

SANDEN EUROPE

Sustainability Statement 2025



TABLE OF CONTENT

INTRODUCTION	1
Message from the CEO	1
Sanden Europe at a Glance.....	4
Sanden Europe's Products	4
Sanden Europe's Sustainability Approach.....	5
GENERAL INFORMATION	8
BP-1 – General basis for preparation of the sustainability statement	9
BP-2 – Disclosures in relation to specific circumstances	9
GOV-1 – The role of the administrative, management and supervisory bodies in relation to sustainability	10
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	11
GOV-3 – Integration of sustainability-related performance in incentive schemes	11
GOV-4 – Statement on due diligence.....	12
GOV-5 – Risk management and internal controls over sustainability reporting.....	12
SBM-1 – Strategy, business model and value chain	13
SBM-2 – Interests and views of stakeholders	15
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	16
IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.....	20
IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	23
MDR-P – Policies adopted to manage material sustainability matters	24
MDR-A – Actions and resources in relation to material sustainability matters	32
ENVIRONMENTAL INFORMATION	35
ESRS E1 - CLIMATE CHANGE	35
E1-1 – Transition plan for climate change mitigation	35
E1-2 – Identification of Climate-related risks and scenario analysis	35
E1-3 – Resilience in relation to climate change	35

E1-4 – Policies related to climate change mitigation and adaptation	36
E1-5 – Actions and resources in relation to climate change mitigation and adaptation	36
E1-6 – Targets related to climate change	36
E1-7 – Energy Consumption and mix	37
E1-8 – Gross Scope 1, 2, 3 and GHG emissions	38

ESRS E2 – POLLUTION

E2-1 – Policies related to pollution	41
E2-2 – Actions and resources related to pollution	41
E2-3 – Targets related to pollution	41
E2-5 – Substances of concern and substances of very high concern	41

ESRS E3 - WATER

E3-1 – Policies related to water	43
E3-2 – Actions and resources related to water	43
E3-3 – Targets related to water	43
E3-4 – Water Metrics.....	43

ESRS E5 - RESOURCE USE AND CIRCULAR ECONOMY

E5-1 – Policies related to resource use and circular economy	44
E5-2 – Actions and resources related to resource use and circular economy	44
E5-3 – Targets related to resource use and circular economy.....	44
E5-4 – Resource inflows	45
E5-5 – Resource outflows.....	46

SOCIAL INFORMATION

ESRS S1 - OWN WORKFORCE

S1-1 – Policies related to own workforce	48
S1-2 – Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy 48	
S1-3 – Actions and resources related to own workforce	50
S1-4 – Targets related own workforce	50
S1-5 – Characteristics of the undertaking's employees.....	50
S1-6 – Characteristics of the non-employees in the undertaking's own workforce ...	51
S1-8 – Diversity metrics.....	52

S1-13 – Health and safety metrics	53
S1-16 – Incidents of discrimination and other human rights incidents.....	53
ESRS S2 - WORKERS IN THE VALUE CHAIN	54
S2-1 – Policies related to workers in the value chain	54
S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy ..	54
S2-3 – Actions and resources related to workers in the value chain.....	55
S2-4 – Targets related to workers in the value chain	55
GOVERNANCE INFORMATION	57
ESRS G1 - BUSINESS CONDUCT	57
G1-1 – Policies related to business conduct	57
G1-2 – Actions related to business conduct	57
G1-3 – Targets related to business conduct.....	57
G1-6 – Metrics related to payment practices	57
TABLE OF CONTENT: ILLUSTRATIONS	58
APPENDIX	59

INTRODUCTION

Message from the CEO



Maria Wünsch-Guaraldi, CEO and Managing Director,
Sanden International Europe GmbH

“Operating in Europe means taking responsibility - for our environment, our people and our value chain. Sustainability is a core element of how Sanden Europe creates long-term value, and with this first CSRD-aligned report, we take an important step toward transparency and accountability.”

2025 marks a milestone for Sanden Europe with the publication of our first Sustainability Report aligned with the Corporate Sustainability Reporting Directive (CSRD). This report reflects our commitment to transparency, accountability and continuous improvement, while embedding sustainability more firmly into the way we run our business. As an automotive supplier operating in a rapidly transforming industry, we face significant regulatory, technological and market-driven changes. Climate transition, resource efficiency, supply chain responsibility and social standards are no longer separate topics; they are integral to long-term business resilience and value creation. At

Sanden Europe, we recognize our responsibility to address these challenges proactively and in alignment with European expectations. Over the past year, we have further integrated sustainability into our governance structures, risk management processes and operational decision-making. Guided by a double materiality assessment, we focus on the environmental, social and governance topics that are most relevant to our impacts, risks and opportunities across our European operations and value chain. This approach ensures that our actions are targeted, measurable and aligned with both regulatory requirements and stakeholder expectations. At the same time, we remain committed to supporting our customers with reliable, innovative and efficient solutions, while strengthening collaboration with our employees, suppliers and business partners. Their engagement and expertise are essential to achieving our sustainability ambitions. This first CSRD-aligned report is an important step in our sustainability journey. It will continue to evolve as our processes mature and our performance improves. We view sustainability not as a compliance exercise, but as a driver of long-term competitiveness and trust.

I would like to sincerely thank all colleagues across Sanden Europe who contributed to the preparation of this report. Their expertise, engagement and commitment were essential to the successful delivery of our first CSRD-aligned Sustainability Report.

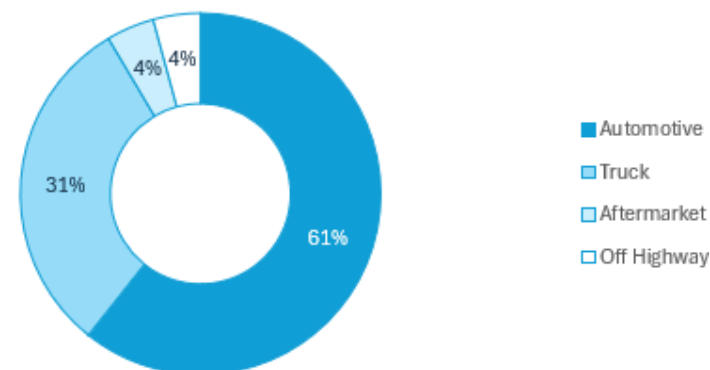
Sanden Europe at a Glance

Sanden Europe is a global partner in thermal management innovation, engineering reliable and sustainable solutions for the next generation of mobility. Building on this global positioning, Sanden Europe is a key regional player, serving major automotive OEMs and mobility customers across Europe. The company combines strong engineering expertise, manufacturing excellence and customer-focused innovation to develop and produce energy-efficient air conditioning and heat pump systems for conventional and electrified vehicles. With an established footprint of production, engineering and support functions across multiple European locations, Sanden Europe contributes to the transition towards low-emission mobility by delivering high-performance climate solutions aligned with evolving regulatory and market requirements.

Company Name	Sanden International Europe GmbH
Head Office	Am Taubenbaum 35-37, 61231 Bad Nauheim, Germany
Business	Development, Manufacturing, Sales of Automotive Air Conditioning systems and compressors
Net Revenue	389 Million Euro
Consolidated Employees	1.458
Major Customer	Automotive  VW Gr. / Mercedes Benz / BMW / Stellantis / Jaguar Land Rover / Volvo Cars / Renault / Aston Martin / Ford
	Construction & Agricultural Machinery  CNH Industrial / JCB / AGCO / VCE / Perkins / Deutz
	Trucks  Volvo Trucks / Scania / DAF / MAN / Daimler Truck / IVECO /

* As of December 31, 2025

Sanden Europe serves a diversified customer base across several market segments, with the automotive sector representing the largest share of business activities. As shown in the figure, automotive applications account for 61% of sales, followed by the truck segment at 31%, while aftermarket and off-highway applications each contribute 4%.



Sanden Europe operates through a strategically positioned network of facilities across Germany, Poland and France, combining corporate management, research and development, manufacturing, warehousing and sales activities to serve customers across the European market.



European Head Quarter
Development Centre
Sales Base



Manufacturing Centre
Warehouse



Manufacturing Centre
Development Center

Sanden Europe's Products

Sanden Europe develops, manufacture, and supplies a wide range of automotive air-conditioning components and systems worldwide. With a broad product portfolio and a global supply network, we meet the needs of leading manufacturers across automotive, construction, and agricultural industries.

EV Products



Common Components



ICE Products



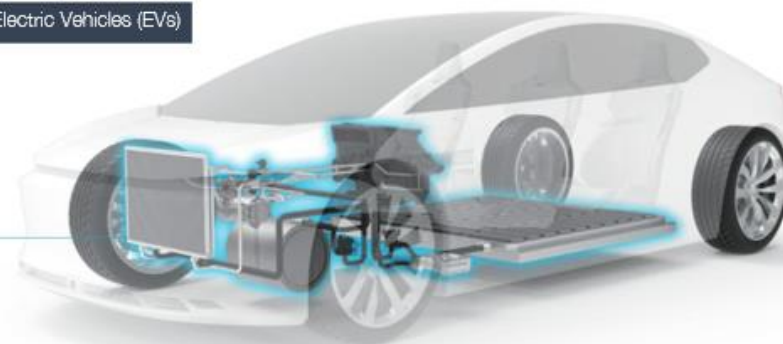
Off-Highway Vehicle Air Conditioning Systems



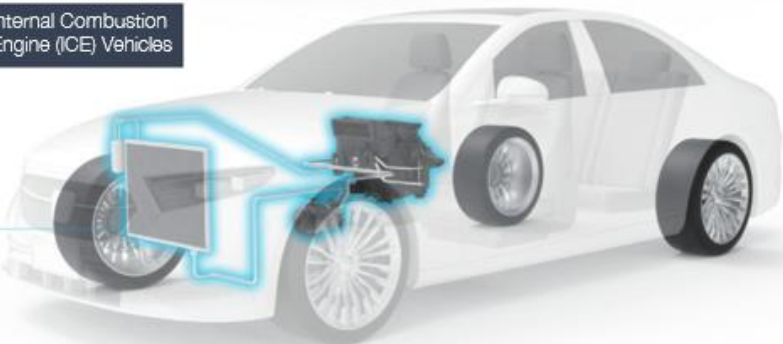
Other Components



Electric Vehicles (EVs)



Internal Combustion Engine (ICE) Vehicles



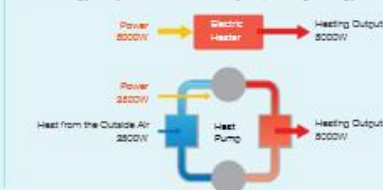
How Automotive Air Conditioning Works

Automotive air conditioning is an essential function that maintains a comfortable temperature inside the cabin. It operates by repeatedly cycling a refrigerant — evaporating, condensing, and re-evaporating — to regulate temperature.



Energy Efficiency through Heat Pump Technology

Electric heaters cannot produce more heat than the electrical energy they consume. In contrast, heat pump systems utilize heat from the outside air, enabling them to deliver more heating than the energy they consume, thereby improving energy efficiency.



Sanden Europe's Sustainability Approach

Sanden Europe's sustainability journey has evolved continuously, driven by technological transformation, regulatory developments and increasing customer expectations. Early milestones include targeted investments in electrification technologies and the establishment of the European Sustainability Department. More recent initiatives, such as the expanded use of renewable energy, the installation of solar systems and the implementation of remanufacturing activities, demonstrate the shift from strategic commitment to concrete action. This first voluntary Sustainability Report, aligned with CSRD requirements, marks another important milestone, further strengthening transparency, governance and structured sustainability management across Sanden Europe.

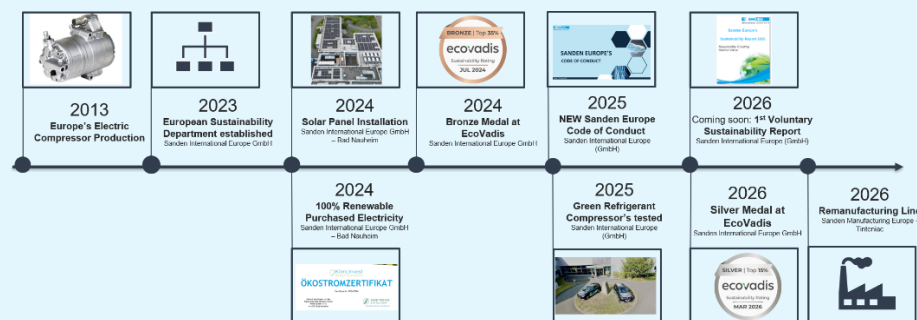


Figure 1: Sanden Europe's Sustainability Journey

In alignment with the ambitions of the European Green Deal, Sanden Global Headquarters in Japan has defined a carbon neutrality target for 2039. Sanden Europe fully supports and follows this group-wide target. To ensure its achievement, concrete actions and transition measures have been established and are continuously monitored, tracked and further developed.

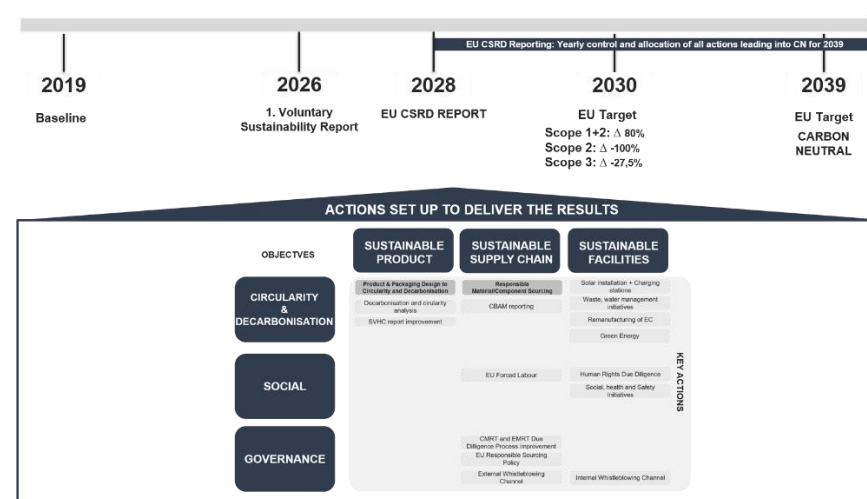


Figure 2: Sanden Europe's way towards Carbon Neutrality

Climate action is a central element of Sanden Europe's sustainability ambition. A defined pathway toward carbon neutrality illustrates how long-term targets are aligned with intermediate milestones and concrete measures. Progress is monitored across Scope 1, Scope 2 and Scope 3 emissions, supported by systematic data collection, action tracking and annual reporting in line with CSRD requirements. This structured timeline ensures that climate targets are not isolated goals, but an integral part of strategic planning and operational decision-making.

To translate long-term ambition into consistent results, Sandén Europe applies a structured sustainability framework. The European Sustainability Pyramid illustrates how vision and mission are cascaded into strategic objectives, measurable targets and concrete actions. This logic ensures alignment across all sustainability activities and provides clarity on priorities, responsibilities and progress tracking. Strategic direction defines where Sandén Europe aims to make the most relevant contribution. Targets specify what needs to be achieved, while actions define how these targets are implemented across the organisation and value chain. This approach supports transparency, accountability and continuous improvement.



Figure 3: Sandén Europe's Sustainability Pyramid

Building on this structured approach, the defined sustainability objectives and strategic directions are brought together within an integrated framework that is structured along three core areas: Sustainable Product, Supply Chain and Facilities. These areas translate the overarching objectives into clearly defined focus fields across environmental, social and governance dimensions, ensuring a consistent link between strategic priorities and their implementation across the organisation and value chain.



Figure 4: Integrated Framework of Objectives and Strategic Directions

Within the environmental dimension, the framework emphasizes circularity and decarbonisation along the entire value chain. This includes circular product and packaging design, lifespan extension and responsible end-of-life treatment under the Sustainable Product pillar, as well as responsible sourcing and transportation within the Sustainable Supply Chain. At the operational level, Sustainable Facilities focus on decarbonisation, as well as water and waste reduction with a strong circularity perspective.

The social dimension is addressed through a strong commitment to health and safety, both for Sanden Europe's own workforce and for workers across the value chain, combined with structured human rights due diligence processes.

Governance elements ensure that all activities are supported by robust compliance and ethical standards. This includes supplier compliance, product and process compliance, as well as overarching business ethics and integrity requirements.

By structuring sustainability activities along these interconnected pillars and dimensions, Sanden Europe ensures that strategic priorities are consistently translated into actionable measures, enabling effective implementation, monitoring and continuous improvement across all areas of the organisation.

This CSRD-aligned Sustainability Report serves as a central instrument to guide, monitor and transparently communicate Sanden Europe's sustainability approach. It supports the allocation and annual tracking of actions, enables structured performance monitoring and helps steer progress toward our long-term carbon-neutrality ambition.

All information and statements contained in this report reflect the period from 1 January to 31 December 2025, based on data collected for the reporting period ending on that date. The structure of the disclosed information is aligned with the Draft European Sustainability Reporting Standards (ESRS) as of November 2025, while the data point references continue to follow the ESRS as published in 2023. The Company intends to fully align with the final ESRS requirements in its 2027 reporting cycle. The following General Information section sets out the basis of preparation, scope and governance principles applied to ensure consistency, comparability and reliability of the information disclosed.



GENERAL INFORMATION

GENERAL INFORMATION

BP-1 – General basis for preparation of the sustainability statement

■ Consolidation and omission

The sustainability statement has been prepared on a consolidated basis for Sanden Europe. Currently, the scope of consolidation for the sustainability statement differs from that of the financial statements, as the main parent company, Sanden Corporation in Japan, prepares and publishes consolidated financial statements for the smallest and largest group of companies in Japan, which include Sanden International Europe GmbH and its subsidiaries. These financial statements and the consolidated management report are available in English on the electronic company register. In accordance with Article 48i of Directive 2013/34/EU and Paragraph 292 of the HGB, once CSRD obligations become binding for Sanden International Europe GmbH, a European consolidated sustainability report will be prepared consistent with the financial consolidation scope. The current sustainability statement covers Sanden Europe entities, with subsidiaries exempt from individual reporting to be included when CSRD requirements apply. No omissions have been made regarding intellectual property, know-how, innovation results, impending developments or negotiations.

