

# Non-Financial Group Statement

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# Responsibility at Sartorius

## Sustainability Management

Sartorius is an internationally leading partner of the biopharmaceutical industry. With our technologies, we help researchers and engineers achieve faster, easier progress in the life sciences and bioprocess technology, thus enabling the development of new and better treatments and affordable medical care.

As a 150-year old company, sustainability is firmly embedded at many levels in our structure. To us, it means operating responsibly over the long term – with respect to customers, employees, investors, business partners and society as a whole. Likewise, it entails handling natural resources responsibly.

Sustainable action also means remaining agile and constantly asking ourselves how we can respond to the changing world and make a positive contribution. This concerns the continued development of our core business just as much as living up to our corporate responsibilities.

This is why the Corporate Responsibility Steering Committee meets at least once each year. Under the direction of the CEO, senior-level managers and corporate responsibility officers discuss approaches that Sartorius could use to contribute to greater sustainability.

During the reporting year, the Corporate Responsibility Steering Committee decided on three sets of measures and introduced them. First, a climate strategy is to be developed that will lead to greater transparency with regard to energy consumption and emissions. Clear goals will be established to decarbonize the company. Second, a plastics strategy will strengthen the assumption of responsibility for our products and their packaging. Third, a sustainable supply chain management system will improve the perception of our responsibility in the supply chain.

In addition to optimizing processes and procedures, we believe that innovation and technical developments are the most important drivers of sustainability. Through innovation, we can improve ecological responsibility and contribute to more and better employment through economic growth. Innovation will help us reach our most important goal: enabling better health for more people.

## Stakeholder Involvement

Sartorius engages in a very close, ongoing dialog with its stakeholders, using this exchange to regularly discuss aspects of sustainability.

We define stakeholders as those persons, companies, institutions and interest groups that are able to influence the success of the Sartorius Group or are affected by the actions of our company. In particular these are our customers, employees, investors, suppliers and business partners, as well as neighboring companies and local residents.

Sartorius participates in sustainability analyses and ratings to gauge its performance with respect to its environmental, social and governance-related business practices. In the EcoVadis Rating, Sartorius achieved silver level and, with this score, positioned itself among the best 19 percent of the companies assessed. In the MSCI Sustainability Rating, Sartorius achieved an AA rating, which puts it among the top 20 percent of companies assessed within that industry.

## About the Non-Financial Group Statement

Sartorius defined non-financial indicators that enable assessment of the impact of its business activities on stakeholders, the environment and society.

This non-financial Group statement was prepared in accordance with the disclosures set out in Section 315b and 315c in conjunction with Sections 289c to 289e of the German Commercial Code (HGB). Pursuant to Section 315b, Subsection 1, Sentence 3 HGB, reference is also made to individual non-financial aspects contained elsewhere in the Group Management Report.

Orientation for the non-financial Group statement is provided by the reporting framework developed by the Global Reporting Initiative (GRI) so that we can ensure transparency and comparability.

The reporting period for the non-financial Group statement is the fiscal year, the reporting cycle is annual. Unless otherwise indicated, the employee-related data covers all Sartorius companies. Unless otherwise specified, the environmental indicators encompass all our production companies, representing 77% of the total headcount.

This non-financial Group statement was audited by KPMG AG in the form of an audit with limited assurance. The submission of this non-financial Group statement releases our subgroup Sartorius Stedim Biotech S.A. from the obligation of creating its own non-financial statement.

### Organizational Profile

We refer to the Group Management Report, pages 23 to 40, sections "Structure and Management of the Group", "Business Model, Strategy and Goals", and "Group Business Development". We also refer to the Opportunity and Risk Report on page 57 and the Notes on page 109.

### Materiality Analysis

Our considerations with regard to materiality are based on the term used in the European CSR Directive Implementation Act. We also take our stakeholders' considerations into account.

We conducted a comprehensive materiality analysis in 2017 to determine the material topics for the business activities of the Sartorius Group.

For reporting in the year under review, we assessed discussions with customers and investors, taking into account the views of managers in Sales, Product Marketing, Purchasing, Quality Management, Legal & Compliance, Corporate Communications as well as Research and Development and Production. The outcome of this process was discussed with the Corporate Responsibility Steering Committee for validation purposes and confirmed by the Executive Board.

There were no changes to the material topics compared with last year. They were confirmed as follows:

- 1. Advance innovation and, as a result, contribute to improved medical care and promote employment and good working conditions through growth.**
- 2. Find and retain employees, protect their health and safety and promote their continuous development.**
- 3. Responsible corporate governance and compliance and respect for human rights throughout the supply chain.**
- 4. Protect the environment by reducing emissions and assuming responsibility for our products throughout their life cycles.**

### Risk Management

Sartorius is responsible towards its employees, the environment, and society. This responsibility must be assumed throughout the supply chain and we must ensure that laws and human rights are respected. This is why Sartorius strives to consider risks that have an impact on the company, but what is more, to examine the risks Sartorius poses for its environment with its business operations as well.

