

Sanner Group Sustainability Report 2023



Contents

| | |
|---|----|
| Introduction | 3 |
| The Sanner Group..... | 4 |
| Sustainability mission statement | 5 |
| 1. Responsible corporate governance..... | 9 |
| 2. Future-proof employee policies | 10 |
| 3. A sustainable product strategy..... | 12 |
| 4. Efficient principles of production..... | 13 |
| 5. Fair purchasing & logistics principles | 15 |
| Afterword | 16 |

Introduction



Dear Readers,

We are delighted that you are interested in the topic of sustainability. The Sanner Group wants to make an active contribution to doing good for our environment and minimising damage. Our slogan “Protecting Health” not only fits our service and product portfolio, but also shows that we care deeply about the people around us and the world in which they live. Accordingly, long before terms such as ESG existed, we were also concerned with how to reduce CO₂ emissions, for example – and with great success.

The Sanner Group is an international company with 8 locations worldwide. We are proud that our initiatives on sustainability are not limited to the headquarters in Bensheim/Germany but are also attracting interest and are being implemented internationally.

I would therefore like to thank all employees

of our group of companies – there are around 700 colleagues who together contribute to the implementation of our ESG measures. We would also like to say a big thank you to our customers and suppliers who, as part of the supply chain, are working with us to make the world a better place.

A small teaser: we plan to move into our new “flagship” building in Bensheim at the end of this year. With the name “Green MedTech Park”, I can already promise you that I will be able to provide another very interesting report next year.

You will see that we have once again made great strides forward in 2023. I hope you enjoy reading this report and that it will spur you on to contribute to better sustainability in your sphere of influence. I am sure that if we all pull together, we can achieve great things.

Dr Hans-Willem van Vliet
CEO of the Sanner Group



The Sanner Group

Based in Germany, Sanner GmbH with its subsidiaries Sanner Pharmaceutical and Medical Packaging Materials Co. Ltd (including Sanner Indonesia), Sanner Hungaria Kft, Sanner France SA, as well as the distribution companies Sanner of America Inc. and Sanner of India Private Limited, is a globally active supplier of pharmaceutical packaging and medical technology products. The majority shares of Sanner GmbH are held by GHO Capital, a leading British financial investor in the healthcare sector, and Sanner Ventures GmbH, owned by the Sanner family. Sanner GmbH's activities range from the development and production of primary plastic packaging for solids to plastic injection moulding solutions for diagnostics, medical technology and drug delivery, which in future will also include electronic components.

Sanner products are sold in over 150 countries, and the company currently employs around 700 people. Founded in 1894, the company initially produced cork stoppers for the wine trade and later for the pharmaceutical industry. As early as the 1950s, Sanner began manufacturing plastic

closures with integrated desiccants, turning it into a pioneer for moisture-adsorbing packaging in Europe and later into the global market leader for desiccant closures and the packaging of effervescent tablets.

The mission of Sanner GmbH is to develop and manufacture intelligent healthcare solutions that help to improve the quality of life. Sanner stands out from the crowd as an agile, reliable and highly customer-focused, medium-sized company, with the experience and regulatory expertise of an international manufacturer. Based on decades of experience as a reliable supplier to the pharmaceutical industry, Sanner is increasingly active in the market as a CDMO (contract development and manufacturing organisation). As a CDMO, Sanner is a flexible and reliable partner, offering customers a comprehensive range of services relating to the development of product solutions for the pharmaceutical drug delivery, diagnostics and medtech industries. This focus will allow us to open up new fields of activity in order to grow in a sustainable and strategic manner.

Sustainability mission statement

Focusing on ESG, the Sanner Group's sustainability mission statement is divided into 5 areas:

1. Responsible corporate governance
2. Future-proof employee policies
3. A sustainable product strategy
4. Efficient principles of production
5. Fair purchasing & logistics principles



Sustainability is part of our overall corporate strategy, together with our sustainability mission statement and the strategic goals it sets out.

Development and the environment are essential for all living beings, and this is also true for companies. When we started cutting cork 130 years ago, it was not yet apparent that the company would develop into a global player. However, throughout the company's long history, social considerations have always played a key role.

Our employee policies have always been based on respect, appreciation, equality and fair and equitable relations.

The cornerstones of our product development process are the conservation of resources, material efficiency, recyclability and the design of biobased and thus environmentally friendly packaging options.