BP-2 – Disclosures in relation to specific circumstances

■ Time horizons

The undertaking has not deviated from the medium- or long-term time horizons as defined by ESRS 1 section 6.4.

■ Value chain estimation

The undertaking confirms that its metrics include upstream and/or downstream value chain data estimated using indirect sources. For each relevant metric, the data source and the basis for preparation, including the use of indirect value chain estimates, are described within the metric definitions. The resulting level of accuracy for these metrics is also specified in the metric definitions. Specifically, for GHG emission calculations, accuracy improves with the use of primary emission factors, while the reliability of secondary data depends on the most recent updates and varies according to data accessibility. To enhance future accuracy, Sanden Europe plans to invest in an emission factor library over the long-term and, in the short- and mid-term, aims to increase the availability of primary data and utilize the most up-to-date secondary data.

■ Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

The structure of the disclosures is aligned with the simplified Draft European Sustainability Reporting Standards (ESRS) as of November 2025. However, references to specific data points continue to follow the ESRS as published in July 2025 and are indicated directly within the respective disclosures where applicable.

■ Incorporation by reference

No references to other documents used in the Sustainability Report.

GOV-1 – The role of the administrative, management and supervisory bodies in relation to sustainability

■ Composition and diversity of the members of the administrative, management and supervisory bodies

Sanden Europe defines its Administrative, Management and Supervisory Body (AMSB) as its top management, which is responsible for the strategic direction, oversight and management of the company. There are no employee and other worker representatives in the Administrative, Management and Supervisory Body (AMSB) at Sanden Europe headquarters level. At the manufacturing site in Poland, a trade union is established, and at the manufacturing site in France, a workers' council is in place.

	Percentage of members of administrative, management and supervisory bodies
Female	20,83%
Male	79,17%
Not reported	0%
Other	0%

Table 1: Percentage of members of Administrative, Management and Supervisory Bodies broken down by gender

Metric description, Methodology and Assumptions

Percentage of members of Administrative, Management and Supervisory Bodies broken down by gender

- AMSB is defined as the following: M2 Execution Manager Level, M3 Business Manager Level. The total number of AMSB by headcount includes all employees part of these management levels within Sanden Europe.
- Secondary data as primary data is extracted from HR system and employee categories mapped manually

■ Roles and responsibilities of the administrative, management and supervisory bodies

The oversight of impacts, risks and opportunities at Sanden Europe is assigned to the Corporate Governance Office (CGO) division, which is headed by two members of the AMSB. This division incorporates the Legal Department and the European Sustainability Department and is responsible for ESG-related governance. The CGO's mandate is defined in the organisation's operational structure and reflected in board mandates and related policies. Oversight is exercised through the Compliance Committee Meeting and the management process "Define and deploy strategy", which is integrated into the European Quality Management System and addresses business impacts, risks and opportunities, while ensuring the reporting of all relevant policies. The role is delegated to a committee rather than an individual position. Target-setting for material impacts, risks and opportunities is embedded in the structured Management Process within the Quality Management System, which defines annual company goals (EP) and mid-term plans (MTP) supported by instructions and templates. Deployment occurs across core and support processes, and progress is monitored monthly through EU Performance Meetings Part 1 and 2, focusing on financial performance and action tracking as part of business performance control.

■ Skills and expertise available to oversee sustainability matters

Sanden Europe conducts an annual performance and skill evaluation to determine whether appropriate skills and expertise are available or need to be developed to oversee sustainability matters. This process identifies training needs and ensures alignment with job role requirements.

To strengthen sustainability-related expertise, Sanden Europe established an European Sustainability Department in 2023 dedicated to overseeing sustainability efforts. In addition, the company leverages quarterly Compliance Committee meetings to ensure regulatory compliance and integrate sustainability considerations into governance practices.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

■ Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Administrative, Management and Supervisory Body (AMSB) is regularly informed about material impacts, risks and opportunities, the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted to address them.

When overseeing strategy, major transactions and the risk management process, the AMSB considers impacts, risks and opportunities through a structured management process embedded in the EU Quality Management System. This process includes compliance and risk phases supported by tools such as combined PESTEL-SWOT analysis, Compliance Committee reviews, risk assessment sheets for each business division and compliance statements. Reviews are conducted annually and adjusted in case of major strategic changes, including updates to the double materiality analysis where applicable.

Trade-offs associated with impacts, risks and opportunities have been considered by the AMSB as part of these governance processes.

GOV-3 – Integration of sustainability-related performance in incentive schemes

■ Incentive schemes and remuneration policies linked to sustainability matters

Sanden Europe does not currently have incentive schemes or remuneration policies specifically linked to sustainability matters for members of the Administrative, Management and Supervisory Body (AMSB). Personal performance metrics are established annually to achieve overall business goals. Performance is not assessed against specific sustainability-related targets or impacts at the AMSB level. However, the organisation is working towards sustainable compliance and carbon neutrality by 2039, with yearly objectives structured across Environmental, Social and Governance areas to advance towards these targets.

GOV-4 – Statement on due diligence

■ Mapping of information provided in sustainability statement about due diligence process

The table below explains how the main elements and steps of the due diligence process as outlined in ESRS are incorporated into this sustainability statement.

Core element (ESRS 2 GOV-4)	Relevant sections in draft report	Page
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1 – Role of the administrative, management and supervisory bodies	10
	ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the AMSB	11
	ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	11
	ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting	12
	ESRS 2 SBM-1 – Strategy, business model and value chain	13
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-3 – Material impacts, risks and opportunities and interaction with strategy/business model	16
	ESRS 2 SBM-2 – Interests and views of stakeholders	15
	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities (stakeholder input via workshops/surveys)	20
	ESRS S1-2 – Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	48
	ESRS S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	54
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	20
	ESRS 2 SBM-3 – Consolidated listing of material negative impacts/risks across E1, E2, E3, E5, S1, S2	16
d) Taking actions to address these adverse impacts	ESRS 2 MDR-A – Actions and resources for material sustainability matters	32
	ESRS E1-4 – Policies related to climate change mitigation and adaptation	36
	ESRS E2-1 – Policies related to pollution	41
	ESRS E3-2 – Actions and resources related to water	43
	ESRS E5-1 – Policies related to resource use and circular economy	44
	ESRS S1-2 – Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	48
	ESRS S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	54
	ESRS G1-2 – Actions related to business conduct	57
e) Tracking the effectiveness of these efforts and communicating	Targets (MDR-T): ESRS E1-6 Targets related to climate change; ESRS E5-3 Targets related to resource use and circular economy; ESRS G1-3 – Targets related to business conduct	36; 44; 57
	Metrics (MDR-M): ESRS E1-7/8 Energy & GHG metrics; ESRS E2-5 – Substances of concern and substances of very high concern; ESRS E3-4 – Water Metrics; ESRS E5-4 – Resource inflows; ESRS E5-5 – Resource outflows; ESRS S1-5 – Characteristics of the undertaking's employees; ESRS S1-8 – Diversity metrics; ESRS S1-13 H&S metrics; ESRS S1-16 human rights incidents	37;38; 41; 43; 45; 46; 50; 53
	Effectiveness narratives & communication: ESRS 2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies; ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting	11; 12

Table 2: Due Diligence Statement

GOV-5 – Risk management and internal controls over sustainability reporting

■ Risk management and internal control processes and systems in relation to sustainability reporting

Sanden Europe has established a structured management process within its EU Quality Management System to ensure compliance and manage risks. This process includes a dedicated phase for reviewing impacts, risks and opportunities linked to the company's business purpose. Reviews are conducted by the AMSB together with internal experts and are supported by tools such as combined PESTEL-SWOT analysis, Compliance Committee oversight, risk assessment sheets for each business division and compliance statements. The process is audited annually and adjusted when major strategic changes occur, including updates to the double materiality analysis where applicable.

SBM-1 – Strategy, business model and value chain

■ Key elements of general strategy related to sustainability matters

Sanden Europe is a leading provider of automotive components, specialising in thermal management solutions such as compressors, electric coolant heaters, heat pump systems, expanders, heat exchangers. In addition, the company provides contract research and development services, including testing for customers and third parties.

The primary market for Sanden Europe's products is the automotive sector, with a strong focus on Original Equipment Manufacturers (OEMs) in Europe and globally, complemented by business in Off-Highway and Aftermarket segments.

Sanden Europe complies with all applicable regulations and sanctions regarding product delivery, ensuring that no products or services offered are banned in any market. The company is not active in the fossil fuel sector, chemicals production, controversial weapons or tobacco cultivation and production.

Sustainability-related goals are closely linked to the company's product and market strategy. Sanden Europe is increasing its share of electric compressors, which positively impacts revenue and supports the transition to hybrid and electric vehicles. Research and development efforts focus on thermal management systems for electric vehicles to improve range, as well as compliance with EU CO₂ regulations for 2025.

The company is also advancing PFAS-free refrigerant technology and developing new-generation electric compressors that are energy-efficient and environmentally friendly. Sanden Europe places a strong emphasis on transparency with upstream and downstream stakeholders, and European manufacturing sites are actively working to reduce greenhouse gas emissions, contributing to long-term sustainability objectives.

■ Description of business model and value chain

Sanden International (Europe) GmbH operates primarily in the European automotive market, supplying Original Equipment Manufacturers (OEMs) and aftermarket customers, with selected deliveries beyond Europe. Its value chain begins with sourcing raw materials and finished components, followed by manufacturing processes in France and Poland. The company maintains offices across Germany, France, the UK, Italy and Spain, with warehouses in France and Poland.



Figure 5: Sanden Europe Locations

Inputs to the value chain include recycled aluminium as a key raw material, alongside copper, steel, rare earth elements for electric components, plastic parts for HVAC systems and compressor oil. These materials and components are sourced from multiple regions, including France, Spain, Poland, Japan, China and other European countries. Upstream processes involve aluminium smelting, casting, plastic injection, assembly and winding, machining, forging, heat treatment and stamping. Manufacturing locations are in France and Poland, where the company also applies remanufacturing of its own products.

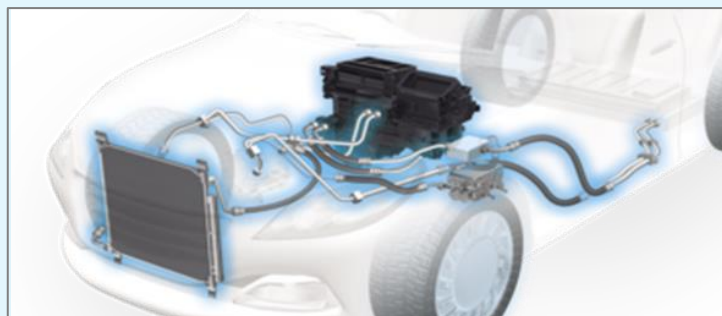
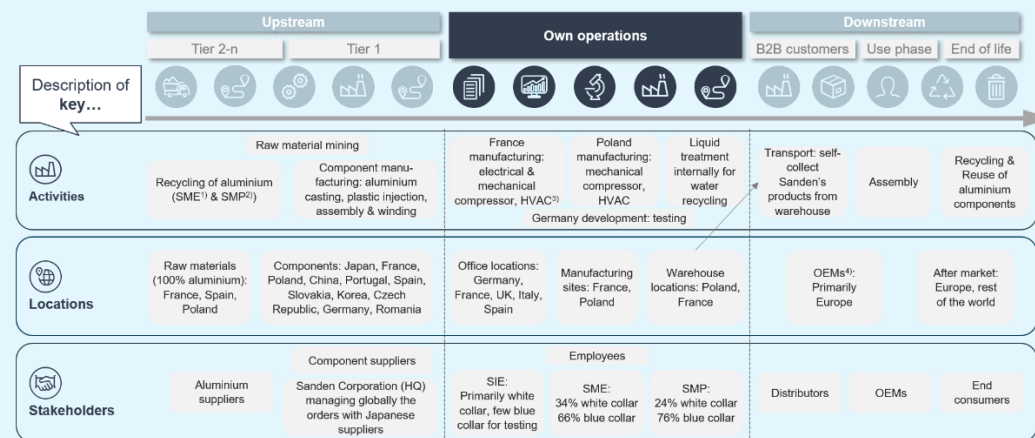


Figure 6: Integrated Thermal Management System



Figure 7: Air Compressor



1) Sanden Manufacturing Europe (France); 2) Sanden Manufacturing Poland; 3) Heating, Ventilation, and Air Conditioning; 4) Original Equipment Manufacturers

Figure 8: Sanden Europe's Value Chain

Sanden Europe focus on delivering high-quality air conditioning compressors and HVAC systems using sustainable manufacturing techniques to OEMs and aftermarket customers, meeting Quality, Cost and Delivery targets.

The value chain comprises upstream sourcing of recycled aluminium and other components, own operations in European manufacturing and warehousing sites, and downstream distribution to OEMs and aftermarket customers, primarily via OEM self-collection, which accounts for most of the transport. End-of-life disposal is managed by OEMs, while Sanden promotes recycling activities with a particular focus on remanufacturing. Key actors include suppliers, employees, distributors, OEMs and end consumers, with Sanden positioned as a manufacturer sourcing globally and supplying directly to OEMs and distributors.

SBM-2 – Interests and views of stakeholders

■ How stakeholders’ interests and views inform strategy and business model

Sanden International (Europe) GmbH engages stakeholders as part of its materiality assessment and due diligence process. The company identifies two main stakeholder groups: affected stakeholders, whose interests may be impacted by its activities and business relationships, and users of sustainability reporting.

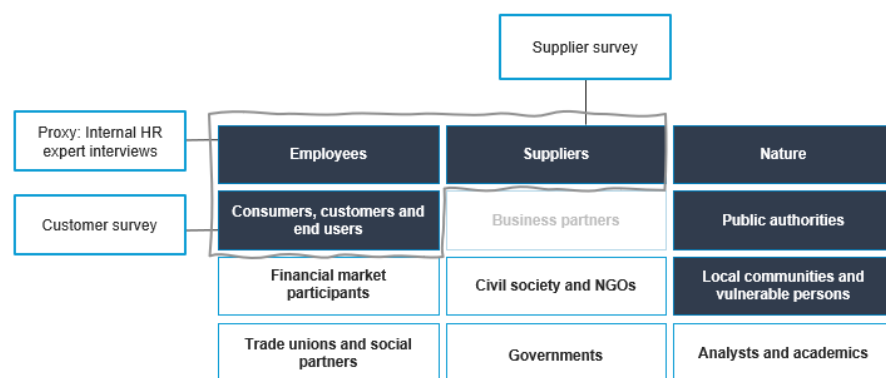


Figure 9: Stakeholder Concept

Key stakeholders include employees, suppliers, customers and the parent organisation Sanden Corporation. Stakeholder engagement is conducted on a regular basis. Methods include interviews, surveys and workshops involving internal and external stakeholders.

Stakeholder engagement is organised through workshops and interviews with internal representatives from functions such as Purchasing, HR, Sustainability, Compliance, Controlling, Occupational Safety and Energy to support the identification and assessment of impacts, risks and opportunities (IROs). Internal experts contribute to the evaluations, while external stakeholders, including customers and suppliers, provide feedback through surveys.

The purpose of stakeholder engagement is to provide input and feedback on material impacts, risks and opportunities, supporting the double materiality analysis and ongoing due diligence. This process ensures external perspectives are considered in strategic decisions.

Outcomes of engagement are integrated into IRO identification and assessment, with adjustments made where external feedback significantly deviates from internal evaluations.

Sanden Europe’s strategy reflects stakeholder requirements, including achieving net zero by 2039 and enhancing transparency through integration of stakeholder needs into policies, objectives and actions. The first voluntary sustainability report will be published in 2026. Strategy and business model amendments occur routinely during the DMA process or as needed, with further steps defined and scheduled if new requirements arise.

The AMSB is informed about stakeholder views and interests during the DMA process and at quarterly Compliance Committee meetings.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

■ Material impacts, risks and opportunities and their interaction with strategy and business model

Value chain
The part(s) of the value chain where the IRO primarily materialises is (are) marked :

Standard ID	Standard name	Topic	IRO Classification	Actual/Potential (impacts only)	Short - Mid - Long Term	Impact Environment & Society Risks and Opportunities: General	Up- stream	Own operations	Down- stream
E1	Climate change	Climate change mitigation	Opportunity	N/A	  	Increasing the use of green electricity can lead to a decrease of a company's carbon footprint, resulting in reputational advantages.			
E1	Climate change	Climate change mitigation	Negative impact	Actual	  	[Scope 1+2] Sanden's own GHG emissions, especially from high energy demand for aluminium smelting at production sites and testing of compressors at SIE, contribute to a rise in the GHG concentration in the atmosphere. [Scope 1+2] Environmental impacts of climate change increase the severity of climate-related health issues, such as heat-related illnesses, respiratory problems due to poor air quality, and diseases spread by pests that thrive in warmer climates.			
E1	Climate change	Climate change mitigation	Negative impact	Actual	  	[Scope 3] Sanden's upstream and downstream GHG emissions, such as aluminium smelting in upstream value chain, contribute to a rise in the GHG concentration in the atmosphere, for instance through the refining and smelting in the aluminum recycling process. [Scope 3] Environmental impacts of climate change increase the severity of climate-related health issues, such as heat-related illnesses, respiratory problems due to poor air quality, and diseases spread by pests that thrive in warmer climates.			
E1	Climate change	Climate change mitigation	Negative impact	Potential	  	Sanden's failure of management of GHG emissions and removals, inadequate mitigation efforts and a false sense of progress, can have several negative environmental impacts, ultimately contributing to ongoing climate change. Sanden's failure of management of GHG emissions can increase the severity of climate-related health issues, such as heat-related illnesses, respiratory problems due to poor air quality, and diseases spread by pests that thrive in warmer climates.			
E1	Climate change	Climate change adaptation	Risk	N/A	  	Chronic physical risk: Droughts in Poland or water scarcity in France (e.g. lack of access to fresh water for SMP and SME) can pose a risk to continuity of operations / manufacturing activities.			
E1	Climate change	Climate change mitigation	Risk	N/A	  	[Transition risk: market] Changes in customer preferences, such as higher demand for green electricity or overall higher interest in sustainability performance can pose a transition risks, e.g. if nuclear energy is not accepted by customers as it is used in France for SME .			
E1	Climate change	Climate change mitigation	Risk	N/A	  	[Transition risk: regulatory, market] Delay in complying to new regulations regarding climate change mitigation (e.g. CSRD) due to knowledge or resource gaps can lead to fines.			
E1	Climate change	Climate change mitigation	Risk	N/A	  	[Transition risk: technology] Due to stricter limits in the allowed gas usage, the production process can face business continuity risks in addition to costs from adapting the production process accordingly.			
E1	Climate change	Energy	Risk	N/A	  	By not reducing overall energy consumption and/or increasing the energy efficiency, company faces the risk of higher financial burdens resulting from an increase in energy prices.			

