

Annual Report  
2020

gerresheimer

innovating for a better life

# Multi-year Overview

In EUR m	2020	2019	2018	2017	2016
<b>Results of Operations</b>					
Revenues	1,418.8	1,392.3	1,367.7	1,348.3	1,375.5
Adjusted EBITDA <sup>1)</sup>	310.1	400.0	298.6	310.8	307.8
Adjusted EBITDA margin (in %)	21.9	28.7	21.8	23.1	22.4
Adjusted EBITA <sup>2)</sup>	197.6	294.6	202.1	219.5	220.9
Results of operations	156.5	123.8	139.5	180.8	180.5
Adjusted net income <sup>3)</sup>	123.7	227.7	180.3	130.0	130.4 <sup>7)</sup>
Earnings per share in EUR	2.82	2.57	4.11	3.21	3.87
Adjusted earnings per share <sup>4)</sup> in EUR	3.90	7.19	5.67	4.06	4.07 <sup>8)</sup>
Dividend per share in EUR	1.25 <sup>6)</sup>	1.20	1.15	1.10	1.05
<b>Net Assets</b>					
Total assets	2,616.6	2,641.2	2,730.9	2,444.1	2,374.3
Equity	899.7	941.6	890.1	789.5	763.3
Equity ratio in %	34.4	35.6	32.6	32.3	32.1
Net working capital	197.9	183.0	202.7	185.7	200.3
in % of revenues of the preceding twelve months	14.0	13.1	14.8	13.8	14.6
Capital expenditure	199.5	185.4	114.7	118.6	113.2
Net financial debt	961.2	942.7	886.4	712.7	788.2
Adjusted EBITDA leverage <sup>5)</sup>	3.0	2.4	3.1	2.3	2.6
<b>Financial Position</b>					
Cash flow from operating activities	222.2	192.9	173.4	219.2	173.5
Cash flow from investing activities	-157.0	-203.2	-286.9	-112.1	7.9
Free cash flow before financing activities	65.2	-10.3	-113.5	107.1	181.3
<b>Employees</b>					
Employees as of the reporting date	9,880	9,872	9,890	9,749	9,904

<sup>1)</sup> Adjusted EBITDA: Net income before income taxes, net finance expense, amortization/impairment losses of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.

<sup>2)</sup> Adjusted EBITA: Net income before income taxes, net finance expense, amortization/impairment losses of fair value adjustments, restructuring expenses, and one-off income and expenses.

<sup>3)</sup> Adjusted net income: Net income before amortization/impairment losses of fair value adjustments, restructuring expenses, the balance of one-off income and expenses, and related tax effects.

<sup>4)</sup> Adjusted earnings per share, attributable to shareholders of Gerresheimer AG, calculated on the basis of 31.4m shares.

<sup>5)</sup> Adjusted EBITDA leverage: The relation of net financial debt to adjusted EBITDA of the last twelve months according to the credit agreement currently in place.

<sup>6)</sup> Proposed appropriation of net earnings.

<sup>7)</sup> Adjusted net income from continuing operations.

<sup>8)</sup> Adjusted earnings per share after non-controlling interests.

# Key Figures of our Divisions

## Plastics & Devices

In EUR m	2020	2019	Change in % <sup>3)</sup>
Revenues <sup>1)</sup>	771.6	758.3	1.8
Adjusted EBITDA <sup>2)</sup>	212.5	196.4	8.2
Adjusted EBITDA margin (in %)	27.5	25.9	–
Net working capital	100.2	76.9	30.3
Operating cash flow	124.5	111.6	11.5
Capital expenditure	78.5	93.8	-16.3
Employees (average)	4,476	4,476	–

## Primary Packaging Glass

In EUR m	2020	2019	Change in % <sup>3)</sup>
Revenues <sup>1)</sup>	644.1	631.6	2.0
Adjusted EBITDA <sup>2)</sup>	137.3	122.9	11.8
Adjusted EBITDA margin (in %)	21.3	19.5	–
Net working capital	97.2	104.1	-6.6
Operating cash flow	54.3	48.5	12.0
Capital expenditure	96.5	82.9	16.4
Employees (average)	5,175	5,176	–

## Advanced Technologies

In EUR m	2020	2019	Change in % <sup>3)</sup>
Revenues <sup>1)</sup>	9.5	6.4	47.2
Adjusted EBITDA <sup>2)</sup>	-14.5	-23.4	38.2
Adjusted EBITDA margin (in %)	–	–	–
Net working capital	2.5	4.9	-49.2
Operating cash flow	-25.7	-20.6	24.8
Capital expenditure	23.3	4.9	> 100.0
Employees (average)	103	112	–

<sup>1)</sup> Revenues by division include intercompany revenues.

<sup>2)</sup> Adjusted EBITDA: Net income before income taxes, net finance expense, amortization/impairment losses of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.

<sup>3)</sup> Change calculated on a EUR k basis.



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# Gerresheimer Innovating for a better life





“We are transforming Gerresheimer into a **growth company**, innovation leader and solution provider.

This is the core of our strategy process. As part of this process, which we have named ‘formula G’, we have set ourselves ambitious targets. I am convinced we will achieve these by mobilizing the entire Company and establishing the right growth mindset. We are changing and reinventing our Company. This transition is progressing rapidly and I’m pleased and proud to be a part of it. We concluded 2020 successfully. Now we’re going to accelerate our growth from mid-single-digit range today to a high single-digit revenue increase mid-term.”

Dietmar Siemssen, CEO

**Our goal:**  
**High single-digit  
revenue increase  
in the medium  
term**





“We are harnessing our excellent **business opportunities** and investing at an early stage in order to benefit from emerging market developments.



Our capex plans cover spending for unique business opportunities and capacity expansions—for example, in the field of injectables and the contract manufacturing of drug delivery devices. We anticipate a high single-digit revenue increase in the medium term and aim to grow our earnings per share by at least 10% each year.”

Dr. Bernd Metzner, CFO

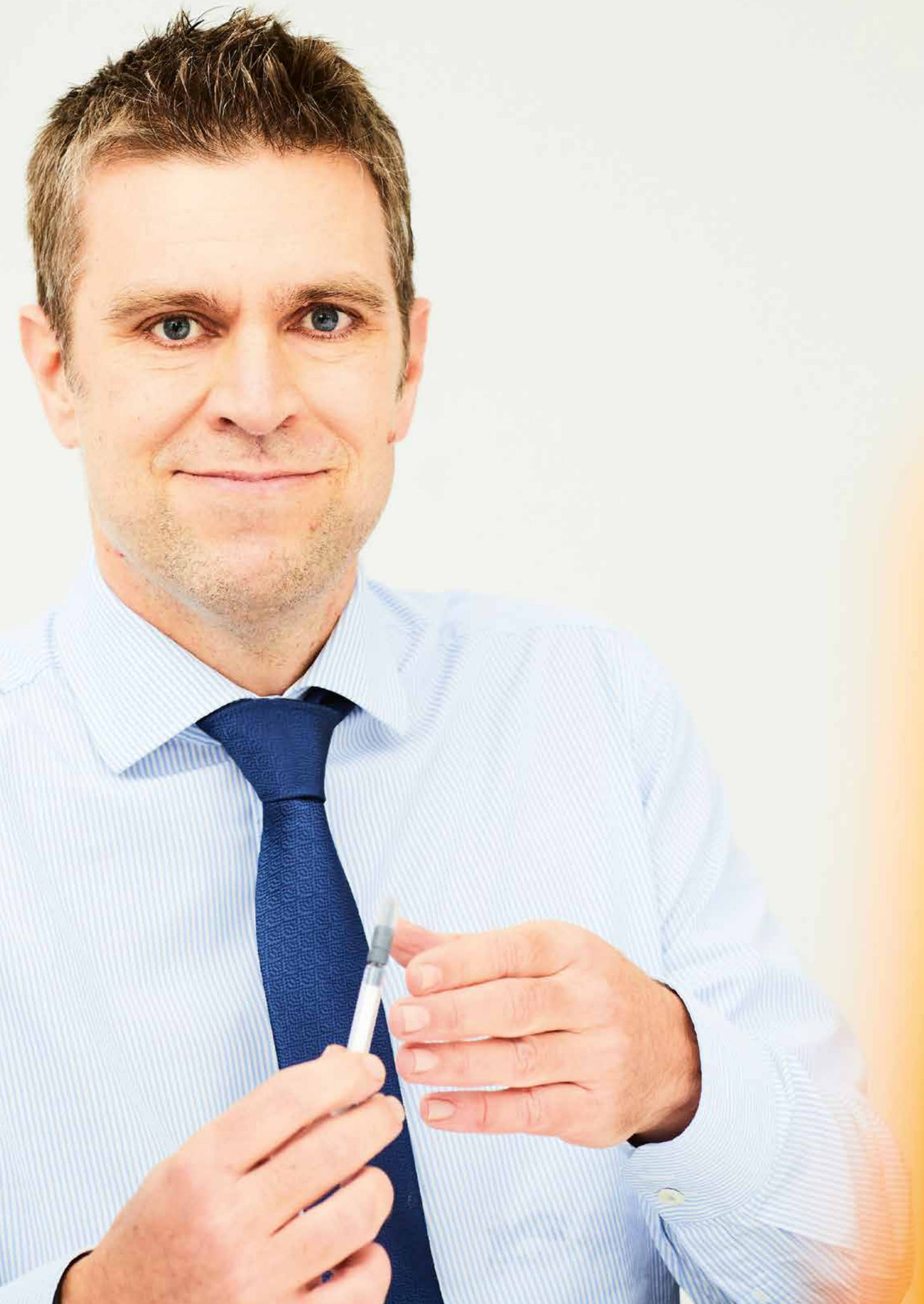
# Innovation, excellence and digitalization



“Innovation will be a key driver of our **growth**.”

We are pushing forward with innovation and digitalization, clearly guiding Gerresheimer into a digital, connected world. With our innovative solutions and business models we focus on the patient and will increase the efficacy of the therapies. At the same time, we are implementing excellence in all areas of the Company: products, processes and customer relationships.”

Dr. Lukas Burkhardt, Member of the Management Board



# New corporate design

## New slogan

“

Our new corporate design showcases the new Gerresheimer, underlining our growth mindset and our firm resolve to contribute to a better life through continuous innovation.”

Dietmar Siemssen, CEO



### Driven

We are powered by the will to find the most fitting solution. We want and we can provide it at any time.

### Involving

Together with our customers and our global team we work for the best results.

### Broad-based

Thanks to the widest range of competences and products and our global footprint, we find the right match for any customer.

### Pathbreaking

We are leading in Health & Well-Being Delivery Solutions.

# gerresheimer

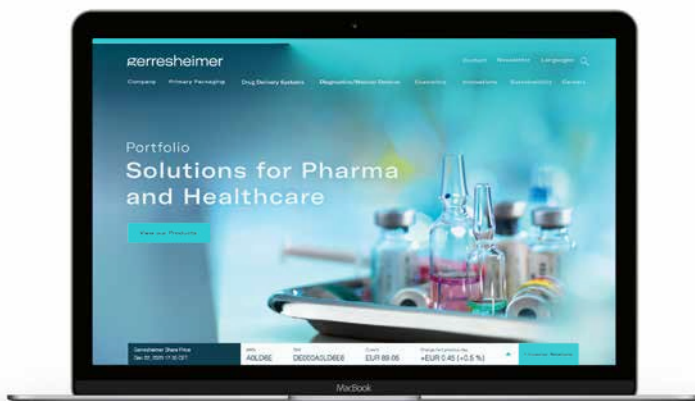
innovating for a better life



gerresheimer

**Customer in focus**  
Gerresheimer provides solutions to present and future needs of the pharmaceutical industry

- Success through constant innovation
- Reliability through excellent quality
- Understanding through technical competence
- Flexibility through global presence
- Performance through commitment to sustainability



formula   
2028



Our formula for sustainable and profitable growth: formula G.”

Dietmar Siemssen, CEO

The five strategic directions of growth, innovation, excellence, leadership and sustainability will determine our course.

2019

Growth  
Innovation  
Excellence  
Leadership  
Sustainability

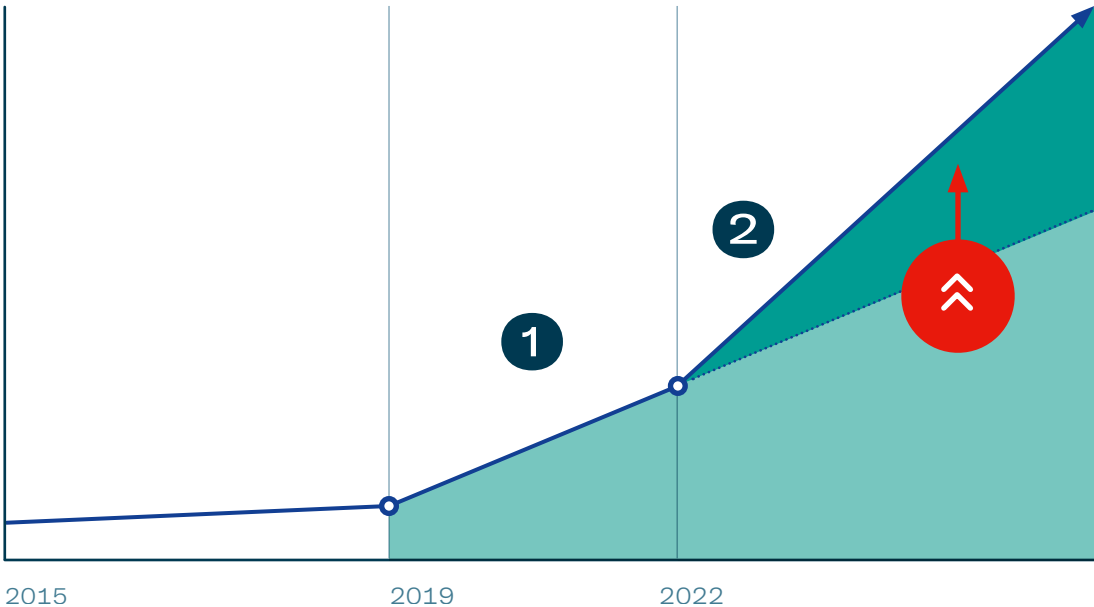
**Vision  
for 2028:**  
Leading in  
health and  
well-being  
delivery  
solutions

**Nine megatrends characterize and influence our markets, paving the way for our profitable, sustainable growth:**

- Rise in chronic diseases and aging population
- Rapid growth in generics
- Better healthcare provision in emerging markets
- Growing urban populations and middle classes
- Rising costs in healthcare and stricter regulatory requirements
- More biosimilars and biologics
- Self-medication and personalized medication
- Growth trend in vaccinations
- Sustainability

Back in 2019, we on the Management Board joined with the 20-member strategy group in launching a continuous strategy process called “formula G”. We are transforming Gerresheimer into a growth company, innovation leader and solution provider. As we work to achieve this, the focus is on profitable, sustainable growth. To that end, we have set ambitious medium- and long-term targets. We intend to significantly accelerate our growth from a low single-digit revenue plus in the past to a plus in the mid-single-digit range in 2021 and, in the medium term, to a high single-digit revenue increase in our core business as well as to improve earnings per share by at least 10%.

**Revenue growth** ① from mid-single-digit growth rates ② to high single-digit growth rates



# Growth



**Our growth drivers: high-quality solutions, digital applications and further global expansion.”**

Dietmar Siemssen, CEO

**Pharma and cosmetics are attractive markets with long-term growth prospects. Our goal is to grow faster than the market through our focus on high-quality solutions, digital applications and high-growth regions.**

2020 was marked by the outbreak of the Covid-19 pandemic. At the same time, the pandemic has heightened awareness and increased the significance of a functioning healthcare system, good provision of drugs and medical technology as well as access to preventive healthcare. In particular, vaccinations have come to the fore as a key means of preventing infectious diseases. Our products, especially vaccine vials made from borosilicate glass, are playing a major role in the preparation and implementation of

Covid vaccination campaigns. As one of the world's largest producers of these vials with a market share of around 30%, we have a great responsibility to meet this additional demand. We accept that responsibility. We had already invested in new production capacities in 2019, continued this investment in 2020 and will add to it in 2021. Around one in every three Covid-19 vaccine vials used worldwide will be produced and delivered on time by us. There is an additional and more far-reaching dimension: The overall significance of vaccination has increased. One aspect of this is the possibility of regular Covid vaccinations. However, in the future, more people are bound to take up vaccinations of all kinds. The importance of vaccines and injectables will increase, with annual growth rates of 6 to 10%.





We offer a range of high-grade solutions for this growing market with our products for parenteral drugs, injectables in prefillable syringes made from glass and COP as well as injection vials that are increasingly made from high-quality Gx<sup>®</sup> Elite Glass and are now available sterilized and ready to fill (Gx<sup>®</sup> RTF vials), and vials made of moulded glass Type-1 and 2 as well. Added to these are our complex drug delivery devices such as pens and autoinjectors. We are continuing to expand our capacities in all these areas and increase the proportion of high-quality products and solutions, thus creating a broad-based portfolio of products, solutions and services. Already today, many drugs are biotechnologically manufactured and this trend will increase going forward. Small and medium-sized companies specialized in the discovery

of new active ingredients are often responsible for developing these new biotech drugs. We offer these companies the widest spectrum of products and services, actively supporting them in all phases of clinical drug development. In 2028, around one in every two injectables will be biotech-based drugs.

A third key growth driver is our investment in new and additional production capacity in regions such as China, India and North America. We are continually expanding our global production footprint with, for instance, a new plant for plastic packaging in China, a second plant for plastic packaging in India, a new plant for drug delivery devices and syringes in the Republic of North Macedonia and a new production site for plastic pharmaceutical packaging in the USA, to name just a few.

# Innovation



**Our medium-term goal is to generate one-third of our future revenues with innovative solutions.”**

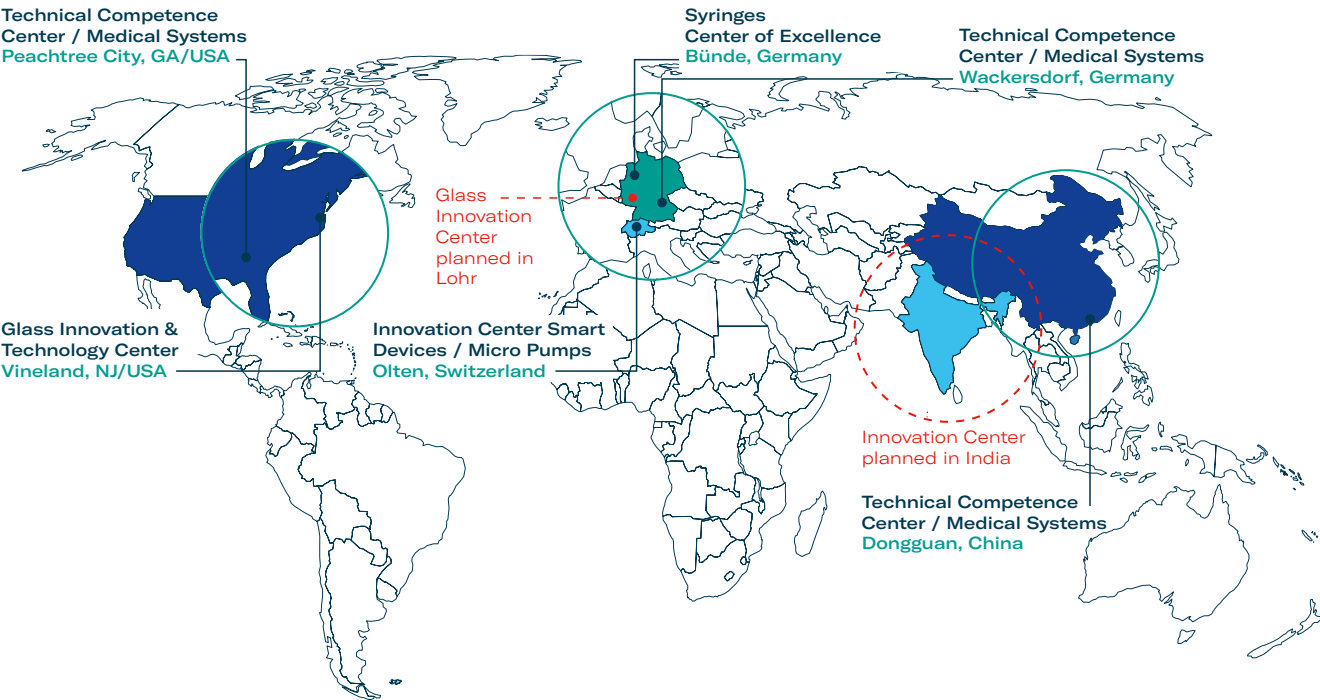
Dr. Lukas Burkhardt, Member of the Management Board

**Our existing innovation and competence centers in Europe, the Americas and Asia are being brought together in a global network and expanded. High-caliber solutions such as innovative drug delivery systems and innovations to existing products will be added to the product portfolio, with digital solutions and business models playing a special role in achieving this.**

In close collaboration with our customers, we are working to develop products and solutions that go beyond the safe packaging and delivery of drugs to supply patients, healthcare providers and the pharma industry with data that can be used to improve treatments and reduce costs. Our innovation and competence centers have very different areas of technical and geographical focus, ranging from a syringe center in Buende, Germany, through

the Competence Center for Medical Systems in Wackersdorf, Germany, to the facility in Olten, Switzerland, which concentrates on smart devices and micro pumps. In the USA, the Glass Innovation & Technology Center in Vineland and the Technical Competence Center for Medical Systems in Peachtree City are representative of our innovative strength on the American continent. In Asia, our Technical Competence Center for Medical Systems is located in Dongguan, China. We are also currently planning a center for the equally important Indian market. In terms of our specific product innovation focus, we at Gerresheimer are building on two strong pillars. Firstly, we are using innovation to reposition existing products such as our Gx® RTF vials further up the value chain. RTF stands for “ready to fill,” so these are vials we deliver to customers already washed, sterilized and ready to be filled. In the production of vials and cartridges, we draw on our existing knowledge and expertise in syringes. With Gx® Elite Glass, we offer customers particularly robust glass products characterized by high resistance to breakage and delamination. Gerresheimer is also getting smart: The second pillar comprises the increasingly connected, digital

products and services in our portfolio. We see extensive growth potential here in the medium to long term and these products offer us the opportunity to grow in higher-value segments. Examples include inhalers, which measure the amount of drug inhaled and its effectiveness, enabling patients to receive better treatment as a result of more accurate dosing. Another example is Track & Trace, which we use to ensure the traceability of all primary packaging. A further highlight in our portfolio are drug delivery solutions such as micro pumps. These versatile products deliver precise amounts of liquid drugs to be administered by injection or infusion. Of course, we also offer our customers innovations in the cosmetics industry. Here, too, we are evolving from a supplier of products to a provider of solutions. For instance, we have a range of new options for decorating products such as perfume flacons. Each year, we develop some 100 new glass flacons for the cosmetics industry. Sustainability plays a major role also in this market. For the last ten years, we have been a pioneer in developing high-quality cosmetic packaging with a growing recycled glass content, which has now reached the exceptionally high level of over 40%.



