

# Description of the Key Features of the Internal Control System

In relation to the Group Accounting Process (Section 289(4) and Section 315(4) of the German Commercial Code [HGB])

## Definitions and Elements of the Internal Control System at the Sartorius Group

The internal control system (ICS) of Sartorius AG and the Sartorius Group encompasses all of the principles, procedures, and measures adopted to ensure the organizational implementation of management decisions. The main priority of the system as it relates to Sartorius AG's and the Group's accounting process is to verify that accounting is cost-efficient and formally correct and that it complies with the applicable legal provisions.

The internal control system of Sartorius AG and of the Sartorius Group consists of a combination of process-integrated and non-process-integrated monitoring measures. The process-integrated safeguarding measures are organizational measures, on the one hand, and control measures, on the other. The Supervisory Board, specifically in this case the Audit Committee of Sartorius AG, and the Group Auditing Department are involved in the Sartorius Group's internal control system through their non-process-integrated audit activities. The Audit Committee regularly reviews quarterly reports in addition to the annual financial statements of the parent corporation and the consolidated annual financial statements.

Moreover, to ensure systematic, early identification of risks across the entire Group, a "monitoring system for early group-wide detection of risks with the potential to jeopardize the company's continued existence" as defined in Section 91(2), of the German Stock Corporation Law (AktG) is in place at the Sartorius Group. The efficacy of the early risk detection system, which the Sartorius Group adapts promptly in response to any relevant changes in circumstances, is assessed by the independent auditors of Sartorius AG in accordance with Section 317(4), of the German Commercial Code (HGB). An integral component of this system is also operational risk management, which involves activities such as the transfer of risk to insurance companies through coverage for damage and liability risks, and the arrangement of suitable hedges to limit currency risks and interest rate risks.

## Organizational Measures

Accounting processes are strictly organized according to the principle of segregation of functions and comply with the "four-eyes" principle – i.e., review by at least two individuals, also referred to as the dual-review or multiple-review principle. Duties and responsibilities are clearly assigned to different specialized departments and companies. The separation of administrative, executive, settlement, and approval functions reduces the possibility of fraud. It also continues to play a significant role in ensuring that any possible errors are discovered early and any potential misconduct is prevented.

The IT applications used in the company's accounting processes have access restrictions, which allow only authorized persons to have controlled access to the accounting system and data. Each access right is assigned specifically according to the tasks to be performed and is subject to annual review. Furthermore, the dual-review principle is also applied in IT process design and the assignment of access rights.

In addition, defined written local and global operating procedures exist that are regularly updated and communicated throughout the Group. The scope of regulation of the Group accounting guidelines extends to the central definition of valuation rules and parameters, among other aspects. Additional data for the presentation of external information in the notes to the financial statements and in the Group management report is also prepared and aggregated at Group level.

Continuous coordination of internal accounting during the year for planning and control with external accounting contributes significantly to the quality of Group financial reporting. Reporting itself is done through a standardized reporting system implemented throughout the Group. This system visualizes all consolidation processes. Internal controls, on the one hand, and the Group auditors of Sartorius AG, on the other hand, ensure that Group financial reports are accurately generated from the consolidated Group companies' financial statements.

The employees involved in the accounting process meet qualitative standards and receive regular training. The Group Financial Reporting Department assists the local units in resolving complex accounting issues, such as measuring fair value, to ensure consistent and accurate reporting in the consolidated financial statements. Complex evaluations, such as actuarial calculations and company valuations or purchase price allocations, are assigned to specialized service providers who involve the respectively qualified in-house staff.

## Control Measures

Comprehensive control activities are performed by managers and staff to ensure effective and reliable accounting. As a result, this ensures compliance with legal requirements and internal guidelines as well as properly conducted business transactions. Examples of such control activities include the analysis of situations and developments with reference to specific key indicators. Moreover, every month individual reporting units comment on and explain special characteristics or variances using Group-wide standardized analytical tools as the basis. Further specific control activities performed to ensure effective and reliable Group accounting encompass the analysis and, where applicable, correction of the individual financial statements submitted by the Sartorius Group companies. A large number of automated control mechanisms already incorporated into the consolidated reporting system enable erroneous information to be identified and corrected at Group level. Impairment tests are conducted centrally for assets and/or cash-generating units considered material from the Group's perspective in order to ensure that consistent, standardized evaluation criteria are applied.

