Sartorius sets ambitious CO2 reduction targets

Internal Memo

Sustainable action takes many forms, commonly grouped into environmental, social and governance aspects (ESG). As a technology partner to developers and producers of innovative drugs and vaccines, Sartorius business activities contribute directly to social sustainability goals that aim to improve the health and well-being of people around the world. Regarding the reduction of its ecological footprint, Sartorius has previously undertaken a number of projects, such as switching to renewable energy or optimizing packaging and recycling. Now, the Group has established quantified CO2 emission reduction targets through 2030.

Reducing the CO2 emission intensity by 10% per year

"When defining our target, we focused on reducing the CO2 emission intensity, which puts our emissions in relation to sales revenue," says Joachim Kreuzburg. "The long-term planning for the Sartorius Group projects an annual sales growth of 15%. This basically translates into the doubling of sales revenues every five years. Such strong growth sets technical limits to the absolute reduction of CO2 emissions, which makes the emission intensity the more meaningful figure. Using the year 2019 as the base line, we want to reduce this figure by 10% annually on average until 2030. This means that by 2030 our CO2 emission intensity will be reduced by almost 70% compared to 2019. Such ambitious agenda comes at a cost: we anticipate the overall annual costs of our emission reduction activities to equal around 1% of sales revenue." For the number crunchers, some more details:

• In 2019, Sartorius earned 1,800 million euros and emitted around 450,000 tons of CO2.

- By dividing the emissions by sales revenue, we obtain a CO2 emission intensity of 250 g/Euro.
- Reducing this figure by 10% annually will lead to an emission intensity of \sim 78.5 g/Euro in 2030.

Sartorius' contribution to global emissions very small

"Putting our emissions into perspective, our contribution to climate change is rather small," Joachim Kreuzburg explains. "In 2019, worldwide CO2 emissions amounted to 50 billion tons. Around 4.5% of these stem from the Health Care & Life Science Sector, and of this, Sartorius accounted for only 0.02%. In other words: Sartorius' share in total global emissions equals 9 millimeters to 1 kilometer or around half an inch to one mile. Still, we take our responsibility very seriously. Our CO2 goals are more ambitious than the targets stipulated by the EU's "Fit for 55" program, the Science Based Targets Initiative and by our customers and suppliers, who aim to reduce their emission intensity between 7.5% and 8.5%."

Majority of emissions attributable to Sartorius are indirect

When analyzing different types of emissions and finding ways to have an influence on them, a distinction is made between Scope 1, 2 and 3 emissions.

Scope 1 includes direct emissions that occur at Sartorius sites, e.g., as a result of production activities or operating own power plants.

Scope 2 encompasses indirect emissions that stem from purchased energy, such as electricity to run production.

Scope 3 are indirect emissions that occur in the value chain on the side of suppliers, service providers, customers, but also employee commuting. One simplified example: If a logistic company moves Sartorius products from A to B by truck, the exhaust fumes are allocated to Sartorius' emissions, as the vendor acts on our behalf.

Scope 1 and 2 emissions can be directly influenced, for example by improving production efficiency or purchasing renewable power, as Sartorius already does to a large extent. However, Scope 1 and Scope 2 account for only ~10% of the Group's overall emissions.

Approximately 90% are generated in Scope 3 where Sartorius' influence over them is limited. While Sartorius can opt for suppliers with a smaller CO2 footprint, or improve the efficiency of its own products or localize manufacturing to shorten transport routes and avoid aviation, it is up to customers alone to decide what kind of energy they use when working with Sartorius products, to give but one example.

"A detailed analysis has shown that we can influence around 50% of our total emissions in one way or another," Joachim Kreuzburg says. "These insights are an important basis for the next steps we will take: We will integrate the emission intensity targets into the roadmaps for the operational units and functions, enhance our environmental database and establish carbon accounting to monitor the progress. Without a doubt, achieving our ambitious goal is going to be a team effort I am very much looking forward to seeing the different initiatives and collaborations across the Group. Our investments into these initiatives will be very significant and add up to more than half a billion euros within this decade."

Please find a corresponding presentation for internal use <u>here</u>.





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Presentation

CO2-targets