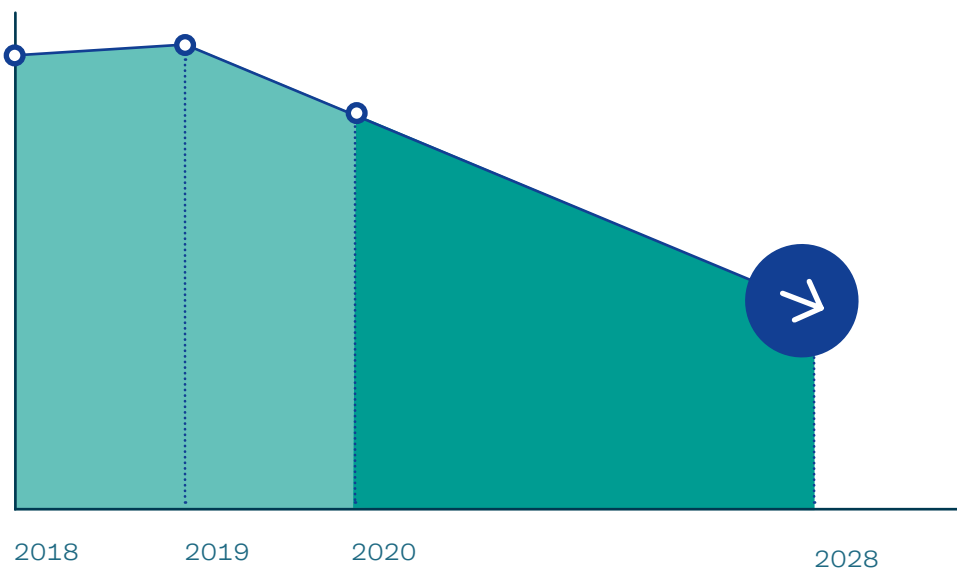
# Excellence

**Excellence is the cornerstone and driver of our growth and success: excellent customer relationships, products and processes coupled with a dedicated and passionate workforce.**

Investors are treated as partners and the Company operates sustainably in order to safeguard its future. We are continuously improving the quality of our products, solutions and processes, which will enable us to significantly reduce the cost of non-quality in the years ahead. Digitalization is instrumental in this. We are using the smart factory concept to achieve maximum quality and higher productivity, with a large number of initiatives ongoing in this area. The digital

backbone forms the basis, hosting a range of systems including a manufacturing execution system (MES) and customer relationship management (CRM) system. In the smart factory, we digitally optimize existing processes, intelligently integrating customer and supply chain management and forecasting. Alongside operational excellence, the digitalization of customer touchpoints plays an important role in the smart factory concept. For example, we collaborate digitally with our customers, providing them with electronic batch records. Customers are able to view what is happening at our production facilities and we can see into their inventories, enabling us to deliver exactly the right products at the right time.

## Cost of non-quality (CNQ)





**Maximum quality thanks to digitalization and the smart factory.”**

Dr. Lukas Burkhardt, Member of the Management Board

## Higher quality and productivity thanks to the smart factory: Our initiatives



Predictive Quality and Closed Loop Process by Artificial Intelligence



Remote Assist & Control of Machines



Enhanced Process Controls



Gx Share



Small Batch Production



Personalized Dashboards & Machine Monitoring

# Leadership



**We foster our talents.”**

Dietmar Siemssen, CEO



## Our values



Teamwork



Responsibility



Integrity



Bold Innovation



Excellence

### Our Company will only be able to grow if it employs committed, passionate people.

That is why we have launched many initiatives aimed at creating a growth mindset among our employees. The cornerstones of our production activities and our daily dealings with each other are our five corporate values: teamwork, responsibility, integrity, bold innovation and excellence. We have our own training programs, providing apprenticeships, co-op education programs and broad-based further training. These pave the way for our employees' success. In the financial year 2020, we launched the new

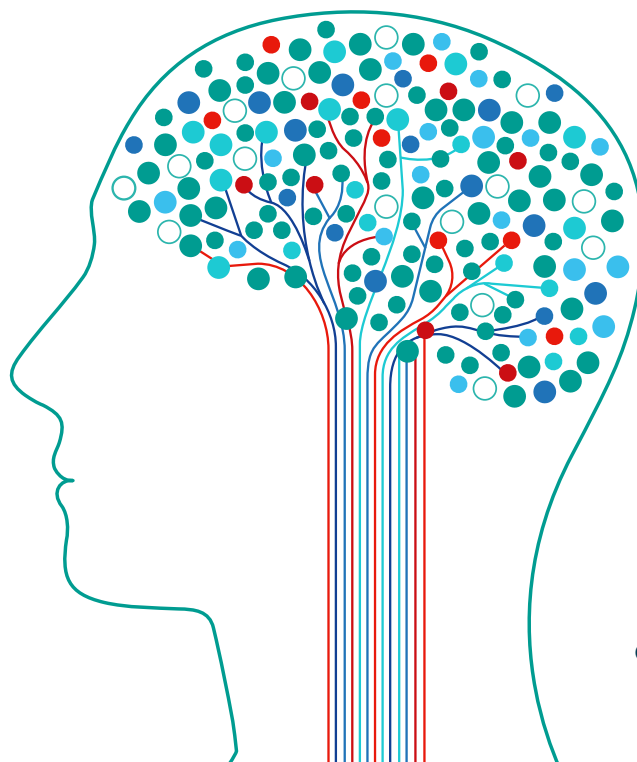
Gerresheimer Talents program aimed at fostering talent at our Company, offering new opportunities to grow and enabling us to be more proactive in preparing the next generation for future management roles. And we are listening more closely to what our employees say and how we can improve as an employer. Besides our extensive global employee survey conducted every three years, we also introduced a pulse survey in 2020. This brief digital survey of all employees worldwide will be conducted each year so that we can react more rapidly and specifically to our employees' needs.

## Growth mindset

Challenges help me grow

We live our values

Feedback is constructive



I like trying out new things

Failure is an opportunity to grow

# Sustainability



**We will halve our CO<sub>2</sub> emissions by 2030.”**

Dr. Bernd Metzner, CFO

**Sustainability not only secures our position as a good corporate citizen, but is also a growth lever and business opportunity for our Company.**

That makes it a critical element of our strategy. For us, sustainability is more than just a must-have. It's an obligation and at the same time a growth driver. This is why we have set ourselves nine ambitious sustainability targets.

Three of them are:

- In order to protect the environment, the Company will reduce its CO<sub>2</sub> emissions by 50% by 2030.
- With a view to conserving resources and materials, all newly developed products up to 2023 and beyond will comply with Gerresheimer's ecodesign principles.
- As regards our employees, health and safety are core aspects of sustainability. We are aiming for an 80% reduction in the lost time injury frequency rate by 2028.



## GxPure

### Protecting the climate and the environment

Reducing the environmental impact of our products and activities across the value chain:



#### 1. CO<sub>2</sub> emissions

**50% reduction** in Scope 1 and Scope 2 emissions in t CO<sub>2</sub>e **by 2030**.



#### 2. Renewable energies

**100%** switch to renewable electricity **by 2030**.



#### 3. Water

**All sites** with high water stress to be certified **by 2030**.  
**10% reduction** in water withdrawals in m<sup>3</sup> **by 2030**.

## GxCircular

### Conserving resources with sustainable products, responsible supply chains and a circular economy

Preserving the value of resources and products in the supply chain:



#### 4. Recycling and waste

**Zero** industrial waste to landfills with minimum incineration rate **by 2028**.

Incorporating environmental and circular economy aspects into our product and process design:



#### 5. Ecodesign

**All** newly developed products will apply Gx ecodesign principles **by 2023**.

Ensuring socially and environmentally responsible procurement:



#### 6. Responsible Supply Chain Management (RSCM)

**100%** of our strategic suppliers will recognize Gx principles for RSCM **by 2023**.  
**100%** of our strategic suppliers will be audited for environmental and social aspects **by 2023**.

## GxCare

### Take care of people—for our employees and our impact on society

Ensuring the health and safety of our employees:



#### 7. Health and occupational safety

**80% reduction** in lost time accident frequency rate **by 2028**.  
**All sites** to be certified to ISO 45001 **by 2023**

Attracting and retaining motivated and qualified employees:



#### 8. Employee satisfaction

Rank among the **top 25%** of employers rated in the Employee Net Promoter Score **by 2028**.

Improving our impact on society:



#### 9. Community engagement

**All sites** will engage with their local communities annually **by 2023**.

# Report of the Supervisory Board



**Dr. Axel Herberg**  
Chairman of the  
Supervisory Board

In the financial year 2020, the Supervisory Board consulted in-depth on the Company's situation and fulfilled its obligations under the law, the Articles of Association and the Rules for the Supervisory Board. Those obligations include consultation on the basis of regular, timely and comprehensive information provided by the Management Board, involvement of the Supervisory Board in decisions of material importance for the Company and the necessary supervision of management.

The Supervisory Board ensured that it was informed in detail about the Company's business development and financial position, including the risk situation, risk management and compliance. To the extent required by law, the Company's Articles of Association and the Rules for the Supervisory Board, the Supervisory Board voted on the Management Board's reports and proposals for resolutions after thorough examination and discussion in four meetings and three circulating written resolutions. In addition, the Chairman of the Supervisory Board was in regular contact with the Management Board and in particular with its Chairman. He was regularly and promptly informed by the latter about important developments and upcoming decisions.

## PERSONNEL CHANGES ON THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

In the financial year 2020, the Supervisory Board comprised Dr. Axel Herberg as Chairman, Francesco Grioli as Deputy Chairman, Andrea Abt, Heike Arndt, Dr. Karin Dorrepaal, Franz Hartinger, Dr. Peter Noé, Markus Rocholz, Paul Schilling, Katja Schnitzler, Theodor Stuth and Udo J. Vetter.

Throughout the financial year 2020, the Company's Management Board comprised Dietmar Siemssen as CEO, Dr. Lukas Burkhardt and Dr. Bernd Metzner.

## MEETINGS AND RESOLUTIONS OF THE SUPERVISORY BOARD

The Supervisory Board met four times in the year under review. The regular discussions held by the full Supervisory Board covered the revenue and earnings performance of the Company as a whole and of the individual divisions. Additionally, the Supervisory Board passed three resolutions by means of circulating written resolutions.

At the Supervisory Board meeting on February 18, 2020, the Annual Financial Statements and Management Report of Gerresheimer AG, the Consolidated Financial Statements and Group Management Report for the financial year 2019, the proposal for appropriation of retained earnings and the Report of the Supervisory Board were approved. The Annual Financial Statements were thereby adopted. Dr. Lukas Burkhardt was reappointed as member of the Management Board for a further five years. At the same meeting, the Supervisory Board adopted its proposals for resolutions to be put to the Annual General Meeting on June 24, 2020.

The Supervisory Board's circulating written resolution of April 17, 2020 concerned approval for entering into a profit and loss transfer agreement to establish an integral tax group in Germany, for various corporate actions at subsidiaries in India and for the holding of a virtual Annual General Meeting on June 24, 2020.

At its meeting on June 24, 2020, the Supervisory Board discussed the impact of the Covid-19 pandemic on the Company and approved a number of new capital expenditure projects in India.

By circulating written resolution on August 12, 2020, the Supervisory Board approved an issue of promissory loans to refinance maturing promissory loans.

During its meeting of September 3, 2020, the Supervisory Board consulted in-depth on the corporate strategy drawn up by the Management Board. At the same meeting, the Supervisory Board also dealt with the annual Statement of Compliance in accordance with section 161 of the German Stock Corporation Act (Aktiengesetz/AktG), amendments to the Rules of Procedure for the Supervisory Board and the Rules of Procedure for the Management Board, the engagement of the auditor for the financial year 2020 and the appointment of Deloitte GmbH Wirtschaftsprüfungsgesellschaft to review the Company's non-financial report for the financial year 2020.

By circulating written resolution on September 23, 2020, the Supervisory Board approved an increase in the issuance of promissory loans.

The main items dealt with at the Supervisory Board meeting on November 19, 2020 were approval of the budget for the financial year 2021 and the Group's medium-term planning.

All members of the Supervisory Board took part in all Supervisory Board meetings and circulating written resolutions in the financial year 2020.

## MEETINGS AND RESOLUTIONS OF THE COMMITTEES

To ensure that its duties are performed efficiently, the Supervisory Board has set up four committees: the Mediation Committee in accordance with section 27 (3) of the German Codetermination Act (Mitbestimmungsgesetz/MitbestG), the Presiding Committee, the Audit Committee and the Nomination Committee. These committees prepare topics for resolution by the full Supervisory Board and, in certain cases, also have authority to take decisions autonomously. The Mediation Committee and the Presiding Committee each consist of two shareholder representatives and two employee representatives. The Audit Committee also has an equal number of shareholder and employee representatives and comprises six members. The Nomination Committee has three members and consists solely of shareholder representatives.

The Presiding Committee prepares the Supervisory Board's personnel-related decisions, notably the appointment and dismissal of Management Board members as well as decisions regarding the remuneration of Management Board members. In place of the Supervisory Board, the Presiding Committee decides on entering into, amending and terminating the service contracts of Management Board members, except in the case of remuneration issues requiring the approval of the full Supervisory Board. The Presiding Committee met in the reporting year on November 17, 2020 and subsequently for meetings on January 15, 2021 and February 5, 2021. Its consultations and resolutions related to personnel matters and revision of the Management Board remuneration system.

The responsibilities of the Audit Committee include in particular preparing Supervisory Board decisions on the adoption of the Annual Financial Statements and the approval of the Consolidated Financial Statements as well as discussing the quarterly financial reports and the half-year financial report. Additionally, the Audit Committee deals with supervision of accounting and the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system and compliance. The Audit Committee is also responsible for approving the award of non-audit services to the auditor. The Audit Committee met four times, on February 17, 2020, April 8, 2020, July 13, 2020 and October 12, 2020. Its discussions focused on the reports on the audit of the Annual Financial Statements and Consolidated Financial Statements for the financial year 2019 as well as the quarterly financial reports and half-year financial report for 2020. The Audit Committee also dealt with the independence of the auditor and the recommendation to the Annual General Meeting regarding the election of the auditor, issued the audit engagement to the auditor for financial year 2020, and defined and monitored the audit process as well as the areas of emphasis of the audit, including the agreement on the audit fee. Another subject of the deliberations was the effectiveness of the internal audit system, risk reporting to the Audit Committee – notably a financial risk assessment as a result of the Covid-19 pandemic – planned corporate actions at Indian subsidiaries and the Company's compliance.

The Nomination Committee recommends suitable candidates to the Supervisory Board for the proposed resolutions that the latter puts to the Annual General Meeting for the election of Supervisory Board members as shareholder representatives. In this connection, the Nomination Committee also has regard to candidates' independence from the Company, the Management Board and any controlling shareholder. It did not meet in the financial year under review.

Likewise, the Mediation Committee did not meet during the past financial year.

All committee members attended all meetings of the Supervisory Board committees in the financial year 2020.

## CORPORATE GOVERNANCE

The Supervisory Board continuously monitored the development of corporate governance standards. Corporate governance in the Gerresheimer Group is reported on by the Management Board and Supervisory Board in the Corporate Governance Statement as part of the Combined Management Report. On September 3, 2020, the Management Board and Supervisory Board submitted the annual Statement of Compliance in accordance with section 161 of the German Stock Corporation Act (Aktiengesetz/AktG) and made it permanently available to shareholders on the Company's website.

## CONFLICTS OF INTEREST

Under Recommendation E.1 of the German Corporate Governance Code as amended on December 16, 2019, members of the Supervisory Board are required to disclose any conflicts of interest to the Chairman of the Supervisory Board. No conflicts of interest arose in the financial year 2020.

## ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2020

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf, audited and issued an unqualified auditor's opinion for the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report of Gerresheimer AG and the Group prepared by the Management Board for the financial year from December 1, 2019 to November 30, 2020.

The Annual Financial Statements, the Consolidated Financial Statements, the Combined Management Report of Gerresheimer AG and the Group, the proposal for appropriation of retained earnings and the auditor's reports for the financial year 2020 were made available to the Supervisory Board for examination. At its meeting on February 16, 2021, the Audit Committee discussed and examined the documents in detail and issued recommendations on resolutions to the Supervisory Board. At the Supervisory Board meeting on February 17, 2021, the Supervisory Board examined the Annual Financial Statements, the Consolidated Financial Statements, the Combined Management Report of Gerresheimer AG and the Group and the proposal for appropriation of retained earnings together with the auditor's corresponding reports. The auditor attended the respective meeting of the Audit Committee and the Supervisory Board, reported on the conduct and main findings of the audit and was available to answer questions.

On completion of the examination by the Audit Committee and on completion of its own examination, the Supervisory Board approved the auditor's findings and declared that no objections were to be raised. The Supervisory Board adopted the Annual Financial Statements and approved the Consolidated Financial Statements. It concurs with the Management Board's proposal for appropriation of retained earnings.

The Supervisory Board thanks the Management Board and all employees of the Gerresheimer Group for their contribution to the Gerresheimer Group's successful performance in the financial year 2020.

Duesseldorf, February 17, 2021



Dr. Axel Herberg  
Chairman of the Supervisory Board

# Gerresheimer on the Capital Markets

## THE 2020 STOCK MARKET YEAR

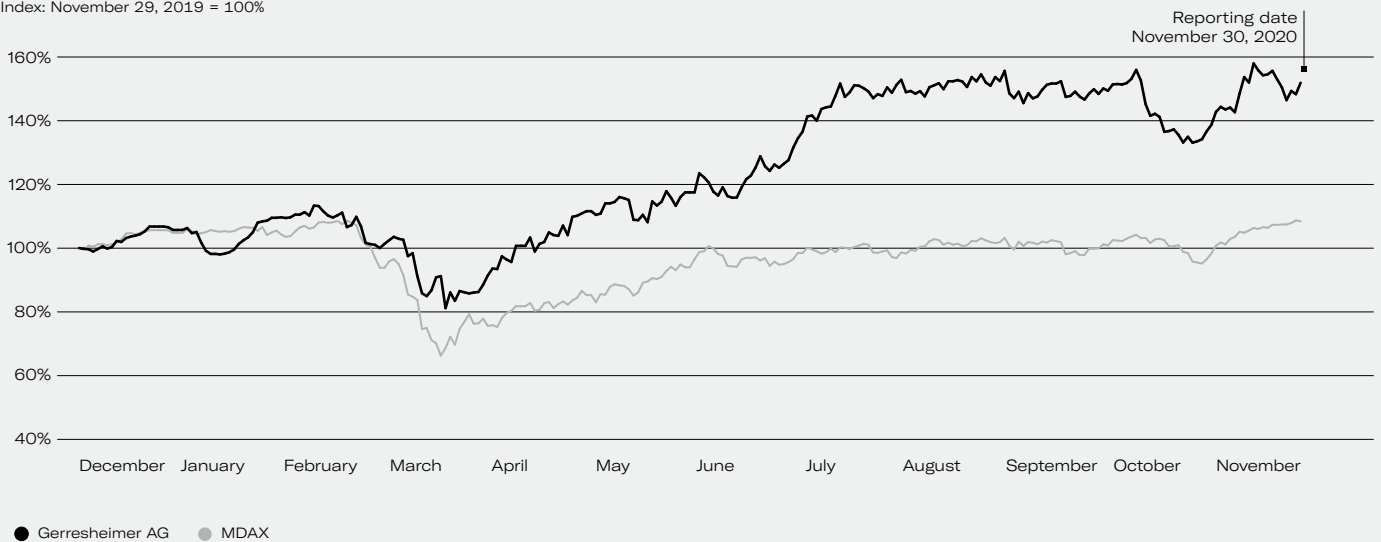
In 2020, the stock market year was characterized by high volatility, mainly driven by the Covid-19 pandemic. At the beginning of the year, markets were on a positive trend and Germany’s DAX share index, which we use as our reference index, marked a new all-time high at 13,795 points on February 19, 2020. Global financial markets were then hit with full force by the Covid-19 pandemic, with the DAX marking its low for the year at 8,256 points on March 16. This corresponds to a 40% fall in just four weeks. The ensuing economic downturn in the second quarter was historic in scale, a crash twice as severe as in the financial crisis and over a significantly shorter period of time. By the end of the third quarter, however, share prices had regained some of the lost ground. A stronger than expected economic recovery in the warmer summer months was also buoyed by monetary and fiscal policy support measures. Initial reports of vaccines becoming available at short notice in mid-November lent the DAX an additional boost. At the end of the financial year, the DAX even topped the prior-year closing price by +0.3% to finish at 13,291 points (as of November 30, 2020).

## GERRESHEIMER SHARES

At the beginning of the reporting period, Gerresheimer shares stood at just under EUR 67 and moved in track with the MDAX benchmark index. The global Covid-19 pandemic initially caused a sharp fall in the share price during March. At EUR 53.00, Gerresheimer shares marked their lowest price on March 19, 2020. Due, however, to our Company’s strong operational performance as well as the major importance of our business in the Covid-19 pandemic, the share price recovered substantially, and more robustly than the MDAX. On November 16, our shares reached their highest closing price of EUR 101.60. This represented a 92% price gain since the low point, compared to a 60% rise in the MDAX benchmark index over the same period. Our shares were last quoted at EUR 97.70 (Xetra closing price on November 30, 2020).

### Gerresheimer AG shares versus MDAX

Total performance including dividend payout  
Index: November 29, 2019 = 100%



## THE MAJORITY OF BANK ANALYSTS CONTINUE TO GIVE A BUY OR HOLD RECOMMENDATION

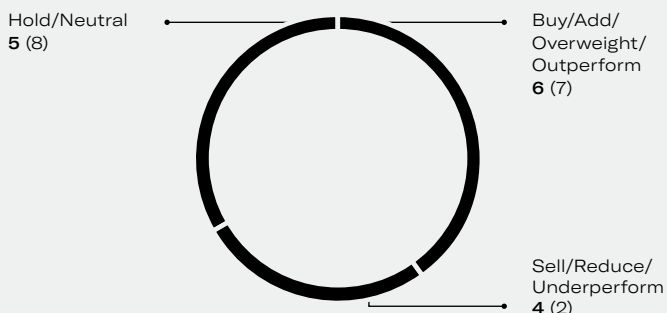
As of November 30, 2020, 15 bank analysts regularly covered the performance of Gerresheimer AG, providing investment recommendations. Six analysts gave a buy recommendation and five a hold recommendation. Only three analysts recommended selling. The average price target was EUR 92.37 at the financial year-end on November 30, 2020. As of November 30, 2019, the average price target had been EUR 72.21. The charts that follow provide an overview of the banks covering Gerresheimer as of November 30, 2020, together with their recommendations:

### Analyst Coverage

Berenberg	Equi.TS	Kepler Cheuvreux
Commerzbank	Goldman Sachs	LBBW
Credit Suisse	Hauck & Aufhäuser	Mainfirst
Deutsche Bank	Independent	Metzler
DZ Bank	J.P. Morgan	Pareto

### Overview of Analyst Recommendations as of November 30, 2020

Number (prior year)



## VIRTUAL ANNUAL GENERAL MEETING 2020; DIVIDEND INCREASED TO EUR 1.20 PER SHARE

In accordance with the Act to Mitigate the Consequences of the COVID-19 Pandemic of March 27, 2020 and with the approval of the Supervisory Board, this year's Annual General Meeting was held as a virtual Annual General Meeting without the physical presence of shareholders or their proxies. The Annual General Meeting on June 24, 2020 resolved to distribute a dividend of EUR 1.20 per share (prior year: EUR 1.15 per share). Representing an increase of 4.3% per dividend-entitled share, this marks the ninth

consecutive dividend rise. A total of 86.0% of the capital stock was represented at the Annual General Meeting. All resolutions put forward were passed with a large majority.

For the financial year 2020, the Management Board and Supervisory Board will propose at the Annual General Meeting that a dividend of EUR 1.20 per share be paid out.

All key documents and information relating to the Annual General Meeting are available at [www.gerresheimer.com/en/investor-relations/annual-general-meeting](http://www.gerresheimer.com/en/investor-relations/annual-general-meeting).

