

Our Approach to Sustainability

Sartorius is an internationally leading partner to the pharmaceutical industry. Our technologies play a significant role in helping the industry to promote human health.

We contribute in many different ways to deliver benefits to society: our laboratory instruments and consumables are used in research, where they support scientific progress. Beyond this, our products are used in the biopharmaceutical industry to produce medical drugs safely and efficiently as well as to ensure their quality.

We want to advance scientific progress by recognizing new trends in our industry and by combining and further developing technologies, thus contributing to the acceleration of development and production processes in pharmaceutical companies. In this way, innovative medications can be launched on the market more quickly and made available to larger groups of people. Biopharmaceutical drugs, in particular, present new therapy options, especially for individuals with serious or rare diseases.

Apart from our own development work, which focuses primarily on our core technologies, we have traditionally relied on development partnerships with other companies and research institutions. This enables us to integrate new technologies and products into our portfolio quickly and to bring our experience and knowledge to bear in furthering general scientific progress.

Ensuring that our manufacturing operations and our products also meet ecological sustainability criteria is a key aspect underpinning our long-term financial success. Sartorius designs its manufacturing processes and products with resource efficiency in mind. We implement our objective of achieving growth coupled with an underproportional use of natural resources at various levels. The expansion of our infrastructure also reflects the importance we place on environmental sustainability and adding value to society.

From a customer perspective, our flexible, cost-optimized single-use technologies contribute to the environmental element of our sustainability strategy. Not only do such technologies reduce the risk of contamination, but they also negate the need for chemicals-based cleaning – which enables manufacturers to save significant resources in production while reducing the use of hazardous materials.

We maintain an open, constructive dialog with our stakeholders, whose perspectives and opinions offer us valuable input that enables us to continuously improve our business workflows, implement our sustainability strategy and achieve our goals.

Our business is built on a desire to shape the future combined with reliability and a commitment to quality, and our sustainability strategy reflects those qualities.

We want use our pioneering spirit to **shape the future** by turning science and innovation into solutions tailored precisely to our customers' needs. We also want to advance scientific progress in society and improve access to medical care and innovative pharmaceutical products. Our employees are the key factor in ensuring our future viability. We appreciate them and support them in their professional development.

We want to be a **reliable partner**. This means managing the Group responsibly, maintaining high standards of environmental protection and serving the needs of society.

For the Sartorius Group, a company nearing its 150th year in business, sustainability is an inherent value embedded in its DNA. Our business model is one that supports sustainability and delivers benefits to society. One of the factors in our success is our ability to closely interweave social and environmental objectives with the company's financial targets on a lasting basis. We have established indicators for our key action areas designed to measure our business performance and help plan for the future.

Sartorius has made sustainability a responsibility of the Chief Executive Officer in recognition of its overarching importance for the company.

About the Non-financial Group Statement

In addition to the key financial performance indicators used to manage the Sartorius Group, we have defined non-financial indicators that enable us to assess the impact of our 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.

For the "non-financial group statement," we orient ourselves toward the reporting framework developed by the Global Reporting Initiative (GRI) – the Sustainability Reporting Standards – using the "in accordance" (core) option. Our goal is to conform to the GRI Standard "core" as of next year so that we can ensure transparency and comparability. The GRI Content Index that starts on page 114 offers an overview of the standard disclosures in addition to economic, environmental and social performance indicators.

The reporting period for the non-financial Group statement is the fiscal year. Unless otherwise indicated, the employee-related data covers all Sartorius companies. Unless otherwise specified, the environmental indicators encompass all our production companies, representing 73.3% of the total headcount. Most of the data has been gathered internally; in addition, data on consumption is provided by our utility companies.

This non-financial group statement was audited by KPMG in the form of an audit with limited assurance. A sustainability report for our subgroup Sartorius Stedim Biotech S.A. accounting for over two-thirds of all Sartorius activities is an integral part of the audit of the former's annual financial statements.

Organizational Profile

Please refer to page 22 - 27, sections "Structure and Management of the Group" and "Strategy and Goals" of the Management Report.

Stakeholder Involvement

The Global Reporting Initiative guidelines focus in particular on identifying relevant stakeholders and material topics.

We define stakeholders as those persons, companies, institutions and interest groups that are able to influence the success of the Sartorius Group or that are impacted by the actions of our company.

Due to its business model, Sartorius engages in a very close ongoing dialog with its stakeholders. The company takes advantage of this exchange to identify the specific aspects of sustainability and responsible corporate governance that are most relevant to the various groups.

With respect to sustainability, we view our customers, employees, investors and society as our most important stakeholders. Beyond these, suppliers and business partners have a stake in the prosperous development of our company and in our responsible conduct.

As we earn around 80% of our revenue through direct sales, we are in close contact with our **customers**. We also obtain ongoing information about our customers' current requirements and priorities through audits, product demonstrations and tests that we perform in our application laboratories as well as through cooperation with customers in product development.

Motivated and efficient **employees** are indispensable in ensuring our business success. Regional and Group-wide employee surveys, annual performance reviews and an open working atmosphere help us discover what our employees find satisfying about the company, and where they see potential for improvement. The results of these surveys suggest relevant topics that we implement as specific plans of action at our local sites.

Investor relations activities at Sartorius aim to create transparency and continuity for our **investors**. We engage in a dialog with our investors about our environmental and social responsibility as well as corporate governance topics at investor conferences and roadshows and as part of capital market days. Sartorius participates in sustainability analyses and ratings to gauge its performance with respect to its environmental, social and governance-related business practices (ESG). MSCI ESG Research, for example, one of the world's largest rating agencies in this field, rated Sartorius as AA with respect to sustainability aspects in 2016 – the second best evaluation.

Sartorius maintains good relationships with local residents and public authorities, and considers their interests and expectations of our business activities. Such interests and expectations relate, in particular, to paying our fair share of taxes, maintaining job security, complying with legal requirements, conserving and protecting environmental resources and promoting infrastructure.

To us, potential employees are a special social group. Young and qualified employees in particular appreciate companies that take social responsibility. A value-oriented corporate culture and sustained employee commitment help convey a positive image of Sartorius **to social communities**, thus increasing our attractiveness as an employer.

Materiality Analysis

Materiality identification process

Topics material to the business activities of the Sartorius Group were first discussed with the Executive Board and risk management.

Thanks to the close dialog we maintain with our stakeholders, we have gained a good understanding of their needs and their views. We took these views into account in deciding on materiality.

Finally, experts from Sartorius identified topics of particular relevance in two workshops attended by the functions of Research and Development, Sales, Marketing, Corporate Communication, Investor Relations, Human Resources Management, Purchasing, Legal Affairs and Compliance along with the employees' council.

The topics defined as material were those that are important for the business activities of Sartorius and the resultant outcomes.

To determine which environmental, social and governance (ESG) topics are material for Sartorius, we conducted a survey of 87 potentially relevant topics. We consulted a number of sources in compiling the list of topics, including

- various reporting standards, such as the GRI and the German Sustainability Code;
- input from our stakeholders gained from many contacts (see "Stakeholder Involvement");
- content from ESG ratings questionnaires;
- web research and CSR reports from our peer group; and
- internal expert report, including assessments by the Executive Board and managers

In a structured, online survey, participants were able to rate the proposed topics as "not relevant," "relevant," or "highly relevant" or to leave the question unanswered.

The final step was to discuss the outcome of this process with the Executive Board for validation purposes. The results of the workshops confirmed the assessment of the Executive Board and risk management with respect to the relevance of the topics.

Stakeholder expectations for companies are constantly evolving. We therefore survey our stakeholders regularly in order to ensure that our prioritization of topics is in line with their own ideas.

Material areas

We have classified all areas as "material" that were rated as "material" or "highly material" by more than 50% of those surveyed.

The following areas have been identified as material:

Access to and Availability of Medical Care

Research and Development

Innovation and the setting of technological standards, knowledge management, and measures to combat product piracy/counterfeiting/illicit trade

Acquisitions

Company market presence, long-term increase in enterprise value, job security, innovation and setting technology standards

Cooperations and Partnerships

Research alliances and cooperations, knowledge management in the company, performance of workshops and seminars, cooperations with schools and universities

Digitalization and Automation

Application Orientation and Service

Technology partnerships, meeting our customers' needs, steadily improving service quality, trust and reputation, responsible marketing, clear and transparent customer information, customer health and safety

Product Quality and Safety

Lifecycle Management and Recycling

Identifying Talent

Offering Opportunities

Career promotion, leadership programs, performance evaluations and feedback, lifelong learning, vertical and global mobility

Diversity and Equal Opportunity

Discrimination-free workplace, diversity and equal opportunity, social dialog and employee co-determination, transparent remuneration system, value-driven corporate culture

Health & Safety

Workplace safety, maintaining employability

Life Balance and Job Satisfaction

Maintaining a life balance (personal and professional), flexible working time models

Corporate Governance and Compliance

Adhering to laws and regulations, safeguarding customer data, fair contract practices, complaint processing and management, observing human rights, following ethical principles, anti-corruption measures, supplier management

High Environmental Protection Standards

Waste avoidance and waste separation, waste management in the production chain, hazardous substances management in R&D and production, emissions in production and operations, emissions management in the supply chain

Social Commitment

Promotion of education and scientific research

Ongoing Dialog with Stakeholders

Shaping the Future

Access to and Availability of Medical Care

Why it's important

Many people in industrialized countries suffer from diseases for which there is as yet no effective treatment. These include types of cancer, Alzheimer's disease, autoimmune diseases and congenital metabolic disorders, as well as infectious diseases.

At the same time, many diseases that would have proved fatal just a few generations ago can now be cured or treated effectively. Falling death rates coupled with declining birth rates have resulted in an aging population in the industrialized nations. Healthy aging and social participation into old age are particularly desirable social objectives. The availability and affordability of innovative biopharmaceutical drugs for the treatment of serious and sometimes rare diseases is consequently hugely important.

In developing and emerging countries, the availability and affordability of any form of healthcare is fraught with problems: more than half the world's population has either no or inadequate access to medical care. Every day, people die of entirely preventable diseases. One in every ten children did not receive the vaccines recommended by the WHO in 2016.

We want to live up to our responsibility for the good of the community and contribute to the innovative treatment methods offered by modern medicine.

Our approach

The manufacture of biopharmaceuticals is complex, time-consuming and cost-intensive. The aim of our two divisions is to render research and development in this field faster and more efficient and to make manufacture safe and more affordable. Our diverse technologies enable us to offer our customers an integrated approach and to optimize the interplay of many individual steps in the process of developing and manufacturing medicines. This ensures that innovative medications reach the market faster, in greater numbers and at lower prices, giving more people access to medicine.

