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This PDF is
an extract from the
Pfeiffer Vacuum
Annual Report
2021

NON-FINANCIAL CONSOLIDATED STATEMENT 2021

LEGAL FRAMEWORK OF THE NON-FINANCIAL CONSOLIDATED STATEMENT

For the 2021 fiscal year, Pfeiffer Vacuum Technology AG ("Pfeiffer Vacuum") prepared a non-financial Group Statement in accordance with the "Law to Strengthen the Non-Financial Reporting of Companies in their Management Reports and Group Management Reports" ("CSR-RUG"). This report meets the requirements of §§ 315b and 315c in conjunction with §§ 289c to 289e of the German Commercial Code ("HGB") as well as of the regulation (EU) 2020/852 of the European Parliament and of the council of 18th June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("EU Taxonomy Regulation"). In the same way as for financial reporting, it shows how material non-financial issues are managed for the entire Group. Information that does not relate to the entire Group is indicated accordingly.

The statement was audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, on behalf of the Supervisory Board.

A limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) was performed. The audit report is found following the Independent Auditor's Report of the Consolidated Financial Statements and of the Group Management Report. References to statements or any other disclosure outside the Group Management Report are additional information and are not part of the non-financial Group Statement.

For a structured description of the contents pursuant to § 315c in conjunction with §§ 289c to 289e of the German Commercial Code (HGB) in the non-financial consolidated statement, Pfeiffer Vacuum follows the standards of the Global Reporting Initiative (GRI). The description of the concepts required by the HGB is based on the structure of the GRI management approaches. This is applied in the description of the new materiality analysis (GRI 101 management approach) as well as in the management approaches to "environmental matters", "employee matters", "respect for human rights", "combating corruption and bribery" and "other matters" (GRI 103 management approach). In addition, a GRI Content Index compares the GRI indicators with corresponding reporting. The GRI Content Index is published in accordance with the GRI Standards – Core option (see from [p. 206](#)) of the Pfeiffer Vacuum Annual Report 2021. The information on the fulfillment of GRI indicators as well as references to information outside the Group Management Report or Consolidated Financial Statements are additional information and not part of this non-financial Group Statement.

For a description of Pfeiffer Vacuum's business model, please refer to the section entitled "Corporate Profile" (see from [p. 40](#)).

Companies that are obliged to publish a non-financial report are required to provide information on "environmentally sustainable" sales revenues, investments (CapEx) and operating expenses (OpEx) in accordance with the EU Taxonomy Regulation regarding the reporting period 2021 for the first time. Pfeiffer Vacuum complies with this obligation and reports on the taxonomy eligibility of the Group's economic activities. Please read more in the section "EU Taxonomy".

Sustainability approach

Pfeiffer Vacuum sees sustainability as a long-term value driver that brings benefits on an economic, ecological, and social level. In this sense, Pfeiffer Vacuum is committed to the guiding principle of sustainable development. Complying with laws and regulations, integrity, responsibility for employees and society, and also preserving resources are values we already meet today.

To underline this commitment, in summer 2021 we joined the United Nations Global Compact (UNGC), the world's most important initiative for sustainable business.

As a signatory, we commit to sustainable and responsible corporate governance in accordance with the ten principles of the UNGC.

This report also serves as an annual Communication on Progress (COP) how the company supports and upholds the ten principles. Please read more in the section "Governance".

The Group's approach to sustainability is part of Pfeiffer Vacuums corporate strategy: Our claim is to consider economy, ecology and social issues together as part of our value creation. This does not only apply to our own business activities, but it is also our declared goal to develop sustainable, innovative and energy-efficient vacuum technology solutions for our customers in numerous industries.

Organizational structure

Various sustainability committees drive the issue of sustainability at Pfeiffer Vacuum and ensure that responsible corporate governance is also reflected in economic success. CEO Dr. Britta Giesen is responsible for this area at Management Board level. She is also a member of the Global CSR Board, which includes representatives from all of the Group's divisions. They define Pfeiffer Vacuum's sustainability strategy, determine the roadmap for implementing goals and measures, and discuss all major issues relating to sustainable action. The work of the Global CSR Board is supported by the Global CSR Coordinator.

This staff unit is where the group-wide organization and communication of CSR-relevant issues converge. Our General Managers and our Regional Managers play a decisive role in accelerating the sustainability roadmap. They are responsible for the implementation of CSR measures in the respective regions, position the innovations with the customers and control the correct collection and evaluation of data.

During the 2021 fiscal year, Pfeiffer Vacuum intensively focused on the further implementation of its growth strategy as well as prudently managing the challenges and supply chain impacts associated with the coronavirus situation.

Pfeiffer Vacuum has developed a sustainability management for balancing economic, ecological and social aspects to support the company's strategy. Pfeiffer Vacuum again conducted a comprehensive materiality analysis. We managed to identify additional key topics, defined non-financial goals and set up a roadmap for the Group. The data collection processes were further developed throughout the Group and are in turn reflected in the disclosure of additional sustainability-related information. Furthermore, we have defined measures to reduce CO₂ emissions and examined intensively a new software solution with the intention of having all data available during the year and enhancing the management of sustainability-relevant issues more efficiently. All the measures undertaken demonstrate Pfeiffer Vacuum's active commitment to sustainability.

Scope of the report

The present statement provides information on the main developments in the 2021 fiscal year with respect to the five legally required aspects of environmental matters, respect for human rights, employee matters, social matters and the fight against corruption and bribery. The aspect relating to social matters was not considered to be of material significance, but the additional, legally not required aspects of products and customers as well as governance were identified as material.

This report covers a number of management concepts and key figures for the Group's main production sites. These include the German sites in Asslar, Göttingen and Dresden, Annecy in France, Cluj in Romania, Asan in South Korea, Indianapolis, Yreka and Nashua in the USA, Ho Chi Minh City in Vietnam and Wuxi in China. The following information all relates to this scope, unless specified otherwise. Adjusted figures from 2020 have been highlighted in indicated sections. Due to the coronavirus pandemic, data from 2020 concerning energy, fluctuation and accidents cannot be used as benchmark for previous or future reporting. Significant deviations from the previous year are indicated and described in more detail in the relevant text passages.

Risk assessment of the non-financial reporting

Pfeiffer Vacuum has established a Group-wide risk management system in order to identify risks at every level of the organization and to take appropriate measures to counter them. During the year under review, after taking into consideration risk mitigation measures, we were unable to identify any risks that are associated with our business operations, our business relationships as well as our products and services and that are very likely to, or will have serious negative impacts on the aspects presented in the table of aspects and issues of the non-financial consolidated statement. For more information on the procedures of our risk management system, please refer to the section entitled "Risk and Opportunities Report" (see [p. 98-108](#)).

Material Issues

Pfeiffer Vacuum again conducted a materiality analysis in the course of the fiscal year 2021, which is guided by the principles specified in the GRI Standards and the CSR-RUG. In doing so, we seek to identify and confirm the issues that are material to the Group, on the basis of which we are driving forward the sustainable, strategic further development of Pfeiffer Vacuum.

"Material" in this context means issues that are essential to an understanding of the company's business success. On the other hand, topics are assessed in terms of their materiality with regard to the effects of the business activity on employees, society or the environment.

The materiality analysis was implemented in a multi-stage process: First, a comprehensive catalogue of topics was created based on international reporting standards, legal requirements, peer group analyses, rating agency and investor requirements, and best practice in the market. This broad catalogue of 165 sustainability-relevant topics was grouped and assigned to 6 fields of action. In a second step, this catalogue was internally discussed and adapted by the senior management and the Board level. This resulted in a list of sustainability issues that were assessed for materiality in an anonymous survey using an online-based survey tool.

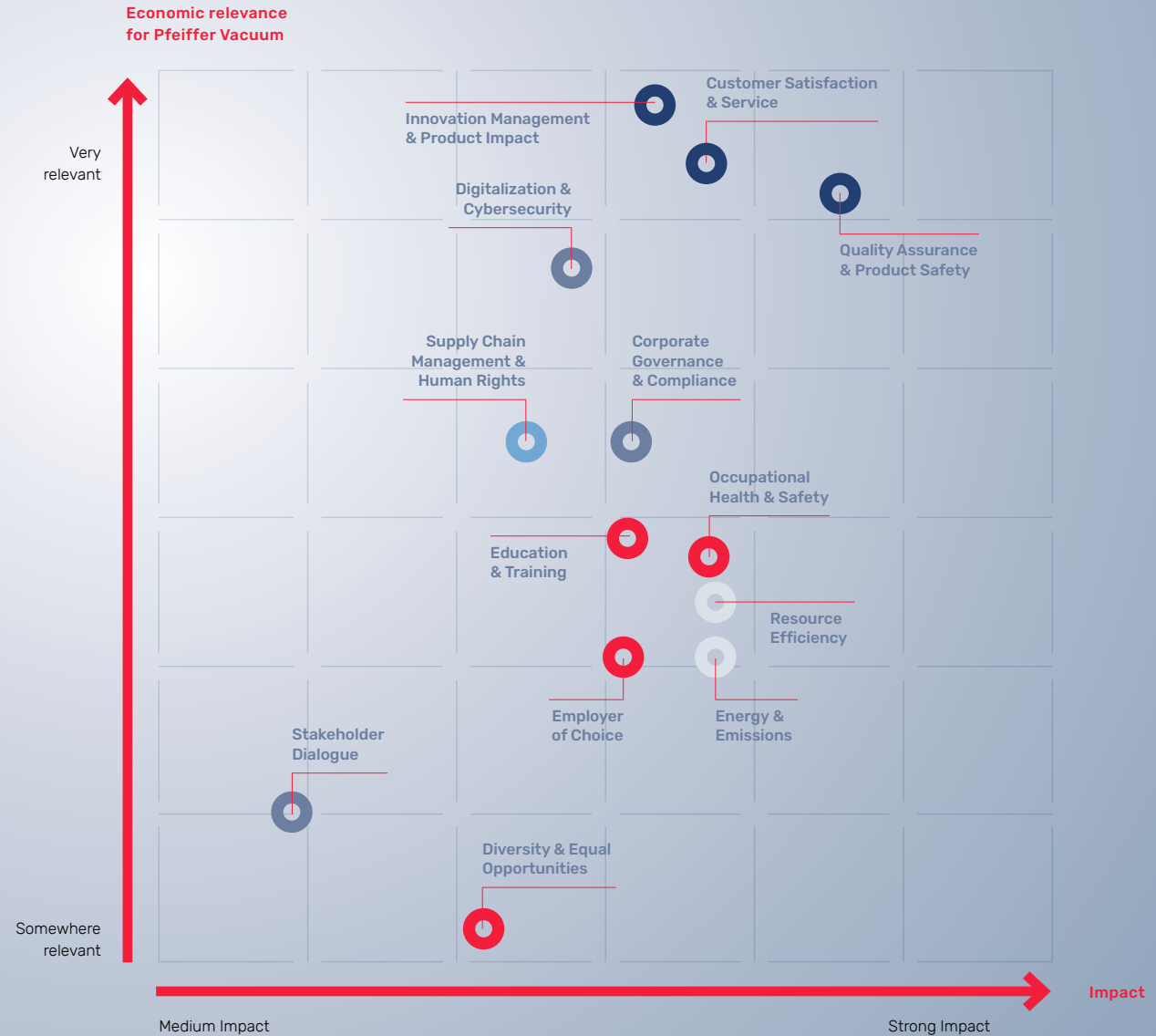
The evaluation was carried out by means of a 5-point scale with regard to two criteria:

Firstly, the extent to which Pfeiffer Vacuum's business activities according to the identified material topics have a positive or negative influence on the environment, employees and society was evaluated. On the other hand, the relevance of the topics for Pfeiffer Vacuum's long-term business development was analysed.

