

SANIPEXGROUP

BAGNODESIGN | SANIPEX GALLERY

ESG Report 2023/2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

About This **Report**

At SANIPEX GROUP, we are taking steps to create a sustainable impact across our entire value chain.

Through our own brand portfolio and collaboration with 100+ industry-leading brands, we offer sustainably made products across our Bathroom, Kitchen, Tiles & Slabs, Outdoor Living, Lighting, Hospitality and Lifestyle categories. With a commitment to public disclosure, we outline our achievements, progress and targets for our sustainability strategy. We share our strategy and performance on key social, environmental and economic impacts. This report focusses primarily on the operational details within the UAE, which constitute a large part of our entire business.

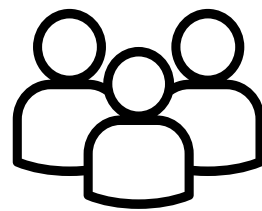
Our sustainability performance is aligned with the following ESG pillars:



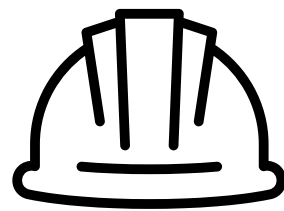
Climate, Emissions
& Energy



Economic & Social
Contribution



Employee Diversity &
Inclusion



Health & Safety



Business
Sustainability

For further information:
Please get in touch with our Sustainability Lead at adil@sanipexgroup.com for any questions regarding this report or its contents.

Group Managing Director's **Message**

On behalf of the whole team, I am delighted to share our actions and commitment to a sustainable future.

Our approach is grounded in a commitment to operate in a way that is mindful of our economic and social impact; with a passion for creating innovative products that our customers trust, to promote investment in the training and wellbeing of our colleagues, to actively engage in our communities and to act responsibly to protect our environment. These principles have underpinned our consistent growth into the successful, market-leading business we are today, and I am sure will help accelerate our momentum in the future. Our sustainability report aims to bring to life our efforts across the entire business - from the development of new products, investments in talent management, strategies to drive a greener supply chain, how we nurture the wonderful diversity and engagement of our teams, and to highlight the professionalism and integrity we have towards our customers, supplier partners and colleagues.

As we continue our growth, we are aligning our sustainability strategy wherever possible with the UN Sustainable Development Goals and basing it on the three pillars of People, Profit and Planet. We are also fully embracing the UAE Government initiatives to address climate change, achieve Net-Zero by 2050 and the Environment Vision 2030, conscious that while we are an international business, the UAE is our home and where we can make the greatest contribution. With a sustainable culture at the heart of our business and exciting development plans ahead, we are committed to playing our part in a greener, brighter future for all.

I hope you will enjoy reading this report, detailing our accomplishments, plans and targets for 2024/2025, and I look forward to updating you on the significant progress we will make next year.

Daryl Barker *Group Managing Director*

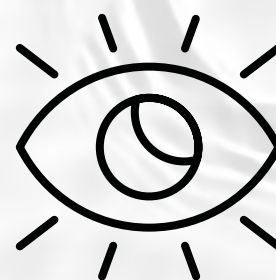


Purpose, Vision & Values



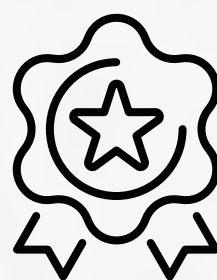
Our **Purpose**

To offer our prestigious product portfolio to serve the Middle East, Africa, Europe, Asia, and Oceania through our Retail, Trade, Project & digital channels. Combining high-quality living solutions with exceptional customer service to deliver excellence.



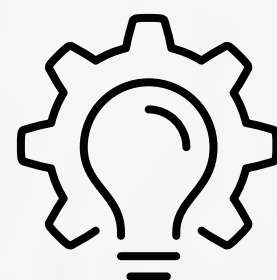
Our **Vision**

To continually provide a dedicated and committed team to service our global customer base with high-quality, trend-led products for designing beautiful spaces.



Quality

We deliver products and provide services of the highest quality to our customers. Our commitment is present in everything we do, ensuring we always meet and exceed expectations.



Innovation

Using the latest technologies and earth-friendly materials, we aim to develop and source innovative and long lasting products across all categories – Bathroom, Kitchen, Tiles & Slabs, Outdoor Living, Lighting, Lifestyle and Hospitality.