As one of the leading companies in our sector, our approach is to function not just as a developer and manufacturer, but also to bring experts together with a view to promoting dialog and networking. This is conducive to the generation of new and creative ideas and thus supports scientific progress.

We obtain the know-how required for the development of our product range also through cooperations and acquisitions. We are actively approaching new, attractive partners and also organize our own events with experts to this end.

Our performance

With its Research Xchange Forum, Sartorius has created a platform for interdisciplinary exchanges between industry and science. The first event in February 2017 focused on trends and challenges in oncology. The core issue was how to improve and accelerate the transfer of knowledge from basic research to the commercial manufacture of products – and thus its translation to patient therapy. This question has technical, legal and economic backgrounds, but it also highlights a challenge facing society in general. More intensive communication and a regular exchange of ideas will offer a foundation for progress on this issue.

The second Research Xchange Forum in March 2018 will focus on the interdisciplinary exchange between industry and science on the topics of regenerative medicine and cell therapy.

Our Approach to Innovation

Innovation at the Sartorius Group rests on three pillars: our own specialized research and development activity, the integration of innovations via acquisitions, and cooperations and partnerships in complementary fields.

Own R&D Activity

Why it's important

We are one of the market leaders in our sector because we pursue intensive in-house R&D in our core technologies and continually develop our products further.

One of the decisive success factors at Sartorius is the use of technology to differentiate ourselves from our competitors, including spotting trends at an early stage and combining them in innovative ways.

Our above-average R&D performance results from our bringing know-how into the company in systematic fashion and extending, keeping and protecting it, but also from being fast and agile.

Our approach

Research and development has overarching importance in the Sartorius Group, and is overseen by a specially appointed member of the Group Executive Committee. The department is in a good financial position: the Sartorius Group spent €68.9 million on R&D in the reporting year. A total of 638 people worked in R&D during 2017, 116 more than in the previous year. This represents an increase of 22%, while the total headcount grew by 8.5%.

Our R&D activities concentrate on our core competencies, such as membrane and cell culture technology, and the automation and control of instruments in laboratory and process scale. Knowledge and technologies that the company gains through cooperations or acquisitions are developed further within the company and thus lead to new and differentiating technologies.

Each of our production sites fundamentally serves as a center of competence for particular technologies. The Group's plant in Göttingen, for example, concentrates chiefly on the production of membrane filters, whereas the Aubagne and Mohamdia sites primarily manufacture single-use bags. Our facility in Yauco supplies both membrane filters and single-use bags principally for the U.S. market. The Guxhagen site specializes in bioreactors and other systems for bioprocess applications. It collaborates closely with the plant in Bangalore (India), which mainly produces stainless steel components for those systems.

In Ulm, construction has begun on a new Cell Culture Technology Center for the purpose of expanding the development of cell lines and protein production processes. The new laboratory building is scheduled for completion at the end of 2019 and will approximately double present capacities.

Regenerative medicine is a relatively new biomedical field which uses the body's own self-healing powers to replace or restore diseased tissue or cells and establish normal function. We see high growth opportunities in this field and have consequently set up our own research and development team to look into it with the aim of expanding our product portfolio for relevant customers. A global sales team for regenerative medicine applications was also established in the reporting year.

In general, we are increasingly pursuing the approach of linking our individual technologies as a basis for the development of new products and solutions. Owing to our broad product portfolio, we have extensive expertise in the development of bioprocess applications.

We pursue a targeted intellectual and industrial property rights policy to protect our knowledge and systematically check for infringements of those rights.

Our performance

Sartorius pursues strong R&D in its core technologies. Our experts play a significant role in the industry and ensure that the Sartorius Group maintains a leading position around the world.

In 2017, more than 85% of our revenue was generated in areas in which Sartorius is among the top three players.

Complementary Acquisitions

Why it's important

We operate in a rapidly developing and expanding industry. The biopharmaceutical market is an area in which breakthroughs leading to new therapies come at a rapid pace. Production processes and technologies are also subject to ongoing innovation.

Against this backdrop, we are constantly looking to expand our portfolio, among other things through acquisitions. We constantly scour the market for innovative and differentiating technologies to help our customers develop and manufacture their drugs even more quickly and efficiently.

We operate in an environment in which consolidation is a crucial factor. As one of the smaller competitors, our differentiating acquisition strategy is what enables us to succeed in business.

Our approach

We want to grow through acquisitions, particularly when it comes to innovative technologies that complement our own expertise. We buy and develop key technologies with a view to entering into lines of business that will differentiate us from the competition. These technologies develop their full potential once Sartorius takes over ongoing development, including combining the technologies into new products.

When deciding on an acquisition, we always keep our basic strategic approach in mind: we want to position ourselves more broadly along the value chains of our biopharmaceutical customers and become involved in their development processes at an increasingly early stage.

Start-ups are frequently at the forefront of innovation. These fledgling companies not only provide us with new technologies, but also deliver inspiration. We attempt to retain our start-up company founders at Sartorius, to keep their abilities and expertise within the Group.

Such collaboration is also beneficial for the acquired companies, which gain financing capacity, an international network, access to customers and a variety of other resources, all of which translates into a future within the Sartorius Group

Because we take a long-term approach, we don't merely aim to gain a differentiating technology from a market leader in the field when acquiring a company, but also set great store by finding a good fit in terms of corporate culture. The valuation of the company also has to be fair: we expect it to reach Sartorius' level of profitability within two to three years.

Due diligence

With respect to acquisitions, Sartorius' standard policy is to include non-financial aspects in the due diligence process. These include compliance with legal standards and maintaining effective compliance systems, among other things. Moreover, we include HR and environmental aspects in our assessment of risks and opportunities of such potential takeover candidates.

Our performance

Acquisitions and mergers have been major milestones in Sartorius' corporate development. In 2000, the company took a significant step into the biopharmaceutical industry with its acquisition of B. Braun Biotech, the world's leading manufacturer of fermenters and cell culture systems. Bioprocess Solutions now accounts for approximately 75% of Sartorius' revenue and 85% of its underlying EBITDA. The merger with Stedim Biosystems' biotechnology business in 2007, which saw Sartorius combine its biotechnology division with Stedim, resulted in the creation of Sartorius Stedim Biotech S.A.

Since 2011, we have acquired and successfully integrated eleven companies. In these cases, as well as those that preceded them, major locations have been expanded and additional jobs created in the wake of the acquisitions. Our approach to acquisitions also includes offering the employees of acquired companies career and development opportunities in the Group – this extends all the way to membership of the Group Executive Committee (GEC), to which a manager from an earlier acquisition was appointed in 2017.

Sartorius has complemented its existing portfolio with miniature bioreactors, cell culture media and cell lines, thereby making it even more valuable to customers.

Furthermore, the addition of bioanalytics to the company's portfolio has given customers a tool with which they can speed up their product developments considerably.

The acquisitions of IntelliCyt in 2016 and Essen BioScience in 2017 enabled Sartorius to gain a solid foothold in this field.

kSep was also purchased in 2016 and Umetrics in 2017.

Cooperations and Partnerships

Why it's important

The integration of external innovations is one of the factors that has enabled Sartorius to evolve from a small mechanics' shop into an international undertaking boasting more than 7,500 employees. What makes Sartorius special is its close cooperation with customers and business partners, and these are qualities that the Group has kept intact.

Thanks to its close alliances with scientific research institutions and universities, Sartorius is a technology leader that sets standards in many market segments. The company has worked to maintain an open exchange with the scientific community ever since its formation. In this way, it has driven forward scientific insight and precisely tailored product development.

Our approach

We see ourselves not just as a supplier, but as a partner and problem solver for our customers. This is an approach best implemented via direct partnerships.

We have access to the latest research via joint projects designed to study specific issues, and can incorporate this research in our product development.

In addition to research alliances, technology partnerships are another important component of our research and development work. We also maintain technology partnerships with our suppliers to promote common learning and development processes.

Our performance

Well in excess of 100 research alliances and cooperations, including partnerships with the University of Weihenstephan, the TCI at the University of Hanover, Hanover Medical University and institutes of the Fraunhofer Society, provide a steady stream of new ideas and contribute to the identification of new fields of development. Sartorius awarded its annual Sartorius & Science Prize for Regenerative Medicine and Cell Therapy for the first time in 2017. The award, which comes with €25,000 prize money, is geared toward outstanding scientists concentrating on basic or translational research in these fields.

Besides the honoring of outstanding achievements, another objective of the award is to consolidate efforts to draw attention to these research topics and their significance for the future.

At our French site in Aubagne, we have been collaborating for many years with eminent schools and universities such as the École Nationale Supérieure de Technologie des Biomolécules in Bordeaux to support the education and training of biotechnology engineers and business administrators and help young graduates ease into their careers.

Sartorius collaborates with strategic customers and suppliers in technology partnerships.

Sartorius acquired exclusive global sales and marketing rights from Lonza in 2012. Lonza has retained the manufacture of cell culture media, while both companies collaborate on product developments. Cell culture media are an ideal addition to the portfolio of Sartorius subgroup Stedim Biotech. Like bioreactors, they are of crucial importance in the safe and efficient manufacture of biopharmaceuticals, and the collaboration benefits customers by ensuring that all components interact perfectly.

Focus on Customer Benefit and Application

Application Orientation and Service

Why it's important

For us at Sartorius, customer centricity means focusing primarily on practical application. The difference between a supplier and a partner, or a seller and a solution provider, lies in the desire to understand customers, to speak their language and to be at home in their world. We operate as a partner and a problem solver for our customers.

It is imperative that we enjoy the trust of our customers and a good reputation in the market. We maintain and improve our reputation by consistently focusing on the needs of our customers and excellent service.

Our approach

If the core competency of Sartorius in the past was technology, today it is application expertise. We orient ourselves to the market, our customers, and their applications.

Instead of focusing primarily on our products, we look at our customers with their entire value creation chains – and thus the interactivity of all the systems in those chains. This is why the development of our products always begins with a stakeholder analysis that includes all the customer's demands as well as those of our own service team and sales staff. This applies to our Lab Products & Services Division and to our Bioprocess Solutions Division in equal measure. Thanks to this approach, we are able to minimize the risk of bypassing the needs of the market in our development efforts.

Over 10,000 biopharmaceuticals around the globe are in the pre-release stage, and this number is increasing. For this reason, reducing the period from the initial development to the market launch of a medication is a primary concern of our customers. Time-to-market is thus a decisive factor for the manufacturer's subsequent ROI. It is the goal of every biopharmaceutical producer to be the fastest and best in its class.