The evaluation resulted in 13 material topics from five fields of action, which are shown in the following materiality matrix.

MATERIALITY OF SUSTAINABILITY TOPICS

- Environment
- Governance
- Products & Customers
- Employees
- Human Rights



The following table allocates the material issues of Pfeiffer Vacuum identified in the course of the materiality analysis to the aspects of the non-financial Group Statement:

INDEX TO THE NON-FINANCIAL STATEMENT






NFS aspects	Material issue
Employee matters	<ul style="list-style-type: none"> • Employer of Choice • Diversity & Equal Opportunities • Education & Training • Occupational Health & Safety
Environmental matters	<ul style="list-style-type: none"> • Resource Efficiency • Energy & Emissions
Combating corruption and bribery	<ul style="list-style-type: none"> • Corporate Governance & Compliance
Respect for human rights	<ul style="list-style-type: none"> • Supply Chain Management & Human Rights
Other matters: Products & Customers	<ul style="list-style-type: none"> • Quality Assurance & Product Safety • Innovation Management & Product Impact • Customer Satisfaction & Service
Other matters: Governance	<ul style="list-style-type: none"> • Digitalization & Cybersecurity • Stakeholder Dialogue

Pfeiffer Vacuum has set goals for all major topics and decided on measures to achieve these goals. The overall objective is to achieve an increase in value for the stakeholders and the company. Additionally, these goals are related to Pfeiffer Vacuum's contribution to the Sustainable Development Goals (SDGs). Further information on the key fields of action, individual goals and associated measures can be found on the following pages.

NON-FINANCIAL STATEMENT 2021 – TARGETS



Pfeiffer Vacuum considers resource-savings and environmental-friendly action to be an essential basis for responsible corporate management. Measures for more sustainability and a careful treatment of the environment not only benefit nature but are also supporting in the company's success.

Topic	Target	Timeframe	Status quo 2021
Energy & Emissions	• Implementation of a certified management system according to ISO 14001 at the main sites	by 2025	 in progress
	• Implementation of a certified management system according to ISO 50001 at all production sites	by 2030	 in progress
	• Evaluation of existing energy supply contracts regarding renewables share and conclusion of new contracts where feasible	2022	 started
Resource Efficiency	• Comprehensive analysis and monitoring of Group-wide water consumption	2022	 started
	• Reduction of the amount of waste (in kg/tons) in relation to the cost of sales	ongoing	 in progress

Supply Chain Management & Human Rights



For Pfeiffer Vacuum, responsibility goes beyond the boundaries of the company. This relates, for example, to sustainable procurement and ecological and social standards among suppliers. Respect of human rights is a crucial issue for us.

Employees



The long-term business success of Pfeiffer Vacuum is based on the competence, commitment and flexibility of our employees. In return, it is our goal to be an attractive and responsible employer.

Topic	Target	Timeframe	Status quo 2021
Supply Chain Management & Human Rights	• Signature of the Pfeiffer Vacuum Supplier Code of Conduct by 100% of all new major suppliers and business partners	ongoing	in progress
	• Increase in the percentage of significant direct suppliers with an approved environmental management system	ongoing	in progress
	• Procurement of raw materials which originate from certified smelters that are free of conflict minerals	2022	achieved

Topic	Target	Timeframe	Status quo 2021
Employer of Choice	• Conduct regular employee satisfaction surveys	ongoing	started
	• Foster diversity and inclusion at all Pfeiffer Vacuum sites via internal communication campaigns	ongoing	in progress
Education & Training	• Offer every employee at least one full-day training session at our in-house Pfeiffer Vacuum Academy or external courses by specialized providers	2025	started
Occupational Health & Safety	• Implementation of a certified management system according to ISO 45001 at the main production sites	2025	in progress
	• Reduce occupational accidents, accident rates (LTIFR) and absenteeism to a minimum	ongoing	in progress

Products & Customers



The direct dialogue with our customers holds great potential for Pfeiffer Vacuum and is therefore important. Our customers give us new impulses for improvements and innovations – they are our daily motivation to constantly optimize the services we offer. This also includes the safety and sustainability of our products and services.

Governance



Effective structures, control and regulation systems as well as compliance with internal guidelines and external requirements are crucial for Pfeiffer Vacuum. This also includes high standards of data protection and information security.

Topic	Target	Timeframe	Status quo 2021
Quality Assurance & Product Safety	• All products are 100% quality-tested	ongoing	achieved
Innovation Management & Product Impact	• Develop environmental-friendly products, especially reduce use of materials and increase energy efficiency	ongoing	achieved
Customer Satisfaction and Service	• Be a leading provider for customer training in the vacuum market	end of 2023	in progress

Topic	Target	Timeframe	Status quo 2021
Corporate Governance and Compliance	<ul style="list-style-type: none"> • Further development of global CSR Management including data collection according to international standards • Mandatory attendance at training on the Code of Conduct for every (new) employee • Regular training of all (new) employees on the Code of Conduct and selected staff receive training on new policies. 	ongoing	in progress
		ongoing	achieved
		ongoing	achieved
Digitalization and Cybersecurity	• Group-wide roll-out of the Information Security Management System (ISMS)	end of 2023	started

SUSTAINABLE DEVELOPMENT GOALS



Target relevant for Pfeiffer Vacuum

5.5 _ Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Contribution by Pfeiffer Vacuum

Pfeiffer Vacuum promotes women and enables their equal opportunities at all hierarchical levels. We foster equal pay for work and fight against any form of discrimination. We have 33 % women on the supervisory board and 50 % women on the management board.



Targets relevant for Pfeiffer Vacuum

7.2 _ By 2030, increase substantially the share of renewable energy in the global energy mix.

7.3 _ By 2030, double the global rate of improvement in energy efficiency.

Contribution by Pfeiffer Vacuum

Pfeiffer Vacuum invests in sustainable, energy-efficient and environmentally friendly production. Moreover, particularly energy-efficient products are offered. Pfeiffer Vacuum itself promotes the production of renewable energy by operating biomass or photovoltaic systems and buying from renewable sources.



Targets relevant for Pfeiffer Vacuum

8.4 _ Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.

8.8 _ Protect labour rights and promote safe and secure working environments for all workers.

Contribution by Pfeiffer Vacuum

Pfeiffer Vacuum strives for sustainable corporate growth without negative impacts on the environment and in compliance with labor standards at all company sites. Pfeiffer Vacuum promotes the human right to physical and mental health of employees within the Group and other companies along the supply chain.



Target relevant for Pfeiffer Vacuum

9.4 _ By 2030, upgrade infrastructure (buildings, machinery) and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.

Contribution by Pfeiffer Vacuum

Pfeiffer Vacuum is modernizing its production sites to enable sustainable, energy-efficient product manufacturing. Pfeiffer Vacuum invests in research and development to become a technology leader also concerning energy-efficient products.



Targets relevant for Pfeiffer Vacuum

12.2 _ By 2030, achieve the sustainable management and efficient use of natural resources.

12.6 _ Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Contribution by Pfeiffer Vacuum

Pfeiffer Vacuum invests in sustainable, energy-efficient and environmentally friendly production. Our research and development focusses on sustainable product and process innovations. Since 2017, Pfeiffer Vacuum has published non-financial information in accordance with CSR-RUG and expands the scope of this with each report. Along its value chain, Pfeiffer Vacuum emboldens its business partners and suppliers to enhance their sustainability reporting as well.



Target relevant for Pfeiffer Vacuum

16.5 _ Substantially reduce corruption and bribery in all their forms.

Contribution by Pfeiffer Vacuum

Pfeiffer Vacuum is committed to combating corruption and bribery. Our code of conduct clearly forbids any such behaviour.

Sustainable Development Goals

The Sustainable Development Goals (SDGs) are 17 specific targets set by the United Nations to make the world a more sustainable and just place. The SDGs cover areas such as poverty reduction, protection of the planet, securing peace and the promotion of prosperity for all people. Until the year 2030, representatives from politics, society and business are to work together to implement these goals.

As a global operating group with 3,444 employees, Pfeiffer Vacuum is aware of its responsibility in this regard. For this reason, we have carried out an analysis showing where our sustainable priorities support the SDGs. This resulted in 6 goals in which we, as a technology company, can make a particularly good contribution. These SDGs are linked to our sustainability path and embedded in our operating business.

STAKEHOLDER DIALOGUE

Pfeiffer Vacuum maintains a regular and transparent dialogue with its stakeholders. Our relevant stakeholders include groups and institutions with which we are directly or indirectly affiliated through our business activities and who, thus, have an interest in our sustainable actions. Among them are our customers and employees, suppliers and business partners, scientific institutions and research facilities, representatives of associations, public authorities and non-governmental organizations, and our shareholders.

We conduct a dialogue with all of the aforementioned stakeholders in a spirit of partnership and mutual trust in order to inform them about current developments in Pfeiffer Vacuum's business activities, sustainability performance and objectives. It is also important for us to learn about and discuss the stakeholders' manifold expectations of our company. The needs of our stakeholders are different and so we use various communication channels to promote constructive and fruitful exchange.

In the fiscal year 2021, the dialogue was again dominated by the Corona pandemic and largely took place virtually. Particular highlights were the opening of our Silicon Valley Innovation Center (SVIC) in San Jose together with our customers or participating in the SEMICON West trade show in San Francisco, which both took place on-site.