Sartorius believes in the greatest possible integration of risk management processes in the company. The requirements defined in the German CSR Directive Implementation Act (CSR-RUG) are the basis of the ESG risk analysis. ESG risk management also follows the same procedures for identification, analysis, control and reporting as those for central risk management.

In the year under review, we began to integrate non-financial risks into the risk management process. In this first overall analysis, no CSR risks were identified that would have to be reported according to CSR-RUG. The new risk management process will be fully implemented from 2020.

## Sustainable Development Goals

Sartorius is a signatory to the United Nations Global Compact and supports the 2030 agenda for a sustainable global economy.

The United Nations developed 17 Sustainable Development Goals (SDGs). The governments of all member states have adopted the SDGs; however, their success is largely dependent on the actions and cooperation of everyone involved – especially on the commitment of the private sector. Sartorius accepts this responsibility.

To determine which SDGs are related to Sartorius' business activities, we also conducted a comprehensive materiality analysis in 2018. Eight SDGs were considered material in the context of Sartorius' business activities. After further analysis of the SDGs in the year under review, we also consider that SDG 8, "Decent Work and Economic Growth", is material for us.

### SDG 3 – Good Health and Well-Being



According to the United Nations, health is considered one of the basic human rights and is a major indicator of sustainable development. It is our core business to help improve the health of more people. Our performance in regard to "Innovation and Social Responsibility", a topic that is material to us, is measured on the basis of our contribution to SDG 3.

### SDG 4 – Quality Education



Education empowers people to improve their political, social and economic situations. According to the United Nations it is a basic human right and a requirement for sustainable development. We contribute to this by continuously training our employees and through many forms of support for young scientists.

### SDG 5 – Gender Equality



Gender equality is not only a UN human right, it is also a lever for economic growth. It gives women better access to education, medical care and financial resources. We support equality in our own business activities and expect our business partners to behave similarly.

### SDG 6 – Clean Water and Sanitation



The United Nations recognized access to clean drinking water as a human right in 2008. Within the scope of our product stewardship, we try to keep the water consumption of our products as low as possible throughout their entire life cycle. We take care that our business partners handle water and wastewater responsibly.

### SDG 8 – Decent Work and Economic Growth



More than 60% of all employees worldwide do not have an employment contract, less than 45% of all employees work full time in permanent employment relationships. Bad working conditions are often associated with poverty, discrimination and inequality and mainly affect groups of people such as women, people with a disability, young people and migrants. Sartorius is growing quickly and needs to find and retain employees. We can do this by offering high employment standards. We also expect this from our business partners.

### SDG 9 – Industry, Innovation and Infrastructure



This SDG aims to expand scientific research in all countries throughout the world. While Sartorius does not have a direct influence on the areas of infrastructure or sustainable industrialization, it does contribute in a wide variety of ways to achieve this innovation goal. By having our production sites serve as centers of competence, we develop scientific expertise at many sites across the globe. Our promotion of young people helps us spread and network the scientific basis worldwide and, as a result, strengthen future innovation activities.

### SDG 12 – Responsible Consumption and Production



Single-use plastic products are a key component of Sartorius' product portfolio – for a good reason: the properties of these products are beneficial for the patients at the end of the supply chain, for the environment and for the basic availability and development of innovative medical care. At the same time, single-use products inevitably raise the question of the product's end of life. We are addressing this issue and considering the end of life of our products as well as their overall ecological footprint.

### SDG 13 – Climate Action



Human-induced climate change is one of the greatest challenges of our time. It requires action from everyone concerned, especially the private sector. A key issue is to reduce emissions of CO<sub>2</sub> and other greenhouse gases. We accept this responsibility and are pushing ahead with climate protection measures within our company and also in our supply chain.

### SDG 17 – Partnerships for the Goals



The SDGs can be implemented only when we all work together. Traditionally, partnerships have always played an important role at Sartorius. This is especially true when it comes to our innovation activities.

# Innovation & Social Contribution



## Why it's important

Our corporate mission is to promote scientific progress in the life sciences, which in turn supports the development of better therapies and affordable medical care.

The research and development activities in the Group are aimed at providing innovative solutions for our customers, supporting sustainable development and, at the same time, strengthening the competitiveness and, consequently, the growth of the company.

The biopharmaceutical market is rapidly developing – it is an area in which scientific breakthroughs leading to new therapies occur at a high rate. At the same time, developing a new pharmaceutical drug continues to take around an entire decade and is extremely cost-intensive. We are committed to enabling our biopharmaceutical customers to obtain usable results faster by automating research steps, making them more efficient.

From day one of its incorporation, Sartorius has worked to maintain an open exchange with the scientific community and, in this way, has driven forward scientific insights and precisely tailored product development. Our goal is to promote scientific thinking and working in society, creating a broader basis for future research and development.