Our objective is to accelerate our customers' development activities and make them more efficient. Developing a new pharmaceutical drug takes many years and is extremely cost-intensive. The technologies we develop for subsequent manufacture enhance quality and minimize errors, thus saving both time and money.

A key technology in this regard is bioanalytics, which improves the precision and thus the speed and efficiency of initial development processes. We have created an integrated process solution with our Connect Upstream approach, for instance, and address the entire bandwidth of our customers' expectations in the biopharmaceutical arena.

Our entry into the field of bioanalytics has increased the significance of our laboratory division for the biopharmaceutical market, a target group on which the division now focuses. This results in even more synergies between our two divisions Bioprocess Solutions and Lab Products & Services, as well as the option of offering joint solutions.

Ever since Sartorius was founded 147 years ago, the Group has steadily expanded its international presence. Today, Sartorius is a global player with some 50 production sites, distribution offices and local sales representatives around the globe to ensure geographical proximity to our customers.

Our application laboratories in all regions offer our customers the opportunity to test Sartorius products, even using their own samples, and to take training courses.

At the end of 2016, we opened a new laboratory for bioanalytical services in Boston, where biotech substances can be tested for safety and quality on behalf of our customers.

The Lab Products & Services Division offers a wide range of services covering the entire life cycle of laboratory products, from device installation and commissioning to verification, calibration, regular maintenance and repair. Our services are not limited to Sartorius instruments; they are offered for devices from other manufacturers as well. This extensive range enables our customers to minimize the number of service providers they use and thus reduce complexity and costs.

Our performance

In the biopharmaceuticals area, our Connect Upstream approach enables us to reduce the time-to-market of a biopharmaceutical significantly.

We have more than 700 customer service employees in 28 countries. This decentralized structure means that they can be on our customers' premises quickly to service their equipment and installations under real-life conditions.

Digitalization

Why it's important

For Sartorius, digitalization is critical to our success in two respects: we support our customers in digitalizing their bioprocesses, while also driving the digitalization and automation of our own internal processes forward.

At product level, digitalization has played a minor role in the pharmaceutical industry compared with other industries to date. This is gradually changing, with IT processes now having the potential to act as a differentiator in competition.

In addition to sufficient production capacities, efficient business processes and a strong IT infrastructure are the main internal factors driving profitable future growth. This is why digitalization is so crucial for internal processes too.

Our approach

It is important for the development of Sartorius to play an active role in introducing digital processes in the development of medicines as well as in manufacturing processes and the management of those processes.

Developing bioanalytics into a core competence is a declared Sartorius management objective. Close collaboration with our biopharmaceutical customers has demonstrated that bioanalytics can make a vital contribution to closing a significant gap in demand, making the first steps toward development of a new biopharmaceutical faster and more effective.

Sartorius is therefore targeting the acquisition of young companies with core competencies in the field of bioanalytics. Our approach involves integrating these companies in our portfolio with the aim of enhancing the latter. Recent months have seen Sartorius acquire both IntelliCyt and Essen BioScience with a view to expanding our cell analysis business. The key to success is the application knowledge and know-how needed to combine the companies' software expertise.

The development of biopharmaceutical medicines requires a number of trials, the majority of which have been conducted manually thus far. With respect to cell analysis, the idea is to automate the main analysis steps in order to compress drug development timelines. Cell analysis instruments can also speed up the process of establishing whether, and if so how, a specific substance will affect cells. Optical technologies can be used to evaluate experiments in petri dishes, with a software program determining when the substance has interacted with the cell.

In 2017, Sartorius also acquired Umetrics for its Bio-process Solutions Division. The Swedish company is a leading global specialist in data analysis for the purpose of modeling and optimizing biopharmaceutical development and production processes. The software systems are used as control mechanisms in cell cultivation and purification processes in the biopharmaceutical industry. Statistical and mathematical methods make it possible to evaluate a wide range of data simultaneously and to compile analyses of the complex correlations between various types of data. The goal is to make the customer's production process as cost-efficient as possible.

In addition, Sartorius is working to digitalize and automate internal processes along our entire value chain. The company plans to introduce a new ERP and CRM system based on global business process standards.

Our performance

Sartorius was able to start building up its promising cell analysis segment with the acquisition of IntelliCyt in 2016 and Essen Bioscience in 2017.

The company's products in the area of bioanalytics offer strong unique selling points, and we expect this segment to make a significant contribution to revenue in 2018. We want to use our global sales platform to accelerate the penetration of these technologies across the laboratory market. Since Sartorius enjoys a strong presence in the lab market, we see clear potential for future growth here.

Sartorius is also making progress on the implementation of its new ERP system: in 2017 it was introduced at further sites in Germany, Switzerland and India, and implementation is scheduled to be completed in 2019.

Product Quality and Safety

Why it's important

Sartorius supplies its products to manufacturers of pharmaceuticals, foods and chemicals as well as to research and development laboratories. A high level of product quality and delivery reliability is vital for our customers in these industries, which are strictly regulated in part. This is particularly true of drug manufacturers, whose production lines have to be certified.

Our approach

At Sartorius, the products and services we offer our customers are of the highest quality. We developed a global quality policy in 2014 with a view to maintaining this high level of quality around the globe. It was updated in 2017. This policy is oriented toward the interests of our stakeholders and an analysis of operational requirements, and considers our products and services. It defines three principles and is binding for all company employees. In concrete terms, it is underpinned by 32 global procedures.

Sartorius subscribes to the following principles:

- Maximization of customer satisfaction, fulfillment of industry expectations, and compliance with statutory provisions
- Recognition of ISO 9001 as a minimum standard for all company locations
- Focus on continuous improvements and innovation in our processes and products

Adherence to these principles is monitored at each location and measured on the basis of quality targets which are defined in the company's business plan.

Quality management is dealt with by two departments:

Customer Audit Management looks after audits that our customers perform at our facilities. We also carry out collaboration projects together with our customers to improve quality, for instance by optimizing complaint processing.

Supplier Management addresses the question of how suppliers should be evaluated. We carry out over 100 audits of suppliers every year, and it is our goal in the future to examine environmental and employee concerns as part of these audits, too. Sartorius has a declared interest in establishing long-term partnerships. If critical points emerge from an audit, we support our suppliers actively through an improvement process.

The company employs rigorous quality checks and advanced manufacturing methods and processes to ensure that, when used as intended, these products comply with our customers' needs and pose no risk to health or safety. Detailed application brochures and our Services unit support customers in the correct use of our products. Sartorius has established a traceability system that enables us to recall entire product batches immediately in the event of any major non-conforming items or defects.

Our efforts to enhance the environmental performance of our products and production methods begin at the research and development stage. We decrease our use of materials and increase the proportion of environmentally friendly raw materials whenever this can be done without compromising the safety or functionality of our products or packaging. Sartorius also works with partners from industry and the scientific community in this respect.

Our performance

Fully 17 of our 20 production companies are certified under ISO 9001 – an 85% certification rate. This figure does not take into account companies acquired in 2017. In addition, 23 of our 48 sales companies are certified under ISO 9001.

In 2017, a total of 195 audits were performed on our premises by our customers, 194 of which revealed no critical findings. Accordingly, we achieved an audit satisfaction or compliance rate of 99.5%.

In 2017, we performed a total of 113 audits at our suppliers, six of which were failed. This resulted in a compliance level of 94.7%.

Lifecycle Management and Recycling

Why it's important

Sartorius produces both single-use products and those with useful lives of up to 20 years. This means widely disparate challenges, but in any case it spotlights lifecycle management and recycling as part of our development activities.

Our approach

Lifecycle management and the recyclability of our products are a key aspect of our research and development activities and also involve members of the Group Executive Committee. In the case of products with long useful lives, we consider the future as early as the development phase: what should the product be able to do in 20 years? Is its design compatible with updates and upgrades? Service and spare parts must also be ensured across the product's useful life. As a rule, we guarantee service for up to seven years even after production of a product is discontinued.

On the other hand, single-use products are becoming increasingly widespread in the manufacture of biopharmaceutical medications for economic reasons. Across their product life cycles, single-use products made of plastic are far superior to complex reusable systems in their consumption of energy, water and chemicals. Although single-use products have clear environmental benefits in terms of energy and water consumption, their use generates more waste. For this reason, recycling is of central importance to both ourselves and our customers and is consequently considered as early as the product development stage.

The integrated solutions of the Sartorius FlexAct product line combine the ecological benefits fundamentally offered by single-use technologies and the advantages of lower material usage thanks to adaptable and space-saving systems. The central FlexAct control unit, for example, can be used in a number of different biopharmaceutical processes. Manufacturers no longer need to define a specific production volume in advance; they can adjust it on an ongoing basis without having to install new production facilities and decommission old ones.

Our performance

Rigorous recycling of raw materials improves the environmental performance of our single-use products. The ultrapure plastics we utilize to manufacture various single-use products contain around 80% to 90% of the energy of pure crude oil and are thus valuable secondary raw materials. The high energy content of polymers, for example, means that they can be reused as fuel in heat or power generation.

Technical refinements to its membrane filter series have enabled Sartorius to slash consumption of ultrapure water for wetting and rinsing the membranes by up to 95%. The filters' significantly lower absorption lessens the loss of expensive protein solution. As a result, pharmaceutical manufacturers can substantially reduce the use of resources, while achieving higher yields.

Staff for Unlocking Future Potential

Why it's important

Sartorius is growing strongly. We add around 1,000 new employees to our staff every year. We continually acquire talented and well-qualified employees and build their loyalty to ensure the success of the company in the future. In the process, one particular challenge all over the world is to recruit suitable and experienced specialists for the company.

Our approach

A central success factor in recruiting new employees is our worldwide employer branding. Sartorius is less well-known as an employer in the international arena as it is in Germany. This is why we are defining and communicating the things that are critical to potential employees when they make employment decisions. According to our analysis, all of them are 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.

We specifically address people who contribute not only their expertise, but also an open attitude, a sense of responsibility and a proactive willingness to actively develop their own fields of work.

Sartorius uses digital professional networks to attract the attention of talented people, collaborates with the respective universities, institutes and organizations, and makes use of its own extensive contacts in the industry.

Promoting Young Academics

The aim of our own international Sartorius Scholarship program is to gain qualified young academics for our company, particularly from the global growth markets. For many years, we have been supporting talented students and graduates in scientific and technical disciplines. Students from sales and marketing can also apply for a Sartorius scholarship. The company aids these recipients not just financially, but also helps them technically and personally. For example, each Sartorius scholarship holder is assigned a mentor from within our own organization.

