

Sustainable connections for future generations

SANHA[®] Sustainability Report 2025

Sustainable connections for future generations

SANHA[®] develops and manufactures durable piping systems and fittings used in sanitary, heating, cooling, gas and industrial applications. This report summarises the key sustainability information from the SANHA[®] CSRD Report 2025 in a concise, website-ready format.

- Reporting based on CSRD/ESRS principles
- Focus on high product quality, durability and safety
- Sustainability integrated into operations, supply chain and product development

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Letter from Management

The report provides a clear and accessible summary of the SANHA® Group's key actions, policies, and goals in the area of ESG, as well as a summary of the report prepared in accordance with the CSRD and the European Sustainability Reporting Standards (ESRS). It combines a clear format with a thorough presentation of key sustainability issues, while remaining consistent with core reporting elements such as double materiality analysis, climate transition, the circular economy, labor issues, responsibility in the value chain, and the principles of responsible business conduct.

The year 2025 marked an important milestone for the SANHA® Group. The process of preparing this report was not merely a matter of complying with new regulatory requirements—it also served as a catalyst for an in-depth analysis of our impact on the environment, society, and the economy, as well as for a better understanding of the risks and opportunities present throughout the value chain.

At SANHA®, we view sustainability as an integral part of our business strategy and a factor in building the organization's long-term resilience. The growing expectations of customers, business partners, investors, and regulators mean that responsible management of ESG aspects is becoming not only an obligation but also a source of competitive advantage. That is why we consistently identify our most significant impacts, risks, and opportunities; set measurable goals; develop an ESG data management system; and implement measures whose effectiveness we can monitor and continuously improve.

For over 60 years, we have been providing durable, safe, and high-quality installation systems that meet customer requirements and applicable standards. We develop products with a long life cycle and build long-term relationships with customers, suppliers, employees, and business partners, basing our collaboration on quality, responsibility, and mutual trust.

We systematically reduce the environmental impact of our operations by improving energy efficiency, reducing greenhouse gas emissions, and using resources wisely. We develop solutions aligned with the principles of the circular economy, increasing the use of recycled materials and supporting the recovery and reuse of raw materials.

We are refining our processes for collecting, verifying, and reporting ESG data, thereby enhancing its quality, completeness, and reliability. At the same time, we engage in dialogue with stakeholders to better understand their expectations, incorporate them into our decision-making processes, and support continuous improvement in our sustainability efforts.

We believe that responsible development is a process that requires commitment, consistency, and cooperation. This report presents the most important actions taken by the SANHA® Group in 2025 and the directions that will guide our activities in the coming years.

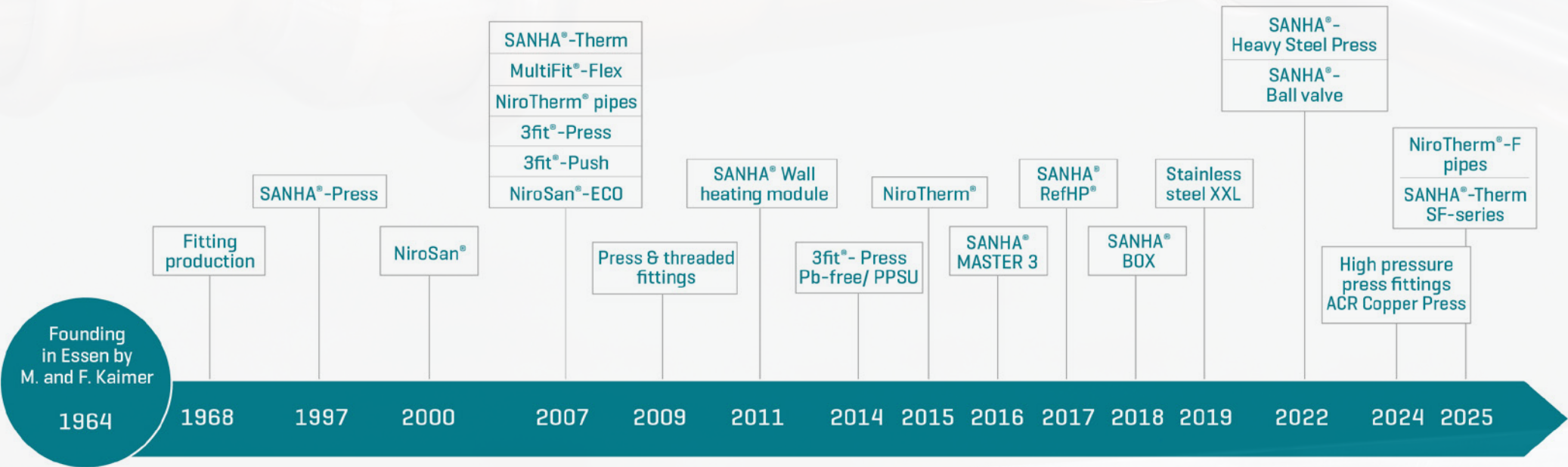


About SANHA®

SANHA® provides products and solutions primarily for the installation and industrial sectors. Key product groups include piping systems, fittings and installation components used in heating, sanitary, cooling, gas and industrial installations.