Wellbeing

We put the safety and wellbeing of our employees above all else, creating a supportive workplace environment through initiatives such as safety training, professional development and skills workshops.



Sustainability

We endeavour to input sustainable practices across our entire value chain where possible – from sourcing to manufacturing and distribution. We take care to select partner brands that align with our values to ensure our offering contributes to a greener future.

Our **Values**

About Us

As the market-leading luxury indoor and outdoor lifestyle brand, we specialise in creating and supplying expertly crafted products.

For almost 30 years, we have built our prestigious product portfolio, extended our client base and propelled our business to service the Middle East, Africa, Europe, Asia & Oceania through our Retail, Trade, Project and digital channels. Combining the highest quality bathroom, kitchen, surfaces, lifestyle, lighting and outdoor living solutions with exceptional customer service, SANIPEX GROUP always delivers.

Established in Dubai, UAE in 1995, SANIPEX GROUP has grown to encompass flagship showrooms in key locations including Dubai, Abu Dhabi and London, alongside an established presence with partner retailers worldwide. From commercial projects to residential developments, we assist our client base of architects, designers, developers, retailers and consumers to create exceptional indoor and outdoor spaces.

Working with many market-leading brands and supported by its own strong portfolio of products ensures SANIPEX GROUP is ready to deliver for your next project with strategically placed logistics centres in key locations. Offering consistently high service levels, at SANIPEX GROUP, the customer always comes first.

***Bathrooms
Tiles & Slabs
Kitchen
Outdoor
Lighting
Hospitality
Lifestyle***



Quality Assurance & Certifications

*Ensuring quality and durability is central to our pursuit of excellence.
We uphold this pledge through rigorous product testing and quality assurance measures.*

Our in-house testing facilities replicate real-life conditions, providing accurate insights into product performance across a diverse range of environments.

We prioritise regulatory adherence and ensure our products meet compliance certifications. As quality and sustainability are intuitive to our operations, we have the expertise to identify and address social and environmental risks early in the product design process. Our procedures help us analyse and manage risks that can affect the quality of our products and services.



EQM/ECAS
As one of the few in our industry, our BAGNODESIGN and AQUAECO products are certified with EQM (Emirates Quality Mark) for compliance within the UAE. All partner brands are ECAS compliant. Customers can be assured that our products are of high quality with effective water efficiency, manufactured by an organisation that implements a high-standard quality management system.



ECAS
Restriction of Hazardous Substances (RoHS) regulates the use of certain hazardous substances in electrical and electronic equipment. G-Mark (GSO) is for products compliant to be sold within GGC member states and is a mandatory requirement for low voltage electrical equipment (LVE), ensuring its safety for consumer use. SANIPEX GROUP categories under these certifications include appliances, washroom hand dryers and lighting.



MoiAT
We are MOIAT certified to comply with UAE and Gulf standards. MolAT certifies compliance for electrical (ECAS) and mechanical (EQM/ECAS) products, ensuring safety and quality assurance as well as optimal water efficiency. Water output levels are tested and graded to economise water consumption in the UAE.



SASO
Saudi standards, Metrology and Quality Organisation SASO product certificate of Conformity (PCOC), verifies our mechanical and electrical products entering Saudi Arabia are free from defects that may affect the health and safety of consumers. All our water fixture products conform to the specifications of SASO 2655/2656 for Water Efficiency labels.



G-Mark (GSO), IECEE, SQM
Multiple certification systems ensure product safety and compliance in Saudi Arabia, including G-Mark (GSO). The international scheme for Mutual Recognition of Test Certificates for Electrical Equipment (IECEE) ensures the safety of electrical and electronic equipment, devices and components and recognised in over 50 countries, including Saudi Arabia. Products include coffee machines and dishwashers. The Saudi Quality Mark (SQM) ensures building materials and other relevant products comply with the technical regulations and specifications of Saudi Arabia. Categories covered include tiles, slabs and gas appliances.



LEED & WELL
With LEED and WELL v2 2018, our products contribute to points across various categories for approaches to water and energy consumption with our touchless sensor-operated ranges and flow-restricting aerators promoting utmost water efficiency.



WRAS
Many products are WRAS-approved for Europe & UK. To attain WRAS certification many of our whole products such as shower valves and basin mixers undergo mechanical and water quality testing for approval to demonstrate products are of an appropriate quality and standard.