Value chain
The part(s) of the value chain where the IRO primarily materialises is (are) marked :

Standard ID	Standard name	Topic	IRO Classification	Actual/Potential (Impacts only)	Short - Mid - Long Term	Impact Environment & Society Risks and Opportunities: General	Up-stream	Own operations	Down-stream
E2	Pollution	Substances of concern	Negative impact	Actual		The usage of harmful substances such as-NMP or PTFE in own operations can lead to environmental contamination of e.g. water or air. Substances of concern which enter the environment (e.g. NMP, PTFE, cobalt) can lead to adverse human health effects such as cancer.			
E2	Pollution	Substances of very high concern	Negative impact	Actual		The usage of harmful substances such as PFAs or cobalt can lead to environmental contamination of e.g. water or air. Substances of very high concern which enter the environment (e.g. PFAs or cobalt) lead to adverse human health effects such as cancer.			
E2	Pollution	Microplastics	Negative impact	Potential		Products containing microplastics or products causing microplastics to be released into the environment during manufacturing, e.g. plastic parts casted in upstream value chain for Sanden's HVAC production, cause damage to the environment, e.g. when ingested by marine species. Products containing microplastics or products causing microplastics to be released into the environment during manufacturing, e.g. plastic parts casted in upstream value chain for Sanden's HVAC production, cause adverse human health effects, e.g. through consumption of contaminated seafood.			
E2	Pollution	Substances of very high concern	Risk	N/A		Environmental contamination of e.g. water or air due to the use of substances of very high concern in Sanden's production processes can lead to fines, loss of reputation and market share.			
E3	Water and marine resources	Water consumption	Negative impact	Potential		Consuming water for Sanden's production processes, such as cleaning of components or cooling, can contribute to the alteration of water cycles, disrupting the delicate balance of ecosystems, habitat destruction, and the loss of biodiversity. Consuming water for production processes can have far-reaching consequences for terrestrial life and local communities due to permanently reduced local water availability, which can endanger adequate drinking water supply and health and life of residents.			
E3	Water and marine resources	Water withdrawals	Negative impact	Potential		Water withdrawals can lead to severe ecological imbalances, including habitat destruction, loss of biodiversity, and disruption of local ecosystems, resulting in long-term environmental degradation. Water withdrawals can lead to severe ecological imbalances which diminishes the resilience of natural resources upon which communities depend for sustenance (e.g. agriculture, drinking water) and cultural heritage.			
E5	Resource use and circular economy	Resources inflows, including resource use	Positive impact	Actual		Resource efficiency, such as reusing packaging materials and sourcing recycled aluminium, can result in less materials extracted, lowering negative environmental impacts. Reduced resource use positively impacts society by leading to cleaner air and water, improved public health, and a more stable climate. By using fewer resources, pollution and greenhouse gas emissions can be decreased, which helps mitigate climate change and reduce health risks associated with pollution, such as respiratory and cardiovascular diseases.			
E5	Resource use and circular economy	Waste	Negative impact	Actual		Waste generation and improper waste management through e.g. waste treatment (e.g. landfill for SMP) can have a negative impact on the environment (e.g. through contamination of air, soil and water). Contamination of air, soil, and water resources due to waste generation, can lead to serious public health issues, particularly in communities near landfills and waste processing sites.			
E5	Resource use and circular economy	Resources inflows, including resource use	Risk	N/A		Failing to offer more sustainable products with greater circularity can result in reputational damage and the loss of existing or potential partnerships.			

Value chain
The part(s) of the value chain where the IRO primarily materialises is (are) marked :

Standard ID	Standard name	Topic	IRO Classification	Actual/Potential (impacts only)	Short - Mid - Long Term	Impact: Society	Up-stream	Own operations	Down-stream
S1	Own workforce	Diversity	Positive impact	Potential	S M L	Enhancing D&I across the workforce leads to an inclusive and equitable work culture where all employees are valued and respected, enhancing overall workplace satisfaction and the general happiness and well-being of employees, which contributes to a healthy standard of living.			
S1	Own workforce	Health and safety	Negative impact	Potential	S M L	Injuries due to working with machines in the production sites can lead to adverse human health effects (e.g. fatalities or workplace illnesses/accidents) caused by e.g. working on elevations.			
S1	Own workforce	Health and safety	Negative impact	Potential	S M L	Long-term effects of physical labour and illnesses caused by the work environment (e.g. muscular issues), negatively impacts employee's health.			
S2	Workers in the value chain	Value chain: Health and safety	Negative impact	Potential	S M L	Injuries due to work activities in Sanden's value chain can lead to adverse human health effects (e.g. fatalities or workplace illnesses).			
S2	Workers in the value chain	Value chain: Health and safety	Negative impact	Potential	S M L	Long-term effects of physical labour and illnesses caused by the work environment (e.g. increased cancer risk or breathing of hazardous substances), negatively impacts value chain workers' health.			
S2	Workers in the value chain	Value chain: Forced labour	Negative impact	Potential	S M L	Forced labour is a violation of severe human rights, leading to loss of freedom, resulting in reduced quality of life.			

Value chain
The part(s) of the value chain where the IRO primarily materialises is (are) marked :

Standard ID	Standard name	Topic	IRO Classification	Actual/Potential (Impacts only)	Short - Mid - Long Term	Impact Environment & Society Risks and Opportunities: General	Up-stream	Own operations	Down-stream
G1	Business Conduct	Corporate culture	Opportunity	N/A	S M L	Corporate culture based on employee satisfaction and retention can lead to a good reputation, which attracts and retains talent and can increase employee satisfaction.	←	●	→
G1	Business Conduct	Management of relationships with suppliers including payment practices	Positive impact	Actual	S M L	Integration of social and environmental criteria in the supplier selection process through the supplier matrix and the suppliers principles demanding suppliers to adhere to above minimum environmental and social standards, can lead to positive impacts on environment and society.	→	●	→
G1	Business Conduct	Corporate culture	Risk	N/A	S M L	Non-compliance with existing and upcoming regulations (e.g. CSRD, Eco-design for sustainable product regulation - ESPR, Extended producer responsibility - EPR, employee regulations, EU ETS, CBAM), laws and tariffs leads to reputational and regulatory risks.	←	●	→
G1	Business Conduct	Protection of whistle-blowers	Risk	N/A	S M L	By failing to facilitate the reporting of presumed compliance infringements through whistleblowing protection, company obtains knowledge of these infringements later (and potentially does not receive knowledge of all relevant details), and risks legal and reputational damage.	←	●	→
G1	Business Conduct	Management of relationships with suppliers including payment practices	Risk	N/A	S M L	Terminating partnerships with suppliers who fail to meet Sandén's ESG requirements could result in a loss of access to products.	←	●	→

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

■ Processes for identifying impacts, risks and opportunities

Sanden Europe applies a structured, multi-step process to identify impacts, risks and opportunities (IRO) according to the ESRS methodology requirements on double materiality (IRO Assessment).

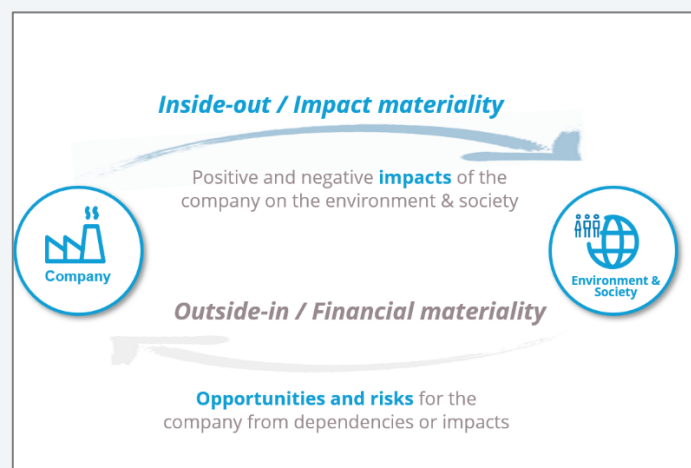


Figure 10: Double Materiality Principle

IRO identification is derived from shortlisted topics by analysing internal and external sources, including Compliance Tracking Sheets, Risk Assessment Sheets (SMP, SIE, SME) and other relevant data. Identified IROs are then validated and revised to find potential blind spots and tailored to Sanden's business model. The methodology includes engagement with affected stakeholders or their representatives (e.g., employees, trade unions), users of sustainability reporting and other experts to provide input or feedback on conclusions regarding material impacts, risks and opportunities. Topic identification for ESG is informed

by peer benchmarking (SASB – Auto Parts; GRI – Automotive), Sanden policies, strategic direction, KPIs and strategically relevant ESG topics. A status quo analysis reviews management and internal processes, and the value chain overview to understand activities and differences in IROs. External stakeholder surveys with selected customers and suppliers are used to validate impacts assessed near potential materiality thresholds.

The process focusses on specific activities, business relationships, geographies and other factors that present heightened risk of adverse impacts. In stakeholder evaluations, financial materiality triggers related to the company, business relationships and resource dependencies are considered; responsibility levels are assessed for impact materiality; and the severity of human rights impacts, both positive and negative, is analysed within the impact materiality assessment.

The process considers impacts arising from Sanden's own operations and those resulting from business relationships, examining whether IROs occur in upstream activities, own operations or downstream activities.

Sanden identifies, assesses, prioritises and monitors potential and actual impacts on people and the environment using surveys for external stakeholders and interviews/workshops for internal stakeholders. Customers and suppliers provided impressions on environmental impacts, workers in the value chain and business ethics. Internal experts evaluated impacts on own-workforce topics. Both stakeholder groups assessed severity on the same five-point scale to ensure consistency, with topic sets aligned to participants' familiarity and expertise. For topics near or above the materiality threshold, external stakeholders participated via survey; input from ten external stakeholders (suppliers and customers) was incorporated, with adjustments made where substantial deviation existed. Where the rounded average of survey results deviated by more than 1 from Sanden's initial severity × likelihood value, the assessment was adjusted.

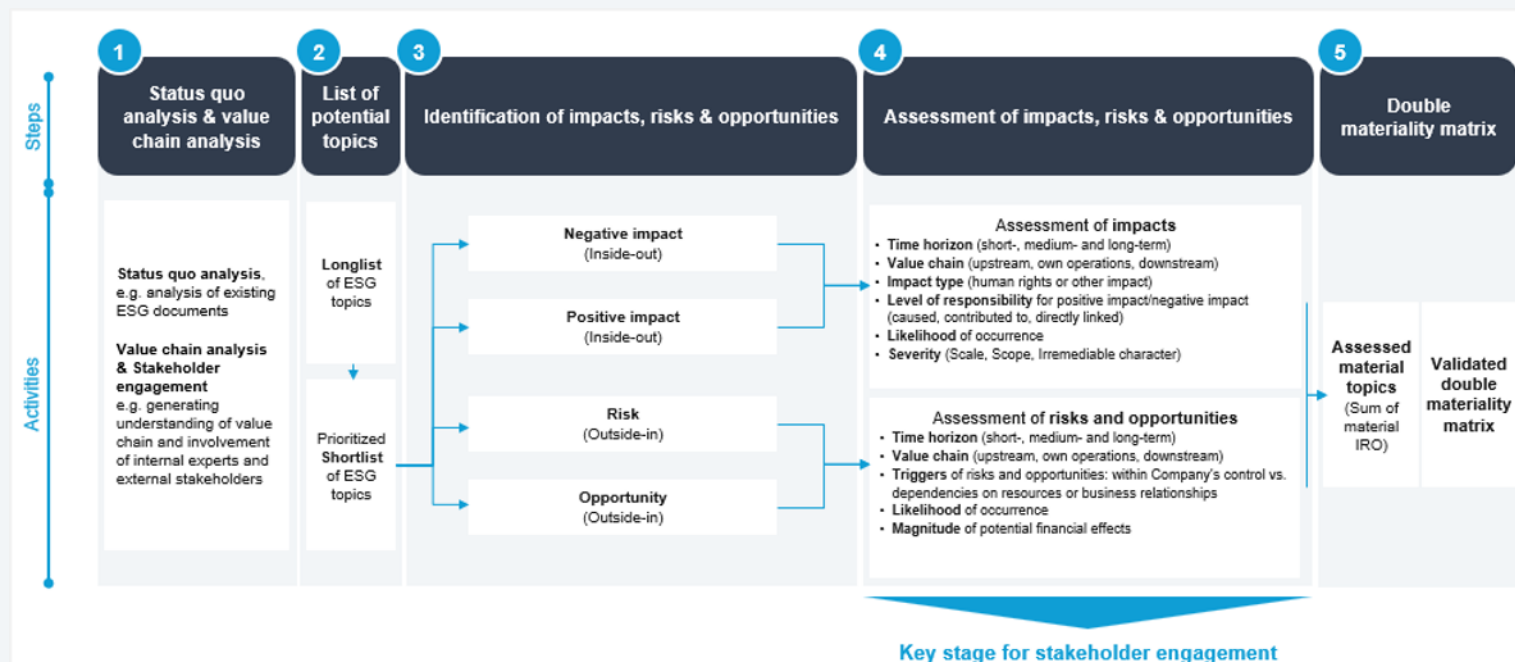


Figure 11: Double Materiality Analysis Approach

The process prioritises negative impacts based on severity (scale, reversibility, scope) and likelihood, using rating scales from 1 to 5. For potential negative human rights impacts, severity takes precedence over likelihood; if severity exceeds likelihood, likelihood is increased by 1, and all potential adverse human rights impacts are flagged and prioritised for thorough assessment. Positive impacts are assessed by scale, scope and likelihood, considering effects on financial, human or natural capital. Materiality is determined by assessing likelihood and severity for impacts (impact materiality), and likelihood and magnitude for risks and opportunities (financial materiality). Qualitative and quantitative thresholds categorise impacts into top, significant, moderate and minor, with the impact score calculated as likelihood × average (degree, reversibility, scope).

For risks and opportunities with potential financial effects, Sanden uses a systematic 5-point scale for both likelihood and magnitude, generating scores from 1 to 25 and categorising items as top, significant, moderate or minor. For example, a medium risk is defined as occurring once in three years with a potential financial effect of >€500k and ≤€1m; analogous definitions are applied for opportunities.

Connections between impacts and dependencies and the related risks and opportunities are analysed from multiple perspectives. Environmental and social impacts can create risks and opportunities for Sanden, with financial implications assessed accordingly; the approach prioritises understanding interrelationships between effects, dependencies and the resulting financial risks or opportunities.

Likelihood, magnitude and the nature of effects are assessed using rating scales aligned to Sanden's risk management. Ranges span from very low likelihood (once in 10 years; exceptional circumstances) with very low risk/gain ($\leq \text{€}200\text{k}$) to very high likelihood (once a year; nearly certain) with very high risk/gain ($\geq \text{€}5\text{m}$; max assumable loss for the division for risks).

Decision-making and internal control procedures align with audit standards and recognised frameworks. Defined roles (Contributor, Validator 1, Validator 2, Consolidator) and controls (four-eyes principle, completeness checks, plausibility checks) ensure high ESG data quality and mitigate reporting risks, with continuous monitoring of control effectiveness to ensure accurate and reliable reporting.

Key input parameters include Compliance Tracking Sheets, Risk Assessment Sheets (SMP, SIE), PESTEL-SWOT analysis, stakeholder overviews, Sanden policies and Sustainability Strategic KPIs, complemented by external ESG/compliance information. Internal workshops derive IROs from shortlisted topics using internal/external analyses and professional judgement; identified IROs are validated and revised to address blind spots and tailored to Sanden's business model; customer and supplier surveys are used following workshops for impacts assessed near the materiality threshold.

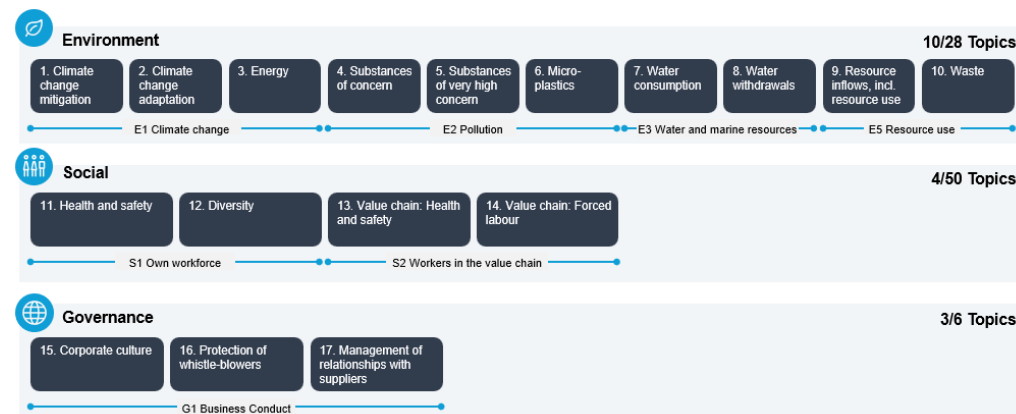


Figure 12: Material Topics

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

■ List of complied Disclosure Requirements and EU legislation datapoints locations and materiality

The list of data points that derive from other EU legislations and their linkages is provided in the appendix “Data Point List with related Frameworks Linkages”. This appendix ensures transparency on cross-references between ESRS requirements and other frameworks.

