

We live sustainability.



UN Global Compact

Communication on Progress



Fourth sustainability report of

KNAUER Wissenschaftliche Geräte GmbH

Period: July 2020-July 2021



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This report, as well as previous reports, are freely available on our website www.knauer.net as well as on the UN Global Compact website <https://www.unglobalcompact.org/>.

CONTACT


Do you have any questions or suggestions?

Please write to:

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BASIS OF SUPPORT FOR GLOBAL COMPACT

55 Years
Science Together



H.E. António Guterres Secretary-General
United Nations
New York, NY 10017
USA

Berlin, February 19th, 2018

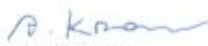
Dear Mr. Secretary-General:

I am pleased to confirm that "KNAUER Wissenschaftliche Geräte GmbH" supports the Ten Principles of the United Nations Global Compact on human rights, labor standards, environmental protection and anti-corruption. With this communication, we express our intent to implement those principles. We are committed to making the UN Global Compact and its principles part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Sustainable Development Goals. KNAUER will make a clear statement of this commitment to our stakeholders and the general public.

We recognize that a key requirement for our participation in the UN Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the Ten Principles. We support public accountability and transparency, and therefore commit to report on progress within *one year* of joining the UN Global Compact, and *annually* thereafter according to the UN Global Compact COP policy. This includes:

- A statement signed by the Chief Executive expressing continued support for the UN Global Compact and renewing our ongoing commitment to the initiative and its principles.
- A description of practical actions (i.e., disclosure of any relevant policies, procedures, activities) that the company has taken (or plans to undertake) to implement the UN Global Compact principles in each of the four issue areas (human rights, labor standards, environmental protection, anti-corruption).
- A measurement of outcomes (i.e., the degree to which targets/performance indicators were met, or other qualitative or quantitative measurements of results).

Sincerely yours,



Alexandra Knauer
CEO/Managing Director

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FIGURE 1 Declaration of affiliation Feb. 19th, 2018



Date: Aug 26th, 2021

Declaration on the continuous support of the UN Global Compact by the company management

KNAUER is committed to integrating and supporting the ten principles in its corporate management. We want to contribute to the achievement of the 17 sustainability goals. With this "Communication on Progress" report, we describe for the fourth time our activities and progress in the areas of human rights, labor standards, environmental protection and corruption prevention over the past year. We are also committed to making this report available and public to our stakeholders and other interested parties.

Yours sincerely

Alexandra Knauer, CEO & owner and Carsten Losch, CEO

Welcome to KNAUER

KNAUER Wissenschaftliche Geräte GmbH is an owner-managed, medium-sized company with 160 employees in Berlin-Zehlendorf. KNAUER has been developing and producing high-tech laboratory equipment since 1962, which is sold worldwide.

The chemist Dr. Herbert Knauer founded the company together with his wife Roswitha on Oct. 1, 1962. Both are still on hand to advise the company today. The daughter of the couple, Alexandra Knauer, has been managing director since 1994 and sole owner of the company since 2000. She leads the company with high commitment and responsibility. Since May 2021, Carsten Losch has been at her side as second



FIGURE 2 Left: CEO Carsten Losch (since 05/21) right: CEO and owner Alexandra Knauer

managing director. Sustainability is an important topic at KNAUER. KNAUER is even more pleased when they can inspire other businesses to introduce their own sustainability activities.

Our Products

We are a global partner to science. Today and in the future. The osmometer was one of the first KNAUER products, which formed the cornerstone of the company's success and is still produced today. KNAUER products and systems for high performance liquid chromatography (HPLC) are used to analyze dissolved substances. For example, food or



FIGURE 3 Testing LNP-Skid

environmental samples are analyzed for ingredients and impurities, or the quality of pharmaceuticals is controlled. Our FPLC (fast protein liquid chromatography) technology is used in the pharmaceutical industry - for example, in protein and DNA purification. Our team of experts has been trained for years to provide customers with GMP-compliant systems and equipment, so they could be used in coronavirus research and development and ultimately for the production of vaccines¹. Our valves, pumps, detectors and other components are also used outside of HPLC for a wide variety of processes and are popular with customers who want customized solutions. Our proudest creations to date - our Impingement Jet Mixing Skids². In addition, the KNAUER Academy offers various courses on HPLC and method development.