- B2B customer base: wholesalers, contractors, trading partners and industrial customers
- Value chain: raw materials, manufacturing, logistics, distribution, installation and end-of-life
- Products designed for long service life, reliability and recyclability





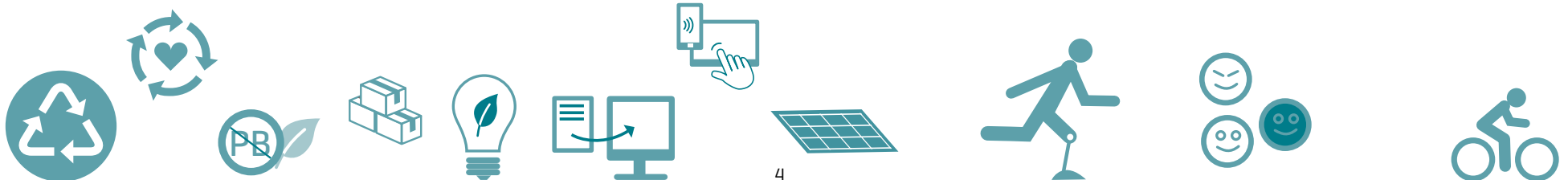


Material sustainability topics

Sustainable development at SANHA® is managed as part of the company's long-term corporate responsibility. The Group focuses on areas where its operations and value chain have the greatest impact: climate and energy, resource efficiency, product responsibility, occupational health and safety, working conditions, human rights in the value chain, transparent business practices, and compliance.

Sustainability priorities are linked to the Group's double materiality assessment, risk management, and operational decisions. SANHA® uses this approach to identify impacts, risks, and opportunities in its own operations and in relevant parts of the upstream and downstream value chain. The Group continues to improve the quality of its ESG data, reporting processes, and internal controls in preparation for the evolving requirements of the CSRD and ESRS.

The material sustainability topics identified for SANHA® include climate change, energy, water, resource use and the circular economy, its own employees, employees in the value chain, consumers and end users, as well as governance and business ethics. The selection of these topics reflects both the potential impact of SANHA®'s operations on people and the environment, as well as the importance of sustainability issues for the Group's future business resilience.





Double Materiality Assessment

As part of the preparation of the Sustainability Report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), SANHA® conducted a Double Materiality Assessment (DMA). The objective of the assessment was to identify sustainability topics that are material both from the perspective of the Company's impacts on the environment, society and human rights (impact materiality) and from the perspective of the financial effects that sustainability-related matters may have on the Company's business, financial position, performance and future development (financial materiality).

The assessment was carried out in line with the ESRS requirements, taking into account the nature of SANHA® Group's operations, its value chain, applicable regulatory requirements, identified risks and opportunities, and the expectations of key stakeholders. The process included the identification and assessment of actual and potential Impacts, Risks and Opportunities (IROs) associated with each sustainability topic.

As a result of the assessment, 7 out of the 10 ESRS topical standards were identified as material and define the scope of disclosures included in this Sustainability Report. The topics presented below represent the material sustainability matters for which impacts, risks and opportunities (IROs) were identified and are therefore subject to detailed disclosures in accordance with the ESRS requirements.

The results of the Double Materiality Assessment provide the foundation for determining the scope of this Sustainability Report and support SANHA® in defining its sustainability priorities and strategic focus areas.



ESRS Standards and Relevant UN Sustainable Development Goals

As part of its sustainability strategy, SANHA® aligns its material sustainability topics with the United Nations Sustainable Development Goals (SDGs). The SDGs provide a globally recognized framework for addressing environmental, social and governance (ESG) challenges and support the Company's contribution to sustainable development.

The mapping below illustrates the relationship between the material ESRS topics identified through SANHA®'s Double Materiality Assessment and the SDGs to which the Company contributes through its business activities, management systems, operational improvements and governance practices. This alignment helps ensure that SANHA®'s sustainability initiatives support internationally recognized sustainability priorities while creating long-term value for stakeholders.

Source: <https://sdgs.un.org/goals>

Environmental

1 Climate Change



3 Water and Marine Resources

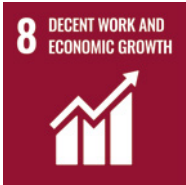


5 Resource Use and Circular Economy

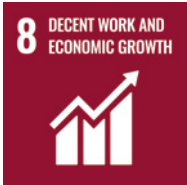


Social

1 Own Workforce



2 Workers in the Value Chain



4 Consumers and End-users



Governance 1 Business Conduct





ESG Highlights 2025

The following section presents SANHA®'s material environmental, social and governance topics identified through the company's double materiality assessment. Environmental topics address climate change, energy, emissions, water, pollution and resource efficiency. Social topics focus on employees, occupational health and safety, human rights and responsible value chain practices. Governance topics cover business ethics, compliance, risk management and responsible corporate governance, supporting the company's long-term resilience and sustainable growth.





Environment



Sustainability Strategy

Building sustainable value through responsible growth

At SANHA®, sustainability is an integral part of our business strategy and decision-making. We are committed to creating long-term value by combining economic performance with environmental responsibility, social engagement and ethical business conduct.

Our sustainability approach is based on identifying and managing the most significant environmental, social and governance (ESG) impacts, risks and opportunities across our operations and value chain. Guided by the results of the Double Materiality Assessment and aligned with the European Sustainability Reporting Standards (ESRS), sustainability is embedded into our governance framework, business planning and operational decision-making, supporting long-term value creation, regulatory compliance and continuous improvement. Responsible business conduct is supported by a comprehensive governance framework, including the Corporate Social Responsibility Policy (Code of Ethics, Anti-Corruption Policy and Whistleblowing Policy), Human Rights Policy, Sustainable Supply Chain Policy and Supplier Code of Conduct. Together, these policies establish clear expectations for ethical behaviour, respect for human rights, responsible sourcing, regulatory compliance and transparent business practices, reinforcing SANHA®'s commitment to sustainable value creation across its operations and value chain.