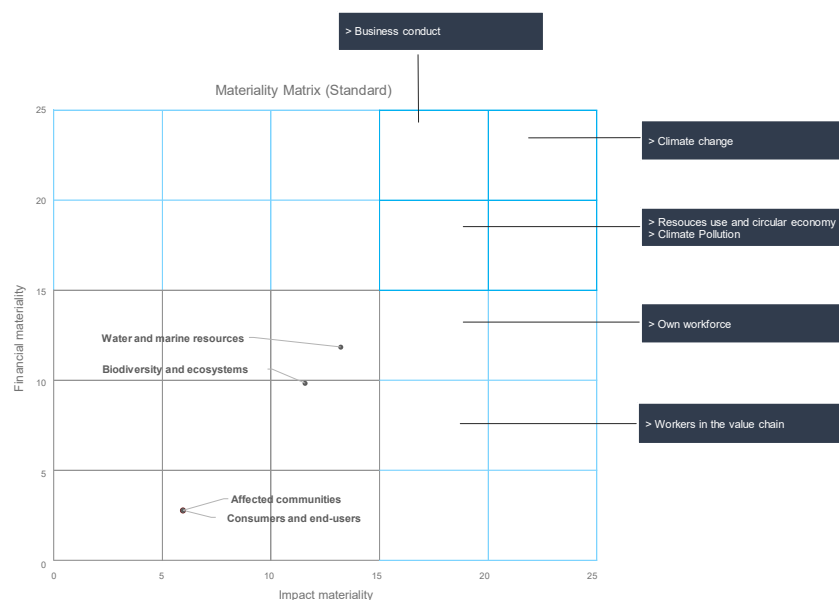


Figure 13: Materiality Matrix (Standards)

The material and mandatory ESRS Disclosure Requirements identified through the materiality assessment are presented in the Sustainability Statement's Table of Contents and in the Figure 13 and 14, ensuring clarity on which disclosures have been complied with in preparing the report.

#	TOPIC CLUSTER	MATERIALITY
001	Climate change adaptation	yes
002	Climate change mitigation	yes
004	Energy	yes
005	Pollution	yes
006	Water	yes
007	Marine resources	no
008	Direct impact drivers of biodiversity loss	no
009	Impacts on the state of species	no
010	Impacts on the extent and condition of ecosystems	no
011	Impacts and dependencies on ecosystem services	no
012	Resources inflows, including resource use	yes
013	Resource outflows related to products and services	no
014	Waste	yes
015	Working conditions	yes
016	Equal treatment and opportunities for all	yes
017	Other work-related rights	no
018	Value chain: Working conditions	yes
019	Value chain: Equal treatment and opportunities for all	no
020	Value chain: Other work-related rights	yes
021	Communities' economic, social and cultural rights	no
022	Communities' civil and political rights	no
023	Rights of indigenous peoples	no
024	Information-related impacts for consumers and/or end-users	no
025	Personal safety of consumers and/or end-users	no
026	Corporate culture	yes
027	Protection of whistle-blowers	yes
028	Political engagement and lobbying activities	no
029	Management of relationships with suppliers including payment practices	yes
030	Corruption and bribery	no

Figure 14: Topic Cluster

■ Explanation for omitting non-material topical ESRS

The following topics were assessed as not material based on the outcome of the materiality assessment:

- E4 – Biodiversity and ecosystems
- S3 – Affected communities
- S4 – Consumers and end-users

MDR-P – Policies adopted to manage material sustainability matters

The following table shows a short description of each policy.

The second overview provides an overview of the policies relating to our material sustainability topics.

POLICIES RELATED TO ENVIRONMENT

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
Environmental Policy	• Commitment to carbon-neutral manufacturing, resource efficiency, pollution prevention and protection of biodiversity • Support for a recycling-oriented society. • Address material environmental impacts related to CO₂ emissions, water use, hazardous substances and ecosystem disturbance • Enables opportunities in sustainable product innovation and green procurement	Global	• Applies globally across all Sanden Group companies and activities, including manufacturing, procurement, and supply chain operations. • Addresses environmental impacts throughout the value chain, from raw material sourcing to end-of-life product disposal • Involves key stakeholders including employees, suppliers, customers, and local communities	ISO 14001	Sanden Environmental Charter Environment Sustainability SANDEN

POLICIES RELATED TO SOCIAL

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
Sanden Group Global Safety and Health Management Regulations	- Establishes a structured global HSE management system with defined roles, responsibilities and governance bodies - Promotes the protection of employee health and safety across all operations - Supports the prevention of occupational accidents and work-related illnesses - Ensures safe working environments through training, inspections and compliance with applicable health and safety laws - Addresses material risks related to employee health and safety, industrial accidents and hazardous working conditions, including outsourced and contracted activities - No changes to the policy were made during the reporting period	Global	- Applies to all Sanden Group operations globally and covers all officers and employees - Includes on-site subcontractors and outsourced functions under the Company's control - Focuses on internal operations and contracted activities at operational sites - Covers health and safety management across all operating countries - Does not establish explicit health and safety requirements for upstream or downstream value chain partners beyond on-site or contracted work	ISO 45001	Occupational Safety and Health Social Sustainability SANDEN
Sanden Europe Health and Safety Policy	- Commits to protecting the health, safety and welfare of employees and other persons affected by Sanden Europe's activities - Supports compliance with applicable health and safety legislation through procedures, controls, training and supervision - Aims to prevent occupational accidents and work-related ill health and promote safe working conditions - Addresses material risks related to workplace accidents, injuries, occupational stress and unsafe working conditions - No changes to the policy were made during the reporting period	Europe	- Applies to all Sanden Europe operations across European locations and covers all employees - Extends protection to contractors, temporary workers, visitors and other persons affected by Sanden Europe's activities - Focuses on internal operations and on-site activities - Does not define specific requirements for upstream or downstream value chain partners beyond activities conducted on Sanden Europe premises	-	internal

POLICIES RELATED TO SOCIAL

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
Sanden Group Human Rights Policy	- Commits to respecting internationally recognised human rights across global operations and the supply chain in alignment with UN, ILO and other international standards - Promotes the prevention of discrimination, harassment, forced labour and child labour - Supports privacy protection, freedom of association, fair working conditions, diversity and equal opportunities - Prioritises occupational health and safety, responsible security practices, and the protection of indigenous and local communities - Addresses material risks related to unsafe working conditions, labour exploitation, discrimination, privacy breaches, and environmental or community impacts - Supports ethical conduct, an inclusive corporate culture, responsible sourcing and long-term sustainability	Global	- Applies globally to all Sanden Group operations, including directors, officers, employees and contract workers - Covers consolidated subsidiaries and affiliated companies - Extends beyond Sanden Group's own operations to upstream value chain partners - Includes suppliers and other business partners through expectations defined in the Supplier Code of Conduct - Promotes respect for human rights throughout the supply chain	- Universal Declaration of Human Rights (United Nations) - International Labour Organisation Conventions (ILO) - United Nations Guiding Principles on Business and Human Rights - ILO Declaration on Fundamental Principles and Rights at Work - Responsible Business Alliance (RBA) Code of Conduct	Human Rights and Human Capital Social Sustainability SANDEN

POLICIES RELATED TO BUSINESS CONDUCT

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
Global Bribery Prevention Policy	- Commits to preventing bribery and improper entertainment or gifts in compliance with applicable anti-corruption laws - Defines prohibited conduct and establishes a governance framework led by the Legal Division - Supports compliance through mandatory training, audits and reporting mechanisms - Requires reporting and investigation of suspected violations - Addresses material risks related to corruption, legal non-compliance and reputational damage - Promotes ethical business conduct and transparent stakeholder relationships	Global	- Applies to all Sanden Group officers and employees worldwide, including all subsidiaries - Extends to interactions with business partners, including customers, suppliers, contractors and consultants - Covers all regions in which the Sanden Group operates - Addresses bribery risks involving both local and foreign public officials - Applies across global operations and value chain relationships - Implemented, monitored and supported by Subsidiary Compliance Officers and the Sanden Corporation Legal Division	-	internal

POLICIES RELATED TO BUSINESS CONDUCT

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
SIE/SME/SMP - Whistle Blowing Policy	- Commits to openness, transparency and accountability through confidential reporting channels - Provides mechanisms for reporting financial malpractice, legal violations, health and safety concerns, environmental risks, criminal activity and unethical conduct - Protects whistleblowers through confidentiality safeguards and protection against retaliation - Defines procedures for the reporting, investigation and follow-up of concerns - Addresses risks related to misconduct, regulatory breaches, reputational harm and unsafe or unethical practices - Supports early issue identification, improved compliance and a strong ethical culture	National	- Applies to all employees across Sanden Europe subsidiaries, including branches and regional offices, in accordance with applicable local laws - Covers concerns related to internal operations, compliance obligations, health and safety, environmental issues, unethical behaviour and serious misconduct - Extends protection to third parties associated with a whistleblower who may be exposed to work-related retaliation - Provides multiple reporting channels, including site-level Compliance Officers and local compliance hotlines - Allows reporting through external prescribed bodies where legally permitted	Hinweisgeberschutzgesetz - HinSchG General Data Protection Regulation - GDPR Ustawa o ochronie sygnalistów LOI n° 2022-401	internal
Anti-Corruption Policy of Sanden in Europe	- Commits to complying with international anti-corruption laws and maintaining high ethical standards across Sanden Europe - Prohibits bribery, improper advantages and facilitation payments - Requires due diligence for third parties, accurate record-keeping and transparent business practices - Supports compliance through training, audits and immediate reporting of suspected violations - Addresses risks related to bribery, improper influence, financial misconduct, legal non-compliance and reputational damage - Promotes ethical business conduct and integrity across all business activities	Europe	- Applies to all Sanden employees across European organisations and branches - Covers all operational activities where bribery, corruption or undue advantages may arise - Governs interactions with public officials, business partners, consultants, agents, distributors and other third parties acting on Sanden's behalf - Requires due diligence, contractual compliance and adherence to anti-corruption requirements - Applies across Sanden Europe's operations and relevant value chain relationships - Supports ethical business conduct and responsible engagement with external stakeholders	UK Bribery Act US Foreign Corrupt Practices Act	internal

POLICIES RELATED TO BUSINESS CONDUCT

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
Anti-Money Laundering Policy	- Commits to preventing and detecting money laundering and terrorism financing risks - Defines requirements for risk assessments, counterparty due diligence, transaction monitoring and cooperation with authorities - Applies a risk-based approach to identifying and mitigating ML/TF exposure - Establishes clear governance responsibilities for the CFO, Senior Directors and Legal Counsel - Addresses risks related to financial crime, regulatory breaches and reputational damage - Promotes responsible business practices and compliant relationships with counterparties - Supports transparency, compliance and effective risk management across business operations	Europe	- Applies to all Sanden Europe employees across all European subsidiaries, regardless of geographic location or legal form - Covers all counterparties, including shareholders, portfolio companies, financial institutions, service providers, business partners and other parties entering into a business relationship with Sanden Europe - Requires adherence to the strictest applicable local anti-money laundering and counter-terrorism financing requirements - Extends across the entire value chain, from customer onboarding to ongoing transaction monitoring - Includes reporting and compliance obligations throughout business relationships	Geldwäschegesetz Strafgesetzbuch Code monétaire et financier Code pénal Ustawa z dnia 1 marca 2018 r. o przeciwdziałaniu praniu pieniędzy oraz finansowaniu terroryzmu Kodeks karny	internal
Supplier Fundamental Policy and Green Supply Guideline	- Commits to responsible sourcing practices across the supply chain - Defines expectations for suppliers regarding human rights, labour practices, environmental protection and business ethics - Addresses risks related to forced labour, unsafe working conditions and environmental pollution - Requires responsible procurement, chemical substance management and environmental management systems - Strengthens requirements for responsible mineral sourcing, biodiversity protection and whistleblowing	Global	- Applies globally to all suppliers, subcontractors and agents within Sanden's upstream value chain - Covers materials, components, logistics services and indirect goods - Addresses environmental, social and ethical topics, including labour rights, chemical compliance, information security and community impacts - Applies throughout supplier and subcontractor relationships with no exclusions defined - Requires suppliers to cascade the principles and requirements throughout their own supply chains	Universal Declaration of Human Rights (United Nations) International Labour Conventions (ILO) Guiding Principles on Business and Human Rights (United Nations) Core Labour Standards (ILO) Responsible Business Alliance (RBA) Code of Conduct Ten Principles of the United Nations Global Compact	Sanden Procurement Policy Social ↓ Sustainability SANDEN

POLICIES RELATED TO ENVIRONMENT, SOCIAL AND BUSINESS CONDUCT

Policy Name	Description	Regional Scope	Affected Stakeholder Scope	Third-Party Standards	Availability
Sanden Europe's Code of Conduct	- Commits to lawful, responsible and sustainable business conduct across environmental, social and governance matters - Defines expectations related to environmental protection, human rights, employee well-being, product safety and responsible business behaviour - Promotes anti-corruption, fair competition, data protection and cybersecurity practices - Supports responsible and transparent relationships with business partners and other stakeholders - Addresses risks related to environmental harm, human rights violations, unsafe working conditions, corruption, data breaches and unethical third-party practices - Promotes sustainable growth, stakeholder trust, compliance excellence and a strong ethical culture	Europe	- Applies to all Sanden Europe employees across all European subsidiaries, regardless of geographic location or legal form - Establishes consistent ethical standards across all European operations - Extends to business partners, consultants and other third parties through defined behavioural expectations - Requires alignment with Sanden Europe's values, ethical principles and governance requirements - Covers the entire value chain, including environmental, social and compliance-related matters - Applies across all operations, stakeholders and countries in which Sanden Europe operates with no explicit exclusions - Supports consistent and responsible conduct throughout business relationships and the value chain	-	Sustainability - Sanden Europe

POLICIES	E1	E2	E3	E5	S1	S2	G1
	CLIMATE CHANGE	POLLUTION	WATER AND MARINE RESOURCES	RESOURCE USE	OWN WORKFORCE	WORKERS IN THE VALUE CHAIN	BUSINESS CONDUCT
Environmental Policy	✓	✓	✓	✓			
Supplier Fundamental Policy						✓	✓
Sanden Group Global Safety and Health Management Regulations					✓		
Sanden Europe - Health and Safety Policy					✓		
Sanden Group Human Rights Policy					✓	✓	
Sanden Europe - Code of Conduct	✓	✓	✓	✓	✓	✓	✓
Global Bribery Prevention Policy							✓
Whistle Blowing Policy					✓	✓	✓
Anti-Corruption Policy of Sanden in Europe							✓
Anti-Money Laundering Policy							✓

Table 3: Linkage of Policies with Topical Standards

MDR-A – Actions and resources in relation to material sustainability matters

Sanden Europe has planned various actions to manage material impacts and risks as well as identified opportunities to material sustainability matters. Please refer to the identified key actions.

Sub-topic	Title	Site	Status
 Climate change & Energy	Green gas capacity discussion with GRDF	SME	Planned
	Waste heat utilization study	SME	Planned
	Solar panels on parking with LED lighting	SME	Planned
	Optimizing logistics to reduce Scope 3 emissions	SME	Ongoing
	Production process optimisation to reduce gas usage	SMP	Ongoing
	Solar panel installation	SMP	Planned
	Pool car electrification	SIE	Ongoing
	Company car electrification	SIE	Ongoing
 Substances of very high concern	PFAS and NMP-free program implementation	SIE	Ongoing

Table 4: Key Environmental Actions 1/2

Sub-topic	Title	Site	Status
 Water consumption	Rainwater storage for water shortage prevention	SIE	Ongoing
	Water resin separation feasibility study to recycle water	SME	Planned
 Resource inflows	Reduction of steel shot consumption in machining area	SMP	Ongoing
 Waste	Reduction of component packaging waste	SME, SMP	Ongoing
	Wooden packaging reuse initiative	SMP	Ongoing
	Implementation of the new waste sorting system: Mutliflows	SME	Ongoing
Not material			
 Resource outflows	Spare kit repair solution for warranty cases	SIE	Ongoing
	Remanufacturing of mechanical compressor	SME	Planned

Table 5: Key Environmental Actions 2/2

Sub-topic	Title	Site	Status
 Own Workforce: Diversity	Creating a flexible workplace	SIE; SMP; SME	Ongoing
	Active recruitment of foreign employees	SIE; SMP	Ongoing
	Diversity training program for management	SIE; SMP; SME	Ongoing
	Diversity training program for employees	SIE; SMP; SME	Ongoing
 Own Workforce: Health & Safety	Hazardous substance unloading training (ADR)	SMP	Ongoing
	Personal protective equipment	SIE; SMP; SME	Ongoing
	Actions to minimize repetitive strain injuries	SIE; SMP; SME	Ongoing
	Annual health and safety risk assessments	SIE; SMP; SME	Ongoing
	Annual health and safety trainings	SIE; SMP; SME	Ongoing
	Health promotion and health management activities	SIE; SMP; SME	Ongoing

Table 6: Key Social Actions

Sub-topic	Title	Site	Status
 Workers in the value chain: Health & Safety Forced Labour	Supplier Sustainability Questionnaire	EU	Continued
	Supplier Due Diligence Process – Conflict Minerals	EU	Continued

Table 7: Key Value Chain Actions

Sub-topic	Title	Site	Status
 Corporate Culture	Release of new Sanden Europe Code of Conduct	EU	Completed
	Employee Compliance training	EU	Continued
 Protection of whistleblowers	Internal and External Whistleblowing channel	EU	Planned
 Management of relationships with suppliers	Supplier Fundamental Principles sign off	EU	Continued
	Supplier Sustainability Questionnaire	EU	Continued

Table 8: Key Business Conduct Actions



ENVIRONMENT

ENVIRONMENTAL INFORMATION

ESRS E1 - Climate Change

E1-1 – Transition plan for climate change mitigation

■ Statement on absence of Transition Plan for climate change mitigation

Currently, there are overarching plans from the Sanden Headquarter in Japan that are connected to the SBTi certification.

