23 Women in Engineering Mentee



Bi-annually, we conduct an Equal Pay Audit (part of our Gender Pay Report) to identify any salary discrepancies at Kohler Mira. This includes analysis by gender, job family and time spent in the role. Our next Gender Pay Report will be published in 2024.

In 2023, the median and mean pay gaps were 15.82% and 20.00%, respectively (compared to 13.59% and 18.08% in 2022), and the median and mean bonus gaps were 5.00% and 33.93%, respectively (compared to 22.68% and 48.75% in 2022).

We celebrate the bonus gap improvements but continue to remain critical in our efforts to achieve true diversity and equality.

To start, we retain our goal of 50% of new associates being female by 2025. To achieve this, and to enable us to develop further targets, we implemented various initiatives across the hiring process. At the first stage, we have a Kohler License to Hire project in place, which allows for a holistic and unbiased approach to recruiting, in line with our cultural beliefs. At the interview stage, we always have a diverse panel for candidate interviews to ensure that we eliminate any biases. In practice, this means that there is at least one male and one female interviewer in every interview. We also train everyone who is part of the recruitment process about unconscious biases. We believe our efforts have paid off, with 42.6% of associates hired being women in 2023 compared to 30.8% in 2022.

In the past year, we have focused our efforts on ensuring our workplace is as inclusive and diverse as possible. Continuous education

is the basis of ensuring that we maintain an inclusive working environment for our associates. Our People Leader Forum (PLF) helps leaders understand how they can support and make everyone feel heard and included.

Part of our effort is our Respectful Workplace policy, providing guidance for a safe and inclusive workplace, as well as the We Stand Together SharePoint site that communicates Kohler Mira's stance against racism. We also promote the use of inclusive language – associates can specify their preferred pronouns in official business communication, and we ask everyone to refrain from using gender-biased language.

In addition, we provide extensive DE&I training covering topics around unconscious bias, inclusive leadership and respectful workforce. Kohler provide annual Ethics training, which all associates are required to complete, covering participating in and cultivating a respectful workplace.

42.6%

of all associates hired in 2023 were female compared to 30.8% in 2022.

Business resource groups (BRGs)

Our business resource groups (BRGs) were established at Group level by Kohler Co. Led by our associates themselves, BRGs play a vital role in our DE&I efforts – bringing together like-minded individuals from around the world to build a community and create a voice for traditionally under-represented people.

While inherently diverse, each BRG is united under a common purpose: to create a more diverse and inclusive workplace.

Launched in 2018, Kohler Co BRGs have engaged more than 1,500 associates globally. There are currently 10 groups represented:

- Ark – Asian associates
- BLK Catalyst – Black associates
- HeadsUP – mental health advocates
- KAVS – Kohler Alliance of Veterans and Supporters
- PROUD – LGBTQ+ associates
- Namaste – Indian associates
- VIVA Kohler – Latino/Latina associates
- Women at Work – professional women
- YPK – Young Professionals of Kohler
- BOLD Ability – disability focused

To really bring these BRGs to life for our UK associates, we've set-up specific committees to organise activities and support causes and events that are most relevant to each group.

For instance, the whole month of June 2023 was dedicated to Pride. Throughout Pride Month, the Kohler Mira Proud BRG organised a calendar of events for associates to get involved with. We organised a Pride Lunch, to bring associates together to recognise the start of the month and read resources provided by the voluntary organisation FFLAG, hear keynote speeches from representatives of FFLAG and Trans in the City, and raise money for the company charity through a bake sale.

Additionally, September 2023 saw us sponsor Pride in Gloucestershire for the second time – which was a great success. As part of the celebration, local to Kohler Mira HQ, we hosted a Pride-themed photo booth, organised a prize giveaway, and took part in the Pride March – with high engagement and amazing feedback from attendees.

October 2023 was devoted to Black History Month, during which keynote speaker Claudia-Liza Vanderpuije hosted a panel discussion on allyship – with associates from the UK and North America taking part and sharing their experiences. We also partnered with a local small business specialising in Caribbean cuisine pop-ups to serve lunch at our UK sites for a small donation, all proceeds donated to the Child Poverty Action Group.

Efforts like these enrich our culture and enhance the success of our businesses – not only on a global scale, but also at a local level. They also empower our associates to drive initiatives and conversations on causes they feel passionate about.



BOLD Ability

In 2021, the BOLD Ability BRG was founded – officially launching in the USA and China in March 2022, followed by the UK in 2023. Its mission is to make Kohler a more diverse, equitable, inclusive and belonging workplace. A workplace where potential candidates, current associates and supporters can engage and mobilise around common interests and initiatives that support our differently abled associates – with the ultimate aim of making a difference in the lives of individuals with disabilities in our communities.

Since its foundation, BOLD Ability has gained 180 members across North America, the UK, India and China – a testament to both our commitment to spread Kohler’s values around the globe, but also our recognition of the need for regional responses and engagement.