Climate Change

Strategy and action: Climate change is one of SANHA®'s strategic sustainability priorities. We integrate climate considerations into business planning, investment decisions and operational management to reduce greenhouse gas emissions, improve energy efficiency and increase the use of renewable energy while strengthening the resilience of our operations.

To implement its climate strategy, SANHA® continuously:

- improves the energy efficiency of production processes and buildings;
- increases the share of renewable electricity, including photovoltaic installations;
- electrifies selected production processes and replaces fossil fuel-based technologies where technically feasible;
- monitors and reduces greenhouse gas emissions across Scope 1, Scope 2 and Scope 3;
- implements decarbonization projects across the Group;
- integrates climate considerations into investment planning and operational decision-making.

Performance monitoring

SANHA® monitors climate performance in accordance with the GHG Protocol and the European Sustainability Reporting Standards (ESRS), using key indicators to evaluate greenhouse gas emissions, energy performance and progress towards its climate objectives. The Company has maintained an ISO 50001-certified Energy Management System for many years, supporting the continuous improvement of energy efficiency across its operations.

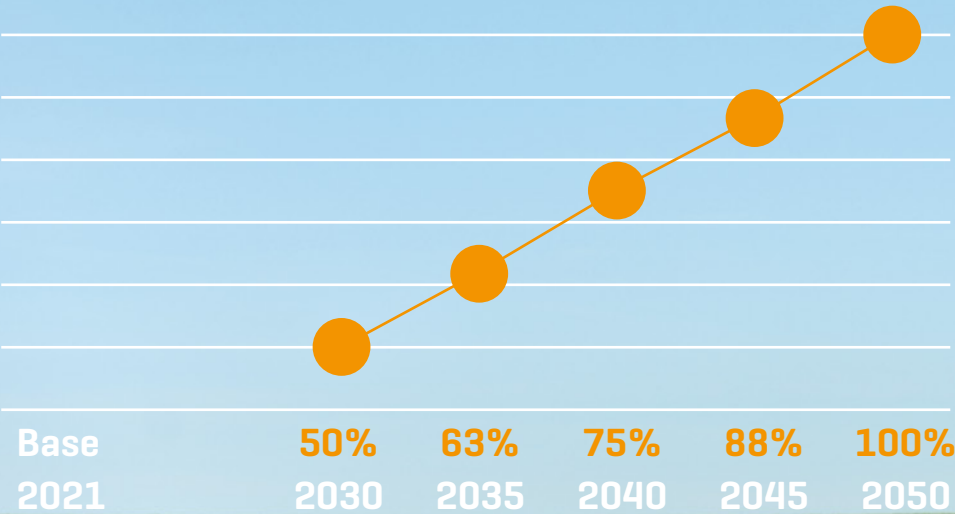
Key climate indicators

- Total GHG emissions (Scope 1, Scope 2 & Scope 3)
- GHG emissions intensity
- Total energy consumption
- Energy efficiency
- Electrification
- Renewable energy share



Climate and energy targets

Renewable energy share



Reduction targets:

Scope 1 and 2
2021 **42%** ➔ 2030

Scope 3
2023 **25%** ➔ 2030

Long-term ambition
net-zero emissions by 2050



Water & Marine Resources

Strategy and action: Responsible water management is an integral part of SANHA®'s sustainability strategy. We continuously improve water-use efficiency, protect water quality and prevent water pollution by monitoring water consumption, maintaining water infrastructure and implementing water-saving solutions. Wherever technically feasible, SANHA® utilizes closed-loop water systems, including river water for cooling, and harvested rainwater to reduce the consumption of freshwater resources.

To implement its water strategy, SANHA® continuously:

- monitors water withdrawal, consumption and wastewater discharge across all operational sites;
- operates and optimizes closed-loop water systems to reduce freshwater demand;
- utilizes river water in closed-loop cooling systems and harvested rainwater wherever technically and economically feasible;
- maintains water infrastructure and implements water-saving measures during modernization and investment projects;
- ensures wastewater management in compliance with applicable permits and legal requirements;
- continuously assesses water-related risks and identifies opportunities to improve water efficiency across operations.

Key water indicators

- Total water withdrawal
- Total water consumption
- Water reused and recycled
- Rainwater harvested and utilized
- Wastewater discharge
- Water withdrawal in water-stressed areas
- Compliance with wastewater permits

Strategic targets

- Improve water-use efficiency across all operational sites.
- Prevent water pollution through responsible wastewater management.
- Increase water reuse and the application of closed-loop water systems wherever technically feasible.
- Maintain 100% compliance with water and wastewater regulations and permit conditions.
- Support sustainable water management, particularly at sites exposed to elevated water stress.



Circular Economy & Resource Efficiency

Strategy and action: Circular economy is a key element of SANHA®'s sustainability strategy. We optimize the use of natural resources by increasing the share of recycled raw materials, minimizing the consumption of primary resources and applying circular economy principles throughout the product life cycle. Through closed-loop material management, sustainable sourcing and responsible waste management, SANHA® improves resource efficiency while reducing environmental impacts across its operations and value chain.