Sartorius participates regularly in European Union funding initiatives, such as the Leonardo da Vinci program for international vocational education. We enable our interns to participate in a variety of training courses. Thanks to an alliance with the Kedge Business School in Marseille, France, the interns at our Aubagne site, for example, can attend the Master of Business Administration courses offered there.

Initial Qualification of Trainees

Sartorius has traditionally attached great importance to sound initial vocational training. And because it is becoming increasingly important for the company to attract qualified staff, Sartorius launched the #Start series of events in 2017. Here, young people can obtain details of opportunities for study and training at Sartorius and enter into a dialog with in-house trainees and students on the more than 20 different vocational and study programs.

In the year under review, Sartorius offered positions with the company to all trainees after they passed their final examinations. Essentially, Sartorius gears its programs to company requirements and takes on more than 95% of the people it trains.

Alliances with schools and universities

Sartorius cooperates with local schools and universities in order to inform young people of their training options and to prepare them for their working lives by offering targeted measures such as interview training.

Our performance

The last five years has seen Sartorius take on 5,004 new recruits and thus significantly strengthen its human capital.

In Germany, the Group currently offers vocational training and education in a total of 17 different professions via five work-study programs. As of the December 31, 2017 reporting date, Sartorius had a total of 130 vocational trainees and 8 university students, of whom 96 were male and 42 female. This number also includes one trainee who is registered as disabled.

Five of the trainees are refugees, all of whom are now being trained in various professions.

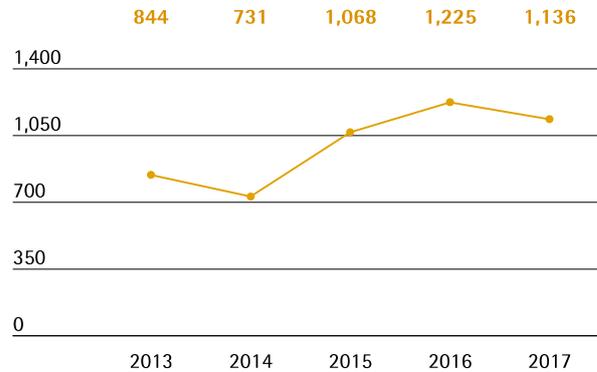
Vocational Study Programs Offered by the German Chamber of Commerce and Industry IHK

Recognized professions in commerce
Industrial business administrator
Office management assistant
IT application specialist
IT system integration specialist
Warehouse logistics specialist
Recognized professions in the natural sciences
Skilled chemistry technician
Physics laboratory assistant
Chemical laboratory assistant
Recognized professions in skilled trade and skilled technical jobs
Mechatronics engineer
Electronics technician for automation technology
Electronics technician for equipment and systems
Milling machine operator
Skilled machine and plant operator
Plant technician
Technical product designer
Machine tool technician
Process technician
Work-study programs
Bachelor of Arts, Business Administration
Bachelor of Engineering, Electrical and Electronic Engineering Information Technology
Bachelor of Engineering, Precision Machinery
Bachelor of Science, Biotechnology
Bachelor of Science, Business Information Management Systems

In 2017, Sartorius was commended by the Hanover Chamber of Commerce and Industry for its outstanding achievements as regards the company's many years of training skilled professionals.

The following evaluations refer to everyone on the Sartorius payroll as of December 31, 2017, except for the 214 staff members of the acquisitions Essen Bio-Science and Umetrics.

Development of New Hires
headcount



Creating new Prospects

Why it's important

Around 7,500 employees contribute to the success of Sartorius. The company attracts individuals who appreciate having the freedom to work independently, who want to advance both their personal and their professional development and who put their hearts into their work. Moreover, motivated, well-trained employees are a significant success factor for us as a company. Being able to offer them opportunities is decisive in building their long-term loyalty to Sartorius.

Our approach

We offer our employees motivating work conditions to encourage them to apply their skills in the best possible manner. Sartorius provides its employees with all of the benefits of an international corporation: work in an international environment, attractive pay, flex-time work schedules and occupational healthcare. At the same time, our employees enjoy the benefits of a medium-sized company: short decision-making chains and fast lines of communication along with a caring, closely-knit corporate culture.

Training and Continuing Education

Continuing professional development, assumption of responsibility and opportunities to advance within the company are important for our employees' satisfaction. Such opportunities safeguard their employability and open up new professional prospects for them.

Sartorius retains its qualified employees by offering targeted continuing education courses and opportunities for development, also at its international locations.

The Sartorius continuing education program covers a broad diversity of subjects. Specialized courses and targeted on-the-job training teach required skills and expertise. Sartorius College offers all employees a wide range of training and continuing personal development opportunities in a number of different languages to help enhance their methodological and language skills. We custom-design our programs and continuously adapt them to the changing needs of our employees and the company.

Annual performance reviews between employees and their managers provide a forum for discussing performance, targets and individual development opportunities. We conduct all annual performance reviews worldwide using the same criteria.

Training Management Staff

Sartorius fills management vacancies from within its own ranks whenever possible. Four of the six members of the GEC have been with the company for 15 years or longer. 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. 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 has been established in Germany.

As an alternative to the classic manager career, Sartorius enables scientists and engineers in R&D as well as IT specialists, in particular, to pursue an expert career path that helps recognize the value of their expert knowledge for the success of the company, and offers experts and project managers adequate development prospects.

Mentorship Programs

Our mentorship programs and knowledge transfer partnerships ensure that expertise is passed on within the company efficiently and systematically. We offer conventional mentoring programs at our companies in Germany, China and India, as well as in France and Tunisia, during which the mentee is able to benefit from the know-how and expertise of his/her mentor. In contrast, knowledge transfer partnerships are a "partnership of equals" that focus on mutual learning and the sharing of expertise. For example, this enables older staff to learn from younger employees, too, and this makes sense given the demographic trend. So far,

we have pursued the concept of knowledge transfer partnerships in Germany only.

Global Mobility

Sartorius encourages its employees to network within the company and to transfer temporarily to its other departments or sites. Our internal job market also offers a variety of prospects to further develop and even change jobs. The basic conditions for temporary assignments in foreign countries are transparently defined for all staff members.

We promote international opportunities for our employees' development, for instance through temporary deployment at other sites and international project work.

Sartorius continues to expand its programs to promote temporary assignments and global mobility as an investment in the company's future.

Our performance

At the company's major sites in France, Germany, India, Puerto Rico and Tunisia, where 66.9% of the workforce is employed, a total of 69,222.06 hours were invested in further training initiatives during the reporting year. On average, each employee completed 14.5 hours of further training.

Making the Most of Diversity

Why it's important

As a globally operating company, we do business in many different regions and markets. Sartorius employees cooperate across six continents in performing their work. The company's global network shapes our daily work. Many of our departments cover multiple company locations and countries, and project teams are often composed internationally.

The diversity of our procurement and sales markets is reflected in our corporate culture. The productive interplay of a variety of perspectives and experiences helps us understand our customers better, develop tailored solutions and remain competitive in a global economy. When filling management positions, we likewise aim to achieve a mix of cultures, genders and age groups.

Our approach

One of our guiding principles is respecting the value of our different employees and creating the same opportunities for all.

Our diversity and inclusion approach involves having a good mix, a common goal, an open attitude towards differences, trust and flexibility.

Entry-level opportunities and career opportunities are awarded on the basis of achievement. When filling key positions, we often search the international market for a suitable individual and, for example, look at a candidate's qualifications before considering language barriers or physical distance. At Sartorius, everyone has the same opportunities, irrespective of their origin, religion, gender, age, sexual orientation, or any physical impairment.

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 German companies. Employees are able to take advantage of flex-time, 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, we have offers for school-age children during school vacation periods. And in 2017, Sartorius commenced construction of a new daycare center on the Sartorius Campus in Göttingen. The center is integrative, meaning it offers spots for handicapped children as well. Sartorius has already won a number of awards for its family-friendly policies. It's part of our corporate culture that fathers also take family leave at Sartorius.

In line with the German Act on Equal Participation of Women and Men in Executive Positions in the Private and Public Sectors, Sartorius has set targets for the proportion of women at the first level of management below the Executive Board. By 2022, the company plans to increase the proportion of women in the first management tier below the Executive Board from currently 19% to 25%, and the proportion in the second management tier from currently 25% to 30%. Regarding the number of women to be appointed to the Supervisory Board, the statutory quota of at least 30% applies.

Sartorius actively endeavors to integrate disabled employees into its workforce. All newly built Sartorius locations in Germany are designed to be barrier-free. A Group disability officer has represented the interests

of handicapped employees in the German companies since 2014. The Group disability officer is supported by local disability officers at our German locations. While Sartorius meets the statutory requirements in all its companies, it surpasses them by some way in the German companies.

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.

Sartorius designs career paths for individual career fields in order to ensure that opportunities for employee development are transparent and to improve our employees' ability to manage their own personal development. The IT and R&D career paths have been established worldwide, and plans call for the introduction of corresponding career paths for other Group functions as well. This measure will likewise increase the transparency of wages and salaries.

Our performance

People from nearly 70 countries currently work well together at Sartorius. Alone our Group headquarters in Göttingen, Germany is home to employees from 42 nations. As of December 31, 2017, 62.6% of the Group's employees were employed outside Germany, 0.6 percentage points more than in the year before. Throughout its sites, Sartorius relies on local management. Almost 70% of the around 730 managers at Sartorius are not of German nationality.

The proportion of women in our workforce has been steadily increasing in recent years and, at the end of the reporting year, was 38.2%, a slight decrease 0.4 percentage points on the figure for the previous year.

In the reporting year, 5.5% or 404 people were working part-time at the Sartorius Group, 25 more than in 2016 and most of which in Germany.

In the reporting period, Sartorius employed 178 people who are registered as severely disabled, 173 in the EMEA region, 3 in the Americas and 2 in Asia/Pacific. This is an increase of 10.6% over the prior-year period.

Employees by Age

	Number	2017 as %	Number	2016 as %
16 - 20 years	20	0.3	26	0.4
21 - 30 years	1,632	22.4	1,550	22.7
31 - 40 years	2,234	30.7	2,105	30.8
41 - 50 years	1,757	24.1	1,640	24.0
51 - 60 years	1,376	18.9	1,282	18.7
Over 61 years	268	3.7	236	3.5

Offering Safety**Why it's important**

Employees are a company's most valuable asset, and it is our responsibility to keep our workers safe. 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. At our company, we use guidance provided by the requirements of the International Labor Organization (ILO) as well as national regulations and recommendations. Job safety and work organization conditions are continuously improved. 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 can also be used for 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.