## Our approach

Innovation at the Sartorius Group rests on three pillars. First is our own specialized product development combined with strategic corporate research activity. While product development is assigned to the respective board members, Corporate Research works across the different divisions under the control of the CEO. Second is the integration of innovation through acquisitions and, third, cooperation with partners in complementary areas.

Often, new approaches arise from the interdisciplinary collaboration of various experts. Because of this, our approach is to bring experts from science startups and industry together and encourage networking and the sharing of ideas. This is conducive to the generation of

new and creative ideas and thus supports scientific progress.

Supporting young scientists is important to us, as this creates the basis for scientific progress in the future.

## Our performance

By expanding its research cooperation agreements, Sartorius supports the development and production of biopharmaceuticals worldwide and, hence, improves the availability of innovative medical care in the long term.

In the year under review, Sartorius was involved in many research partnerships. At more than 80 percent, the majority of this research work was carried out in Europe and the USA. However, Sartorius is also constantly expanding its cooperation activities in the Asia-Pacific region.

Forms of collaboration vary from single cooperation agreements to partnerships with institutes and scientific facilities. Both of these make up about 40 percent of the cooperation agreements. In addition, Sartorius is involved in research work in consortia.

Sartorius contributes its latest scientific findings to the cooperations in which it takes part. In particular, the company supports the scientific community with its participation in consortia such as the Advanced Mammalian Biomanufacturing Innovation Center (AMBIC) – a partner of Sartorius during the year under review.

The AMBIC consortium involves five US universities and 25 industrial companies. The aim is to work together on complex challenges in biopharmaceutical production. This joint, pre-competitive approach enables more efficient production of biopharmaceuticals, which ultimately reduces the costs of healthcare for patients.

In 2017, Sartorius created a platform for interdisciplinary exchanges between industry and science in the form of the Research Xchange Forum. The third Research Xchange Forum in April 2019 focused on immunotherapy with CAR-T cells, a new cellular gene therapy to treat cancer.

Together with the American Association for the Advancement of Science (AAAS), Sartorius awards the "Sartorius & Science Prize for Regenerative Medicine &

Cell Therapy". The award, which comes with \$40,000 in prize money, is geared toward outstanding scientists concentrating on basic or translational research in these fields. Besides honoring outstanding achievements, the award aims to draw attention to these research topics and their significance for the future.

# Employees



## Finding and Retaining Talented Young Staff

### Why it's important

Sartorius is growing strongly. We continually gain talented and well-qualified employees and build their loyalty to ensure the success of the company in the future as well. In the process, one particular challenge all over the world is to recruit experienced specialists for the company. Currently, 9,016 employees contribute to Sartorius' success. Continuing professional development, assumption of responsibility and opportunities to advance within the company are important for our employees' satisfaction. These competences safeguard their employability and open up new professional prospects for them.

As a globally operating company, we do business in many different regions and markets. Sartorius employees from 82 countries work together. The interplay of a variety of perspectives and experiences helps us understand our customers better, develop tailored solutions and remain competitive in a global economy. We believe that a working environment of mutual trust, appreciation and respect brings the best work results and increases our employees' motivation and creativity as well as their loyalty.

### Our approach

To acquire personnel, our approach is to focus on the things that are important for existing and potential employees and make them known throughout the world. According to our analysis, they are all factors that are likely to create trust in the future: the company's brand leadership, its sales growth and margin development, its internationality and innovation activities and – last but not least – the individual's opportunities for development within the company. A meaningful mission and the perceptible assumption of social responsibility are also important for many job applicants.

Sartorius creates loyalty among its qualified employees with a wide range of management and communications training and technical training courses at all sites. Annual performance reviews between employees and their managers provide a forum for discussing performance, targets and individual

development opportunities. We conduct these obligatory annual performance reviews worldwide using the same criteria.

Sartorius fills management vacancies from within its own ranks whenever possible. We use Sartorius' leadership guidelines as the basis for a management development program in which all first-time managers participate with the goal of developing a common leadership culture throughout the Group. The program is already available at our companies in Germany, the U.K., France, Belgium, Italy, Spain, India and China. A development program for production managers exists in Germany.

Sartorius encourages its employees to network within the company and to transfer temporarily to its other departments or sites. The Global Mobility Department coordinates and looks after employees on temporary assignment to other countries. The basic conditions for temporary assignments in foreign countries are transparently defined for all staff members.

We offer our employees positive work conditions to encourage them to apply their skills in the best possible manner. The approaches that we pursue throughout the Group are defined in our policy on work practices and social standards.

Our employees should be able to develop personally and professionally throughout their professional lives. To create the same opportunities for people regardless of their life situations, we have installed a flexible work scheduling model at many of our companies. Employees are often able to take advantage of flextime, part-time and teleworking options.

In addition to flexible work schedules, our response to the need for work-life balance includes child care opportunities. In Göttingen, for example, there are offers for children during school vacations, and a day care center is available close to the company on the Sartorius Campus. As an inclusive day care center, it is also open to children with disabilities. It's part of our corporate culture that fathers also take family leave at Sartorius.