ISO
As an ISO 9001:2015 (Quality Management System) accredited company, our primary focus is the customer. We aim to source and provide high-quality and long-lasting products while ensuring that the service provided during both pre-and post-sales activities is of a continually high standard. As a Group, we are dedicated to reducing our impact on the environment through preventing pollution from our products & services. We are committed to complying with all applicable legal, regulatory and statutory environmental requirements, including those of our interested parties in accordance with ISO 14001:2015 (Environmental Management System).

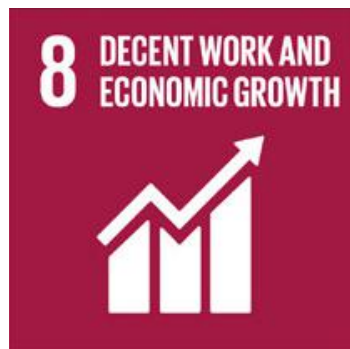
Sustainability Strategy

Meeting the needs of the present without compromising the ability of future generations to meet their own needs. by United Nations Brundtland Commission 1987

Our sustainability strategy is based on three core pillars: people, planet, and profit. Because they are interconnected, we address these pillars equally for long-term sustainable growth across the entire value chain.

Within our organisation, we are cultivating a culture of sustainability by raising awareness through social events, regular training and workshops. We also work closely with clients and suppliers to embrace a transformational approach aimed at benefiting all stakeholders. In the long run, this empowers growth, builds sustainable competitive advantage and drives a positive societal impact.

We also have robust environmental, health and safety and quality management policies in place to uphold these commitments and continue to operate according to international best standards. We have aligned our sustainability strategy with the United Nations Sustainable Development Goals (UN SDGs). Three goals are most relevant to our business operations:



We also align our strategy with the UAE Sustainability goals:

Net-zero by 2050

National Climate Change Plan of the UAE 2017-2050

Environment Vision 2030 led by the Government of the United Arab Emirates.



Product Sustainability



Brass and stainless steel are key components in many **BAGNODESIGN** brassware products. They are highly recyclable, possess anti- microbial properties for increased hygiene. 28.6% of our **BAGNODESIGN** mixers are manufactured using clean energy sources.



BAGNODESIGN Alpine basin and countertop range utilises FSC-certified timber and 25% recycled Wedi boards. These do not absorb water and therefore protect against mould, assuring longevity, without the need for frequent, resource intensive repairs.



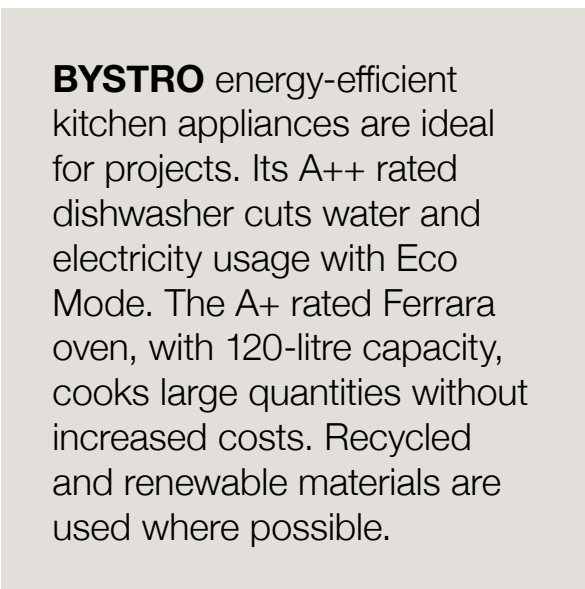
The **AQUAECO** Kitchen filter is an eco-friendly alternative to single-use plastic, offering purified water straight from the tap. The filter system responsibly recycled and reused. It was recognised as a finalist in the Sanitaryware category at the Sustainability Awards 2021.



BAGNODESIGN Touchless basin mixers feature a water-saving Eco Power sensor technology and lithium battery for 100,000 cycles without external power, reducing 0.62 kg of electronic waste.



BAGNOQUARTZ composite bathtubs and basins combines crushed minerals and resin to create durable, scratch-resistant, eco-friendly products. These handcrafted products are insulating which means they conserve water temperature and reduce energy consumption.



BYSTRO energy-efficient kitchen appliances are ideal for projects. Its A++ rated dishwasher cuts water and electricity usage with Eco Mode. The A+ rated Ferrara oven, with 120-litre capacity, cooks large quantities without increased costs. Recycled and renewable materials are used where possible.



