Sanner Group
Sustainability Report
2024

SANNER

Contents

Foreword **3**

The Sanner Group **4**

Springboard Pro 5

Gilero 6

Sanner Germany 7

Progress on the new building in Bertha-Benz-Strasse 8

Generating our own energy 9

Responsible business conduct **11**

Code of Conduct – taking responsibility 11

Sustainable practices in the Sanner Group 12

Science Based Targets initiative 12

EcoVadis 13

Carbon footprint of the Sanner Group 14

Future-proof employee policies **17**

Sanner gets employees on their bikes 18

Employee surveys 19

Employee metrics 20

A sustainable product strategy **21**

Material savings: 22

EcoDesign 22

Efficient production principles **24**

Reduction of the waste quota at the Budapest site to below 2.5 percent. 24

Forward-looking production planning 26

Process development with virtual reality 27

Fair purchasing & logistics principles **28**

Sustainable procurement policy 28

Looking ahead to 2025 ..... **30**

Afterword **31**

List of illustrations **31**

Imprint **33**

Foreword

Dear Readers,

Another year has passed and much has happened in the Sanner Group—especially efforts in the area of sustainability and ESG. Therefore, I am proud to present many of these new developments to you in this sustainability report.

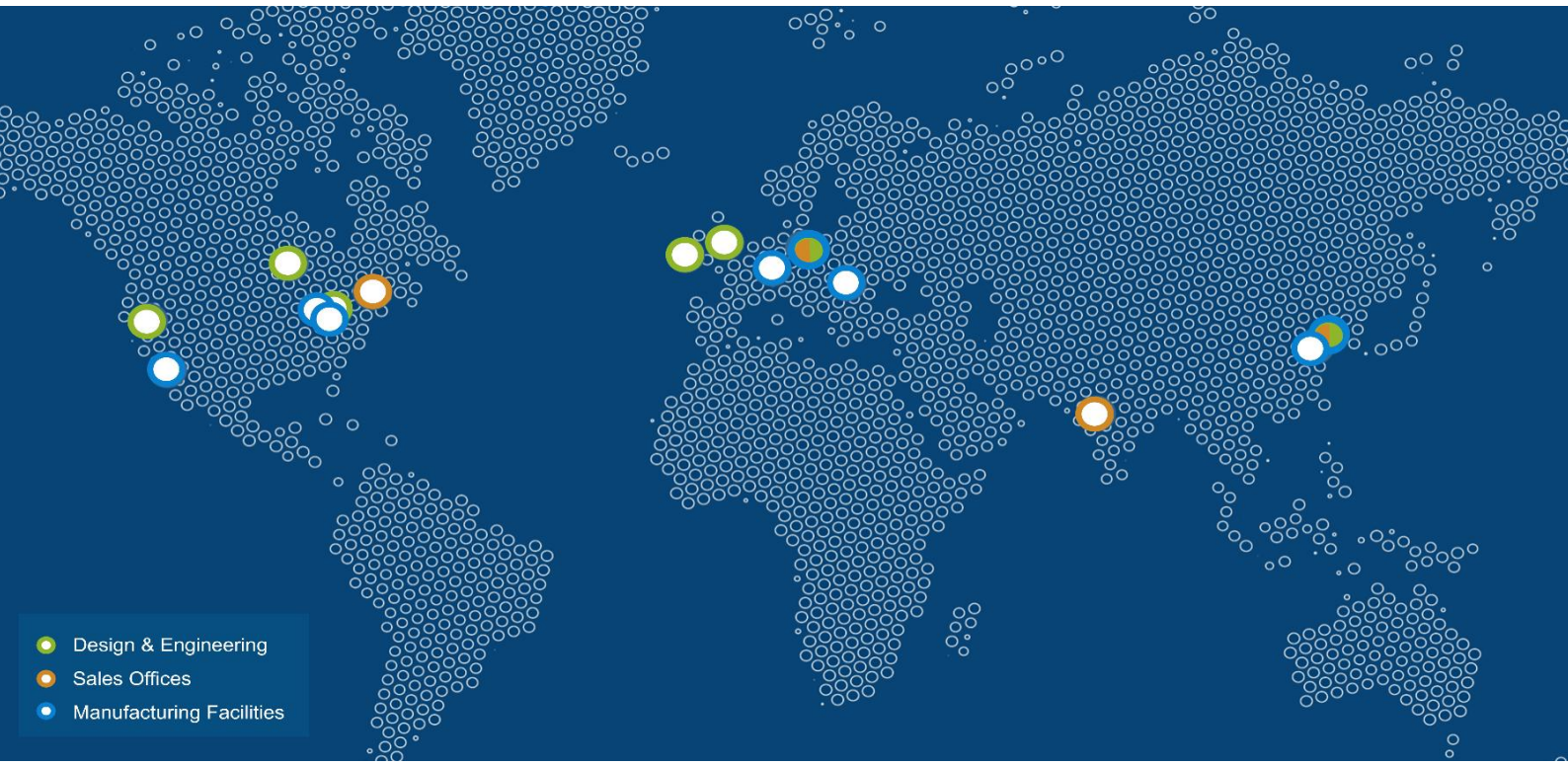
What were the main changes at Sanner in 2024? Firstly, we added two organizations to the Group: Springboard Pro is a design & development company in Cambridge (UK), with 35 employees and over ten years of experience in the development of medical devices such as autoinjectors and inhalers. Our colleagues in the UK joined the Sanner Group in the beginning of last year. Then, the acquisition of Gilero in Durham, North Carolina (USA) followed at the end of the year. With around 100 engineers, Gilero focuses mainly on design and development activities. However, Gilero has two production sites where medical devices are produced under cleanroom conditions. Both strategic acquisitions reflect the execution of our Group strategy to transform Sanner into a contract development and manufacturing organization (CDMO).

A key element of our new strategy is to expand our capacity, in particular our production capabilities and the services we offer. In this respect, we completed the construction of a new headquarters with 27,000 m^2 of space in 2024.The new home of the Sanner Group has quite the green footprint – for example, its entire roof has been planted with greenery and equipped with a photovoltaic system. Using solar, the new facility will operate without the need for fossil fuels. Then when the sun isn't shining, three wind turbines will supply us with green electricity.

Enjoy reading this sustainability report – I hope I have sparked your curiosity!

Hans-Willem van Vliet

Dr. Hans-Willem van Vliet, CEO



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, Springboard Pro, Gilero and distribution companies Sanner of America Inc. and Sanner of India Private Limited is a global supplier of pharmaceutical packaging and medical technology products. The majority of shares in 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 business activities cover the development and manufacture of plastic primary packaging for solids and plastic injection molding solutions, including electronic components in the future, for diagnostics, medical technology, and pharmaceuticals.

Sanner supplies products to over 150 countries and currently employs over 800 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 an integrated desiccant, making it a pioneer in moisture-adsorbing packaging in Europe and later the global market leader in desiccant closures and effervescent tablet packaging. Sanner`s mission is to be a partner for companies in the healthcare sector, developing and manufacturing products worldwide. The group vision is to protect health. Sanner stands out from the crowd as an agile, reliable and customer-oriented medium-sized company with the experience and regulatory expertise of an international supplier. We continue to build on decades of experience as a reliable supplier to the pharmaceutical industry,

Sanner is increasingly active in the market as a contract development and manufacturing organization (CDMO). In this capacity, Sanner offers its customers a comprehensive range of services in the realization of product solutions for pharmaceuticals, drug delivery, diagnostics, and MedTech, based on flexibility, partnership, and reliability. This focus will enable us to open up further business areas in order to develop the company on a sustainable and strategic basis. To this end, we have added experienced partners Springboard Pro and Gilero to our group of companies.

Springboard Pro

Springboard specializes in the development of medical devices for regulated markets and was founded with three core principles:

- Earn an outstanding reputation for excellence with our clients
- Improve people's lives around the world
- Become an exemplary employer, developing staff and creating highvalue jobs

The company specializes in the development of medical devices from initial concept to hand off for manufacturing. Springboard offers a wide range of engineering services backed by multidisciplinary scientific expertise and forensic engineering. This approach includes comprehensive services before and after market introduction. The team of thirty has a broad range of skills in physics, electronics, software and materials science and a reputation for rapid and cost-effective development in regulated markets, delivering valuable intellectual property to clients. Springboard's expertise ranges from delivery systems such as autoinjectors, infusion pumps, inhalers and syringes to equipment and consumables in respiratory, surgery, critical care, implants, diagnostics, and biotechnology.

Customers – from the largest multinationals to the fastest growing start-ups – will not only have access to design innovations based on world-class scientific and technical knowledge, but will also benefit from integrated design for manufacturing. The company can provide support for any project, from production in small quantities for verification and clinical trials to high-volume production in the Sanner Group's global manufacturing facilities. With this acquisition, the Sanner Group is therefore establishing the next generation of a device CDMO that combines agile and intelligent thinking with an established history in the business of healthcare packaging.