Measures that promote equal opportunity in our company include the creation of transparency on salary structures. The majority of salaries at the German companies are linked to the rates agreed with the IG Metall trade union, with some paid in accordance with rates established for IG Bergbau, Chemie, Energie. The remuneration paid to employees in France and Austria is also based on trade union rates. Using the union rates makes our remuneration more transparent.

The Group Employees' Council represents the interests of our staff in Germany. Five of our six operating companies in Germany also have a local employees' council. In addition to the employee council members, various representatives are available to Sartorius employees.

### Our performance

To us, education is a valuable asset, and we consider it part of our corporate responsibility to support it and make it accessible within our sphere of influence.

In the year under review, training hours were recorded in 23 countries. 82% of our employees worldwide work in these countries, which include the major sites in Germany, France, Puerto Rico and India. In the reporting year, 108,888 hours were invested in training measures in these countries – on average 14.7 training hours per employee.<sup>1</sup>

#### Training Hours by Region<sup>1)</sup>

Region	Total training hours	Headcount with training hours	Average training hours per employee
EMEA	83,544	5,839	14.3
Americas	7,652	633	12.1
Asia   Pacific	17,692	936	18.9
<b>Total</b>	<b>108,888</b>	<b>7,408</b>	<b>14.7</b>

Over the past five years, Sartorius has recruited 6,326 new employees. At the end of the reporting year, women made up 38.9% of the total workforce, which is a slight increase over the previous year.

<sup>1)</sup> Companies acquired during the year are not counted and, in line with the reporting guideline, will be included in the report next year. The two sales companies in the Netherlands are not included.

In the reporting year, 5.8% or 520 people worked part-time at the Sartorius Group, 20 more than in 2018; most of them are in Germany.

#### New Hires by Region, Gender and Age Group<sup>1)</sup>

	EMEA	Americas	Asia   Pacific	Total
<b>Women</b>	<b>384</b>	<b>140</b>	<b>101</b>	<b>625</b>
≤ 29 years	189	30	28	247
30 - 49 years	164	88	72	324
≥ 50 years	31	22	1	54
<b>Men</b>	<b>517</b>	<b>140</b>	<b>155</b>	<b>812</b>
≤ 29 years	208	42	49	299
30 - 49 years	259	69	104	432
≥ 50 years	50	29	2	81
<b>Total</b>	<b>901</b>	<b>280</b>	<b>256</b>	<b>1,437</b>

The success of our measures to create a positive working environment is reflected in permanently low attrition rates. Excluding expired fixed-term contracts, Sartorius had an attrition rate of 7.5% in the reporting year, or 0.9 percentage points below the already low level of the prior year.<sup>1,2</sup>

Despite the continuation of a high number of new hires, average seniority rose slightly year on year. In 2019, about half of all employees had been with Sartorius for fewer than five years, while around a fifth had been with the company for 15 years or more.

#### Fluctuation by Region, Gender and Age Group<sup>1)</sup>

	EMEA	Americas	Asia   Pacific	Total
<b>Women</b>	<b>232</b>	<b>57</b>	<b>53</b>	<b>342</b>
≤ 29 years	100	9	15	124
30 - 49 years	94	35	36	165
≥ 50 years	38	13	2	53
<b>Men</b>	<b>298</b>	<b>95</b>	<b>72</b>	<b>465</b>
≤ 29 years	108	16	20	144
30 - 49 years	113	55	44	212
≥ 50 years	77	24	8	109
<b>Total</b>	<b>530</b>	<b>152</b>	<b>125</b>	<b>807</b>

<sup>2)</sup> The calculation method was changed: in 2019, we calculated in relation to the reporting date; in 2018, in relation to the average. For the sake of comparability, the updated calculation method was used for the prior year.

## Occupational Health and Safety

### Why it's important

Our employees' safety is our responsibility. The health of our employees is also important to us as a company, which is why we offer support in the form of a variety of preventative health care offers.

### Our approach

Sartorius has high safety standards to minimize job-related medical conditions, risks to health, and potential causes of industrial accidents. The basic principles and core policies on occupational safety and health protection are defined throughout the Sartorius Group in its corporate policy on workplace safety and health. In the process, job safety and work organization conditions are continuously improved. Our company in Beijing is also certified according to OHSAS 18001.

Planned, mandatory employee training on topics of occupational health and safety and environmental protection ensure that our staff members recognize risks and avoid them accordingly.

Sartorius analyzes all accidents regularly and derives accident prevention measures from them that are also used at other sites. At our local Group locations, work safety committees confer regularly to discuss measures that promote health and prevent work-related accidents.

The Group's corporate health management policy addresses both the physical and psycho-social elements of health to enhance employee performance and motivation, ensure their employability and reduce illness-related costs. It is compulsory for companies to provide an in-house medical service. In addition, an external provider is on hand to offer psychological help on any work-related and indeed personal matter. Staff can reach the service via a hotline.