¹ <https://www.knauer.net/en/knauer-is-expanding-its-business-activities-into-the-field-of-lipid-nanoparticle-production-equipment/n39517>

² <https://www.knauer.net/en/impingement-jets-mixing-skids-for-high-flow-production-of-nanoparticles>

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

KNAUER is committed to respecting human rights in accordance with the Universal Declaration of Human Rights and the German Grundgesetz (Constitution). It is stated in the Code of Conduct.

Supply chain: For years, we have preferred to purchase our materials regionally. In doing so, we consciously ensure that the majority of deliveries come from Germany and, in the best case, from Berlin (in 2020: 72 % by value). A smaller proportion of purchases is made in the EU (20% by value). At 8% of deliveries, the proportion of purchases that cannot be procured in the EU and come from third countries such as Switzerland or Japan, is the lowest. In this way, we reduce the likelihood of forced labor, child labor and human rights violations in our supply chain.



Education: KNAUER has been participating in Girls' Day³ for 15 years, primarily to give girls an insight into technical professions; thus, the participants inside have the opportunity to visit our mechanical production and research and development on this day. In 2021, Girls' Day took place digitally. For ten years now, KNAUER has offered students the opportunity to visit its KNAUER Entdecker Club (KEK)⁴. This event allows school classes to get a hands-on approach to the topics of chromatography and spectroscopy and to work with up-to-date products from KNAUER; unfortunately, the KEK could not be held in 2020/2021 due to the pandemic and will be made available as soon as possible. In addition to the activities for the promotion of youth, KNAUER regularly makes donations⁵ in cash and in kind.

Since 2020, employees at KNAUER have been given the opportunity to eat a hot vegetarian meal three times a week. The meals are cooked by the neighbouring Werkhof Berlin e.V.⁶, which trains young socially disadvantaged or individually impaired people to become cooks, among other things. Since June 2021, the costs have been covered once a week by KNAUER. By placing orders with Werkhof Berlin e.V., KNAUER continuously supports the efforts to give young people a chance for education, training and further education.

³ <https://www.knauer.net/en/girlsday-2021/e23030>

⁴ <https://www.knauer.net/en/KNAUER/Kids-Explorer-Club>

⁵ <https://www.knauer.net/en/knauer-donates-to-the-online-campus-participation-fund-of-the-studierendenwerk-berlin/n38818>

⁶ <https://www.werkhof-berlin.de/>

Social: KNAUER regards itself as part of society. With this self-image, KNAUER has been involved in social institutions and projects for more than ten years, in each case with a part of the employees, within the framework of the Social Day⁷. Outside of the Social Day, KNAUER also supports⁸ various projects and institutions, such as the Berlin City Mission's help for the homeless, the children's aid organization Plan International, and UN refugee aid. As a measure against the Corona virus, KNAUER 2020 produced and distributed hand disinfectants as part of the "General Order for Hand Disinfectants" (first issued on 03/04/2020)⁹. As a result, KNAUER started producing hand disinfectant¹⁰ in April and donated it to some nearby social institutions¹¹.



FIGURE4 Handing over donation check for Berliner Stadtmission

In 2021, there was a special campaign to promote family cohesion and to do something good for children. All employees with children received an annual family ticket for free admission to the Berlin Zoo. The 45 recipients of these special tickets were very happy. Many good ideas come from employees and are implemented. This initiative is one of them.

TABLE 1 Actions

Actions	Progress	Projects
Facilitating education - Apprenticing company	KNAUER has been a training company for years. Currently three trainees (as of 26.7.21), in addition further promotion of young talent: (student internships / jobs (currently two); voluntary internships (also international (currently two); bachelor and master internships (six months; so far three in 2021) Internships in the second educational path (vocational training center; so far two in 2021)	KNAUER will take on two new trainees; starting in 2021, a female chemical laboratory technician will be trained at KNAUER for the first time, in a cooperative program.