Gilero

Gilero offers end-to-end design, development and contract manufacturing services for medical devices and drug delivery/combination products. With a growing global presence, Gilero uses its years of industry experience and talented engineers to design, develop and manufacture everything from medical consumable devices to complex electromechanical drug delivery systems. Gilero has design studios and manufacturing facilities across North America, and a team of approximately 130 employees with experienced biomedical, mechanical, electrical, and software engineering backgrounds. Gilero also employs experts in regulatory affairs, product development, manufacturing, supply chains and strategic planning to support its customers.

The company is expanding its manufacturing capabilities with a new 6,000-square-meter facility in Greensboro, North Carolina. This new manufacturing facility will produce key components for medical devices and pharmaceutical packaging, as well as desiccant solutions to protect moisture-sensitive drugs and devices. This site will allow Sanner to build injection molding capacity to meet growing customer demand. The expanded Greensboro facility with Class 7 and 8 cleanrooms will house state-of-the-art injection molding and desiccant filling machines, quality control labs and moisture-controlled production areas. This expansion reflects Gilero and Sanner's long-term growth strategy and commitment to providing customers with efficient and scalable manufacturing solutions. Production will start in the second quarter of 2025.

Sanner Germany

Fig.1 Groundbreaking ceremony in 2023

The groundbreaking ceremony for its new production site and headquarters in Bensheim in early 2023 marked the start of the Sanner Group's preparations for further growth. The move to the new site began at the end of 2024. Sanner now has a production area of around 20,000 square meters and has doubled its capacity. Besides expanding its production capacity, the company has also created spacious areas for desiccants, injection molding and a Class 7 production cleanroom. Another highlight at the new site is the new technology and innovation center ("Sanner Technikum") measuring approx. 300m^2, where customer-specific solutions and prototypes will be developed in the future. Storage capacity has also almost doubled compared to the old site with a fully automated warehouse management system.

Fig.2 Dismantling of a raw material silo at the old site

Fig.3 Loading of a production machine

In addition to economic considerations, the planning also focused on sustainability. The new production facility will meet the KfW Efficiency Buildings 55 standard, enabling energy consumption to be reduced by 20 to 30 percent. Its environmental footprint will be further reduced thanks to state-of-the-art heat pumps and an automated heat exchange system, which eliminates the need for natural gas and crude oil. A photovoltaic system has also been installed on the roof of the production hall (see page 9). To summarize, this conversation has been a busy and eventful journey that clearly emphasizes Sanner's commitment to Germany as a location. Here's an overview of the tremendous efforts involved in our site relocation:

- Total duration of the move was approx. two and a half months
- Approx. 50 trips with a 7.5 ton truck were made for the administrative move alone
- Everything was transported to the new site, from the office perforator to the 1.5 t, 10 m high raw material silo and 20 t injection molding machine
- A total of approx. 150 journeys were made with a 40 t articulated truck
- The external removal company had around 20 employees working on the move during this time
- For reasons of sustainability, removal materials such as packaging, pallets, and cardboard boxes were rented rather than purchased.

Progress on the new building in Bertha-Benz-Strasse

03/2023

04/2023

05/2023

06/2023

08/2023

02/2024

09/2024

Everyone needs access to affordable energy that is renewable, reliable, 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 with regard to energy consumption. Our German site is certified in accordance with DIN EN ISO 50001. Other sites are adopting best-practice measures and by 2030 all European sites will receive annual training on energy issues. We are reviewing the gradual expansion of solar systems to generate our own electricity.

Generating our own energy

Fig.4 The PV system at the new site at Bensheim

At the new production site, a photovoltaic system with around 3,700 modules was installed on the production hall's entire roof area (see page7). With a peak output of around 1,700 kWp, the system will make a significant contribution to the company's sustainable energy supply. The use of solar power is expected to save around 500 metric tons of CO_2 per year and generate enough energy to supply the equivalent of over 500 single-family homes with electricity.

With the move to the new company headquarters, three installed wind turbines were also put into operation to support the company's own production of sustainable energy alongside the solar system. Each of the three wind turbines has a maximum output of 7.5 kWh at a total height of less than 10 m and a repeller diameter of just under 4.5 m. Installed in front of the company's entrance area, the system underlines its focus on sustainable energy generation.

In addition, another photovoltaic system was brought online within the Sanner Group at the Kirchheim site in France in 2024. The system, which contains almost 1,500 individual elements, was installed directly next to the production premises and covers a total area of around 3,000 m^2. Sanner France expects to generate around 700 MWh of its own sustainable electricity with the system, which will be used exclusively for its own consumption. This means that the system will cover around 15 percent of the company's total electricity consumption.

Sustainability mission statement

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

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

Our sustainability mission statement and the strategic goals it contains make sustainability part of our central corporate strategy. Development and the environment are essential for all living beings, and this also applies to 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. Fair and equitable dealings with one another, respect and appreciation as well as equal treatment were and are important cornerstones of our employee policies. Our product development is based on the mainstays of resource and material efficiency, recyclability, and the development of bio-based and environmentally friendly packaging variants. In manufacturing, our aim is to create the conditions in which to further shrink our ecological footprint and to set up efficient energy management at all locations. The procurement of goods and global logistics has become even more critical as a result of the pandemic. Our supply chains should be transparent. The sustainability policies of our partners are an important decision-making factor. With our vision and our shared international commitment and presence, we want to do good for people and contribute to a better quality of life and health. We have set out these values in our Code of Conduct, and it is important to us that this is not only practiced internally, but also supported by our partners in the upstream value chain. The Code of Conduct is briefly described below, with the various topics illustrated in the diagram.

Responsible business conduct

Code of Conduct – taking responsibility

The Code of Conduct (CoC) introduced in 2023 was successfully rolled out throughout the entire Group in 2024, and extensive training was provided. Compliance was subsequently confirmed by all site managers. Specific training courses were also held on the topics of anti-corruption and antitrust law in order to increase our employees' awareness and knowledge in these critical areas.

As part of the onboarding process, every new employee receives the CoC as an annex to their employment contract. They also take part in mandatory compliance training during their first week of work. These measures ensure that awareness is consistently raised about ethical and lawful conduct within the company. The CoC has also been extended to our upstream value chain in the form of the Supplier Code of Conduct (see the section on fair purchasing and logistics principles). The diagram below clearly illustrates the most important topics in our Code of Conduct.