As part of the UK launch of the BOLD Ability BRG, we have organised several awareness-raising events held at the Kohler Mira HQ (made available for all associates to access online) where we focus on dedicated topics, including Autism in October and Parkinsons in November.

180

members of BOLD Ability across
North America, the UK, India and China.





Better Planet **04**

Better planet

In 2021, we celebrated our centenary. And at this milestone, we decided to commit to helping to shape a better planet for the next 100 years.

This led to the development of an action plan for reducing our impact on the environment at every stage of our product life cycle – including incorporating sustainability throughout the entire manufacturing process. From cutting the water we use when testing our products and removing single-use plastic in our packaging, to designing and building our production lines in-house to better own and manage their environmental impact.

Our approach to a 'Better Planet' stems from our 2022–2027 Strategy – with its core pillar focusing on the planet. Our commitment to reach Net Zero Environmental Impact by 2035 builds on our parent company's ambition to not only achieve net zero greenhouse gas (GHG) emissions across operations, but also divert zero waste to landfill, develop energy- and water-saving products, and galvanise others to action.

Our environmental systems are consistently managed in accordance with the ISO 14001 standard, with our Cheltenham, Worcester (DC) and Hull sites being ISO 14001 certified. This means we are fully compliant with legal and regulatory requirements and have continuously reduced our process risks from an environmental perspective.

Our Facilities Manager regularly meets with our Operations Director to provide updates to the whole Executive Team on a quarterly basis. And,

as part of our Managing Director's bi-monthly team briefing for all associates, we also highlight key activities and events across our environmental initiatives to raise internal awareness further. This provides an opportunity for our associates to share knowledge and put forward any topics they want to be discussed, while also ensuring that everyone is aligned on Kohler Mira's environmental ambitions.

Our commitment to reach Net Zero Environmental Impact by 2035 builds on our parent company's ambition to not only achieve net zero greenhouse gas (GHG) emissions across operations, but also divert zero waste to landfill, develop energy- and water-saving products, and galvanise others to action.





Net Zero by 2035

We're committed to using 100% renewable electricity by 2035. It's a bold ambition. But it's hugely critical for our role in contributing to a Better Planet. Alongside this, we also aim to achieve net zero Scope 1 and 2 emissions, as well as reduce our generated and water waste emissions. Our Net Zero target is continuously aligned with the plans of Kohler.

We aim for a 2% reduction annually to achieve Net Zero Scope 1&2 by 2035. The current projection is that our planned carbon reduction activities will lead to a 54% reduction in our operational Scope 1 and 2 market-based emissions by 2035, and a 38% emission reduction across Scope 3 (direct & indirect emissions) by 2035.

100%

We're committed to using 100% renewable electricity.

GHG emissions and energy

To reduce our impact on the climate, we've taken measures to improve the efficiency of our activities and reduce our GHG emissions and related energy use wherever possible.

These renewable energy and energy-efficiency measures primarily include investments in material assets, as well as switching to purchasing 100% REGO-certified energy across all operations since 2021.

Additionally, in the first quarter of 2023, we completed the installation of solar panels on the roof of our custom-built distribution centre.

To better understand our energy consumption, we carry out an annual assessment of the entire site operations and machinery. In 2022, Kohler Mira was responsible for using 4,949,369 kWh in buildings and 8,754 kWh for electric vehicles.

As of August 2023, we are proud to have introduced a fully electric pool car fleet based at our Cheltenham and Worcester sites. These vehicles are available to our associates for inter-site journeys and business trips and will result in a significant reduction in the total road transport emissions in our Scope 1 emissions. The next step in this process is to quantify the petrol and diesel savings from this measure.

Additionally, we offer remote associates in specific roles (such as the sales team) the possibility of leasing a company vehicle. Of the 59 cars

currently in the total fleet, 22 (37%) are now hybrid vehicles and 21 (36%) are fully electric compared to 31% hybrid and 0% fully electric in 2022.