⁷ <https://www.knauer.net/en/loaded-with-a-pile-of-underwear-to-the-berlin-city-mission/n34511>

⁸ <https://www.knauer.net/en/berlin-based-manufacturer-of-high-tech-laboratory-instruments-knauer-donates-30-000-euros/n39568>

⁹ <https://www.baua.de/DE/Angebote/Aktuelles/Meldungen/2020/2020-09-16-Haendedesinfektion.html>

¹⁰ <https://www.knauer.net/en/KNAUER/responsibility-during-the-corona-pandemic>

¹¹ <https://www.knauer.net/en/head-of-parliamentary-group-and-district-mayor-visited-knauer/n38557>

LABOUR

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

KNAUER meets its legal obligations as an employer and offers employees other additional benefits (profit sharing, childcare room, business bikes, etc.). For this, KNAUER has already been awarded as "LEADING EMPLOYER" three times (most recently in 2020)¹². Profit sharing in 2021 for 2020 was particularly high: €500,000 was paid out. Employees with full entitlement were paid €4,380 (gross). Profit sharing in 2021 for 2020 was particularly high: €500,000 was paid out. Employees with full entitlement were paid €4,380 (gross).

Diversity and the fight against discrimination are an essential part of the company's culture and are therefore also part of the onboarding process at KNAUER, which is why Alexandra Knauer signed the Diversity Charter in May 2017. Since then, every year on Diversity Day, an action takes place at KNAUER to raise awareness among colleagues. This year too there was an event. On May 18, 2021, the importance of language for perception was pointed out. The day was marked with a presentation¹³ on gender-appropriate language and the publication of a flyer on gender-appropriate language to help employees communicate in a more gender-appropriate way. Furthermore, e.g. templates for employment contracts and many other texts were rewritten in a gender-sensitive way.

The promotion of women and the elimination of unequal treatment is very important to us. Among other things, the wage inequality at KNAUER has been determined on Equal Pay Day since 2019. At present, this is very low and tending to decline.

¹² <https://www.knauer.net/en/berlin-based-laboratory-instrument-manufacturer-knauer-awarded-leading-employer-2020/n34611>

¹³ <https://www.knauer.net/en/knauer-celebrates-diversity-also-online/n41341>

For her manifold commitment to the promotion of women, Ms. Alexandra Knauer was honored as a model entrepreneur by the German Federal Ministry for Economic Affairs and Energy (BMWi)¹⁴ in May 2020. Among other things, she has been a committed patron of the district's entrepreneurial network Connecting Women since 2006.

TABLE 2 Actions

Actions	Progress	Projects
Ensuring gender equality in our company - Recruitment	Percentage of women in: our Company: 40 % Management positions (department management and team management): 49 %	Our female share is very high compared to other research and manufacturing high-tech companies, and we want to keep it that way
Ensuring gender equality in our company - Equal Pay	The wage gap is determined once a year, since 2019 (3.2%). The aim is to remain within $\pm 3\%$ of the ideal (0%). The wage gap was reduced for the second year in a row and now stands at 2.2%.	Keep the wage gap within $\pm 3\%$ of the optimum.

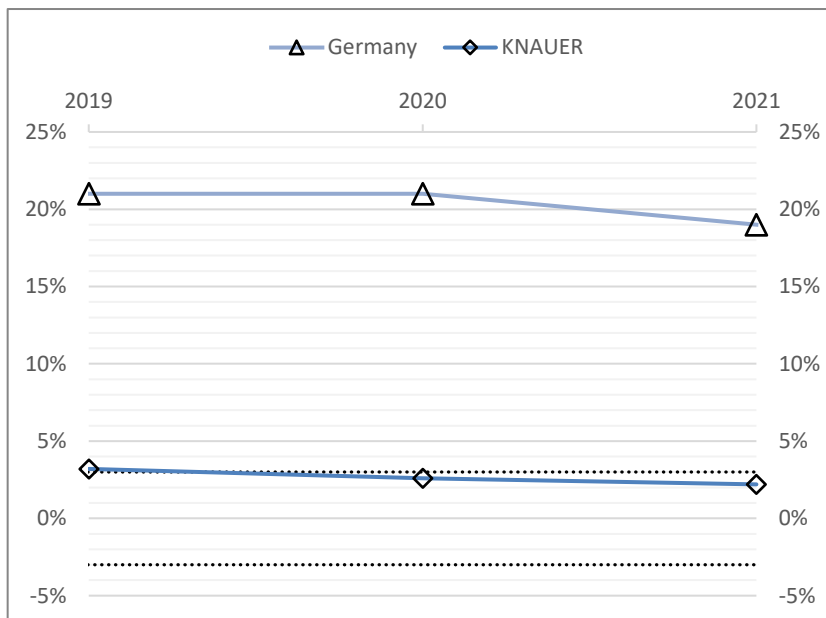


FIGURE 5 Wage gap (Gender-Pay-Gap) Germany and KNAUER 2019 to 2021

¹⁴ <https://www.knauer.net/en/alexandra-knauer-awarded-as-a-female-entrepreneur-role-model/n38560>

ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Our planet is our only home and thus worth preserving in all its diversity and beauty. KNAUER has therefore already introduced an environmental management system according to ISO 14001 in 2011. The latest certification, according to DIN EN ISO 14001:2015, took place in January 2020.