The Group Auditing Department draws up a risk-based audit plan annually and reviews in spot checks whether basic legal requirements and internal group guidelines are complied with for the entire control and risk management system of the Group. This monitoring function covers, in particular, audits of the functional efficiency and effectiveness of defined control measures. The results of these audits are reported directly to the audited departments and units, making it possible to efficiently remedy any identified deficiencies and to further enhance the company's internal control system (ICS). The Executive Board and the Supervisory Board regularly receive reports on audit activities.

The main rules governing the organization of the internal control system are defined in a manual based on business processes. This manual combines all ICS-relevant requirements that Group management considers of material importance into one standardized document and will be supplemented by further appropriate rules as necessary.

## Qualifying Statements

The internal control and risk management system enables the complete recording, processing, and evaluation of company-related matters on the basis of the organizational, control, and monitoring structures defined in the Sartorius Group, as well as their accurate presentation in Group accounting. Yet it must be considered that an internal control system, regardless of its design, cannot guarantee absolute certainty with regard to the correct and complete recording of facts in the consolidated financial statements.

The statements made relate solely to the subsidiaries included in the consolidated financial statements of Sartorius AG, provided that this parent company has direct or indirect control over such subsidiaries within the meaning of the international accounting standards.

# Explanatory Report of the Executive Board on the Disclosures Pursuant to Sections 289a and 315a of the German Commercial Code (HGB)

## Composition of the Issued Capital | Limitations to Voting Rights

Sartorius AG's capital stock totals €74,880,000. It comprises 74,880,000 no par value individual bearer shares, 37,440,000 of which are ordinary shares and 37,440,000 of which are non-voting preference shares. Each share certificate represents a calculated proportion of €1 of the issued capital.

The rights and obligations associated with these shares are governed by the provisions of the German Stock Corporation Law (Aktiengesetz, abbreviated "AktG"). According to the company's Articles of Association, preference shares are entitled to a dividend payment that is one euro cent higher per share than that for ordinary shares. However, this entitlement to receive dividends shall be at least two euro cents per preference share. Apart from the cases provided for in sections 140 and 141 AktG, preference shares are non-voting. Beyond this, preference shares grant all other rights to which every shareholder is entitled.

The company holds 3,213,991 ordinary shares and 3,250,147 preference shares; these do not entitle the company to any membership rights.

## Direct or Indirect Equity Ownership Exceeding 10% of Voting Rights

According to voting rights notifications, the community of heirs of Horst Sartorius holds 18,754,160 ordinary shares of Sartorius AG (approx. 50.1% of all ordinary shares issued and approximately 54.8% of all ordinary shares outstanding) and thus just over 50% of the voting rights in the company or just over 25.0% of the total capital stock of Sartorius AG. The members of this community of heirs currently include the following: Karin Sartorius-Herbst, Sartorius-Herbst Beteiligungen I GmbH, Sartorius-Herbst Beteiligungen II GmbH (both of the aforementioned companies are controlled by Karin Sartorius-Herbst according to the voting rights notification), Christine Franken and LifeScience Holding SCSp (indirectly controlled by Alexander Schemann via the chain of subsidiaries, starting with the ultimate controlling company, Armira Partners Verwaltungs GmbH, Armira Partners GmbH & Co. KG, Armira HC Holding GmbH, and LSH Management GP S.à r.l., according to the voting rights notification); Karin Sartorius-Herbst has also disclosed that she directly holds a further 855,673 ordinary shares in the company outside the community of heirs (approximately 2.3% of all issued ordinary shares and approximately 2.5% of all outstanding ordinary shares). The decedent Horst Sartorius ordered that his will be administered by an executor. Dr. Lothar Kappich is the appointed executor of Horst Sartorius' estate and exercises the specified voting rights at his own discretion as defined by section 34(1)(1)(6) of the German Securities Trading Act (Wertpapierhandelsgesetz, abbreviated "WpHG").