### Our performance

Occupational safety and the preservation and promotion of the good health of all employees are very important to Sartorius, and management actively encourages them. Sartorius is currently working towards standardizing its safety management system throughout the Group. Global harmonization of the processes will further improve occupational safety at our sites. By setting the goal of deriving improvement measures from less serious incidents as well, we

modified the definition of accidents during the reporting year and recorded work-related accidents in greater detail. Accident statistics therefore now include not just work-related injuries with at least one day work lost, but also accidents that required only first aid. Sartorius is also increasingly changing its reporting to be more in line with the requirements of the Global Reporting Initiative.

Accordingly, the reported number of work-related injuries and relative accident frequency were higher than in the previous year. There were no accidents with serious outcomes or fatal accidents at any of our sites, which corroborates the high quality of the safety management system.

Sartorius is responsible for more than just its own employees. Consequently, in the reporting year, first steps were taken to record the work-related injuries of external employees, too.

	2019	2018
Number of work-related injuries (staff) <sup>1)2)</sup>	253	135
Relative frequency of work-related injuries (staff) per 1,000,000 theoretical working hours <sup>2)</sup>	16.6	10
Work-related injuries with a serious outcome <sup>3)</sup>	0	0
Fatal occupational accidents	0	0

<sup>1)</sup> Companies acquired during the year are not included and, in accordance with the reporting guideline, will not be reported until the next reporting year. The two sales companies in the Netherlands are not counted.

<sup>2)</sup> The definition of an occupational accident was harmonized across the Group during the year with the Group-wide survey in October 2019. Prior to this time, accidents were recorded in accordance with local statutory regulations.

<sup>3)</sup> An accident with a serious outcome is an accident in which the injured person is not rehabilitated at all or not until six months after the accident.

# Responsible Business Practices



## Compliance

### Why it's important

We regard compliance with applicable laws as self-evident. Beyond this, we have set ourselves the standard of managing our company with integrity.

We are committed to upholding internationally recognized human and labor rights as a basis of our worldwide business operations. A significant task in this regard is to create a common understanding of fair working conditions – at all our sites and in the supply chain.

### Our approach

Sartorius conducts its business in compliance with globally accepted ethical standards and applicable national legal requirements. The German Corporate Governance Code defines requirements for management boards and supervisory boards including their interaction with regard to transparency, accounting and auditing and the conduct of annual general meetings. Legal & Compliance reports to the CEO and informs the Supervisory Board in the Audit Committee. Sartorius follows the rules and recommendations of the German Corporate Governance Code in its current version of February 7, 2017.

Our globally applicable compliance management system is intended to ensure that our Supervisory and Executive Board members, management and employees comply with all legal regulations and codes, and act according to our internal guidelines. The Legal Affairs & Compliance department is responsible for legal consulting, internal auditing, corporate security, data protection, anti-corruption, customs and export control.

A dedicated team has the task of the implementing and enforcing all Group compliance topics. The Sartorius Code of Conduct defines the requirements we place on our employees with respect to responsible conduct. The code helps employees act ethically and in accordance with the law in their daily work. In everything they do, employees are required to ask

themselves the following questions: Are my actions legal? Does my conduct correspond to our values and guidelines? Is it free of personal interests (that are not covered by labor-law regulations)? Will it stand up to public scrutiny? The Code of Conduct covers compliance with international social and environmental standards, general rules of conduct and dealing with conflicts of interest.

The Anti-Corruption Code forms the basis for raising employee awareness about corruption risks. It is also a guideline, instruction manual and aid in taking the necessary action to both prevent and fight corruption at specific companies or in specific sectors. An anti-corruption officer has been appointed by Group management as a contact person for corruption prevention. This officer pursues his or her duties independently.

We ensure that our employees are familiar with the Anti-Corruption Code and the Code of Conduct by asking all employees worldwide every year to take part in an online training course and complete a test at the end of it. The course teaches employees how to deal with ethically or legally problematic situations.

A complaint system ensures that employees and external third parties can report cases of damaging conduct, such as corruption, discrimination or sexual harassment. The compliance team can be contacted face-to-face, via a telephone hotline, the department's electronic mailbox or – in the case of anonymous reports – the whistleblower system. The relevant contact options are listed on the intranet and are thus available company-wide. They are also available on the company's website and can thus be accessed by external persons concerned.

### Our performance

During the period under review, 3,223 employees from 33 countries completed training for the Anti-Corruption Code and 3,429 employees from 34 countries completed training for the Code of Conduct. The hours spent on training amounted to 2,263 for the Code of Conduct and 2,127 for the Anti-Corruption Code. Compliance training course are currently available in German, English, French and Chinese.

No significant fines or non-monetary penalties resulting from violations of laws or regulations were imposed in the reporting year and no cases of corruption came to light.

## Supply Chain

### Why it's important

Respect for human rights, the maintainance of high environmental standards and good, safe and fair working conditions for the production of our products is important to us, and apply to sites outside our own production as well. With more than 9,000 suppliers in more than 100 countries and a purchasing volume that corresponds to about 40 percent of our sales revenue, it is obvious that our supply chain is important for us to implement these goals. In addition, a growing number of laws and requirements regulate the assumption of responsibility in global supply chains.