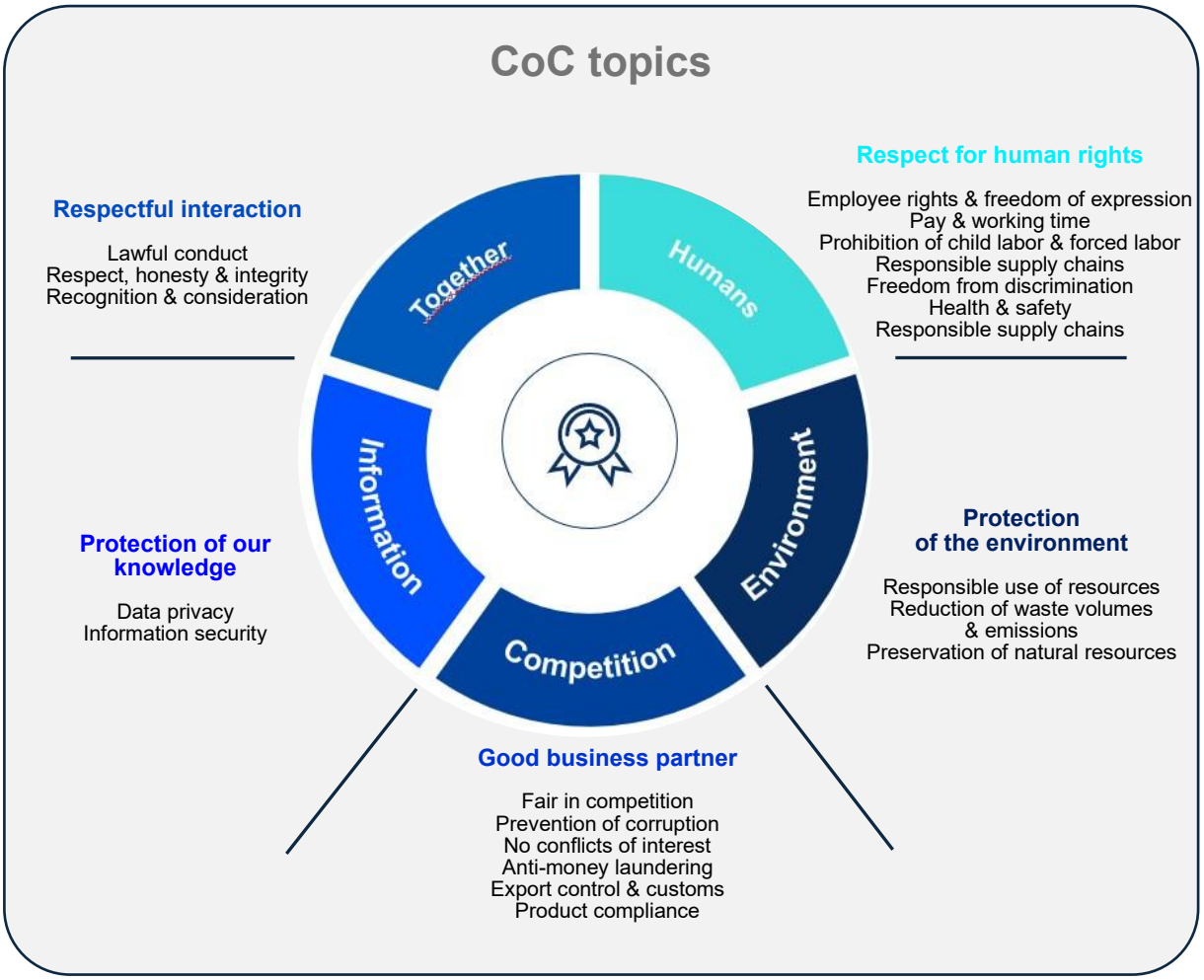


Fig.5 The various topics covered by the Sanner Code of Conduct

Sustainable practices in the Sanner Group

We are taking effective action to combat climate change in order to protect both people and nature from the consequences of global warming. Manufacturing our products is very energy intensive, but the packaging and medical technology products that we make are essential for human and animal health. Therefore, we are working on two approaches to mitigate climate change: Firstly, we save energy and try to produce as much of it as possible ourselves, and secondly, we try to substitute materials or do without.

As part of the implementation of sustainability management throughout the Sanner Group, the company has decided to participate in various sustainability initiatives and calculate its corporate footprint. In the following section, the two most important initiatives in which we are currently participating are described, and our footprint for 2024 is explained and illustrated in a series of bar charts.

Science Based Targets initiative

In August 2024, we committed to achieving the SBTi's short-term targets, which include a reduction in Scope 1, 2 & 3 greenhouse gas emissions by 2030. A detailed reduction plan based on scientific principles will be developed at the beginning of 2025. This pledge reflects our commitment within the Sanner Group to a sustainable future. By implementing actions across all company processes to reduce our emissions, we are actively contributing to climate change mitigation and helping to achieve the global climate goals of limiting global warming to 1.5°C.

We recognize the urgency of taking action in the face of climate change and are continuously working to minimize our environmental impact. This requires a comprehensive strategy encompassing both internal processes and external partnerships. We invest in sustainable technologies, optimize our production processes and focus on renewable energies.

EcoVadis

In 2024, EcoVadis carried out a new assessment of the Sanner Group. EcoVadis is one of the leading providers of sustainability assessments for companies. Even though stricter assessment criteria had been introduced, Sanner managed to improve significantly on its previous assessment, earning a bronze medal. This positive development is the result of the company's strong commitment to sustainability and responsible business practices.

A comprehensive action plan was implemented to improve the results of the EcoVadis assessment. The plan included a variety of initiatives and activities aimed at optimizing environmental performance, promoting social responsibility and building a sustainable supply chain.

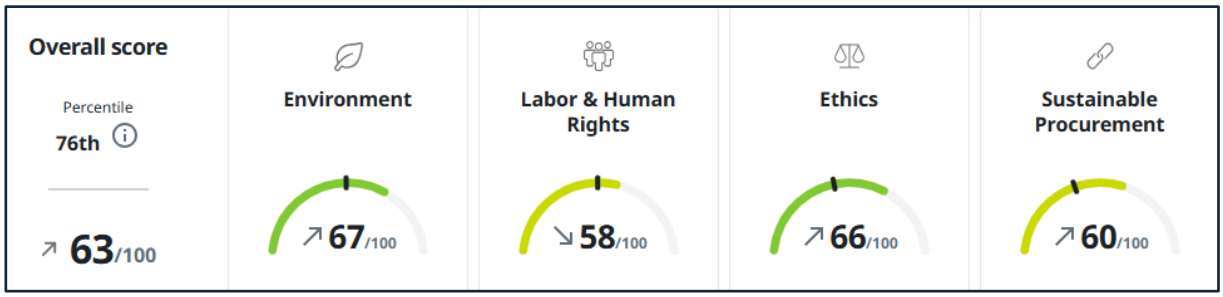


Fig.6 EcoVadis' current assessment (2024) of the Sanner Group for all assessment areas

One area where efforts were focused was on optimizing internal structures. This improved energy efficiency, reduced waste and promoted the use of environmentally friendly materials. Sanner's improved EcoVadis assessment is proof of a deep commitment to sustainability and responsible entrepreneurship. The Group remains determined to continuously advance its sustainability efforts, improve its EcoVadis score and set new standards in the industry.

Carbon footprint of the Sanner Group

Sustainability is a key element of our corporate strategy. As part of our climate change mitigation activities, we recorded the company's carbon footprint for the first time in 2024. The emissions were calculated in accordance with the Greenhouse Gas Protocol for Scopes 1, 2 & 3 using ESG software.

Recording the emissions:

The calculation includes direct emissions from our own facilities and vehicles (Scope 1), indirect emissions from purchased electricity, steam and heat (Scope 2), and initial calculations for Scope 3 within the upstream and downstream value chain. As it is still difficult to obtain data at present, individual Scope 3 subcategories such as "Use of sold products" and "End-of-life treatment of sold products" were not included in order to create a basis that was as valid as possible (see Figure 7).

All our production and administrative sites in China, Germany, India, France, the UK and Hungary were considered for the analysis. This meant that the main regions of business activity were covered so as to obtain a global and realistic assessment of our emissions.

The carbon footprint calculated for 2024 will serve as the base year for the science-based reduction plan in accordance with the Science Based Targets Initiative (SBTi), see page 12 of the report. Based on this data, actions to reduce emissions will be developed and implemented in the coming years.

The next steps include improving data collection, evaluating an extension of Scope 3 emissions accounting, and implementing specific reduction measures. These initial steps will lay the foundations for a sustainable future and our commitment to climate change mitigation.

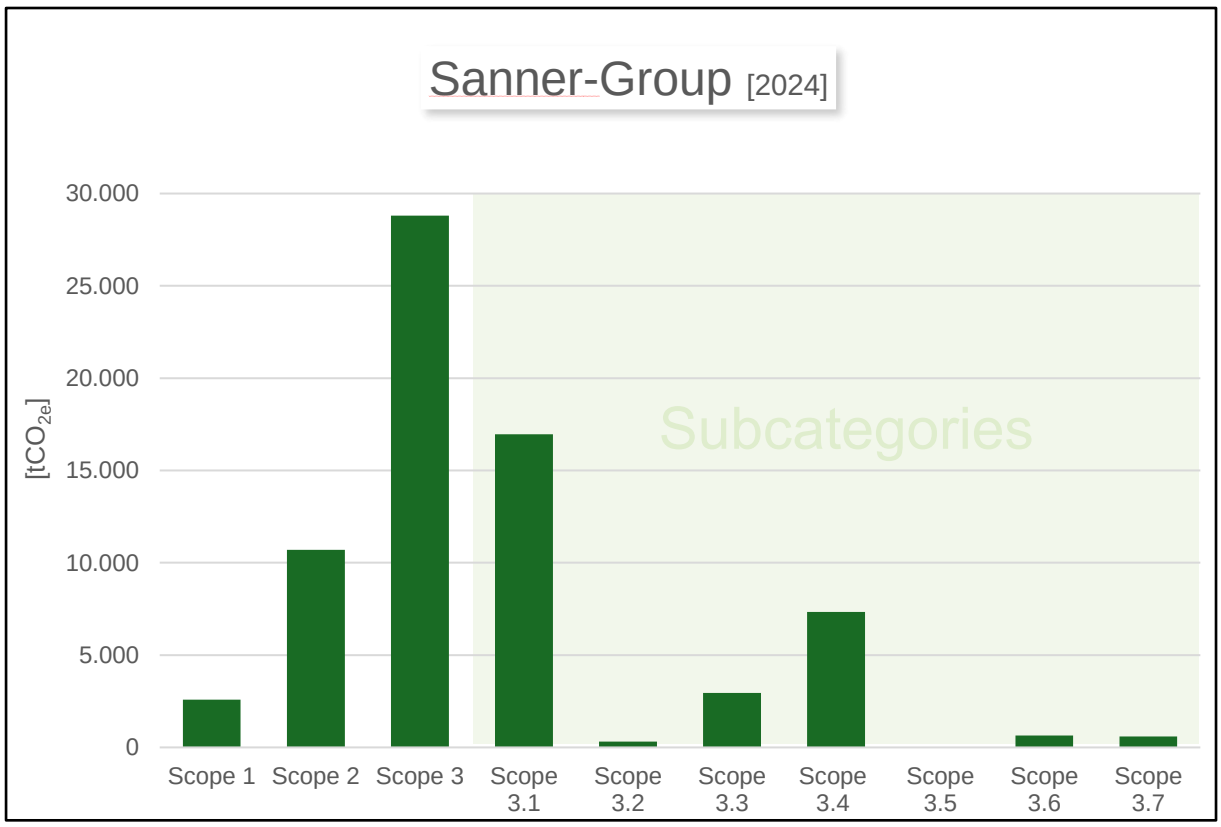


Fig.8 Current corporate footprint for the Sanner Group (as at the end of 2024)