According to a voting rights notification, more than 30% of the issued ordinary shares of Sartorius AG are held by Bio-Rad Laboratories GmbH (indirectly controlled by Alice N. Schwartz through the chain of subsidiaries, starting with the top controlling company, David Schwartz Non-Exempt Marital Trust, Blue Raven Partners, L.P., Bio-Rad Laboratories, Inc., Bio-Rad Luxembourg S.à r.l., and Bio-Rad France Holding SAS, according to the voting rights notification). According to the company's own quarterly report dated October 28, 2022, the number of Sartorius AG shares held or ascribed to Bio-Rad Laboratories Inc. is specifically 12,987,900 ordinary shares (approximately 34.7% of all ordinary shares issued and approximately 37.9% of all ordinary shares outstanding) as well as a further 9,588,908 preference shares (approximately 25.6% of all preference shares issued and approximately 28.0% of all preference shares outstanding), thus approximately 30.2% of the entire capital stock of Sartorius AG.

## Appointment and Dismissal of Executive Board Members | Amendment to the Articles of Association

Executive Board members of Sartorius AG are nominated and/or appointed as well as removed from office in accordance with sections 84 et seq. of the German Stock Corporation Law (AktG) and sections 31 and 33 of the German Codetermination Law (Mitbestimmungsgesetz, abbreviated "MitBestG"). Amendments to Sartorius AG's Articles of Association are regulated by sections 133 and 179 of the German Stock Corporation Law (AktG).

## Powers of the Executive Board to Issue Shares

Subject to approval by the Supervisory Board, the Executive Board is authorized to sell treasury shares held by the corporation, including selling them through channels other than the stock exchange or by tendering an offer to all shareholders in proportion to their participation in the company, provided that these shares are transferred to third parties as contribution in kind, particularly in the (indirect) acquisition of companies, in return. Under these circumstances, the preemptive rights of the shareholders are excluded.

## Material Agreements with Clauses Regulating the Event of a Change of Control

The majority of the loan agreements contain customary market clauses regulating the possible event of a change of control and giving participating lenders the option of demanding complete repayment of the outstanding loan.

These primarily consist of the outstanding note loans ("Schuldscheindarlehen"), a number of bilateral credit agreements, and the syndicated credit line. The repayment sum outstanding for these loan agreements stands at €2,393 million as of December 31, 2022.

# Corporate Governance Report

These contents were not part of the audit of the Group management report and the non-financial Group-statement.

Corporate governance aligned with the interests of stakeholders, lawful and responsible conduct, and constructive cooperation between the managerial bodies and within the company in a spirit of mutual trust constitute the essential cornerstones of Sartorius' corporate culture.

The Executive Board and the Supervisory Board report in the following declaration on the key aspects of corporate management and governance pursuant to Section 289f of the German Commercial Code ("HGB") and to Article 3.10 of the German Corporate Governance Code.

## Declaration of Compliance with Corporate Governance

Declaration of the Executive Board and of the Supervisory Board of Sartorius AG Concerning the Recommendations of the Government Commission on the German Corporate Governance Code Pursuant to Section 161 of the German Stock Corporation Law ("Aktiengesetz"):

The Executive Board and the Supervisory Board declare that Sartorius AG complied with the recommendations promulgated by the Government Commission on the German Corporate Governance Code (GCGC) in the period since issuing last year's Declaration of Compliance dated December 9, 2021, with the following exception, and will continue to comply in the future:

In divergence from the recommendation pursuant to G.10(1) of the GCGC, the variable compensation paid to the members of the Executive Board – except for that of the Executive Board Chairman – consists only to a minor extent of share-based compensation components. The Supervisory Board is of the opinion that the existing structure of the variable compensation, which corresponds to the compensation system approved by the Annual General Meeting, also achieves an incentive structure that is geared towards the sustainable and long-term development of the Company.

For the period prior to June 27, 2022, the above declaration refers to the GCGC as amended on December 16, 2019, and for subsequent periods to the GCGC as amended on April 28, 2022, as published by the Federal Ministry of Justice in the official section of Germany's Federal Gazette ("Bundesanzeiger") on June 27, 2022.

Göttingen, December 8, 2022

For the Supervisory Board

Dr. Lothar Kappich

For the Executive Board

Dr. Joachim Kreuzburg

## Further Remarks Concerning Corporate Governance

Sartorius AG is a joint stock corporation founded under German law and headquartered in Göttingen, Germany. With the Annual General Meeting, Supervisory Board; and Executive Board, it has three corporate managerial bodies whose tasks and powers are essentially derived from the German Stock Corporation Law ("Aktengesetz", abbreviated in German as "AktG") and the company's Articles of Association.