As a publicly traded company, dialogue with the financial community is important for Pfeiffer Vacuum. The Investor Relations department regularly informs investors, analysts and journalists about our business performance. This comprises, among other things, corporate presentations at roadshows, analyst calls or latest news on our website. In 2021, we were rated by four rating agencies regarding our financial and non-financial performance. For the latter, we obtained an independent measurement of our commitment to sustainability by participating in an international ESG rating conducted by Sustainalytics. We placed 69th out of 516 companies in the machinery industry evaluated and strive for continuous improvement. Further Information on Pfeiffer Vacuum's obtained ratings can be found within the Annual Report 2021.

ENVIRONMENT

Pfeiffer Vacuum is actively committed to environmental and climate protection and promotes the sustainable use of natural resources within our group. Therefore, we always aim to reduce our environmental footprint and to minimize our GHG emissions.

Products from Pfeiffer Vacuum have an impact on the environment in all phases of their life cycle, from development and production to utilization and disposal. Various raw materials, semi-finished products, pre-products, energy and water are required for the manufacturing processes. The consumption of resources in the supply chain begins with procurement. During the manufacturing phase, electricity, water and materials such as stainless steel, aluminum and grey cast iron are consumed at all production sites. Unfortunately, waste is unavoidable in this process – for example in the form of metal chips. Wherever possible, we recycle waste and offcuts back into the value-added cycle. During the utilization phase, the main factors are electricity consumption, noise emissions and material characteristics in the respective application.

Continuous improvement at the Annecy, Asslar and Asan production sites is supported by certification to the environmental management standard ISO 14001. We have set ourselves the goal to implement the ISO 14001 standard at all main production sites by the year 2025. Currently, our production sites in Vietnam and Indianapolis (USA) are preparing the certification process.

We foster our efforts of sharing environmental best practices and lessons learnt globally as part of our existing corporate culture. This aspiration is independent of the certification process and thus also includes non-certified production sites as well as administrative sites.

Energy & Emissions

The operation of the production facilities and administration buildings requires energy. This is not only a cost factor, but also causes harmful emissions in the form of CO₂ and other greenhouse gases. Even though the manufacture of vacuum pumps is not very energy-intensive compared to the mechanical engineering industry, Pfeiffer Vacuum reports on energy management in view of the overall social and environmental relevance of the topic.

The responsibility for energy management lies with each individual site although it is supported by the Groups' Head of Global Quality & EHS. In 2021, we have continued to install energy consumption meters with measuring systems for analyzing and controlling energy requirements at the Annecy and Asslar sites. The metering systems are equipped with sensors for diagnostics and predictive maintenance. The aim is to implement these metering systems throughout the Group within the next years.

During the current reporting period, we have implemented a tool that assists us in collecting, preparing and presenting the relevant data to track energy consumption of almost every manufacturing site.

When new equipment is purchased, Pfeiffer Vacuum requests proof of the installed capacity, electricity consumption and energy class from the supplier and strives to achieve an increase in energy efficiency targeting the most efficient production equipment fit to purpose. New buildings, as well as renovations and extensions to existing buildings, such as the expansion of production operations in Annecy that commenced in 2019, are planned and implemented with a focus on energy-efficiency, climate neutrality and green building standards. For the coming years, Pfeiffer Vacuum is seeking to modernize, expand and run operations in an energy- and resource-efficient manner.

For environmentally friendly energy production, there is a combined heat and power plant in Asslar and a local bio-mass plant in Annecy. Moreover, we have installed photovoltaic systems at our headquarter in Asslar. The electricity

produced by the photovoltaic system is sold to the local electricity provider. In case of promising location analysis, this model is to be transferred to other production sites of Pfeiffer Vacuum. Further energy-saving measures will be implemented throughout the Group in the coming years. The installation or replacement of conventional light sources with LED lighting at the locations in Asslar, Annecy, Indianapolis, Yreka and Asian sites was continued in the reporting year. In Indianapolis, for example, the lighting systems will be changed in the common areas and the restrooms, laboratories, and the assembly area next year.

At our production site in Asan, for example, the ventilation fans of the shop floors are controlled by automatic timers to reduce running times and, thus, energy consumption. Self-closing speed doors help to avoid loss of energy and heat as well. By carrying out regular "Gemba walks" on-site

ENERGY CONSUMPTION¹

	2021		
	Europe	Asia	USA
Consumption category	in MWh	in MWh	in MWh
Natural gas	12,528	105	107
Company car diesel	1,281	108	126
Company car gasoline	12	230	108
Electricity consumption	26,120	9,536	3,108
Steam, heat or cold consumption	4,499	0	96
Total energy consumption	44,440	9,979	3,545

¹ Missing invoice data from the Asslar site for December 2021 have been estimated.

we identify further potential for saving energy and CO₂ emissions. In Annecy, new buildings were constructed based on sustainability standards. Thanks to wall insulation, heat recovery, presence detector lighting and automatic heat cut-off when windows are opened, energy efficiency was increased by 20 % on average compared to older buildings.

Additional energy-saving measures comprise, amongst others, a briquetting plant, which is in operation at the Asslar site since 2019. It briquettes aluminum chips from the production process for efficient disposal. Furthermore, to lower CO₂ consumption during transportation, this measure enables the Group to achieve a higher resale value for the waste materials.

Certified energy management systems in accordance with ISO 50001 and/or environmental management systems in accordance with ISO 14001 are in place at the Asan, Asslar and Annecy sites. In 2021, Asslar and Annecy obtained their ISO 50001 re-certification. Group-wide standardization and further implementation of certified management systems is planned for the coming years. Local energy officers at the sites coordinate all measures and obligations to meet local statutory requirements.

At locations where services were provided by external energy service providers in previous years, the company has employed its own staff since 2019. Evaluations and analyses of energy consumption are discussed in energy circle meetings with related departments such as Facility Management, Purchasing and Engineering, and specific energy efficiency improvement measures are identified. Energy audits are conducted in the course of the re-certification process of ISO 14001/50001 regularly and serve to comprehensively analyze and review the measures. In addition, promising employee suggestions are welcomed.

The primary source of energy at Pfeiffer Vacuum is electricity. A further energy source for obtaining heat is gas in the form of natural gas and/or liquified gas. The following table shows the consumption of natural gas, fuels, electricity, and steam, heat or cold energy at the key production sites. A total of 57,964 MWh were consumed in the reporting year. As the collection of energy-related data has been extended, a comparison with previous years is not possible.

One of the main impacts of energy consumption is the emission of greenhouse gases such as carbon dioxide (CO₂) as shown in the table on the following page. The basis for assessment is determined using the internationally recognized calculation standard of the "Greenhouse Gas Protocol". Pfeiffer Vacuum reports direct emissions from the operation of its systems and buildings as well as indirect emissions from purchased energy on this basis.

At the production sites in Europe, Asia and the USA listed in the table next page, 18,370 t CO₂e – expressed as carbon dioxide equivalents – were emitted in the electricity and natural gas consumption categories under consideration. In 2021, the intensity of emissions (emissions per sales in € million) was 23.8 t CO₂e. As the collection of energy-related data and, thus inherent CO₂e emissions, has been extended, a comparison with previous years is not possible. Nonetheless, a mitigating effect on our total volume of CO₂e emissions in 2021 is attributed to the purchase of green, climate-neutral power at the German sites in Asslar, Dresden and Göttingen. An expanded inventory, data collection and reporting of greenhouse gas emissions is planned for the coming years.

Resource Efficiency

All the resources that Pfeiffer Vacuum purchases, processes and sells are not inequitable, we need and want to lead by example and act responsibly. As a matter of fact, they need to be managed in a way that increases our efficiency in the one hand and limits the cost on the other hand. Resource efficiency is reflected in our daily operations and aims for the reduction of CO₂ emissions, other greenhouse gases, water consumption and waste.

CO₂e-EMISSIONS

	2021		
	Europe	Asia	USA
	in t	in t	in t
Emissions all sites¹			
Scope 1 GHG emissions ²	2,924.5	108.5	224.2
thereof CO ₂ emissions ²	2,915.1	107.7	223.3
thereof CH ₄ emissions ²	3.5	0.2	0.2
thereof N ₂ O emissions ²	5.9	0.5	0.6
Scope 2 GHG emissions (location-based)	5,943.6	4,897.4	1,212.8
thereof CO ₂ emissions	5,907.2	4,876.2	1,207.3
thereof CH ₄ emissions	9.4	1.8	0.7
thereof N ₂ O emissions	27.0	19.4	4.7
Scope 3 GHG emissions ^{3,4}	1,638.6	1,166.4	254.3
thereof Fuel- and energy-related activities	1,527.4	814.3	254.3
thereof Business travel ⁴	111.2	352.1	0.0
Total emissions^{2,5}	10,506.7	6,172.3	1,691.2
thereof CO ₂ emissions ^{2,6}	8,822.3	4,985.1	1,430.6
thereof CH ₄ emissions ^{2,6}	12.9	2.0	0.9
thereof N ₂ O emissions ^{2,6}	32.9	20.0	5.3
Total CO₂e emissions^{2,5}	10,506.7	6,172.3	1,691.2

¹ Emissions are calculated according to the operational control approach. Sources for emission factors are DEFRA 2020 for all factors apart emissions from location-based electricity, which are calculated via IEA 2020.

² Direct fugitive emissions not included.

³ Scope 3 emissions include: Fuel- and energy-related activities that are not included in the categories direct emissions and indirect energy; and business travel. All other 13 categories are excluded.

⁴ Scope 3 emissions from business travel exclude the following sites: Indianapolis and Yreka. Emissions from business travel are partly estimated or assumed.

⁵ Including Scope 3 emissions.

⁶ Excluding Scope 3 emissions.

The responsibility for the efficient use of resources lies mainly with each employee – regardless of their work content and position – because everyone can act accordingly at her and his level. The Global Head of EHS is the interface for the topic – it is where the information is collected and regularly addressed to the COO. In order to control the consumption of resources, Pfeiffer Vacuum counts on ISO 50001 certification, which will play an even greater role in the coming years.

Water

The supply of drinking water is a global challenge of increasing relevance. Water use is managed decentrally at the production sites of Pfeiffer Vacuum. The establishment of global water management has been initiated.

Since 2019, Pfeiffer Vacuum collects its Group-wide water-related data on a monthly basis. The total water withdrawal in fiscal year 2021 amounted to 92,976 m³ (previous year: 66,761 m³)¹. This significant increase was mainly due to our site in Vietnam, which experienced a sharp increase in water consumption for operational reasons and a leakage. In 2021, we also collected data on water consumption and water discharge for the first time. Particularly in terms of the adequacy of global supply and availability, Pfeiffer Vacuum plans to comprehensively analyze and further track its Group-wide water consumption.