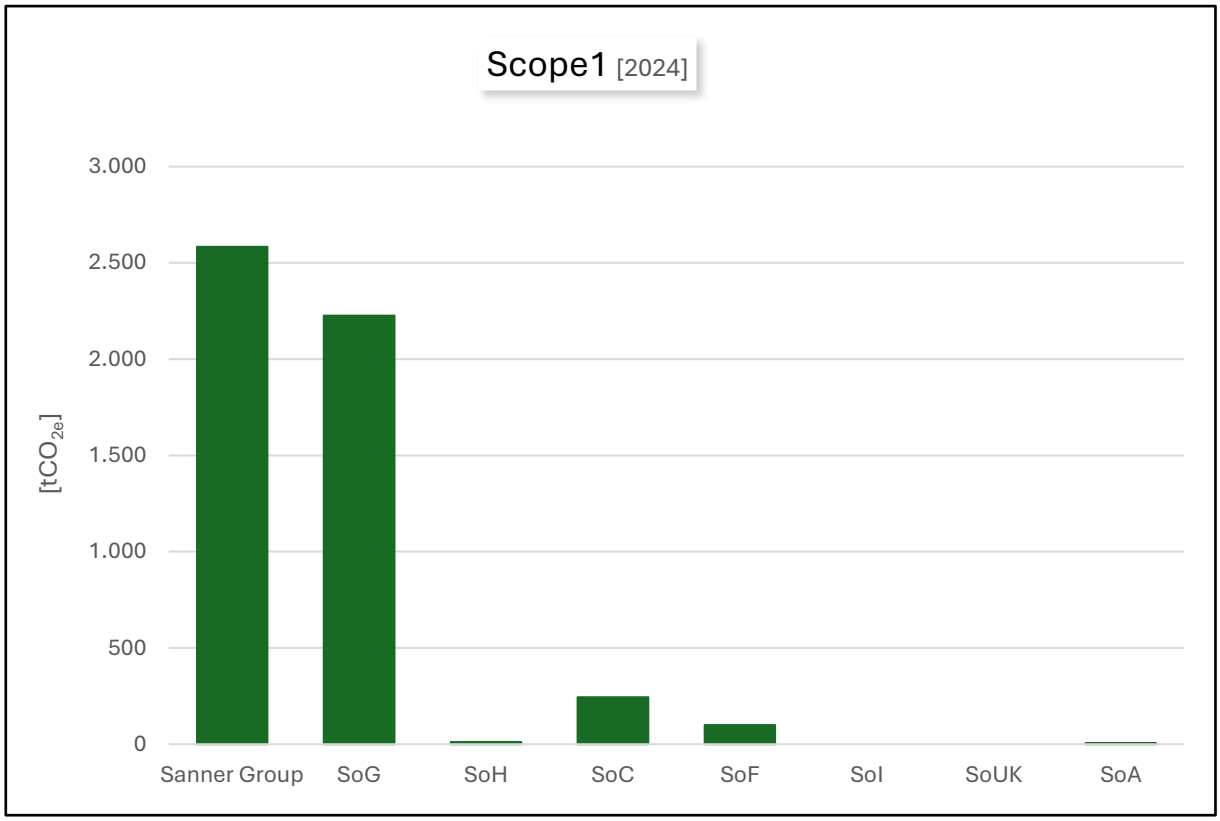


Fig.7 Current Scope 1 carbon footprint for the individual sites of the Sanner Group (as at the end of 2024)

SoG = Sanner of Germany
SoH = Sanner of Hungary
SoI = Sanner of India
SoUK = Sanner of United Kingdom
SoC = Sanner of China
SoF = Sanner of France
SoA = Sanner of America

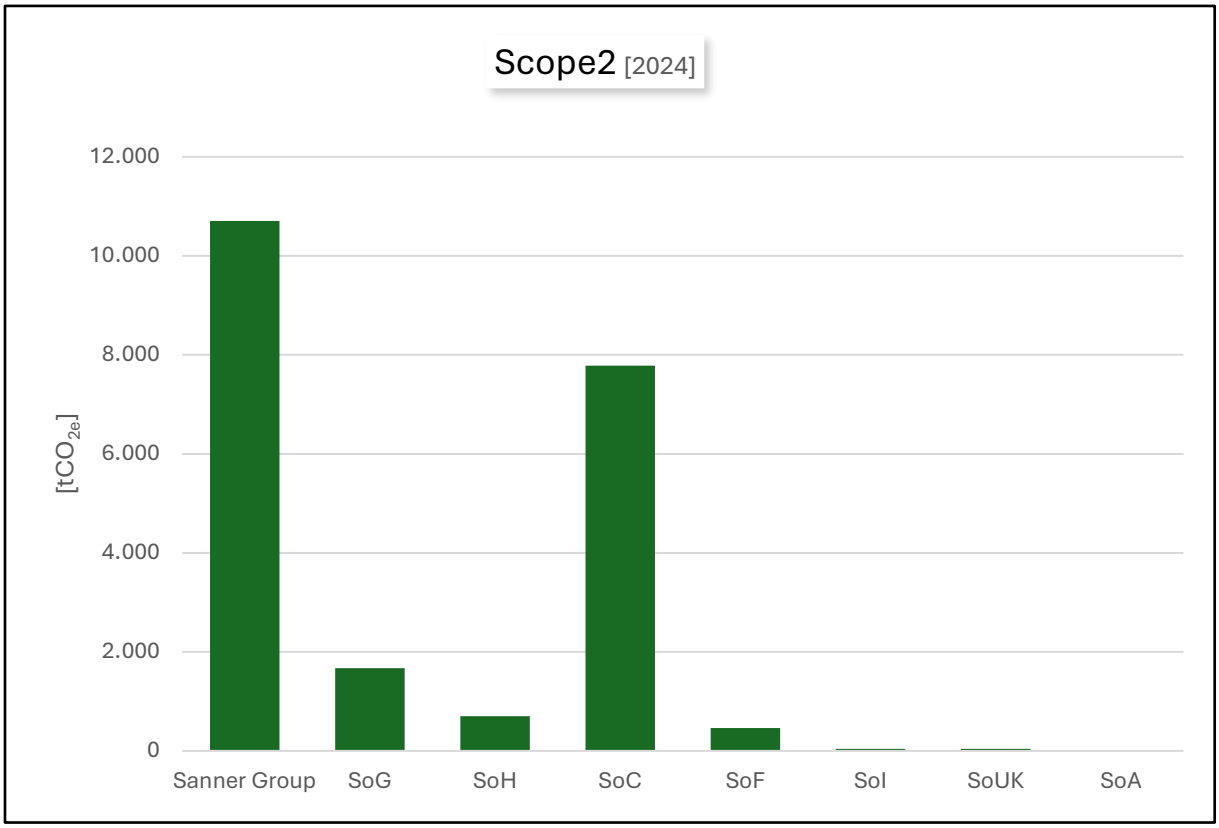


Fig.9 Current Scope 2 carbon footprint for the individual sites of the Sanner Group (as at the end of 2024)