### Gerresheimer Shares: Key Data

	2020	2019
Number of shares at reporting date in million	31.4	31.4
Share price <sup>1)</sup> at reporting date in EUR	97.70	66.75
Market capitalization at reporting date in EUR m	3,068	2,096
Share price high <sup>1)</sup> during reporting period in EUR	101.60	74.00
Share price low <sup>1)</sup> during reporting period in EUR	53.00	51.80
Earnings per share in EUR	2.82	2.57
Dividend per share in EUR	1.25 <sup>2)</sup>	1.20

<sup>1)</sup> Xetra closing price.

<sup>2)</sup> Proposed appropriation of net earnings.

### Share Reference Data

ISIN	DE000A0LD6E6
WKN	A0LD6E
Bloomberg reference	GXI
Reuters reference	GXIG.DE
Stock index membership	MDAX, CDAX, HDAX, STOXX 600, Prime All Share, Classic All Share, MSCI ESG Universal Indexes, and further sector and size indexes
Listings	Berlin, Duesseldorf, Frankfurt (Xetra and floor trading), Hamburg, Hanover, Munich, Stuttgart, Tradegate Exchange

## GROWTH INVESTORS AGAIN CLEARLY PREDOMINATE IN THE CONSISTENTLY STABLE SHAREHOLDER STRUCTURE

Based on available sources, our shareholder structure demonstrates that our capital stock continues to have a strong international distribution. Looking at our top 25 investors, North American investors accounted for the largest share of the free float at around 39% as of November 30, 2020, followed by investors in the Netherlands with around 23% and British investors with

around 19%. German shareholders accounted for around 5%. The free float stood at 89.95% as of November 30, 2020. Based on our top 25 shareholders, growth investors are again clearly the most common investor type, followed by value investors.

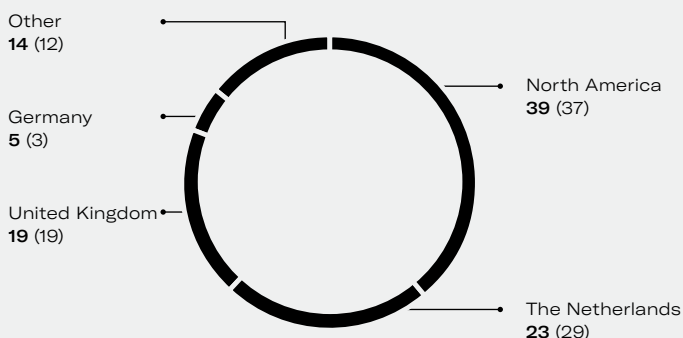
According to the notifications we received, the following major shareholders have an interest of more than 5% in Gerresheimer AG according to the German Securities Trading Act:

Company	Share in %	Date of Notification
NN Group N.V.	10.05	February 18, 2019
Stichting Pensioenfonds ABP	5.10	July 30, 2015

All voting rights notifications can be accessed on our website at [www.gerresheimer.com/en/investor-relations-corporate-governance/voting-rights-announcements](http://www.gerresheimer.com/en/investor-relations-corporate-governance/voting-rights-announcements).

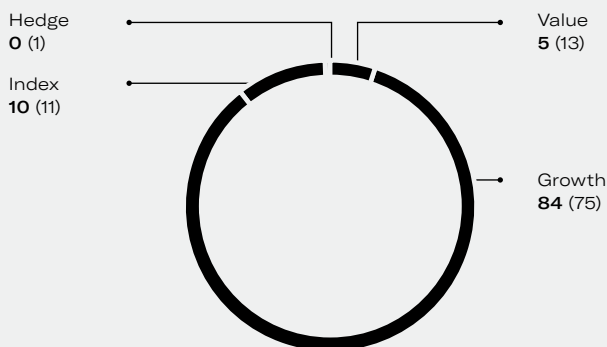
**Shareholder Structure: Top 25 Investors by Region**

in % (prior-year figures in %)



**Shareholder Structure: Top 25 Investors by Investment Style**

in % (prior-year figures in %)



**INVESTOR RELATIONS DIALOG WITH THE CAPITAL MARKETS: VIRTUAL IN 2020**

Many institutional investors and analysts again made use of the opportunity for personal dialog with the Management Board and the Investor Relations team to get to know our Company. However, due to the Covid-19 pandemic, most of the discussions this financial year have been virtually. We are making use of the opportunity to reach significantly more investors around the world with virtual technology. This has enabled us to target national and international financial centers such as Frankfurt, London, Paris, New York and Tokyo in multiple roadshows and investor conferences. In addition, we were available for capital market participants in a large number of individual telephone conversations, reflecting the great importance we attach to personal contact with all our investors – including during Covid-19. At the same time, however, we very much look forward to meeting them face-to-face again soon.

Our reports, webcasts and presentations can be accessed on our website at [www.gerresheimer.com/en/investor-relations/reports](http://www.gerresheimer.com/en/investor-relations/reports) and [www.gerresheimer.com/en/investor-relations/presentations](http://www.gerresheimer.com/en/investor-relations/presentations).

In line with our corporate philosophy, we will sustain our ongoing, dependable, transparent dialog with the capital markets in the coming financial year.

You will find our financial calendar and an overview of events at which we will be presenting the Company on our website at [www.gerresheimer.com/en/investor-relations/dates](http://www.gerresheimer.com/en/investor-relations/dates).

**Financial Calendar**

April 8, 2021	Publication 1 <sup>st</sup> Quarter 2021
June 9, 2021	Annual General Meeting 2021
July 13, 2021	Interim Report 2 <sup>nd</sup> Quarter 2021
October 12, 2021	Publication 3 <sup>rd</sup> Quarter 2021

# Combined Management Report



## FUNDAMENTAL INFORMATION ABOUT THE GROUP

### PRELIMINARY REMARKS

This management report combines the management report of the Gerresheimer Group and the management report of Gerresheimer AG. Unless otherwise stated, the information provided in the following relates to the Gerresheimer Group. Information on the performance of Gerresheimer AG is provided under “Business Performance of Gerresheimer AG”.

### BUSINESS ACTIVITIES

The Gerresheimer Group is a leading international provider of high-quality primary packaging and of drug delivery devices and solutions for the global pharma, healthcare and cosmetics industry.

The Group consists of Gerresheimer AG – the parent company, a publicly listed stock corporation under German law with its registered office in Duesseldorf (Germany) – together with the direct and indirect subsidiaries and associates under its management. As of November 30, 2020, the Group had approximately 10,000 employees. The Gerresheimer Group’s locations are shown in the List of Shareholdings, which forms part of the Notes to the Consolidated Financial Statements.

### DIVISIONS

The Gerresheimer Group is composed of two core divisions – Plastics & Devices and Primary Packaging Glass – as well as the Advanced Technologies Division. Divisional segmentation reflects the specific production technologies and materials used in their respective products. A brief outline of each of the three divisions is provided in the following. Further information on the divisions can be found in the Segment Reporting section of the Notes to the Consolidated Financial Statements.

**Plastics & Devices** combines complex, customer-specific products for simple and safe drug delivery together with system packaging for liquid and solid medicines plus services.

Operating on an individual project basis, we provide our customers from the pharma industry, diagnostics and medical technology with tailored medical plastic systems and services at every link in their value chain. Products range from inhalers for targeted treatment of respiratory diseases to insulin pen systems for diabetics, autoinjectors and prefillable syringes, as well as a wide variety of diagnostic systems.

Our broad range of high-quality pharmaceutical plastic packaging products includes application and dosage systems, such as eye dropper and nasal spray vials, special containers for tablets and powders, along with tamper-evident multifunctional closure systems with child-resistant and senior-friendly applications and integrated moisture absorbers.

A feature of the US market for prescription medication is the pour-and-count system. The amount of oral medication stated in a prescription is specially packaged in pharmacies for each patient in a plastic container manufactured and supplied by Gerresheimer. Our customers for these specialty plastic containers include national and regional pharmacy chains, supermarkets and wholesalers.

**Primary Packaging Glass** produces primary glass packaging for the pharma and cosmetics industries, as well as special small-volume glass containers for the food and beverage industry.

We provide a wide range of flint glass and amber glass containers for the pharma industry. Alongside infusion, dropper and syrup bottles, our product range also includes high-quality specialty products such as injection vials, ampoules and cartridges made of borosilicate glass tubing.

Our product portfolio for the cosmetics industry comprises high-quality clear, colored and opal glass packaging for perfumes, deodorants, skin-care and wellness products. A wide range of shaping, coloring, printing and exclusive finishing technologies are available to us for this purpose.

For the food and beverage industry, we supply both standard and custom miniature as well as other sizes of bottles and glass containers for products such as liquid foods, spices and spirits.

**Advanced Technologies** is our innovation center and hub for smart devices. The division develops smart drug delivery systems for pharma and biotech companies. Its portfolio currently comprises patented micro pumps, which are used to self-administer medication for Parkinson’s or heart failure, for example. In addition to ongoing evaluation of further projects for the development of smart products, a platform for smart inhalation measurement systems is currently under development.

## STRATEGY AND OBJECTIVES

### MEGATRENDS

The growth opportunities in our markets over the next few years will be shaped by nine healthcare and pharmaceutical megatrends.

#### Rise in chronic diseases and aging population

The prevalence of chronic illnesses is growing. Globally, the most widespread chronic complaints include heart disease, cancer, chronic respiratory illnesses and diabetes. Elderly people also account for an increasing share of the population in many parts of the world, and this drives potential demand for healthcare.

#### Rapid growth in generics

Many drugs will become affordable for patients once patent protection expires. Generics consequently play a major role in all healthcare markets. Emerging markets<sup>1</sup> in particular will see growing sales of generic drugs in the next few years. In traditional, developed markets, too, drug licensing and control authorities as well as health insurance funds are driving the approval and the increasing prescription of generic drugs. If the number of medicines sold increases accordingly, demand for pharmaceutical primary packaging will rise at the same time.

#### Better healthcare provision in emerging markets

More and more people in emerging economies have access to healthcare and to medicinal drugs. The most important markets include China, followed by India and Brazil. However, Southeast Asian markets also play an ever greater role as more and more people there gain access to healthcare.

#### Growing urban populations and middle classes

Notably in the emerging markets, an increasing proportion of the population lives in large cities. That means many people are gaining more and better access to health systems and drug provision. The growing middle classes in many such countries also have greater purchasing power, part of which they spend on healthcare and medicines or to secure appropriate health insurance coverage.

#### Rising costs in healthcare and stricter regulatory requirements

All health systems face ongoing cost pressure, which also affects medications and the effectiveness of medication use. Through intelligent solutions, our pharmaceutical primary packaging and drug delivery systems can help achieve greater drug compliance, improved treatment and more targeted use of medicines, thereby making a significant contribution to reducing costs. In this connection, the availability of data on drug delivery and efficacy will play a key role. Smart drug delivery devices and primary packaging are therefore being developed with the ability to collect, track and share such data.

Healthcare authorities – especially the American Food and Drug Administration (FDA) – continue to impose ever more exacting qualitative requirements. These relate not only to drugs themselves, but also to their packaging. Primary packaging must protect and preserve medication while preventing loss of or variation in efficacy. This is why healthcare authorities license new drugs only in tandem with approval for the associated primary packaging.

#### More biosimilars and biologics

New drugs tend as a rule to place fresh demands on packaging. New biologics in particular – most of which are administered parenterally to treat cancer and for numerous other therapies – require innovative primary packaging and drug delivery systems. Large-molecule biologics are also gaining in importance.

#### Self-medication and personalized medication

When patients have to or prefer to self-medicate, they need simple, reliable solutions. Pharmaceutical primary packaging and drug delivery devices must be designed to make drug administration easier and help prevent medication errors. They give patients greater freedom and enhanced quality of life. The trend toward personalized medication adds to the requirements placed on custom pharmaceutical primary packaging and drug delivery devices while increasing the need for corresponding diagnostics.

#### Growth trend in vaccinations

The outbreak and combating of the global Covid-19 pandemic have highlighted the importance of vaccination and boosted public awareness. Alongside the preeminent role of vaccinations against Covid-19, priority will also be given in the future to vaccinating against many other diseases.

<sup>1</sup> Please see the Revenues and Adjusted EBITDA section for a definition of emerging markets.

## SUSTAINABILITY

Sustainability is increasingly important in many areas of life and sectors of the economy. Healthcare as well as the manufacture and packaging of medicines and cosmetic products are no exception. Key factors comprise the sustainable production of primary packaging and drug delivery devices with minimum consumption of energy and materials, using recycled inputs and the whole product life cycle approach. Innovative, sustainable concepts offer significant growth opportunities in this context.

## VISION, MISSION AND VALUES

Our vision describes the objective we are working to achieve. How we want to achieve that vision is described by our mission. Our five corporate values determine how we wish to conduct ourselves and perform our day-to-day tasks.

### Our Vision

Leading in health and well-being delivery solutions

### Our Mission

Innovate and deliver for a better life every day

### Our Values

#### Teamwork

We believe that connecting people and working in global teams is crucial to achieving our ambitious goals.

#### Responsibility

We act as entrepreneurs and deliver on our commitments.

#### Integrity

We believe in honesty, openness, trust, respect and reliability in all that we do.

#### Bold Innovation

We believe that innovations drive our future success.

#### Excellence

We believe we must strive for excellence in everything we do.

## PROFITABLE, SUSTAINABLE GROWTH

In 2019, the Management Board joined with a 20-member top management strategy group in launching a continuous strategy process called “formula G”. Its strategic goal is to transform Gerresheimer into a growth stock as innovation leader and solution provider. The financial goal is profitable, sustainable growth. To that end, we have set ambitious medium and long-term targets as part of the “formula G” strategy process.

The following five focal areas are pivotal to implementing our growth strategy:

- › Growth
- › Innovation
- › Excellence
- › Leadership
- › Sustainability

In a continuous process, measures and projects that are based on these five focal areas are developed and implemented to achieve the short and medium-term targets. During 2019 and 2020, the new strategic process was communicated globally throughout the Gerresheimer Group and measures were derived at all levels. Projects in plants, regions and business units contribute to attaining the targets and implementing the measures. In parallel, the Management Board works with the strategy group to continually fine-tune the strategy, targets and measures and will make any necessary adjustments over the coming years. As this clearly shows, we live and breathe our strategy and all employees contribute to achieving our strategic goals.

Each year, specific forecasts for the financial year ahead and for the medium-term outlook are derived through the budgeting process (see Outlook section).

## FINANCIAL CONTROL SYSTEM

Our business activities are geared toward profitable, sustainable growth and global market leadership in our core Plastics & Devices and Primary Packaging Glass divisions. From this we derive the following, most significant financial key performance indicators for management of the Gerresheimer Group: revenues, adjusted EBITDA and capital expenditure. These performance indicators are explained in detail in the following.

### REVENUES

We measure growth on the basis of the organic period-to-period change in revenues for the Gerresheimer Group and its divisions. This shows the development in our business excluding currency translation and portfolio effects. The result of an acquisition or divestment, a portfolio effect is quantified as that change in revenues relative to the prior year which is attributable to the acquired or divested business.

### ADJUSTED EBITDA

We measure profitability on the basis of adjusted EBITDA and the adjusted EBITDA margin. The margin is defined as adjusted EBITDA divided by revenue. This is defined as net income before income taxes, net finance expense/income, amortization of fair value adjustments, depreciation and amortization, impairment losses, restructuring expenses, and one-off income and expenses.

One-off income and expenses include amounts such as Management Board termination benefits, refinancing costs, litigation costs and outcomes of tax audits.

### RETURN ON CAPITAL EMPLOYED

For the purposes of managing efficient resource allocation, we use Gx ROCE (return on capital employed) as our key measure of capital efficiency. ROCE comprises adjusted EBITA divided by average capital employed. Capital employed is calculated as equity plus interest-bearing debt capital less cash and cash equivalents or, alternatively, total assets less non-interest-bearing liabilities and cash and cash equivalents. The average of the metric consists of the respective balance sheet date of the current and the prior reporting period.

## CAPITAL EXPENDITURE

Capital expenditure is a key success factor for profitable growth. Our control metric is capital expenditure as a percentage of revenues. We appraise each project against the same target parameters. Discounted cash flow analysis and payback periods are important elements of the appraisal process. Expansion and rationalization projects are expected to achieve a minimum 15% post-tax rate of return with a payback period of no more than four years. Strategic projects are normally required to have a payback period of no more than seven-and-a-half years. With effect from the financial year 2021, capital expenditure remains a key performance indicator but is no longer among the most significant. In its place, adjusted earnings per share is among our most significant key performance indicators from the financial year 2021 onward.

## NET WORKING CAPITAL

A further control parameter is average net working capital over revenues. Average net working capital is defined as an equally weighted average of net working capital at the end of each of the last twelve months over revenues in the respective preceding twelve months. Net working capital is calculated as follows:

	<b>Inventories</b>
+	Trade receivables
+	Contract assets
-	Trade payables
-	Contract liabilities
=	<b>Net working capital</b>

## ADJUSTED EARNINGS PER SHARE

We are in the process of transforming Gerresheimer into a growth value as innovation leader and solution provider. The goal in all activities is profitable and sustainable growth. This also requires strong shareholder value orientation. Adjusted earnings per share is a key factor in our dividend distribution. We therefore include adjusted earnings per share among our most significant key performance indicators from the financial year 2021 onward.

Alongside the indicators for monitoring the financial development of the business, non-financial performance indicators are also instrumental to our business success. Of key importance from a Group perspective in this regard are our sustainability, readiness to innovate, problem-solving expertise as well as notably our ability to attract and retain highly qualified staff. No non-financial performance indicators are used for the control of the Group.

## REPORT ON THE ECONOMIC POSITION

### OVERALL ECONOMIC CONDITIONS

Experts at the International Monetary Fund (IMF) predict global economic output to have fallen by 4.4% year on year in 2020 (information as of October 2020). This is the steepest decline since the global economic crisis early last century. The sharp downturn was mainly a result of the measures to combat the Covid-19 pandemic. In 2019, global economic output had still been increasing, with a gain of 2.8%.

According to the IMF experts, the pandemic has hit the economy in almost every nation. Industrialized countries are expected to see a more severe drop in output, by 5.8%, than emerging and developing economies, with a fall of 3.3%. The better outcome in emerging and developing countries is probably mainly due to China. Based on IMF estimates, China is expected to show slight economic growth for 2020, at 1.9%. While this would mark a significant slowdown on 2019 (when growth stood at 6.1%), it would make China one of the few nations to show growth in 2020.

In October 2020, the IMF's experts revised their forecast for the expected contraction of global economic growth from -5.2% to -4.4%. The projection for industrialized nations improved from an 8.1% to a 5.8% decrease. Alongside the easing of lockdowns, expansionary monetary and fiscal policy are thought to have had a supportive effect. According to the IMF calculations, industrialized countries provided assistance equivalent to an average of around 18 percentage points of gross domestic product by way of the various forms of support (direct aid, guarantees and other measures).

Growth in gross domestic product (in %)	2020	2019
<b>World</b>	<b>-4.4</b>	<b>2.8</b>
<b>Developed economies</b>	<b>-5.8</b>	<b>1.7</b>
<b>US</b>	<b>-4.3</b>	<b>2.2</b>
<b>Eurozone</b>	<b>-8.3</b>	<b>1.3</b>
Germany	-6.0	0.6
France	-9.8	1.5
Italy	-10.6	0.3
Spain	-12.8	2.0
Japan	-5.3	0.7
United Kingdom	-9.8	1.5
Canada	-7.1	1.7
<b>Emerging and developing markets</b>	<b>-3.3</b>	<b>3.7</b>
China	1.9	6.1
India	-10.3	4.2
Brazil	-5.8	1.1

### SECTORAL DEVELOPMENT

According to IQVIA, volume growth on the global pharma market in 2020 was negative, at -0.1% (as of November 2020). Growth in the prior year had still been positive, at 1.4%. On this basis, IQVIA calculated an average annual growth rate of 1.5% for the years 2016 to 2020. In regional terms, the change relative to the prior year was -0.3% in Europe, -2.0% in North America and -2.5% in Asia. This equates to an average annual growth rate over the last five years of 0.8% for Europe, -1.0% for North America and 1.4% for Asia.

At 2.6%, emerging markets grew faster than the pharma markets in the industrialized nations, which recorded an average -3.3% growth rate. In 2019, the emerging markets had still been growing at a rate of 3.6% and the industrialized nations at a rate of 0.8%.

The generics subsegment recorded volume growth of 2.8% at global level in 2020. The average annual growth rate here in the years 2016 to 2020 was 3.7%. In regional terms, average annual growth over the last five years was 2.1% in Europe, 2.7% in North America and 6.0% in Asia. Comparing regionally for the emerging markets, these showed an average of 5.4% growth per year for the last five years, whereas average annual volume growth in the developed markets was just 3.1%.

One of the structural growth trends within the pharma industry is the development of biological drugs, known as biologics. Such drugs have gained increasingly in importance in recent years. This trend is expected to continue in the years ahead. More and more, focus is shifting away from chemical, small-molecule drugs toward the development and production of complex large-molecule biologicals. Using biological drugs paves the way for new therapies (such as cancer treatment) and they are consequently also gaining in importance for hard-to-treat diseases (such as Crohn's disease and rheumatoid arthritis). The drugs in question are administered subcutaneously, meaning under the skin. IQVIA's experts are optimistic, anticipating significant growth for subcutaneously administered drugs. The annual growth rates (over the period 2019 to 2024) for syringes and vials for biologics are 13% and 10%, respectively.

Overall, the global market for biologics is still relatively small compared to the pharma market as a whole. For 2019, IQVIA calculated the global market volume for biologics at approximately 350bn US dollars. In contrast, the global pharma market is worth over 1.1tn US dollars.

The market for biosimilars – a subcategory of biologics – likewise shows highly dynamic growth. A biosimilar is a product modeled to mimic a biopharmaceutical. Biosimilars are a focus of increasing attention in healthcare. As patents for leading biologics expire, the biosimilars pipeline is growing dynamically. IQVIA calculates that the global market volume has multiplied from just over 1bn US dollars in 2015 to over 12bn US dollars in 2019. Global Market Insights (as of May 2019) expects an approximately fivefold increase to 69bn US dollars by 2025. Despite the dynamic growth, however, the global biosimilars market is relatively small compared to the global market for biologics as a whole.

Demand for cosmetic packaging tends to be cyclical in any case and was hit hard in the Covid-19 pandemic. From our own estimates, the year-on-year decrease is likely to have been in the double-digit percentage range. However, certain subcategories stood out from the general market trend. While demand in the perfume and makeup subcategories fell by a sizable double-digit percentage, the shortfall for skin care and hygiene products was in the single-digit range. Overall this year, the trend toward high-quality packaging solutions was seen to continue.

#### DEVELOPMENT ON THE CURRENCY MARKETS

The main effects from currency translation into euros for Gerresheimer in the financial year 2020 relate to the US dollar and the Brazilian real. Both currencies depreciated against the euro, in part substantially, during the financial year under review.

As of the reporting date, the US dollar fell 8% against the euro over the financial year. Looking at the financial year 2020, it can be seen that the US dollar was hit by pronounced volatility at the outbreak of the Covid-19 pandemic. The US dollar went down particularly steeply against the euro beginning in May 2020. As a result, the euro climbed substantially to 1.20 US dollars at the year-end.

The Brazilian real lost significantly against the euro, falling 27% year on year. After gaining against the euro at the beginning of the financial year, the Brazilian real depreciated steadily as the year progressed. The significant devaluation is due to the rapid spread of the Covid-19 pandemic and the resulting economic setbacks.