In the past years new small projects, activities, offers and decisions were added, which were continued or even expanded from this point on. For example, since

2010 KNAUER has been purchasing electricity via an eco-tariff, since this year there has been a contract with a company that exclusively feeds energy from renewable sources into the power grid. The electricity from the in-house photovoltaic system is currently still fed into the grid; in the near future,



FIGURE6 Photovoltaic system on the roof

the electricity is to cover part of our needs directly.

Since 2019, KNAUER has participated in the "European Sustainability Development Week"¹⁵ every year. For each day of the week, special activities related to sustainability are planned and carried out. One example is the opening of an exchange room "Room of Wishes", which offers products no longer loved the chance of a second life.

In addition, the promotion of cycling as an alternative to getting around by car has been in place since 2017. Around 14% of employees now use so-called business bikes to purchase new bicycles, up to two. This bicycle leasing is subsidized by KNAUER with 15 € per month and employee. There are sufficient covered parking spaces for cyclists in the yard. In spring, KNAUER orders a mobile repair service to check and adjust employees' bicycles.

KNAUER also actively promotes the use of public transportation. Since 2020, the BVG company ticket¹⁶ has been subsidized with EUR 15 per month (~14% of employees, 07/21).

¹⁵ <https://esdw.eu/>

¹⁶ <https://www.bvg.de/en/tickets-tariffs/corporate-ticket>

Ms. Knauer is an honorary member of the IHK Health Industry Committee¹⁷ and contributed to the establishment of a Sustainability Working Group in spring 2021. She is the coordinator of this working group, which is concerned with advancing the transport turnaround in Berlin. At the end of the year, the results and activities of the working group will be presented and discussed in the committee.

KNAUER is actively involved in transnational EU research projects with numerous research partners that aim to reduce the consumption of fossil materials in production processes or make it obsolete.

- 2016 - 2017 „Valor Plus“¹⁸, Utilization of lignocellulosic biomass.
- 2019 - 2023 „IMPRESS“¹⁹, The objective is to drive forward the sustainable production of important chemical raw materials

At the end of 2020, the sustainability section on our website²⁰ was restructured and many sustainability videos by KNAUER and some partners were published.



FIGURE7 Sustainability videos on the website

Sustainable and environmentally friendly thinking and corresponding measures are now firmly established in all departments of KNAUER. Many employees have good ideas and together we are

¹⁷ <https://www.ihk-berlin.de/ueber-uns/ehrenamt/ausschuesse-der-ihk-berlin/ausschuss-gesundheitswirtschaft/ausschuss-gesundheitswirtschaft-mitglieder-2280598>

¹⁸ <https://www.knauer.net/en/turning-straw-into-gold/n19870>

¹⁹ <https://www.knauer.net/en/knauer-joins-industrial-sustainability-research-project/n26937>

²⁰ <https://www.knauer.net/en/KNAUER/Sustainability>

getting better every year. In the KNAUER video gallery, employees talk about what they are doing in the company for the environment and what they themselves think about sustainability. This project is a real matter of the heart. The question: 'How do we want to live and work in the future' raises so many questions that everyone is asked."

The KNAUER Garden - A Paradise in the Heart of Zehlendorf

The ecologically managed and award-winning company garden is an oasis for bees (since 2018) and other insects. The garden was awarded the special prize "Biodiversity" in the competition "Berlin's most beautiful company garden"²¹. In 2021, for the first time, there are 2 bee colonies on the property.

Not only that: the near-natural and extensive organic garden on the company's property is a place where people, plants and animals feel at



FIGURE 8 Hive



FIGURE 9 KNAUER garden

home. No use of pesticides or insecticides and only selective intervention. We see the garden as a model for a sustainable circular economy and are committed to reusing a greater proportion of materials wherever possible in the future. In new plantings, preference is given to both insect-friendly plants and plants with higher resistance to heat and drought.