To implement its circular economy strategy, SANHA® continuously:

- increases the use of recycled raw materials by prioritizing materials with high recycled content;
- minimizes the consumption of primary raw materials through closed-loop material management, production scrap recovery and the reuse of recycled materials in manufacturing;
- applies the waste hierarchy by prioritizing waste prevention, reuse, recycling and recovery across all operations;
- segregates waste streams and corporates with authorised waste companies;
- promotes sustainable sourcing by increasing the use of certified and recycled packaging materials;
- continuously optimizes products and production processes to improve resource efficiency;
- raises employee and stakeholder awareness through training and sustainability engagement initiatives.

Key metrics

- Total material consumption
- Share of recycled raw materials
- Production scrap recovered and recycled
- Total waste generated
- Waste recycled
- Waste recovery and recycling rate
- Hazardous waste generated
- Non-hazardous waste generated

Strategic targets

- Increase the share of recycled raw materials in production.
- Minimize the consumption of primary raw materials and natural resources.
- Maximize the recovery and recycling of valuable production scrap.
- Increase the use of sustainable and recycled packaging materials.
- Reduce waste generation through process optimization and circular material flows.
- Strengthen circular product design

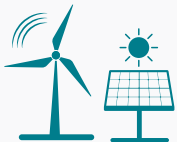


SANHA® by the statistics – 2025



Total energy consumption

15,435,459.8 kWh



Renewable



Fossil

Nuclear



0 kWh
0%



Total water consumption

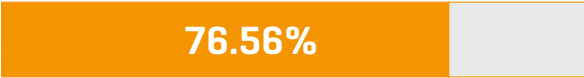
54,087 m³

... in areas at material water risk

8,349 m³

Total water recycled and reused

41,407 m³



Total emissions

49,294.97 t CO₂e

Scope 1 emissions

1,021.09 t CO₂e

Scope 2 emissions

3,922.11 t CO₂e

Scope 3 emissions

44,351.77 t CO₂e





SANHA® by the statistics – 2025



Total amount of waste in 2025: 2,654.19 t

non-hazardous: 2,440.13 t | 92%

hazardous: 214.0663 t | 8%

recycling: 2,427.73 t

not subject to recycling: 226.46 t

(physical and chemical treatment: 161.64 t + incineration: 64.82 t)

Copper comes from recycling processes: >50%

Stainless-steel waste is recycled: 100%

Purchased machining materials

may contain secondary material: >70-90%

Total material input: 7,497 t

Share of secondary raw materials: **5,593 t | 74.60%**

Recycled content
of production raw materials: 50–90%
[Depending on the material type.]

Total products manufactured: 4,900.481 t

Recycled content incorporated into products: **3,597 t**

Share of recycled content in products: 73.40%





Overview



Energy and Climate: Total energy consumption amounted to 15,435,459.8 kWh, of which 9,831,308.9 kWh came from fossil fuels, 0 kWh from nuclear energy and 5,604,150.9 kWh from renewable sources. Renewable energy accounted for 36.308% of total energy consumption, while energy from fossil fuels accounted for 63.692%. Nuclear energy accounted for 0.000% of total energy consumption.

Greenhouse gas emissions: Total reported emissions amounted to 49,294.97 metric tons of CO₂e. Scope 1 emissions totaled 1,021.09 metric tons of CO₂e, accounting for 2.07% of total emissions. Scope 2 emissions from electricity amounted to 3,922.11 metric tons of CO₂e, representing 7.96% of total emissions. Scope 3 emissions amounted to 44,351.77 metric tons of CO₂e, representing 89.97% of total emissions.

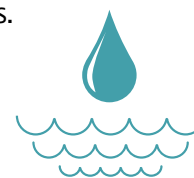
Selected Scope 3 categories: purchased goods and services accounted for 14,960.99 metric tons of CO₂e; capital goods for 2,325.59 metric tons of CO₂e; upstream transportation and distribution for 11,513.17 metric tons of CO₂e, waste generated by operations accounted for 1,550.64 metric tons of CO₂e, business travel accounted for 25.44 metric tons of CO₂e, employee commuting accounted for 1,031.34 metric tons of CO₂e, and end-of-life management of sold products accounted for 12,944.60 metric tons of CO₂e. The largest Scope



3 categories were purchased goods and services, upstream transportation and distribution, and end-of-life management of sold products.

Circular economy: More than 50% of the copper used in production in selected areas comes from the recycling of waste generated within the Group. Stainless steel waste is sorted for full recovery and further recycling, while selected purchased raw materials used in cutting processes contain 70–90%

Water consumption: In 2025, SANHA® Group's total water consumption amounted to 54,087 m³, of which 8,349 m³ was consumed at sites located in areas identified as being subject to high water stress. During the same period, 41,407 m³ of water was recirculated or reused in operational processes, reflecting the Group's ongoing efforts to improve water efficiency and promote the responsible use of water resources. SANHA® Group systematically monitors water consumption and implements measures to improve water-use efficiency across its operations. Water management includes water recirculation, process optimisation and solutions aimed at reducing water withdrawal, with particular attention given to sites located in areas exposed to high water stress.





Social



SANHA® as an Employer

SANHA®'s responsibility as an employer is based on safe workplaces, fair employment practices, equal treatment, skills development, and respect for human rights.



The Group maintains policies and processes covering occupational health and safety, diversity and inclusion, prevention of discrimination, protection against harassment and retaliation, social dialogue, and employee development.