BAGNODESIGN concealed cisterns, thanks to a dual-flush mechanism use as little as 2 litres for a half flush. Compact in design, these cisterns maximise the space without the need for additional construction or expansion, promoting sustainable urban development.



All our custom solutions like washbasins, countertops and outdoor kitchens are made from European-produced porcelain slabs, which have a lower environmental impact. They emit zero VOCs and are easy to maintain without harsh chemicals for a healthier living environment.



Porcelain is long-lasting and durable, reducing the need for replacements. It uses natural abundant materials like clay compared to scarce resources like marble. Most of our tiles & slabs contain recycled materials that come with Environmental Product Declarations (EPDs).

Minimising
Environmental Impact

Environmental Policy

As a Group, we are committed to minimising environmental impact through pollution prevention in our products and services.

We comply with ISO 14001:2015* and all relevant environmental regulations and requirements.

Key Commitments

- Aim to use sustainable resources where possible.
- Continue our pursuit of our 'Reduce, Re-use, Recycle' objectives.
- Reducing waste across offices, showrooms, production facilities and warehouses.
- Promote environmentally sound products through design.
- Achieve product certifications and approvals where applicable.
- Consider the life cycle perspective of all products, services and activities.
- Communicate this policy to all employees and interested parties to ensure compliance and awareness.



*ISO 14001:2015 is an internationally recognized standard for environmental management systems (EMS), providing a framework for organizations to design and implement an EMS, and continually improve their environmental performance.

Environmental Sustainability

Our focus is on adopting sustainable alternatives and preventing waste at the source.



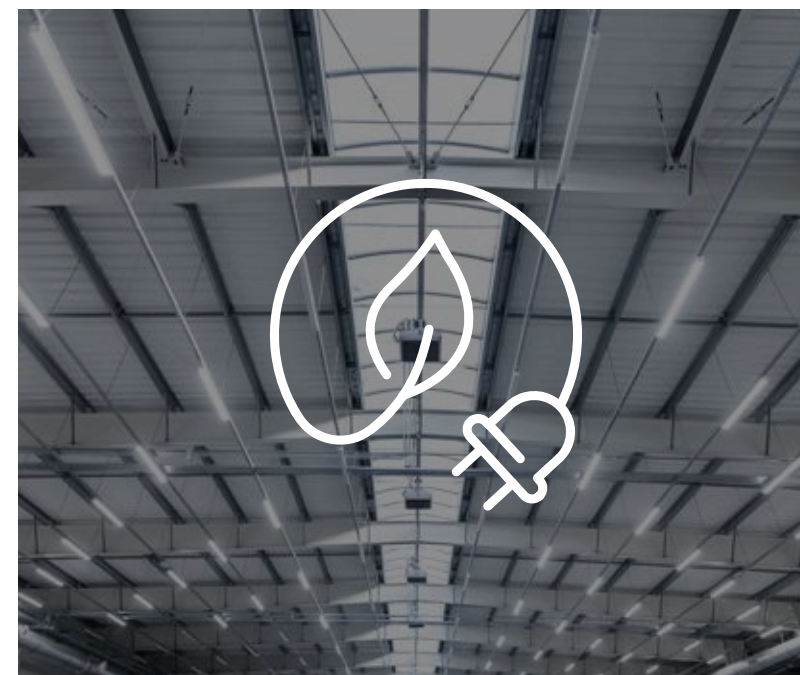
Water Recycling

In our Slab Fabrication facility, we have partnered with a leading UAE water treatment and recycling specialist to install a custom water treatment and recycling plant on-site to reduce consumption from our water-cutting jets. We have since reduced our usage by a staggering 3.5m+ litres per year.



Paperless Operations

Last year, we reduced our paper usage by five tonnes. This was done by integrating digital apps and devices into our internal processes, offering paperless deliveries and providing QR code access to our marketing resources.



Energy Efficiency

In recent years we have improved our energy efficiency across all our offices by replacing fluorescent lamps with LED lighting, using energy-efficient office equipment, and installing skylights in our warehouses and production facilities.



Green Logistics

We currently use grade B5 biodiesel, accounting for 5% of our diesel consumption. Our goal is to increase this to B10, reaching 10% biodiesel and switch to electric vehicles within the next two years.