#### ENERGY AND COMMODITY MARKET TRENDS

A significant portion of production costs relate to raw materials and energy for the manufacture of our glass and plastic products. Our energy requirements are consistently high, due in particular to the energy-intensive combustion and melting processes in our high-temperature furnaces. Any significant rise in energy prices could have an impact on the Gerresheimer Group's results of operations. Accordingly, we make use of the special compensation rule for electricity cost-intensive companies in Germany under section 64 of the Renewable Energy Act. In addition, the Group hedges against increases in energy prices. Energy prices for electricity and gas in Europe declined in the financial year 2020 compared to the prior year, especially in the first half of the year.

In the manufacture of plastic products, we are reliant on intermediary products such as polyethylene, polypropylene and polystyrene. The prices of these products largely depend on oil price trends. Prices of resins that we rely on decreased during the course of the financial year 2020, notably in the European and North American markets. The price of polypropylene fell by some 10% on average during the period.

As a manufacturer of high-quality pharmaceutical primary packaging, we mainly use quartz sand and soda lime as raw materials for glass products, along with various additives in relatively small quantities. These basic products are freely available and we procure them from a range of suppliers. Their prices were largely stable during the financial year 2020. Borosilicate glass tubes are an important intermediary product in the manufacture of prefillable syringes, injection vials, ampoules and cartridges. We source these tubes from various manufacturers on the basis of long-term supply agreements. Here, too, prices were largely stable during the financial year 2020.

Information on the Gerresheimer Group's management of fluctuations in energy and raw material prices is provided under the heading "Energy and Raw Material Prices" in the "Operational Risks" section.

Economic developments also influenced the Gerresheimer Group's business performance in the financial year 2020, particularly with regard to impacts in connection with Covid-19. These varied according to business unit and region and are presented accordingly in the following comments on the results of operations, net assets and financial position.

## RESULTS OF OPERATIONS

### REVENUES AND ADJUSTED EBITDA

#### Revenues by division

The Gerresheimer Group generated revenues of EUR 1,418.8m in the financial year 2020, compared to EUR 1,392.3m in the prior year. Adjusted for negative exchange rate changes, mainly due to the trend of the US dollar and the Brazilian real, and for the effects of deconsolidating a subsidiary in Argentina and of revenues from a project canceled in the previous year, revenues were around 2.6% higher than in the prior year, at EUR 1,441.0m. Organic growth in the core business came to 3.8%. Excluding the cosmetics business, which was severely affected by the Covid-19 pandemic, organic growth in the core business was 5.5%.

The divisional and regional revenue breakdown is as follows:

In EUR m	2020	2019	Change in % <sup>1)</sup>
<b>Divisions</b>			
Plastics & Devices	771.6	758.3	1.8
Primary Packaging Glass	644.1	631.6	2.0
Advanced Technologies	9.5	6.4	47.2
Intragroup revenues	-6.4	-4.0	-
<b>Total revenues</b>	<b>1,418.8</b>	<b>1,392.3</b>	<b>1.9</b>
<b>Regions</b>			
Europe <sup>2)</sup>	513.4	481.7	6.6
Americas <sup>3)</sup>	381.3	385.7	-1.1
Germany	317.9	307.5	3.4
Emerging markets	184.4	196.8	-6.3
Other regions	21.8	20.6	5.4
<b>Total revenues regions</b>	<b>1,418.8</b>	<b>1,392.3</b>	<b>1.9</b>

<sup>1)</sup> The change has been calculated on a EUR k basis.

<sup>2)</sup> Without Germany and European emerging markets like Russia and Turkey.

<sup>3)</sup> Without American emerging markets like Brazil, Mexico and Colombia.

Revenues in the Plastics & Devices Division, at EUR 771.6m, were slightly up on the prior year. Excluding exchange rate effects and the deconsolidation of a subsidiary in Argentina, however, revenues rose by 4.7%. Alongside the syringe business, unit sales of inhalers, insulin pens and plastic packaging also grew very healthily relative to the prior year. The performance of the engineering and tooling business was positive.

In the Primary Packaging Glass Division, revenues could grow in comparison to the prior year despite a challenging demand environment. The performance of the various business units differed considerably, however, in some cases with opposite signs. Unit sales in the cosmetics business, for example, were significantly down year on year due to the Covid-19 pandemic,

showing a decrease of 7.2%, while the pharma and food businesses grew strongly. With the exception of the cosmetics business, the negative and positive impacts of the Covid-19 pandemic on the remaining business units largely canceled themselves out. At constant exchange rates, revenues in the Primary Packaging Glass Division were 2.7% higher than in the prior year. Excluding the cosmetics business, which was particularly hard hit by the Covid-19 pandemic, organic growth in the Primary Packaging Glass Division amounted to 6.7%.

Revenues in the Advanced Technologies Division resulted partly from rising sales of micro pump systems to treat Parkinson's disease and partly from projects terminated by customers in the financial year 2019.

#### Revenues by region

We generate the vast majority of revenues outside Germany. The share of revenues generated outside Germany was 77.6%, compared to 77.9% in the prior year. Europe and the Americas remain Gerresheimer's strongest geographical sales regions. Revenue growth in emerging markets continues to be a strategic focus.

European revenues increased by 6.6% overall, with mixed and in some cases opposite trends in individual countries within the region. The European country with the highest revenues was France. While growth in Germany was moderate at 3.4%, revenues in the Benelux countries grew above the average of the remaining countries of Europe.

Revenues in the Americas were slightly down on the prior year. This was mainly driven by negative exchange rate effects from the shift in the US dollar against the euro. Adjusted for those exchange rate effects, revenues remained on their prior-year level. Revenues in this region are predominantly generated in the USA. Due to the presence of global pharma giants and the country's demographic potential, the USA in particular will remain a core region for our business activities.

IQVIA modified its definition of emerging markets in the financial year 2020 relative to the prior year. The emerging markets now comprise the following 17 (prior year: 22) countries: Algeria, Bangladesh, Brazil, Colombia, China, Egypt, India, Indonesia, Mexico, Pakistan, Philippines, Russia, Saudi Arabia, South Africa, Turkey, Ukraine and Vietnam. Revenues in these countries fell in total to EUR 184.4m (prior year: EUR 196.8m). The shortfall is mainly due to negative exchange rate effects from movements in the Brazilian real and the Indian rupee. At constant exchange rates, emerging market revenues in the financial year 2020 were 3.7% up year on year. The emerging economies with the highest revenues were Brazil, Mexico, India and China.

### Adjusted EBITDA by division

Adjusted EBITDA for the Gerresheimer Group was EUR 310.1m in the financial year 2020 (prior year: EUR 400.0m). The initial application of IFRS 16 had an effect of EUR 8.9m at Group level. As a percentage of revenues, the adjusted EBITDA margin came to 21.9%. The comparatively high prior-year adjusted EBITDA included a number of one-off items<sup>2</sup>. Excluding these, like-for-like prior-year adjusted EBITDA was EUR 296.7m. On this baseline, and taking into account the effect of initial application of IFRS 16, adjusted EBITDA rose by 1.7% in the financial year 2020.

Adjusted EBITDA is broken down by division as follows:

	Adjusted EBITDA in EUR m		Change in % <sup>1)</sup>	Adjusted EBITDA margin in %	
	2020	2019		2020	2019
<b>Divisions</b>					
Plastics & Devices	212.5	196.4	8.2	27.5	25.9
Primary Packaging Glass	137.3	122.9	11.8	21.3	19.5
Advanced Technologies	-14.5	-23.4	38.2	-	-
Head office/consolidation	-25.2	104.1	-	-	-
<b>Total Adjusted EBITDA</b>	<b>310.1</b>	<b>400.0</b>	<b>-22.5</b>	<b>21.9</b>	<b>28.7</b>

<sup>1)</sup> The change has been calculated on a EUR k basis.

The change in the Plastics & Devices Division mainly relates to the positive performance of the syringe business and the medical plastic systems business, the latter mostly in the Europe region. Likewise in the Plastic Packaging Business Unit, EBITDA increased in the Europe region due to the healthy revenue performance.

In the Primary Packaging Glass Division, despite the challenges in the cosmetics business, it was possible to improve adjusted EBITDA relative to the prior year. The growth is above all attributable to the Moulded Glass Business Unit and, in that context, to the good performance in North America and India. Earnings in the Moulded Glass Business Unit also include insurance reimbursements for financial losses incurred in connection with the furnace damage at our US plant and with a warehouse fire at one of our molded glass plants in Germany. The payout for the furnace damage covers the operational interruption on a pro-rata basis. Without that interruption, revenues would have been higher in the financial year 2020. In the Tubular Glass Business Unit, the North America and Europe regions recorded a demand-driven increase in adjusted EBITDA.

The operating business in the Advanced Technologies Division performed similarly to the prior year. However, certain one-off effects must be taken into account when interpreting the reported adjusted EBITDA. In the prior year, adjusted EBITDA was impacted by the effects of projects canceled by customers in the financial year 2019. For the financial year under review, adjusted EBITDA both includes positive impacts from the projects canceled by customers in the prior year and reflects the expense of a contract amendment in connection with the cancellation of a project.

The change in the head office expenses and consolidation item is mainly attributable to the other operating income recognized in the prior year from the derecognition of purchase price components from the Sensile Medical acquisition. There was no comparable occurrence in the financial year under review.

<sup>2)</sup> In relation to adjusted EBITDA for the financial year 2019, it was necessary to adjust the expense from deconsolidation of the Argentinian subsidiary (EUR 0.1m). It is also necessary to deduct the other operating income from derecognition of the purchase price liability from the Sensile Medical acquisition (EUR 129.8m). In addition, it is necessary to add the other operating expense due to cancellation of a project to develop a micro pump (EUR 9.2m). The cumulative adjustment of revenues recognized in connection with this cancellation (EUR 17.3m), which had a corresponding negative impact on adjusted EBITDA at constant exchange rates, must also be added back in.



The following table shows the reconciliation of adjusted EBITDA to net income for the period:

In EUR m	2020	2019	Change
<b>Adjusted EBITDA</b>	<b>310.1</b>	<b>400.0</b>	<b>-89.9</b>
- Depreciation/ Amortization and impairment losses	-112.5	-105.4	-7.1
<b>= Adjusted EBITA</b>	<b>197.6</b>	<b>294.6</b>	<b>-97.0</b>
+/- One-off income and expenses	-8.3	-6.3	-2.0
- Amortization and impairment losses of fair value adjustments	-32.8	-159.5	126.7
- Impairment Goodwill	-	-5.0	5.0
<b>= Results of operations (EBIT)</b>	<b>156.5</b>	<b>123.8</b>	<b>32.7</b>
- Net finance expense	-21.3	-25.6	4.3
- Income taxes	-45.3	-15.5	-29.8
<b>= Net income</b>	<b>89.9</b>	<b>82.7</b>	<b>7.2</b>

The depreciation, amortization and impairments in the amount of EUR 112.5m include EUR 8.9m in initial depreciation of right-of-use assets due to the first-time application of IFRS 16.

One-off income and expenses primarily relate to the various measures to sustain delivery capability, implementation of and adherence to safety concepts and the provision of incentives to employees in connection with the Covid-19 pandemic, the construction of our new plant in Skopje (Republic of North Macedonia), the previously announced, multiple-year reorganization of the Primary Packaging Glass Division as well as the income from the sale of the land and building in Kuessnacht (Switzerland).

Amortization and impairments of fair value adjustments relate to the subsequent measurement of intangible assets identified in connection with acquisitions made in the period 2007 to 2018. In the prior year, an impairment loss of EUR 103.8m was recognized on fair value adjustments in the Advanced Technologies Division. For the financial year 2020, fair value adjustments relate in their entirety to amortization.

## INCOME STATEMENT (CONDENSED)

In EUR m	2020	2019	Change
Revenues	1,418.8	1,392.3	26.5
Cost of sales	-981.2	-1,115.1	133.9
<b>Gross profit</b>	<b>437.6</b>	<b>277.2</b>	<b>160.4</b>
Selling and general administrative expenses	-275.5	-274.1	-1.4
Other operating expenses and income	-5.6	120.7	-126.3
<b>Results of operations (EBIT)</b>	<b>156.5</b>	<b>123.8</b>	<b>32.7</b>
Net finance expense	-21.3	-25.6	4.3
Income tax	-45.3	-15.5	-29.8
<b>Net income</b>	<b>89.9</b>	<b>82.7</b>	<b>7.2</b>
Attributable to shareholders of Gerresheimer AG	88.6	80.8	7.8
Earnings per share (in EUR)	2.82	2.57	0.25
Adjusted earnings per share (in EUR)	3.90	7.19	-3.29

Gross profit improved by EUR 160.4m compared to the prior year. In the prior year, cost of sales was notably impacted by impairment losses on fair value adjustments in the Advanced Technologies Division (EUR 103.8m). There were no comparable circumstances in the financial year 2020. Cost of sales as a percentage of revenues was approximately 69.2% in the financial year 2020, which is a similar level to that of 2018.

Selling and administrative expenses remained at their prior-year level overall and thus did not increase in line with revenue. Higher personnel expenses were mainly offset by lower expenditure for communications, marketing and business travel.

Other income and expenses fell in total by EUR 126.3m relative to 2019. The prior year saw a sharp rise in other operating income, mainly due to the derecognition of contingent purchase price components from the Sensile Medical acquisition (EUR 129.8m). There was no comparable occurrence in the reporting year. In the financial year 2020, alongside the income from the sale of the land and building in Kuessnacht (Switzerland), the other operating income in the amount of EUR 33.2m predominantly comprised

insurance reimbursements in a total amount of EUR 13.4m for financial losses incurred in connection with the furnace damage at a US location and with a warehouse fire at one of our molded glass plants in Germany. Other operating expenses went up by around EUR 6.6m year on year to EUR 39.8m. The increase is due to various, in part contrary effects. In the prior year, other operating expenses included various one-off items, such as the goodwill impairment of the Advanced Technologies Division, which are not matched by similar items in the reporting period. The main increases in the financial year 2020 compared to the prior year were in one-off expenses related to the Covid-19 pandemic, impairment losses on trade receivables, losses due to exchange rate effects and expenditure for research and development. For further information on Gerresheimer's research and development activities, please see under "Research and Development".

The improvement in net finance expense is mainly due to lower interest expenses and lower exchange rate effects on hedge activities than in the prior year. There was also a reduction in the interest expense on pension provisions. This was offset by the initial recognition of the interest component of lease liabilities in connection with the first-time application of IFRS 16.

The tax expense presented under income taxes came to EUR 45.3m (prior year: EUR 15.5m). In the prior year, the tax expense was comparatively small, notably due to the tax-exempt derecognition of contingent purchase price components from the Sensile Medical acquisition combined with the impairments in the Advanced Technologies Division. There were no similar items in the reporting period. The tax rate in the reporting year was 33.5%, versus 15.8% in the prior year. Most of the increase in the tax rate relate to impairments of foreign subsidiary loss carryforwards with finite carryforward periods as well as to tax expense incurred on the sale of land in connection with the closure of the Kuessnacht (Switzerland) location.

As a result of the above developments, net income improved by EUR 7.2m to EUR 89.9m. The share of net income attributable to the shareholders of Gerresheimer AG increased by EUR 7.8m. Net income reconciles to adjusted net income as follows:

In EUR m	2020	2019	Change
<b>Net income</b>	<b>89.9</b>	<b>82.7</b>	<b>7.2</b>
One-off income and expenses	8.3	6.3	2.0
Amortization and impairment losses of fair value adjustments	32.8	159.5	-126.7
Impairment Goodwill	-	5.0	-5.0
One-off effects in the net finance expense	1.0	-	1.0
Adjustment deferred taxes Sensile Medical	-	6.6	-6.6
Related tax effect	-8.6	-33.3	24.7
Tax special effects	0.2	0.7	-0.5
Related interest effect	0.1	0.2	-0.1
<b>Adjusted net income</b>	<b>123.7</b>	<b>227.7</b>	<b>-104.0</b>
Attributable to non-controlling interests	1.3	1.9	-0.6
<b>Adjusted net income attributable to shareholders of Gerresheimer AG</b>	<b>122.4</b>	<b>225.8</b>	<b>-103.4</b>
<b>Adjusted earnings per share attributable to shareholders of Gerresheimer AG (in EUR)</b>	<b>3.90</b>	<b>7.19</b>	<b>-3.29</b>

As in the prior year, earnings per share were calculated on the basis of 31.4m shares.

## DIVIDEND

Gerresheimer bases the determination of the dividend on adjusted net income attributable to the shareholders of Gerresheimer AG. At the Annual General Meeting on June 9, 2021, the Management Board and Supervisory Board of Gerresheimer AG will propose that a dividend of EUR 1.25 per share be paid for the financial year 2020 (prior year: EUR 1.20 per share). This corresponds to a total distribution of EUR 39.3m. The payout ratio relative to adjusted net income attributable to the shareholders of Gerresheimer AG is 32.1%.

## RESEARCH AND DEVELOPMENT

Our aim is to become the leading global partner for enabling solutions that improve health and well-being. At the same time, our customers' requirements are changing: Innovation and quality play an increasingly important role in the market. This makes issues such as rising quality expectations as well as innovative products and solutions integral to our growth strategy. We continue to invest on an ongoing basis in both enhancing production and product quality as well as in fine-tuning our product portfolio. This entails close collaboration with our customers and with our partners in industry, in the scientific community and at other institutions.

We manufacture specialized products – pharmaceutical primary packaging – that come into direct contact with pharmaceuticals and that patients use in everyday life to take their medication. Our primary packaging and drug delivery devices are important products for the pharma industry. Primary packaging and drug delivery devices are subject to extremely strict requirements imposed by the national and international regulatory authorities, particularly with regard to manufacturing processes and product quality. Newly developed drugs also create more demanding requirements for primary packaging products and their quality. In addition, the simple and safe administration of medication is becoming ever more important. Digitalization, too, will play an ever greater role in pharmaceutical primary packaging and drug delivery devices, such as in the collection, sharing and tracking of related data. Through our continuous improvements in products and processes coupled with our innovations, we have established a strong position in the market and with our customers – a position that we aim to further enhance.

A total of EUR 7.7m (prior year: EUR 3.6m) was spent on research and development in the financial year under review. We also capitalized a further EUR 21.3m of development costs in the financial year 2020 (prior year: EUR 5.9m). The increase in capitalized development costs as against the prior year was largely attributable to projects in the Advanced Technologies Division, primarily relating to the scheduled onward development of a micro pump for the treatment of heart disease. A substantial proportion of the capitalized development costs comprised non-cash components. Research and development activities are exclusively carried out by Gerresheimer AG's subsidiaries. These activities are closely geared to customer needs and accordingly often take place in collaboration with customers. In some cases, staff from pharmaceuticals companies work with us at our Competence Centers.

## NET ASSETS

### CONSOLIDATED BALANCE SHEET (CONDENSED)

In EUR m	Nov. 30, 2020	Nov. 30, 2019	Change
<b>Assets</b>			
Intangible assets	1,274.4	1,357.2	-82.8
Property, plant, equipment (including investment property)	766.7	711.1	55.6
Investments accounted for using the equity method	0.3	0.3	-
Other assets	11.0	10.7	0.3
Deferred tax assets	12.8	17.1	-4.3
<b>Non-current assets</b>	<b>2,065.2</b>	<b>2,096.4</b>	<b>-31.2</b>
Inventories	190.0	185.1	4.9
Trade receivables	215.5	224.2	-8.7
Contract assets	14.2	5.4	8.8
Other assets	43.8	44.3	-0.5
Cash and cash equivalents	88.0	85.8	2.2
<b>Current assets</b>	<b>551.4</b>	<b>544.8</b>	<b>6.6</b>
<b>Total assets</b>	<b>2,616.6</b>	<b>2,641.2</b>	<b>-24.6</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>	<b>899.7</b>	<b>941.6</b>	<b>-41.9</b>
Provisions	165.2	164.8	0.4
Financial liabilities	836.4	498.2	338.2
Other liabilities	4.5	3.5	1.0
Deferred tax liabilities	131.4	142.4	-11.0
<b>Non-current liabilities</b>	<b>1,137.5</b>	<b>808.9</b>	<b>328.6</b>
Provisions	53.0	48.3	4.7
Financial liabilities	213.9	530.6	-316.7
Trade payables	211.6	221.4	-9.8
Contract liabilities	7.5	8.7	-1.2
Other liabilities	93.4	81.7	11.7
<b>Current liabilities</b>	<b>579.4</b>	<b>890.7</b>	<b>-311.3</b>
<b>Total equity and liabilities</b>	<b>2,616.6</b>	<b>2,641.2</b>	<b>-24.6</b>

Total assets decreased relative to November 30, 2019 by EUR 24.6m to EUR 2,616.6m. The change mainly reflects increases in property, plant and equipment, net working capital and financial liabilities. These were countered by a decrease in intangible assets.

A total of EUR 1,274.4m in intangible assets include EUR 642.3m in goodwill (prior year: EUR 672.2m) and EUR 568.6m in customer relationships, brand names, technologies and similar assets (prior year: EUR 641.3m). The changes relative to the prior year are a result of amortization and currency translation.

Property, plant and equipment went up by EUR 55.6m to EUR 766.7m. Right-of-use assets were recognized within property, plant and equipment for the first time due to the initial application of lease accounting under IFRS 16. The right-of-use assets had a net carrying amount of EUR 37.5m as of November 30, 2020. A significant item within property, plant and equipment comprises advances paid and assets under construction. Payments on account and assets under construction went up by a total of EUR 25.5m to EUR 192.8m. This capital expenditure was mainly incurred for the construction of our new plants in the Republic of North Macedonia and Brazil as well as for modernization and capacity expansion at our locations in Germany and the USA. It also includes the cost of measures necessitated by the furnace damage at our US location and a fire at our location in Germany.

The slight rise in inventories largely related to an increase in raw materials, consumables and supplies. Changes in trade receivables and payables, including current and non-current contract assets and liabilities, also resulted in a net increase in net working capital compared to the prior year. In total, net working capital went up by EUR 14.9m to EUR 197.9m. As of the reporting date, net working capital as a percentage of revenues amounted to 14.0% (prior year: 13.1%).

Other current assets largely consist of tax receivables.

Movements in the Gerresheimer Group's equity comprise various changes, some of which offset each other. A positive item was the net income of EUR 89.9m. Dividend payments in the financial year 2020, together with currency translation effects and the remeasurement of defined-benefit pension plans, both of which are accounted for in equity, resulted in a net decrease in equity relative to the prior year. The equity ratio, meaning equity as a percentage of total assets, stood at 34.4% (prior year: 35.6%).

Financial liabilities mainly comprise the promissory loans, the revolving credit facility and other liabilities to banks. Aside from changes in relation to promissory loans and the revolving credit facility, most of the change relative to the prior year was due to the rise in lease liabilities in connection with the first-time application of IFRS 16. Further information on financial liabilities is provided under "Financial Condition".

The increase in current provisions resulted from various, in part mutually offsetting effects. While the current portion of pension provisions stayed at the same level as the prior year, notably there was an increase in relation to personnel obligations, sales bonuses, rebates and discounts.

Other current liabilities primarily relate to income taxes and other taxes as well as to liabilities to employees.

## FINANCIAL POSITION

### PRINCIPLES AND OBJECTIVES OF FINANCIAL MANAGEMENT

Control and optimization of the Gerresheimer Group's finances is primarily the responsibility of Group Treasury at Gerresheimer AG. Our overriding objective is to safeguard liquidity at all times through central procurement of funding as well as active control of currency and interest rate risk. We ensure an appropriate level of funding on an ongoing basis through rolling liquidity planning and central cash management.