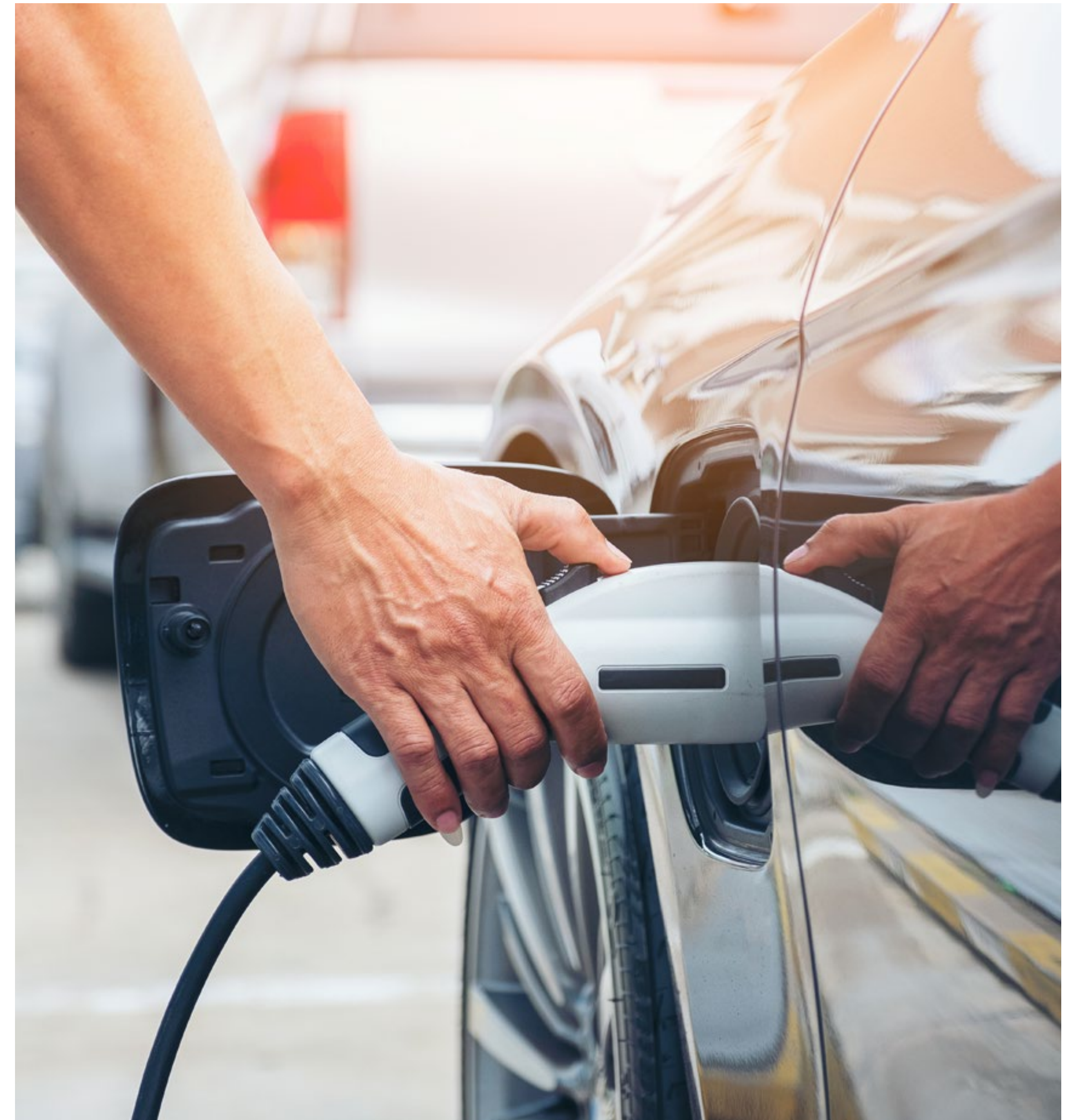
Another transport-related emissions success is our logistics partner's decision to switch from using traditional fuel (diesel) to hydrotreated vegetable oil (HVO)-based fuel. HVO-based fuel offers a 90% reduction in carbon emissions – with one diesel vehicle producing the same amount of CO₂ emissions as 11 HVO vehicles.

As a result, Kohler Mira's monthly carbon emissions will reduce from 35 tonnes to 3.5 tonnes. Additionally, HVO-based fuel lowers particulate matter and nitrous oxide compared to diesel and is generally better for the lifespan of the engine.

To further demonstrate our commitment to supporting emissions reduction wherever we can, in September 2023 we installed an HVO-based fuel storage tank at our National Distribution Centre in Worcester to offer a refuelling service for our logistics partner's vehicles.

100%

fully electric pool car fleet based at our Cheltenham and Worcester sites.



GHG emissions methodology

Although we have been calculating our Scope 1 and 2 emissions since 2019, we first included our Scope 3 emissions in 2022. As a result, in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, we have now set January to December 2022 as our new baseline year.

In terms of reporting boundaries, all Scope 1 and 2 emission sources have been included within the reporting boundary, as have all relevant and material direct Scope 3 emission sources. Scope 2 emissions have been reported as both location- and market-based. Our targets incorporate our market-based Scope 2 emissions.

Carbon reduction activities are collated and quantified in our Carbon Reporting Tracking Tool. This tool enables the tracking of carbon mitigation projects we've implemented, and the addition of new projects as, and when, they're identified.