E1-2 – Identification of Climate-related risks and scenario analysis

■ Process to identify and assess climate-related impacts, risks and opportunities

Climate-related scenario analysis has been conducted by Sanden Corporation from a global perspective; however, the results of this analysis have not yet been integrated into the CSRD approach or reflected in the Double Materiality Assessment (DMA) for identifying and assessing physical and transition risks over the short, medium and long term.

While the undertaking has not conducted a dedicated climate-related risk analysis fully aligned with the detailed requirements, climate-related risks were identified and evaluated as part of the Double Materiality Assessment. The identified risks were classified as either physical or transition risks, disclosed in SBM-3, and assessed across short-, medium-, and long-term time horizons.

Furthermore, the undertaking has not carried out a structured assessment of the extent to which its assets and business activities are exposed or sensitive to such climate-related hazards or transition events,

including consideration of likelihood, magnitude, duration, or geographic location within the value chain.

In addition, these analyses have not been informed by climate scenario analysis, including high-emission scenarios.

Nevertheless, within the Double Materiality Assessment (DMA) process, climate-related risks, including both physical and transition aspects, were qualitatively considered. This included high-level consideration of time horizons, as well as exposure and sensitivity elements as part of the evaluation framework, although not in a manner fully aligned with ESRS E1-2 AR6 methodological expectations.

E1-3 – Resilience in relation to climate change

■ Resilience Analysis

No dedicated resilience analysis has been conducted. Instead, the approach defined in the Double Materiality Assessment (DMA) was applied to identify the relevant Impact, Risk and Opportunity (IRO) factors.

E1-4 – Policies related to climate change mitigation and adaptation

■ Policies related to climate change mitigation and adaptation

Sanden's Environmental Policy serves as the foundation for its climate change mitigation and adaptation efforts. Additional details can be found in the comprehensive table provided under [ESRS2 MDR-P](#).

E1-5 – Actions and resources in relation to climate change mitigation and adaptation

The actions and resources related to climate change mitigation and adaption of Sanden Europe are listed in the comprehensive table provided under [ESRS MDR-A](#).

E1-6 – Targets related to climate change

■ Targets related to climate change mitigation and adaptation

The organisation's greenhouse gas emission reduction target is science-based and aligned with limiting global warming to 1.5°C. Targets have been set in accordance with the GHG Protocol methodology, using 2019 as the baseline year and covering Scope 1, 2, and 3 emissions under the 1.5°C scenario, and have been validated by the Science Based Targets initiative (SBTi). Risks and opportunities are assessed by Sanden Corporation under both 1.5°C and 4°C climate scenarios, ensuring strategic resilience. Climate-related initiatives are overseen by the Global Environmental Committee, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). These targets have been validated by the Science Based Targets initiative (SBTi) and adopted by Sanden Europe for its regional operations. Progress on Scope 1, 2, and 3 emissions is measured and reported annually to ensure transparency and accountability.

Sanden Corporation selected 2019 as the baseline year for its Scope 1, 2, and 3 targets because the years 2020–2022 were considered atypical due to the COVID-19 pandemic. This adjustment ensures that progress towards the targets reflects a representative operational year, providing a more accurate basis for measuring reductions over time. By anchoring the targets to 2019, the organisation maintains consistency in tracking achievements and presenting progress, avoiding distortions that could arise from pandemic-related anomalies.

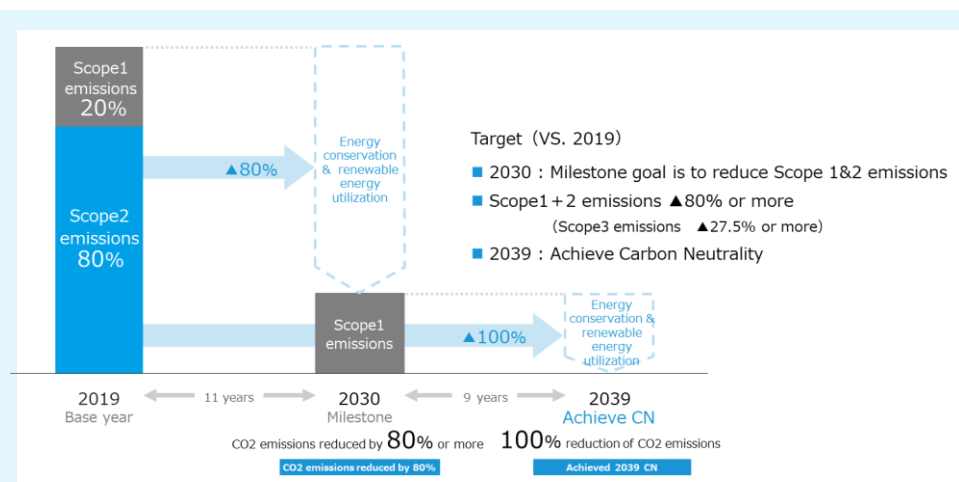


Table 9: Sanden Global Scope 1,2,3 targets (verified by SBTi in October 2023)

E1-7 – Energy Consumption and mix

■ Energy Consumption and mix

The Figure below displays the share of energy consumption source. In 2025, renewables account for 7,90% of total energy use.

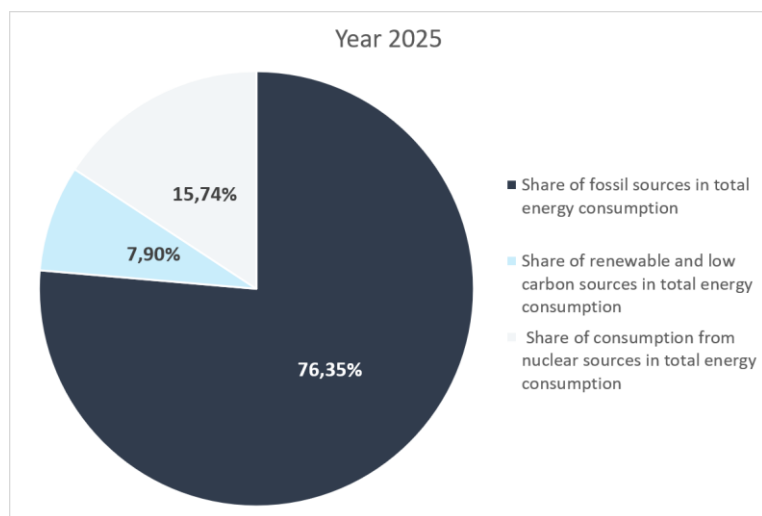


Figure 15: Share of Energy Source

The undertaking operation is classified as a high climate impact sector with the NACE Code C29.32 Manufacture of other parts and accessories for motor vehicles, confirming its exposure to significant environmental risks and responsibilities. This classification underscores the need for robust mitigation strategies and transparent reporting to align with sustainability objectives and regulatory expectations. To provide transparency on how this responsibility translates into operational performance, the table below presents the undertaking's total energy consumption and energy mix for the reporting year 2025. It offers a consolidated overview of energy sources used, forming the basis for assessing efficiency measures and decarbonisation progress.

Energy consumption and mix	Year 2025 (MWh)
(1) Fuel consumption from natural gas	21 835,88
(2) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	24 403,49
(3) TOTAL FOSSIL ENERGY CONSUMPTION	46 239,37
(4) Consumption from nuclear sources	9 535,23
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	4685,33
(6) Consumption of self-generated non-fuel renewable energy	100,87
(7) TOTAL RENEWABLE AND LOW CARBON ENERGY CONSUMPTION	4 786,2
(8) TOTAL ENERGY CONSUMPTION	60 560,8

Table 10: Energy Consumption and Mix

Metric description, Methodology and Assumptions

Energy Consumption and Mix

General Information for Position (1)-(8)

- If required, conversion factors are used to convert fuel consumption into MWh
- The data is collected by the individual subsidiaries and consolidated

(1) Fuel consumption from natural gas

- Includes the consumption of natural gas

(2) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)

- Includes the consumption of purchased district heat and steam from fossil sources
- Energy sources are determined on a site-specific basis:
 - o for the French site, the national electricity mix published by RTE (Réseau de Transport d'Électricité) is applied (location-based),
 - o the Polish site reflects the local grid mix consumed on site (location-based)

(3) Total fossil energy consumption (MWh)

- Total of positions (1) to (2)

(4) Consumption from nuclear sources (MWh)

- Includes energy consumption from nuclear sources
- This energy source is allocated only to the French site using the location-based method.

(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)

- Contains the purchased electricity from renewable sources with a green electricity contract
- Contractually secured renewable electricity is used for the German and United Kingdom site (market-based)
- The calculation is made using the market-based method

(6) Consumption of self-generated non-fuel renewable energy (MWh)

- Includes the consumption of self-generated electricity from Solar Panels in German subsidiary on working days, on weekends the electricity is fed into the public grid

(7) Total renewable and low carbon energy consumption (MWh)

- Total of position (5) to (6)

(8) Total energy consumption (MWh)

- Calculated as the total of positions (3) and (7)

■ Energy production

Since September 2024, a photovoltaic system has been installed at the Bad Nauheim site (Germany) and is operated by the local subsidiary. The electricity generated during the reporting year 2025 is shown in the table below.

	Year 2025
Total Renewable Energy Production in MWh	125,36

Table 11: Total Renewable Energy Production

Metric description, Methodology and Assumptions

Energy Production

- Includes the production of electricity from renewable sources such as photovoltaics
- The data collection is done from German subsidiary only

E1-8 – Gross Scope 1, 2, 3 and GHG emissions

■ Information on GHG emissions and significant changes

There have been no significant changes in the definition of the reporting undertaking or its upstream and downstream value chain. The subsidiary Sanden International Europe GmbH sources electricity from a local provider with a guarantee of origin certificate for renewable electricity, a practice in place since 1 January 2024. Emission factors applied do not separate the percentage of biomass or biogenic CO₂, while GHG emissions other than CO₂, particularly CH₄ and N₂O, are included in location-based grid average emissions factors and market-based method information. Scope 3 GHG emissions are calculated using secondary data, with reporting boundaries and calculation methods aligned to the metric definition of GHG emissions.

Certain Scope 3 categories have been excluded:

- Category 8 (Upstream Leased Assets) due to no leased asset operations;
- Category 9 (Downstream Transportation and Distribution) as transportation to vehicle manufacturers is included in Category 4;
- Category 13 (Downstream Leased Assets) due to no leasing of assets;
- Category 14 (Franchises) due to no franchise operations;
- Category 15 (Investments) due to no investments.

Included categories are:

- Category 1 (Purchased Goods and Services);
- Category 2 (Capital Goods);
- Category 3 (Fuel- and Energy-Related Activities not Included in Scope 1 or Scope 2);
- Category 4 (Upstream Transportation and Distribution);
- Category 5 (Waste Generated in Operations);
- Category 6 (Business Travel);
- Category 7 (Employee Commuting);
- Category 10 (Processing of Sold Products);
- Category 11 (Use of Sold Products);
- Category 12 (End-of-Life Treatment of Sold Products).

■ Gross Scope 1 GHG emissions

	Year 2025
Gross Scope 1 GHG emissions (tCO ₂ eq)	4 695, 62

Table 12: Gross Scope 1 GHG Emissions

Metric description, Methodology and Assumptions

Gross Scope 1 GHG Emissions

- Definitions and calculations according to the GHG Protocol Corporate Standard
- Emission factors used from French Ademe portal, IDEA vers.3.1
- The data collected by each subsidiary

■ Gross Scope 2 GHG emissions

	Year 2025
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	24 766,30
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	12 956,04

Table 13: Gross Scope 2 GHG Emissions

Metric description, Methodology and Assumptions

Gross Scope 2 GHG Emissions

Location-based

- Definitions and calculations according to GHG Protocol Corporate Standard
- Average electricity grid emissions factors by country applied. These come from IDEA Ver.3.1 for Germany, France, Poland
- The data is collected by each subsidiary

Market-based

- Definitions and calculations according to GHG Protocol Corporate Standard
- Contract specific emission factors from local energy suppliers are applied.
 - o SIE: Stadtwerke Bad Nauheim
 - o SME: Ademe Portal
 - o SMP: Tauron Polska Energia S.A. data
- The data is collected by each subsidiary

■ Gross Scope 3 GHG emissions

	Year 2025
Category 1: Purchased goods and services (tCO ₂ eq)	49 751,46
Category 2: Capital goods (tCO ₂ eq)	4 561,44
Category 3: Fuel and energy-related activities (tCO ₂ eq)	2 930,49
Category 4: Upstream transportation and distribution (tCO ₂ eq)	2 052,53
Category 5: Waste generated in operations (tCO ₂ eq)	318,88
Category 6: Business travels (tCO ₂ eq)	402,1
Category 7: Employee commuting (tCO ₂ eq)	1 041,59
Category 8: Upstream Leased Assets (tCO ₂ eq)	0
Category 9: Downstream Transportation and Distribution (tCO ₂ eq)	0
Category 10: Processing of sold products (tCO ₂ eq)	1,97
Category 11: Use of sold products (tCO ₂ eq)	5 007 155,61
Category 12: End-of-life treatment of sold products (tCO ₂ eq)	245,4
Category 13: Downstream Leased Assets (tCO ₂ eq)	0
Category 14: Franchises (tCO ₂ eq)	0
Category 15: Investments (tCO ₂ eq)	0

TOTAL GROSS INDIRECT (SCOPE 3) GHG EMISSIONS in tCO₂eq

5 073 082,97

Table 14: Gross Scope 3 GHG Emissions

Metric description, Methodology and Assumptions

Gross Scope 3 GHG Emissions

Total gross indirect (Scope 3) GHG Emissions

- Total of categories (1) to (15)

Category 1: Purchased Goods

- Calculation based on 2025 production volumes and emission factors used from "JAPIA LCI Calculation Tool Latest Version Ver205"

Category 2: Capital Goods

- Source from Sanden Corporation Finance Department Summary sheet: tangible/intangible fixed assets and lease assets per each subsidiary

Category 3: Fuel and Energy related activities not included in Scope 1 or 2

- Scope 1 and Scope 2 data is used, and upstream emission data is applied
- Source for Emission factors: IDEA Ver.3.1"341100000mJPN Climate Change"

Category 4: Outsourced logistics

Transportation included between external warehouse and SME by truck

- Transportation included between suppliers, SME or harbour and SME by truck
- Transportation included between supplier and SME by boat
- Transportation included between suppliers and SME by airplane
- Transportation Suppliers and SLP WH by truck
- Transportation SME and External WH by Truck
- Transportation SLP and Customer by Truck
- Transportation SLP and Customer by Boat
- External WH to customer by Truck
- Emission factor source is: Enecho

Category 5: Waste generated

- Generated by waste treatment

Category 6: Business travel

- SME source is data from EGENCIA Agency report and car leasing contract of directors
- SIE source is assumed ratio of employees who are traveling
- SMP source is data from: HR System

Category 7: Employee commuting

- SME: Balance sheet of mileage allowance payment and home – work distance of SME employees
- SIE: all Employees, EF: Ministry of Environment DB vers.3.2
- SMP: all Employees, EF: Ministry of Environment DB vers.3.2

Category 10: Processing of Products sold

- Calculation based on 2025 production volumes

Category 11: Use of sold goods

- Calculation based on 2025 production volumes and emission factors used from JAPIA "LCI Calculation Tool Ver. 2.0.8"

Category 12: End of life treatment of sold products

- Calculation based on 2025 production volumes and emission factors used from "IDEA Ver. 3.1 "882214000mjPN Climate Change"

■ Total GHG emissions

	Year 2025
Total GHG emissions (location-based) (tCO ₂ eq)	5 102 544,89
Total GHG emissions (market-based) (tCO ₂ eq)	5 090 734,63

Table 15: Total GHG Emissions

Metric description, Methodology and Assumptions

Total GHG Emissions

- Total GHG emissions location based include the GHG emissions from Scope 1 and Scope 2 location-based and Scope 3
- Total marked based GHG emissions include the GHG emissions from Scope 1 and Scope 2 marked based and Scope 3
- The values are calculated according to the assumptions and methods lined out in the tables for Scope 1,2 and 3 GHG emissions

ESRS E2 – Pollution

E2-1 – Policies related to pollution

Sandén's Environmental Policy serves as the foundation for its reduction of pollution efforts. Additional details can be found in the comprehensive table provided under [ESRS2 MDR-P](#).

E2-2 – Actions and resources related to pollution

The actions and resources related to pollution of Sandén Europe are listed in the comprehensive table provided under [ESRS MDR-A](#).

E2-3 – Targets related to pollution

For the initial voluntary reporting period, Sandén Europe has not established explicit pollution-related targets. Nonetheless, the undertaking operates in full compliance with applicable legal requirements, including relevant threshold values.

E2-5 – Substances of concern and substances of very high concern

■ Substances of very high concern

For this initial voluntary reporting period, Sandén Europe has placed particular emphasis on the identification and monitoring of Substances of Very High Concern (SVHCs), in alignment with the requirements of the EU Corporate Sustainability Reporting Directive (CSRD). These substances are systematically tracked through the IMDS database, which is shared with customers to ensure transparency and traceability. A comprehensive assessment was conducted on all products manufactured in Sandén Europe's EU-based facilities, with results detailed in Table 16, where SVHCs are classified according to the relevant hazard categories as stipulated by applicable regulations. To enhance the robustness and

accuracy of reported information, Sandén Europe is committed to continuously refining its methodology and implementing further control measures in subsequent reporting periods. In addition, ongoing monitoring of regulatory developments is ensured through the Compliance Committee and the IMDS application, supporting a proactive approach to compliance and sustainability.