In order to institutionalize decision and control processes in connection with safeguarding liquidity, financial planning and associated risk management, the Management Board has established an Investment Committee. Comprising the CFO as well as the directors of Controlling, Accounting, Mergers & Acquisitions and Treasury, the Committee normally meets on a quarterly basis. The core remit of the Investment Committee is to discuss and monitor relevant financial operating conditions for the Gerresheimer Group. Potential changes in external factors in line with current market projections are appraised along with the financing situation and strategic growth options. All ideas and upcoming projects with a major financial impact are combined and assessed to determine whether they are fundable and re-examined from a risk management standpoint. Documents from the Investment Committee are provided to the other members of the Management Board for information after each meeting. This means we have an additional early warning and control mechanism to supplement the application of the dual control principle.

As a globally operating Group, we use a range of tools to ensure effective financial management. In this way, we minimize any negative impact of default, currency and interest rate risk on the Gerresheimer Group's net assets, financial position and results of operations or cash flows.

The maximum credit risk from receivables faced by the Gerresheimer Group is the aggregate carrying amount of the receivables. We extend trade credit in the ordinary course of business and carry out regular assessments for specific financial status levels (credit checks). We counter default risk by restricting contractual partners to those of good to very good credit standing and rigorously observing the risk limits stipulated under trade credit insurance or internally. An adequate amount is recognized for any necessary impairments.

Our international focus means that we conduct many transactions in foreign currency. To counter the connected risk of exchange rates moving to our disadvantage, we use forward exchange contracts that hedge cash flows from outstanding orders denominated in foreign currency. Orders, receivables and payables are hedged as a rule with forward exchange contracts on inception. To counter interest rate risk, Group Treasury at Gerresheimer AG monitors interest rate trends on an ongoing basis and takes out corresponding interest rate hedges as needed.

Safeguarding the Gerresheimer Group's liquidity while allowing sufficient reserves for special eventualities is an integral part of ongoing liquidity management. Intragroup cash pooling and intercompany lending permit efficient use of liquidity surpluses at subsidiaries to meet the cash needs of others.

## CAPITAL STRUCTURE

The capital structure of the Gerresheimer Group was as follows as of November 30, 2020:

In % of total assets	Nov. 30, 2020	Nov. 30, 2019
Non-current assets	78.9	79.4
Current assets	21.1	20.6
Equity	34.4	35.7
Financial liabilities	40.1	39.0
Other non-current liabilities	11.5	11.8
Other current liabilities	14.0	13.6

## FINANCIAL DEBT AND CREDIT FACILITIES

Net financial debt changed as follows as of the balance sheet date:

In EUR m	Nov. 30, 2020	Nov. 30, 2019	Change
Promissory loans – November 2015 (nominal)	235.5	425.0	-189.5
Promissory loans – September 2017 (nominal)	250.0	250.0	–
Promissory loans – November 2020 (nominal)	325.0	–	325.0
Revolving credit facility	162.6	302.3	-139.7
Local borrowings incl. bank overdrafts	36.5	40.9	-4.4
Lease liabilities	38.2	8.6	29.6
Installment purchase liabilities	1.4	1.7	-0.3
<b>Total financial debt</b>	<b>1,049.2</b>	<b>1,028.5</b>	<b>20.7</b>
Less cash and cash equivalents	88.0	85.8	2.2
<b>Net financial debt</b>	<b>961.2</b>	<b>942.7</b>	<b>18.5</b>

The change in relation to the November 2015 promissory loans resulted from the scheduled repayment of tranches due in the financial year. This was carried out with funds from the November 2020 promissory loan issues for a total principal amount of EUR 325.0m. The remaining amount from that promissory loan issue was used to redeem the portion due to a syndicate bank withdrawing from the syndicated loan agreement and to repay part of the drawings on the revolving credit facility. All promissory loans issues as of the reporting date were denominated in euros.

As of November 30, 2020, the Gerresheimer Group had at its disposal for general financing purposes a syndicated loan by means of a revolving credit facility plus ancillary credit facilities for a total amount of EUR 476.0m, of which EUR 312.0m remained undrawn. Signed on September 26, 2019, the syndicated loan had an original term of five years, which was extended for an additional year during the financial year under review. The revolving credit facility is subject to a mandatory standard financial covenant comprising the ratio of net financial debt to adjusted EBITDA (adjusted EBITDA leverage) on the basis of the current credit line agreement in force at the time. It carries a basic rate of interest equal to EURIBOR (for drawings in euros) or LIBOR (for drawings in US dollars) for the drawing period, plus a margin depending on attainment of the adjusted EBITDA leverage and a drawdown commission in line with the current loan status. Adjusted EBITDA leverage in accordance with the credit line agreement in force as of the reporting date was 3.0x (prior year: 2.4x).

Our subsidiaries are also financed by approved bilateral credit lines, including bank overdrafts, in an amount equivalent to EUR 36.2m.

Liabilities to banks are almost exclusively in euros.

Further information on financial debt is provided in Note (33) of the Notes to the Consolidated Financial Statements.

To ensure access to other favorable sources of funding, Gerresheimer also raises limited financing through the sale of trade receivables to factoring companies.

## CASH FLOWS

### Cash Flow Statement (condensed)

In EUR m	2020	2019	Change
<b>Financial resources at the beginning of the period</b>	<b>51.1</b>	<b>61.9</b>	<b>-10.8</b>
Cash flow from operating activities	222.2	192.9	29.3
Cash flow from investing activities	-157.0	-203.2	46.2
Cash flow from financing activities	-52.2	-1.1	-51.1
Effect of exchange rate changes on financial resources	-5.7	0.6	-6.3
<b>Changes in financial resources</b>	<b>7.3</b>	<b>-10.8</b>	<b>18.1</b>
<b>Financial resources at the end of the period</b>	<b>58.4</b>	<b>51.1</b>	<b>7.3</b>

The increase in cash flow from operating activities was mainly due to the rise in net income and to changes in other provisions.

Most of the net cash outflow from investing activities related to payments for intangible assets and property, plant and equipment. The prior-year cash outflow included a EUR 43.5m payment for the acquisition of Sensile Medical. There was no comparable occurrence in the reporting year.

The net cash outflow from financing activities mainly related to changes in promissory loans, the partial repayment of the revolving credit facility, dividend payments and repayments of lease liabilities recognized for the first time due to the initial application of IFRS 16.

Based on the above, free cash flow before acquisitions/divestments of subsidiaries changed as follows:

In EUR m	2020	2019	Change
<b>Cash flow from operating activities</b>	<b>222.2</b>	<b>192.9</b>	<b>29.3</b>
Cash received from disposals of non-current assets	17.0	5.2	11.8
Cash paid for capital expenditure in intangible assets and property, plant and equipment as well as fully consolidated companies and other equity investments	-174.0	-164.5	-9.5
Net capital expenditure in intangible assets and property, plant and equipment as well as fully consolidated companies and other equity investments	-157.0	-159.3	2.3
<b>Free cash flow</b>	<b>65.2</b>	<b>33.6</b>	<b>31.6</b>

## CAPITAL EXPENDITURE

Additions to intangible assets and to property, plant and equipment in the financial year 2020 break down by division as follows:

In EUR m	2020	2019	Change
Plastics & Devices	78.5	93.8	-15.3
Primary Packaging Glass	96.5	82.9	13.6
Advanced Technologies	23.3	4.9	18.4
Head Office	1.2	3.8	-2.6
<b>Total capital expenditure</b>	<b>199.5</b>	<b>185.4</b>	<b>14.1</b>

Capital expenditure in the Plastics & Devices Division chiefly focused on expansion of our syringe capacity as well as the construction of our new plants in the Republic of North Macedonia and Brazil. Another focus was on expanding the product portfolio as well as creating additional production and warehousing capacities.

Capital expenditure in the Primary Packaging Glass Division mainly related to prepayments and preparations for a scheduled furnace overhaul and expansion in Germany, a furnace repair in the USA, as well as production plant modernization and automation. The prepayments for the furnace repair in the USA were offset by corresponding pro rata insurance payouts. We additionally invested in capacity expansion, notably for injection vials. As in prior years, we also invested in molds and tools.

Capital expenditure in the Advanced Technologies Division was significantly higher in the financial year 2020 than in the prior year. Most of the capital expenditure was incurred for development

projects such as the scheduled onward development of a micro pump for the treatment of heart diseases. A substantial proportion of the capitalized development costs comprised non-cash expenses.

Capital expenditure in the financial year 2020 includes EUR 12.6m for the recognition of right-of-use assets that will not affect cash flow until later periods. Financial commitments in connection with future capital expenditure amounted to EUR 35.6m as of the financial year-end.

## OVERALL ASSESSMENT OF THE BUSINESS SITUATION

### OVERALL ASSESSMENT BY THE MANAGEMENT BOARD

The economic environment in the financial year 2020 was largely impacted by the global spread of Covid-19 and related efforts to contain the pandemic. This resulted in a major health crisis and the deepest recession since the 1930s. It had a highly contrasting impact on our customer industries. While the pharma sector was hardly affected, the cosmetics industry recorded marked setbacks. Alongside safeguarding the health and safety of our employees and business partners, it was important to maintain operational continuity. By acting responsibly during the crisis, we succeeded at all times in remaining a reliable partner to our customers and suppliers, and hence also to patients and consumers. In light of this challenging environment, we remained within our expectations in the financial year 2020, although we were not able to fully exploit our opportunities due to the Covid-19 pandemic.

After a strong fourth quarter, the Gerresheimer Group's like-for-like revenues at constant exchange rates rose 2.6% to EUR 1,441.0m. Growth in revenues at constant exchange rates was thus at the lower end of our start-of-year expectations, falling short of our growth potential due to the pandemic. Like-for-like organic growth in our core business, comprising the Plastics & Devices and Primary Packaging Glass divisions, came to 3.8%. The Covid-19 pandemic had a particularly adverse impact on revenues in the cosmetics business. Excluding the cosmetics business, like-for-like revenues at constant exchange rates in the core business increased by 5.5%.

Taking into account the EUR 9.3m effect on a constant exchange rate basis of initial application of IFRS 16, the Gerresheimer Group generated adjusted EBITDA at constant exchange rates of EUR 301.6m, 1.7% above the prior-year figure adjusted for one-off effects (EUR 296.7m) (see footnote 2). While the Plastics & Devices Division increased adjusted EBITDA at constant exchange rates by 9.5% to EUR 214.6m, like-for-like adjusted EBITDA in the Primary Packaging Glass Division went up by 10.1% year on year to EUR 135.8m. Adjusted EBITDA at constant exchange rates in the Advanced Technologies Division improved by 38.2% to a negative EUR 14.5m.

On a constant exchange rate basis, the Gerresheimer Group's adjusted EBITDA margin amounted to 21.6% (prior year excluding one-off effects: 20.0%), which was in line with our expectations. The core business generated an adjusted EBITDA margin at constant exchange rates of 22.6% (prior year excluding one-off effects: 22.0%).

Adjusted net income decreased to EUR 123.7m (prior year excluding one-off effects: EUR 128.7m). This was mainly because of the higher tax expense, which more than offset the growth in income before taxes. Adjusted earnings per share attributable to the shareholders of Gerresheimer AG consequently fell slightly from EUR 4.04 to EUR 3.90.

Free cash flow before acquisitions and divestments went up by EUR 31.5m to EUR 65.1m. With net capital expenditure slightly down on the prior year, the increase was mainly due to the positive overall business performance. Net capital expenditure as a percentage of revenues at constant exchange rates came to 11.1% (prior year: 11.8%). At the beginning of the year, we had expected 12%. Our strategic capital expenditure program is progressing as planned.

### GUIDANCE-ACTUAL COMPARISON

We give our shareholders, customers and all other partners the opportunity to assess our business development by publishing guidance at the beginning of each financial year and adjusting this as needed over the course of the year. Our guidance includes forward-looking statements on the development, at constant exchange rates, of the most significant financial key performance indicators for management of the Group: revenues, adjusted EBITDA and net capital expenditure as a percentage of revenues.

Key performance indicator	Basis constant FX rates	Guidance 2020 constant FX rates	Attainment of Guidance 2020 constant FX rates	Change
Revenues	EUR 1,405.0m	Growth in the mid-single-digit percentage range	EUR 1,441.0m	+2.6%
Adjusted EBITDA	EUR 296.7m	Growth in the low-single-digit percentage range	EUR 301.6m	+1.7%
Net capital expenditure (in % of revenues)		~12%	11.1%	

## SUBSEQUENT EVENTS

No events have arisen since November 30, 2020 that have or are expected to have a material impact on the net assets, financial position or results of operations of the Gerresheimer Group.

## BUSINESS PERFORMANCE OF GERRESHEIMER AG (GERMAN COMMERCIAL CODE (HGB) BASIS)

The business performance of Gerresheimer AG is fundamentally subject to the same risks and opportunities as that of the Gerresheimer Group. Due to Gerresheimer AG's interrelatedness with the subsidiaries and its importance in the Gerresheimer Group, the outlook for the Gerresheimer Group largely also reflects the expectations for Gerresheimer AG. Consequently, the foregoing information on the net assets, financial position and results of operations of the Group largely also applies to Gerresheimer AG. The results of operations of Gerresheimer AG are largely determined by the results of its subsidiaries. Net income from the operating earnings transferred from the subsidiaries is the most significant key performance indicator for Gerresheimer AG. We are satisfied overall with the business performance of Gerresheimer AG and the earnings contributions from the subsidiaries in the financial year 2020.

### GERRESHEIMER AG RESULTS OF OPERATIONS

#### INCOME STATEMENT OF GERRESHEIMER AG (CONDENSED)

In EUR m	2020	2019	Change
Revenues	4.8	4.0	0.8
Personnel expenses	-21.1	-17.8	-3.3
Depreciation and amortization	-1.6	-1.5	-0.1
Other operating expenses and income	-8.6	-7.5	-1.1
Income from investments	120.6	-0.2	120.7
Net finance expense	-0.5	0.7	-1.2
Income taxes	-7.7	-0.1	-7.6
<b>Net income (prior year: Net loss)</b>	<b>85.8</b>	<b>-22.4</b>	<b>108.2</b>
Retained earnings carries forward	89.7	149.8	-60.1
<b>Retained earnings</b>	<b>175.5</b>	<b>127.4</b>	<b>48.2</b>

Gerresheimer AG mainly generates revenues from the provision of IT services and management services for affiliated companies. The increase in revenues relative to the prior year is mostly due to higher charges for IT services. Most revenues were generated in Germany.

The rise in personnel expenses largely relates to the growth in the number of employees and the increase in obligations to employees for profit-based and other bonuses.

Other income and expenses include other operating income and expenses, own work capitalized and other taxes. The negative change relative to the prior year mainly relates to increased expenses for purchased IT services. This was only partly offset by higher income from intra-Group charges and reduced communication, marketing and business travel expenses.

Alongside income from long-term equity investments and affiliated companies, net investment income almost exclusively comprises the earnings contribution from the new profit and loss transfer agreement entered into with an affiliated company in the financial year 2020. There was no such profit and loss transfer agreement in the prior year. Income from profit and loss transfer agreements now includes the earnings of all German subsidiaries of Gerresheimer AG.

Net finance expense mainly consists of income from loans to affiliated companies and interest expense on the promissory loans. Most of the negative change relative to the prior year is due to lower income from affiliated companies.

The change in income taxes was mainly due to the increase in current tax expense in the reporting period in connection with the new profit and loss transfer agreement entered into in the financial year 2020.



## NET ASSETS AND FINANCIAL POSITION OF GERRESHEIMER AG

### BALANCE SHEET OF GERRESHEIMER AG (CONDENSED)

In EUR m	Nov. 30, 2020	Nov. 30, 2019	Change
<b>Assets</b>			
Intangible assets and property, plant and equipment	4.7	5.6	-0.9
Financial assets	1,286.2	1,286.2	–
Receivables and other assets	321.9	193.3	128.7
Prepaid expenses	1.1	0.9	0.2
<b>Total assets</b>	<b>1,614.0</b>	<b>1,486.0</b>	<b>128.0</b>
<b>Equity and Liabilities</b>			
Equity	732.7	684.5	48.2
Provisions	21.8	16.8	5.0
Liabilities due to banks	858.1	782.1	76.0
Other liabilities	1.4	2.6	-1.2
<b>Total equity and liabilities</b>	<b>1,614.0</b>	<b>1,486.0</b>	<b>128.0</b>

Gerresheimer AG had total assets of EUR 1,614.0m as of November 30, 2020, compared to EUR 1,486.0m a year earlier. The increase was mainly due to higher receivables from affiliated companies under profit and loss transfer agreements and higher liabilities to banks.

Financial assets comprise the investments in and long-term loans to affiliated companies.

Receivables and other assets mainly relate to receivables from affiliated companies under profit and loss transfer agreements and as part of cash pooling. Most of the increase is attributable to the profit transfer from an affiliated company that was applicable for the first time in the financial year 2020.

Gerresheimer AG comes under the cash pooling arrangement with GERRESHEIMER GLAS GmbH. As a result of this, cash and cash equivalents are at a very low level as of the balance sheet date.

The change in equity mainly relates to the earnings in the financial year and the dividend payment for 2019. The equity ratio was 45.4% as of November 30, 2020 (prior year: 46.1%).

The increase in liabilities to banks was mainly due to the EUR 325.0m promissory loan issued in November 2020. This was offset by repayment of the EUR 189.5m tranche of the 2015 promissory loan due in the financial year 2020 and repayment of part of the drawings on the revolving credit facility.

### GERRESHEIMER AG GUIDANCE

The earnings prospects of Gerresheimer AG substantially depend on the performance of its subsidiaries' business activities. We expect net income from earnings transferred from our subsidiaries in the financial year 2021 to be similar to that in the financial year 2020.

## CORPORATE RESPONSIBILITY AND SUSTAINABILITY AT GERRESHEIMER (NON-FINANCIAL GROUP DECLARATION)

This non-financial group declaration (NFD) documents our sustainability performance in terms of environmental, social and employee matters, respect for human rights and combating corruption and bribery. It serves the purpose of complying with the reporting obligations of the CSR Directive Implementation Act pursuant to sections 315b and 315c in accordance with sections 289c–289e of the German Commercial Code (Handelsgesetzbuch/HGB).

In selecting the topics to be reported on, we considered both to the statutory materiality criteria – impacts of business activities and relevance to Gerresheimer – and to the expectations of our stakeholders. The index below shows where the information required by law is to be found. It also cross-references that information with our strategic focal areas and with the UN Global Compact principles, including the Sustainable Development Goals (SDGs).

NFD component	Included in chapter	Strategic field of action	UN Global Compact principles	SDGs	Page
Business model description	Business model Corporate responsibility and sustainability at Gerresheimer			3	p. 31
				4	p. 48
				8	
				9	
Risks	Non-financial risks Opportunities and risks report				p. 54 p. 85
Environmental aspects	GxPure (Environment) GxCircular (Products and resources)	CO <sub>2</sub> emissions Renewable energy Water Waste and recycling Ecodesign Responsible supply chain management	Principle 7 Principle 8 Principle 9	3	p. 55
				6	and
				9	p. 60
				12	
				13	
				15	
17					
Employee aspects	GxCare (People)	Health and safety Employee satisfaction	Principle 1 Principle 2 Principle 3	3	p. 65
				4	
				8	
Social aspects	GxCare (People) GxCircular (Products and resources)	Community engagement Ecodesign	Principle 1 Principle 2 Principle 3 Principle 4 Principle 5 Principle 6	3	p. 60
				4	and
				8	p. 65
				17	
Respecting human rights	GxCircular (Products and resources) GxCare (People)	Responsible supply chain management	Principle 1 Principle 2	8	p. 60
				12	and
				16	p. 65
Combating corruption and bribery	Our responsibility for ethical business conduct and compliance with the law		Principle 10	8	p. 72
				16	

Our presentation of the subject matter is based on the reporting principles of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), an internationally recognized framework for sustainability reporting. This year, for the first time, we are publishing a GRI content index in the Notes section of this Annual Report, showing our progress in meeting the Core Option requirements. Disclosures in this report, we highlight how we contribute to the United Nations Sustainable Development Goals (SDGs) and the principles of the UN Global Compact. Reporting in accordance with the GRI Standards Core Option is planned for the next financial year.

Except as otherwise defined for specific topics, all information provided in the NFD relates both to Gerresheimer AG as well as to its direct and indirect subsidiaries and associates. We collect environmental and occupational safety-related data (energy, greenhouse gas emissions, water and occupational safety data) for our production locations and our Duesseldorf head office. Distribution facilities and other administrative locations are not included for reasons of materiality. All data and supplementary information are collected by the responsible specialist personnel for the reporting period on the basis of recognized sustainability reporting standards.

Where any need for restatement is identified retroactively, we correct the information in the current reporting. Such corrections, along with any changes in methodology and portfolio changes as a result of acquisition and divestment decisions, are disclosed if material.

In its obligation to review the non-financial group declaration, the Supervisory Board of Gerresheimer AG had the support of a voluntary limited assurance review by Deloitte GmbH Wirtschaftsprüfungsgesellschaft in accordance with ISAE 3000.

Significant changes in reporting relative to the prior year arise from our strategic realignment. In this context, we have reviewed our strategic focal areas and defined specific targets for the resulting topics. As a consequence of the target-setting process, we further formalized data collection for continuous improvement in data quality.

Furthermore, we have added an index cross-referencing the strategic focal areas as well as a list of all targets for improved transparency and usability.

## OUR SUSTAINABILITY STRATEGY AND MATERIALITY ANALYSIS

The strategy process launched in 2019 by the Gerresheimer AG Management Board (see under “Strategy and Objectives”) has placed sustainability as a core focus on the Gerresheimer agenda. We thus intend to significantly step up our commitment to environmental, social and employee matters, respect for human rights and combating corruption and bribery. Sustainability has consequently become a cornerstone of our corporate strategy. For us, thinking and acting sustainably means taking a long-term view on our business model and our impact as a company.

We take all facets of the concept of sustainability into account. In accordance with our business model (see under “Fundamental Information about the Group”), the main focus of our activities lies on our products and the benefits they provide. By developing and manufacturing products for the packaging of drugs as well as their simple and safe dosage and administration, we make a valuable contribution to the health and well-being of society. This aspiration is reflected in our development and production processes in that we attach top priority to quality, resource conservation and products that are easy to use and deliver maximum safety.

For the ongoing refinement of our existing sustainability strategy, we subjected it to a comprehensive and fundamental revision in the financial year 2020. To this end, we conducted an in-depth review of our existing materiality analysis. In a systematic process, we aggregated the findings from our business analysis, environment analysis and stakeholder expectation analysis. As part of this, we conducted a series of workshops with in-house and outside experts, analyses of ratings relevant to us, benchmark analyses and stakeholder dialogs. Due consideration was given to input from key stakeholder groups as follows:

1. Priorities set by many of our pharma and cosmetics customers – who either individually audit us with regard to sustainability or have assessments carried out by recognized audit agencies such as EcoVadis or Ecodesk –, findings of our most recent customer survey, as well as direct discussions with customers.
2. Investor and analyst surveys on aspects of sustainability and input from discussions conducted with capital market players by our Management Board, Investor Relations or those responsible for sustainability within the Group.
3. Public positions and policy guidelines, particularly from the EU and the US, and also local policy and local public opinion.

4. The Company perspective based on input from the Management Board as well as from operational and human resources management.
5. Employees' perspective, primarily as elicited from discussions and in-house events.