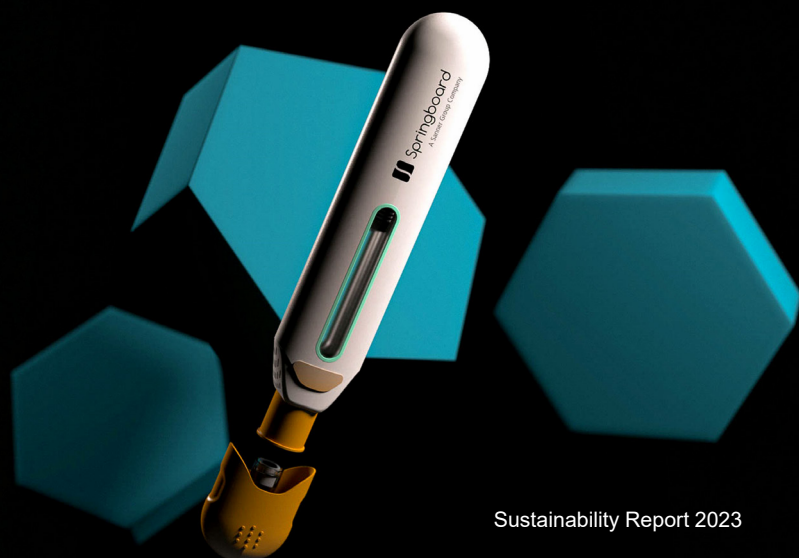


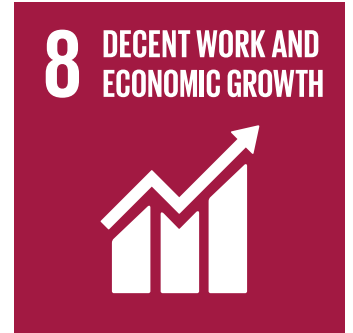
When it comes to manufacturing, we aim to create a framework that will enable us to further reduce our ecological footprint and set up an efficient energy management system at all our sites.

The procurement of goods and global logistics have acquired greater urgency as a result of the pandemic. Our supply chains should be transparent. Our partners' sustainability policies represent an important decision-making factor.

Through our mission and our shared international commitment and presence, we want to do good for people and contribute to a better quality of life and health. Our new strategy is aimed at achieving the following two objectives:

1. To strengthen our existing, long-standing business relationships and -as the global market leader in desiccant primary packaging - to continue to offer our more than 500 international customers a consistently high level of quality and a comprehensive customer service. To this end, we will focus on product innovations in order to make our broad product portfolio even more sustainable.
2. As a CDMO, we systematically create added value and benefit for new and existing customers worldwide with the medical components and smart products we develop and produce on their behalf. To this end, we have included Springboard Pro as an experienced partner in our group of companies.





United Nations Global Goals

The 2030 Agenda for Sustainable Development was adopted by the United Nations in 2015. It essentially refers to 17 Sustainable Development Goals (SDGs).

With the SDGs, sustainable development is seen as development that is viable in the long term and is geared towards all relevant dimensions (economic, ecological and social) and levels (national, regional and local). Where we have an influence, we support these goals.

1. Responsible corporate governance

8 DECENT WORK AND ECONOMIC GROWTH



All people can find work that is worthy of people and that they can live from.

Sustainable growth is important for our company and our employees. Sustainable growth is achieved through fair competition, the validation of trading partners and the active fight against corruption. Internal guidelines for correct behaviour along the entire value chain secure all jobs and generate prosperity in the long term. Secure corporate growth is only possible with dignified working conditions.

Climate change is being effectively combated in order to protect people and nature from the consequences of global warming.

The production of our products is very energy-intensive. The packaging and medical technology that we produce are essential for the health of humans and animals. We are therefore working on two approaches to make our contribution to climate protection. On the one hand, we save energy and try to produce as much as possible ourselves; on the other hand, we try to substitute materials or save completely.