We promote awareness of personal health among employees through special action days on topics such as cooking and health, and via sports initiatives held at individual sites.

We have advisory and assistance services in place, especially for employees on business travel or international deployment, where they can obtain help in the event of any medical emergencies, accidents or security threats. In Germany, France, and the USA, employees with work-related or personal problems can access a free external counseling service.

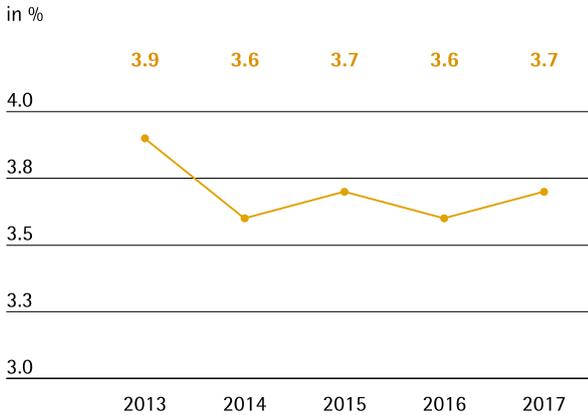
In addition, our new office designs include health-promoting lighting concepts. The new lighting has already been installed at our new building in Göttingen. The lighting is geared towards the time of day to enable employees to work comfortably, even in artificial light.

Our performance

The number of work-related accidents fell by 15 compared with the previous year to 67 in the reporting year. At the same time, the number of days lost through work-related accidents increased by 1,004 days or 65% compared to 2016. The statistics on accident severity changed correspondingly, showing a rise of 72 days per million working hours up to 205.4 days.

The absenteeism rate, defined as the proportion of scheduled working time not worked due to general absences, was 3.7% in the reporting year, around the level of the previous year. This rate is generally dependent on factors such as influenza waves. The average number of days missed per employee due to sickness was 7.1 days in the reporting year, up from 6.9 days a year earlier.

Development of Absenteeism Rate¹⁾



¹⁾ Excluding time lost due to long-term health conditions and maternity, parental, sabbatical and unpaid leave

Statistics on Accidents at Work

	2017	2016
Number of work accidents	0	82
Number of days lost due to work accidents	0	1,543
Frequency rate ¹⁾	0	7.1
Severity rate ²⁾	0.0	133.8

¹⁾ Number of accidents per 1,000,000 working hours

²⁾ Number of days lost due to work accidents per 1,000,000 working hours

Promoting Job Satisfaction

Why it's important

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

Sartorius assigns its employees demanding tasks, delegates responsibility at an early stage and gives them freedom to arrange their daily work. In Germany and other countries, we meet our employees' different needs and requirements of life situations by providing various options for structuring their employment flexibly.

Flextime, part-time work and teleworking are models that help employees find the right balance between family, work and leisure. Increasing digitalization of workplaces opens up new options for staff to set their

own work schedules self-reliantly through time management. To our employees, this flexibility is critical for their satisfaction with Sartorius, and it increases our attractiveness as an employer especially for young specialists. Flextime scheduling is also available to our production employees.

Sartorius responds to the culturally based and generally higher tendency in certain Asian countries for employees to switch jobs by taking the appropriate measures. In India, Sartorius has managed to decrease the attrition rate through a variety of measures aimed at increasing employee loyalty and motivation. We succeeded in this above all by paying more attention to the needs of employees, for example, by holding employee development meetings and feedback rounds, and also involving employees more closely in the organization of their daily tasks. We have also adopted a more selective approach to recruiting staff.

Sartorius' management attaches great importance to job satisfaction among employees. A few years ago, we conducted a survey to measure employee job satisfaction at the Sartorius Group. At almost 80%, the survey participation rate was very high. The survey concluded that the job satisfaction rate was above average on a sector comparison. Similar employee surveys will be conducted in the future at regular intervals.

The design of the new office buildings in Göttingen and Puerto Rico aims to create a positive, open working atmosphere, and we requested input from our employees in advance. Their views on work organization and communication structures were taken into account in planning the buildings.

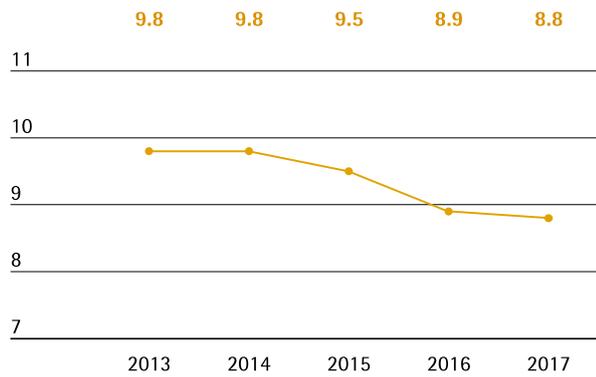
Our performance

The success of our measures to create a motivating working environment is reflected in permanently low attrition rates. Despite the large number of new hires as the result of the company's growth, seniority remains at a high level.

The attrition rate expresses the number of people leaving the company as a percentage of the average headcount. Excluding expired fixed-term contracts, this figure at Sartorius was 8.3%, 1.7 percentage points above the low level of the previous year. In general, fluctuation is subject to regional differences. Europe typically has the lowest levels of staff turnover, whereas changing employers is more common in Asia and fluctuation there is usually high. At Sartorius, too, staff turnover was very low at the Group's German sites, at 3.7%.

As a result of the consistently high number of new hires, the average seniority again decreased slightly in the reporting year. In 2017, about half of all employees had been with Sartorius for less than five years, while around a quarter had been with the company for 15 years or more.

Development of Average Seniority
in years



A Reliable Partner

Our activities are based on our corporate values: sustainability, openness and enjoyment. These values govern how we interact daily inside our company and connect us outside – with our customers, investors and society at large. In addition, they guide us in the definition of our strategies and their implementation.

Sartorius works in sectors in which high quality and safety standards are imperative. That's why benefiting from cooperative relationships with our partners, including developing longstanding trust, are key to our business.

It's important to us to be a reliable partner for all of our internal and external stakeholders.

Responsible Management

Why it's important

The trust of our customers, business partners and investors along with our reputation in the market are among our most valuable assets. That's why we place absolute priority on upholding our good reputation and conducting our business with the utmost integrity.

Corruption undermines the trust of all involved in the business cycle in the efficiency of the economic system, and also causes substantial financial losses. Condoning corruption is unacceptable given its damaging impact on the economic system.

Sartorius is highly people-focused in its values and its strategy. This not only extends to the people working for the company and its customers, but includes anyone who derives benefit from research and development or efficient production in the pharmaceutical industry. Respect for people and their dignity is embedded in our DNA. As a global organization, we hold ourselves responsible for upholding that conviction wherever we operate.

Sartorius expects all of its business partners, particularly its suppliers, to conduct themselves similarly.

Our approach

Sartorius conducts its business in compliance with globally accepted ethical standards and applicable national legal requirements. Our actions reflect the principles of responsible corporate governance and control that seeks to create sustainable added value. These principles include the protection of our stakeholders' interests, transparent communications, appropriate risk management and proper accounting and auditing. Sartorius follows the rules and recommendations of the German Corporate Governance Code in its current version of February 7, 2017.

Our globally applicable compliance 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. We systematically raise awareness of relevant compliance issues among our staff to prevent misconduct, financial losses and damage to our image. The Legal Affairs & Compliance department is responsible for legal consulting, internal auditing, corporate security, data protection, anti-corruption, customs and export control.

Respect for Human Rights

We are committed to upholding human rights and advocate their preservation throughout our sphere of influence. As a supplier to the pharmaceutical industry, we see our greatest opportunities for influence in the area of employee rights, such as the freedom of association and the right to collective bargaining. Another important point is improvement in the availability of medical products. The company rejects all forms of forced, compulsory or child labor. As a business partner, we act with integrity and fairness in our dealings with competitors, suppliers and customers.

Sartorius adheres to the principles of the United Nations Universal Declaration of Human Rights, the conventions of the International Labor Organization (ILO) and the United Nations Global Compact – the world's largest initiative for human rights, work standards, environmental protection and anti-corruption. Our internal principles such as our Code of Conduct and our Supplier Code of Conduct have been derived from the above principles.

Code of Conduct

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.

Supplier Code of Conduct

We expect our suppliers and service providers in particular to comply with internationally recognized social and environmental standards, to respect the law and to uphold the tenets of fair competition. The company excludes existing or new suppliers who are identified as posing a considerable risk in terms of compulsory, forced or child labor, other violations of human rights or negative effects on society. We have set out our requirements in our Code of Conduct for Suppliers and Service Providers.

Sartorius reserves the right to review its supplier requirements on a regular basis and at any time without advance notification.

Suppliers are obliged to support the review process and to disclose all information requested. If such support is not forthcoming or the requirements are not met, Sartorius looks into whether the business relationship can be maintained or not. The Purchasing department sees to it that all suppliers acknowledge and sign the Sartorius Code of Conduct for Suppliers. Not only is the code presented for signing to all new customers, but all existing customers have been contacted and are required to sign the code as well. If a supplier does not sign our Code of Conduct for Suppliers, we check whether that supplier has an equivalent code in place that can be used as the contractual basis. Should that not be the case, further action is taken.

Sartorius has standardized its procurement channels worldwide, and contracts are awarded in a transparent process that complies with all current regulations.

In 2018, we plan to expand our supplier evaluation to include the areas of environmental management, energy management and occupational health and safety as well as conformity/ethics.

Export Control

As part of good corporate governance, we keep an eye on both our upstream and downstream chains. As soon as a new customer is entered into our ERP system, a check is run in the Global Trade System against sanctions lists for the customer and embargoes for the countries in question. Products leaving the company are also checked against the goods lists of the EC Dual Use Regulation. It is important to ensure that fermentation and cross flow systems in particular are used for their legitimate purpose, as goods produced by these systems could potentially have a dual use.

Anti-Corruption Code

The Anti-Corruption Code forms the basis for raising employee awareness about corruption risks. It also serves as a guideline, instruction manual and aid in taking the necessary action to both prevent and fight corruption at specific companies or in specific sectors.

In addition to systematically following up on any incidents of corruption, the management's main objective is to counter corruption before it even occurs with the help of preventive measures and by creating and reinforcing the relevant organizational structures.

Departments are regarded as vulnerable to corruption if they are privy to information or take decisions that could present a material or immaterial advantage to a third party outside the company.

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 each and every one of our employees is familiar with the Code of Conduct and Anti-Corruption Code by having them complete an online training course, for which they are awarded a certificate. The course teaches employees how to deal with ethically or legally problematic situations.