The Group's social responsibility also encompasses fair compensation, appropriate working conditions, respect for privacy, the inclusion of people with disabilities, and measures to prevent violence and harassment in the workplace. These topics are part of SANHA®'s broader approach to human and labor rights and are monitored through internal procedures, reporting channels, and management review processes.

SANHA® supports employee development through professional training, performance and career development discussions, occupational health and safety education, ESG awareness initiatives, and role-specific qualification programmes. These activities are designed to strengthen employees' professional competencies, enhance operational excellence, and prepare the workforce to meet evolving business needs and regulatory requirements.



People, Safety & Workforce Development

Key actions

To implement its people strategy, SANHA® continuously:

- maintains a comprehensive occupational health and safety management system and promotes a strong safety culture;
- conducts workplace risk assessments and implements preventive and corrective measures;
- provides mandatory health and safety training and supports continuous employee development through competence-building programmes;
- promotes equal opportunities, diversity, inclusion and non-discrimination across the workforce;
- encourages employee participation, consultation and open dialogue on workplace improvements;
- promotes respect for internationally recognized human rights, fair employment practices and employee well-being across its operations;
- supports employee development through professional training, role-specific qualification programmes and continuous learning initiatives;
- monitors social performance and regularly reviews workplace practices to drive continuous improvement.

Key metrics

- Total workforce
- Rate of recordable work-related injuries
- Number of work-related injuries
- Health & safety training coverage
- Training hours per employee
- Gender diversity

Strategic targets

- Strengthen occupational health and safety performance and prevent workplace injuries.
- Support employee development through continuous learning, training and competence building.
- Promote diversity, equal opportunities and an inclusive working environment.
- Protect human rights and ensure fair employment practices across all operations.
- Foster employee engagement, consultation and continuous improvement.
- Promote employee well-being and maintain a safe, healthy and supportive workplace.

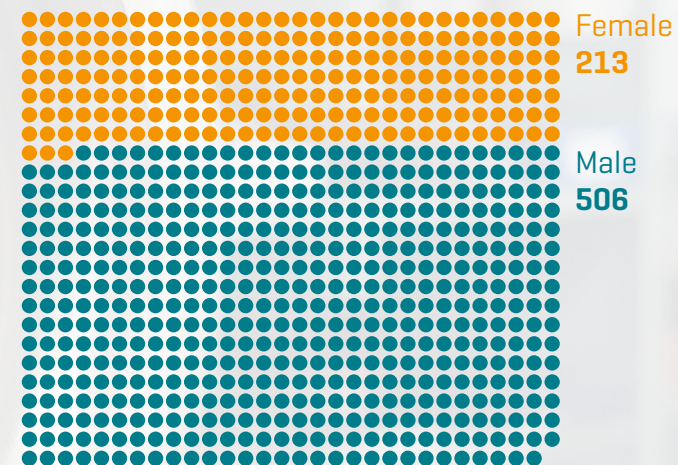


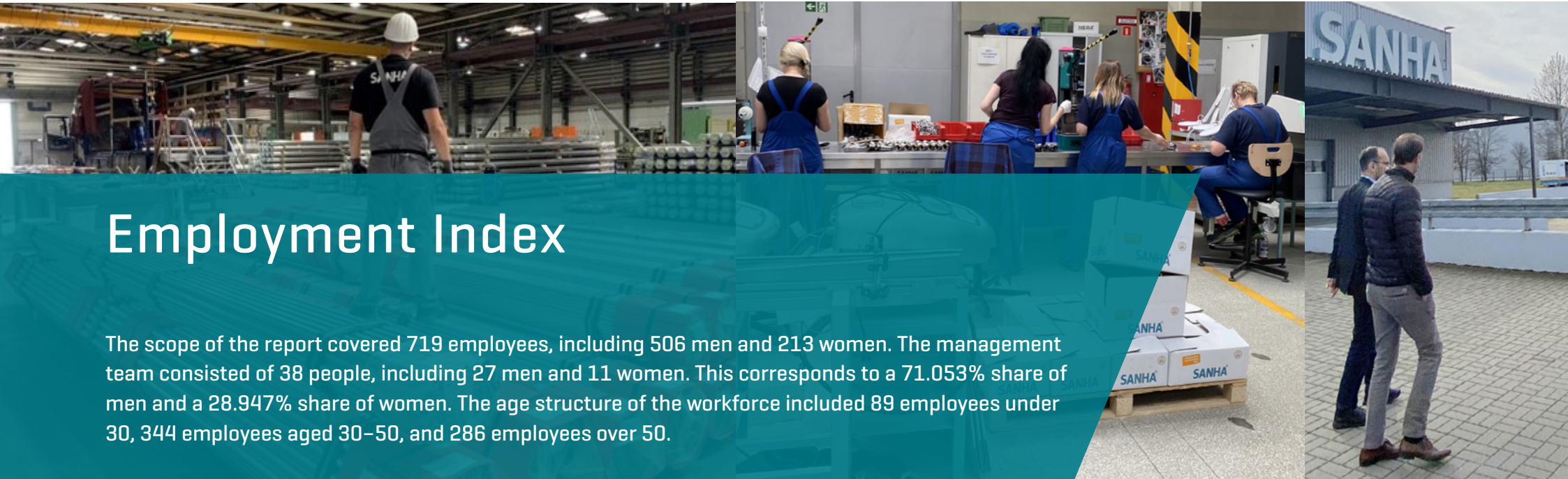
SANHA® by the statistics – 2025

SANHA®'s employees are central to long-term success. The Group promotes safe working conditions, equal opportunities, diversity, professional development and open dialogue with employees and their representatives.