¹ Value adjusted. Inclusion of Yreka

Water is employed in manufacturing and cleaning processes, as a coolant, industrial water or drinking water within the corporate Group. At our Asan site, the water used in cleaning processes is recycled by an efficient wastewater recycling system and re-used again. Furthermore, there is a sewage treatment plant at the industrial complex where all other water is sent to.

We will further develop our management and monitoring of water consumption worldwide over the next few years and report on this accordingly.

Waste

One way to manage resources efficiently is to reduce or re-use waste. As a manufacturing company, Pfeiffer Vacuum generates waste mainly at the production sites, but also typical household waste at the service and administrative sites. Waste management is largely decentrally organised and also differs according to country-specific legislation. In 2021, the establishment of global waste management has been initiated.

Pfeiffer Vacuum collects its Group-wide waste on a monthly basis. The most frequently generated waste includes aluminum, iron and stainless steel raw material. The total amount of waste in the fiscal year was 4,563 t.¹ Thereof raw materials – including aluminium, iron and stainless steel – were reused or resold. Pfeiffer Vacuum plans to comprehensively analyse and further expand its Group-wide rate of reusage or resell.

Future Factory Projects

With the international Future Factory Project, Pfeiffer Vacuum brings its manufacturing sites up to a worldwide high level in the use of sustainable state-of-the-art technologies and efficient workflows. The project at the Asslar site was launched in 2019, and extensive modernization work was also carried out in recent years at our sites in Wuxi, China, and Nashua, USA. In Asslar, for example, the measures comprise:

- Replacing old equipment with energy-efficient and low-noise machines
- Construction of new green buildings and energetic optimization of existing ones
- Optimization of the material flow
- Centralization of logistics
- Implementation of continuous lean manufacturing and improvement processes

EU Taxonomy

Pfeiffer Vacuum provides – in the course of the expansion of the non-financial disclosure requirements – disclosures on the implementation of the EU Taxonomy Regulation (Regulation (EU) 2020/852) for the first time for this reporting year. The key element is the classification of economic activities. Due to the initial application of the EU taxonomy for 2021, the disclosure can be limited to the taxonomy-eligibility of the Group's economic activities. In drafting the regulation, the European Commission focused on primarily CO₂-emitting sectors and industries and derived possible relevant economic activities from this.

The development, manufacture and sale of vacuum pump systems and components (vacuum generation, measurement and analysis) do not fall within the scope of this regulation, so that for Pfeiffer Vacuum this largely results in activities that are excluded from consideration for the first two environmental objectives. However, this does not mean that activities do not pursue or promote the objectives of the Company's overall sustainability strategy.

We want to contribute to the European Union's environmental objectives of "climate protection" and "adaptation to climate change". To this end, we have comprehensively analyzed our economic activities, the turnover generated from them, as well as capital expenditure, and operating expenses, and assessed which portions classify as taxonomy-eligible. This approach has ensured that individual activities are not considered twice in KPIs.

¹ Without Dresden and Indianapolis sites

The result shows no relevance in terms of the turnover KPI within the meaning of the Taxonomy Regulation.

In addition to the product-side consideration of the turnover KPI of the Taxonomy Regulation, we have to consider our internal activities. Sustainable investments in our sites as well as the decarbonization of our company car fleet can be assigned to an EU taxonomy activity. Company car and commercial vehicle leasing has been allocated to activity 6.5 Transport by motorbikes, passenger cars and (light) commercial vehicles and 6.6 Freight transport services by road, of the EU taxonomy. The individual measures at our sites are allocated to the activities 7.1 Construction of new buildings, 7.2 Renovation of existing buildings, 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings). Investments such as building leases are allocated to activity 7.7 Acquisition and ownership of buildings.

Data collection for all KPIs was conducted by workshops with the relevant business units and by requesting the relevant data from the respective companies and business units.

The denominator of the KPIs comprises turnover as defined by IFRS 15 (turnover KPI), additions to/investment in assets in accordance with IAS 16, IAS 38, IAS 40 and IFRS 16 (CapEx KPI), and expenses for non-capitalized research and development costs, short-term leasing, building refurbishment measures, and maintenance and repair (OpEx KPI).

The amounts used to calculate taxonomy-eligible turnover, capital expenditures (CapEx) and operating expenses (OpEx) are based on the figures reported in the consolidated financial statements.

The turnover KPI is calculated as the ratio of net turnover from taxonomy-eligible economic activities in a financial year to total net turnover in that financial year. Sales revenues for the financial year 2021 form the denominator of the turnover KPI and can be taken from the consolidated statement of income.

The basis of capital expenditure (CapEx) is additions to property, plant and equipment and intangible assets during the financial year considered before depreciation, amortization and revaluations, including those resulting as revaluations and impairments for the financial year considered and excluding changes in fair value. The denominator must also include additions to property, plant and equipment and intangible assets resulting from business combinations. (Application of IFRS (IAS 16, 38, 40, 41, IFRS 16)). The capital expenditures included in the denominator can be reconciled to the amounts shown in the notes to the consolidated financial statements (see "Consolidated Statements of Cash Flows"). The numerator of the CapEx KPI results from the analysis of the expenses recognized in the denominator related to assets or processes with regard to their taxonomy-eligibility.

The basis of operating expenses (OpEx) includes direct, non-capitalized costs related to research and development, building renovation measures, short-term leasing, maintenance and repair, and all other direct expenses associated with the day-to-day maintenance of property, plant and equipment assets by the company or third parties to whom activities are outsourced that are necessary to ensure the

continuous and effective functioning of these assets. The numerator of the OpEx KPI results from an analysis of the expenses recognized in the denominator related to assets or processes with regard to their taxonomy-eligibility.

The KPIs for the financial year are as follows:

TAXONOMY ELIGIBLE PORTION OF ECONOMIC ACTIVITIES FOR 2021

	Portion
Turnover	
thereof taxonomy eligible ¹	0 %
thereof non taxonomy eligible	100 %
Investments (CapEx)	
thereof taxonomy eligible	33.35 %
thereof non taxonomy eligible	66.65 %
Operating expenditures (OpEx)	
thereof taxonomy eligible	8.34 %
thereof non taxonomy eligible	91.66 %

¹ The turnover-generating activities, i.e. products and services of Pfeiffer Vacuum, cannot be assigned to taxonomy-eligible activities.

SUPPLY CHAIN MANAGEMENT & HUMAN RIGHTS

Pfeiffer Vacuum is committed to respecting universal human rights along its entire supply chain. As a Group with subsidiaries and production sites all over the globe, we consider respect for human rights to be one of the fundamental preconditions for our business activities. This is in line with our corporate goal of contributing to a sustainable society. For this reason, we reject all forms of child labor, forced and compulsory labor, modern slavery and human trafficking. Moreover, we ensure to work only with those companies who comply with environmental legislation and social standards such as adequate living wages and regulated working times.

Supply Chain Management

The responsibilities for managing the corporate supply chain are organized Group-wide. The operational responsibility for ensuring compliance with environmental and social standards in the supply chain is with Pfeiffer Vacuum's major manufacturing locations and lies with the local purchasing teams at each production site. They report directly to the Global Head of Procurement and for environmental issues to the Head of Global Quality & EHS.

During the period under review, we continued to make progress towards a uniform approach to environmental and social standards in the supply chain throughout the Pfeiffer Vacuum Group. For example, global alignment of management, the use of a common system and standardization of supplier policies has been achieved.

Code of Conduct as guiding principle for business relationships

Pfeiffer Vacuum conducts business with high ethical and integrity standards and, thus, expects the same from its business partners. Since 2019, suppliers have been required to confirm their compliance with legal obligations concerning environmental protection, human rights and compliance with other sustainability requirements by signing the suppliers code of conduct when concluding a contract. Our requirements are based on the international principles of the "Global Compact" and the "Universal Declaration of Human Rights" of the United Nations as well as the labor standards issued by the International Labor Organization, taking into due account the applicable laws and regulations in different countries and at different sites. They are supplemented by our internal standards and core values.

The Supplier Code of Conduct is available in seven languages. Suppliers who are considered for series delivery of production-related parts must accept these conditions.

It is our ambition and role to make sure that the Pfeiffer Vacuum Supplier Code of Conduct is signed by 100 % of the new key suppliers and business partners and we also require our existing business partners to acknowledge it. Additionally, there is a Code of Conduct for our distributors which is a binding part of the distribution contract. The Codes are based on the principles of the UN Global Compact and include provisions for human rights, working conditions, environmental protection, preventing corruption and bribery, fair competition and material compliance. Suppliers to and distributors of Pfeiffer Vacuum shall ad-

here to any applicable environmental laws, provisions and standards. It is furthermore expected that they develop and use an efficient environmental management system (e.g. their own written policy, ISO 14001 or other standards), in order to identify and minimize the environmental impact and hazards. In this respect, we expect them to make a reasonable provision for protection of the environment in their own business activities. We aim to increase the proportion of major direct suppliers with a recognized environmental management system in the coming years.

ESG risk assessments for suppliers

Before entering into a new business relationship, we carry out a business partner review in order to identify critical areas. For this purpose, we use a software for risk assessment, which has been introduced on Group level. The global use ensures that suppliers to every production location will be subject to the same binding requirements relating to environmental regulations and standards.

With the support of this software solution counterparty risks, country risks, environmental risks and geopolitical events are monitored and checked for their impact on the Group's supply chains. Changes in risk assessment and risk situations are communicated immediately to all relevant units of the Group. This enables Group-wide supply chains and suppliers to be assessed for risks in real time and measures to limit risks to be implemented to avoid any harm is being caused as early as possible.

These may include hazardous materials used during supply chain operations, environmental pollution, energy consumption or carbon emission.

The main production sites monitor compliance with environmental and social standards by carrying out quality audits at the individual suppliers' sites. The audits are based on the international quality and environmental management systems such as ISO 9001 or ISO 14001. Thus, in addition to a catalog of requirements, it is also examined whether certified management systems exist or if any conspicuous issues can be identified during site inspections.

Due to the high importance of this comprehensive topic for us, we would like to sensitize our business partners to it instead of just imposing contractual conditions on them. Therefore, it corresponds to our approach to run awareness campaigns and conduct compliance courses for the suppliers where feasible. Last but not least, we pursue the goal to conduct sustainability audits of identified key suppliers by the year 2025. This may be implemented by self-assessment, on-site audits or audits conducted by third parties.

Environmental and social aspects

As we understand it, the supply chain can pose a threat to the very two areas we consider most worthy of protection: The concerns of our environment on the one hand and human and labor rights on the other. We therefore pay particular attention to both of these.