²¹ <https://www.knauer.net/en/the-knauer-ecological-garden-a-place-where-fox-and-hedgehog-meet/n19873>
KNAUER COP 2020-2021

TABLE 3 Actions

Actions	Progress	Projects
Identify which of our suppliers have significant environmental aspects in their operations, whether they are ISO 14001 certified, and store notice regarding their certification in our inventory management system.	Selection and approval process for our suppliers was adapted.	Revision of supplier management: Supplier master data includes environmental classification and continues to be part of selection, approval and evaluation.
Application for and implementation of a subsidized energy audit to identify potential savings and possible improvements in building and energy technology.	Was completed in August 2020, with the delivery of the report in accordance with DIN EN 16247-1.	The findings from the report will be taken into account in future construction measures.
We are climate-neutral in production by 2025 and are known for our multifaceted commitment to sustainability	First-time compilation of carbon footprint, for 2019 Scope 1 and 2.	Establish climate management, determine emissions from business trips and then offset them.
We are climate-neutral in production by 2025 and are known for our multifaceted commitment to sustainability	Participation in "SDG Ambition" accelerator program, during the 1 st half of 2021.	Integration of the Sustainable Development Goals (SDGs) into our QUM system (identification of the relevant SDGs for the respective processes).
We are climate-neutral in production by 2025 and are known for our multifaceted commitment to sustainability	First determination of packaging placed on the market, per €10,000 of sales, retroactive to 2018.	Reduce packaging internally and externally (Reduce, Reuse, Recycle) depending on sales. Optimize purchasing, use and disposal (shuttle, shipping packaging, internal packaging, etc.).

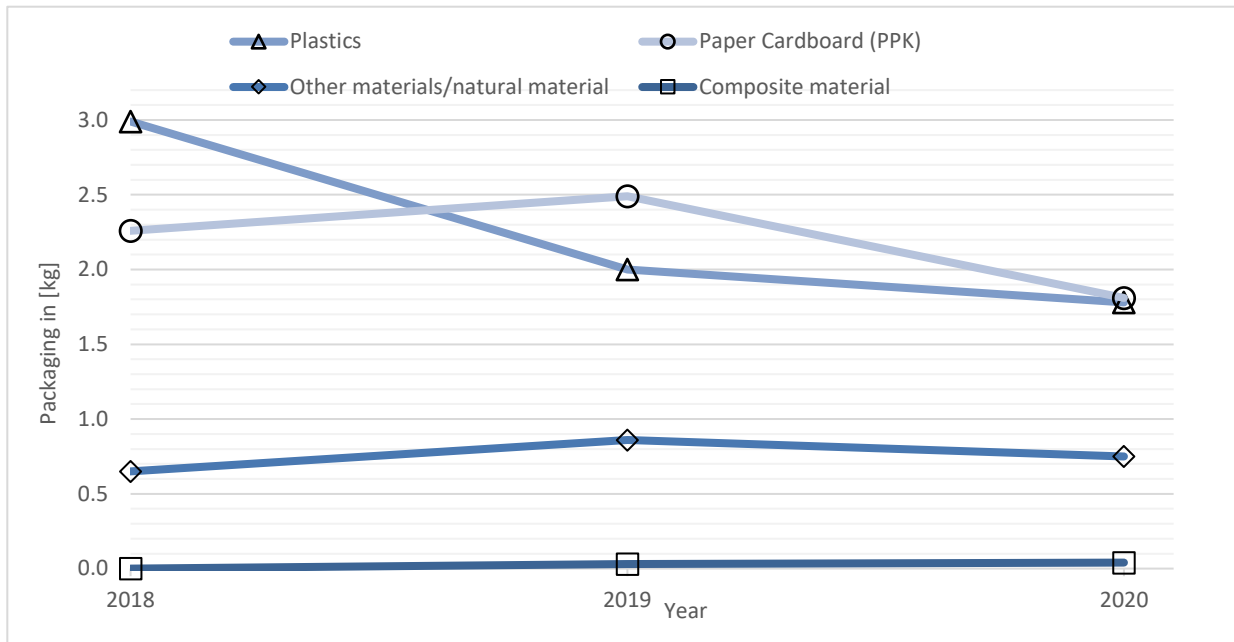


ABBILDUNG 11 Packaging brought into the circulation [kg] per 10,000€ turnover from 2018 to 2020