- Total employees: 719
- Female employees: 213; male employees: 506

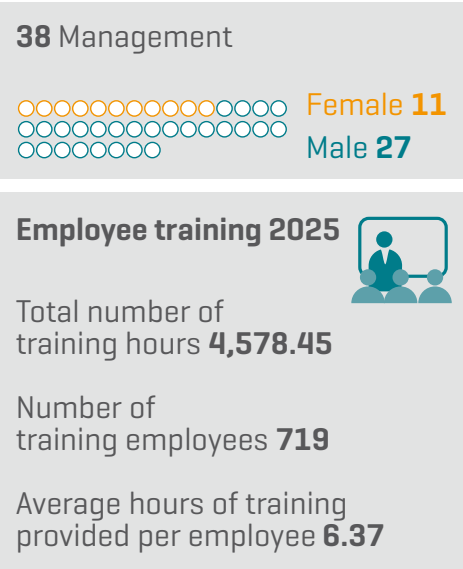
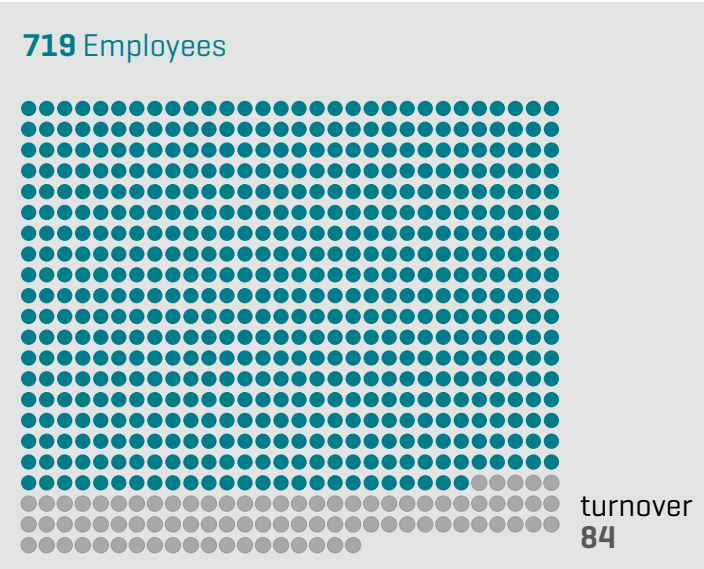
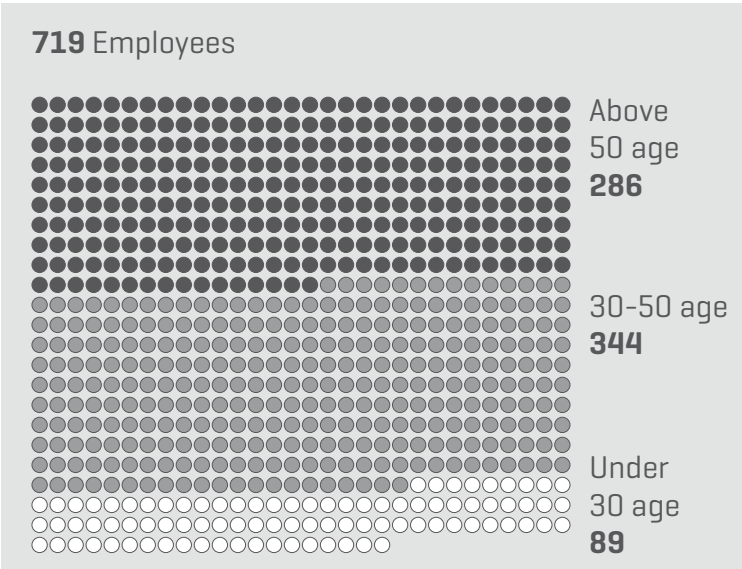
719 Employees





Employment Index

The scope of the report covered 719 employees, including 506 men and 213 women. The management team consisted of 38 people, including 27 men and 11 women. This corresponds to a 71.053% share of men and a 28.947% share of women. The age structure of the workforce included 89 employees under 30, 344 employees aged 30–50, and 286 employees over 50.

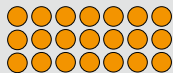




Health & safety

The health and safety management system covers 100% of SANHA®’s own workforce. It focuses on hazard identification, safety training, monitoring of working conditions and incident reporting.

Health and safety, together with employee engagement, are key elements of SANHA®’s approach to sustainable development. In 2025, 100% of the reported workforce was covered by occupational health and safety measures, including regular training, hazard identification, workplace inspections and incident reporting. These activities support accident prevention and the continuous improvement of working conditions. At the same time, SANHA® maintains regular dialogue with employees and their representatives to better understand workplace needs, discuss planned changes and strengthen initiatives related to occupational health and safety, skills development and working conditions. In 2025, SANHA® recorded zero work-related fatalities and 21 recordable work-related injuries, underscoring the importance of preventive measures, employee training and the continuous improvement of workplace safety.