Substances of very high concern, by main hazard classes	LEAVE THE FACILITY AS EMISSIONS	TOTAL AMOUNT OF SUBSTANCES OF VERY HIGH CONCERN THAT ARE GENERATED OR USED DURING PRODUCTION OR THAT ARE PROCURED	TOTAL AMOUNT OF SUBSTANCES OF VERY HIGH CONCERN THAT LEAVE FACILITIES AS EMISSIONS, AS PRODUCTS, OR AS PART OF PRODUCTS
Chronic hazard to the aquatic environment categories 1 to 4	0 kg	117.650,92 kg	0 kg
Skin sensitisation category 1	0 kg	50.403,97 kg	0 kg
Reproductive toxicity categories 1 and 2	17.174,42 kg	24.412,27 kg	17.174,42 kg
Carcinogenicity categories 1 and 2	16.177,12 kg	23.394,04 kg	16.177,12 kg
Specific target organ toxicity, repeated exposure categories 1 and 2	0 kg	12.243,41 kg	0 kg
Germ cell mutagenicity categories 1 and 2	0 kg	803,91 kg	0 kg
Endocrine disruption for the environment	0 kg	3,31 kg	0 kg
Specific target organ toxicity, single exposure categories 1 and 2	0 kg	3 kg	0 kg

Table 16: Substances of very high concern by main hazard classes

Metric description, Methodology and Assumptions

Substances of very high concern total amount procured and leaves facilities

Total amount of substances of very high concern that are generated or used during production or that are procured

- Total quantity of substances of very high concern that are used during production processes or procured as components for assembly within the reporting period.
- Substances of very high concern are defined in accordance with REACH Regulation (EC) No 1907/2006, Article 57, as listed on the ECHA Candidate List of SVHC, and aligned with CLP Regulation (EC) No 1272/2008 / GHS hazard classifications where applicable.
- Assessment includes an EU-level analysis of sold products in the reporting period and their components to identify and classify the presence of SVHC.
- In parallel, all materials purchased and used for production processes across SME and SMP sites were analysed for SVHC content.
- Results from product and production material assessments were consolidated to determine the total amount of SVHC used or procured.

Leave facilities as emissions

- Total amount of SVHC-related emissions leaving facilities because of production activities within the reporting period.
- Metric is SMP specific and relates to the coating process, where material containing SVHC is used.
- Emissions are managed in compliance with applicable health & safety and environmental regulations, including the implementation of technical control measures such as filters and abatement systems.
- SVHC are used within legally permitted thresholds, ensuring controlled and compliant emissions to air.
- Substitution and alternative material development is ongoing with the objective to phase out the SVHC containing material in the medium term.

■ **PFAS**

As Per- and Polyfluoroalkyl substances (PFAS) can have adverse impacts on human health and the environment, the EU is considering restricting or banning these substances. The currently unresolved legal situation surrounding the EU PFAS restriction proposal creates regulatory uncertainty and may give rise to transition risks with potential negative implications for Sanden Europe's business activities. Therefore, Sanden Europe is closely monitoring the evolving EU regulatory framework on PFAS and has initiated an internal program to assess potential impacts and prepare proactive mitigation measures. This program includes a systematic analysis of PFAS use throughout the value chain, close coordination with suppliers on upcoming regulatory requirements, and the identification or development of technically and economically viable alternatives. As part of these efforts, Sanden Europe developed and tested a compressor concept with green refrigerants R290 (Propane) and

R744, without PFAS, to advance solutions that eliminate refrigerants containing PFAS.



Figure 16: R290 and R744 testing cars

ESRS E3 - Water

E3-1 – Policies related to water

■ Policies in place to manage material impacts, risks and opportunities related to water

Sanden's Environmental Policy serves as the foundation for water management in own workforce and upstream. Additional details can be found in the comprehensive table provided under [ESRS2 MDR-P](#).

■ Sites located in an area of high-water stress

None of the undertaking's sites are located in areas of high-water stress without being covered by a relevant policy, confirming comprehensive policy coverage for water-related risks across all operations.

E3-2 – Actions and resources related to water

■ Actions and resources in relation to areas at water risk, including areas of high-water stress

The actions and resources related to water of Sanden Europe is listed in the comprehensive table provided under [ESRS MDR-A](#).

E3-3 – Targets related to water

For the initial voluntary reporting period, Sanden Europe has not established explicit water-related targets. Nonetheless, the undertaking operates in full compliance with applicable legal requirements.

E3-4 – Water Metrics

	Year 2025
Total water withdrawals (m ³)	30 009,00
Total water discharges (m ³)	18 704,10

Table 17: Water withdrawals and water discharges

Metric description, Methodology and Assumptions

Water withdrawals and water discharges (in m³)

- Total volume of water withdrawals and water discharges measured in cubic metres (m³) within the reporting period.
- Primary data is recorded monthly by local HSE managers via the internal EcoTrack tool and reported to Sanden Corporation Headquarters.
- Supporting evidence, including utility bills from water providers, is collected and uploaded to the system for verification purposes.
- Water withdrawal and discharge data are 100% based on direct measurement, ensuring full data accuracy and completeness.
- At the Bad Nauheim site, rainwater collected and stored in an 80 m³ water tank is included in the reporting based on primary measurement data.

	Year 2025
Total water consumption (m ³)	11 304,90
Total water recycled and reused (m ³)	404,22
Total water stored (m ³)	80,00

Table 18: Water consumption

Metric description, Methodology and Assumptions

Water consumption (in m³)

- Primary data is entered monthly by local HSE managers into the internal EcoTrack tool and reported to Sanden Corporation Headquarters.
- Third-party water bills are collected and uploaded as supporting evidence to ensure data traceability and verification.
- Water withdrawal and discharge data are 100% based on direct measurement; water consumption is calculated as the net balance between water withdrawn and water discharged across SME, SIE and SMP.
- Total water consumption = Σ (Water withdrawn – Water discharged) per legal entity (SME, SIE, SMP).
- Only the testing and office site in Bad Nauheim is in a high-water risk area; as water is used exclusively for sanitary purposes, there is no operational dependency on water consumption.

ESRS E5 - Resource Use and Circular Economy

E5-1 – Policies related to resource use and circular economy

■ Policies related to resource use and circular economy

Sanden's Environmental Policy serves as the foundation for resource use and circular economy. Additional details can be found in the comprehensive table provided under [ESRS2 MDR-P](#).

Sanden Europe integrates circular economy principles into its key products by increasing the use of recycled materials and promoting resource-efficient design. In European production, recycled aluminium is already used to reduce the need for virgin inputs. In addition, the company is developing a remanufacturing concept for selected components of its mechanical compressors to extend product lifetime, reduce waste and further enhance circularity.

E5-2 – Actions and resources related to resource use and circular economy

The actions and resources related resource use and circular economy of Sanden Europe are listed in the comprehensive table provided under [ESRS MDR-A](#).

E5-3 – Targets related to resource use and circular economy

■ Description of targets related to resource use and circular economy

For the initial voluntary reporting period, Sanden Europe has established a target of 90% for the waste recovery rate until 2030. Calculated from the waste diverted from disposal from the total waste. The base year will be 2024 where Sanden Europe achieved already a ratio of 88%.

KPI Waste recovery rate (%)	
= Waste diverted from disposal (t) / Total waste (t)	
Baseline Year : 2024	
Target 2030	90%

Table 19: Target for waste recovery rate (%)

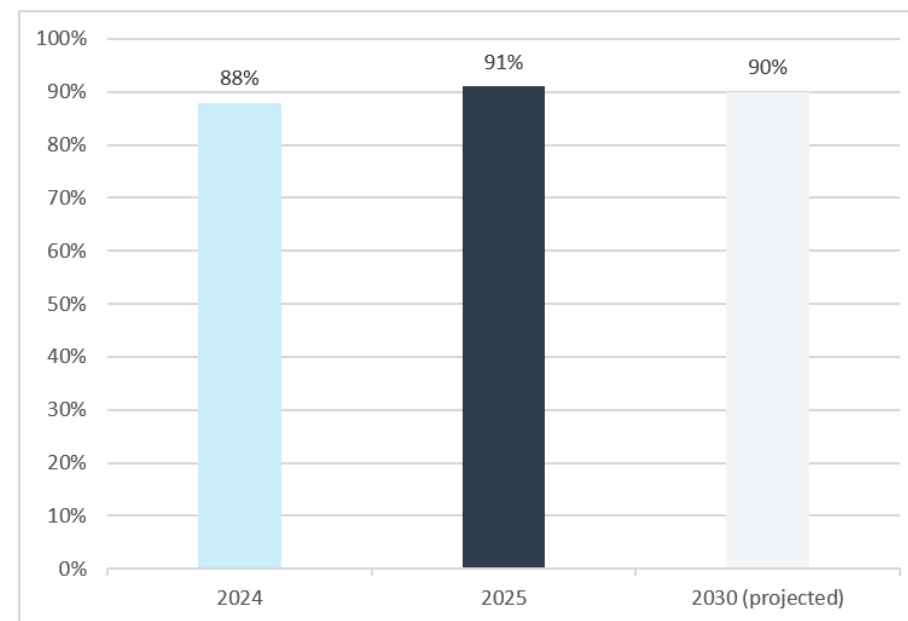


Figure 17: Waste recovery ratio projection

E5-4 – Resource inflows

■ Description of its resource inflows

The undertaking's material resource inflows include raw materials, components, substances, packaging, and general equipment. For components, information is collected directly from the purchaser responsible for the specific product. Packaging related information, including the rate of reuse, is provided directly by suppliers. For operational substances such as oil, data is obtained from material data sheets by the Sanden Europe responsible person. This approach ensures that resource inflows are documented using the best available internal or supplier provided information, supporting transparency and compliance.

As the undertaking does not use biological materials, the requirement to disclose information on certification schemes and the application of the cascading principle is not applicable. Data related to resource use and performance indicators is sourced from direct measurement rather than estimations, ensuring accuracy and reliability in reporting.

ESRS-E5.4.31.a.TotalWeight Overall total weight of all key materials	15 718 296,74 kg
--	------------------

Table 20: Overall total weight of all key materials

Metric description, Methodology and Assumptions

Overall total weight of all key materials

- Total weight of key materials used to manufacture the company's products within the reporting period.
- Key materials used are aluminium, iron, copper, plastics (HVAC inflow components and packaging), and wood-based materials (cardboard packaging and pallets).
- Primary purchase data is used to calculate the material composition of procured components, as it includes detailed material and composition information per component

E5-5 – Resource outflows

■ Waste

The undertaking generates several waste streams that are characteristic of its sector and operational activities. The primary waste streams include production waste, such as ferrous and non-ferrous metal scrap, aluminium and iron shavings, dust, and sorbents, which arise from machining and manufacturing processes. In addition, the organisation produces packaging waste, including cardboard and foil from inbound materials and logistics operations. Finally, municipal waste is generated through regular facility use and office activities. Together, these waste streams reflect the key material outflows associated with the undertaking's production environment and organisational footprint.

ESRS-E5.5.37.a.wasteGe Total of waste generated

3 672 398,55 kg

Table 21: Total amount waste generated

Metric description, Methodology and Assumptions

Total of waste generated

- Primary data is entered monthly in the internal EcoTrack Tool by HSE managers for reporting to headquarter
- Bills from third party providers are collected and uploaded as evidence annually
- Contracts with regional service providers define that waste is sent to recycling

	Weight of hazardous waste diverted from disposal (2025)	Weight of non-hazardous waste diverted from disposal (2025)	Total weight of waste diverted from disposal (2025)
Waste diverted by preparation for reuse	0 kg	945 776 kg	945 776 kg
Waste diverted by recycling	61 697 kg	2 356 826,02 kg	2 418 523,02 kg
Waste diverted by other recovery operations	193 kg	10 210 kg	10 403 kg
TOTAL	61 890 kg	3 312 812,02 kg	3 374 702,02 kg

Table 22: Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type

Metric description, Methodology and Assumptions

Waste diverted from disposal, breakdown by hazardous and non-hazardous waste and treatment type

- The total weight of non-hazardous waste of Sanden Europe's own operations diverted from disposal includes the treatment types preparation for reuse, recycling and other recovery operations
- The total weight of hazardous waste of Sanden Europe's own operations is diverted by recycling and other recovery.
- Primary data is entered monthly in the internal EcoTrack Tool by HSE managers for reporting to headquarter. HSE managers maintain further detailed internal breakdowns of waste streams and treatment types in their local reporting documentation.
- Bills from third party providers are collected and uploaded as evidence annually
- Contracts with regional service providers define that waste is sent to recycling

	Weight of hazardous waste directed to disposal (2025)	Weight of non-hazardous waste directed to disposal (2025)	Total weight of waste directed to disposal (2025)
Waste directed to disposal by incineration	38 548 kg	123 035,53 kg	161 583,53 kg
Waste directed to disposal by landfill	0 kg	9 488 kg	9 488 kg
Waste directed to disposal by other disposal operations	126 625 kg	0 kg	126 625 kg
TOTAL	165 173 kg	132 523,53 kg	297 696,53 kg

Table 23: Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type

Metric description, Methodology and Assumptions

Waste directed to disposal, breakdown by hazardous and non-hazardous waste and treatment type

- The total weight of hazardous and non-hazardous waste from Sanden Europe's own operations directed to landfill
- Primary data is entered monthly in the internal EcoTrack Tool by HSE managers for reporting to headquarter. HSE managers maintain further detailed internal breakdowns of waste streams and treatment types in their local reporting documentation.
- Bills from third party providers are collected and uploaded as evidence annually
- Contracts with regional service providers define in all sites that waste is sent to landfill



SOCIAL

SOCIAL INFORMATION

ESRS S1 - Own workforce

S1-1 – Policies related to own workforce

■ Policies to manage its material impacts, risks and opportunities related to its own workforce

Sanden Group's Human Rights Policy and Guideline outline the undertaking's commitment to respecting human rights within its own workforce and throughout the supply chain. Additional details are provided in the comprehensive table under [ESRS 2 MDR-P](#).

S1-2 – Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy

■ Engagement with own workforce

The perspectives of the undertaking's own workforce inform decisions and activities aimed at managing actual and potential impacts on employees. Employee surveys are conducted on a regular basis, and the findings are examined to establish measurements, ensuring that workforce feedback is integrated into management processes. Engagement occurs directly with the undertaking's own workforce rather than through workers' representatives, fostering a direct dialogue and inclusive decision-making approach.

The effectiveness of engagement with the undertaking's own workforce is assessed through KPIs included in the employee survey, tracking the survey response rate, and monitoring the implementation of actions resulting from survey findings.

■ Engagement with particularly vulnerable people in own workforce

The undertaking gains insight into the perspectives of individuals within our workforce who may be particularly vulnerable or marginalised, Sanden Europe applies several structured measures. We conduct an employee satisfaction survey every two years, covering the entire workforce, including potentially vulnerable groups, to gather feedback on well-being, inclusion, and working conditions. In addition, confidential reporting channels and direct HR consultations are available to ensure that employees can safely share concerns or specific needs. When required, we organise targeted focus groups or engagement sessions to better understand the experiences of employees who may be at greater risk of negative impacts. These insights are complemented by systematic data analysis of survey results and other indicators to identify patterns and areas requiring attention. This combined approach enables us to proactively identify, understand, and respond to the concerns of vulnerable or marginalised employees.

■ Processes in place to remediate negative impacts and channels for own workforce to raise concerns

The Sanden Group has established a Labour and Human Rights Committee, which yearly conducts human rights due diligence to identify and address risks. This process includes continuous data collection and implementation of necessary improvements when risks are detected, alongside preventive measures, monitoring, evaluation, and stakeholder communication. In line with this approach, the company is committed to addressing any material negative impacts on our workforce that are caused or contributed to by our operations. To ensure accountability and fair treatment for all employees, clear policies and procedures have been implemented, alongside confidential grievance channels, structured remediation actions such as investigations, corrective measures, and appropriate remedies, and a continuous improvement process whereby lessons learned are integrated into risk management and training.

Sanden Europe provides employees with multiple accessible channels to confidentially raise concerns or report ethical breaches, discrimination, harassment, or other forms of misconduct, as well as to submit suggestions for improvement. These channels include a digital suggestion portal for plant employees, a physical suggestion box at office locations, and compliance hotlines and dedicated email addresses available for each subsidiary. Employees may also contact their direct managers or representatives from the Legal & Compliance, HR, or Finance departments. In addition, trade unions and works councils are present at the plant sites to represent employees' interests. Regular meetings between supervisors and employee representatives ensure ongoing dialogue and enable needs and concerns to be addressed proactively. Together, these mechanisms form a comprehensive system that supports transparent communication, encourages continuous improvement, and ensures that employee voices are heard and acted upon. These channels are established by the undertaking itself.

All submissions are systematically recorded and reviewed, with appropriate actions taken and feedback provided to employees. The overall process effectiveness and accessibility of these channels are reviewed every two years through employee.

The undertaking assesses the effectiveness of remedies for material negative impacts on its workforce through multiple measures. Metrics for accidents are monitored, countermeasure implementations are overseen at subsidiary level, and results are presented at quarterly meetings of the Global Health-Safety-Environmental Committee. At subsidiary level, SIE conducts external audits to obtain ILO-OSH 2001 certification and performs regular internal audits, including safety patrols, to identify and implement health and safety improvements. Subsidiaries SME and SMP undergo external audits to attain ISO 45001 certification for Occupational Health and Safety Management, ensuring discrepancies are identified and addressed.

■ Awareness and trust in these processes

The undertaking assesses that its workforce is aware of and trusts the structures and processes for raising concerns or needs. During employee orientation, new hires sign a document confirming their understanding of company policies, and updates are communicated through a system requiring acknowledgment. Annual whistleblowing training sessions are conducted for all staff, and the employee satisfaction survey includes questions on how well employees feel informed about policies and procedures. The company enforces a strict prohibition on any form of retaliation against individuals who raise concerns or needs through designated reporting channels. This protection covers dismissal, discrimination, or any other unfair treatment resulting from a report. Whistleblowers' identities are kept strictly confidential, and all cases are handled by authorised personnel following defined procedures for assessment, follow-up, and feedback. These protections apply to all workers, regardless of their employment status, and extend to both internal and external reporting channels. European-wide policies ensure compliance with all relevant EU and national whistleblower protection laws, safeguarding a trusted and secure reporting environment.