The careful use of natural resources and the adherence to environmental standards throughout the entire value chain is crucial. We consider environmentally responsible action as an ethical and corporate duty – far beyond the supply chain, but within the framework of our own processes in manufacturing, sales and administration or at a later stage in the utilization phase of our products at the customer's premises. We want to save energy and CO₂ emissions along our value chain and thus make a positive contribution to global climate goals.

Pfeiffer Vacuum procures pre-products from a large number of suppliers. Inadequate environmental standards on the part of suppliers can result in air, soil and water pollution, as well as climate damage or loss of biodiversity. For this reason, Pfeiffer Vacuum strives to collaborate with partners along the entire supply chain who observe environmental regulations, for example through an environmental management system.

Doing otherwise could not only constitute an infringement of local laws and regulations but also have a negative impact on our reputation as well as on our internal business processes. This might lead to cost increases or sales loss. In order to mitigate these risks we carefully analyze and select our potential suppliers in the fields of environmental risks and by conducting ongoing supplier qualification programs.

Of equal importance to Pfeiffer Vacuum is the observance of social standards, which includes respect for human and labor rights, as well as safety in the workplace. This also has an indirect impact on the protection and development of

local communities. Since our principal manufacturing facilities are located in industrialized countries, Pfeiffer Vacuum has classified the likelihood of social standards being violated as rather low, given the strict legal requirements that apply in each case. Where this is not the case, we closely monitor working conditions and ensure that social and legal standards are met. The major risks for the violation of social standards therefore lie in the global supply chains.

Conflict Minerals

According to Pfeiffer Vacuum's ethical standards, we have installed processes to assure our products do not contain any conflict minerals. The term "conflict minerals" refers to the raw materials tantalum, tin, tungsten and gold if the extraction and trade in these raw materials contribute to financing or otherwise supporting armed groups in the Democratic Republic of Congo or its neighboring countries. These conflicts endanger human rights and the protection and development of local communities.

Pfeiffer Vacuum has been aware of its coherent responsibility in the supply chain for many years. We already have fulfilled the requirements of the "Conflict Mineral Regulation" on a voluntary basis, which was enacted across the European Union by January 2021. Pfeiffer Vacuum utilizes the potentially critical minerals tantalum, tin, tungsten and gold primarily in connection with bought-in electronic components.

At the manufacturing locations with their own procurement departments in Asslar, Annecy, Yreka, Asan and Ho Chi Minh City, suppliers are required to confirm any potential use of conflict minerals. If the absence of conflict minerals cannot be confirmed, suppliers were obliged to implement measures within a reasonable period of time to ensure compliance. If necessary, conflict-free components are procured from a different supplier.

Due to the high degree of complexity and dynamic nature of the issue, Pfeiffer Vacuum has outsourced the process at its Asslar facility to a specialized service provider. Currently, we are switching to a new software-based compliance platform which assists us in managing relevant supply chain data including data concerning conflict minerals. The system has been tested in Asslar and was implemented in Annecy in 2020. It is being rolled out at other sites at the moment. For its production locations in Asslar, Annecy and Yreka in particular, Pfeiffer Vacuum is also pursuing the objective of continuing to utilize only raw materials that originate from certified smelters in accordance with the appraisal of the Responsible Minerals Initiative (RMI). Certified smelters extract ores and minerals in accordance with defined environmental and social standards. It is our goal that the procurement of raw materials at all major production sites comes from main suppliers which originate from certified smelters.

The subsidiaries in Asslar, Annecy, Yreka and Ho Chi Minh City provide a conflict mineral statement to their customers if required. This commitment to conflict-free products includes a standardized conflict mineral reporting template ("CMRT") of the Responsible Minerals Initiative, which contains detailed information on the country of origin of all smelters and refineries used. New suppliers are also required to sign a conflict mineral reporting template. This document was sent to all suppliers for initial compliance and to new suppliers upon initial qualification.

Throughout the reporting year, no suppliers were excluded due to the use of conflict minerals at any location.

RESPONSIBILITY FOR EMPLOYEES

The successful development of Pfeiffer Vacuum can be attributed to the competence, high level of commitment and outstanding performance of our people in particular. With great loyalty each day, they make a significant contribution in their respective positions to advancing the transformation process initiated by the Group. Every employee is valuable to us. That is why we are interested in long-term cooperation. We invest in the development of each individual employee. These topics also are a decisive factor for us for strategic reasons – today and in the coming years.

All core issues that affect our employees are managed by the Global HR Team consisting of members of the HR department in Annecy and Asslar. The local HR managers are responsible for regional support and implementation.

In order to enable seamless cooperation between all regions, flat hierarchies are indispensable and therefore already part of everyday practice in our Group. They make everyday work easier and are to be expanded. During the reporting period we have revised the Management organization in terms of reporting lines and established a matrix organisation in order to empower functional managers across all Pfeiffer Vacuum sites around the globe.

Employer of Choice

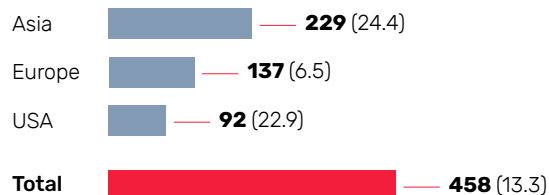
Employee structure

At the end of 2021, a total of 3,444 people were employed at Pfeiffer Vacuum (previous year: 3,309) This represents an increase of 4.1 % compared to the previous year. This is essentially attributable to the fact that the Company had to accommodate unpredicted growth. In addition, further personnel support is needed to continue the implementation of the planned growth strategy.

In the reporting year, the employee fluctuation rate varied depending on the Company's geographical location. Due to the Corona pandemic, our units in Korea and Yreka had an increased turnover of their workforce. In China a large internal transfer from one legal unit to another legal unit took place.

FLUCTUATION RATE BY REGION

Number of employees (in %)



In order to get a picture of the satisfaction of our employees, we have decided to conduct a Group-wide employee survey for the first time in 2020. 1,580 employees participated in the survey and the results clearly show that our colleagues are committed and enjoy working for Pfeiffer Vacuum. However, they also reveal where we can still improve in our role as a preferred employer. The next world-wide survey will be conducted in 2022.

REGIONAL DISTRIBUTION OF EMPLOYEES

	2021		2020		2019	
	Number	in %	Number	in %	Number	in %
Europe	2,104	61	2,048	62	2,060	63
Asia	939	27	884	27	836	25
USA	401	12	377	11	380	12
Total	3,444	100	3,309	100	3,276	100

In order to derive the greatest possible benefit from the employee survey, the Managing Directors and the Human Resources Manager of each unit were given the task of evaluating the results of the survey in detail for their respective areas and deriving recommendations for action from them. Over the course of the current year, smaller surveys had been carried out in various departments related to specific topics in order to follow upon the impact of targeted improvements.

Work-life-balance

Pfeiffer Vacuum is a modern, agile employer that grants its employees flexibility to experience a work-life balance as long as it suits in with economic requirements. In addition to mobile and flexible working time models, the compatibility of family and career plays a prominent role. In accordance with the applicable law at the place of work, we grant our employees parental leave as a matter of course.

In addition, we offer our employees flexible working and transition models with regard to the end of their working life. An example is the 100/50 – 0/50 model: in the first phase of this model, employees can forego half of their salary while working full time in order to receive half of their salary without working in the second phase. After the second phase is over, the regular pension period begins.

As the pandemic has subsided in some parts of the world in the meantime, colleagues have returned selectively to their work places in the Group's offices. We have mastered the associated challenges well. This is also due to the Global Guideline for Mobile Working which we have developed and is planned to be rolled out over the course of the year 2022. The guideline grants all employees a total of eight days for mobile work per month, if it suits their daily working tasks as well as local working culture.

Remuneration and incentive schemes

The incentive scheme of Pfeiffer Vacuum differs according to local conditions and customs. In addition to personal KPIs and company result, personal development is also included in the bonus scheme. The sales personnel basically receive performance-related incentives via a bonus scheme oriented to sales growth and profit. Depending on the location, there are additional bonus, incentive or employee participation schemes.

Perspectively, we will include our ESG targets in bonus schemes for executive levels and intend to add ESG targets to the individual targets of our managers in 2022.

The pension scheme is similarly varied by the individual locations. Apart from a purely public scheme in France funded by the French subsidiary, the worldwide pension scheme includes additional measures and payments into pension funds, the offer of a pension plan and direct insurance with the additional option of deferred compensation.

Diversity & equal opportunities

Pfeiffer Vacuum has positioned itself as a globally operating group. Therefore a large number of people from a variety of backgrounds work for us under one umbrella brand.

Consequently, cooperation between people of different cultures and nationalities is commonplace at Pfeiffer Vacuum. Employees are sensitized not to treat their colleagues differently from others because of their origin, age, gender, sexual orientation, disability or religious beliefs. Pfeiffer Vacuum has been a member of the "Diversity Charter" initiative launched by the German federal government for several years. It is an expression of a fundamental commitment to fairness and appreciation of the people in our companies. In order to raise awareness of intercultural differences, diversity and compliance among our colleagues, we again held numerous training sessions in the past 2021 financial year, where participants were able to learn about our Code of Conduct covering key aspects of the broad area of diversity. For further information please refer to the Compliance chapter.

Of our 3,444 employees, 635 are female, 2,809 are male and we have no employees who indicated the third gender. This means that women make up 18 % of the total workforce (previous year: 18 %).

Since October 2017, the chair of the Supervisory Board of Pfeiffer Vacuum has been held by a woman. Since January 2021, the percentage of women in the Management Board is 50 %. This was positively registered by the AllBright Foundation and mentioned in its latest report, which was published on October 27, 2021. Pfeiffer Vacuum is thus leading a group of five companies out of a total of 160 listed on the Frankfurt Stock Exchange whose proportion of women on the Management Board is over 40 percent.

Education and training

Continuous education and training despite coronavirus

Good training and the readiness to adapt to changes in market forces by continuous development are thus the best prerequisites for all employees, regardless of age, in order to secure jobs and sustain professional success. For this reason, the continuous education and training of all our employees plays an outstanding role in our company.

We do not differentiate according to the length of service with the company, the area of application or the career level of the employee or the specific location but make suitable offers in each case. The provision of further training options is generally linked to the local conditions and requirements.

Despite certain restrictions due to the comprehensive hygiene and safety measures in connection with the coronavirus pandemic, we succeeded in continuing qualification activities in 2021. Some of them were based on newly developed concepts. In addition, we were able to hold some employee training courses, which were previously held as face-to-face events, as online training courses during the coronavirus crisis. We continued to hold mandatory information events on safety and health at work at all sites and integrated them into the onboarding trainings.