Kohler Mira's 2021 and 2022 emissions data¹

Source	2021 tCO2e	% Total	2022 tCO2e	% Total
Scope 1	1662.45	64.06%	1,668	0.9%
Scope 2	920	35.45%	900	0.06%
Scope 2 (Market)	n/a	n/a	2	0.0002%
Scope 3	12.58	0.49%	1,086,081	99.85%
Total	2,595.03	100%	1,088,633	100%
Total (Market)	n/a	n/a	1,087,734	n/a
Emissions intensity ratio	1.68		0.66	

¹ The discrepancy between year-on-year numbers and relative percentages can be attributed to the different calculation methodologies. Prior to 2022, only indirect energy use of hire cars was calculated in Scope 3. As mentioned, 2022 was the first year for which more extensive calculation methodologies have been utilised, resulting in more reflective Scope 3 measurements.



Efficient water use

Water use is a key material aspect to our business – it's a core part of how we test our shower heads, taps and faucets to ensure they meet the highest quality and reliability standards.

In the test lab at our Cheltenham site, we have introduced a water recirculation process so that as little water as possible is lost during the testing phase. The new system delivers a 98% efficiency rate. In addition, water that is lost (mainly due to evaporation) is now only replaced once a year – reducing the need to carry out the water-intensive full system sanitation twice.

We have also switched to using air rather than water as part of the production testing phase (when we build our showering product). Air testing is now the primary approach we take with new products and when we introduce new manufacturing lines. Our products are 100% production tested and there are multiple tests conducted per product.

In a small number of our commercial products, where the performance and reliability is critical to end users and water testing is still necessary, we have reduced the water testing by adopting cartridges.



Mira Showers joins Future Homes Hub

Besides committing to efficient water use through our product and service development, we have extended our commitment in 2023 by becoming an associate member of the Future Homes Hub.

The Future Homes Hub is a pioneering initiative dedicated to addressing climate and environmental challenges in the homebuilding sector. This is an independent organisation bringing together the homebuilding sector with the wider circle of supply chain, infrastructure, finance and government organisations that need to collaborate.

Over 40 of the largest homebuilders, and many other related organisations, have committed to working together through the Hub to achieve government net zero targets, biodiversity-related ambitions and water efficiency-focused projects.

Mira Showers, alongside our newly acquired waste water heat recovery specialists Recoup, and the Future Homes Hub are committed to working together, utilising our shared common values to develop innovative solutions that benefit both customers and the planet.

As the only shower company currently holding an associate membership, Mira Showers is taking a step forward to achieving water efficiency while ensuring an exceptional showering experience for customers. Mira Showers will actively collaborate with the homebuilding sector, supply chain partners and government organisations to drive industry-led proposals for current and future policy challenges.



Waste and pollution

We track the various waste streams that result from Kohler Mira's business operations, including where the waste is channelled after it has been separated by us, and who collects and disposes of it.

This approach has allowed us to eliminate most of the waste stream that typically goes to landfill at our Cheltenham and Worcester sites, with the majority (89%) being recycled, and the remaining bio-based materials being utilised for energy production.

At this stage, there is a small amount of chemical waste (<1%) that must be disposed of responsibly but cannot be recycled or used for energy generation.

At our Hull site, we are working to maintain a similar level of waste to landfill (0.5%) through our waste carrier Reconomy, but due to the nature of the materials used a smaller amount can be recycled.

By setting these ambitions, we aspire to continue pushing Kohler Mira into doing business in an environmentally conscious manner across all departments.

Kohler has set an internal ambition to completely discard all single-use plastic (SUP) products for beverages by the end of 2023, and Kohler Mira are committed to achieving this target.

As a result, from 2024, all vending machines, food services and catering for internal meetings will not make any beverages available in SUP.

This is an important first step in our ambition to eliminate all non-industrial SUPs, such as plates, silverware, cups and bags, by the end of 2025. We are also reviewing how SUP is used across all of our product packaging, with the goal of eliminating it from the start of 2025.



Mira Showers' tray packaging solution

At Kohler Mira, we operate according to the Reduce-Reuse-Recycle-Dispose methodology – promoting analysis of our business operations to identify whether we can avoid waste streams at the beginning of the product life cycle.

An example of this is how Mira Showers focuses on reducing packaging waste upfront through the redesigned tray packaging solution. Together with Boxes and Packaging (Doncaster) Ltd, we have designed and developed an innovative cardboard shower tray packaging solution.

With this, we have moved away from using expanded polystyrene (EPS) in our shower tray packaging altogether since the launch in April 2023. Although EPS is fully recyclable, the material is not commonly recycled in the UK because of the specialist equipment required to compact it. For this reason, EPS usually ends up in landfill.

With this new initiative, Mira's shower tray packaging has reduced non-recyclable plastic per tray by 100% and saved approximately 1.5 million pieces, 6,000m³ and 100 tonnes of plastic each year – reducing CO₂ emissions by 138,761kg/year.