Waste Management

We follow the waste management hierarchy, giving top priority to waste prevention from source, followed by re-use, recycling and finally disposal. Since last year for example, we have reused 96% of our pallets and have recycled 123 tonnes of waste.

Green Procurement

Proud of our partnerships, we collaborate with innovative and sustainable suppliers, to guarantee the use of clean energy sources, eco-friendly materials, and resource-efficient products.

Supplier Assessment

Close collaboration with our key suppliers is essential to achieving our sustainability goals. We source products from leading global brands, carefully chosen to suit our company and our client's needs.

We conduct surveys with all our suppliers and detailed assessments for top suppliers to ensure effective quality and environmental management systems. New supplier factories undergo audits to verify compliance with manufacturing standards and worker health and safety.

For next year, we are developing a more detailed audit policy to establish stricter health and safety protocols, as well as environmental compliance for new suppliers.

Supplier Practices

We collaborate with suppliers who have strong environmental commitments. 67% have ISO 14001 certification and/or an environmental policy, and an equal percentage hold ISO 9001 for Quality Management System.

The majority of our suppliers source from clean energy outlets. Amongst our top twenty suppliers, 34% of the energy used is sourced from renewable sources.



Nobili has achieved net-zero carbon emissions by using 100% renewable energy, recycled materials, and eco-friendly packaging. Its production plant features a 1 MW photovoltaic system on its roofs, reducing energy consumption by 40%.



Dolphin has a deep sense of responsibility to provide sustainable washroom products including its commercial sensor taps which help save of 70% water, and its low-energy hand dryers.



Talenti uses quality, durable materials in its Outdoor Living products. FSC-certified Accoya wood, teak and recyclable aluminium withstand harsh climates, reducing the need for frequent replacements.



Olé Lighting removes more than 4 tons of plastic from oceans every year by recycling and incorporating it in its Cord lighting collection.



Aliseo consistently develops processes that extend product life cycles, increasing energy efficiency for hoteliers and their guests.



Bossini fulfils all its energy needs through a cogeneration plant. It has also introduced a trivalent chromium plating process, free of harmful chemical compounds. Additionally, its Fit-Air shower head technology increases airflow to reduce water usage.



Fap Ceramiche positive environmental impact is outlined in its own certified Environmental Product Declaration (EPD) for its tiles and slab products and clean manufacturing processes.



Geberit produces durable, long-lasting sanitaryware that saves water. In addition, 79% of its electricity comes from renewable sources.



Del Conca recycles 100% of process water, dust and production waste during the production of its tiles and slabs.

Social Sustainability

Statement of **Philosophy**

At SANIPEX GROUP our intentions are to maintain a work environment that cultivates personal and professional growth for all employees.

Empowering Our Employees

Collaboration fuels our growth at SANIPEX GROUP. We are a family; we are a team, and we work together to deliver the best possible service to our customers.

We cultivate a thriving workplace culture that values and supports every employee while enabling them to achieve their full potential.

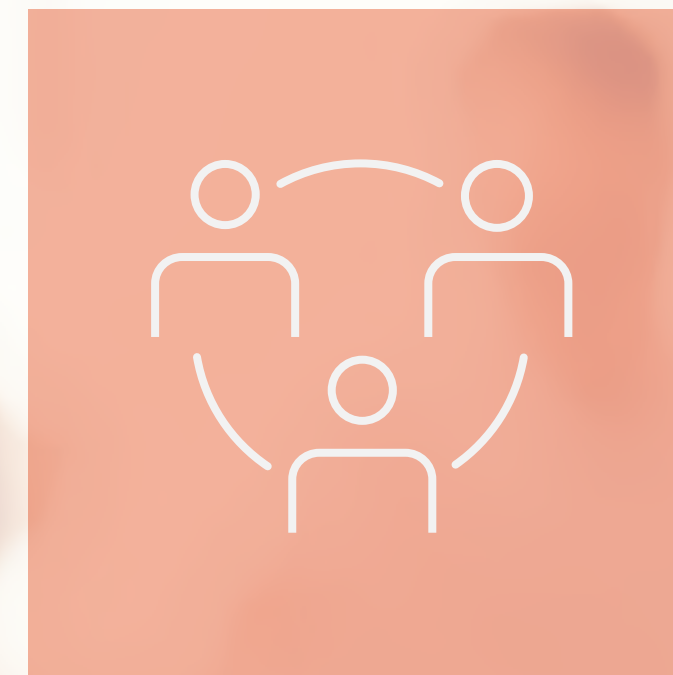
Maintaining such an environment is the responsibility of every SANIPEX GROUP employee by:



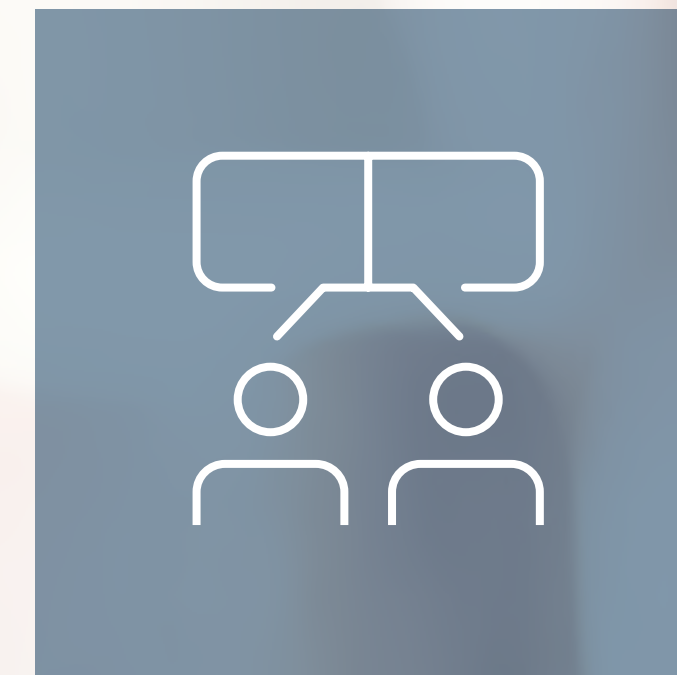
Fostering cooperation and communication amongst each other



Treating each other fairly; with **dignity and respect**



Promoting **teamwork** collaboration in all relationships and ensuring performance standard expectations are met



Encouraging **open communication** with managers



Nurturing the **growth and development** of employees

Great Place To **Work**

Certified as a Great Place to Work® Middle East for 2023-2024, we proudly rank 16th amongst the top workplaces in the UAE.

Our employee feedback has been the driving force behind such an achievement, with an approval rate of 94%, compared to a UAE average of 68%.

We conducted an external employee satisfaction survey as part of the certification, allowing teams to provide feedback on their experiences.

We plan to conduct this survey annually to track our progress and respond effectively to feedback. Our results showed an average of 90% across statements such as credibility, respect, fairness, management, integrity and equity.

Best Workplace for Millennials™ 2024

We also secured **18th place** for **Best Workplace for Millennials™ 2024** in the GCC in the Large Company category. Creating a dynamic, inclusive, and purpose-driven work culture is at the heart of what we do for all our employees.



Learning & Development

Our in-house academy ensures training and development is at the forefront of SANIPEX GROUP as we strive for excellence in everything we do.

With our dedicated Learning and Development team, we are fully invested in creating an environment in which our professionals can grow with us.

We promote personal development by regularly supporting and encouraging employees to pursue both internal and external training courses. These courses aim to enhance their skill sets, which they can then apply in the workplace. We encourage internal advancement and regularly look to existing employees to fill positions within to boost motivation and morale.

Training Academy

All new joiners to SANIPEX GROUP start their journey at our Training Academy in Dubai, where we conduct regular refresher and new product training sessions. In 2023, we expanded our training facilities to include a Kitchen training centre at our Jebel Ali Product Development facility. This ensures that all our teams are fully equipped to provide the best possible advice to our clients.

Our partner brands from around the world join us at our academies to provide comprehensive on-site training. This ensures they possess the knowledge to confidently address any questions from clients.



Health & Safety

No Recorded Injuries in the Past 2 years.

Maintaining a clean record of no major work-related injuries within the past two years is one of our many significant accomplishments, and a testament to the high safety standards we set within our organisation.

Adherence to Regulations

Our Health and Safety practices follow the guidelines set by the UAE and Freezone authorities to maintain a safe working environment for everyone. We have implemented a robust health and safety management system which identifies, assesses and mitigates risks.

Health & Safety Measures

In the last year alone, 373 hours of health and safety training were conducted. All employees receive comprehensive H&S training during onboarding and regularly attend refresher courses. All employees in our warehouse and production facilities are equipped with appropriate H&S equipment. First aid responders are stationed at our offices, and defibrillator devices are available at our Jebel Ali and Dubai showrooms for emergencies.