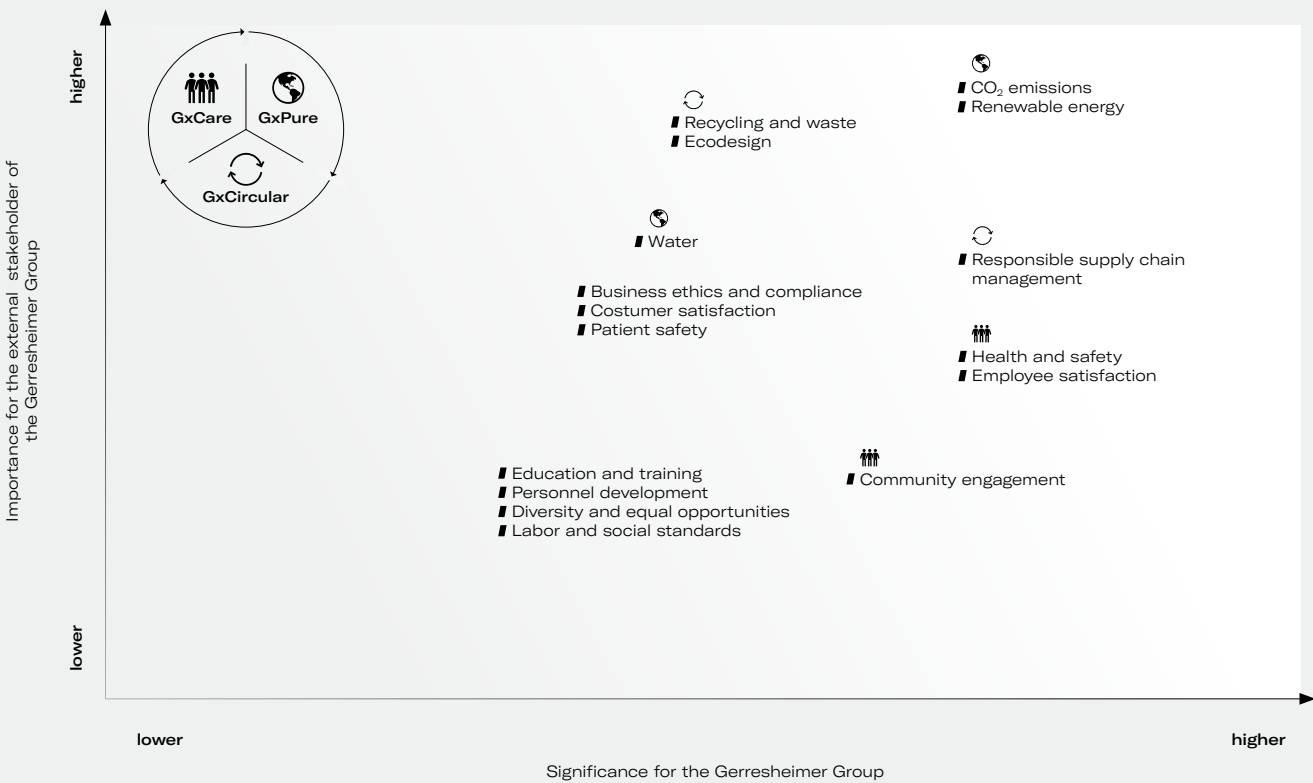
The analysis findings are combined in the materiality matrix below, which matches up the relevant themes from the Company's perspective with the relevant themes from the stakeholder perspective. Our materiality analysis additionally includes material

impacts of our business activities on the various themes. With regard to these, we did not identify any year-on-year change in the stakeholder relevance score.

Themes located in the upper right quadrant and highlighted in color are strategic focal areas comprising the main focus of our sustainability strategy. These served management as the basis for forward strategic planning, notably in developing our strategic sustainability targets and derived management programs and in specifying sustainability key performance indicators (KPIs).

**Materiality matrix**

Ranking of economic, ecological and social aspects by their relevance to our business activities

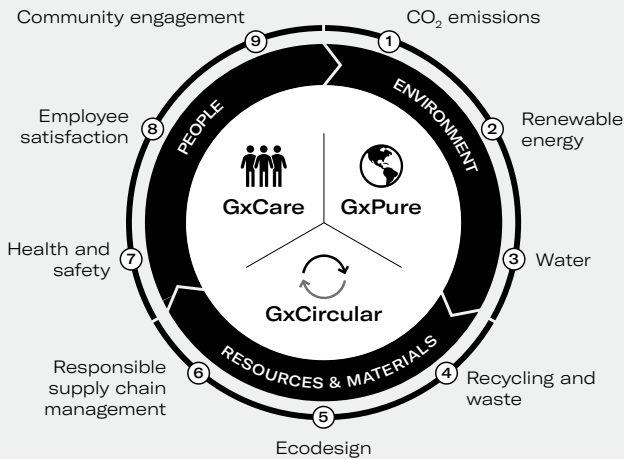


We have assigned the nine strategic focal areas resulting from the materiality matrix to the three pillars of our sustainability strategy: Environment (GxPure), Products and Resources (GxCircular) and People (GxCare).

The materiality analysis brings out a clear focus on the environment with the themes of emissions, energy and water, brought together under GxPure. Of similarly high relevance are the thematic areas relating to our products and the resources we use, notably recycling and waste, ecodesign and sustainable procurement management, which are subsumed under GxCircular. People-focused themes such as health and safety, employee satisfaction and community engagement are also highly relevant and have been grouped under GxCare. The materiality analysis consequently results in nine strategic focal areas for our sustainability strategy.

**Our strategic focal areas**

The nine strategic focal areas in relation to the three pillars of the Gerresheimer sustainability strategy



There are further topics of importance to us and our stakeholders besides the identified strategic focal areas. Ethical business conduct and conformity with the law are fundamental to everything we do. Patient safety and customer satisfaction are core premises at the heart of our business activities and simultaneously a central element of our corporate responsibility. With regard to our employees, education and training, personnel development, diversity and equal opportunities as well as high labor and social standards are of great importance to us and are reflected in our overall employee satisfaction.

**OUR SUSTAINABILITY TARGETS**

For us, long-term business success means creating social and ecological value for the society as well as economic value. In line with this aspiration, we adopted global targets in the reporting year for the nine strategic focal areas under our sustainability strategy.

Our goal here is to align the entire organization to action on global challenges such as climate change, related regional water scarcities and the transition to a circular economy. In addition, we aim to improve occupational safety at our operating locations on a lasting basis, ensure employee satisfaction and contribute to the community with our social activities. Furthermore, we seek to deliver on our responsibility along the supply chain.

We make our progress measurable by setting specific targets, target periods and key performance indicators in the areas of Environment (GxPure), Products and Resources (GxCircular) and People (GxCare). In the future, we will report annually on the status of target achievement.

**Gerresheimer sustainability KPIs and targets**

Target	KPI	Target value	Base year 2019 <sup>1)</sup>	Status 2020 <sup>1)</sup>	Target year
<b>GxPure (Environment)</b>					
<b>CO<sub>2</sub> emissions</b>					
Reduce our absolute CO <sub>2</sub> emissions to keep the global temperature rise below 1.5°C	Scope 1 and Scope 2 emissions in t CO <sub>2</sub> e	-50%	570,230 t CO <sub>2</sub> e	-3.4%	2030
<b>Renewable energy</b>					
Increase in the share of electricity from renewable sources	Electricity from renewable sources in MWh	100%	-	14%	2030
<b>Water</b>					
Sites with high water stress will achieve certification for responsible water use	Proportion of sites with high water stress that are certified	100%	-	-	2030
Reducing global water withdrawals <sup>2)</sup>	Water withdrawal in m <sup>3</sup>	-10%	972,706 m <sup>3</sup>	8%	2030
<b>GxCircular (Products and resources)</b>					
<b>Recycling and waste</b>					
Reduce industrial waste from our own manufacturing to landfills while minimizing incineration rates	Percentage of industrial waste from our own production that is landfilled	0%	-	-	2028
<b>Ecodesign</b>					
Systematic incorporation of circular economy principles into our product design	Proportion of new product developments incorporating Gerresheimer ecodesign principles	100%	-	-	2023
<b>Responsible supply chain management (RScM)</b>					
Compliance with environmental and social aspects by our suppliers	Proportion of strategic suppliers that have recognized the Gerresheimer principles for RScM	100%	35%	36%	2023
	Percentage of strategic suppliers audited for environmental and social aspects	100%	24%	30%	2023
<b>GxCare (People)</b>					
<b>Employee satisfaction</b>					
Ranked in the top 25% of employers in terms of employee satisfaction	Employer Net Promoter Score	Top 25%	-	-	2028
<b>Health and safety</b>					
Providing a healthy and safe working environment	Lost time incident rate (LTIR) with lost days	-80%	13.4 LTIR	-13%	2028
	Sites with ISO 45001 certification	100%	5%	30%	2023
<b>Community engagement</b>					
All sites engage yearly with their local communities	Proportion of sites with annual engagement in "school and education" or "health and well-being"	100%	-	-	2023

<sup>1)</sup> For targets without baseline and status, the data is not yet available.  
<sup>2)</sup> Adjusted for the sites in Kuessnacht (closed in 2019) and Buenos Aires (sold in 2019).

The base year for our sustainability targets is generally the financial year 2019. Target achievement periods are based for the GxPure (Environment) pillar on global climate action plans and, for all other areas, on our "formula G" strategy process. For selected targets, we have set a more ambitious target year of 2023, as we believe it is possible and necessary to achieve the targets in these areas earlier.

In making these commitments, we are contributing to the Agenda 2030 for Sustainable Development. With regard to our strategic focal areas and targets, the primary focus of our commitment is on the SDGs "Good health and well-being" (SDG 3), "Decent work and economic growth" (SDG 8), "Responsible consumption and production" (SDG 12) and "Climate action" (SDG 13).

## RESPONSIBILITY, RULES, PROCESSES AND CONTROL

Gerresheimer has formalized, communicated and implemented its position on corporate responsibility and sustainability across the Group since 2010 in its Corporate Responsibility Guideline. The principles of sustainability and corporate responsibility are equally part of our corporate philosophy and so underpin not only our vision, but also our mission and our five values. Those principles are binding for all of our locations around the world.<sup>3</sup>

The Management Board of Gerresheimer AG decides on the corporate strategy and is the highest decision-making body for economic, ecological and social issues. The Management Board is directly involved in questions relating to the fundamental direction and implementation of our sustainability strategy.

It is important for us to work across disciplines and divisions in order to transform into a sustainable enterprise. To this end, we established our Sustainability Council this year under Management Board leadership. Comprising representatives from the various divisions and functions, this body ensures that we have a framework for and shared understanding of our sustainability strategy within our international and diverse business environment, that there is ongoing coordination between corporate, operational, financial and technical perspectives on sustainability and that our business model is continuously reviewed with regard to current and future sustainability issues. In this financial year, the Sustainability Council focused on revising the sustainability strategy and the associated sustainability targets.

To ensure strategic and operational control and implementation of our sustainability strategy as well as to evaluate the effectiveness of measures taken, our divisions report on operational implementation of the sustainability targets as part of the quarterly business review. Additionally, the divisions prepare programs and measures to achieve our sustainability targets as part of the annual operating and strategic planning process. This process will be further elaborated in the coming year on the basis of the targets that have now been specified. In the coming year, we also aim to establish an even more detailed assessment of the impact of capital expenditure plans on our sustainability targets as criteria in the capital expenditure decision-making process.

Continuous improvement of all operating activities at Gerresheimer is an integral part of the Gerresheimer Management System (GMS). Based on this system, and following the usual allocation of responsibilities, responsibility for achieving targets and complying with processes – including in the area of sustainability – lies with the managers of the divisions and plants as well as with department heads. Sub-aspects of our sustainability targets are monitored and audited as part of the regular GMS evaluations of plants and locations as well as of the supplier audits. Additional monitoring activities take place on a regular basis in the context of reporting.

Likewise, many of our international pharma and cosmetics customers regularly evaluate our corporate social responsibility measures and outcomes. We also engage in close dialog with investors about our sustainability strategy.

Our current scoring in the EcoVadis assessment is “Silver” level. We improved our score here to 58 (prior year: 46) out of a possible 100 points, once again putting us above the average of 45.1 points (prior year: 42.4 points) for all companies audited by EcoVadis. In the relevant pharma supplier and medical technology sector, Gerresheimer is among the top 6% of the companies audited by EcoVadis. We believe that by improving our sustainability performance along our strategic focal areas, we are well on track for EcoVadis Gold status.

In addition to our commitment with EcoVadis, independent ESG research and rating firms analyze our environment, social and governance-related business practices to provide decision-making guidance for institutional investors. Gerresheimer received the following ratings in 2020:

- › MSCI ESG Ratings: AA (on a scale from AAA to CCC)
- › Sustainalytics ESG Risk Rating: score of 18.9, placing Gerresheimer in the Low Risk category for material financial impacts of ESG factors.
- › ISS ESG Corporate Rating: C-/medium (on a scale of A+ to D-) with a medium relative performance of 5 (on a scale of 1 to 10) within our industry.

<sup>3</sup> Further information about our vision, mission and corporate values is provided under “Strategy and Objectives”. Information about corporate responsibility at Gerresheimer is provided at [www.gerresheimer.com/en/company/corporate-social-responsibility](http://www.gerresheimer.com/en/company/corporate-social-responsibility)

## STAKEHOLDER DIALOGS

Dialog with our stakeholders worldwide is a fundamental part of our sustainability management, and not just in connection with the regular onward development of our sustainability strategy. Accordingly, we reach out to stakeholders using various audience-specific formats to inform them about our sustainability performance, elicit their opinions and expertise, and jointly develop solutions. Communication with our business partners and customers, the capital market, employees, policymakers, non-governmental organizations and neighbors is therefore pivotally important.

To liaise with customers, we use a wide variety of channels ranging from face-to-face meetings to participation in trade shows in Europe, America and Asia. We provide information through regular newsletters, catalogs and brochures as well as on a constant basis through details of our products and services provided on our website. To gauge expectations among both current and potential customers, we also regularly conduct global customer satisfaction surveys with the aid of a respected market research institute. This deepens our understanding of customer needs and enables us to enhance customer satisfaction and loyalty. The restrictions in response to the Covid-19 pandemic shifted the focus in 2020 from in-person encounters to interaction using virtual channels and platforms.

With regard to dialog with our employees, a major focus of our communication activities in the financial year consisted of communicating our strategy. To this end, we provided employees with information in a global employee newsletter and published information pages in our social collaboration platform. We also trained more than 450 employees from all divisions on our new sustainability strategy and targets in face-to-face online training sessions. Another important employee communication tool is the employee pulse survey (see under "GxCare" for further information).

Discussions and dialog with policymakers take place within the scope of the usual industry association activities. Over and above this, the Gerresheimer Group does not exercise political influence and does not have offices for political communication. We only participate as a company in legislative processes in the form of collective lobbying through our industry association activities.

Our main industry association memberships comprise membership of the Federal Association of the German Glass Industry (BV Glas) (for glass locations in Germany) and the European Container Glass Federation (FEVE). Gerresheimer is also a member of relevant employer associations. In 2020, we also joined the Hydrogen Alliance Bavaria in order to contribute to the evolution of this key technology.

## SUSTAINABILITY RISKS

In the course of our strategic realignment, we aim to further integrate sustainability aspects into our processes. As the potential opportunities and risks of our sustainability focuses do not immediately fit with the financial logic of our risk management system (see under "Report on Opportunities and Risks"), we specified the process for recording, assessing and reporting sustainability risks in 2020 in a sustainability risk reporting guideline.

Sustainability risks differ in some respects from traditional risk analysis in terms of time horizon, impact assessment and also the perspective from which they are viewed. For this reason, the process for sustainability risk reporting builds on, but also extends beyond, the established components of risk management. This helps avoid duplication of effort and data capture while ensuring that the analysis is full and complete.

We base the systematic identification and assessment of our sustainability risks on our strategic focal areas, including both "inside-out" risks that relate to our own business activities and have or could have a negative impact, among other things on those focal areas, and "outside-in" risks whose materialization could, in actual fact or potentially, have a significant negative impact on our net assets, financial position and results of operations, as well as on our corporate reputation.

In the future, the identified and assessed sustainability risks will be discussed in the Gerresheimer Risk Committee and reported to the Management Board.


We also publish details of identified climate change-related opportunities and risks on an annual basis as part of our participation in the Carbon Disclosure Project (CDP). The CDP Climate Change Questionnaire follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).






For the reporting period, no reportable net risks were identified within the meaning of section 315c read in conjunction with section 289c (3) No. 3 and 4 HGB.



## GxPURE (ENVIRONMENT)

GxPure is the first pillar of our sustainability strategy. It embodies our commitment to climate action and the environment.



Strategic field of action	Target	UN Global Compact principles	SDGs
Emissions	Reduce our absolute CO <sub>2</sub> e emissions Scope 1 & Scope 2 by 50% until 2030	Principle 7, 8, 9	
Renewable energy	Increase the share of electricity from renewable sources to 100% by 2030	Principle 7, 8, 9	 
Water	Certification for responsible water use of 100% of high water stress sites.  Reduce global water withdrawals by 10% until 2030	Principle 7, 8, 9	 

We aim to minimize the environmental impact of our business activities, because we strongly believe that acting responsibly and environmentally aware will enhance our results over the medium and long term. Using our raw materials and resources as efficiently as possible continues to be our overarching goal. Environmental protection and the challenges of climate change are our impetus for continuously improving our energy, consumption and emissions management. We also address potential physical water scarcities relating to climate change well in advance.

In order to deliver on our aspirations, we have set targets in our strategy process for the three strategic focal areas of emissions, energy and water and have matched those targets with key performance indicators to track and transparently disclose our progress globally in clearly quantified form.

The task of ensuring that our targets are implemented is assigned to global bodies such as our Sustainability Council. In addition, we use certification schemes at our locations around the world to

make sure we have what is needed on the ground to track, plan and control the targets and to aid standardization and continuous improvement of our management systems. In this way, we implement our environmental targets in all plants. We strictly adhere to prevailing environmental regulations worldwide.

16 (prior year: 15) of our 37 production locations have been certified for state-of-the-art environmental management and responsible use of natural resources in accordance with ISO 14001. All certification is subject to regular review and renewal at fixed intervals.

Using our central reporting software, environmental performance indicators are collected at plant level, aggregated to division and Group level and evaluated. They are also used in the quarterly business reviews between the Management Board, departmental experts and the divisions, as well as by the Sustainability Council.

During the reporting year, we revised our global environmental reporting directive, which lays down binding standards for all locations, in order to promote a common understanding and improve data quality as a result. In this way, we aim to provide a robust framework for our strategic goals and KPIs.

### EMISSIONS AND ENERGY

We need energy to manufacture plastic and glass packaging. The main drivers of energy consumption are the melting processes in our high-temperature furnaces. Our goal in this connection is to improve energy efficiency in our processes and to avoid the associated climate-damaging emissions. Key pillars of our approach are the use of efficient technologies and progressively switching to renewable energy sources, especially for electricity.

A large proportion of our direct (Scope 1) and indirect (Scope 2) emissions are associated with our fuel and electricity consumption as well as to energy consumed for heating and cooling. Scope 1 emissions include energy consumption from non-renewable sources such as natural gas, liquid natural gas, diesel and light fuel oil, with natural gas accounting for the largest share. Our Scope 2 energy consumption on the other hand relates to purchased electricity and heat.

We also gather annual data on some of relevant upstream and downstream indirect greenhouse gas emissions (Scope 3) in our value chain. These include emissions from the purchase of the raw materials resin, glass tubing and foreign cullet, as well as emissions from upstream power generation.

Our efforts here contribute to the overarching goal of reducing the environmental impact of our products and activities.

🌱 We have set ourselves the target of a 50% reduction in Scope 1 and Scope 2 CO<sub>2</sub>e emissions by 2030. The baseline for this reduction target comprises our Scope 1 and Scope 2 emissions for the financial year 2019.

Our CO<sub>2</sub>e reduction target is in line with the Paris Climate Agreement and the 1.5°C target from the IPCC Special Report. While our climate target has not yet been validated by the Science-Based Targets Initiative, we have conducted – with outside assistance – a climate scenario analysis using on the Value@CarbonRisk tool, which confirms that our CO<sub>2</sub>e reduction target is consistent with the 1.5°C target from the IPCC Special Report.

🌱 For our electricity consumption, we have set a specific additional target that 100% of our electricity consumption descends from renewable sources by 2030.

Establishing systematic energy management provides us with the organizational framework to ensure that we make the most of opportunities to reduce energy consumption and further improve energy efficiency. We have so far introduced an ISO 50001-certified management system at twelve (prior year: eleven) of our 47 locations. All certification is subject to regular review and renewal at fixed intervals. Regular training on energy efficiency and environmental protection is provided in this context at our locations.

Additionally, since 2008, we have had our climate action commitment rated each year by participating in one of the world's largest environmental initiatives, CDP. In the same connection, achievement of our CO<sub>2</sub>e emissions targets is reviewed annually by the Management Board. We once again achieved a B score (on a scale of A- to D-) in the CDP Climate Change Reporting 2020, putting us above the average for our sector.

Glass melting operations in particular use a lot of energy. As the need arises, we overhaul and repair the Group's energy-intensive equipment, such as the furnaces in our molded glass plants. This enables us to install cutting-edge glass-melting technology and modernize production systems as a whole.

As a result, we consistently achieve improvements in energy efficiency through furnace upgrades. We have likewise succeeded in substantially boosting capacity at our molded glass plants in the last ten years while significantly cutting energy consumption

per ton of glass produced. Regularly increasing automation in raw material supply and batch-making in combination with modern furnace control systems makes for continuous efficiency gains at the "hot end". Moreover, packing robots are increasingly being used for the end-of-line packaging of glass products, ensuring high accuracy and preventing errors during final packing on pallets. Production technologies are also regularly replaced and modernized in our plants that process plastics.

Most activities to reduce energy consumption at our locations in 2020 related to technological retrofitting of machinery and building infrastructure. More energy-efficient injection molding machines were thus purchased or machines retrofitted at ten locations. Another increasingly important aspect in glass manufacturing is the use of external cullet in the process, as this can likewise deliver significant gains in energy efficiency. Our Tettau site added a cullet silo to its existing batch plant in 2020, enabling it to use recycled external cullet for production in the future.

Energy use for lighting is another key factor at many sites. We are thus progressively replacing old bulbs and tubes in our plants with energy-saving LEDs and exploring the use of LED lighting in all building conversions and extensions. Lighting systems were converted to LEDs in various areas at ten locations in the financial year 2020. Also, in many cases, areas that are not in use all the time, such as store rooms, have been fitted with presence sensors that turn off the lights when nobody is there.

Further measures primarily relate to the use of waste heat as well as to retrofitting cooling systems and compressors. Technological upgrading of our systems will continue to be a key pillar of our decarbonization strategy looking ahead.

Our energy consumption went up by 3% to 6,376 terajoules in 2020 (prior year: 6,189 terajoules). This increase was mainly due to capacity expansions at our Essen location. Although they do not take place every year, plant investments are of key importance. This means that our reduction path toward our target will remain non-linear going forward.

In terajoule	2020	2019 <sup>2)</sup>	Change
<b>Primary energy consumption (direct energy sourcing)<sup>1)</sup></b>	<b>3,897</b>	<b>3,780</b>	<b>3.1%</b>
Natural gas	3,832	3,721	
Other fuels	65	59	
<b>Secondary energy consumption (indirect energy sourcing)</b>	<b>2,479</b>	<b>2,409</b>	<b>2.9%</b>
Electricity	2,464	2,394	
Others	15	15	
<b>Total energy consumption</b>	<b>6,376</b>	<b>6,189</b>	<b>3.0%</b>

<sup>1)</sup> We have used the heating value for the conversion of primary energy consumption.

<sup>2)</sup> Prior-year figure adjusted due to update of conversion factors for primary energy.

Energy consumption continues to be regionally focused in Europe, where four of our molded glass plants are located. In total, our plants in Europe account for just over two-thirds of our energy consumption.