Regarding pollutant emissions, Cheltenham and our National Distribution Centre do not produce any emissions such as smoke or aerosols. However, the products manufactured in Hull are made from a polyester resin containing styrene, which is extracted and emitted to atmosphere, requiring a licence from the local environment agency.

Through some of the product trimming processes in the same plant, dust is produced that needs to be extracted, bagged and removed by a waste contractor. To mitigate any impact from this, all the extraction systems have sensors and alarms to detect any dust being released into the atmosphere.

100%

recyclable packaging on Mira shower trays saves approximately 100 tonnes of plastic a year.

Overview of waste generated, recycled and sent to landfill by site

Site	Waste Type	2022	%	2023	%
Cheltenham	Recycling	348.7	92.10%	309.46	89.74%
	W2E	29.91	7.90%	34.08	9.88%
	Landfill	0	0%	1.29	0.37%
Worcester	Recycling	161.87	91.66%	124.29	87.29%
	W2E	14.73	8.34%	18.14	12.74%
	Landfill	0	0%	0	0%
Hull	Recycling	22.08	6.16%	18.769	6.0%
	W2E	336.36	93.84%	292.402	93.5%
	Landfill	0	0%	1.565	0.5%



National Distribution Centre (NDC)

Sustainable by design, the Kohler Mira National Distribution Centre is a state-of-the-art facility that reduces CO2 emissions dramatically compared with our previous distribution sites.

It achieves this through several measures – by reducing the number of inter-site deliveries across the business units, and thanks to its geographic location, which is better positioned to service our customers and the UK population at large.

In addition, 60% of the steelwork, which forms the structure of the building itself, is recycled steel, and the site also offers eight electric car charging points – with infrastructure to support over 25 more.

Furthermore, the site's operations are enabled by sustainable automation. For example, the automated cranes generate their own renewable energy by capturing the energy created when the cranes operate.

The site also achieved a 'Very Good' sustainability accreditation from BREEAM on its construction and fit-out, with energy efficiency regularly reviewed through an energy monitoring system. This helps us to identify areas that may have high baseline energy consumption, showing where energy can be reduced by turning equipment to standby mode, or off completely.

In March 2023, solar panels were installed. And, as a result, we have generated 319.46 MWh of solar power at the site for the reporting year, exporting

169.45 MWh back to the grid and reducing CO2 emissions by a further 87,051 kg per year.

With 185.93 MWh consumed from the grid, the electrical energy usage of the National Distribution Centre means it is a carbon neutral facility with a small amount of offsetting. March 2024 will see our first full calendar year of full Solar PV installation and we can fully assess the efficiency.

319.46_{MWh}

of solar power generated at the National Distribution Centre (for the reporting year).



Better Communities **05**

Better communities

To have a truly positive impact on the planet, we must also create better and more sustainable communities. That's why any decisions that may have an impact on the community we operate in are comprehensively assessed against sustainability objectives.

We value the importance of social corporate responsibility – and as a company, we strive to enhance the quality of life of the people around us through charitable work and several fundraising initiatives.





Charity initiatives and partnerships

We are passionate about contributing to our communities to ensure the health, wellbeing and prosperity of the people within them.

Each year, when choosing the charity we want to support as a business, we involve our associates in the process. This ensures that everyone is directly connected to and invested in the charitable work we do. The process works through a company-wide vote – with each associate first suggesting a charity of their choice, before all suggestions are collated to create a shortlist.

In 2022, we supported Dementia UK – raising an incredible £54,000 for this great charity, which we were delighted to donate as a cheque in a special event at our Space100 building.

For 2023, our associates chose Child Poverty Action Group, a charity that focuses on battling child poverty – and all the associated negative impacts on children’s lives – by providing support to families in need. £36,222 was the total raised in 2023 and was presented to the charity in January 2024.

In addition to raising money for charity, we encourage our associates to have a positive impact and provide support to local communities through volunteering. That is why every associate gets an opportunity to dedicate one paid day each year to volunteer at a local organisation or charity of their choice.

Volunteering at Forestry England

One of the organisations our associates supported in 2022 and 2023 was Forestry England – with 36 of our New Product Development and New Product Introduction associates using their volunteer day to support this charity.

In total, our associates have spent five days at the Haugh Woods Site of Special Scientific Interest (SSSI) coppicing and clearing scrub, and working across different habitats to help a range of animal and insect species.

Periodic coppicing within the woodland blocks ensures that light can get to the woodland ground flora, enabling it to flourish. Plants such as Bluebells (*Hyacinthoides non-scripta*), Wood Anemones (*Anemone nemorosa*) and Wood Spurge (*Euphorbia amygdaloides*) all benefit, and in turn the fauna of the wood benefits too. For example, the Nationally Scarce Drab Looper moth (*Minoa murinata*) relies on Wood Spurge as the sole foodplant that its caterpillars feed on.

Another example is the rare woodland Wood White butterfly (*Leptidea sinapis*), which needs sheltered but sunny woodland rides and glades in which to feed and breed.