As owners of the company, the shareholders exercise their rights at its Annual General Meeting, where they decide, in particular, on the appropriation of profits, measures concerning share capital, amendments to the Articles of Association, formal approval of the actions taken by the Supervisory Board and the Executive Board, and the appointment of statutory auditors, as well as electing shareholder representatives to the Supervisory Board. The Annual General Meeting meeting is held at least once a year within the first eight months of the respective fiscal year.

In managing the company, the Supervisory Board and the Executive Board perform their tasks in a dual management system, each with separate duties and powers.

The Supervisory Board appoints members to the Executive Board, determines their compensation and monitors and advises the Executive Board in its management of the company. The Supervisory Board is not authorized to take any operational management measures for the business. The Supervisory Board's rules of procedure are published on the company's website.

The Executive Board is responsible for independently managing the company. In particular, it defines corporate strategy, coordinates and agrees on this approach with the Supervisory Board, and implements such corporate strategy. In line with established reporting obligations, the Executive Board regularly informs the Supervisory Board promptly and comprehensively, and requests the latter's approval for certain key business transactions.

## Composition and Operating Mode of the Supervisory Board and Its Committees

The Supervisory Board has an equal number of shareholder representatives and employee representatives: six shareholder representatives elected by the Annual General Meeting and six employee representatives elected according to the German Codetermination Law ("Mitbestimmungsgesetz"). The members serve a regular term of office of five years. Members can be reelected. Details on the members of the Supervisory Board and its committees are provided on pages 240 to 243.

The Supervisory Board Chairman coordinates the work of the Supervisory Board, convenes the meetings, and chairs them. Furthermore, he is the first individual for the Executive Board to contact and externally represents the matters of the Supervisory Board.

The Supervisory Board holds at least two meetings every six months. This board has established four committees: the Executive Task Committee, the Audit Committee, the Conciliation Committee, and the Nomination Committee. The Executive Task Committee, Audit Committee, and Conciliation Committee each have four members, consisting of an equal number of shareholder representatives and employee representatives. The Executive Task Committee and Audit Committee hold regular meetings; the Conciliation Committee and the Nomination Committee meet only as necessary.

codes, and perform their activities in accordance with the company's internal rules and guidelines. Targeted training and awareness-raising prevent any misconduct, as well as economic damage and loss of image.

Sartorius makes every effort to ensure optimal risk management by using a combination of approaches: a preventive compliance approach designed to proactively stop any potential breaches before they occur and a repressive compliance approach intended to continuously monitor compliance with the company's rules. These processes are closely intermeshed, creating a standardized compliance management system that aims to offer the best possible protection against potential violations of rules and regulations. Sartorius has developed a Code of Conduct as a preventive component of its compliance management system and has committed to an Anti-Corruption Code. An internal system is available for reporting any suspicious circumstances involving potential compliance violations.

The Executive Board is not aware of any circumstances that would speak against the suitability and effectiveness of the risk management system and the ICS.

Further information can be found in the "Description of the Key Features of the Internal Control System" section on pages 88 et seq. and on the company's website at [www.sartorius.com](http://www.sartorius.com).

## Transparency

Sartorius AG places great importance on disclosing consistent and complete information promptly. Information about the economic position of the Group and new developments is consequently released regularly, without delay, as it becomes known in order to inform participants in the capital market and interested members of the public at large. The annual report, first-half financial report, and quarterly reports are published within the time frames specified for this purpose. Current developments and material events are publicized as press releases and, where appropriate, ad hoc announcements. This information is usually made available in German and English simultaneously and published via suitable media and on the internet. Capital market participants remain in close contact with the company's investor relations team. Investors and analysts are provided information on current and future business performance in conference calls held in conjunction with the respective quarterly reporting. Sartorius regularly participates in roadshows and investor conferences and holds its own capital market events.

The chief recurring events and publications, such as the Annual General Meeting, the annual report and the interim reports, are listed on a financial calendar that may be viewed at any time on the Group website.

## Share Trading Activities of Supervisory and Executive Board Members

We have been notified of the following transactions involving Sartorius AG shares or related financial instruments by members of the Executive Board and Supervisory Board or other persons with management responsibilities, as well as by persons closely related to them: The Chairman of the Executive Board, Dr. Joachim Kreuzburg, sold a total of 20,000 preference shares on November 14, 2022. Reported transactions are published on the Sartorius AG website.