13 CLIMATE ACTION



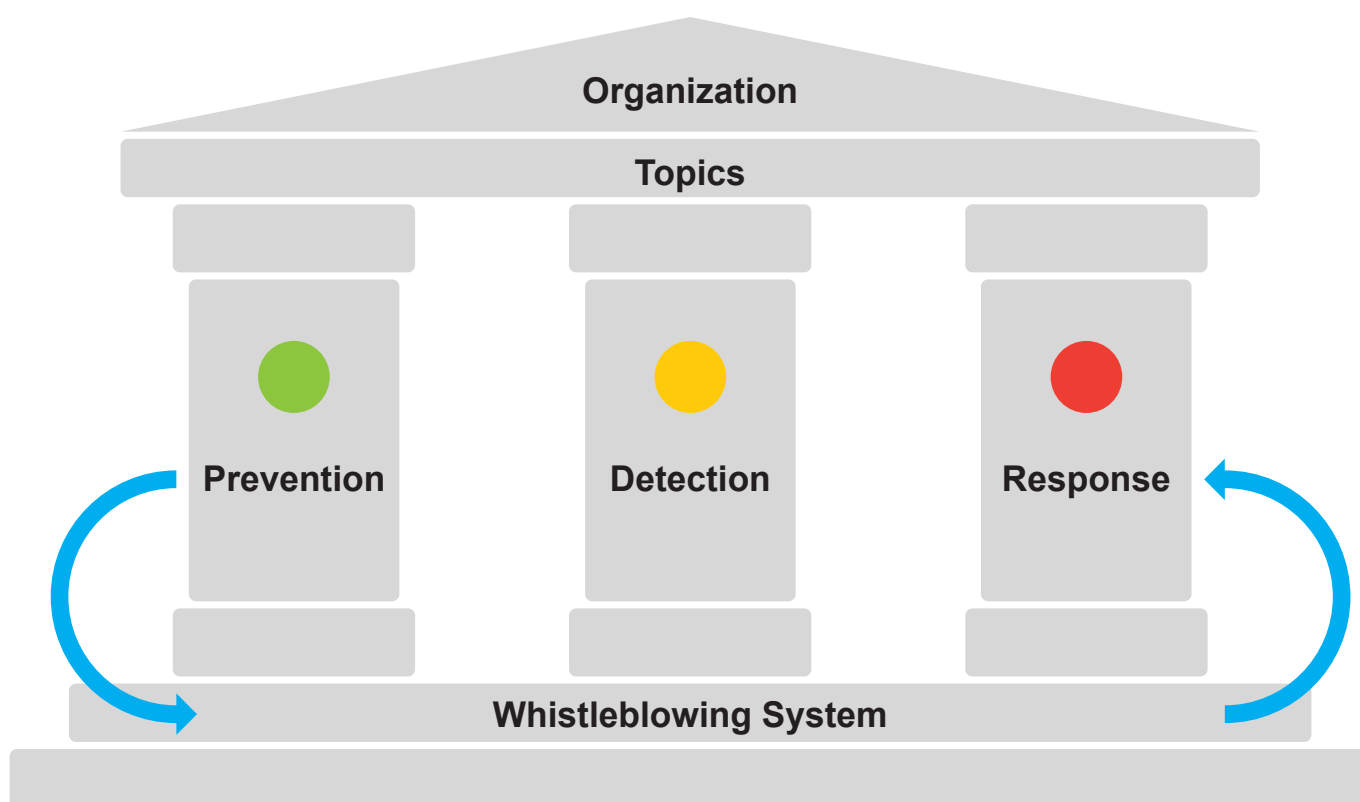
Compliance

The G in ESG stands for governance, which in turn is directly related to the topic of compliance. The task of the management is, and has always been, to ensure that actions are compliant, i.e. "lawful". In 2023, we successfully set up, introduced, rolled out internationally and trained a compliance management system (CMS) in addition to the internal regulations that have been in place for much longer.

This system contains all the essential building blocks to ensure behaviour in line with compliance:

1. Code of Conduct
2. Anti-corruption policy
3. Competition policy
4. Data security
5. Whistleblowing system

The system established at Sanner is practised throughout the Group as described above. 100% of employees at the German site have already been trained. The topic of compliance is displayed accordingly on the Sanner homepage.



Outlook 2024 for responsible corporate governance

For 2024, we have set ourselves the following goals in this field of action:

Target state:

1. We have implemented ESG software that allows us to process our key figures securely and reliably.
2. A stable process for determining and providing ESG key figures has been established.
3. An internal, worldwide compliance control system has been established and introduced.

4. A group-wide environmental policy has been drawn up and communicated.

5. 100% of European employees have been trained in compliance.

Results:

1. Software filled with key figures
2. Compliance Self-Assessment Questionnaire
3. Environmental policy
4. Compliance training throughout Europe

2. Future-proof employee policies

Everyone can live a healthy life and have access to information about diseases and protection against infection.