The application of the double-checking principle is fundamentally obligatory at the Sartorius Group as a control function that protects individual employees and their colleagues.

Data Protection

The EU General Data Protection Regulation ensures that uniform data protection legislation is in place throughout the European Union. It entered into force on May 25, 2016, largely replacing national legislation. The transition period ends on May 25, 2018, on which date the requirements of the regulation become binding.

In the departments that deal with personal data, projects are under way with a view to ensuring compliance with the requirements of the General Data Protection Regulation. Directories of procedures help to render the processing of personal data more transparent and consequently make the data more secure. Directories of this nature are currently being created at Sartorius.

When joining the company, every employee must participate in an online training course to ensure that all our employees are sensitized to the topic of data protection and are familiar with the corresponding rules of conduct.

Employee Interests

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, numerous representatives are available to Sartorius employees. In 2017, three employee council meetings were held at which employees were provided with information and were able to voice their concerns.

Compliance Management System

Our corporate compliance team is currently being enlarged. From January 2018 onwards, a number of employees will dedicate themselves to the implementation of all Group compliance topics. A whistleblower system already ensures that those responsible for compliance can be contacted and that all instances of damaging behavior such as corruption, unequal treatment or sexual harassment can be reported. 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 company's website and are thus available company-wide.

Our performance

Code of Conduct training takes place in 24 countries and is available in 16 languages. As of mid-2017, every new employee must complete an online Code of Conduct training course. Employees who have not yet done so will be requested to tackle the course in the coming months. Our Anti-Corruption Code training is conducted in the same manner.

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.

High Environmental Protection Standards

Why it's important

Sartorius is a manufacturing company in the technology sector with 23 production sites at which we consume energy and produce greenhouse gases. Our production activities also produce waste.

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. The modern building technologies installed at our sites often exceed the requirements of national environmental protection regulations.

We have identified the primary environmental concerns at Sartorius as "energy consumption and greenhouse gases" and "waste and hazardous materials."

Our approach

The focal points of our environmental sustainability management are compliance with environmental regulations, efficient handling of energy and water resources, and responsible waste and recycling management. Environmentally friendly product development is another core issue at Sartorius.

ISO Certification

The number of Sartorius manufacturing companies certified according to internationally recognized standards is increasing all the time. The majority of our manufacturing sites are certified under ISO 9001, the international standard for quality management, and additional certification is planned. An ISO 14001 environmental management system has been introduced at our two largest plants in Göttingen, Germany, as well as in Aubagne, France; Beijing, China; Bangalore, India; Kajaani, Finland; and Suzhou, China. This means that 64% of employees at our manufacturing sites meet the requirements of this international standard for environmental protection. These two standards ensure that we comply with quality requirements in the manufacture of our products, conserve the resources we use and prevent environmental risks. We also operate an energy management system pursuant to ISO 50001 at our four German facilities, corresponding to an employee compliance rate of 44% at our manufacturing sites.

EHS Officers

At our international sites, officers for the environment, health and occupational safety ensure compliance with environmental laws, regulatory requirements and standards. In 2016, Sartorius introduced a software solution to standardize and accelerate the process of global data acquisition. Data on sustainability has been fed into this central system since 2017.

Energy and Greenhouse Gases

Emissions from the consumption of electricity at Sartorius account for two-thirds of its climate-change producing emissions (Scope 2 emissions). The remaining one-third of climate-relevant emissions can be attributed to the combustion of fossil fuels (Scope 1). Most of the company's energy consumption occurs in production. Our largest site in Göttingen accounts for 58,2% of the energy used by all our manufacturing plants. For this reason, this Group headquarters site is a focal point of our energy-saving measures and plays a pioneering role. Emissions from solvents are also produced in the manufacture of filters in Göttingen and Yauco.

Energy Consumption and Greenhouse Gases

	2017	2016
Total energy consumption in MWh	101,414	104,696
- of which electricity	56,165	57,105
- of which ...	45,249	47,591
Total greenhouse gas emissions in t CO₂eq¹⁾	35,767	32,652
- Scope 1 ²⁾	12,429	11,765
- Scope 2	23,338	20,887
Key indicators		
CO ₂ eq emissions per employee in t ³⁾	6.8	6.5

¹⁾ Emissions in t of CO₂eq were calculated by using "SoFi software supplied by Thinkstep"

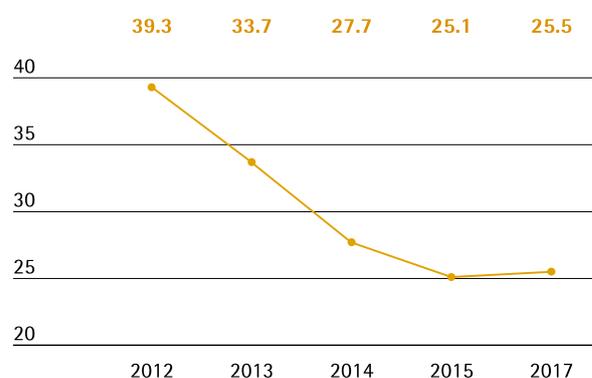
²⁾ Excluding fuel consumption for car fleet

³⁾ Based on the average number of employees at the production sites; 2017: 5,291

We endeavor to steadily reduce the greenhouse gas emissions produced in our business operations. Our goal is to keep increases in energy consumption and greenhouse gas emissions at a lower level than increases in revenue.

Development of Climate -Relevant Emissions

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



At our Göttingen site, we also produce some of our own electricity and heat using four combined eco-friendly heat and power (CHP) plants fueled by natural gas. At our largest manufacturing site in Göttingen, we put our first CHP plant into operation as early as in 2008 and introduced an additional one in 2014. These power plants make optimal use of energy with a 90% efficiency rate. As a result, this site generates 22% of its electricity needs itself, using the heat produced to cover 24% of its heating requirements. However, we purchase most of our electricity from suppliers.

We continue to further develop production processes and buildings at our international sites too in order to reduce our consumption of resources.

The primary energy sources we use include oil and natural gas. Our secondary energy, such as electricity, is mainly generated from primary energy sources and accounts for the majority of our energy consumption.

Emissions from solvents, which occur mainly in filter manufacturing at the Göttingen and Yauco sites, amounted to 25.9 metric tons total carbon in the reporting year (2016: 45.3 metric tons). This decrease can be attributed to the loss of production in Puerto Rico following Hurricane Maria. The proportion of total carbon relevant to greenhouse gas emissions has been taken into account when calculating the CO₂ equivalent figure.

Emissions Monitoring in Line with the Greenhouse Gas Protocol

Sartorius has been recording greenhouse gas emissions in line with the Greenhouse Gas Protocol (GHG), a global standard, since 2013. We thus account for emissions not only of CO₂ but of all gases relevant to climate change, and report them in CO₂ equivalents (CO₂eq). Currently, we report direct climate-relevant emissions from our production sites (Scope 1). We also report energy-indirect emissions resulting from power generation by external energy suppliers (Scope 2). At Sartorius, we presently record other greenhouse gas emissions, such as those associated with the manufacture of precursor products and distribution operations (Scope 3), only at our main production site for single-use bags in Aubagne. We are considering phased accounting of Scope 3 greenhouse gas emissions, which are time-consuming to record and calculate.

Waste

We strive to reduce waste and use sorting systems to help ensure that reusable materials can be recycled, lowering the proportion of waste stored in landfills.

Waste

	2017	2016
Total amount of waste in t	5,293	4,570
- of which waste for recycling in t	2,638	2,637
- of which waste for disposal in t	2,654	1,933
Waste per employee in t/(€1)	1.00	0.91
Recycling quota in %	49.8	57.7

¹⁾ Based on the average number of employees at the production sites; 2017: 5,291

Sartorius applies the relevant regulations on environmentally compatible design and recycling in force around the world to its own electronic products, such as balances and other laboratory instruments. Materials such as heavy and precious metals have to be recovered for reuse rather than landfilled. Since 2010, the Group sites in Germany, at which 58% of all our waste is produced, have been using an electronic signature system for hazardous waste items, such as acids and substances containing oil. This ensures that the generation and disposal of hazardous waste products are documented digitally and can be traced in full. In Germany, the proportion of waste that counts as hazardous waste was 23% in the reporting year. The majority of this hazardous waste results from the production of membrane filters.

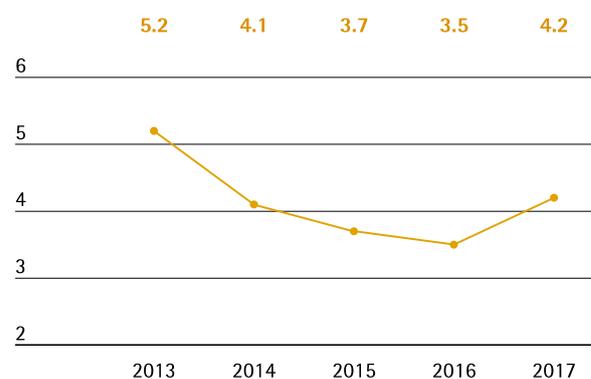
Organic solvents, which we need for manufacturing membranes for filter cartridges, are recovered and recycled. The Göttingen facility, which accounts for most of our solvent usage, has a solvent reprocessing plant on site so that solvents can be reused in production operations. In this way, we maintain closed-loop material cycles, minimize transportation requirements and reduce the quantities of water used and wastewater produced. By conducting our own research and development, we also continuously lower the relative volume of solvents needed for membrane manufacture.

The use of recycled plastics at Sartorius is limited for safety reasons; these materials are employed in small amounts in certain functional components of its balances, for instance.

We dispose of waste primarily in the country in which it is generated; thus, international waste transport does not currently apply to us.

Development of Waste

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



Water Consumption

The company takes care to reduce water consumption and soil sealing, particularly at manufacturing plants located in baseline water risk areas according to the Aqueduct Water Risk Atlas (such as Yauco, Bangalore and Beijing), and has, for example, established an additional system for rainwater use. Most of the water used is for rinsing in the manufacture of filter membranes according to the precipitation bath method at the Göttingen site.

Sartorius primarily draws water from the public water supply, but also uses surface water. The total volume of water discharged into public sewage systems corresponds roughly to the company's total water consumption, plus rainwater drainage. The biochemical oxygen demand, which defines the amount of oxygen needed to break down the organic compounds in wastewater, is calculated for the proportion of production wastewater that is classified as significant.