The Chairman of the Executive Board, Dr. Joachim Kreuzburg, holds 113,785 ordinary shares and 93,785 preference shares in the company. They were transferred to him as components of his compensation on the basis of corresponding agreements in his employment contracts dated December 18, 2015, and November 26, 2020, each with a minimum holding period of four years from the beginning of the respective contract. For further information on this transfer, please see the Remuneration Report on pp. 137 et seq.



As executor of the estate of Horst Sartorius, the Supervisory Board Chairman, Dr. Lothar Kappich, holds around 50.1% of the ordinary shares issued by the company. Beyond this, there is no notifiable possession of shares or financial instruments by members of the Executive Board or Supervisory Board consisting directly or indirectly of more than 1% of the shares issued by the company.

## Accounting and Independent Statutory Audit

The consolidated financial statements and the Group Management Report, as well as the consolidated interim financial statements and reports, are prepared in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied within the EU, and according to the commercial law regulations to be applied under Section 315e, Subsection 1, of the German Commercial Code, HGB. The annual financial statements of Sartorius AG are prepared in accordance with German commercial law, HGB. The consolidated financial statements and the annual financial statements are prepared by the Executive Board, audited by the independent auditors elected by the Annual General Meeting, and approved by the Supervisory Board.

It has been agreed with the independent auditors that they will notify the Supervisory Board directly of any potential disqualification or bias issues and any material findings and incidents identified during the audit. This also encompasses the corporate governance reporting duties pursuant to Section 161 of the German Stock Corporation Law (Aktiengesetz).

The Supervisory Board | The Executive Board

## Corporate Governance

### Ambition

Corporate governance aligned with the interests of stakeholders, lawful and responsible conduct, and constructive collaboration between the managerial bodies and within the company in a spirit of mutual trust constitute the essential cornerstones of Sartorius' corporate culture.

### Concept and Due Diligence Processes

Corporate governance is based on the requirements defined in the German Corporate Governance Code. The corporate governance statement and declaration of compliance can be found on page 93 et seq. of this annual report.

Through its global compliance management system, Sartorius aims to ensure that the members of its individual boards, executives, and employees comply with all legal regulations and codes and perform their activities in accordance with the company's internal guidelines. The basic principles of the compliance management system, which, in essence, is based on Sartorius' global Code of Conduct, are also explained in the corporate governance statement on page 101 et seq.

The issue of anti-corruption is also a central component of the compliance management system. The related requirements employees must comply with are laid out in a dedicated Anti-Corruption Code, and employees regularly receive training focused specifically on the contents of the Code.

### Results of the Concept

In fiscal 2022, 11,883 employees (previous year: 9,143 employees) completed the Code of Conduct training and 12,154 employees (previous year: 9,341 employees) completed the Anti-Corruption Code training. This represents 75.6% and 77.4% of the total employees, respectively.

#### Indicators corporate governance

	FY 2022	FY 2021 <sup>1</sup>
<b>Employees who completed training on Code of Conduct<sup>2</sup></b>	<b>11,883</b>	<b>9,143</b>
Employee coverage in % <sup>2</sup>	75.6	66.8
<b>Employees who completed training on anti-corruption code<sup>2</sup></b>	<b>12,154</b>	<b>9,341</b>
Employee coverage in % <sup>2</sup>	77.4	68.2

<sup>1</sup> The data for fiscal 2021 was taken from the 2021 Non-financial Statement. This does not apply to the employee coverage rate. This was calculated and added retroactively.

<sup>2</sup> Excluding the companies newly acquired in the reporting year.

## Sustainability in the Supply Chain

### Ambition

With roughly 8,000 suppliers from more than 40 countries and a purchasing volume equivalent to more than 40% of turnover, Sartorius' supply chain plays a significant role in the company's sustainability transformation. For this reason, the Group expects suppliers and their suppliers to comply with sustainability standards and to promote sustainability.

### Concept and Due Diligence Processes

Our fundamental sustainability requirements were laid out in our Code of Conduct for Business Partners, which was updated in September 2022 with respect to some human rights issues in the context of the implementation of Germany's Supply Chain Due Diligence Act (LkSG) and published in a new version.