Over the course of the year 2021 we developed new concepts so we were able to offer workshops on sales and product topics, which were held as online sessions. Furthermore, we extended the corporate e-learning material in the compliance area covering aspects of global information security, competition and anti-trust-law as well as anti-corruption and bribery law as well as export control.

Specific employees also benefitted from trainings in the usage of Social Media or aspects of our new Corporate Brand Strategy. At our headquarter in Asslar we initiated special e-learning in soft- and leadership skills for the mid-level and top level management.

Our goal is to offer every employee at least one full-day training session at our in-house Pfeiffer Vacuum Academy or with external providers. Our new e-learning portal, whose introduction began in 2021 and will be completed in 2022, will make this goal possible offering more flexibility and possibilities for all employees to perform training sessions.

Vocational training for young professionals

Our corporate culture focuses on people, who are able to develop their potential in an appreciative working environment with equal opportunities. Pfeiffer Vacuum offers training in a variety of vocations. The promotion of young talent is of great importance for the Company. Therefore, we regularly offer company apprenticeships for industrial mechanics, in the business administration area, as well as in warehouse logistics at various locations. Due to disparities in the context of the coronavirus, we did not provide any exchange programs for trainees or students over the course of 2021. Since the health of our employees is our top priority, we have decided with a heavy heart to discontinue this practice in the year 2022. However, as soon as it is possible for the exchange programs to be carried out again without any health risk, we will revive the offer immediately. In 2021, Pfeiffer Vacuum employed a total of 85 (previous year: 82) apprentices worldwide.

In addition to the company apprenticeships, Pfeiffer Vacuum in Germany participates very successfully in the "Studium Plus" project, a dual degree program of the Technical University of Mittelhessen. Furthermore, a partnership exists with the Georg-August University Göttingen in relation to the company apprenticeships. In this way, we secure our young talent in industrial and mechanical engineering as well as in the area of business informatics.

PROFESSIONAL QUALIFICATIONS OF THE WORKFORCE

	2021	2020 ¹	2019
	Number	Number	Number
Graduates of universities, colleges, and universities of applied sciences	1,364	1,246	1,236
Employees with professional training	1,524	1,454	1,496
Employees without professional training	471	344	452
Apprentices	85	82	92
Total	3,444	3,124	3,276

¹ Indication without Nashua site, concerns 185 employees.

RELATIVE DISTRIBUTION OF THE PROFESSIONAL QUALIFICATIONS OF THE WORKFORCE¹

in %

44

Employees with professional training

2

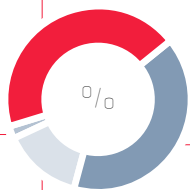
Apprentices

14

Employees without professional training

40

Graduates of universities, colleges, and universities of applied sciences



¹ Indication without Nashua site.

Our Company is active in very special markets that require know-how in this field. Therefore, all of our new employees complete an introductory course in the basic principles of Vacuum Technology while sales and service employees receive advanced training courses about products and services.

GROUP-WIDE KEY FIGURES FOR TRAINING AND EDUCATION

	2021	2020	2019
	Number	Number	Number
Training measures ¹	3,900	5,300	3,000
as of on-site trainings	800	900	700
as of e-learning	2,700	4,000	2,100
as of external and other trainings	400	400	200
Training participants ¹	11,800	20,200	11,800

¹ The figures were rounded to the nearest hundred.

Long-standing employees with relevant experience receive adequate training opportunities to specialize and take advantage of appropriate career opportunities within the Group.

Furthermore, the Company pays attention to specialized advanced training to transfer technical innovations within Pfeiffer Vacuum. German, English or French language courses are offered depending on the respective location and need. In the year under review, the number of training measures and training participants declined, as we trained Pfeiffer Vacuum employees worldwide on our Code of Conduct in 2020. Due to the ongoing pandemic, courses continued to be offered on a limited basis, but will restart in the coming year.

We support and promote the transfer of knowledge between employees in all areas of our company. In 2021, for example, a dedicated project team, composed of members of HR and R&D, has been working on the design of an expert path in addition to the "classic" manager path. With this approach, we aim to validate a process for identifying internal experts who can evolve on two defined levels in this new "expert" pathway with a personalized development plan and clearly established responsibilities. Pfeiffer Vacuum aims to retain our technical talent and offer them a path to a successful career within the Group.

In 2022, we will continue to offer our employees the opportunity to participate in trainings based on innovative digital tools and video conferencing. This should support face-to-face training without endangering health and safety in on-going times of the Corona pandemic.

Corporate management and executive training

Due to their outstanding position, we pay particular attention to the continuous training and development of our current and future managers who wish to develop themselves. Contents include management techniques, employee leadership or the training of rhetorical skills.

In 2021 we worked further on our leadership culture. The key competencies and values that define leadership in Pfeiffer Vacuum were defined as:

- Customer focus
- Trust
- Communication
- Financial acumen
- Courage and accountability
- Being humble and learning from self-reflection
- Ethical sensitivity and compliance
- Open mindedness
- Strategic and creative thinking
- Resilience and face adversity
- Fostering a culture of empowerment, engagement and collaboration

In 2020 we introduced a 360°-feedback for our Top Management including the members of the Management Board, General Managers and Regional Managers worldwide. In 2021 we expanded this 360°-feedback opportunity to the next level of leadership in France, the US, Germany, China and Vietnam. Extended individual coaching is offered to the leaders to implement the learnings out of the feedback.

Furthermore, we developed a training program for our Human Resources Business Partners with regard to our four main entities. It enables the participants to gain the experience on how to run a leadership assessment by themselves.

At the headquarters in Asslar in 2021 a series of online small group workshops was held to work on leadership. In addition, we designed and implemented a new four module leadership program for leaders. Five groups of 8 to 10 leaders have already started the one-year program.

International long-term assignments

As a globally operating company, it is common for Pfeiffer Vacuum to assign certain employees to a foreign subsidiary for a period of more than six months. The mutual learning process is at the forefront of these long-term projects – and has proven itself repeatedly. One important task of the Global HR Team in 2021 was to establish a Global Mobility Guideline that regulates all assignment-related aspects.

Occupational health and safety

Due to the great expertise and engagement of our employees, which was supported by our hygiene concept, we have mastered the second year of the coronavirus pandemic 2021 comparatively well. The physical safety and safe working conditions for our employees are paramount.

The health of its workforce, operations and the conditions of the buildings are key factors in the creation of value within the corporate Group and is a major prerequisite for satisfying the high quality and safety requirements that apply to the products and services of Pfeiffer Vacuum. As a responsible employer, Pfeiffer Vacuum strives to limit the number of accidents and the frequency of days lost

due to illness as far as possible. This benefits not only every employee, but also the corporate Group itself, since inadequate occupational safety and health protection can result in cost due to absenteeism, reduced production capacity and lower product quality. For this reason, we pursue the goal of ensuring that occupational safety and health protection are at a high level.

In the areas of production, service, administration and sales, there are different requirements for occupational safety in each case. Hence, the following comments refer primarily to the Company's principal production sites in Germany, France, Romania, China, South Korea, Vietnam and the United States of America.

The topic of occupational safety and health protection has been managed within the Group according to an occupational safety policy. In this field too, we comply with legal requirements at a local, national and international level. We seek to identify sources of danger in our processes, to analyze suggestions for improvements made by our employees and to implement concrete measures. Compliance with the respective country-specific legal requirements is the minimum applicable requirement for occupational safety and health protection throughout the Group. The requirements specified in our guidelines go beyond this in many cases.

Since the year 2019, all of our Group sites use a software-based information and collaboration platform. They are required to provide coherent data in the fields of environment, occupational health and safety (EHS) every month.

For each LTI (Lost Time Injuries) a report including detailed evaluation is generated and shared with the Chief Operating Officer, the General Managers, the Head of EHS and the other sites EHS managers in order to implement mitigation measures avoiding similar incidents in the future.

With our global EHS policy we pursue a preventive approach. We seek to avoid all potential risk situations that may occur at Pfeiffer Vacuum, including accidents involving machinery. The wearing of safety equipment is mandatory throughout the Group and includes all employees and other persons who are present in the production areas.

At our sites we carry out weekly “Gemba walks”. This enables us to identify imminent safety risks, optimization possibilities in production processes or synergy effects resulting from standardization at the production sites. Using these systematic analyses, we are able to derive measures to improve working conditions on an ongoing basis. Such measures include, for example, updated escape and rescue plans, training of employees to deal with a special crane for approximately 200 employees or the creation of standard templates for instructional documents such as work instructions and process descriptions. They also include setting up workplaces in line with ergonomic criteria and setting up comfortable workstations.

The table below shows the key indicators for occupational health and safety at all Pfeiffer Vacuum production sites in the regions Europe, Asia and the USA.

FREQUENCY OF ACCIDENTS AND FATALITIES

Key accident figures	2021			2020 ¹			Total	
	Europe	Asia	USA	Europe	Asia	USA	2021	2020
LTI (Lost Time Injuries: Accidents requiring at least one day of absence)	30	2	2	43	2	1	34	46
LTIFR (Lost Time Injuries Frequency Rate: LTI per 1 million working hours)	9.5	1.6	2.6	14.9	2.1	1.3	6.6	9.9
Work-related deaths	0	0	0	0	0	0	0	0
FAR (Fatal Accident Rate: frequency of fatalities) in %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %

¹ Indication without Indianapolis and Wuxi sites.

GROUP-WIDE KEY ACCIDENT FIGURES

	2021	2020 ¹	2019
LTI (Lost Time Injuries: Accidents requiring at least one day of absence)	34	46	59
LTIFR (Lost Time Injuries Frequency Rate: LTI per 1 million working hours)	6.6	9.9	14.3
Work-related deaths	0	0	0
FAR (Fatal Accident Rate: frequency of fatalities) in %	0 %	0 %	0 %

¹ Indication without Indianapolis and Wuxi sites.

The accident frequency (lost time injuries frequency rate (LTIFR): accidents with lost working time of at least one day/shift) was 6.6 in 2021 (previous year: 9.9). We explain the decline in the rate, to the effects of our occupational health and safety prevention measures and increased mobile working. During the Corona pandemic, we recorded fewer accidents at our sites worldwide; there were again no fatalities in 2021.

Preventive health protection

We protect the health of our employees by preventing work-related disorders and occupational diseases. We pay particular attention to ergonomics in the workplace. In this context we follow our philosophy of prevention, treatment and rehabilitation.

Health protection at our production sites is generally managed by the respective environment, health and safety department. In 2021, employees at the sites in Germany and Vietnam had the opportunity to be vaccinated against Covid and to be tested. The necessary medical personnel came to the respective sites for this purpose. In connection with the pandemic, the offer of mental health services was also expanded, for example at sites in Germany and France.