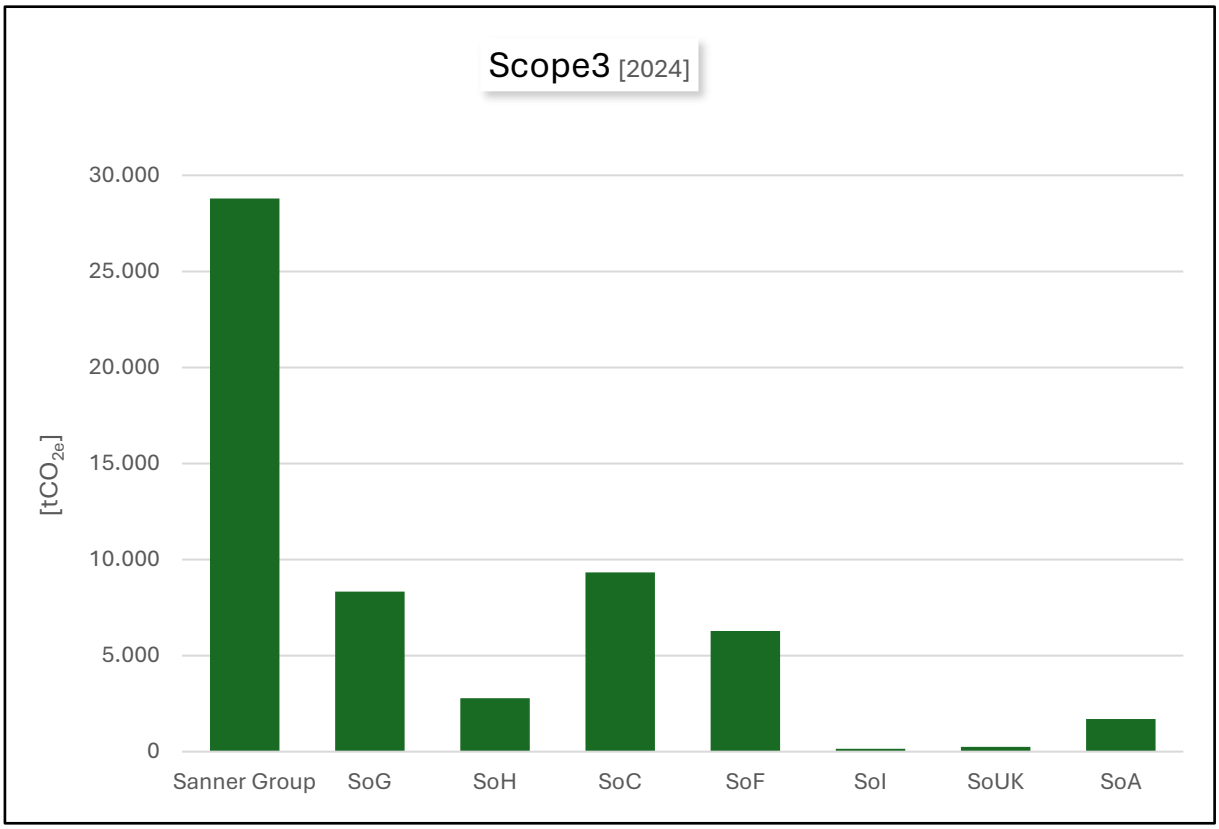


Fig.10 Current Scope 3 carbon footprint for the individual sites of the Sanner Group (as at the end of 2024)

SoG = Sanner of Germany
SoH = Sanner of Hungary
SoI = Sanner of India
SoUK = Sanner of United Kingdom
SoC = Sanner of China
SoF = Sanner of France
SoA = Sanner of America

Future-proof employee policies

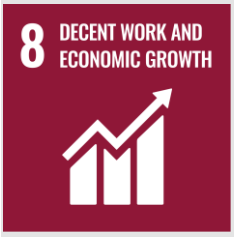
Everyone has the opportunity to receive a good education. Lifelong learning programs are supported.

At our headquarters in Germany, for example, we support young people in dual vocational training. We develop our managers and value our employees with the aim of retaining employees for many years. New employees receive an intensive induction phase with direct mentors in the vicinity of the work environment.

Women feel safe and have the same rights as men.

We always assign positions according to the skills that best suit the position sought. The only gender-specific work restrictions are in production, due to the maximum prescribed lifting capacity. As a manufacturing company, we mainly offer technical apprenticeships and study programs. We work very closely with Darmstadt University of Applied Sciences to promote girls in technical professions. Among other things, the university offers internships for young women who have completed their school leaving exams.

.



Everyone can find work that is decent and from which they can earn a living.

Sustainable growth is important for our company and our employees. This growth is achieved through fair competition, the validation of trading partners and active action against corruption. Internal guidelines on proper conduct along the entire value chain secure all jobs in the long term and generate prosperity. Secure corporate growth is only possible with decent work.

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

The good health and well-being of all is not only our core business but also reflected in the way we treat our employees and all workers along the value chain. We are constantly developing our range of health services for our employees at our main site and expanding these to all other company sites. This enables us to improve 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 to a minimum.

We also initiate employee surveys (see page 19), for example, in order to maintain and increase employee satisfaction and identification with the company. This has resulted in projects such as our “JobRad” bike leasing scheme (see page 18) and projects to maintain employee health (see page 20).

Sanner gets employees on their bikes

For years, we have offered our employees the “JobRad” bike leasing scheme, an initiative that has been very well received and is becoming increasingly popular. Through JobRad, our employees can lease high-quality bicycles at attractive conditions and use them not only to commute to work, but also for their leisure activities.

Fig.11 Sanner employees on a bike tour

Each employee has the option of leasing up to two bikes through JobRad, which significantly increases both the flexibility and mobility of the workforce. Depending on the type of bike, up to 40 percent of the purchase price can be saved through a corresponding salary conversion as opposed to buying the bike outright. The offer is not only actively used by employees, but also has a significant positive effect on the environment and general well-being. In 2024, our employees covered a total of over 60,000 kilometers by bike on their commute to work. This represents a significant reduction in CO_2 emissions and supports our sustainable corporate goals. The use of bikes not only reduces road traffic, but also promotes the health of our employees, as regular physical activity increases fitness and general well-being.

As well as demonstrating the success of the program, this development also shows the high level of motivation and commitment of our employees to actively contribute to a better future. We will continue to offer this scheme moving forward to help pave the way for a greener, healthier future.

Employee surveys

An employee survey was conducted at all of our sites. In total, almost 60 percent of all employees across various sites participated. In addition to measuring satisfaction and employees' sense of identification/alignment with the company, the survey asked which initiatives would benefit them most. The survey revealed that almost 80 percent of employees are satisfied with the current situation and more than 90 percent identify directly with the company. The following chart sets out our employees' assessments and below it is an overview of the most frequently mentioned benefits:

Fig.13 Survey result with regard to company identification at the individual Sanner Group sites

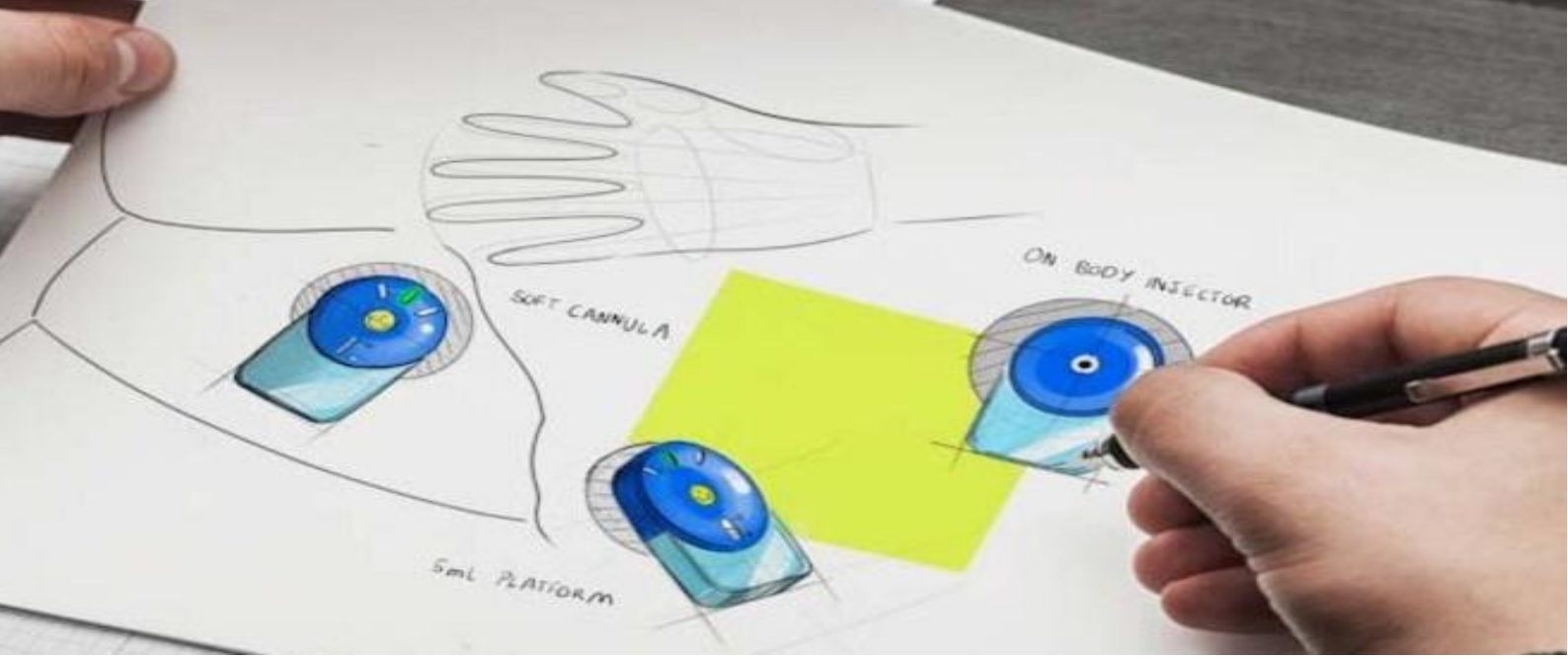
Fig.12 The five most important benefits according to the employee survey

In addition to the employee survey, further employee satisfaction initiatives were launched at various sites. At the Kunshan site in China, for example, a voluntary medical check-up was carried out in which interested employees could take part. More than 80 percent of employees attended and were able to have the results explained to them in detail by a doctor following the check-up. We will continue to carry out similar initiatives at all our sites in the future to support the health of all Sanner employees.