This Code of Conduct has been binding for new suppliers since 2019. Both new and existing suppliers are required to sign the updated Code of Conduct.

In fiscal 2022, Sartorius introduced a standardized, multi-stage process to assess supplier sustainability. This is based on internal and external information and requires corrective measures to be taken in the event of non-compliance. In order to discuss the results, the Bioprocess Solutions Division has already set up a risk committee in the current fiscal year, and the results are reported to this committee on a regular basis.

The new supplier evaluation process involves reviewing compliance with sustainability requirements using self-assessments based on standardized questionnaires via recognized sustainability platforms. For selected suppliers, Sartorius engages independent on-site sustainability audits by external third parties. Furthermore, sustainability aspects are also part of the on-site quality audits conducted by Sartorius itself.

The sourcing departments are responsible for ensuring that suppliers are bound by the Code of Conduct and for verifying compliance with the requirements. The quality departments are responsible for carrying out the quality audits.

In addition, Sartorius maintains a continuous dialogue with suppliers to promote their commitment to sustainability issues.

### Results of the Concept

In November 2022, the Bioprocess Solutions Division held a workshop with more than 50 selected, international suppliers at its main site in Göttingen to discuss, among other issues, the topics of climate change mitigation and the implementation of Germany's Supply Chain Due Diligence Act (LkSG) and thereby make further progress in these areas.

As of December 31, 2022, 441 suppliers had signed the updated 2022 Code of Conduct for Business Partners (previous year: n.a.). This means that suppliers that have signed the 2022 Code of Conduct account for 12% of Sartorius' total purchasing volume (previous year: n.a.). In addition, the company has received a total of 654 valid sustainability-related supplier self-assessments (previous year: 110). This means that suppliers that have submitted a self-assessment account for 49% of Sartorius' total purchasing volume (previous year: n.a.). Furthermore, the company carried out 125 of its own quality-related supplier audits that included sustainability aspects (previous year: 107). External sustainability audits have not yet been carried out at any suppliers' sites, as the process was newly introduced in fiscal 2022.

The Bioprocess Solutions Division already completed the sustainability assessment for strategic suppliers in fiscal 2022. The company has since analyzed the results and, on this basis, defined corrective measures that are currently being implemented. In addition, Sartorius has begun the assessment of its nonstrategic suppliers.

**Indicators Supply Chain**

	FY 2022	FY 2021 <sup>1</sup>
<b>Suppliers having signed the Code of Conduct for Business Partners 2022</b>	<b>441</b>	<b>n.a.</b>
Coverage purchasing volume in %	12	n.a.
<b>Sustainability-related supplier self-assessments as of 31.12.<sup>2</sup></b>	<b>654</b>	<b>110</b>
Coverage purchasing volume in % <sup>2</sup>	49	n.a.
<b>External sustainability-related supplier audits</b>	<b>0</b>	<b>n.a.</b>
Coverage purchasing volume in %	0	n.a.
<b>Own quality-related supplier audits, which include sustainability aspects</b>	<b>125</b>	<b>107</b>

1 The data for fiscal 2021 was taken from the 2021 Non-financial Statement.

2 Includes the available sustainability-related self-assessments via recognized sustainability platforms which, according to the platform, are valid as of the reporting date or whose validity date is not older than two years.

## Disclosures Pursuant to the EU Taxonomy Regulation

The EU taxonomy is a classification system for determining environmentally sustainable economic activities in the real economy, combined with specific disclosure requirements for companies.

These relate to taxonomy-eligible and taxonomy-aligned turnover, capital expenditures, and operating expenditures with respect to the EU's six environmental objectives: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

In accordance with the simplified procedure granted by the EU Commission, the disclosure requirement for fiscal 2021 was initially limited to taxonomy-eligible turnover, capital expenditures, and operating expenditures for the environmental objectives of climate change mitigation and climate change adaptation. In this context, the economic activities described in the Delegated Acts are considered to be taxonomy-eligible, as they make a substantial contribution to the achievement of the EU's environmental objectives. Companies are required to disclose taxonomy-aligned turnover, capital expenditures, and operating expenditures for the first time for fiscal year 2022. Economic activities that meet the technical screening criteria and the minimum safeguards criteria are considered to be taxonomy-aligned.

The following disclosures constitute the mandatory disclosures required of the Sartorius Group in accordance Article 8 of the EU Taxonomy Regulation 2020/852 for fiscal 2022.