The health and well-being of all living beings is not only our core business, it is also reflected in the way we treat our employees and all workers along the value chain. We are constantly developing the range of health services for our employees at our main location and are also extending them to all other company locations. This enables us to increase our occupational safety, prevent accidents at work and actively combat occupational illnesses. We aim to keep the number of recordable work-related injuries in the Sanner Group below 5 per year.

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



All people have the opportunity to receive a good education. Lifelong learning programs are encouraged.

At our headquarters in Germany, for example, we support young people in dual vocational training programmes. We develop our managers and value our employees. The goal is to achieve long-term employee loyalty. New employees have an intensive induction phase with direct contact persons close to their working environment.

Girls and women feel safe and have the same rights as boys and men.

We always allocate positions according to the skills that best suit the position sought. There are only gender-specific work restrictions in production due to the maximum prescribed lifting load. As a manufacturing company, we mainly offer technical training and study programmes. We take part in Girls Day every year to promote girls in technical professions. We also regularly offer internships to technical students from the Darmstadt Technical Centre.

5 GENDER EQUALITY





Excellent training with sam[®]

Initial training are held in person at Sanner. This enables an exchange and offers the opportunity to clarify questions directly with the trainer. We then rely on interactive online training to repeat and practise what we have learned on a regular basis, for example annually. In 2022, we introduced and intensively tested the training software sam[®]. The software enables efficient training for recurring general training content. In addition, sam[®] offers the opportunity of tracking the completion of the training courses. This year, we shared the success with our subsidiaries and expanded the software to the other production sites in Europe.

Outlook 2024 for the future-proof employee policy

We are pursuing the following goals for 2024 for the strategic orientation of a future-proof employee policy:

- We will conduct an employee satisfaction survey worldwide, the result of which will be evaluated and made available to everyone. From this, we will derive activities to improve employee satisfaction.
- By quarter 3, 2024, we will have published the third version (3.0) of our Sanner culture in hardback and available in all site languages.
- In the course of 2024, we will develop an anti-discrimination and harassment policy.

3. A sustainable product strategy



Producers and consumers act responsibly. Goods are produced and used without harming people or nature.

As a supplier of packaging solutions for the pharmaceutical, medical and healthcare industries, we manufacture products that protect our customers' active ingredients and medicines. We therefore take responsibility for product safety and the environment.

Promoting the circular economy is therefore also a particular focus. We use mono-materials wherever possible to achieve high recyclability of our products. We continuously review our standard products with regard to possible material savings and alternative materials and implement them – always under the premise of consistent product quality.

In general, Sanner has set itself the goal of making its own product portfolio more sustainable. The three focus topics are resource conservation (reduction of material use), reduction of greenhouse gases and the promotion of the circular economy.

The introduction of the Sanner EcoDesign Policy for the entire Sanner Group takes into account, among other things, the requirement to use mono-materials in order to increase the recyclability, to design products in such a way that the components can be easily separated from each other, or to use “low impact” materials if this does not impair product quality.

In addition to the use of bio-based plastics, further product developments have been initiated to make the product portfolio more sustainable:

1. The development of packaging from recyclates aims to replace at least 50% virgin raw material with suitable recyclates.
2. Material savings of up to 15% for existing Sanner packaging are being targeted in an ongoing development project.

In this field of action, we want to develop a globally applicable EcoDesign guideline in 2024. The result should be a finalised, signed and translated guideline in all languages.

4. Efficient principles of production

Everyone has access to affordable energy that is sustainable and does not harm our environment.

A stable energy supply is essential for our business. Energy must be affordable for society and clean for the climate. We promote this by training all our employees in energy consumption. Our German site is certified according to DIN EN ISO 50001. Other sites are adopting the best-practice measures and by 2030 all European sites will receive annual training on energy topics. We are reviewing a step-by-step installation of solar panels to generate our own electricity.

7 AFFORDABLE AND
CLEAN ENERGY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



The infrastructure is organized in such a way that it gives people what they need. The industry is organized in an environmentally friendly and sustainable way.