The scrub clearance undertaken along the forest roads and rides prevents the caterpillar foodplants of Greater Birds-foot-trefoil and Meadow Vetchling being smothered by small trees, bramble and gorse. Slow worms also benefit from having these open sunny areas along the woodland edge.

36 of our New Product Introduction associates using their volunteer day to support this charity.

Haugh Woods SSSI is unusual in Herefordshire in having two small areas of sphagnum bog.

Bogs, like trees, store carbon. These wetlands are composed of mainly living and decaying sphagnum moss. The waterlogged conditions of these bogs prevent any dead plants from fully decomposing – meaning that the carbon stored within the plants is locked inside the bogs instead of being released into the atmosphere.

Whilst these areas in Haugh Woods are tiny, being only around an acre, they still store carbon and support plants and animals that rely on this wetland habitat. To ensure that these bogs do not dry out and become overtaken by trees and scrub, and are lost forever, cutting and clearing of the scrub has to take place.



Cheltenham Town Football Club and Mira Showers

Mira Showers is the principal partner of League One Cheltenham Town Football Club – the team local to our Cheltenham HQ. We have been sponsoring the men’s team for 14 years and, since July 2022, now also proudly sponsor the women’s team. This evolution of the partnership supports our commitment to global gender equality and supporting our local community.

As part of our partnerships with Cheltenham Town, we have collaborated together on several initiatives. For example, in late 2022, we supported Cheltenham Town’s warm room initiative – which offered a warm and friendly space to anyone who was struggling to heat their homes due to high energy price rises, or who was experiencing the effects of loneliness during winter.

The club’s Typecraft Suite served hot drinks and breakfast supplies to supporters and local residents from November to December 2022, and we repeated this initiative in 2023, launching on 27th November.

In addition, during 2023, Cheltenham Town and Mira Showers (as the club’s front-of-shirt sponsor) launched a third kit design competition campaign. For the competition, Cheltenham Town’s Under-14 fans were challenged to design the football club’s new community shirt. The campaign was launched to promote the important work of the Child Poverty Action Group. In



October 2023, the winner was announced – out of hundreds of entries from almost 60 schools, the eye-catching black and pink design of six-year-old Ruby Barnes from Warden Hill Primary School was chosen as the winning shirt. She, as well as every single one of the competition’s entrants, was invited to the match against Leyton Orient in December to have a joyful day!

In addition, during 2023, Cheltenham Town and Mira Showers launched a third kit design competition campaign.



Training and education

Sustainability is everyone's responsibility. That's why we also seek to help educate others to drive sustainability when using our products – a challenging task given the limited opportunities to talk to customers and installers in our sector, thanks to their typically infrequent purchases, and with installers not actively seeking education.

As a result, all our communications touchpoints aim to help consumers understand that moving towards behaving more sustainably does not mean having to compromise on their showering experience.

We also work closely with installers to support them in educating consumers through our installer platform InstallerPro. This combines training, webinars, product spotlights and a loyalty programme that rewards professionals when they register the products they have installed.

Our new website, launched in December 2023, is a key educational tool – and we aim to make as much information available as possible through this channel.

34,000

bathrooms were repaired, refreshed or renewed in 2023.



The new website platform enables a much easier search functionality, supports customers to identify their shower product, and includes comprehensive product information alongside options to extend the life of their product in the best way possible.

It also offers the ability to buy spare parts supplied direct to customers and extended warranties to guarantee products for longer, as well as repair service booking with Mira Field Service Engineers at any convenient time.

In 2023, we have provided first-class support to over 74,000 customers, and our Mira installers have repaired, refreshed or renewed over 35,000 bathrooms. Our new website will enable us to help even more customers next year.



Apprentices

The primary focus on education is our Early Careers and STEAM talent attraction activity, including hiring apprentices and Year-In-Industry placement students from university. We have a long heritage of Kohler Mira apprentices, dating back over 65 years, and our award-winning programme currently offers apprenticeships across our Engineering, Business, Finance and Supply Chain teams, with two new degree apprenticeships being launched in 2023: Digital Marketing and Supply Chain Leadership.

A key event in our early careers calendar is our International Women's Day (IWD) celebration, where associates run an annual event with students from local schools. In 2023, our Early Careers associates #EmbracedEquity in line with the IWD theme – with the whole day devised and facilitated by Apprentices, Year-in-Industry students, and ex-apprentices who have gone on to secure other roles in the business.

The day included a talk from our Managing Director, Emma Foster, where she spoke about her career journey, and we heard from two of our female NPD Programme Managers on their experiences working in a male-dominated environment. We also utilised our partnerships with Cheltenham Town Football Club and Gloucester Rugby by hosting a Q&A session with two members of the Cheltenham Town Ladies and Gloucester Hartpury Women's Rugby teams on their experiences in sport and challenges they have overcome. The students – invited from four local schools – were able to ask questions to the players and were really inspired by what they heard.