Monitoring & Audits

Weekly safety audits are conducted internally to ensure ongoing compliance and identify areas for improvement. Third-party audits by JAFZA authorities are also conducted. Our warehouse manager oversees monthly inspections of pallet racking for safe pallet placement and daily checks of forklifts are performed to ensure worker safety.

Incident Reporting

Employees across our facilities are encouraged to report incidents as soon as possible. Incident reports are documented for thorough investigation and to implement preventive measures system which identifies, assesses and mitigates risks.



Governance & Structure

Effective governance and structured organisational frameworks are essential for fostering sustainable growth at SANIPEX GROUP.

Through strong governance, we can effectively manage human, environmental, economic and financial resources, upholding our accountability, transparency, and efficiency while following all regulations.

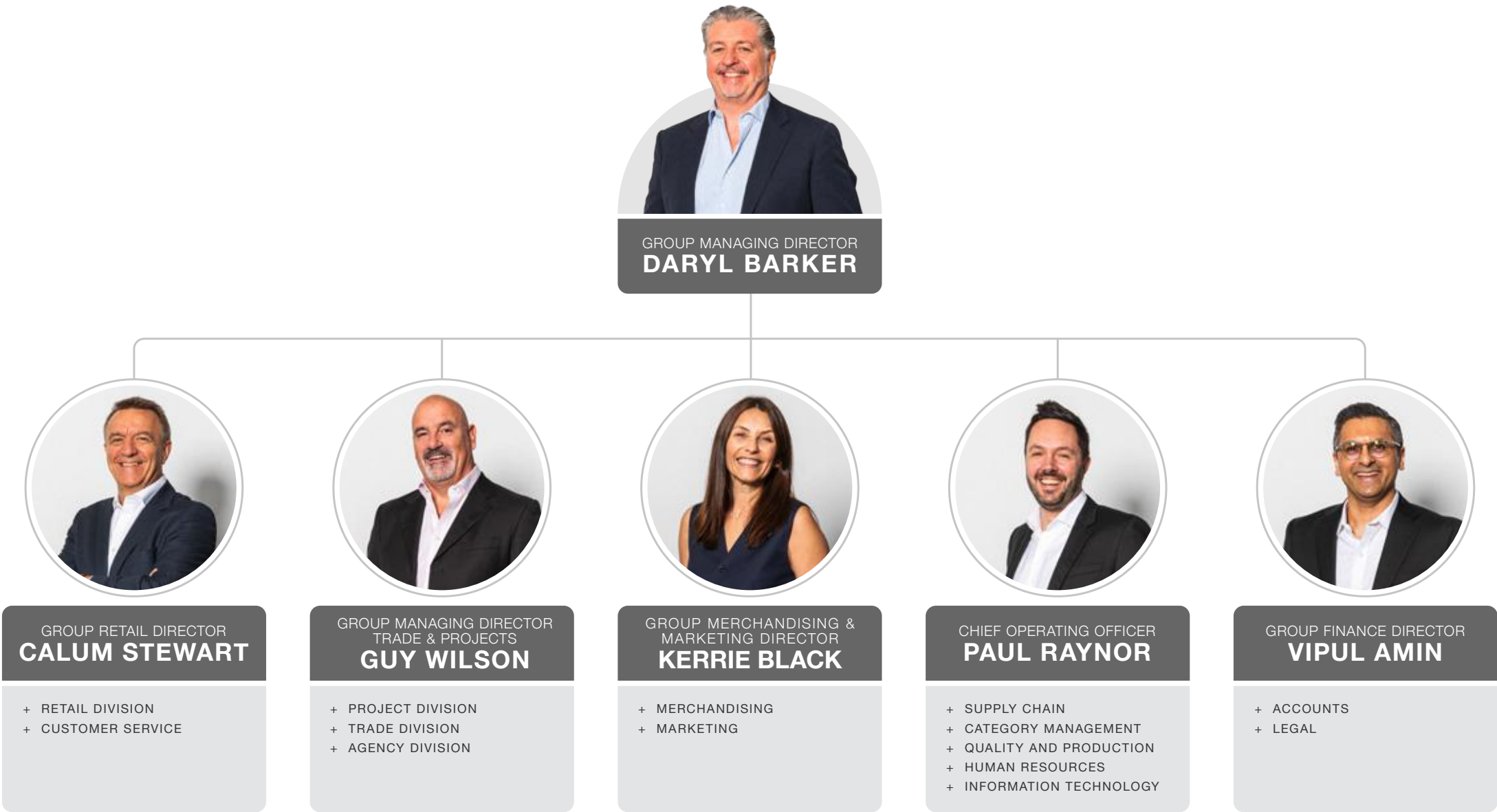
SANIPEX GROUP is operated by a Main Board of Directors: Group Managing Director, Chief Operating Officer, Group Finance Director, Managing Director of Trade & Projects, Group Retail Director and Group Marketing Director.