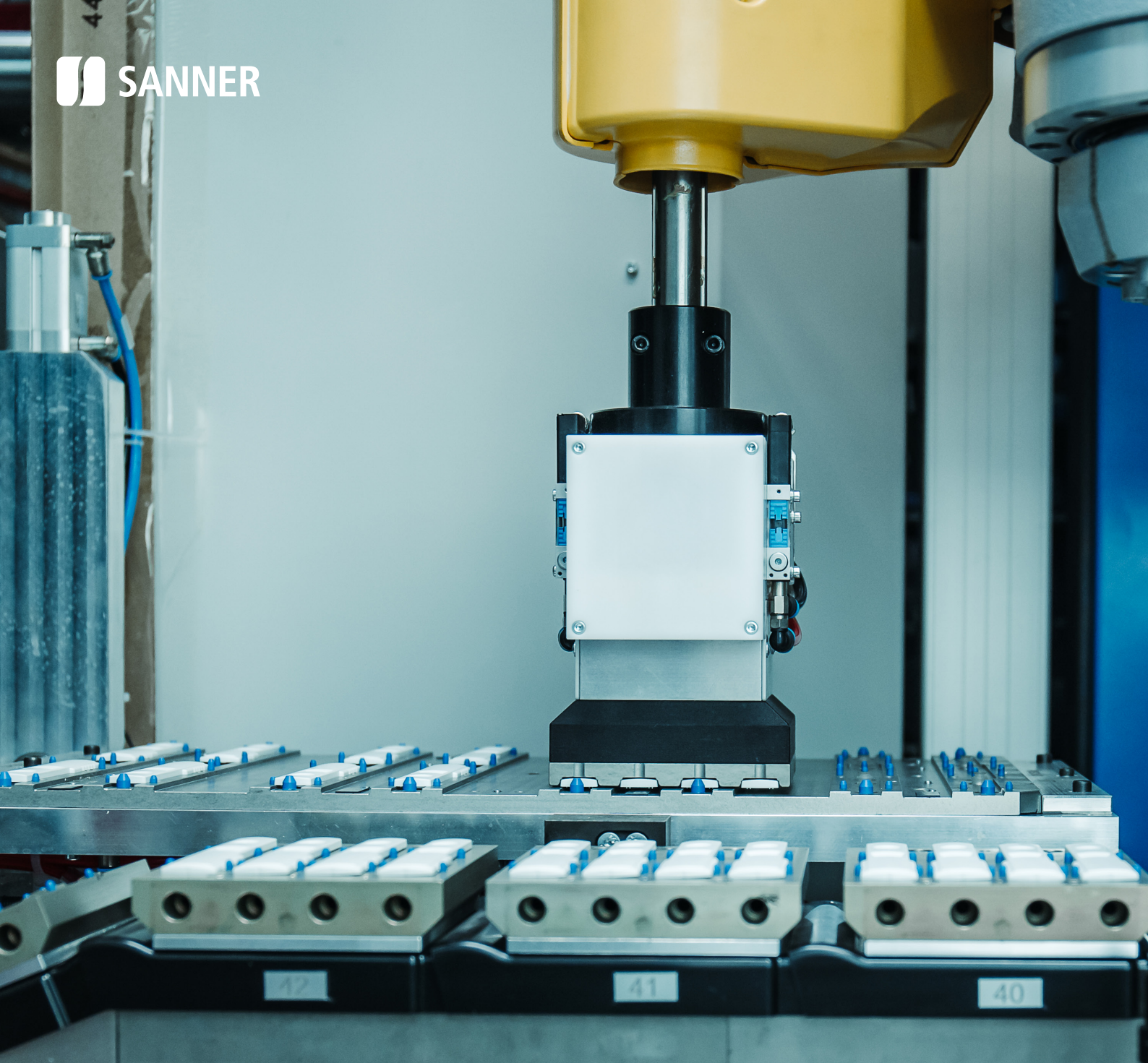
As an industrial company with clear growth targets, we see it as our duty to always be at the cutting edge of technology in order to participate in progress. This includes the constant expansion of our company's expertise with regard to new technologies, as well as the continuous replacement of our machines with more efficient ones. We promote national industry at our production sites and offer stable jobs under fair conditions. 100% of the systems and workplaces are subject to a risk assessment.

State of the art

Technological progress is advancing at a rapid pace, and we at Sanner are well aware of this. In order to maintain the high quality of our products and guarantee our ability to deliver, we therefore keep all our production sites up to date with the latest technology. This has many advantages for us. In addition to quality and our delivery

promise, we are reducing noise pollution with new systems and increasing our occupational safety at the same time. Reducing noise pollution for employees is also an investment in their health.