The associates also facilitated activities for the 20 invited Year 9 students, covering topics such as significant STEM women from history, education on equity and equality terms, and the creation of an inspirational mood board that the students could take away with them. The students were also able to enjoy a delicious cake sourced from one of two female-owned local businesses that catered for us on the day.

We have a long heritage of Kohler Mira apprenticeships, dating back over 65 years.



Case study

Daisy joined the business in September 2020 and will graduate in August 2024, completing her Level 3 Diploma in Advanced Manufacturing and Engineering and an HNC/D Higher National Certificate/Diploma in General Engineering.

The structure of the apprenticeship at Mira starts with a full-time year spent at Gloucester Engineering Training (GET) College to learn practical skills such as milling, turning, electronics, wiring panels, maintenance and hand fitting, as well as theoretical skills including maths, material science, mechanical and electronic principles, health and safety, and design.

In Years 2–4, apprentices attend college for one day a week, completing more theory to further their engineering knowledge. The other four days are spent getting involved in live work projects in many different placements across the business, which start around 2–4 weeks into Year 2 and progress towards longer, more in-depth placements in Year 4. These placements aim to help apprentices gain connections and exposure to the business, as well as help them understand where their skills and preferences are most suited.

So far during her apprenticeship, Daisy has worked in Production Leadership, Assembly Manufacturing, Engineering and New Product Development, and is currently supporting the Supplier Quality Assurance team. Some of the stand-out projects she has worked on include Training Line build and installation, supplier transfer, implementing critical test processes and a project exploring reusable packaging.

The Apprentice Association network is just as important as the formal academic training and on-the-job tasks apprentices experience. Throughout her time, Daisy has taken part in many charity fundraising initiatives – including a car wash, sponsored walk, bake sales and table tennis tournaments. She was also instrumental in the IWD celebration where she organised activities and also facilitated the panel discussion and Q&A session with the Cheltenham Town Ladies Football Club and Gloucester Hartpury Women's Rugby players.

“As an apprentice at Mira, we feel valued and listened to during all aspects of our career due to the support and opportunities given to us by the business. There are apprentices in both engineering and business, and this creates a tightknit and cross-functional network for us all to support one another and make the most of our development.”





Appendix **06**

Statement of use

Kohler Mira Ltd. has reported the information cited in this GRI content index for the period January 2023 to Dec 2023 with reference to the GRI Standards.

GRI 1

GRI 1: Foundation 2021

Material Topic	GRI Standard	Disclosure	Location
The Organization and its reporting practices	GRI 2: General Disclosures 2021	2-1 Organizational details	Introduction: About Kohler Mira page 7
		2-2 Entities included in the organization’s sustainability reporting	Introduction: About Kohler Mira page 7
		2-3 Reporting period, frequency and contact point	Introduction: About this report page 3
		2-5 External assurance	None
		2-6 Activities, value chain and other business relationships	Introduction: About Kohler Mira page 7
		2-7 Employees	Introduction: About Kohler Mira page 7
Governance	GRI 2: General Disclosures 2021	2-9 Governance structure and composition	Introduction: Governance page 10
		2-11 Chair of the highest governance body	Introduction: Governance page 10
		2-12 Role of the highest governance body in overseeing the management of impacts	Introduction: Governance page 10
		2-13 Delegation of responsibility for managing impacts	Introduction: Governance page 10
		2-14 Role of the highest governance body in sustainability reporting	Introduction: Governance page 10 Introduction: Material Topics page 14
		2-16 Communication of critical concerns	Kohler Co. offers many channels for asking questions and raising concerns about potential or actual Code, policy, or legal violations. All concerns of potential or actual violation of the Code, policies, procedures, and laws must be reported so that they can be addressed. The matter will be reviewed as required by law and per Kohler Co.’s investigation process.