Moreover, the supply chains for pharmaceuticals are very sensitive and are the focus of many stakeholders. In particular, patients at the end of the supply chain are dependent on their medications being available and safe at all times.

### Our approach

We take a close look at our suppliers. In January 2020, we introduced a multi-step process to check compliance with our requirements for sustainability in the production process.

In the process, our Code of Conduct for business partners is the basis for collaboration with our business partners throughout the Group. Our requirements with regard to the environment, social matters and governance are defined in the Code. Since December 2019, acknowledgment of the Code of Conduct is part of the acceptance process for new suppliers. Beginning in 2020, we will systematically check whether our existing suppliers have already acknowledged the Code and, if not, will ask them to do so.

And from January 2020, Sartorius will review whether and to what extent suppliers actually breach the required ESG standards. We use a risk-based approach to set priorities in the review. Parameters can include the respective headquarters or production processes that pose an elevated risk for the environment or the safety of employees. Suppliers from whom we purchase a high volume of products are particularly important for our production and, consequently, our own delivery capability. The same applies to suppliers from whom we purchase products that are critical for our production. Regardless of the individual risk of these suppliers, we will be observing their quality, delivery reliability and sustainability more intensively.

Our multi-level procedure consists of a self-assessment, external assessments, quality audits carried out by Sartorius and ESG audits performed by external partners.

Our objective is to initiate actual improvements in the working, social and environmental standards of our suppliers.

Of course, we do not establish business relationships with suppliers where we see a considerable risk of child, forced or mandatory labor, other breaches of human rights or negative impacts on society, and will end any existing relationships with such suppliers. This procedure is also defined officially in our new process for sustainability in the supply chain.

### Our performance

The new multi-level process for reviewing the ESG performance of Sartorius suppliers was adopted in September 2019. We will be reporting on the corresponding results and performance indicators in the 2020 annual report.

## Human Rights

### Why it's important

The United Nations Guiding Principles on Business and Human Rights clarify the responsibility of states and businesses to protect and respect human rights. The focus is therefore not only on preventing infringements of human rights, but also the positive contribution that a business can make through its activities that promote the protection of human rights.

### Our approach

In line with the UN Guiding Principles on Business and Human Rights, we respect and support the implementation of the values of the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, by committing ourselves to regard these internationally recognized human rights as relevant for our operations. We respect the laws of the countries in which we operate.

A Policy Statement on Human Rights has been communicated to employees via the intranet since February 2019 and is also available to all stakeholders on the Internet.

Sartorius' Policy Statement on Human Rights is binding on the entire Group and applies worldwide. It requires all employees to observe appropriate, fair, and lawful conduct towards other employees, business partners, and the local community. We expect our business partners, suppliers, customers and cooperation partners to operate their business in line with correspondingly high ethical standards.

Sartorius' Code of Conduct and the Code of Conduct for business partners address the content of Sartorius' Policy Statement on Human Rights and puts it into concrete terms for everyday work. In annual mandatory online training courses about Sartorius' Code of Conduct, Sartorius employees strengthen their knowledge of the content and check it in the subsequent online test.

The complaint system described on page 100 ensures that topics with human rights relevance can be reported – even anonymously if the person so requests.

The Executive Board becomes involved in handling reported incidents on a case-by-case basis.

### Our performance

Human rights concern many areas. This is why we consider the effects we have on human rights on the basis of the Sustainable Development Goals (SDGs) of the United Nations, and report on this in the respective sections. There are potential impacts with regard to SDGs 6, 12 and 13, which concern the environment. In particular, we see substantial opportunities to make a positive contribution to the fundamental human rights health, education and equal rights, which are covered by SDGs 3, 4 and 5. We report on these in detail in the respective sections of this non-financial Group statement.

In the 2019 reporting year, we developed an assessment of our suppliers with regard to the environment, human rights, employees, social issues and anti-corruption. We will be reporting on the results from the non-financial Group statement from the next fiscal year onwards.

# Environment



## Energy Consumption and Emissions

### Why it's important

Advancing climate change is a challenge that concerns everyone. We see it as our duty to make a contribution towards the decarbonization of the economy.

Sartorius operates at 23 production sites and, accordingly, consumes energy and creates emissions. Overall, we classify the environmental impact of our activities as comparatively low. However, we are also aware of our responsibility for the environment and set high standards for environmental protection.

### Our approach

In our Environmental Position, we define the basic principles and core topics of our environmental management system. Sartorius' Environmental Position is binding on all the companies and sites of the Sartorius Group. It has been communicated to all our employees via the intranet and the company website, and supports us in anchoring efficiency and environmental awareness in our daily business. In constructing new facilities, we follow recognized standards for sustainable building.