Recordable accidents **21**



Workforce covered by H&S **100 %**



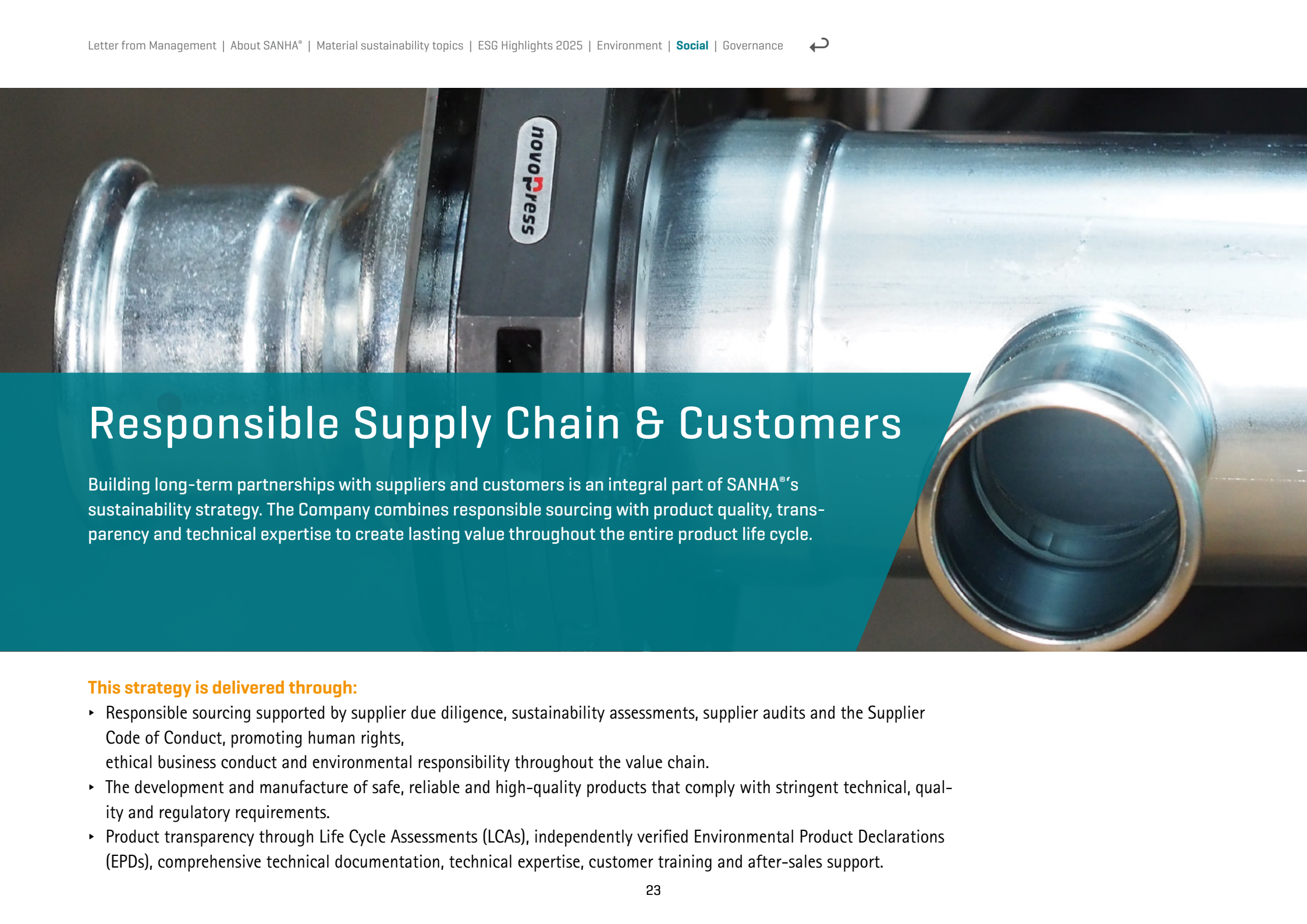
Fatalities **0**



Recorded work-related ill health **0**



Rate of recordable work-related injuries **4.20** [based on 1,000,000 hours worked]



Responsible Supply Chain & Customers

Building long-term partnerships with suppliers and customers is an integral part of SANHA®'s sustainability strategy. The Company combines responsible sourcing with product quality, transparency and technical expertise to create lasting value throughout the entire product life cycle.

This strategy is delivered through:

- Responsible sourcing supported by supplier due diligence, sustainability assessments, supplier audits and the Supplier Code of Conduct, promoting human rights, ethical business conduct and environmental responsibility throughout the value chain.
- The development and manufacture of safe, reliable and high-quality products that comply with stringent technical, quality and regulatory requirements.
- Product transparency through Life Cycle Assessments (LCAs), independently verified Environmental Product Declarations (EPDs), comprehensive technical documentation, technical expertise, customer training and after-sales support.

Governance

SANHA



Integrity, transparency and accountability form the foundation of SANHA®'s corporate governance and long-term business success. The Company is committed to conducting business ethically, complying with applicable laws and regulations, and fostering a culture of responsibility across its operations and value chain. This commitment is supported by effective compliance management, regular ethics and compliance training, corruption risk assessment, a confidential whistleblowing mechanism available to employees and external stakeholders, supplier due diligence and continuous monitoring of compliance with legal requirements, internal policies and corporate standards.

Business conduct performance is regularly monitored in accordance with the European Sustainability Reporting Standards (ESRS) through the evaluation of ethics and compliance programmes, regulatory compliance, whistleblowing processes and governance effectiveness. This enables SANHA® to continuously strengthen its culture of integrity, transparency and accountability while promoting responsible business practices and sustainable value creation across the Group and its value chain.



Ethics & Compliance

Responsible business conduct at SANHA® is built on a strong compliance culture that promotes integrity, transparency and accountability across all operations and business relationships. Compliance is embedded in the company's governance framework through clear policies, risk management processes, employee awareness programmes, regular training, confidential reporting channels and continuous monitoring, ensuring adherence to legal requirements, internal standards and ethical business principles.