Another effect of new systems is their lower energy consumption. By replacing two injection



moulding plants at the German site, we can manufacture the same amount of products with around 16 tons less CO² emissions. In 2023, we also replaced two injection moulding machines in the Hungarian site and were therefore able to save around 11% of electricity, based on 1000 units, compared to the previous year, along with further restructuring measures.

At our site in France, a new placing robot helps to place the Sanner tubes in the packaging in a more space-saving way, thereby reducing the internal transport costs. More items can also be transported by lorry, which saves CO².

Outlook for 2024 for efficient production principles

For 2024, our focus in production is on energy-saving targets. Over the course of the year, we will install around 3,700 solar modules on the roof of the new factory in Germany. At the French site, approx. 1450 solar modules will be installed on the open area of the property. At the Hungarian site, colleagues will continue to work on reducing waste in order to save as much material as possible. The waste rate should be kept below 2.5%.

5. Fair purchasing & logistics principles

Partners around the world are working together to realize the goals for a better world.

In line with SDG 17 (Partnerships to Achieve Goals), long-term partnerships with customers, suppliers and service providers strengthen our business activities. Our long-standing relationships with regional partners help to reduce transport distances. Joint projects with customers and suppliers help to set common goals and facilitate the achievement of these goals.

We are proud that 100% of our suppliers have agreed to our Supplier Code of Conduct, which underlines our commitment to ethical standards and responsible business conduct.

17 PARTNERSHIPS
FOR THE GOALS



Sustainable sourcing of steel: reducing CO2 emissions through regional sources of supply

As part of our commitment to sustainability and environmental protection, we are committed to minimising the impact of our procurement activities on the environment. As part of our sustainability report, we would like to present our purchasing practices with regard to the procurement of steel in a transparent manner.

Our company sources its steel from a total of four suppliers located within a radius of only 100 to 370 kilometres from our site. This regional procurement strategy makes a significant contribution to reducing CO2 emissions, as shorter transport distances mean less environmental impact. By sourcing steel from sources within Germany and the EU, we also minimise our dependence on imports from regions such as Asia, further improving our ecological footprint.

We distribute our purchases carefully, taking into account various factors such as distance and supplier capacity. The majority of our steel, namely 51%, is sourced from a supplier located

just 270 kilometres from our site. This strategic partnership allows us to guarantee a stable supply while minimising the environmental impact of transportation. We source a further 39% of our steel from a supplier 360 kilometres away. Although this supplier is a little further away, we have nevertheless chosen to work with them to diversify our procurement network and spread risks. The remaining 10% of our steel is sourced from suppliers located 100 and 180 kilometres from our site. These suppliers play an important role in ensuring our supply chain resilience and provide us with flexibility in dealing with market fluctuations and unforeseen challenges.

Overall, we strive to continuously optimise our procurement practices and fulfil our responsibility to the environment and society. Through the targeted selection of regional suppliers and the minimisation of transport routes, we are committed to a sustainable future and contribute to reducing the environmental impact of our company.

Outlook 2024 for fair purchasing & logistics principles

In 2024, our main focus will be on sustainable and reliable procurement. We will be revising our procurement guidelines to ensure that they are in line with sustainability criteria. This revision is carried out in close coordination with our other sites in order to develop a standardised procurement guideline for the entire Sanner Group. The new guidelines will focus on our commitment to protecting people, the environment and regulatory compliance.

As part of this initiative, we will also evaluate our suppliers in terms of the extent to which they meet the ESG criteria (environmental, social, governance). This means that we automatically meet the requirements of the Act on Corporate

Due Diligence Obligations in Supply Chains without this being explicitly required. For this purpose, our supplier self-disclosure is supplemented by questions on ESG criteria. We will also review our procurement of hazardous substances more closely. A new process, hazardous substance substitution, is being introduced for this purpose. This sub-process within procurement regulates the review of possible substitution of hazardous substances even before they reach our production sites.

Our measures aim to ensure generally applicable and sustainable procurement along the entire procurement process, actively involving all our suppliers.



Afterword

In 2022, we published our first sustainability report. Within the Sanner Group as a whole, we continued to pursue a variety of sustainability goals in 2023. These extend to the product portfolio and product development, as well as production, energy generation, supply chain and working conditions and the preservation of colleagues' health.

We have already decided on and taken further measures for 2024 to make our work and the results of our work more environmentally friendly and sustainable.

We would like to thank all employees of the Sanner Group who support us in achieving these goals and help us to achieve greater sustainability through their commitment and ideas.



Protecting Health