Material Topic	GRI Standard	Disclosure	Location
Strategy, Policies and Practices	GRI 2: General Disclosures 2021	2-22 Statement on sustainable development strategy	Managing director statement page 5 Introduction: Sustainability at Kohler Mira page 18
		2-23 Policy commitments	Kohler Mira publicly discloses its policy on Modern Slavery and Human Trafficking Statement. Click here
		2-24 Embedding policy commitments	Kohler Mira publicly discloses its policy on Modern Slavery and Human Trafficking Statement. In this policy statement, several operating procedures are referred to that contribute to the embedding of the policy commitments described. Click here Additionally, see Kohler's Believe in Better Metrics Report 2022 for a description of how ethical conduct is governed from group-level. Click here
		2-25 Processes to remediate negative impacts	Kohler Mira publicly discloses its policy on Modern Slavery and Human Trafficking Statement. In this policy statement, reference is made to what actions might be taken in case our Ethics policy is breached (under 'Adherence to our values and ethics'). Click here Additionally, see Kohler's Believe in better Metrics Report 2022 for a description of remediation procedures. Click here
		2-26 Mechanisms for seeking advice and raising concerns	Kohler Co. offers many channels for asking questions and raising concerns about potential or actual Code, policy, or legal violations. Any of the following can be contacted with questions or concerns: Manager or Supervisor, Human Resources, Legal, Compliance and Ethics, Corporate Security, Internal Audit, Senior Vice President–General Counsel and Corporate Secretary Senior Vice President–Human Resources Another option is to contact the Ethics Helpline
		2-27 Compliance with laws and regulations	Better Lives: Better Lives page 14 Better Lives: Technology & Innovation page 20
		2-28 Membership associations	Kohler Mira is part of BMA (Bathroom Manufacturer's Association) (see Better Lives page 14) and the BEAMA (British Electrotechnical and Allied Manufacturers' Association).

Material Topic	GRI Standard	Disclosure	Location
Material Topics	GRI 3: Material Topics 2021	3-1 Process to determine material topics	Introduction: Material Topics page 13
		3-2 List of material topics	Introduction: Material Topics page 13
		3-3 Management of material topics	Better Planet (environmental material topics) page 36 Better Workplace (labour material topics) page 23 Introduction: Ethical Integrity Planet (ethics material topics) page 37 Introduction: Ethical Integrity Planet (procurement material topics) page 12 Better Communities (other material topics) page 47
Disclosures per material topic			
Corruption and Fraud	GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Introduction: Ethical Integrity page 11
		205-2 Communication and training about anti-corruption policies and procedures	Introduction: Ethical Integrity page 11
Packaging Material, Chemicals and Waste	GRI 301: Materials 2016	301-3 Reclaimed products and their packaging materials	Better Planet: Waste & Pollution page 43
Energy Consumption and Carbon Footprint	GRI 302: Energy 2016	302-1 Energy consumption within the organization	Better Planet: GHG Emissions & Energy page 39
		302-4 Reduction of energy consumption	Better Planet: page 36
Water and Accidental Pollution	GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Better Lives: Better Lives page 14 Better Planet: Efficient Water Use page 41
Energy Consumption and Carbon Footprint	GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Better Planet: GHG Emissions & Energy page 39
		305-2 Energy indirect (Scope 2) GHG emissions	Better Planet: GHG Emissions & Energy page 39
		305-3 Other indirect (Scope 3) GHG emissions	
		305-4 GHG emissions intensity	Better Planet: GHG Emissions & Energy page 39 The Scope 3 emissions reporting utilises the methodology outlined in the GHG Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Conversion factors are taken from the 'UK Government conversion factors for company reporting of greenhouse gas emissions' and the US Environmental Protection Agency (EPA), and other internationally recognised data bases where applicable.
		305-5 Reduction of GHG emissions	Better Planet: GHG Emissions & Energy page 39

Material Topic	GRI Standard	Disclosure	Location
Packaging Material, Chemicals and Waste	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Better Planet: GHG Emissions & Energy page 39
		306-2 Management of significant waste-related impacts	Better Planet: Waste & Pollution page 43
		306-3 Waste generated	Better Planet: Waste & Pollution page 43
		306-4 Waste diverted from disposal	Better Planet: Waste & Pollution page 43
		306-5 Waste directed to disposal	Better Planet: Waste & Pollution page 43
Employee Health and Safety	GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Better Workplace: Health & Well-Being page 29
		403-2 Hazard identification, risk assessment, and incident investigation	Better Workplace: Health & Well-Being page 29
		403-3 Occupational health services	Better Workplace: Health & Well-Being page 29
		403-4 Worker participation, consultation, and communication on occupational health and safety	Better Workplace: Internal Communication & Engagement page 25 Better Workplace: Health & Well-Being page 29
		403-6 Promotion of worker health	Better Workplace: Internal Communication & Engagement page 25 Better Workplace: Health & Well-Being page 29
		403-9 Work-related injuries	
Career Management and Training, Recruitment	GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Better workplace: Career Development & Growth page 26
		404-3 Percentage of employees receiving regular performance and career development reviews	Better workplace: Career Development & Growth page 26
Diversity, Discrimination and Harassment	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Better workplace: Diversity, Equity, & Inclusion page 30
		405-2 Ratio of basic salary and remuneration of women to men	Better workplace: Diversity, Equity, & Inclusion page 30
Diversity, Discrimination and Harassment	GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Better workplace: Diversity, Equity, & Inclusion page 30
Controversial Sourcing Supply Chain Labour Standards	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Introduction: Ethical Procurement page 12
Information Management and Data Security	GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Better Lives: Technology & Innovation page 20



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Kohler Mira Ltd.
Cromwell Road
Cheltenham
GL52 5EP

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