## Special Notes on Reporting

### Legal Framework

Preparation of the required disclosures was fundamentally associated with uncertainties for Sartorius, in particular because a number of unanswered questions currently still exist regarding the definition of taxonomy-eligible economic activities, the interpretation of the technical screening criteria and the minimum safeguard criteria, which have not yet been conclusively answered by the EU Commission. The company has taken information into account that was available through January 31, 2023.

### Materiality approach

Capital expenditures and operating expenditures were disclosed on the basis of materiality thresholds. Economic activities that accounted for less than 1% of total taxonomy-eligible capital expenditures and operating expenditures were qualitatively assessed in terms of their significance for Sartorius. Amounts classified as immaterial have been reported as not taxonomy-eligible and therefore were not subject to further assessment for taxonomy alignment. This applies to capital expenditures and operating expenditures related to activities 4.1 "Electricity generation using solar photovoltaic technology", 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)", and 8.1 "Data processing, hosting and related activities".

Since Sartorius did not recognize any capital expenditures and only immaterial operating expenditures related to fossil gas in fiscal 2022 for the economic activities described in EU Commission Delegated Regulation 2022/1214 and in Annex XII, the reporting pursuant to Annex XII of EU Commission Delegated Regulation 2021/2178 does not apply.

### Procedure for Determining Taxonomy Alignment ("Compliance Assessment")

Sartorius used a three-step process to determine which turnover, capital expenditures, and operating expenditures were taxonomy-aligned:

- **Determination of Basically Taxonomy-Eligible Economic Activities:** The process of determining the Group's economic activities that are basically taxonomy-eligible was carried out separately for the breakdown of turnover as well as capital expenditures and operating expenditures. The results are each described in the following sections on taxonomy-aligned turnover, capital expenditures, and operating expenditures, respectively.
- **Assessment of Compliance with the Technical Screening Criteria:** Compliance with the technical screening criteria, which include assessing whether the contribution to an EU environmental objective is substantial ("Substantial contribution" – SC) and whether the other EU environmental objectives are not significantly harmed ("Do no significant harm" – DNSH), was determined by means of a survey of the relevant Group companies. The results are described in each of the following sections. With respect to the EU environmental objective "adaptation to climate change", the company's economic activities were generally not found to make a significant contribution.
- **Assessment of Compliance with the Minimum Safeguards:** Sartorius assessed and determined compliance with the minimum safeguards criteria based on the recommendations contained in the *Final Report on Minimum Safeguards* published by the European Platform on Sustainable Finance in October 2022 for the following four topics as follows:

**Taxes:** In this regard, the Group particularly refers to the existing Group-wide risk management system, which is described in the "Risk and Opportunities" section of this Annual Report starting on page 70 et seq. Responsibility for tax compliance generally lies with the local management of the individual Group companies. These are supported by both local tax consulting firms and the central Group Tax Department. A system of various measures, such as monitoring local regulations (filing deadlines, tax rates, etc.) and tax risks, ensures that information is collected within the Group and reported to the Executive Board accordingly.

**Corruption and Bribery:** In this regard, the Group refers to the existing Group-wide compliance management system, which is described in the "Corporate Governance Report" section of this Annual Report starting on page 102 et seq.

**Fair Competition:** In this regard, the Group would like to refer to the existing Group-wide compliance management system, which is described in the “Corporate Governance Report” section of this Annual Report starting on page 101 et seq.

**Human Rights:** With respect to the required human rights due diligence system in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, the Group refers to the existing measures for its own sites and direct and indirect suppliers described in this Non-financial Statement, which can be found in the “Social Responsibility” and “Sustainability in the Supply Chain” sections, respectively. Sartorius’ human rights due diligence system does not extend to customer relationships, as the Group has not identified any relevant areas of risk stemming from Sartorius’ products and services. Since the taxonomy-aligned capital expenditures and operating expenditures reported below for fiscal 2022 relate to Germany, Sartorius has assessed and determined the effectiveness of the system exclusively within this framework.

### Avoiding Double Counting

Sartorius currently allocates the amounts listed below exclusively to the environmental objective of climate change mitigation. Furthermore, the individual economic activities reported for capital expenditures and operating expenditures are not interrelated. This approach eliminates double counting.