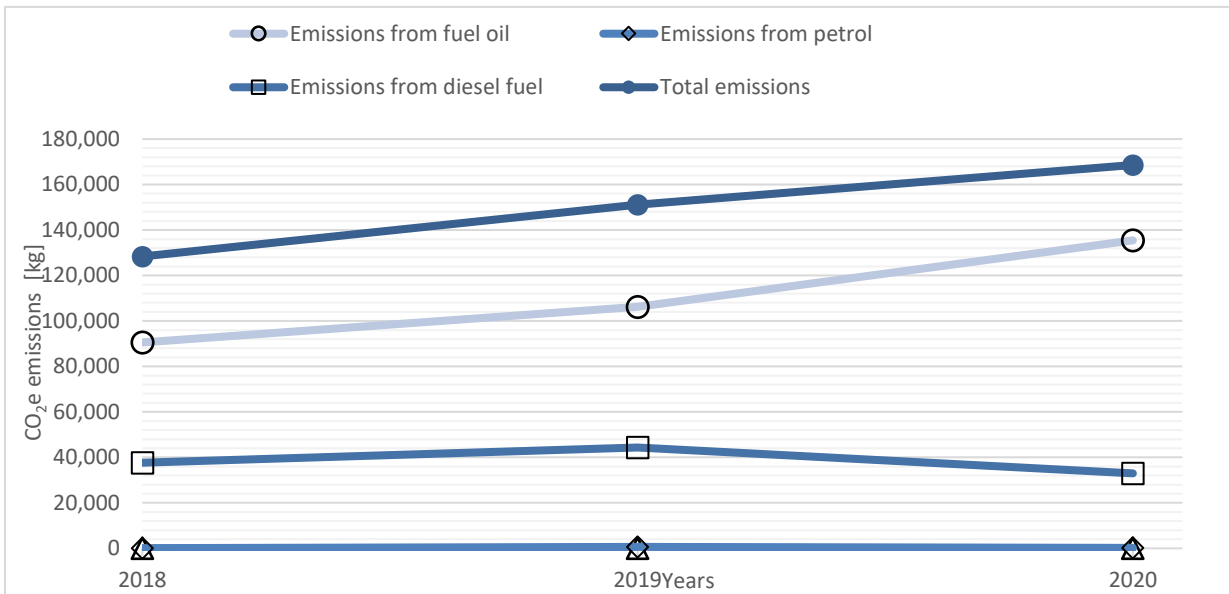


FIGURE 10 Changes in CO₂e emissions at the site from 2018 to 2020 - Marked Based

Table 4 KNAUER CO₂e Emissions 2020 Marked based

Scope 1	t CO ₂ e	Anteil	Scope 2	t CO ₂ e	Anteil
Heating oil	135,44	80,33%		Market Based	
Vehicle fleet (diesel)	32,98	19,56%	Green electricity	0,00	100,00%
Rental car (gasoline)	0,18	0,11%			
Emissions Scope 1	<u>168,60</u>	<u>100,0%</u>	Emissions Scope 2	<u>0,00</u>	<u>100,0%</u>
Emissions Scope 1+2	<u>168,60 t CO₂e</u>				



ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

KNAUER is clearly committed against corruption and ensures that employees comply with legal and corporate guidelines, such as the "Guidelines for Handling Gifts, Invitations and Donations", the Code of Conduct, and pricing guidelines.

KNAUER is not aware of any violations by employees.

TABLE 5 Actions

Actions	Progress	Projects
Code of Conduct for dealers	Permanent visibility in the document matrix and on the website / partners area	Create and release Code of Conduct for suppliers in fourth quarter 2021.

QUALITY MANAGEMENT

The KNAUER quality management system according to DIN EN ISO 9001:2015 ensures that products of the best possible quality are manufactured every day. The decisive factor for success is the satisfaction of our customers with the quality of our products and services.



We separate molecules and connect people

As experts in liquid chromatography, we continue what the founder Dr. Herbert Knauer started: Together with users in the laboratory, we develop innovative and individual solutions. We are curious and creative. This makes us the ideal partner for anyone who wants more than standard solutions. KNAUER is a global partner of science. We support research and progress, now and in the



future. KNAUER wants to be a pioneer in sustainability and wants to inspire and motivate others to advance sustainability in all facets.