Water Consumption

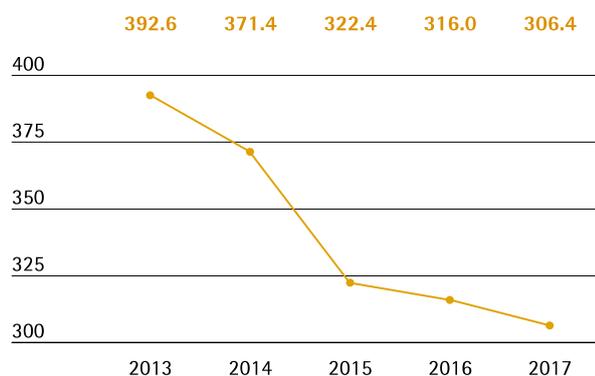
	2017	2016
Water consumption in cbm	426,789	410,919
Water consumption per employee in cbm ¹⁾	80.7	82.0
Wastewater Biological Oxygen Demand - BD02) in t	271.8	213.2

¹⁾ Based on the average number of employees at the production sites; 2016: 5,037

²⁾ Contaminated wastewater only; without sanitary wastewater

Development of Water Consumption

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



At our Yauco manufacturing plant, we reduced consumption of water by around 85% compared with conventional factories, thanks in part to an intelligent concept for the use of rainwater. In Bangalore, we minimized sealing of the production facility grounds; extensive green spaces enable rainwater to seep into the soil. Our water consumption here has decreased considerably in proportion to sales revenue since 2012. A new wastewater concept is being drawn up in Göttingen in collaboration with the authorities and representatives of the municipal water treatment works as well as with external expert support. We have already succeeded in reducing wastewater nutrient loads at a new manufacturing area in the reporting year.

Hazardous Materials

We have defined three types of raw material as significant for product manufacturing: chemicals for filter membranes, plastics for single-use products, and stainless steel for reusable bioreactors and systems. Cooling lubricants, adhesives and casting compounds are used in the manufacture of instruments.

Membrane production is especially risky for soil and groundwater and can pose a health hazard due to the risk of leakage of hazardous materials. An initial status report on soil and groundwater was consequently compiled for all the relevant substances within the scope of an approval procedure under immission control law. No contamination of these protected assets was found in readings taken at a number of soil and groundwater measuring stations. A special monitoring concept is to supervise groundwater status in particular in the future.

Sartorius has developed a hazardous materials management system based on an international ERP software standard; this enables the chemicals to be used in the Group to be selected via an approval process. It also allows for the provision of safety data sheets for customers as well as instructions for the in-house use and handling of such hazardous substances.

Sartorius has additionally set up a global hotline for harmful and environmentally hazardous substances in collaboration with a German-British partner. Our customers can also call the hotline for immediate assistance in emergencies.

In the areas of R&D and applications, Sartorius also works with biological agents such as viruses and cyto-static agents. Unlike membrane and instrument manufacturing facilities, laboratories use numerous hazardous chemicals and biological agents. These are also subject to the hazardous materials management process governing substance approval. Since the analysis of customers' chemicals involves multiple steps, substitution testing with a view to the use of less hazardous materials can only be performed to a limited extent in such cases. Appropriate technical requirements are in place to guarantee health and environmental protection in the course of the approval process. These include a special safety workbench for handling cytostatic agents.

Environmentally Friendly Infrastructure Expansion

We invest continuously in new plants and plant expansions to accommodate our constant growth. In constructing new facilities, we follow recognized standards for sustainable building as guidance. For example, our site in Yauco, Puerto Rico, which was expanded in 2012 to serve as the central manufacturing and logistics hub for the North American market, meets the highest U.S. standards for green, resource-saving and efficient construction. We even became the first pharmaceutical industry supplier worldwide to achieve Platinum-level certification of our production building in Yauco under the U.S. Green Building Council's LEED initiative. Moreover, Sartorius considers environmental, economic and social factors when developing and expanding the Group headquarters in Göttingen. We are pursuing certification by the German Sustainable Building Council (DGNB) for the new building at which we started manufacturing operations of laboratory instruments in 2016. The primary energy needed to heat this new facility alone lies 45% below the value prescribed for Germany. With our electricity charging stations, we have also have created the infrastructure to increase electromobility.

Our performance

The success of our measures is reflected in the company's overall energy consumption and greenhouse gas emissions, which have increased at a much lower rate over the few last years than the company's expansion in terms of sales revenue. We have also steadily reduced waste production.

Climate Footprint at the Aubagne Site

For several years, Scope 1, 2 and 3 emissions at the Aubagne site for manufacturing single-use bags have been assessed according to the "Bilan Carbone" method developed by the French Environment and Energy Management Agency (ADEME). This also includes indirect greenhouse gas emissions generated by upstream and downstream steps along the value chain. The evaluation of Scope 1, 2 and 3 emissions in 2015, the most recent year analyzed, yields the following distribution: over half of our ecological footprint is caused by freight transport (29%) and

by preliminary products and raw materials that Sartorius sources from its suppliers (22%). Business travel and work-related commuting by employees contributes 20% to the generation of greenhouse gas emissions; packaging contributes 9%, and energy consumption in buildings 10%. Based on this data, the site has implemented a plan of action for the ongoing reduction of CO₂ emissions.

Social Commitment

Corporate Citizenship

Together with its cooperation partners, Sartorius is actively involved in shaping the economic and social environment around its sites.

Our social outreach activities targeting areas beyond our home regions concentrate on fields linked to our core business. Promoting research and education and supporting events for the scientific community remain our chief priorities.

On a regional basis, we focus on increasing the attractiveness of the respective region. Our business operations have many positive effects on the cities and communities in which we are based, the great majority of which have been home to Sartorius for many years. We rank among the biggest private employers at our production facilities located in small to mid-sized cities and communities such as Göttingen, Aubagne and Yauco in particular and contribute to growth and purchasing power in those regions. In addition, it's important to us to be good citizens by providing financial support for projects in education, culture, social affairs and sports.

Sartorius is politically independent and does not provide financial or in-kind support to politicians or political parties.

Promoting Education and Academic Excellence

Promoting academic excellence and interdisciplinary communication are key aspects of our long-term alliances with research and educational institutions. To honor outstanding academic achievement, the Florenz Sartorius Prize is awarded twice per year to the best in class at the Faculty of Economic Sciences at Göttingen's Georg-August University. Within the scope of the German federal government's scholarship program, "Deutschlandstipendium," Sartorius also provided financial aid and practical assistance in career counseling to outstanding students in the reporting year.

At our French site in Aubagne, we have been collaborating for many years with eminent schools and universities such as the École Nationale Supérieure de Technologie des Biomolécules in Bordeaux to support the education and training of biotechnology engineers and business administrators and help young graduates ease into their careers.

As a partner to the pharmaceutical industry, Sartorius takes part in symposiums, conventions, annual conferences and events for this industry. For instance, we regularly support the international and regional annual conferences of the International Society for Pharmaceutical Engineering (ISPE), an independent not-for-profit association dedicated to employee education and information sharing across the pharmaceutical industry worldwide. In 2016, Sartorius also participated in several events on quality assurance of medications, such as the Drug Quality & Safety Conference in China and the Pharmaceutical Quality Week in Belarus.

Dedicated to the Local Environment

Together with representatives of politics, industry and society, our local subsidiaries at a number of our larger sites in Göttingen, Aubagne, Bohemia and Yauco are involved in initiatives to strengthen the competitiveness of their regions. Long-term partnerships ensure reliable business relationships for regional organizations. We maintain an open and constructive dialog with the various local stakeholder groups and notify them promptly and in full of any activities and developments that touch upon their areas of concern. Several examples from Göttingen and Yauco are presented below.

At the Göttingen Group headquarters site, we are a longstanding member of the local logistics network and the Measurement Valley business association, an alliance of small and midsize measurement technology companies established to boost the local economy. We are also involved in the local climate protection initiative to reduce CO2 emissions, collaborate with Göttingen's Georg-August University and various scientific institutions, and are an industrial partner to several Göttingen high schools. In addition, we are a sponsor of the internationally renowned Göttingen Handel Festival, the city's "Literaturherbst" fall literature festival, and the men's team of the local basketball club BG Göttingen, which currently plays in Germany's top division, as well as the women's team, which plays in the second division.

At our subsidiary in Yauco, Puerto Rico, Sartorius works with more than ten local schools, and awards around 20 scholarships annually to especially talented high-school and university students from low-income families. In addition, visits to the company are organized to motivate these young people to begin vocational training or university studies. Sartorius also sponsored a variety of youth sports teams and other local sporting events, and also supported two local organizations that look after homeless people in Yauco.

Integration Prize of the State of Lower Saxony

In 2017, Sartorius received the integration prize awarded by the German state of Lower Saxony, which is given to companies for their efforts on behalf of the integration of refugees. Since 2015, Sartorius has supported more than 30 new arrivals to Germany from eleven different countries. Their first steps consisting of "exploring" the company's operations and completing paid internships, and the interns were also supported through intensive German language courses. In addition, mentors were established and intercultural training on working with Germans was offered. Sartorius also offers support with residency issues and the official recognition of qualifications.

Of the interns who predominantly had backgrounds in natural sciences and technology, four have already become permanent employees, four have fixed-term employment and three are completing measures to prepare them for training programs.

Christmas Donations Instead of Gifts

Sartorius has been supporting internationally active non-profit organizations as part of its "Christmas Donations Instead of Gifts" initiative since 2014. In the reporting year, Sartorius again donated €75,000 to the global medical aid organization action medeor, which supplies life-saving medications to a mobile health clinic in difficult-to-access regions of northern Iraq.