In 2020, we were able to reduce our CO<sub>2</sub>e emissions from energy consumption (Scope 1 and 2) by 3.4% to 550,791 tons (prior year: 570,230 tons).

This improvement resulted from a 9.8% reduction in our Scope 2 emissions to 275,457 tons of CO<sub>2</sub>e (prior year: 305,426 tons of CO<sub>2</sub>e) due to our increasing switch to electricity from renewable sources as is shown in the table comparing location-based and market-based emissions. In 2020, we met 14% of our electricity consumption from renewable sources. For example, in the financial year 2020, we changed the sourcing of electricity at our Czech location and at three locations in Germany. When switching to renewable electricity, we apply the GHG Protocol Quality Criteria for guidance in selecting suitable sourcing options and instruments.

Due to the above-mentioned volume growth and capacity expansion, our Scope 1 emissions increased by 4% in 2020 to 275,334 tons (prior year: 264,803 tons of CO<sub>2</sub>e).

In tons CO <sub>2</sub> e <sup>1)</sup>	Location-based calculation method			Market-based calculation method <sup>2)</sup>		
	2020	2019 <sup>6)</sup>	Change	2020	2019 <sup>6)</sup>	Change
<b>Scope 1 emissions<sup>2) 3)</sup></b>	<b>275,334</b>	<b>264,803</b>	<b>4.0%</b>	<b>275,334</b>	<b>264,803</b>	<b>4.0%</b>
<i>Thereof from natural gas combustion</i>	<i>215,174</i>	<i>209,050</i>		<i>215,174</i>	<i>209,050</i>	
<i>Thereof process emissions from smelting operations<sup>4)</sup></i>	<i>48,058</i>	<i>43,868</i>		<i>48,058</i>	<i>43,868</i>	
<b>Scope 2 emissions</b>	<b>285,092</b>	<b>282,724</b>	<b>0.8%</b>	<b>275,457</b>	<b>305,426</b>	<b>-9.8%</b>
<i>Thereof from purchased electricity</i>	<i>284,385</i>	<i>282,016</i>		<i>274,749</i>	<i>304,718</i>	
<b>Scope 1 and 2 emissions</b>	<b>560,427</b>	<b>547,527</b>	<b>2.4%</b>	<b>550,791</b>	<b>570,230</b>	<b>-3.4%</b>
<b>Scope 3 emissions</b>	<b>304,024</b>	<b>297,051</b>	<b>2.3%</b>	<b>304,024</b>	<b>297,051</b>	<b>2.3%</b>
<i>Thereof from purchased raw materials<sup>5)</sup></i>	<i>240,327</i>	<i>228,087</i>		<i>240,327</i>	<i>228,087</i>	

<sup>1)</sup> Emissions are calculated in accordance with the Greenhouse Gas (GHG) Protocol.

<sup>2)</sup> Market-based factors have been obtained for 66% of our electricity purchased; for the remaining sites the location-based IEA factors are applied; for the USA the EPA factors (eGRID factors) are used.

<sup>3)</sup> Unit conversions and Scope 1 emissions from gas and other energy use were determined based on the most recent DEFRA factors and the IPCC report.

<sup>4)</sup> We determined our process emissions for our raw materials following the mass balance approach based on the IPCC report.

<sup>5)</sup> We calculate our Scope 3 emissions based on secondary data from DEFRA and Ecoprofiles from PlasticsEurope.

<sup>6)</sup> We have adjusted the previous year's figures due to the availability of more recent or more accurate data.

Alongside Scope 1 and 2 emissions, we also report our Scope 3 emissions from the procurement of raw materials as our most significant Scope 3 category. Our coverage here extends to about 80% of our raw material expenditure. A key means of reducing our Scope 3 emissions in these categories is the substitution of primary raw materials with secondary raw materials such as recycled PET and foreign cullet. The effects of this were more than offset by capacity expansion, however, with the outcome that our Scope 3 emissions increased in 2020 by 2.3% to 304,024 tons (prior year: 297,051 tons of CO<sub>2</sub>e).

Other activities for which we do not currently systematically collect data relate to cutting logistics emissions by means of smart packaging techniques, routing optimization and modal switch in transportation, as well as more local raw material sourcing.

### Vehicle Fleet

Our global vehicle fleet consisted of 292 (prior year: 307) vehicles as of the reporting date. Environmental aspects are also a factor when stipulating requirements for company cars. To date, most of our vehicles have been diesel-powered. These are currently under review with regard to energy efficiency and environmental aspects. As a contribution to environmental protection, only vehicle models that have passed the ADAC EcoTest and gained at least a four-star rating are permitted. Models that have not been tested are not permitted. In the procurement and operation of our vehicle fleet, we aim to adopt the most environmentally friendly technology and reduce pollution. Our guidelines were revised in 2016 to enable the purchase of hybrid or electrically powered vehicles for our fleet.

### WATER

Water is a major factor in the production of plastic and glass packaging. The main use of water in glass production is to cool down reject material and to clean cullet or finished products. For example, acid-etched glass packaging must be cleaned after it is taken out of the acid bath. The use of fresh water can be reduced by deploying water treatment systems. In the production of plastic packaging, water is used to cool machinery and compressors. The intensity of use here primarily depends on the type of plastic. For example, PET resin is melted at higher temperatures, which means that more water is needed for cooling than in the case of polyethylene or polypropylene.

In this connection, responsibility in water use is important to us. We aim to use water as sparingly as possible and have committed to this in our targets. Decentralized water management activities at our locations are given focus by our two global targets.

🌍 At all production locations in high water stress areas, we aim to introduce sustainable water management by 2030 in compliance with Alliance for Water Stewardship certification.

🌍 Likewise by 2030, we aim to reduce our overall water withdrawal by 10% relative to 2019.

How the various locations contribute to our reduction target depends on the current scale of water withdrawal and the degree of water stress, which is subject to considerable geographical variation. For this reason, we plan to develop and progressively implement location-specific policies for responsible water use by 2030. We will initially focus here on locations exposed to relatively high water stress as defined in the Aqueduct Water Risk Atlas. To identify such locations, we have used this tool to evaluate the exposure of our production locations, and we actively monitor developments and future changes in order to decide on suitable action at an early stage.

Eight of our production plants are currently located in areas with high or very high water stress. These locations account for 14% (prior year: 12%) of our global water abstraction.

By following the principles of the Alliance for Water Stewardship (AWS), we exceed legal requirements in the countries where we operate. AWS is a global collaboration committed to the sustainable management of local water resources. In the form of the AWS standard, it provides a universal framework for the sustainable use of water. Applying it enables us to analyze our water consumption in locations with high water stress together with the impacts in a structured manner as well as to develop and implement solutions for sustainable water management. In this way, we aim not only to reduce overall water abstraction but also, by taking appropriate measures, to ensure that it is used as efficiently and sustainably as possible.

**Water stress situation at our locations: overview**



As a next step, our high water stress locations will begin collecting and analyzing detailed water use and contextual data in 2021, in line with the AWS standard. This will then be used to develop location-specific sustainable water management plans.

Our main measures to reduce water consumption in the financial year 2020 relate to improvements to our cooling systems – cooling being the main use of the water we abstract.

At our Pfreimd and Zaragoza locations and at one of our plants in Poland, we switched from a closed to an open cooling system during the reporting period. Alongside reduced water consumption, this results in lower energy consumption.

Our water withdrawal increased in the financial year 2020 by 7.3% to 1,049,098 m<sup>3</sup> (prior year: 977,937 m<sup>3</sup>). About two-thirds of our water requirements are sourced from municipal water supplies and about one-third using groundwater.

The increase in water withdrawal is mainly due to water recirculation being shut down during the scheduled furnace build at our Lohr location and the resulting greater quantity of water needed for production there.

Water withdrawal by sources in m <sup>3</sup>	2020	2019 <sup>1)</sup>	Change
<b>Total</b>	<b>1,049,098</b>	<b>977,937</b>	<b>7.3%</b>
Municipal water supply	695,697	752,941	
Groundwater	299,443	176,041	
Surface water	47,759	48,955	
Rainwater	6,200	-	

<sup>1)</sup> The figures have been adjusted on the basis of subsequently submitted data reports.

The regional focus of our water use continues to be in Europe. In total, our plants in Europe account for about 70% of our water consumption.

## GX CIRCULAR (PRODUCTS AND RESOURCES)

GxCircular is the second pillar of our sustainability strategy. It embodies our commitment to resources, sustainable products and supply chain responsibility.

	Strategic field of action	Target	UN Global Compact principles	SDGs
	Recycling and waste	Reduction of industrial waste (from own manufacturing) to landfills to 0% with minimum incineration rate by 2028	Principle 7, 8, 9	  
	Ecodesign	By 2023, we will have developed Gerresheimer ecodesign principles and apply these to 100% of our new product developments.	Principle 7, 8, 9	 
	Responsible supply chain management	Increase the proportion of strategic suppliers that have recognized the Gerresheimer Principles for RScM to 100% by 2023.  Increase the proportion of strategic suppliers audited for environmental and social aspects to 100% by 2023.	Principle 1, 2, 3, 4, 5, 6, 7, 8, 9	  

In placing our business model on a sustainable footing, we are guided by the principles of the circular economy. Contrary to the precepts of the linear economy, the circular economy is a regenerative system in which resource use and waste production, emissions and energy waste are minimized by slowing down, reducing and closing energy and material cycles along a product's entire life cycle.

We aim to contribute to the circular economy both with our own processes and with our products. At Gerresheimer, we believe that innovation and environmental protection go hand in hand. We seek to be a pioneer in the development of sustainable solutions for pharmaceutical packaging, devices and customer-specific products.

As the transition to a circular economy requires system solutions beyond the domain of any single business enterprise, we attach great importance to cooperation among all stakeholders at every link in the value chain. We assume responsibility for our supply chain – not merely in terms of sourcing recyclable raw materials, but also in terms of responsibility for ensuring that our value chain is sustainable.

## RECYCLING AND WASTE

In the manufacture of our glass and plastic pharmaceutical primary packaging and drug delivery systems, diagnostic systems and packaging for the cosmetics industry, we aim to help cut global waste by designing our processes and using materials in a way that conserves resources, as well as by developing new, sustainable products consistent with the circular economy. This aspiration is the underlying principle of our GMS.

As a manufacturing company, we generate waste in our production processes. In accordance with the circular economy approach and the European waste hierarchy, our fundamental aim is to reuse or recycle such waste and to avoid disposal in landfills altogether. Knowing that much of the waste comprises potential inputs for making different new products, we seek to actively promote such uses.

Our top-level goal is therefore to keep our waste volume as low as possible. At the same time, we want to minimize the impact of our production waste. In line with the European waste hierarchy, we have consequently set ourselves the following target:

🎯 By 2028, we aim to reduce our waste to landfill from production to 0%. At the same time, we intend to reduce the proportion of waste sent for incineration in order to prioritize material recycling in the spirit of the circular economy.

Due to our decentralized organizational structure waste management has not previously been coordinated at global level. We are now gradually working to systematize our waste avoidance activities on the basis of a more uniform understanding. Operationalization and Group-wide implementation of the target is being developed by our head office team in conjunction with specialist managers from each individual division.

As well as adopting and communicating the target, we took initial steps toward implementing it during the reporting year. In the course of this, our locations have been asked to develop programs in order to make transparent their individual contributions to our targets and translate them into concrete action.

Additionally, we have started to introduce a new report in our core software in order to centrally track and analyze data on waste volumes and disposal paths in the future. To prepare for implementation, we have supplemented our guideline on data collection for environmental indicators. In this way, we aim to ensure that data on waste streams is gathered consistently. Beginning in the coming financial year, we will report annually on progress toward our targets.

A key element in reducing our overall waste volume is avoiding reject material and, where possible and permitted under regulatory requirements, returning it to the production process. If we are unable to use by-products in our own processes, we always try to find possible uses for them by channeling them to other operators.

During the financial year 2020, our locations notably adopted measures relating to the reduction and avoidance of reject material from our production processes. As well as avoiding waste, this reaps gains in terms of resource efficiency. At the same time, several plants are progressing in the reuse of transportation and packaging material.

Our Czech location already achieved zero landfill in 2018 and entered into discussions during the financial year to reduce incineration in favor of recycling. Changes in market prices for individual material fractions can lead to changes in waste disposal methods.

## ECODESIGN

Global packaging volumes are steadily increasing, and with them their adverse impacts on the environment, especially in countries that still lack suitable waste collection and recycling infrastructure. Packaging that is not properly disposed of and ends up in the environment can cause significant negative impacts. Proper disposal and avoidance of the negative environmental impacts of packaging waste – especially plastic waste – are consequently an increasingly important environmental policy goal. Here, protecting the climate and keeping the world's oceans clean dominate the environmental policy debate. Transitioning to a circular economy is seen as pivotal in achieving environmental policy targets.

Each year, we produce more than 15 billion injection vials, ampoules, cartridges, containers for liquid and solid medicines, insulin pens, pen and micro pump systems, inhalers, syringes and cosmetic containers at our 37 production plants worldwide. Our customers are mostly companies in the global pharma and healthcare industry and the cosmetics industry, with the majority of our revenues generated in the pharma and healthcare industry. As primary packaging, our products thus play a key role in those industries for the safe transportation as well as storage and administration of our customers' products. In many cases, the packaging is an integral system component, without which many drugs would be less user-friendly and safe.

Right from the development stage, we therefore pave the way for a user-friendly, safe and high-quality product, setting the course that will shape its future environmental impact. Consequently at this early stage of the process, we need to assess the extent to which ecodesign principles can be applied. Ecodesign refers to incorporating environmental aspects into the product design process with the aim of improving the environmental impact of a product throughout its life cycle – including production, transport, use and disposal.

Since the products we make are exclusively marketed and disposed of in combination with our customers' products, we have to work in close collaboration right from the product development stage in order to develop solutions that decisively improve aspects such as our products' material efficiency, energy efficiency, waste avoidance, recyclability and disposability as well as logistics efficiency. Alongside environmental sustainability requirements, the systematic integration of ecodesign principles therefore serves to meet regulatory and customer requirements as well as the needs of end consumers.

We have set the following goal for transparent disclosure of our ambition:

🎯 By 2023, we will develop Gerresheimer ecodesign principles and apply them in our product development process to 100% of our product innovations.

Whereas in the past we primarily implemented customer specifications, under this new target we aim to collaborate closely with our customers right from the design of our products and the corresponding production processes – not only to comply with legal requirements, but also to proactively and systematically integrate ecodesign and circular economy principles.

We often work together with packaging and process specialists on the customer side at the early stages of development in order to establish a high-quality, optimally harmonized overall concept for the medication, packaging and system design. Our products also undergo a wide range of tests in later process stages to ensure that we can guarantee maximum product safety in use by patients and customers at all times.

Requirements relating to product quality and patient safety in the use of our products, as well as to compliance with regulatory requirements, have to be reconciled with ecodesign principles during product development.

Additionally, as part of our product responsibility, we support our customers in regulatory processes such as compliance with GMP and FDA guidelines as well as preparing and submitting documentation for medical products and pharmaceutical primary packaging. In our Plastic Packaging Business Unit, we help customers with registration processes as well as in selecting the right product by providing all key information on our products in a database. We plan to make greater use of this tool going forward to support our customers in the choice of environmentally friendly alternatives.

In the financial year 2020, we started systematically collecting examples to gain better insight into the status quo regarding where our product solutions already follow certain ecodesign principles.

The majority of the ecodesign aspects applied in our current product portfolio can be categorized under substitution of primary raw materials with secondary raw materials, use of alternative raw materials, reusability, weight reduction and improvement of transport efficiency by design configuration.

Incorporating recycled materials in the production of plastic and glass primary packaging is a key priority. There are also regulatory restrictions, such as the use of prescribed resins and approval requirements, particularly for pharmaceutical primary packaging. Gerresheimer has presented its first corresponding product innovations and is promoting them to its pharma and cosmetics customers.

In plastics packaging, Gerresheimer offers its products with various mixtures of post-industrial recycled and post-consumer recycled (PCR) materials and is able to produce containers made of up to 100% recycled polyethylene terephthalate (R-PET). This saves material and reduces the impact on the environment. The use of R-PET in our products is gaining importance especially in our cosmetics business.

In the production of pharma jars and glass cosmetics packaging, large quantities of recycled glass (cullet) are used as a substitute for raw materials. This is sourced out of the Group's own internal material cycle, but also – under strict controls – from household recycling. Cullet is deployed where it is available in suitable quality, there is no compromise to end-product quality, and there are no pharmaceutical or cosmetic regulatory requirements to restrict its use. Gerresheimer is currently able to use up to around 60% cullet for amber glass and up to around 50% for flint glass in the production of Type III glass for pharmaceutical primary packaging. Glass cosmetics packaging can contain up to about 40% recycled glass. The higher the proportion of recycled glass, the less energy is needed for production. Using recycled glass also helps conserve natural resources, as glass is made from quartz sand, sodium carbonate and calcium oxide as well as containing dolomite, feldspar, potash and iron oxide for coloring.

Advancing the transition to the circular economy, our Momignies plant has worked hard to reduce the quantity of raw materials used in the production of clear glass and to develop a high-quality cosmetic glass utilizing PCR glass. The composition of this glass has been tested and certified by RDC Environment of Belgium. Testing was carried out in accordance with criteria established by the European Container Glass Federation, FEVE.



In addition to our own internal cullet cycle, we work in this context with suppliers such as glass tubing producers. This enables us to return borosilicate glass cullet from our glass molding process to glass tubing producers who then use it to make new borosilicate glass tubes.

Under the BioPack name, Gerresheimer has launched an extensive portfolio of plastic packaging for drugs and cosmetics made from biomaterial to replace conventional PE or PET. Instead of crude oil, biomaterials are made from renewable raw materials – in this instance sugar cane. Packaging made from biomaterials is fully recyclable, has the same properties as conventional packaging and can be used on existing filling and packaging lines.

Reusability was a priority in the development of an inhaler for the treatment of respiratory diseases. Previously, inhalers have normally had to be replaced once the medication is used up. For the new generation of an established inhaler, Gerresheimer produces an eco-friendly successor model whose medication cartridge can be replaced five times. This cuts both waste and the product's CO<sub>2</sub> footprint. The platform solutions provided by Gerresheimer subsidiary Sensile Medical – which are based on a patented micro pump for self-administration of liquid medications – likewise follow a two-pronged approach combining disposable and recyclable sub-units. All elements that come into contact with the drug and the patient are disposed of after use, while the higher-value part of the device comprising the motor, battery, control electronics and, where applicable, display are reused. This reduces the environmental impact and lowers treatment costs.

Resource conservation was also an important aspect in the development of an innovative plastic bottle with minimal raw material input and an indentation in the base that allows the bottle to be stacked. This enables more efficient transport packaging, which in turn leads to lower CO<sub>2</sub>e emissions. A further feature of this more environment-friendly approach is the fact that the bottle can be refilled three times in order to reduce waste volumes and energy consumption.

We also frequently exceed legal requirements in terms of product safety by incorporating additional product safety aspects such as safety closures to protect children.

In a next step, we plan to develop the Gerresheimer ecodesign principles in an interdisciplinary team representing a wide range of disciplines, including product development, production, marketing, procurement and customer project management.

## SUSTAINABLE PROCUREMENT MANAGEMENT

As a manufacturer of high-quality pharmaceutical primary packaging, our molded glass plants primarily use quartz sand, soda and soda lime as raw materials to make glass, along with other additives in small quantities. The production of plastic primary pharmaceutical packaging and of complex drug delivery systems like insulin pens and inhalers requires energy and above all specialist resins such as polyethylene, polypropylene and polystyrene. We additionally use small quantities of what are referred to as conflict minerals.

Reliable supply and competitive costing are at the core of our procurement activities. Integrating sustainability into supplier management enables us to make our supply chains more resilient and enter into long-term relationships with suppliers. Clear communication of our expectations around sustainability considerations provides the necessary transparency and clarity.

We expect our suppliers to embrace sustainable business practices and have formulated expectations and requirements to that effect in our Gerresheimer Principles for Responsible Supply Chain Management. These require our suppliers to comply with our principles of corporate responsibility. The Principles are based on international standards such as the principles of the UN Global Compact, the Universal Declaration of Human Rights, the ILO Core Labor Standards and the OECD Guidelines for Multinational Enterprises. The topics covered are Ethics, Labor, Health and Safety, and Environment.

🕒 Our target is for 100% of our strategic suppliers to have acknowledged our “Gerresheimer Principles for Responsible Supply Chain Management” by 2023.

🕒 A further target is for 100% of our strategic suppliers to be audited by 2023 in our supplier qualification process and to be subject to the related re-auditing on environmental and social aspects.

Strategic suppliers are suppliers from whom we obtain materials or services that are used directly in our products during processing, or that could have a material influence on the quality of the end product.

Alongside our “Gerresheimer Principles for Responsible Supply Chain Management”, our interactions with suppliers are governed by the Gerresheimer Compliance Program and by purchasing policies and procedural guidelines. It is also extremely important for us that our suppliers comply with the high quality and sustainability requirements of our business. When selecting strategic suppliers, we therefore verify that they are certified according to the ISO standards relevant to their business activity and also comply with the guidelines on quality assurance in the production of drugs and of active ingredients (good manufacturing practice).

As our divisions and business units deploy different production technologies and production is distributed worldwide across Europe, North America, South America and Asia, our procurement is largely decentralized. Energy and goods or services not relevant to production, such as access to data networks as well as hardware and software, are largely sourced centrally.

Our requirements concerning the selection process for new and existing suppliers and the continuous review of supplier performance are set out in the “Supplier quality procedures” section of the Gerresheimer Management System and are thus applicable for all locations worldwide. At the start of the process, suppliers undergo a standard classification procedure to ensure that our strategic suppliers in particular act in accordance with our quality and sustainability requirements.

New suppliers are subject to a qualification process before they are approved to supply materials or services. In addition to providing information by responding to a questionnaire, the qualification process for strategic suppliers also involves an on-site audit. Around 80% of our locations already include environmental or social requirements in this qualification process. To maintain quality in procurement over the long term and ensure continuous improvement in supplier performance, all strategic suppliers undergo an annual performance review and supplier audits are carried out at regular intervals. Environmental and social evaluation criteria likewise form part of this annual review.

Our “Gerresheimer Principles for Responsible Supply Chain Management” also specify that a supply contract will be terminated with immediate effect if it is determined that a supplier willfully disregards the specified principles.

Where we use or purchase minerals such as tin, tungsten, tantalum or gold (so-called “conflict minerals”) or their derivatives to produce or finish our products, the supplier in question must provide certificates demonstrating that these raw materials have been properly obtained. In this way, we have proof that our suppliers have not obtained the raw materials from countries that finance armed conflict or contribute to human rights violations by mining and trading in them. This is clearly specified in our “Corporate Governance Guidelines” as well as our “Principles for Responsible Supply Chain Management” and we verify suppliers’ certification accordingly.









To further enhance procurement employees’ understanding of sustainability in the supply chain, all relevant employees complete an e-learning module, “Introduction to Responsible Supply Chain Management”. So far, 95% of relevant employees have completed this training.

As of the financial year-end, 36% (prior year: 35%) of our strategic suppliers had committed in writing to compliance with our “Gerresheimer Principles for Responsible Supply Chain Management”. Some 30% of our strategic suppliers are audited with regard to environmental and social aspects.

There were no incidents in the financial year 2020 that led to termination of a supplier relationship for any of the above reasons.

## GxCARE (PEOPLE)

GxCare is the third pillar of our sustainability strategy. It embodies our commitment to employees and to the communities among which we operate as a business enterprise.