The health protection concept at the production site in Asslar is managed by the HR and EHS department and includes measures such as health consultations with a company physician, the extension of the product catalog

for personal protective equipment or the 2021 conducted "Mission Zero" poster campaign. The latter is an awareness-raising campaign to prevent occupational accidents. All documents are available to the entire Group. Pfeiffer Vacuum in Annecy offers employees similar programs, has also established the "MoveGreen" program in 2021, that promotes employees to come to work with the bicycle and conducted an ergonomic evaluation for production workstations. At Wuxi for example, training on prevention of chemical leakage and a fire drill for all employees was organized to ensure the right reaction in case of an emergency.

In this context, we have managed to implement a global safety culture during the reporting period. Our goal to reduce accidents is of common interest and of particular importance to us. It should be manifested in the consciousness of each individual employee. Thus, we developed "12 rules of workplace safety and health", translated them into nine languages, printed them on posters and displayed them at different places at our sites.

To accompany this, we conduct training courses on EHS topics and use different media channels illustrating general safety requirements, protective measures and other key issues of the subject area. The training courses are held at regular intervals throughout the Group, during which specific findings are also discussed in order to continuously expand the knowledge and experience of all employees.

Our EHS managers are responsible for the ongoing improvement of our workplace safety and regularly carry out safety checks and audits within the Group. Hence, they are driving the process forward to achieve the implementation of ISO 45001 certification at all production sites by the year 2025.

PRODUCTS AND CUSTOMERS

It is our company philosophy to consider, quality as an inherent characteristic of our production. Our products are highly trusted by our customers because they are reliable and safe but also innovative and energy-efficient. This means our customers can be sure that the products they use are not only energy-efficient but have also been manufactured in the most resource-friendly way possible. However, it is not only environmental thinking and product quality that are appreciated by our customers, but also our additional services and training. Altogether, this forms the basis for close customer cooperation and long-term and sustainable relationships.

Innovation Management and Product Impact

Sustainability, innovation and technological leadership are important factors at Pfeiffer Vacuum for ensuring our company's success. We take a leading role in order to pave the way to a sustainable future. We do this by developing and delivering innovative and energy-efficient vacuum technology for our customers in numerous industries.

In addition to pursuing our own research and development (R&D), we work closely with customers and suppliers on projects to jointly move new technologies and innovative sustainability solutions forward to market maturity at an early stage. We also have a well-established network that includes various national and international universities and research institutes. In order to manage R & D throughout the corporate Group, a Global Technology Organization is in place, which reports to the CTO.

Pfeiffer Vacuum offers a variety of different products and solutions meeting the various specific requirements of our clients. It starts with the product definition which incorporates for most a very strong focus on sustainable and customer-oriented product development requirement in all aspects of the development phase. Technology bricks that form the basis for further product developments enable an efficient and sustainable development process. This toolbox is constantly updated and deployed in different development areas at Pfeiffer Vacuum.

Environmental friendliness and energy efficiency of products

Products from Pfeiffer Vacuum have an impact on the environment in all phases of their life cycle, from development and production to recycling and disposal respectively. In the utilization phase, the main factors besides meeting the requirements of the specific application are electricity consumption, noise emissions, material characteristics and simplicity to operate in the respective application. In the coming years, we will continue developing environmental-friendly products, especially reduce use of materials and increase energy efficiency.

Strategic measures include Group-wide coordination and steering of global research and development activities, the implementation of a Group-wide IT strategy as well as the advancement of technologies. The comprehensive digitalization of our products in the coming years will enable us to monitor the performance of our products on our customers' applications much more closely. We will use the findings for process and product improvements, which also lead to material and energy savings along the life cycle.

The products will be becoming smarter allowing for predictive maintenance intervals subsequently reducing scrap and process failures during operation. This is supported by data-collecting sensors which are introduced to the products, depending on customer requirements and applications. For example, this means sensors detecting depositions during the process, vibration and subsequent wear effects or temperature impacts, as temperature

measurement in vacuum is much more difficult as under atmosphere.

Due to the individuality and physical limitations of our different product technologies, there are no Group-wide targets for energy, environmental or resource efficiency of each product. However, depending on the area of application and the manufacturing process, there are clear specifications to take into account resource and environmental protection aspects. The specifications include, for example, increasing energy efficiency, assuring the environmental friendliness of the materials used, reducing the amount of raw materials used, reducing emissions and waste, and the avoidance of hazardous substances. By using an appropriate product design, products can be developed, for example, with smaller dimensions and modern drives, which allow for savings and conservation of the materials and resources used.

In the production process, Pfeiffer Vacuum strives to increase material efficiency and to handle all materials employed in an environmentally compatible manner. More information on this can be found in the Environment section and the Supply Chain section.

Although technical features and physical properties are a major decisive design criteria, the specification for new developments concentrates on footprint and power consumption as well as smart drive technologies which allow for significant power reduction during the utilization phase. This is an integrated part of all new energy using product specifications and leads to innovative products based on state-of-the-art technologies.

Over the course of the year 2021 we have introduced a variety of new products taking the sustainability aspects into account. Among these are:

1. Turbomolecular pumps HiPace 80 Neo: The design of the new generation of Turbomolecular pumps HiPace 80 Neo offers a 28 % smaller overall volume for the same performance. Thus, less material and lower energy consumption are the result of these specifications and developments. The innovative and patented balancing technology allows for lower noise and reduced vibration and subsequently reduces the impact on the environment where installed. The HiPace 80 Neo incorporates a new high-performance lubricant, which improves safety and reliability with improved ageing resistance, optimized lubrication behavior and higher temperature resistance. The HiPace 80 Neo pumps run maintenance-free for up to 5 years.
2. The new HiScroll ATEX scroll pump series is an innovative addition to the existing scroll pump portfolio and covers many applications in the field of analytics, industry or research & development. They have several advantages in terms of sustainability: A compact design, low-vibration operation and high-quality components ensure a long lifetime, lower operating costs and a reduced environmental impact. The powerful yet efficient drive features a 15 % higher efficiency compared to conventional drives. This also results in lower power consumption compared to previous generations of drives. Our new HiScroll oil-free vacuum pumps also enable maximum performance at low temperatures and easier and more cost-effective cooling.

3. Furthermore, we completed our HiLobe product line.

These intelligent, high performance roots pumps for low and medium vacuum applications are particularly innovative with their exceptional short pump-down times, power and energy efficiency. They consume 30 % less power and, furthermore, HiLobe has 50 % reduced volume and weight compared to its predecessors.

In 2021, further product variants of our well-established XN range were launched. The innovative technology of our dry process pumps in the XN range reduces maintenance frequency, allows multiple reuse of cleaned parts and increases pumping lifetime. The cost of ownership is drastically reduced, as well as the tool downtime. It also offers more energy saving mode capabilities which result lower power consumption in operation than other products. The furthermore optimized N2 purge reduces the utilities and offers even better lifetime.

Material efficiency

Increasing the material efficiency of for example aluminum results in a reduced environmental impact (under the same production conditions) since large quantities of energy are required for aluminum manufacturing and, in some cases, environmentally hazardous waste materials are produced. We will therefore work continuously on reducing the use of this raw material in our products, as has for instance been achieved with HiPace neo.

Pfeiffer Vacuum adheres to statutory requirements for hazardous materials to ensure the environmentally compatible handling of the raw materials and preproducts used. Examples here include the EU's REACH chemicals directive and the RoHS directive for restricting the use of certain hazardous substances in electrical equipment. In order to monitor the adherence in the most effective way, we established a specific material compliance department in the reporting period to ensure centralized conformity. The main focus in the reporting period was in essence to define the criteria for standardization and material compliance and role them out to the organization – this applies to R&D as well as to the supply chain.

Quality Assurance and Product Safety

Pfeiffer Vacuum manufactures innovative high-tech-products and sets industry-wide benchmarks regarding both – quality and safety. Pfeiffer Vacuum applies high safety standards and strict quality requirements in product development and production. Our quality management system is based on internationally recognised standards as well as applicable legal requirements along the entire manufacturing process. For example, all product development processes comply to defined standards as minimum requirements under DIN ISO 9001. Numerous further specific product and process standards also apply on top of these requirements. Depending on the product specification, Pfeiffer Vacuum has established different quality assurance systems.

Compliance with these requirements and standards is audited at regular intervals by internal experts and external auditors. The results of these audits are systematically evaluated. Reporting is provided directly to the management.

Already during the development process, quality gates and milestones are binding steps that are constantly monitored and reviewed. The results of the quality meetings are made available to management as an integral part of the release meetings.

Ensuring constant product quality, the entire supply chain has to be part of the monitoring and control processes. For example Pfeiffer Vacuum ensures that relevant suppliers confirm to ISO 9001 and are audited with respective documentation and follow up. We have in-house control plans for production parts and for all tools, machines and gauges. In 2021, all Pfeiffer Vacuum products were tested with regard to their quality. Our quality assurance employees participate in regular and permanent training plans.

Strict compliance with product safety regulations also has high priority for us. The safety and integrity specifications are essential for minimizing the risk of malfunction or even accidents. The stored energy of fast spinning large Turbomolecular pumps for example needs to be and is safely managed.

Pfeiffer Vacuum has set an international standard as prerequisite for design evaluations during the design process. These and our other efforts make us one of the leading companies in the matter of product safety.

Customer Satisfaction and Service

Customer satisfaction is a key element of Pfeiffer Vacuum's corporate culture and success. It is an important part of our customer loyalty, because only highly satisfied customers become loyal customers and place follow-up orders.

In addition, feedback from our customers enables us to adapt internally to desired improvements as well as new or changed market requirements. Our direct internal communication to the Quality, R&D and Production departments involved makes Pfeiffer Vacuum a learning organisation.

At Pfeiffer Vacuum, customer service includes the supply of spare parts and replacement service, repair services from our service centres and technical support from a highly specialised team. Visual assistance is the latest addition to Pfeiffer Vacuum's service portfolio. Responsible for the area of customer service is the Head of Service with a direct reporting line to the Head of Sales, who in turn reports to the Management Board.

Pfeiffer Vacuum started anonymous customer surveys in November 2021 directly after a field service call, an in-house repair or after a completed technical support request. We conduct surveys with a focus on quality, turnaround time and overall satisfaction as well as pricing. In addition, the Net Promoter Score also plays an important role. These newly introduced surveys are reviewed on a monthly basis and appropriate actions for improvement are initiated within a timely manner.