An ISO 14001 environmental management system has been introduced at our two largest companies in Göttingen, Germany, as well as in Aubagne, France; Beijing, China; Bangalore, India; and Kajaani, Finland. Consequently, 26% of the production sites fulfill the requirements of the international standard ISO 14001 and 53% of the employees at production sites work according to this standard.

Seventeen of our production sites are also certified according to the quality standard ISO 9001. This means that 90% of the employees of our production companies work according to this standard. These standards ensure that we comply with quality requirements in the manufacture of our products, exercise care with the resources we use, and prevent environmental risks. We also operate an energy management system in accordance with ISO 50001 at our four German facilities. In relation to the number of employees at these plants, this represents 39% of all our production sites.

For many years Sartorius' management has pursued the goal of achieving a situation in which energy consumption and greenhouse gas emissions do not increase at the same rate as sales growth. In September 2019, we began developing a Sartorius climate strategy. Within this framework we will define medium-term goals and the corresponding measures. These should enable us to obtain a comprehensive picture of our emissions and to set practical and quantifiable reduction targets. Current energy efficiency measures will be bundled in this strategy and new ones will be identified.

### Our performance

Sartorius has been recording greenhouse gas emissions in line with the Greenhouse Gas Protocol (GHG) global standard since 2013. We thus account for emissions not only of CO<sub>2</sub> but of all gases relevant to climate change and report them in CO<sub>2</sub> equivalents (CO<sub>2</sub>eq). Currently, we report direct climate-relevant emissions from our production sites<sup>1</sup> (Scope 1). We also report indirect energy-related emissions resulting from power generation by external energy suppliers (Scope 2). Scope 1 emissions occur through consumption of direct energy sources, such as diesel, fuel oil, natural gas and LPG, and also through process emissions from solvents and refrigerants at our sites in Göttingen and Yauco.

Scope 1 and 2 emissions from Sartorius are relatively low. Nevertheless, we are continuously looking for ways to reduce emissions. Despite continuing expansion of our production facilities, the success of our measures is reflected in the company's overall energy consumption and greenhouse gas emissions, which have increased at a lower rate than the company's expansion in terms of sales revenue.

As part of the climate strategy we develop, we will also begin to record our Scope 3 emissions. This will enable us to get an overall picture of our emissions and identify further reduction potential.

<sup>1)</sup> Excluded: Sweden Data Analytics, since only 14 employees work there; Israel, as this site was not added until the middle of December.

**Energy Consumption<sup>1)</sup>**

	2019	2018 <sup>2)</sup>
<b>Total energy consumption in MWh</b>	<b>130,649</b>	<b>113,143</b>
Direct energy consumption in MWh	58,891	48,999
Electricity consumption from public grid in MWh	67,059	59,939
Others in MWh	4,698	4,204

<sup>1)</sup> Excluded: Sweden Data Analytics, since only 14 employees work there; Israel, as this site was not added until the middle of December.

<sup>2)</sup> The key figure was corrected following an internal audit.

**Greenhouse Gases**

	2019	2018 <sup>1)</sup>
<b>Total GHG emissions in t CO<sub>2</sub>eq<sup>2)3)6)</sup></b>	<b>44,138</b>	<b>38,005</b>
- Total Scope 1 emissions in t CO <sub>2</sub> eq <sup>4)6)</sup>	16,710	13,521
- Total Scope 2 emissions in t CO <sub>2</sub> eq <sup>5)6)</sup>	27,428	24,484

<sup>1)</sup> The key figure was corrected following an internal audit.

<sup>2)</sup> Emissions in t CO<sub>2</sub>eq were calculated using thinkstep's SoFi software. Emission factors from GaBi, Defra and VfU were used for this. The current GaBi emission factors (01/20) were used to calculate emissions in 2019. As a result, the emissions in 2018 differ from those in 2019.

<sup>3)</sup> Companies are integrated into the environmental report for emissions in accordance with the financial control consolidation approach.

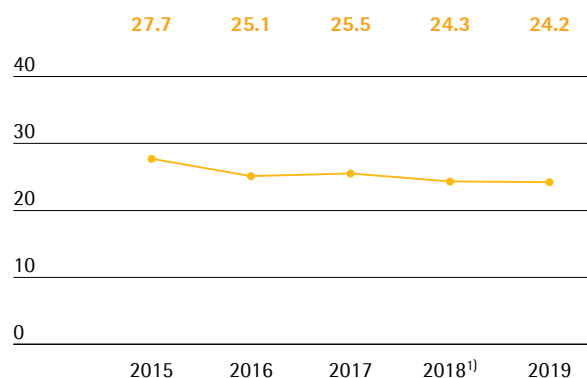
<sup>4)</sup> Excluding fuel consumption for car fleet.

<sup>5)</sup> Only location-based factors are used to calculate Scope 2 emissions.

<sup>6)</sup> Excluded: Sweden Data Analytics, since only 14 employees work there; Israel, as this site was not added until the middle of December.

**Development of Climate –Relevant Emissions**

in proportion to annual sales, in t/€ in millions



<sup>1)</sup> The key figure was corrected following an internal audit.