- Zero tolerance for corruption, bribery and unethical business conduct
- Independent Whistleblowing & Ethics Reporting Channel available to employees and external stakeholders
- Compliance framework supported by the Corporate Social Responsibility Policy [including the Code of Ethics, Anti-Corruption and Whistleblowing principles], Human Rights Policy, Sustainable Supply Chain Policy and Supplier Code of Conduct



Management of sustainability

Effective management of sustainability issues is based on clearly defined oversight structures, policies, and procedures in place throughout the SANHA® Group. The active ESG Steering Committee, the Supplier Code of Conduct, the whistleblowing system, and the Anti-Corruption Policy form the foundation of responsible management, supporting compliance with applicable requirements and sound business practices.

ESG management is cross-functional and involves the relevant areas of the organization, including ESG, finance, environment, health and safety, procurement, quality, sales, and operations. This approach ensures that sustainability considerations are integrated into key business processes, such as product development, supply chain management, production planning, employee skills development, and collaboration with customers.

ESG Steering Committee



Supplier Code of Conduct

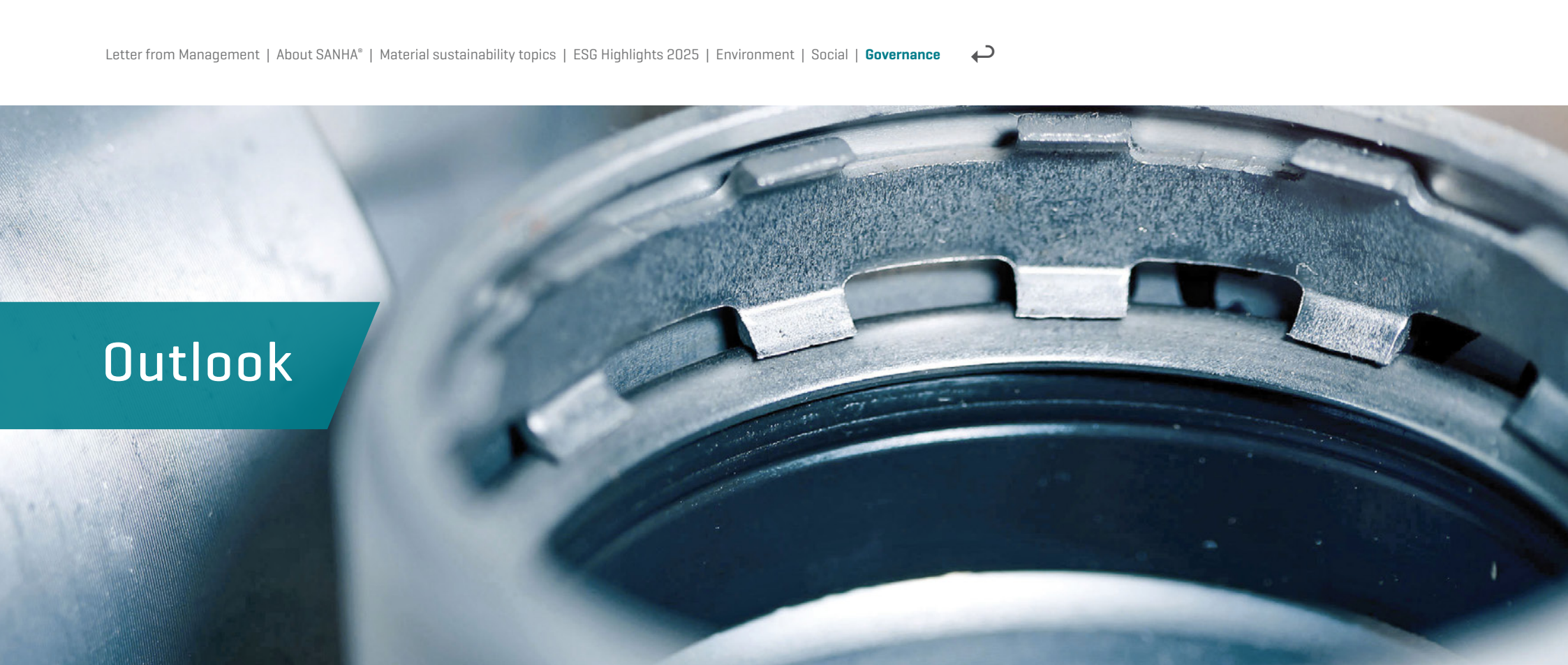


Whistleblowing System [operated by PwC]



Anti-corruption policy





Outlook

In the coming years, SANHA® will focus on making sustainability performance more measurable and more closely integrated into day-to-day business processes. This includes practical improvements at production sites, greater product transparency, enhanced supplier data, the continued development of health and safety initiatives, and the ongoing enhancement of ESG reporting processes.

By combining high-quality products, responsible manufacturing, employee development and transparent governance, SANHA® aims to deliver reliable piping and installation systems while creating long-term value for customers, employees, business partners and society.

Sustainability at SANHA® is both a strategic commitment and an operational responsibility. It supports the Group's long-term resilience, competitiveness and stakeholder trust, while progress is driven by practical actions such as improving energy efficiency, reducing emissions, using resources more efficiently, strengthening employee engagement, collaborating with suppliers and maintaining high standards of responsible business conduct.



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