Develop competencies, expand know-how

The success of Pfeiffer Vacuum is decisively based on the expertise, the loyalty, and the high motivation of our employees. The expert knowledge of our service and sales employees, in particular plays an important role in the collaboration with our customers. They benefit from the many years of experience which our experts can draw upon in the fields of vacuum technology.

Most projects are developed by our customers together with our Sales and Market teams which, in turn, also consult the relevant experts from the areas of Research & Development as well as Production and Service as necessary. The skilled knowledge of our employees is also of major importance in the manufacture and installation of our products. The key goal is to offer our customers a perfect vacuum solution for their application.

Pfeiffer Vacuum has a dedicated training academy. In addition to training our employees, we also provide customer-specific courses. These technical training courses impart knowledge and skills that are specifically required when working with vacuum technology components and systems. They cover a broad spectrum from basic training to specific customized training. Our introductory course imparts the theoretical and practical fundamentals of vacuum technology.

Participation in professional seminars on the subjects of vacuum generation, leak detection, vacuum measurement and mass spectrometry offer an efficient opportunity for familiarization with the subject matter and for regularly refreshing special knowledge. In these courses, our customers will utilize practical exercises to gain the technical knowledge and professional skills and abilities that are necessary for operating and maintaining vacuum components and systems.

By the end of 2023, we intend to be a leading provider for customer training in the vacuum market.

GOVERNANCE

Pfeiffer Vacuum observes and respects local laws and statutory regulations as the legal foundation of our business activities in all countries in which we operate. Furthermore, responsible corporate governance means for Pfeiffer Vacuum a commitment to our Code of Conduct and internationally recognized standards, such as the principles of the UN Global Compact. They serve as binding guidelines for all employees in our daily business and we expect our suppliers and business partners to respect them.

Corporate Governance & Compliance

Compliance Management

The Global Head of Compliance and her international team are responsible for the Group-wide implementation and management of compliance. The team consists of several employees with responsibility for operational compliance issues, risk management, export control, data protection and information security in the different regions. The Global Head of Compliance reports directly to the Chief Executive Officer. The Supervisory Board is informed regularly about current developments and issues. Further reports are made as required.

In addition to implementing the Group-wide Pfeiffer Vacuum compliance program, the principal tasks of the compliance organization include the formalized assessment of risks, including the annual review of the internal control system. By means of internal audits, international subsidiaries are regularly evaluated and reviewed with respect to particularly risk-exposed issues.

One focus is on anti-corruption measures. In the markets in which Pfeiffer Vacuum operates, we are exposed to the risk of corruption and antitrust incidents as a result of its widely ramified supply chains and global business relationships. Relevant offenses can distort market conditions and impede fair competition.

Violations are associated with repercussions for customers and business partners, as well as for economic performance as a whole. If an infringement is discovered, there is a potential risk of heavy fines, damage to reputation and loss of customers.

In order to assure continuous accessibility of the relevant documents on compliance issues for our colleagues, we implemented further measures in the course of 2021. For example, we extended our intranet presence on additional topics such as the export control, data protection and information security. As the latter is of high importance to us, we have developed and published further policies in this field.

Additionally, In the course of the year, we also developed and introduced a new online-based training concept tailored to the needs of the respective employee target groups.

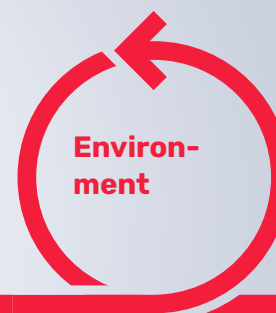
THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT AT A GLANCE



**Human
Rights**



Labour



**Environ-
ment**



**Anti-
Corruption**

1

Businesses should support and respect the protection of internationally proclaimed human rights; and

2

make sure that they are not complicit in human rights abuses.

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4

the elimination of all forms of forced and compulsory labour;

5

the effective abolition of child labour; and

6

the elimination of discrimination in respect of employment and occupation.

7

Businesses should support a precautionary approach to environmental challenges;

8

undertake initiatives to promote greater environmental responsibility; and

9

encourage the development and diffusion of environmentally friendly technologies.

10

Businesses should work against corruption in all its forms, including extortion and bribery.

Selected staff receive training on new policies whereas all new employees are instructed on the Code of Conduct.

Pfeiffer Vacuum sees itself as a law-abiding, transparent and responsible taxpayer. Therefore, it is of highest importance for us to comply with all national and/or international tax and duty obligations. Pfeiffer Vacuum complies with the legal regulations in all countries in which we operate, both in terms of wording and intention of the regulations.

Basic information on our Tax compliance, on the fulfilment of our reporting obligations and a breakdown of our worldwide tax revenue by region can be found on our website.

Business Ethics & Code of Conduct

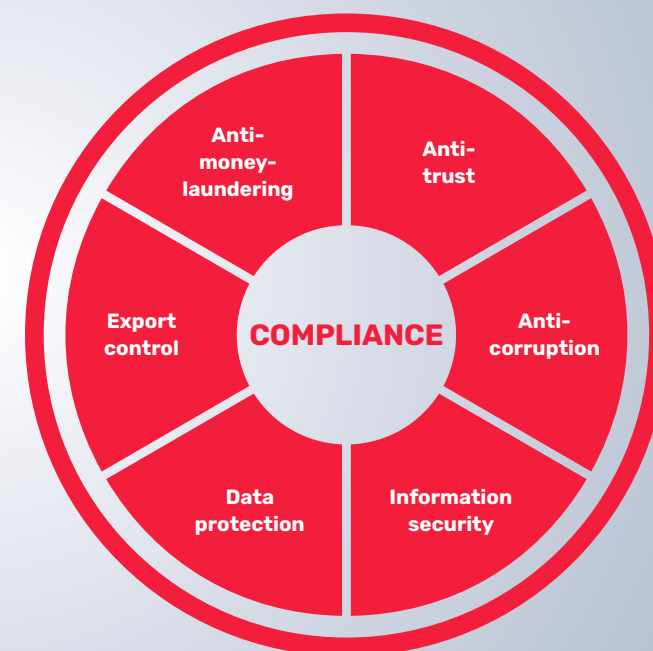
In summer 2021 Pfeiffer Vacuum joined the global sustainable initiative United Nations Global Compact. With more than 15,000 member companies from over 160 countries it is the world's largest sustainability initiative. As a signatory Pfeiffer Vacuum is required to make the Codex principles in the areas of human rights, labour standards, environmental protection and fighting corruption an integral element of its corporate strategy. The ten principles are consistent with our own corporate values and guidelines. This non-financial statement is also a progress report which must be published annually as part of our participation in the United Nations Global Compact.

Code of Conduct as the Group-wide basis for compliance

The central element of Pfeiffer Vacuum's compliance management is our Code of Conduct. This code serves as the fundamental basis for the daily actions of all employees and corporate bodies worldwide, in their dealings with one another and with all stakeholders, including customers, business partners and the general public. The Code of Conduct is available in all corporate languages through the Company's websites in the different countries as well as in the Group-wide intranet. Every new hire and employee is trained and needs to understand the individual rules and their application via software-based e-learning or face-to-face training. In addition to this, we have different global compliance policies for our key compliance topics.

The compliance policies are translated into twelve languages to ensure that every employee fully understands them. Currently, around 85 % of employees worldwide participated successfully in the Code of Conduct training courses and confirmed their understanding and binding application in a corresponding written declaration. Since we take this area of topics very serious and wish to keep it present in the minds of our employees, we plan continue increasing the awareness of the Code of Conduct on a regular basis. Irrespective of this, it is our goal that all new employees attend a training course on the Code of Conduct. In 2021, 299 employees (previous year: 191) received this training as planned.

COMPLIANCE POLICIES



Additional trainings regarding the different compliance policies were provided to our employees. These tutorials are an important part of the compliance program at Pfeiffer Vacuum and therefore will continuously be performed by target employees. Altogether during the reporting period 683 (previous year: 1,028) employees took advantage of the compliance training courses.

Whistleblowing system

For the prevention and clarification of possible violations, we have a Group-wide whistleblowing online system for anonymously reporting violations. The whistleblowing system can be used by employees as well as by external stakeholders.

The web-based whistleblowing system, which is certified according to data protection guidelines, makes it possible to report violations to the Compliance Department completely anonymously.

In 2021, we did not observe any case (previous year: one case) of bribery and two cases (previous year: one case) of harassment that had immediate remediation measures, but otherwise had no further impact on Pfeiffer Vacuum.

Digitalization & Cybersecurity

Pfeiffer Vacuum is part of the so-called 4th Industrial Revolution, which is transforming all aspects of business. "Digitalization" offers great opportunities and has a major impact on the way we do business. Information as well as

digital assets are crucial and critical for our success. Thus, an innovative company as Pfeiffer Vacuum has a greatly increased risk through threats like cyber-crime and cyber espionage. Our goal is to minimize these risks as far as possible. A systematic management approach has been implemented for this purpose including local contacts for each subsidiary, diverse Group policies and training for all employees.

Organization

The Chief Information Security Officer (CISO) is responsible for the Group-wide definition, coordination and implementation of appropriate information security measures. In order to implement information security globally in all business lines, the Chief Information Security Officer is supported by an Information Security Officer and an Information Security Team. Additional support is guaranteed by the Information Security Coordinators in every legal entity and the Global Process Owners who are responsible for the global information security risks and therefore must ensure that organizational and technical measures are effective within their area of responsibility. Implementing an information security management system (ISMS) is a crucial success factor to ensure the availability of information and IT systems and to protect them from unauthorized access and unauthorized changes.

The Pfeiffer Vacuum Group has a Computer Security Incident Response Team (CSIRT). The role of the CSIRT is to protect from threats and to act as the first responder to computer security incidents within the Pfeiffer Vacuum

Group, such as cyberattacks or technical disruptions. The CSIRT offers proactive and reactive services to protect the digital assets of the Pfeiffer Vacuum Group.

Information Security Management System (ISMS)

To ensure the availability of IT systems and protect them from unauthorised access and changes, Pfeiffer Vacuum has started to implement an information security management system in accordance with ISO 27001. ISMS' various tools secure an effective protection of digital assets, information and prototypes against different kinds of attacks such as disclosure/leak, misappropriation, destruction, manipulation, or misuse. Doing so, we ensure the availability of our production systems and a functioning supply chain management at all time. We are of course complying with all applicable laws and regulations as well as coherent contracts.

Having defined a global security risk assessment, we installed a group-wide Information Security Policy as well as special regulations according to the specific requirements of a country, company or department. All Information Security Coordinators were trained in their functions. Among our major targets is to roll out the ISMS all over the Group by the end of the year 2023.