GRI Content Index¹

Organization and Report Profile

General Standard Disclosures

		Page	Externally audited
Organizational Profile			
102 - 1	Name of the organization	Combined Group management report, p. 22	Yes
102 - 2	Primary brands, products, and services	Strategy and Goals, pp. 24ff.	Yes
102 - 3	Location of the organization's headquarters	Combined Group management report, p. 22.	Yes
102 - 4	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Notes to the financial statements, pp. 143ff.; Supplementary information, pp. 190ff.	Yes
102 - 5	Nature of ownership and legal form	Combined Group management report, p. 22	Yes
102 - 6	Markets served	Strategy and Goals, p. 27f.	Yes
102 - 7	Scale of the organization	Combined Group management report, pp. 22ff.	Yes
102 - 8	Employees profile, total number of employees	Group Business Development, p. 37f.	Yes
102 - 9	Supply Chain	Opportunity and risk report, pp. 56ff.	Yes
102 - 10	Significant changes to the organisation and its supply chain	Combined Group management report, p. 23	Yes
102 - 11	Precautionary principle or approach	Sustainable corporate management, p. 86.; Shaping the Future, pp. 102ff.	Yes
102 - 12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	GRI Content Index, p. 112	Yes
102 - 13	Membership of associations	GRI Content Index, p. 112	Yes
Strategy and Analysis			
102 - 14	Executive Board statement concerning the relevance of sustainability to Sartorius	Report of the Executive Board, p. 8; Sustainability at Sartorius p. 86	Yes
102 - 15	Description of the key impacts, risks, and opportunities	Opportunity and risk report, pp. 54ff.	Yes
Ethics and Integrity			
102 - 16	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Report and declaration on corporate governance, pp. 71ff.; Sustainable corporate management, p. 86	Yes Yes
Governance			
102 - 18	Governance structure of the organization, including committees of the highest governance body	Combined Group management report, p. 22	Yes
Stakeholder Engagement			
102 - 40	List of stakeholders groups	Sustainable corporate management, p. 87f.	Yes
102 - 41	Collective bargaining agreements	GRI Content Index, p. 107	Yes
102 - 42	Basis for identification and selection of stakeholders with whom to engage	Sustainable corporate management, p. 87f.	Yes
102 - 43	Approach to stakeholder engagement	Sustainable corporate management, p. 87f.	Yes
102 - 44	Key topics and concerns that have been raised through stakeholder engagement	Sustainable corporate management, p. 88f.	Yes

¹ Reference to additional information voluntarily provided

Identified Material Aspects and Boundaries			
102 - 45	Entities included in the organization's consolidated financial statements or equivalent documents	Sustainable corporate management, p. 86	Yes
102 - 46	Process for defining the report content and the aspect boundaries	Sustainable corporate management, p. 86	Yes
102 - 47	Material aspects identified in the process for defining report content	Sustainable corporate management, p. 88f.	Yes
102 - 48	Restatements of information provided in previous reports	Combined Group management report, p. 23 Sustainable corporate management, p. 86	Yes Yes
102 - 49	Significant changes from previous reporting periods in the scope and aspect boundaries	Sustainable corporate management, p. 86	Yes
Report Profile I			
102 - 50	Reporting period	Sustainable corporate management, p. 87	Yes
102 - 51	Date of the most recent previous report	Sustainable corporate management, p. 87	Yes
102 - 52	Reporting cycle	Sustainable corporate management, p. 87	Yes
102 - 53	Contact point for questions regarding the report	Supplementary information, p. 199	Yes
102 - 54	Claims of reporting in accordance with the GRI Standards	Sustainable corporate management, p. 87	Yes
102 - 55	GRI content index	GRI Content Index, pp. 114ff.	
102 - 56	External assurance	Independent auditor's report, p. 174	

Category: Economic

Specific Standard Disclosures

		Page	Externally audited
Aspect: Economic Performance			
103	Disclosures on Management Approach	Explanatory Report of the Executive Board, p. 70	
201 - 1	Direct economic value generated and distributed	Annual Financial Statements of Sartorius AG, p. 51 Net Worth and Financial Position, p. 39 Remuneration Report, p. 76f. A Reliable Partner, p. 112	Yes Yes Yes Yes
Aspect Indirect Economic Impacts			
103	Disclosures on Management Approach	A Reliable Partner, pp. 107ff.	Yes
203 - 1	Development and impact of infrastructure investments and services supported	A Reliable Partner, p. 111	Yes
Aspect: Anti-corruption			
103	Disclosures on Management Approach	A Reliable Partner, p. 105f.	Yes
205 - 1	Operations assessed for risks related to corruption	A Reliable Partner, p. 105f.	Yes
205 - 2	Communication and training on anti-corruption policies and procedures	A Reliable Partner, p. 106f.	Yes
205 - 3	Confirmed incidents of corruption and actions taken	A Reliable Partner, p. 107	Yes

Category: Environmental**Specific Standard Disclosures**

		Page	Externally audited
Aspect: Materials			
103	Disclosures on Management Approach	Shaping the Future, p. 97	Yes
301 - 1	Material used by weight or volume	A Reliable Partner, p. 109f.	Yes
301 - 2	Recycled input materials used	Shaping the Future, p. 97	Yes
301 - 3	Reclaimed products and their packaging materials	Shaping the Future, p. 97	Yes
Aspect: Energy			
103	Disclosures on Management Approach	A Reliable Partner, pp. 107ff.	Yes
302 - 1	Energieverbrauch innerhalb der Organisation	A Reliable Partner, p. 108f.	Yes
302 - 2	Energy consumption within the organization	A Reliable Partner, p. 108f.	Yes
302 - 4	Reduction of energy consumption	A Reliable Partner, p. 108f.	Yes
Aspect: Water			
103	Disclosures on Management Approach	Shaping the Future, p. 97	Yes
303 - 1	Water withdrawal by source	A Reliable Partner, p. 110	Yes
Aspect: Biodiversity			
103	Disclosures on Management Approach	A Reliable Partner, p. 111	Yes
304 - 2	Significant impacts of activities, products, and services on biodiversity	A Reliable Partner, p. 111	Yes
Aspect: Emissions			
103	Disclosures on Management Approach	A Reliable Partner, pp. 107ff.	Yes
305 - 1	Direct greenhouse gas (GHG) emissions (Scope 1)	A Reliable Partner, pp. 108f.; p. 111	Yes
305 - 2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	A Reliable Partner, pp. 108f.; p. 111	Yes
Aspect: Water Discharge and Waste			
103	Disclosures on Management Approach	Shaping the Future, p. 97 A Reliable Partner, p. 107f.	Yes
306 - 1	Total water discharge by quality and destination	A Reliable Partner, p. 110f.	Yes
306 - 2	Waste by type and disposal method	A Reliable Partner, p. 110f.	Yes
306 - 4	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	A Reliable Partner, p. 109	Yes
Aspect: Environmental Compliance			
103	Disclosures on Management Approach	Opportunity and risk report, p. 60 A Reliable Partner, p. 105	Yes
307 - 1	Non-compliance with environmental laws and regulations	Shaping the Future, p. 94 A Reliable Partner, pp. 107ff.	Yes
Aspect: Supplier Environmental Assessment			
103	Disclosures on Management Approach	A Reliable Partner, p. 106	Yes
308 - 1	New suppliers that were screened using environmental criteria	A Reliable Partner, p. 106f.	Yes

Category: Social
Specific Standard Disclosures

		Page	Externally audited
Labor Practices and Decent Work			
Aspect: Employment			
103	Disclosures on Management Approach	Shaping the Future, p. 98, p. 103	Yes
401 - 1	Total number and rates of new employee hires and employment turnover by age group, gender, and region	Shaping the Future, p. 98f., p. 103f.	Yes
Aspect: Occupational Health and Safety			
103	Disclosures on Management Approach	Shaping the Future, p. 102	Yes
403 - 4	Health and safety topics covered in formal agreements with trade unions	Shaping the Future, p. 102f.	Yes
Aspect: Training and Education			
103	Disclosures on Management Approach	Shaping the Future, pp. 98ff.	Yes
404 - 2	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Shaping the Future, pp. 98ff.	Yes
Aspect: Diversity and Equal Opportunity			
103	Disclosures on Management Approach	GRI Content Index, p 72; Shaping the Future, pp. 100ff.	Yes
405 - 1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	GRI Content Index, p 72; Shaping the Future, pp. 100ff.	Yes
Human Rights			
Aspect: Child Labor			
103	Disclosures on Management Approach	A Reliable Partner, p. 105	Yes
408 - 1	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	A Reliable Partner, pp. 105ff.	Yes
Aspect: Forced or Compulsory Labor			
103	Disclosures on Management Approach	A Reliable Partner, p. 105	Yes
409 - 1	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor and measures contribute to the elimination of all forms of forced or compulsory labor	A Reliable Partner, pp. 105ff.	Yes
Society			
Aspect: Supplier Social Assessment			
103	Disclosures on Management Approach	A Reliable Partner, p. 105	Yes
414 - 1	Percentage of new suppliers that were screened using criteria for impacts on society	A Reliable Partner, p. 105f.	Yes
Aspect: Public Policy			
103	Disclosures on Management Approach	A Reliable Partner, p. 112	Yes
415 - 1	Political contributions	A Reliable Partner, p. 112	Yes
Aspect: Customer Health and Safety			
103	Disclosures on Management Approach	Opportunity and risk report, p. 58	Yes
416 - 1	Assessment of the health and safety impacts of product and service categories	Shaping the Future, p. 96	Yes
Aspect: Socioeconomic Compliance			
103	Disclosures on Management Approach	GRI Content Index, p. 68f. A Reliable Partner, p. 107	Yes
419 - 1	Non-compliance with laws and regulations in the social and economic area		Yes

Report of the Independent Auditor

Limited Assurance Report of the Independent Auditor regarding the Non-financial Group Statement¹⁾

To the Supervisory Board of Sartorius Aktiengesellschaft, Göttingen

We have performed an independent limited assurance engagement on the Non-financial Group Statement of Sartorius Aktiengesellschaft (further: "Sartorius") consisting of the chapter "Sustainability" in the Group Management Report as well as the sections of the Group Management Report, which have been qualified as part of the Non-financial Group Statement by reference, Group Management Report Seite 22-23 „Konzernstruktur und Unternehmensführung“ and Seite 24-27 „Strategie und Ziele“ (further "Statement") according to §§315b and 315c in conjunction with 289c to 289e for the business year from January 1 to December 31, 2017.

Management's Responsibility

The legal representatives of the entity are responsible for the preparation of the Statement 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 Statement 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 Statement in a way that is free of – intended or unintended – material misstatements.

¹⁾ 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 Statement 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 Statement of the entity 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 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 procedures:

- Inquiries of personnel on corporate 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's sustainability performance in the reporting period
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring of 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 corporate 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 disclosures, which are submitted by all sites for consolidation on corporate 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 Sartorius Stedim Biotech GmbH in Germany and Sartorius Stedim Lab Ltd. in the United Kingdom
- 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 Statement of Sartorius, for the business year from January 1 to December 31, 2017, is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

Restriction of use / AAB clause

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

Our assignment for the Supervisory Board of Sartorius Aktiengesellschaft and professional liability is governed by the General Conditions of Assignment for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (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 Conditions of Assignment (including the limitation of our liability for negligence to EUR 4 Mio as stipulated in No. 9) and accepts the validity of the attached General Conditions of Assignment with respect to us.

Düsseldorf, February 5, 2018

KPMG AG
Wirtschaftsprüfungsgesellschaft

Signed by

Laue
Wirtschaftsprüfer
Auditor

ppa. Hell