**Product Stewardship****Why it's important**

Environmental responsibility concerns not just our value creation; it has an impact on our products, too.

Sartorius earns almost two thirds of its revenue with single-use products. The production and sale of single-use products raises the question of their ecological footprint during their life cycle and at the product's end of life. Increasing customer demands and stricter statutory regulations have also resulted in aspects of the circular economy becoming more important.

A large proportion of our single-use products and their packaging are plastic. These are a particular focus of current social discussions. We take these discussions seriously. In the production of single-use products, we operate between the conflicting priorities of humans – environment – revenue. In terms of sustainability, we want to achieve an optimum balance.

**Our approach**

Most single-use products manufactured by Sartorius are used in the biopharmaceutical industry, where they ensure the highest possible level of safety for end consumers, as cross-contamination through multiple use can be prevented. To ensure the corresponding sterility in the process, reusable systems must be cleaned thoroughly between the production of different batches. Large volumes of ultrapure water are used as well as various acids and lyes. The necessary steam sterilization is also energy-intensive.

Single-use technologies require up to 30 percent less space than reusable solutions. Manufacturers can therefore achieve lower energy and material

consumption as a result of small production units. This effect is mainly due to the fact that biopharmaceutical processes place high demands on production conditions with regard to air and climate and are therefore energy-intensive.

The particular flexibility of single-use components also enables our customers to respond faster to changing requirements and to expand or reduce capacities accordingly. Our customers' ability to supply patients with medication or vaccines can be improved in this way.

During their usage phase, single-use products have fewer negative ecological effects than reusable solutions<sup>1</sup>. However, they do create more waste. In biopharmaceutical processes, single-use components such as bags, filters and connection parts are usually disposed of after they have been used in the same way as infectious hospital waste: They are incinerated. The high-purity plastics that we use to manufacture single-use products can be thermally recycled to generate heat or electricity.

In the reporting year, management decided to develop a comprehensive Sartorius plastic strategy. With this strategy we are addressing three dimensions: end of product life, plastic waste in our own business operations and packaging. We are developing short, medium and long-term goals. An interdisciplinary project team began working on this in the reporting year.

### Our performance

Within the scope of the Sartorius plastic strategy project, we will be developing suitable indicators to measure our performance. We will publish the results in the next reporting year.

<sup>1)</sup> Sinclair, A.; Leveen, et al.; The Environmental Impact of Disposable Technologies, The Biopharm International Guide, November 2008; Base of the analysis: Typical mAb process at 3+2000 L scale



# Report of the Independent Auditor

## Limited Assurance Report of the Independent Auditor regarding the Non-financial Group Statement<sup>1)</sup>

### To the Supervisory Board of Sartorius Aktiengesellschaft, Göttingen

We have performed an independent limited assurance engagement on the Non-financial Group Statement of Sartorius AG, Göttingen, (further „Sartorius“) and the group as well as the by reference qualified parts “Structure and Management of the Group” as well as “Business Model, Strategy and Goals” (further: „Report“) according to §§315b and 315c in conjunction with 289c to 289e German Commercial Code (HGB) for the business year from January 1 to December 31, 2019.

### Management's Responsibility

The legal representatives of Sartorius are responsible for the preparation of the Report in accordance with §§315b and 315c in conjunction with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

<sup>1)</sup> Our engagement applied to the German version of the Statement 2017. This text is a translation of the Independent Assurance Report issued in German language, whereas the German text is authoritative.

### Independence and quality assurance on the part of the auditing firm

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the national statutory provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

### Practitioner's Responsibility

Our responsibility is to express a conclusion on the Report based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report of the entity for the business year January 1 to December 31, 2019 has not been prepared, in all material respects, in accordance with §§315b and 315c in conjunction with 289c to 289e HGB. We do not, however, provide a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore significantly less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following assurance procedures:

- Inquiries of personnel on group level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of Sartorius.
- A risk analysis, including a media search, to identify relevant information on Sartorius sustainability performance in the reporting period.
- Reviewing the suitability of internally developed Reporting Criteria.
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring disclosures relating to environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including the consolidation of the data.
- Inquiries of personnel on group level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures.
- Evaluation of selected internal and external documentation.
- Analytical evaluation of data and trends of quantitative information which are reported by all sites for consolidation on group level.
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on a sample of the sites in Göttingen (Germany) and Aubagne (France)
- Assessment of the overall presentation of the disclosures.

## Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of Sartorius for the business year from January 1 to December 31, 2019 is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

## Restriction of Use / Clause on General Engagement Terms

This assurance report is issued for purposes of the Supervisory Board of Sartorius AG, Göttingen, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of Sartorius AG, Göttingen, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 ([https://www.kpmg.de/bescheinigungen/lib/aab\\_english.pdf](https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf)). By reading and using the information contained in this assurance report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Munich, February 04, 2020

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Signed by

Hell  
Auditor

ppa. Dollhofer