Group Board Meetings are held monthly and chaired by the Group Managing Director.

The Group Board is responsible for all aspects of Executive Management, Strategic planning and Legal and Accounting compliance across the business. The Group Board determines the priorities and targets for all aspects of the business and the standards of performance required. In addition, Environmental and People policies are the responsibility of the Group Board.

Under the Board is a Senior Management Team that consists of sales and departmental leaders who guide and execute strategic priorities.

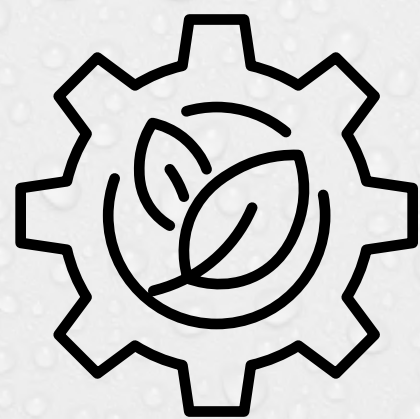
EY conducts an annual financial audit of all our business entities. This audit assures EY and our shareholders that our financial statements fairly represent SANIPEX GROUP’s financial position. It also adds credibility to our financial statements, giving shareholders confidence that the accounts are accurate and reliable.



Future Initiatives

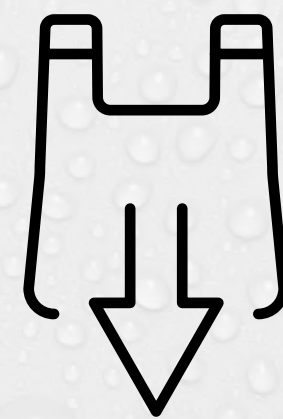
Future **Initiatives**

This year, we celebrate our achievements and look forward to expanding our sustainability efforts next year to reduce our environmental impact and create a positive impact on society.



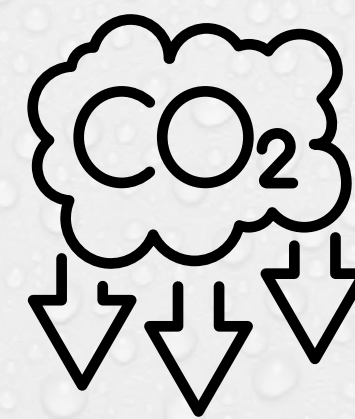
Product Sustainability

- Increasing product sustainability through collections like BAGNODESIGN PVD Oyster and Soft Burgundy brassware finish
- BAGNODESIGN and GYMKHANA will launch the new Beach House range, featuring natural wood furniture, durable fabrics and weather-resistant Grade 316 stainless steel outdoor shower columns that stand the test of time
- Introduction of responsibly-sourced teak wood furniture within new GYMKHANA ranges
- Introducing an all-in-one kitchen filter system with a sparkling water feature and, to further reduce plastic consumption



Eco-Friendly Packaging

- Transitioning to reusable options in warehouses wherever feasible
- Increasing the recycled content of our packaging
- Eliminate single-use plastic where possible



Reduce Emissions

- Decreasing emissions intensity by 10%
- Conducting energy audits across all facilities and implementing efficiency measures
- Evaluating opportunities to install solar panels at our Jebel Ali facilities



Invest in Greener Logistics

- Increase the use of biofuel in our delivery trucks by 10% by transitioning from B5 to B10
- Evaluating the possibility using electric trucks



Increase Awareness

- Hosting quarterly trainings on sustainability topics
- Community engagement events
- Becoming members of various green building organisations
- Increasing supplier audit screening to enforce environmental compliance



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COMPANY/SANIPEXGROUP



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Thank You

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D O N O T P R I N T T H I S D O C U M E N T I F N O T R E Q U I R E D