S1-3 – Actions and resources related to own workforce

■ Description of the action plans

The actions and resources related to own workforce of Sanden Europe are listed in the comprehensive table provided under [ESRS MDR-A](#).

The effectiveness of workforce initiatives is assessed through a focused set of evaluation methods. These include training effectiveness surveys, which measure the impact and relevance of development activities, as well as employee satisfaction surveys that capture overall perceptions of workplace conditions and implemented initiatives. In addition, the organisation monitors its suggestion system, analysing the number and quality of submissions and the rate at which proposed ideas are implemented. Effectiveness is further evaluated through direct conversations with employees, providing qualitative insights into needs, expectations and areas for improvement. Together, these mechanisms ensure ongoing monitoring and continuous refinement of actions aimed at supporting the workforce.

S1-4 – Targets related own workforce

■ Processes for setting the targets

The process for setting time-bound and outcome-oriented targets for the undertaking's own workforce is currently under development.

S1-5 – Characteristics of the undertaking's employees

■ Number of employees by gender, country, and contract type

The numbers are reported in headcount and represent the workforce as of the reporting period end date. The numbers reported are based on working contracts and may differ from other reports.

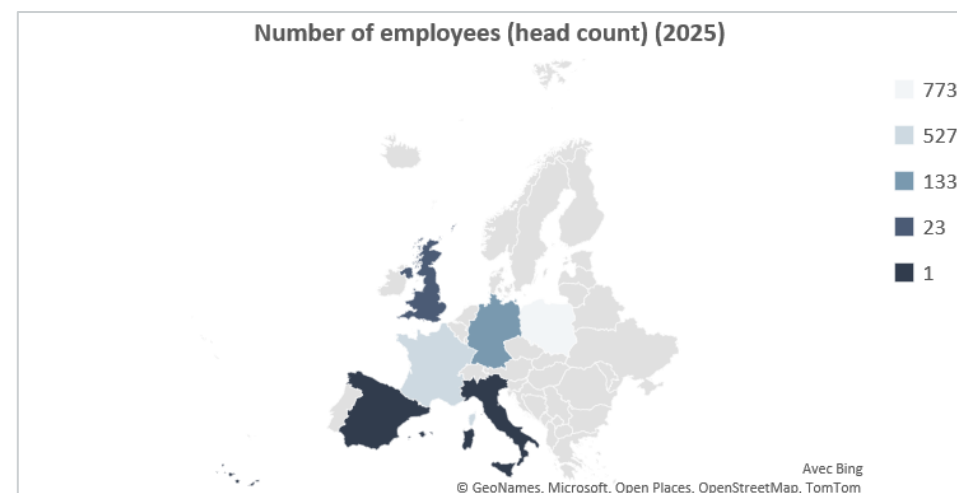


Figure 18: Number of employees by country

Metric description, Methodology and Assumptions

The total number of employees by head count and breakdowns by gender and by country for the countries in which the undertaking has 50 or more employees and that are the ten largest countries in terms of employee numbers

- For Sanden Europe employees include all person with an active employment contract with Sanden Europe including the following persons:
 - senior executives
 - part-time employees
 - domestic employees
 - employees abroad (unless employed in a company within the reporting scope, where they count as domestic employee)
 - apprentices and interns incl. PhD students, Master and Bachelor students and students conducting research at the undertaking regarding a thesis
 - employees on maternity leave
 - long-time sickness leave
- Not included are employees in dormant employment and non-employees. Dormant employment is parental leave, passive part-time retirement, family care/nursing leave, early retirement (all unique to Germany), long-term absence, expatriates, family leave and sabbatical. Countries in which the undertaking has 50 or more employees are Germany, France and Poland. Gender categories to be reported are male, female, others are not disclosed.
- Primary data from extracted from HR system and transferred to social metrics HR master sheet

	Female	Male	Total
Number of permanent employees	588	861	1449
Number of temporary employees	2	7	9
Number of employees	590	868	1458
	40.47%	59.53%	100%

Table 24: Number of employees by contract type, broken down by gender

Metric description, Methodology and Assumptions

The total number by head count or full time equivalent (FTE) of permanent employees, and breakdown by gender

- Headcount of permanent employees, and breakdown by gender
- Primary data extracted from HR system

The total number by head count or full time equivalent (FTE) of temporary employees, and breakdown by gender

- Headcount of temporary employees, which Sanden considers as those with fixed-term contracts
- Primary data extracted from HR system

S1-6 – Characteristics of the non-employees in the undertaking's own workforce

The following table provides an overview of the total number of non-employee workers integrated into Sanden Europe's own workforce during the reporting period. These individuals support value-creating activities within the organisation but are not employed directly by the company.

Total number of non-employee workers in own workforce	113
---	-----

Table 25: Total Number of non-employee workers in own workforce

Metric description, Methodology and Assumptions

Total number of non-employee workers in own workforce

- Total number of non-employees, defined as individuals integrated into value-creating activities and subject to Sanden's instructions, but not on the Sanden's payroll.
- Number based on year average data

S1-8 – Diversity metrics

■ Distribution at top management by gender and the age distribution among its employees

This section provides an overview of diversity metrics at top management level. In accordance with Sanden Europe's governance structure, the Administrative, Management and Supervisory Body (AMSB) corresponds to the company's top management. The following figure illustrates the percentage breakdown of top management members by gender, followed by the age distribution of employees.

Gender	Number of employees at top management level (2025)	Percentage of employees at top management level (2025)
Female	5	20,83%
Male	19	79,17%

Table 26: Gender distribution in number and percentage of employees at top management level

Metric description, Methodology and Assumptions

Gender distribution in number and percentage of employees at top management level

- Top management is like the AMSB: M2 Execution Manager Level, M3 Business Manager Level. The total number of top management employees by headcount includes all employees part of these management levels within Sanden Europe.
- Secondary data as primary data is extracted from HR system and employee categories mapped manually

Understanding the age profile of our workforce helps us assess workforce diversity and support effective succession planning, talent development, and long-term organizational resilience. The chart below presents the age distribution of employees across three age groups.

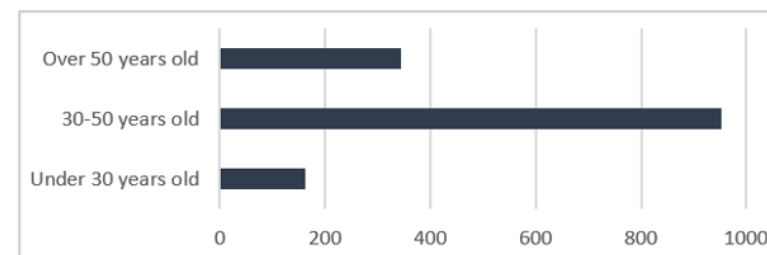


Table 27: Distribution of employees by age group

Metric description, Methodology and Assumptions

Age Distribution

- Included all employees by head count under 30 years, 30-50 year and above 50 years old
- The data is managed by the local HR departments via their specific HR system.
- The age is derived through a formula using the exact birth dates extracted from the HR System

S1-13 – Health and safety metrics

■ Health and safety metrics

The table below presents key health and safety metrics related to Sanden Europe's workforce during the reporting period.

	Year 2025
Percentage of own workers who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	100%
Number of fatalities in own workforce as result of work-related injuries and work-related ill health	0
Number of fatalities in own workforce as result of work-related injuries	0
Number of fatalities in own workforce as result of work-related ill health	0
Number of recordable work-related accidents for own workforce	12
Rate of recordable work-related accidents for own workforce	4,55
Number of cases of recordable work-related ill health of own workforce	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	325

Table 28: Health & Safety metrics

Metric description, Methodology and Assumptions

Percentage of workforce (incl. Non-employees) covered by health and safety management system

- Percentage of workforce (in headcount) covered by health and safety management system percentage on headcount basis, not FTE
- The coverage percentage refers to the headcount number of employees covered by health and safety management systems

Number and rate of recordable work-related accidents

- The number of work-related accidents recorded in accordance with national legislation in France, Poland, and Germany, where employees are based. The rate expresses the number of recordable accidents per one million hours worked.
- In HR master sheet, contractual weekly hours are inserted; Contractual weekly hours are multiplied by 46 weeks, to derive the yearly hours
- The total hours are divided by 1,000,000 to derive the metric value of hours worked in millions per reporting year
- The hours worked are estimated rather than based on actual time tracking. The estimation assumes that each individual works their full contractual hours for 46 weeks per year, excluding periods of paid leave.

- All individuals work consistently throughout the year, without significant unpaid leave or overtime.
- Paid leave is uniformly estimated at 6 weeks/year.
- Contractual hours reflect actual working patterns.
- minor accident: days lost between 1-104 days due to work related accidents
- major accident: days lost 105 or more days due to work related accidents
- Does not account for variations in actual hours worked due to overtime or unpaid leave.
- May not reflect seasonal or operational fluctuations in workforce activity.

With regard to the undertaking's employees, the number of cases of recordable work-related ill health

- The number of cases of work-related ill health among employees, identified during the reporting period either through medical surveillance or reported by affected individuals, compensation agencies, or healthcare professionals. This includes conditions such as work-related musculoskeletal disorders.

The sum of: (i) the number of fatalities from work-related injuries among everybody in the undertaking's own workforce as well as other workers that work on its sites; and (ii) the number of fatalities from work-related ill health among its employees

- The sum of: (i) the number of fatalities from work-related injuries among everybody in Sanden's own workforce as well as other workers that work on its sites; and (ii) the number of fatalities from work-related ill health among Sanden's employees

With regard to the undertaking's employees, the number of days lost to work-related injuries, recordable work-related accidents and work-related ill health

- The total number of calendar days lost due to work-related injuries, recordable work-related accidents, and work-related ill health among employees. The count includes both the first full day and the last day of absence, and covers all calendar days, including weekends and public holidays.

S1-16 – Incidents of discrimination and other human rights incidents

■ Human rights incidents

No human rights issues or incidents connected to the undertaking's own workforce occurred during the reporting period.

	Year 2025
Number of incidents of discrimination	0
Number of complaints filed through channels for people in the undertaking's own workforce to raise concerns	0
Number of complaints filed to National Contact Points for OECD Multinational Enterprises	0
Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed	0 €

Table 29: Incidents and complaints

ESRS S2 - Workers in the value chain

S2-1 – Policies related to workers in the value chain

■ Policies to manage its material impacts, risks and opportunities related to workers in the value chain

Sanden Group's Supplier Fundamental Policy which is the Supplier Code of Conduct outline the undertaking's commitment to respecting human rights including trafficking in human beings, forced labour, compulsory labour and child labour across the value chain. Additional details are provided in the comprehensive table under [ESRS 2 MDR-P](#).

S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy

■ Engagement with workers in the value chain

Perspectives of workers in the value chain inform decisions and activities aimed at managing actual and potential impacts through structured engagement and monitoring processes. Effectiveness of engagement is assessed through tracking sign-off rates for the Supplier Fundamental Principles, annual Sustainability Questionnaire completion, and yearly CMRT and EMRT analysis. Sanden Europe shares with suppliers the binding Sanden Group Supplier Fundamental Principles, reinforcing respect for human rights across the value chain. The Head of Purchasing division is responsible for ensuring supplier engagement and implementing actions based on these insights.

■ Engagement with particularly vulnerable people in value chain workers

Sanden Europe has implemented measures to gain insight into the perspectives of workers in the value chain, including those who may be particularly vulnerable or marginalised. A contact form is available on each subsidiary website, enabling workers in the value chain to voice concerns directly. In addition, the annual supplier Sustainability Questionnaire actively seeks input on critical issues such as health and safety and forced labour, ensuring that these perspectives inform the organisation's approach to managing impacts.

■ Processes for providing remedy to value chain workers and channels to raise concerns

Sanden Europe has established a due diligence procedure to assess and address adverse impacts on workers throughout the value chain, with plans to integrate this process into the European Quality Management System. The undertaking evaluates the effectiveness of remedies provided by monitoring progress through annual supplier Sustainability Questionnaires and supplier due diligence processes. Channels for raising concerns currently include a contact form and email address on each subsidiary's website, with plans to introduce a publicly accessible reporting channel on the corporate webpage. Suppliers are also required to implement their own reporting systems upon signing the Supplier Fundamental Principles. These mechanisms are established by the undertaking itself. Reported concerns and corresponding countermeasures are reviewed and evaluated regularly to ensure successful implementation; however, no concerns were raised during the reporting year, so no tracking was necessary.

■ Awareness and trust in these processes

Sanden Europe assesses that value chain workers are aware of and trust the structures and processes in place for raising concerns through the mandatory sign-off of the Supplier Fundamental Principles, which confirms acknowledgement of the whistleblowing approach. The undertaking has policies to protect individuals using these mechanisms against retaliation, including a distinct whistleblowing policy for each entity to safeguard those who report concerns.

S2-3 – Actions and resources related to workers in the value chain

■ Description of the action plans

The actions and resources related to workers in the value chain of Sanden Europe are listed in the comprehensive table provided under [ESRS MDR-A](#).

The effectiveness of these actions is tracked during the supplier due diligence process through regular progress updates on the implementation of agreed measures.

■ Relation with material impacts, risks and opportunities

During the reporting period, no severe human rights issues or incidents connected to the upstream or downstream value chain were reported through the established channels.

S2-4 – Targets related to workers in the value chain

■ Processes for setting the targets

The process for setting time-bound and outcome-oriented targets was conducted in collaboration with internal experts. The response ratio for the supplier Sustainability Questionnaire will be measured annually. After receiving feedback, the results will be analysed, and actions will be developed and implemented for improvement. The 2025 target is presented in chapter of G1-3 as it relates to supplier relationship management.



GOVERNANCE

GOVERNANCE INFORMATION

ESRS G1 - Business Conduct

G1-1 – Policies related to business conduct

■ Policies on business conduct matters

The undertaking has implemented Anti-Corruption and Anti-Bribery policies, in line with international standards and has established whistleblowing mechanisms to protect individuals who raise concerns. Additional details are provided in the comprehensive table under [ESRS 2 MDR-P](#).

G1-2 – Actions related to business conduct

■ Description of the action plans

The actions and resources related to business conduct of Sanden Europe are listed in the comprehensive table provided under [ESRS MDR-A](#).

■ Relationships with suppliers

Environmental, social and governance (ESG) criteria are integrated into the supplier selection process. The supplier selection matrix includes these factors, and suppliers are required to endorse the Supplier Fundamental Principles, comply with the Green Supply Guideline, and complete a Sustainability Questionnaire.

G1-3 – Targets related to business conduct

■ Target for Relationships with suppliers

Sanden Europe has established a target for 70% of suppliers within its panel to achieve a Level B rating or higher, corresponding to a minimum score of 50 out of 100 points in the Sustainability Questionnaire, by the end of 2026. The Purchasing department will distribute and evaluate the questionnaire annually. In addition, an internal target has been established to achieve full sign-off of the Supplier Fundamental Principles across all existing contracts and new business relationships.

G1-6 – Metrics related to payment practices

■ Payment practices

Sanden Europe has established differentiated standard payment terms, with 75% of suppliers covered by 60-day payment term. End-of month plus 45 days term apply to 90% of intercompany payment arrangements, reflecting internal alignment mechanisms. The alignment of payment terms is generally based on individual supplier negotiations. Additionally, payroll is processed twice a month, providing contextual information on the undertaking's payment practices.