Employee metrics

Employees								
	Sanner Group	SoG	SoA	SoI	SoC	SoH	SoUK	SoF
Total headcount	824	269	151	4	244	67	32	57
Full time	776	250	141	4	232	65	27	57
Part time	48	19	10	0	12	2	5	0
Men	500	224	94	3	93	21	24	41
Women	324	45	57	1	151	46	8	16
Other	0	0	0	0	0	0	0	0
C-level men	23	7	6	1	5	1	2	1
C-level women	6	3	2	0	1	0	0	0
Health & safety at work								
Reportable accidents at work	56	8	0	0	2	9	6	31
Days of absence	266	78	0	0	158	30	0	0

SoG = Sanner of Germany
SoH = Sanner of Hungary
SoI = Sanner of India
SoUK = Sanner of United Kingdom
SoC = Sanner of China
SoF = Sanner of France
SoA = Sanner of America



A sustainable product strategy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

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, thereby taking responsibility for product safety and the environment.

Promoting the circular economy is also a particular focus. Wherever possible, we use monomaterials to achieve a high level of recyclability for our products. We continuously review our standard products to identify potential material savings and alternative materials and then implement these, always under the premise of maintaining consistent product quality.

In 2024, the Sanner Group drew up an EcoDesign policy in accordance with DIN ISO 14000, which commits us to developing all new products with a sustainable design in the future. The policy applies to all our development sites and prioritizes product safety and sustainability. It is implemented by our trained employees with the help of an EcoDesign checklist.

EcoDesign covers the entire product life cycle with a focus on environmental friendliness, material selection and waste minimization. Sustainable materials, recyclability and reduction of material consumption are promoted. Waste is to be avoided, components optimized and recycling made easier. The aim is to create an environmentally friendly production process and improve the recyclability of our products. The Sanner Group also uses the policy to actively promote environmental responsibility and sustainable product development. We have outlined two examples of EcoDesign and material savings below:

Material savings:

In 2024, the Sanner development team launched an important project to reduce materials within the company`s product portfolio. The main objective was to use resources more efficiently, thereby reducing our overall consumption of raw materials and shrinking our product carbon footprint. One particular focus was on a feasibility study to reduce the wall thickness of a frequently produced product. This optimization can result in significant raw material savings of around 90 metric tons of polypropylene for an annual production run of the product. This not only leads to a sustainable use of resources, but also helps to significantly reduce CO_2 emissions. Based on standard calculation factors*, this corresponds to an approximate CO_2 saving of around 170 tons. This project shows how technological changes and sustainable product design can work together to significantly minimize environmental impacts.

*Source: Information sheet on CO_2 factors by the German Federal Office for Economic Affairs and Export Control

Fig.14 Possible material reduction for an effervescent tablet tube by reducing the wall thickness of the tube

EcoDesign

In close cooperation with a key customer, Gilero developed a sustainable IV bag with the emphasis mainly on easy handling and possible reuse.

The IV bag addresses the need for empty IV bags, which are required for around one in four preparations.

Thanks to the SmartSite™ needle-free connector, these bags can be filled with IV solution, disinfected and refilled with medication. Our needle-free system helps reduce the risk of needlestick injuries – the most common source of occupational infections among healthcare workers.

Advantages:

- Suitable for a wide range of medications, not every single medication needs to be stored in packaging
- This saves on packaging and avoids medication waste
- Facilitates the aseptic transfer of medication into or out of the SmartSite™ Bag IV bag
- Helps doctors avoid needlestick injuries (statistically one of the highest causes of injury in hospitals)

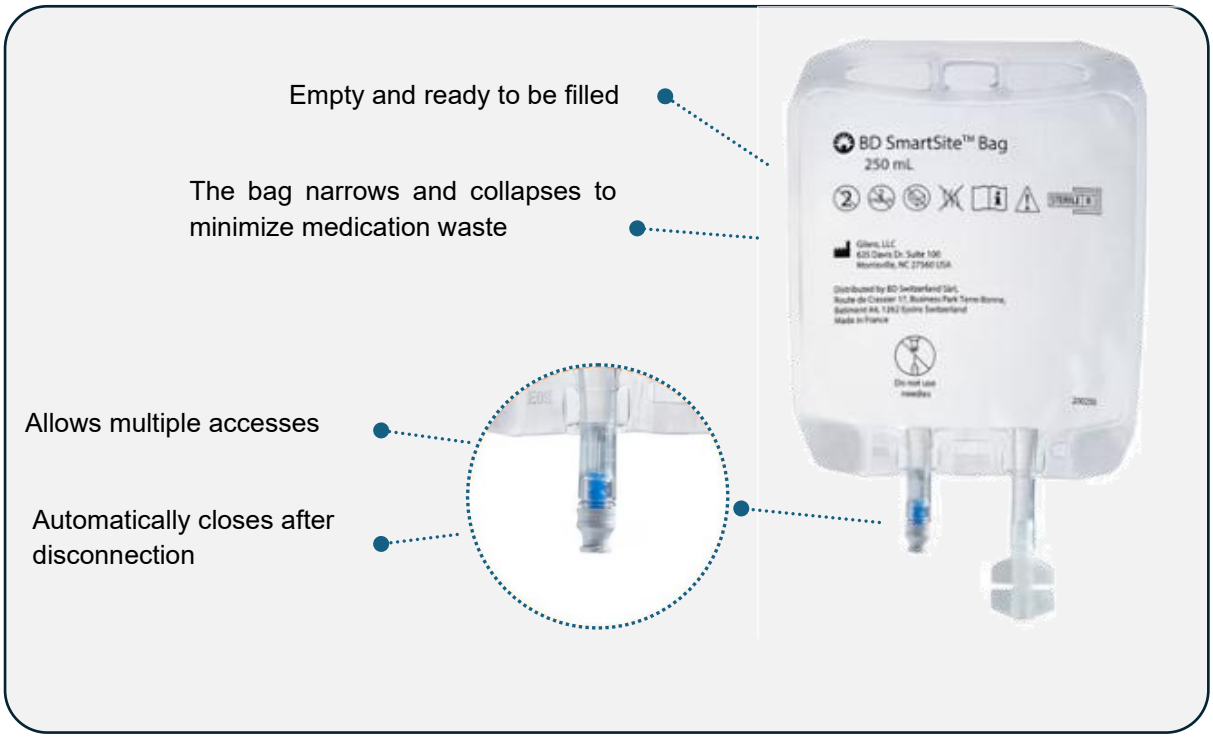


Fig.15 An "easy use IV bag", developed by Gilero

Efficient production principles

The infrastructure is designed to give 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 so as to participate in progress. This includes constantly expanding our company's expertise with regard to new technologies and continuously replacing our machines with more efficient ones. We promote national industry at our production sites and offer stable jobs at fair conditions.

Efficient production planning is the key to the company's success, both from an economic and a sustainable point of view. Sanner's managers therefore always have this in mind and use it as the basis for various projects. This was a key consideration not only when it came to reducing waste quotas from production machines, but also for the complete relocation of the site. Both of these are described below

Reduction of the waste quota at the Budapest site to below 2.5 percent.

In 2024, seven new products were introduced into production at our site in Hungary, which initially led to higher waste quotas within production as a whole. The following measures were then implemented:

Fig.16 Change in the waste quota over the course of 2024 at the Hungarian site

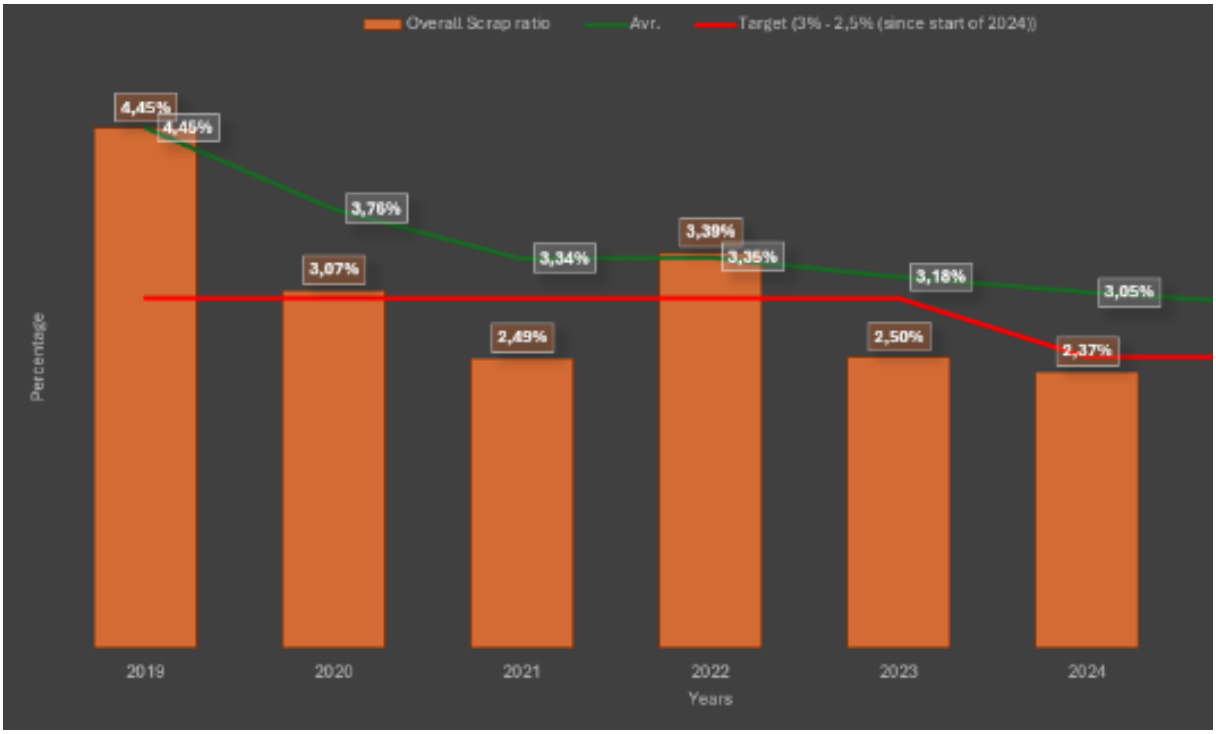


Fig.17 *Change in the waste quota from 2019 to 2024 at the Hungarian site*

- Training on error prevention and standard processes
- Stabilization of two products and introduction of more frequent checks.
- Focus on process flow, temporary worker support.
- Additional QA checks before release.
- Daily technical meetings, staff stabilization, new team leader.
- Improved product safety through specialized equipment.
- Improved maintenance, QMS optimization, KPI monitoring and implementation of audit recommendations.

All these measures achieved the goal of continuously reducing the waste quota to below 2.5 percent: the lowest value since 2019. However, this is just an intermediate step toward making production significantly more efficient. We will continuously monitor and improve all process steps within the company. In the coming year, a project will be launched to substantially reduce the waste quota at our Chinese site too.

Forward-looking production planning

Moving to a new site is not just a logistical challenge, it also has a significant impact on the entire production process. Relocating an entire site requires careful planning in order to minimize production downtime and ensure delivery capability at all times.

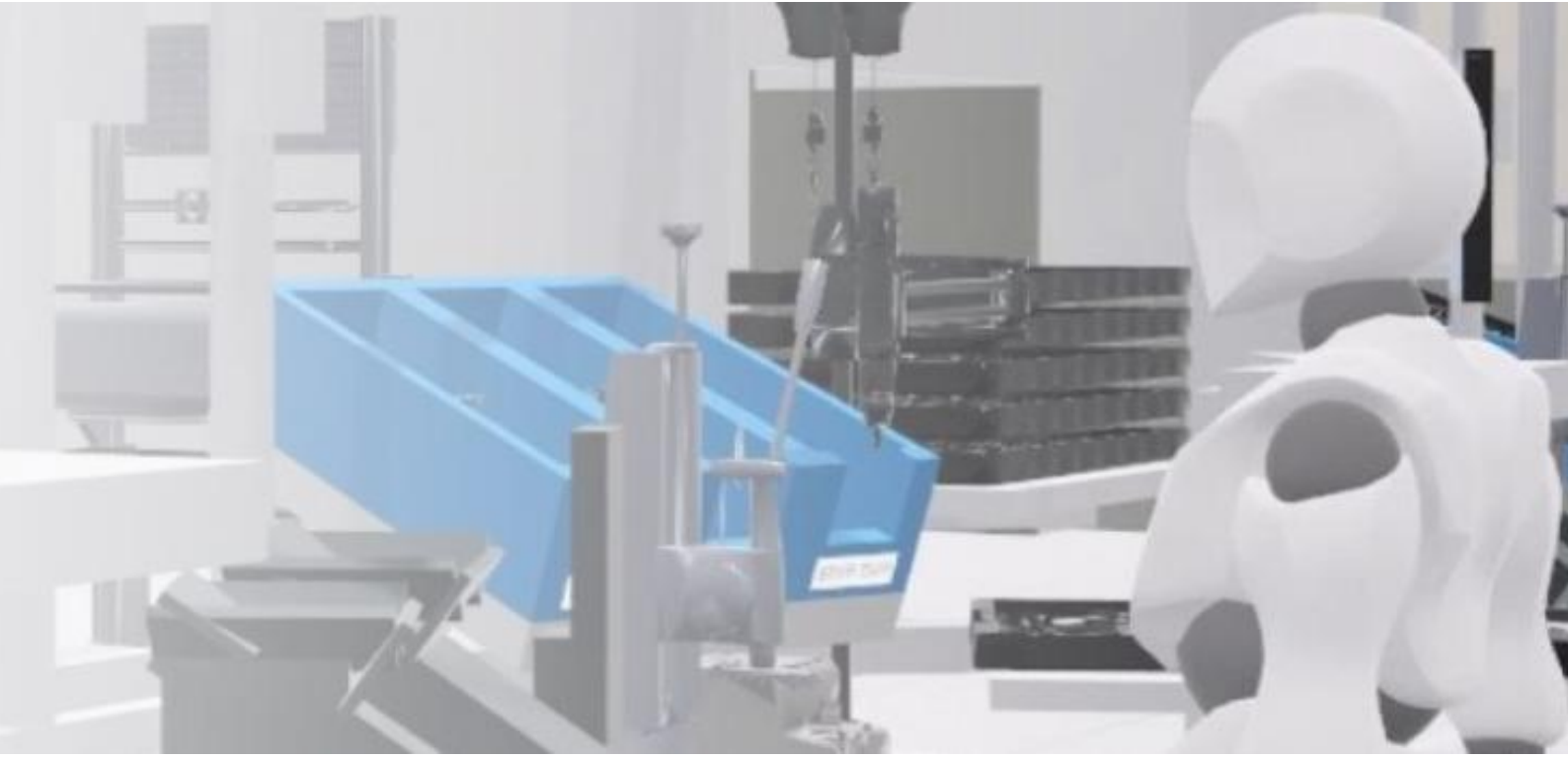
Fig.18 The loading of a production machine at the old site in Bensheim

We implemented a strategy to pre-produce existing orders and initiate production at th new facility before the pre-produced inventory was depleted, minimizing supply chain disruptions. Affected customers were informed accordingly. Reliable deliveries continued to be made to customers while production started at the new site, machine by machine.

The coordination of logistics, technology and personnel was crucial. Only through close cooperation between all departments was it possible to ensure that machines were dismantled, transported and put back into operation on time. Despite the challenges, the transition was managed efficiently and operations resumed on schedule.

Fig.19 Production at the new site at Bensheim

Thanks to forward planning and pre-production, the company was able to ensure that it could continue making deliveries during the move. There was no need for customers to worry about delays and the restart at the new site was a success. Besides the economic aspect, pre-production also had a sustainable impact, albeit a minor one. By grouping the same orders together, setup processes could be avoided, thereby reducing setup waste.



Process development with virtual reality

Fig.20 VR simulation of the new production hall with machines

Sanner utilized virtual reality (VR) to optimize product and cleanroom manufacturing at its new site, from the prototype phase to series production. Simulating and visualizing the production of packaging and medical devices in a virtual environment allows processes to be precisely analyzed and improved. Experience-based knowledge is combined with digital data for informed decision-making that promotes both efficiency and environmental sustainability. After the initial simulation, the results are carefully evaluated and further refined to create an optimal process environment that not only increases efficiency but also provides an ergonomic workplace for employees and conserves resources.

Optimizing the process environment with detailed simulations reduces throughput times by up to 20 percent, which in turn significantly reduces energy consumption and material waste. Using VR makes it possible to identify potential weak points at an early stage and systematically eliminate them, enabling Sanner to establish an innovative and future-proof production process that prioritizes sustainable principles.

In the future, Sanner will also be able to offer its customers the benefit of this experience in the context of contract development and manufacturing organization (CDMO) projects. Sanner's aim is not only to develop optimal products but also to implement the appropriate production landscape in a way that is both efficient and environmentally friendly. By using the latest technologies and deeply entwining knowledge and digital data, the company is able to create customized solutions that improve both product quality and manufacturing processes in the long term, thereby achieving a significant competitive advantage.

Fair purchasing & logistics principles

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

In line with SDG 17 (Partnerships for the Goals), longstanding partnerships with customers, suppliers and service providers strengthen our business activities. Our many years of working with regional partners help to reduce transport distances. Joint projects with customers and suppliers help us to set consistent goals and make it easier to achieve them.

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

Sustainable procurement policy

In 2024, the company's procurement strategy was further developed to align it more closely with sustainable and reliable criteria. The procurement policy was comprehensively revised and harmonized as a result, and now applies to all Sanner Group sites. This policy is binding for all employees involved in procurement decisions and complements the existing Supplier Code of Conduct, which ensures sustainable and ethical standards in the supply chain.

Principles of our sustainable procurement

Our sustainable procurement policy is based on ESG objectives that ensure a sustainable purchasing process. The approach aims to gear the procurement of products and services toward promoting environmental, social and economic sustainability in equal measure.

- **Reducing environmental pollution:** We favor suppliers that offer environmentally friendly products and services, are energy efficient and help conserve resources. We also review opportunities for reducing packaging materials and are increasingly turning to recyclable and sustainable raw materials. We pay particular attention to reducing CO_2 in the supply chain by choosing low-emission modes of transport, for example, and optimizing logistics processes.

- **Strengthening social responsibility:** We prioritize suppliers that uphold fair labor practices, respect human rights and contribute to the positive development of the communities in which they operate. In doing so, we pay particular attention to aspects such as fair wages, safe working conditions and the prohibition of child or forced labor. We also support suppliers that actively promote diversity and inclusion and implement social standards in their

companies.

- **Promoting economic viability:** We support regional and local companies in order to minimize transport distances and strengthen the value added in the regions in which we operate. Our focus here is on strategic partnerships with a long-term perspective so as to ensure a stable, sustainable supply chain. At the same time, we promote innovation by including sustainable materials and alternative production methods in our procurement criteria and actively working with suppliers on sustainable solutions.

Local sourcing and supplier structure

An important part of sustainable procurement is an increased focus on regional suppliers. Carefully selecting partners in close geographic proximity reduces transport distances and significantly lowers CO_2 emissions as a result. In addition to contributing to environmental sustainability, this approach also strengthens local economic cycles and promotes cooperation with reliable, proven partners.

Analyses shows that a growing proportion of suppliers are based in the immediate vicinity of our production site in Bensheim. The following analysis provides insights into the origin of the suppliers, both by country (see Fig. 20) and by distance to the Bensheim site (see Fig. 21). This data helps us to identify further optimization potential and to tailor our purchasing strategy specifically to sustainability criteria.

D	CHI	CH	B
300	2	6	3
F	**I**	**UK**	**H**
6	1	1	2
SE	**FI**	**NL**	**PL**
4	1	3	1
AT	**US**	**IRL**	**Lux**
5	2	1	1

Fig. 21 Overview of suppliers by country

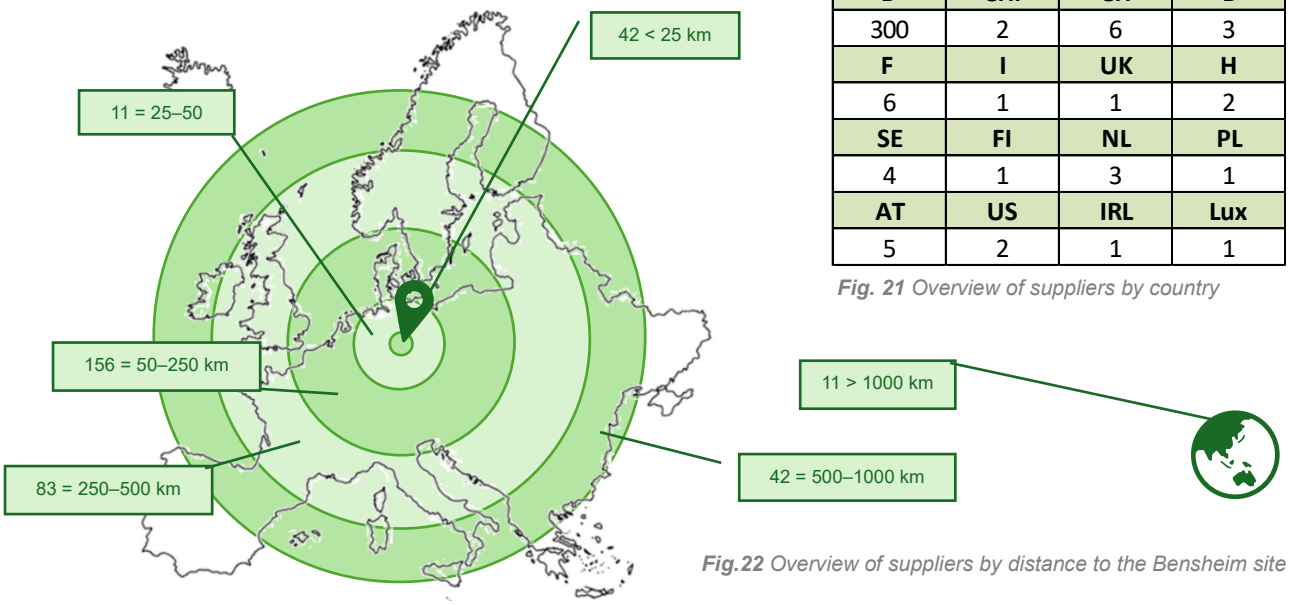


Fig.22 Overview of suppliers by distance to the Bensheim site

Looking ahead to 2025

In 2025, we will continue to pursue ambitious goals that underline our commitment to sustainability and climate change mitigation. This applies to all areas of our sustainability management approach.

- Our primary goal for 2025 is to reduce our Scope 1 & 2 CO_2 emissions relative to 2024.

- Despite stricter criteria, we were able to significantly improve our Ecovadis rating, achieving a bronze medal. In the course of 2025, we want to further improve on this by reaching the top 15 percent of rated companies and earning a silver medal.

- Another key point is the definition and implementation of Science Based Targets Initiative (SBTi) near-term goals.

- We aim to reduce the rejection rate at our production site in Kunshan (China) to below 3.5 percent in 2025 compared to 2024.

- Integrating our customers, suppliers and employees into sustainable processes is another important part of our strategy. We want to raise awareness of environmental issues and actively involve all stakeholders in our sustainability initiatives.

Overall, we are confident that our ambitious goals and the joint efforts of our entire organization will enable us to make a positive contribution to climate change mitigation. We are committed to continuously improving our processes and finding innovative solutions to achieve our climate targets and reduce our carbon footprint over the long term.

Afterword

Dear Readers,

2024 was both an exciting and a very good year for the Sanner Group. As you have read, a great deal has happened in the area of sustainability. We now hope to reap the rewards of our efforts in 2025 and the years to come. We are excited to see what the summer will bring in terms of solar energy, both with our system in Bensheim and our solar park next to our plant in France, which is currently the largest photovoltaic system in the region. We also hope that we will soon be able to enjoy the fruit of one of the many fruit trees on the grounds of our new flagship site in Bensheim.

I like to compare our ultra-modern factory to an electric car. It doesn't rely on oil or gas--instead it uses solar energy for driving and recovers that energy when braking. In our case, instead of braking energy, we convert waste heat from the machines into energy for cooling or heating the building. In addition, since we only moved 6km away from our old site, our colleagues won't have a longer journey to the new site. This is a great thing in terms of sustainability. It is also a clear commitment to Germany as a business location – meaning that we have truly earned our Ecovadis medal.

I wish you a sustainable 2025 and look forward to providing you with news of more exciting progress next year.

Dr. Hans-Willem van Vliet, CEO

List of illustrations

Fig. 1 Dismantling of a raw material silo at the old site 7
Fig. 2 Groundbreaking ceremony in 2023 7
Fig. 3 Loading of a production mashine 7
Fig. 4 The PV system at the new site at Bensheim 9
Fig. 5 The various topics covered by the Sanner Code of Conduct 11
Fig. 6 Ecovadis current assesment (2024) of the Sanner Group for all assesment areas 13
Fig. 7 Current Scope 1 carbon footprint for individual sites of Sanner Group 15
Fig. 8 Current corporate footprint for the Sanner Group 15
Fig. 9 Current Scope 2 carbon footprint for the individual sites of the Sanner Group 16
Fig. 10 Current Scope 3 carbon footprint for the individual sites of the Sanner Group .. 16
Fig. 11 Sanner Employees on a bike tour 18
Fig. 12 The five most importatnt benefits according to the employee survey 19
Fig. 13 Survey results with regard company identification at the individual Sanner sites 19
Fig. 14 Possible material reduction for an effervescent tablet tube by reducing the wall thickness of the tube 22
Fig. 15 An "easy use IV-bag", developed by Gilero 23
Fig. 16 Change in the waste quota over the course of 2024 at the Hungarian site 24
Fig. 17 Change in the waste quota from 2019 to 2024 at the Hungarian site 25
Fig. 18 The loading of a production machine at the old site in Bensheim 26
Fig. 19 Production at the new site at Bensheim 26
Fig. 20 VR simulation of the new production hall with machines 27
Fig. 21 Overview of suppliers by country 29
Fig. 22 Overview of suppliers by distance to the Bensheim site 29

Imprint

Published by:

Sanner Group Headquarters
Sanner GmbH (HQ)
Bertha-Benz-Str. 5
64625 Bensheim
Germany

www.sanner-group.com

Responsible for content:

Mike Bernhardt
Sustainability Manager
Sanner GmbH

Editorial responsibility

Heike Lang
Director Marketing & Communications
Sanner GmbH

Editorial note:

All information in this report has been compiled from various sources to the best of our knowledge and belief and with the utmost care. To the best of our knowledge, the information, figures and data contained in this report are true.

Nevertheless, no liability can be accepted for the accuracy and completeness of the information. This report is also available in German. In the event of discrepancies between the versions, the German document is definitive.

Gender note:

For ease of reading, this report has used gender-neutral language where possible. All personal designations apply equally to all genders.

#ShowYourStripes