Number of legal proceedings currently outstanding for late payments	0
Percentage of its payments aligned with the standard payment terms	94%

Table 30: Payment Practice

Table of content: illustrations

Figure 1: Sanden Europe's Sustainability Journey	5
Figure 2: Sanden Europe's way towards Carbon Neutrality	5
Figure 3: Sanden Europe's Sustainability Pyramid	6
Figure 4: Integrated Framework of Objectives and Strategic Directions.....	6
Figure 5: Sanden Europe Locations	13
Figure 6: Integrated Thermal Management System.....	14
Figure 7: Air Compressor	14
Figure 8: Sanden Europe's Value Chain	14
Figure 9: Stakeholder Concept	15
Figure 10: Double Materiality Principle	20
Figure 11: Double Materiality Analysis Approach	21
Figure 12: Material Topics	22
Figure 13: Materiality Matrix (Standards)	23
Figure 14: Topic Cluster	23
Figure 15: Share of Energy Source.....	37
Figure 16: R290 and R744 testing cars	42
Figure 17: Waste recovery ratio projection	44
Figure 18: Number of employees by country	50
Table 1: Percentage of members of Administrative, Management and Supervisory Bodies broken down by gender	10
Table 2: Due Diligence Statement.....	12
Table 3: Linkage of Policies with Topical Standards	31
Table 4: Key Environmental Actions 1/2	32
Table 5: Key Environmental Actions 2/2	32
Table 6: Key Social Actions.....	32
Table 7: Key Value Chain Actions	33
Table 8: Key Business Conduct Actions.....	33
Table 9: Sanden Global Scope 1,2,3 targets (verified by SBTi in October 2023)	36
Table 10: Energy Consumption and Mix	37

Table 11: Total Renewable Energy Production	38
Table 12: Gross Scope 1 GHG Emissions	38
Table 13: Gross Scope 2 GHG Emissions	39
Table 14: Gross Scope 3 GHG Emissions	39
Table 15: Total GHG Emissions	40
Table 16: Substances of very high concern by main hazard classes	41
Table 17: Water withdrawals and water discharges	43
Table 18: Water consumption	43
Table 19: Target for waste recovery rate (%).....	44
Table 20: Various data points	45
Table 21: Total amount waste generated	46
Table 22: Waste diverted from disposal, breakdown by hazardous and non- hazardous waste and treatment type	46
Table 23: Waste directed to disposal, breakdown by hazardous and non- hazardous waste and treatment type	46
Table 24: Number of employees by contract type, broken down by gender	51
Table 25: Total Number of non-employee workers in own workforce.....	51
Table 26: Gender distribution in number and percentage of employees at top management level	52
Table 27: Distribution of employees by age group	52
Table 28: Health & Safety metrics.....	53
Table 29: Incidents and complaints.....	53
Table 30: Payment Practice	57

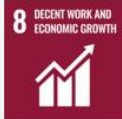
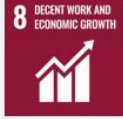
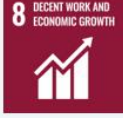
Appendix

■ Data Point linkage with related frameworks

Related Frameworks	Disclosure Requirement <i>(Draft ESRS Nov.2025)</i>	Data Points <i>(ESRS July 2023)</i>	Pages
CDP 1.5	Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement	ESRS-2.BP-1.5.b.ii.narrative ESRS-2.BP-1.5.c.narrative	9 9
GRI 2-2 (2021)	Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement	ESRS-2.BP-1.5.b.ii.narrative	9
SFDR-Annex.1-Table.1-Indicator.13, Regulation.2020/1816-Annex.II, GRI 405-1-a-i (2016), GRI 405-1-a-iii (2016), GRI 405-1-b (2016)	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	ESRS-2.GOV-1.21.d.boardGenderDiversity ESRS-2.GOV-1.21.d.table	10 10
GRI 2-9-b (2021), GRI 2-9-c (2021), GRI 2-9-c-i (2021), GRI 2-9-c-ii (2021), GRI 2-9-c-v (2021), GRI 2-9-c-vi (2021), GRI 2-9-c-vii (2021), GRI 2-9-c-viii (2021), IFRS S2.6(a)	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	ESRS-2.GOV-1.22.a.narrative	10
GRI 2-9-b (2021), GRI 2-9-c (2021), GRI 2-9-c-i (2021), GRI 2-9-c-ii (2021), GRI 2-9-c-v (2021), GRI 2-9-c-vi (2021), GRI 2-9-c-vii (2021), GRI 2-9-c-viii (2021), IFRS S2.6(a)(ii)	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	ESRS-2.GOV-1.23.narrative	10
IFRS S2.6(a)(i)	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	ESRS-2.GOV-1.22.b.narrative	10
IFRS S2.6(a)(v), IFRS S1.21(b)	Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies	ESRS-2.GOV-1.22.d.narrative	10
GRI 2-12 (2021), IFRS S2.6(a)(iv)	Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	ESRS-2.GOV-2.26.b.narrative	11
GRI 2-19-a (2021), GRI 2-19-b (2021), IFRS S2.6(a)(v), IFRS S1.21(b)	Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes	ESRS-2.GOV-3.29.c.narrative	11
GRI 2-20 (2021)	Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes	ESRS-2.GOV-3.29.e.narrative	11
GRI 2-6 (2021), VSME.C.1.47.a.narrative	Disclosure Requirement SBM-1 – Strategy, business model and value chain	ESRS-2.SBM-1.40.a.i.narrative ESRS-2.SBM-1.40.a.ii.narrative	13 13
VSME.C.8.63.a.multiCheckbox	Disclosure Requirement SBM-1 – Strategy, business model and value chain	ESRS-2.SBM-1.40.d.fossil	13
SFDR-Annex.1-Table.2-Indicator.9, Regulation.2020/1816-Annex.II, VSME.C.8.63.a.multiCheckbox	Disclosure Requirement SBM-1 – Strategy, business model and value chain	ESRS-2.SBM-1.40.d.chemicals	13
Regulation.2020/1818-Art.12.1, Regulation.2020/1816-Annex.II, VSME.C.8.63.a.multiCheckbox	Disclosure Requirement SBM-1 – Strategy, business model and value chain	ESRS-2.SBM-1.40.d.tobacco	13
SFDR-Annex.1-Table.1-Indicator.14, Regulation.2020/1818-Art.12.1, Regulation.2020/1816-Annex.II, VSME.C.8.63.a.multiCheckbox	Disclosure Requirement SBM-1 – Strategy, business model and value chain	ESRS-2.SBM-1.40.d.weapons	13
GRI 2-12 (2021)	Disclosure Requirement SBM-2 – Interests and views of stakeholders	ESRS-2.SBM-2.45.d.narrative	15
IFRS S2.22(b)(i)	Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	ESRS-E1.SBM-3.19.a.narrative	16
GRI 2-14 (2021)	Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	ESRS-2.IRO-1.53.d.narrative	22
GRI 3-1 (2021)	Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	ESRS-2.IRO-1.53.b.ii.narrative ESRS-2.IRO-1.53.b.iii.narrative ESRS-2.IRO-1.53.b.iv.narrative	20 20 21
IFRS S2.22(b)(i)(2)	Disclosure requirement IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	ESRS-E1.IRO-1.21.Physicalrisk ESRS-E1.IRO-1.21.Transitionrisk ESRS-E1.IRO-1.AR.11.d.narrative	20 20 20
IFRS S2.25(a)(v)	Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	ESRS-2.IRO-1.53.c.narrative	21
IFRS S2.25(a)(i)	Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	ESRS-2.IRO-1.53.g.narrative	22
IFRS S2.25(a)(iv)	Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	ESRS-2.IRO-1.53.c.ii.narrative	22
GRI 305-5-a (2016), GRI 305-5-c (2016), GRI 305-5-2.9.5 (2016)	Disclosure Requirement E1-5 – Actions and resources in relation to climate change mitigation and adaptation	ESRS-E1.5	36
GRI 305-1 (2016)	Disclosure Requirement E1-6 – Targets related to climate change	ESRS-E1.4.AR.25.b.narrative	36
IFRS S2.33(h)	Disclosure Requirement E1-6 – Targets related to climate change	ESRS-E1.4.34.e.narrative	36
SFDR-Annex.1-Table.1-Indicator.5, GRI 302-1-a (2016), GRI 302-1-b (2016), GRI 302-1-c (2016), GRI 302-1-e (2016), GRI 302-1-g (2016)		ESRS-E1.5.37	37
SFDR-Annex.1-Table.1-Indicator.5, SFDR-Annex.1-Table.2-Indicator.5, GRI 302-1-a (2016), GRI 302-1-b (2016), GRI 302-1-c (2016), GRI 302-1-e (2016), GRI 302-1-g (2016)	Disclosure Requirement E1-7 – Energy consumption and mix	ESRS-E1.5.38.table	37

Related Frameworks	Disclosure Requirement <i>(Draft ESRS Nov.2025)</i>	Data Points <i>(ESRS July 2023)</i>	Pages
GRI 305-2 (2016), IFRS S2.29(a)(v), IFRS S2.B30, IFRS S2.B31	Disclosure Requirement E1-8 – Gross Scope 1, 2, 3 and GHG emissions	ESRS-E1.6.AR.45.d.Narrative	38
VSME.C.0.50.table	Disclosure Requirement E1-8 – Gross Scope 1, 2, 3 and GHG emissions	ESRS-E1.6.48.table	38
IFRS S2.29(a)(i)(3), IFRS S2.B38–B57	Disclosure Requirement E1-8 – Gross Scope 1, 2, 3 and GHG emissions	ESRS-E1.6.AR.46.g.narrative	38
IFRS S2.29(a)(vi)(1), IFRS S2.B32	Disclosure Requirement E1-8 – Gross Scope 1, 2, 3 and GHG emissions	ESRS-E1.6.AR.46.i.narrative	39
		ESRS-E1.6.AR.46.i.narrativescope	39
GRI 305-2 (2016), IFRS S2.29(a)(v), IFRS S2.B30, IFRS S2.B31, VSME.C.0.50.table	Disclosure Requirement E1-8 – Gross Scope 1, 2, 3 and GHG emissions	ESRS-E1.6.49.table	40
GRI 305-3 (2016), IFRS S2.29(a)(vi)(1), IFRS S2.B32, VSME.C.0.50.table	Disclosure Requirement E1-8 – Gross Scope 1, 2, 3 and GHG emissions	ESRS-E1.6.51.table	40
SFDR-Annex.1-Table.2-Indicator.8	Disclosure Requirement E3-1 – Policies related to water	ESRS-E3.1.13	43
GRI 303-5 (2018), VSME.B.6.35.table	Disclosure Requirement E3-4 – Water consumption	ESRS-E3.4.28.a.table	43
GRI 301-1 (2016)	Disclosure Requirement E5-4 – Resource inflows	ESRS-E5.4.31.a.TotalWeight	45
GRI 306-1 (2020)	Disclosure Requirement E5-4 – Resource inflows	ESRS-E5.4.30.narrative	45
GRI 306-3 (2020)	Disclosure Requirement E5-5 – Resource outflows	ESRS-E5.5.37.a.wasteGenerated	46
GRI 306-4-a (2020), GRI 306-4-b (2020), GRI 306-4-c (2020), GRI 306-4-e (2020), VSME.B.7.38.b.table	Disclosure Requirement E5-5 – Resource outflows	ESRS-E5.5.37.b.table	46
		ESRS-E5.5.37.c.table	46
GRI 2-23-a-i (2021), GRI 2-23-a-iv (2021), GRI 2-23-b (2021), GRI 2-23-d (2021), GRI 2-23-e (2021), GRI 2-23-f (2021)	Disclosure Requirement S1-1 – Policies related to own workforce	ESRS-S1.1.AR.14.channels	48
SFDR-Annex.1-Table.3-Indicator.9, SFDR-Annex.1-Table.1-Indicator.11	Disclosure Requirement S1-1 – Policies related to own workforce	ESRS-S1.1.20.mechanisms	48
		ESRS-S1.1.20.narrative	48
Regulation.2020/1816-Annex.II, GRI 2-23-a-i (2021), GRI 2-23-a-iv (2021), GRI 2-23-b (2021), GRI 2-23-d (2021), GRI 2-23-e (2021), GRI 2-23-f (2021)	Disclosure Requirement S1-1 – Policies related to own workforce	ESRS-S1.1.21.narrative	48
GRI 2-29 (2021)	Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers’ representatives about impacts	ESRS-S1.2.28.narrative	48
	Disclosure Requirement S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	ESRS-S2.2.22.e.narrative	54
		ESRS-S2.2.23.narrative	54
GRI 3-3 (2021)	Disclosure Requirement S1-2 – Engagement with own workforce and workers’ representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	ESRS-S1.2.27	48
	Disclosure Requirement SBM-1 – Strategy, business model and value chain	ESRS-2.SBM-1.40.e.narrative	13
GRI 403-2-b (2018)	Disclosure Requirement S1-2 – Engagement with own workforce and workers’ representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	ESRS-S1.3.33.narrative	48
		ESRS-S1.3.33.statement	48
GRI 2-25 (2021)	Disclosure Requirement S1-2 – Engagement with own workforce and workers’ representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	ESRS-S1.3.32.a.assessment	48
		ESRS-S1.3.32.a.narrative	48
		ESRS-S1.3.32.b.narrative	48
		ESRS-S1.3.32.e.narrative	48
		ESRS-S2.3.27.a.how	54
	Disclosure Requirement S2-2 – Engagement with workers in the value chain, existence of channels for workers in the value chain to raise concerns or needs and approaches to remedy	ESRS-S2.3.27.a.narrative	54
		ESRS-S2.3.27.b.narrative	54
GRI 403-9-a-i (2018), GRI 403-9-a-iii (2018), GRI 403-9-b-i (2018), GRI 403-9-b-iii (2018), GRI 403-9-c-iii (2018), GRI 403-9-d (2018), GRI 403-9-e (2018)	Disclosure Requirement S1-3 – Actions and resources related to own workforce	ESRS-S1.4.38.d.narrative	50
GRI 2-7 (2021)	Disclosure Requirement S1-5 – Characteristics of the undertaking’s employees	ESRS-S1.6.50.a.country	50
		ESRS-S1.6.50.a.gender	51
		ESRS-S1.6.50.b.gender	51
GRI 405-1-a-i (2016), GRI 405-1-a-iii (2016), GRI 405-1-b (2016)	Disclosure Requirement S1-8 – Diversity metrics	ESRS-S1.9.66.a.table	52
		ESRS-S1.9.66.b.table	52
GRI 2-27 (2021)	Disclosure Requirement S1-16 – Incidents of discrimination and other human rights incidents	ESRS-S1.17.104.a	53
SFDR-Annex.1-Table.3-Indicator.11, SFDR-Annex.1-Table.3-Indicator.4, GRI 408-GRI-3-3 (2016)			
SFDR-Annex.1-Table.3-Indicator.9, SFDR-Annex.1-Table.1-Indicator.11, GRI 2-23-a-i (2021), GRI 2-23-a-iv (2021), GRI 2-23-b (2021), GRI 2-23-d (2021), GRI 2-23-e (2021), GRI 2-23-f (2021)	Disclosure Requirement S2-1 – Policies related to workers in the value chain	ESRS-S2.1.18.narrative	54
GRI 401-GRI-3-3 (2016)	Disclosure Requirement S2-3 – Actions and resources related to workers in the value chain	ESRS-S2.4.32.d.narrative	55
SFDR-Annex.1-Table.3-Indicator.15	Disclosure Requirement G1-1 – Business conduct policies and corporate culture	ESRS-G1.1.10.a	57
		ESRS-G1.1.10.d	57
GRI 308-1 (2016)	Disclosure Requirement G1-2 – Management of relationships with suppliers	ESRS-G1.2.15.b.narrative	57

■ Contribution to the United Nations Sustainable Development Goals (UN SDG)*

CHAPTER NAME	UN SDG				
ESRS - E1 (Climate Change)					
ESRS - E2 (Pollution)					
ESRS - E3 (Water)					
ESRS - E5 (Resource and circular economy)					
ESRS - S1 (Own workforce)					
ESRS - S2 (Workers in the value chain)					
ESRS - G1 (Business conduct)					

* The content of this publication has not been approved by the United Nations and does not reflect the views of the United Nations or its officials or Member States.

■ Glossary

Abbreviation	Description
ADEME	French Environment and Energy Management Agency (Agence de l'environnement et de la maîtrise de l'énergie): public body undertaking operations with the aim of protecting the environment and managing energy. www.ademe.fr
AMSB	Sanden Europe defines its Administrative, Management and Supervisory Body as its top management, which is responsible for the strategic direction, oversight and management of the company.
CDP	Carbon Disclosure Project: an independent, non-profit organization working to drive greenhouse gas emissions reductions for companies and cities by collecting, environmental data and analyzing their carbon emissions policy. www.cdproject.net
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGO	Corporate Governance Office
CH₄	Methane
CO₂	Carbon Dioxide
CO₂-eq	Carbon dioxide equivalent (CO ₂ -eq) is a metric that compares the impact of different greenhouse gases (GHGs) on global warming.
CSRD	Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 as regards corporate sustainability reporting.
DMA	Double Materiality Assessment
EFRA	Responsible for developing European sustainability reporting standards.
ESG	Environment, Social and Governance
ESRS	European sustainability reporting standards designed by EFRA and forming an integral part of the CSRD.
EU	European Union
FTE	Full-Time Equivalent
GHG	Greenhouse gas: gases which absorb infrared rays emitted by the Earth's surface, contributing to the greenhouse effect.
GRDF	Gaz Réseau Distribution France
GRI	Global Reporting Initiative: a non-profit organization that develops globally applicable guidelines on corporate sustainability policy and reporting. www.globalreporting.org
HGB	Handelsgesetzbuch - German Commercial Code governing accounting and reporting requirements for companies in Germany
HR	Human Resources
HSE	Health, Safety and Environment
HVAC	Heating, Ventilation and Air Conditioning
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMDS	International Material Data System: International material data collection system for the automotive industry in the context of end-of-life vehicles and REACH regulations.
IRO	Impact, Risk and Opportunity
ISO 14001	International standard on environmental management systems.
ISO 45001	International standard on occupational health and safety management systems.
JAPIA	Japan Auto Parts Industries Association
KPI	Key Performance Indicator
LCI	Life Cycle Inventory
ML	Money Laundering
MWh	Megawatt Hour
N₂O	Nitrous Oxide
NACE	Nomenclature statistique des activités économiques dans la Communauté européenne
NMP	N-Methyl-2-pyrrolidone
OEM	Original Equipment Manufacturer - vehicle manufacturer, such as Volkswagen, BMW, Mercedes-Benz, or Stellantis, that designs, assembles, and sells vehicles under its own brand, sourcing components and systems from suppliers.
PESTEL-SWOT analysis	Political, Economic, Social, Technological, Environmental and Legal - Strength, Weakness, Opportunity, Threat - Analysis
PFAS	Per- and polyfluoroalkyl substances.
RBA	Responsible Business Alliance
REACH Regulation	European Regulation No. 1907/2006 of December 18, 2006 (Registration, Evaluation, Authorisation and Restriction of Chemicals).
RTE	Réseau de Transport d'Électricité - French electricity transmission system operator.
SBTi	Science Based Targets initiative: an initiative aimed at supporting companies via a methodology that is aligned and consistent with the recommendations made by the IPCC. It provides guidelines, criteria and advice to organizations, with the aim of reducing their carbon footprint and greenhouse gas emissions.
Scopes 1, 2 and 3	Scope 1: Direct GHG emissions from company-owned or controlled sources, including fuel combustion, industrial processes and refrigerant leaks. Scope 2: Indirect GHG emissions from purchased energy, such as electricity, steam and compressed air. Scope 3: All other indirect GHG emissions across the value chain, including purchased goods, transportation and the use of sold products.
SFDR	Sustainable Finance Disclosure Regulation
SIE	Sanden International Europe GmbH
SLP	Sanden Logistics Poland
SME	Sanden Manufacturing Europe
SMP	Sanden Manufacturing Poland
SVHC	Substance of very high concern
TCFD	Task Force on Climate-related Financial Disclosures
TF	Terrorist Financing
VSME	Voluntary Sustainability Reporting Standard for SMEs
WH	Warehouse



Company Information

Sanden International Europe GmbH
Am Taubenbaum 35-37
61231 Bad Nauheim
Germany

Contact

+49 6032 8030 0
sie.sandeninfo@-sanden.com
<https://www.sanden-europe.com>

Legal Information

Represented by: Maria Wünsch-Guaraldi (CEO & Managing Director)
Commercial Register Frankfurt am Main: HRB113309
VAT Registration number: DE815808134

Publication

28th of September 2026