Strategic field of action	Target	UN Global Compact principles	SDGs
Employee satisfaction	Rank among the top 25% of employers rated in the Employee Net Promoter Score by 2028.	–	 
Health and safety	Reduction of lost time accident frequency by 80% by 2028  Certification of 100% of sites according to ISO 45001 by 2023	Principle 1	  
Community engagement	Yearly engagement of 100% of the sites in the areas of “school and education” or “health and wellbeing” until 2023	–	  



Our globally oriented human resources strategy provides the framework for our activities and programs at our locations worldwide. As well as seeking to attract and retain skilled employees, we aim to foster employee development, ensure safety and health in the workplace, promote diversity and equal opportunities, improve working conditions and support the community.

Overall implementation of our human resources strategy is the responsibility of management at our plants. Global Human Resources (HR) assumes a support function here, assisting our locations in implementation. The GMS furnishes the processes and tools to implement our global strategy. It encompasses Group-wide standards, methods and instruments for employee development, leadership and participation.

In support of these HR goals, the global rollout of digital HR systems was already launched in 2019, continued in 2020 and has already been successfully completed at various locations. This enables a variety of HR processes, such as the recruiting process, to be standardized globally as well as made more efficient and faster across national borders.

Our five corporate values – teamwork, responsibility, integrity, bold innovation and excellence – must be lived and breathed by all employees at all times in their everyday activities and conduct. This conviction is firmly embodied in our “Corporate Responsibility Guideline”.

### OUR EMPLOYEES

We produce in the regions where our customers and markets are located: at 47 locations (including 37 production locations) on four continents. The Gerresheimer Group had 9,880 employees as of the end of the financial year 2020 (prior year: 9,872).

As a Group with a long tradition in our home market, we continue to have a large footprint in Germany. At the end of the financial year, we had 3,597 employees at ten locations across the country (prior year: 3,608). We have 2,349 employees in other European countries (prior year: 1,781), 1,040 employees in the Americas (prior year: 1,097) and 2,894 employees in the emerging markets (prior year: 3,386). Please see the Revenues and Adjusted EBITDA section for a definition of emerging markets.

### EMPLOYEE SATISFACTION

Our employees are the cornerstone of our business success. The satisfaction of our employees, their commitment and their knowledge are the most important drivers of our corporate success, paving the way to achieving our goals. We believe that the successful implementation of our entire HR strategy – as outlined in the following sections – is reflected in employee satisfaction.

🎯 We have set ourselves the target of being among the top 25% of companies in terms of our employee Net Promoter Score (eNPS) by 2028.

As an indicator of employee satisfaction, eNPS is measured by asking employees how likely it is that they would recommend Gerresheimer as a place of work. As set out in our HR strategy, we aim to make the success of our HR programs and measures transparent and quantifiable. We have selected eNPS as a suitable tool for this purpose. Alongside transparency on the effectiveness of our measures, eNPS promotes our feedback culture.

Our eNPS was measured for the first time in the financial year 2020 and this will now be repeated annually as part of our pulse survey. This is a substantially shorter version of our three-yearly employee survey. The focus is on leadership, commitment and employer attractiveness. Integration into the employee survey enables us to understand in what areas we need to step up or adapt our activities.

Implementation – as with our overall human resources strategy – is the responsibility of management at our plants. Based on the findings for each question, our locations pinpoint and implement suitable measures to address the needs identified.

On the basis of the last comprehensive survey, for example, we set ourselves the goal as part of talent management to further increase the internal replacement rate and to further enhance our position as an attractive employer in order to develop and retain corporate, product and industry know-how within the Group over the long term.

The first pulse survey in 2020 was very well received, with 66.2% participation.

With an eNPS score of 6.6, we have established our baseline and will now go on to analyze the results and identify suitable measures for our locations. As benchmarking results are not yet available, we will be able to present our position relative to other participating companies for the first time commencing with the next financial year.

Alongside eNPS, changes in length of service and employee turnover also show how employees assess their prospects at Gerresheimer. In the financial year 2020, 1,559 employees left the Company (prior year: 1,663 employees). Our employee turnover rate thus continues to fall. The average length of service is 11.7 years (prior year: 11.3 years).

## APPRENTICESHIPS AND FURTHER TRAINING

In line with our values-driven corporate policies, and against the backdrop of demographic change, we see vocational training as an important goal in order to recruit young talent early, provide the best possible training and secure long-term employee loyalty. The different training requirements are taken into account in each division.

Our training programs prepare young employees for their future responsibilities. Since Gerresheimer AG went public in 2007, Gerresheimer has trained over 2,500 young people in more than 20 occupations. The strength of Gerresheimer's production locations lies in training the next generation of talent from their own ranks and developing them into skilled employees who will remain with the Company for the long term. Since 2010, the promotion of young talent at Gerresheimer has included a co-op education program. The "Gx-Go!" trainee program has been available for graduates since 2017. So far, all trainees who completed the 18-month trainee program have been successfully taken on in ongoing employment with the Company.

In the financial year 2020, we offered a total of 14 training occupations in Germany, ranging from electronics technician to milling machine operator. As of November 30, 2020, Gerresheimer employed 147 trainees (prior year: 180 trainees) in Germany. The training rate in Germany is consequently 4.1% (prior year: 5.0%). We took on 89.1% of the 46 trainees who completed their training with us worldwide in the financial year 2020 (prior year: 89.6% of 48 trainees).

In August 2020, a female trainee at Gerresheimer Regensburg GmbH was conferred the Günter Schwank Training Award for Germany's best mechanics in plastics and process engineering. Besides the trainees themselves, their companies and vocational schools are given recognition for providing the optimum conditions for training. Gerresheimer trainees are among the award winners almost every year. The Association of German Chambers of Industry and Commerce has also selected a co-op student from Wackersdorf for award as the best new mechanic for plastics and rubber processing in Germany.

Our Peachtree City (Georgia/USA) location successfully continued a training program launched in the financial year 2018 in collaboration with a regional college. For several years now, we have additionally provided practice-oriented training modeled on the German dual training system at our plant in Horsovsky Týn (Czech Republic).

Our Skopje location developed a training program in the financial year 2020 and has already launched the selection process. The program targets trainees in the Republic of North Macedonia, providing them with practical vocational training on the German model.

In addition, we offer ten co-op degree programs, such as a Bachelor of Engineering with an industrial engineering major.

## HUMAN RESOURCES DEVELOPMENT

For the attainment of our corporate goals and to secure our long-term success – and in addition to our training programs – we constantly invest in the professional, methodological and personal development of our workforce. In this connection, we always seek a good fit between our corporate goals and individual career aspirations.

We offer coaching, training and development programs to this end worldwide. Furthermore, employees in management positions are able to take part in custom-tailored development programs in order to prepare for the current and future challenges of their roles.

Our corporate strategy also provides for the ongoing development of our global leadership culture. We aim to establish a value-based management culture characterized by participation, mutual collaboration and trust. To foster this, we train all managers at Gerresheimer in these principles. A local “train the trainer” policy ensures that they are perpetuated. The rollout started at our German locations in 2020. Long-term implementation is ensured by local trainers.

As part of talent management, we have set ourselves the goal of increasing the number of internal replacements for management positions. To this end, in 2020, we launched the “formula GT” (Gerresheimer Talents) global management development program to identify and promote high potentials within the Group. This program applies the goals enshrined in our corporate strategy.

A total of 179,418 hours of further training were provided in the financial year 2020, corresponding to 18.2 hours per employee (prior year: 288,869 hours total and 29.3 hours per employee). This shows a marked decrease due to the Covid-19 pandemic as well as the associated assembly and travel restrictions. Employees in the Americas region accounted for 38.8% (prior year: 48.6%) of training hours, followed by Germany with 28.3% (prior year: 26.4%), the rest of Europe with 18.0% (prior year: 12.7%) and emerging markets with 14.9% (prior year: 12.3%).

Annual interviews were held with a total of 4,248 employees in the financial year 2020 (prior year: 4,654 employees), representing 43.0% of all employees (prior year: 47.1%). This is a rolling process that runs into the first quarter of the next year. Generally, annual interviews between employee and superior take place once a year and cover the employee's performance in the preceding financial year, targets for the financial year ahead, any development measures and “person-culture fit”. Annual interviews are not mandatory in all countries, however.

## DIVERSITY AND EQUAL OPPORTUNITIES

Gerresheimer embraces a culture of diverse beliefs, experiences and cultural backgrounds, as is expressly embodied in our Corporate Responsibility Guideline. Our 9,880 employees work in 15 different countries across four continents. The diversity of these countries and cultures is also reflected within Gerresheimer. An open and respectful corporate culture and the mix of different nationalities, genders, education biographies, life experience and age groups are significant factors contributing to our Company's success. At Gerresheimer, we have created an inclusive working environment intended to ensure that everyone considers themselves to be treated equally and fairly in order to realize their full potential. In accordance with these principles and in observance of the General Act on Equal Treatment in Germany, we fill our vacancies worldwide solely based on qualification and without regard to ethnic heritage, gender, religion, sexual identity or any disability.

In the financial year 2020, Gerresheimer's employees came from a total of 60 nations (prior year: 57 nations), with 63.6% working outside of Germany (prior year: 63.5%).

Female employees make up 33.3% of the workforce (prior year: 33.0%). Owing to the sometimes physically demanding nature of blue-collar work, there are naturally only a relatively small number of female applicants for such positions. Overall, the percentage of women in the first two levels of management was 18.0% (prior year: 19.1%). The separate percentages are 18.4% (prior year: 19.9%) for the first management level and 17.7% (prior year: 18.6%) for the second management level.

As a globally operating Group, we also rely on an international management team. Citizens of countries other than Germany accounted for 42.9% of top-level managers as of November 30, 2020 (prior year: 43.0%). A total of 14 nations are represented in our executive management (prior year: 14 nations).

Diversity also relates to the demographic situation at Gerresheimer. This follows very similar trends in the various regions. We aim to create suitable conditions in order to maintain the employability of our employees in all phases of their lives and safeguard the long-term availability of skilled workers. The average age of the Gerresheimer workforce is 41.4 years (prior year: 41.9 years).

## LABOR AND SOCIAL STANDARDS

We are fully committed to respecting, supporting and protecting labor and social standards as well as human rights at our locations worldwide. This commitment is enshrined in our “Corporate Responsibility Guideline.”

In keeping with local laws and international conventions – such as those of the International Labor Organization (ILO) – we do not tolerate child and forced labor at Gerresheimer anywhere in the world. Local collective bargaining and other agreements, for example, ensure freedom of assembly for our employees at locations where collective bargaining agreements apply and taking local law into account.

We embrace our responsibility for conduct in accordance with our guideline by communicating its importance and application at all plants as part of our GMS. Plant managers are required to establish a process to ensure compliance with the principles set out in our Corporate Responsibility Guideline.

As part of our compliance program, infringements are able to be reported using our whistleblower hotline. We are also in ongoing liaison with our employee representatives. Workplace codetermination is institutionally established at Gerresheimer by means of the Group Works Council, which looks after the interests of our employees. The Group Works Council comprises 15 employees (prior year: 15) – three women and twelve men (prior year: three women and twelve men).

Recruitment at Gerresheimer is done in compliance with the statutory requirements and legal framework applicable in the country concerned. Gerresheimer embraces a working environment in which all employees, irrespective of nationality, origin, religion, gender, age, disability or sexual orientation, are held in equally high regard and enjoy the same opportunities. This is also ensured in employee recruitment by a globally rolled-out standardized recruiting tool.

With arrangements such as part-time programs, mobile working and flexible work hours, we continue our efforts to support employees in balancing work and family life and make it easier for them to care for children and family members.

Regarding employee remuneration, we attach great importance to ensuring that pay is nationally and internationally competitive and that there is no gender pay differential. We back this up by benchmarking against external companies and with objective job grading in areas such as executive management and at some locations across all levels of the hierarchy. Additionally, many of our employees are subject to binding pay scales under collective agreements, which rule out gender-specific pay differentials for equivalent work.

For various positions, our remuneration policy provides for a variable element in addition to fixed pay. For our global executive management, we also have a Mid-Term Incentive Program relating to the past three financial years.

Gerresheimer provides employees at many locations with additional benefits on top of financial remuneration components. These include subsidized meals, subsidized public transport and group accident insurance.

A total of 303 employees in Europe (including Germany) were employed part-time as of the end of the financial year 2020 (prior year: 305), corresponding to 5.1% of the workforce (prior year: 5.7%).

Gerresheimer employees have the option of taking parental leave, including in countries where there is no statutory provision for doing so. A total of 201 employees made use of this option in the financial year 2020 (prior year: 132).

Furthermore, our pay levels also exceed the local minimum wage in the emerging markets of Brazil, Mexico, India and China.

Employees worldwide were paid special bonuses in the financial year 2020 for their great dedication during the Covid-19 pandemic.

As in the prior year, no cases of human rights violations or discrimination were reported anywhere in the world in the financial year 2020.

## HEALTH AND OCCUPATIONAL SAFETY

As a manufacturing company, responsibility for the health and safety of our employees has top priority. We want to provide all employees with a safe working environment from which they return home healthy and without injury every day. Occupational safety must remain the highest priority every single day. We further elaborated on this position in 2020 by adopting the following core health and occupational safety principles:

- › Occupational safety and health has top priority
- › We actively develop and promote a health and safety culture;
- › We require our managing directors to exercise their leadership role in continuously and visibly promoting occupational safety and health
- › All managers are required to behave in an exemplary manner and ensure that all employees are fully informed about instructions, the law, hazards and protective measures
- › We do not accept violations of safety rules at any level

We want to ensure that occupational safety is a focal issue in every plant, every day, and that everyone works together to achieve this. As well as from good processes, we believe that occupational safety greatly benefits from an occupational safety culture and awareness. We intend to continue working in this regard, with the aim of avoiding every accident.

🎯 By 2028, we target an 80% reduction in our lost time injury frequency rate (number of occupational accidents resulting in more than one day lost per million hours worked).

🎯 To provide suitable conditions for this purpose, we also plan to introduce an occupational health and safety management system at all production locations by 2023 and have it certified to ISO 45001.

Global responsibility for health and occupational safety matters was centralized in 2020. In addition, each production location has local experts for employee protection. Regular training ensures employee safety awareness and that experts at our locations have the necessary qualifications and up-to-date expertise. A total of 370 employees around the world are members of formal occupational safety committees that verify and ensure compliance with all standards and safety regulations. To strengthen our global safety organization and promote exchange on safety, a global "Occupational Safety Council" was established in 2020 with representatives from each division. The Council is tasked with fine-tuning and uniformly implementing occupational safety standards and processes within the Group.

Future standards and processes are based on the fundamental occupational safety policies enshrined in the Gerresheimer Management System (GMS). These are regularly evaluated in-house. This takes place on an online platform using a standardized questionnaire that allows us to compare the implementation status across different locations and track implementation of specific improvement measures.

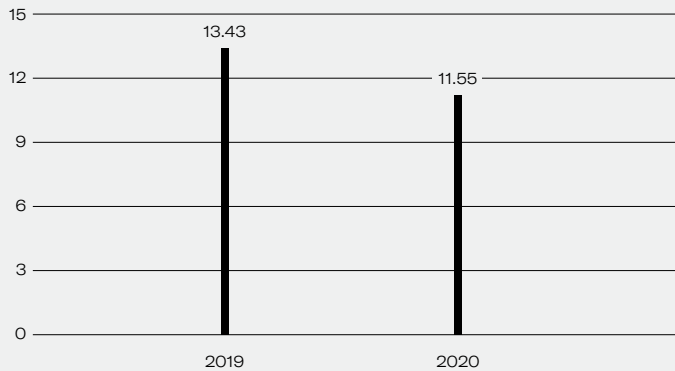
Additionally during the financial year, an in-depth global survey was conducted on the basic organization and integration of occupational safety at all locations. This will serve among other things as a basis for the work of the Occupational Safety Council.

The planned introduction of ISO 45001 management systems at all locations by 2023 will help us to continuously improve occupational safety and minimize accidents. Our plants locally track and analyze occupational safety indicators and implement suitable improvement measures. The indicators are reported on a monthly basis in our global reporting system and, since 2020, have also been published in an occupational safety dashboard for all plants, divisional managers and the Management Board. In addition, occupational safety is a standard agenda item in the business reviews held three times a year between the Management Board and the divisions, as well as featuring in the operational and strategic planning process.

Our production locations held large numbers of training courses during the reporting year, going beyond local legal requirements. In Tettau, Essen and Lohr, for instance, managers received awareness training focused on occupational safety responsibilities, tasks and liability. A large number of our managers were additionally trained in hazard assessment methodology. At our plants in Boleslawiec, Pfreimd and Indaiatuba, special training was provided in the handling of hazardous substances. On the technical side, material handling safety has been improved at our plants in Wertheim, Zaragoza and Vaerloese by optimizing transport with forklift trucks and trolleys. Systematic improvements at our Vaerloese and Zaragoza works focused on the lifting of heavy loads and the handling of big bags. Reflecting the key importance of employee health, we provide individually adapted personal protective equipment such as ear protectors, safety footwear and prescription safety goggles at locations including Chalon, Wertheim, Essen, Pfreimd, Tettau and Lohr.

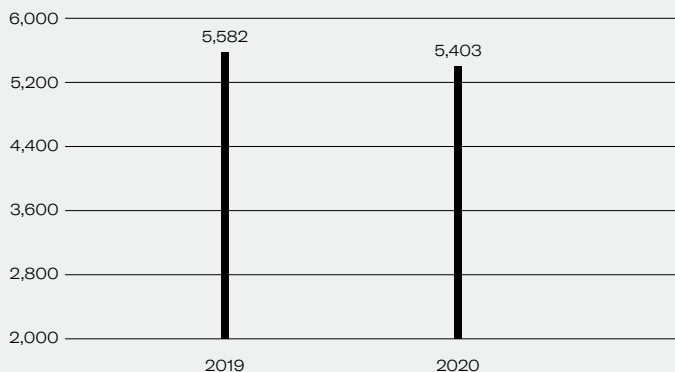
### Lost time injury frequency rate

Occupational accidents per million hours worked



### Days lost

Days lost due to occupational accidents



The global rate of occupational accidents per million hours worked was 11.55 (prior year: 13.43<sup>4</sup>). The number of occupational accidents resulting in more than one lost day was 210 (prior year: 244). Most such accidents occurred in Germany (101; prior year: 139), followed by the rest of Europe (61; prior year: 69), the emerging markets (33; prior year: 28) and the Americas (15; prior year: 8). In total, occupational accidents resulted in 5,403 days absence (prior year: 5,582), representing a reduction of 179 days. As in the prior year, we had zero fatal occupational accidents in the financial year 2020. Due to the nature of their employment, 254 employees (prior year: 223) have a high risk of job-related illnesses.

A further nine locations were certified to ISO 45001 in the reporting year (Buende, Pfreimd, Regensburg, Wackersdorf, Vaerloese, Kosamba III, Kundli, Danyang I, Danyang II, Kosamba II and Zhenjiang). Eleven of our 37 locations consequently now have

ISO 45001 certification. Five locations (Essen, Lohr, Kosamba I, Momignies and Tettau) have launched preparatory measures for certification, while all remaining locations plan implementation by 2023.

To maintain the health of our workforce throughout their working lives and beyond, we offer a broad spectrum of measures at many plants to keep employees physically and mentally fit. These include health days, "Take Your Bike to Work" day, fruit baskets and ergonomically designed workplaces.

One of the defining issues in the financial year – and not only in the area of health and occupational safety – was and continues to be the global Covid-19 pandemic.

Shortly after the outbreak of the pandemic in China, we set up a global crisis team for the worldwide implementation and support of suitable occupational safety and health policies. The team consolidates the situation at our worldwide locations on an ongoing basis and consults regularly on the resulting strategies and measures. All Gerresheimer companies have set up a local crisis team that is responsible for compliance with instructions, implementing measures and reporting to the global crisis team. The local crisis teams work closely together with the global crisis team and are responsible for complying with stipulations under the pandemic plan and coordinating measures according to the situation at any given time.

Gerresheimer activated its existing global pandemic plan and the corresponding measures in January 2020. Our pandemic plan and preventive measures aim to protect employees and maintain business continuity at Gerresheimer – including ensuring stable production and shipments to customers. The instructions in the pandemic plan include preventive, organizational and hygiene measures that have been adapted in each case to local and situational conditions. In addition, our locations have conducted comprehensive, systematic risk analyses and developed additional mitigation plans in order to prepare for potential risks. A seven-stage pandemic scenario has been defined for Gerresheimer, with measures specified in checklists for each stage.

Alongside standard measures such as hygiene requirements, visitor and travel restrictions, temperature measurement and home working, splitting most production teams into small isolated groups has also been of help to us. In combination with staggered shift schedules, this has reduced potential infection risks to small groups, allowing us to keep all of our plants fully operational despite cases of infection.

<sup>4</sup> Prior-year figure revised due to corrections following internal data validation



## COMMUNITY

We strongly believe that we can deliver better results in the medium to long term if we make not only economic but also social concerns the yardstick of our actions. That is why we aim to contribute toward the Sustainable Development Goals in the local communities among which we operate. We have enshrined this responsibility to society in our Corporate Responsibility Guideline.

Our delivery on social responsibility is focused around where we operate, meaning in the immediate surroundings of our locations worldwide. In line with our vision of becoming, through our products, the leading partner for enabling solutions that improve health and well-being, we target our social involvement on issues that contribute in this regard and directly relate to our business activities.

We have translated this aspiration into a measurable target:

🎯 By 2023, we aim for 100% of our locations to contribute annually to projects relating to health and well-being or education.

In adopting this target, we intend to supplement the contribution we make in our core business to the United Nations Sustainable Development Goals (SDGs), notably “Good health and well-being” (SDG 3) and “Quality education” (SDG 4).

Our local plants plan most of our activities on a decentralized basis and implement them under their own responsibility. They decide for themselves what projects they wish to contribute to in our two focal areas. The type of involvement can also take various forms, including non-cash or cash donations and volunteering.

Many locations have already contributed to the above-mentioned focal areas for many years. In our sustainability strategy, we have now finally made our approach mandatory for all locations. We have begun to systematize the planning and tracking of the various activities against specified criteria in order to place the new objective on the necessary formal footing. In this way, we aim to ensure that our locations select projects that have a positive long-term impact and pay into the specified focal areas. As a

next step, we plan to specify a globally uniform set of criteria for this work in order to further focus and substantiate the scope of activities and financial contribution.

To rule out donations or contributions to governments, political parties, politicians or organizations with extremist objectives, we have implemented clear rules governing charitable donations and the awarding of consulting contracts. Substantial donations require corresponding approval and are subject to the Group’s strict compliance regulations.

Whereas a majority of our activities have previously taken place during the annual “ONE Gerresheimer Week”, the contact restrictions and protective measures in connection with the Covid-19 pandemic meant that it was not possible to hold such an event in the reporting year.

In 2020, the focus of our community involvement activities was largely shaped by the Covid-19 pandemic.

Impacts of the Covid-19 pandemic not only prompted us to implement comprehensive measures at our plants to protect our employees and ensure business continuity, but also moved us to actively engage with our local communities in order to mitigate its effects on them.

Alongside cash donations, such as to cancer research institutions as well as to organizations that support local people in need, activities at our locations are therefore centered on non-cash donations of items such as disinfectants, disinfectant containers and masks. In total, over 20,000 containers were donated in this connection. By way of another example, 2,500 food packages were donated to people in need at our location in India.

The altered learning situation due to temporary school closures during the Covid-19 pandemic has placed a priority on providing schools and households with school-age children with the necessary technical equipment. We helped here by donating computers at some of our locations.

## ETHICAL BUSINESS CONDUCT AND CONFORMITY WITH THE LAW

It is vital for Gerresheimer's success as a globally operating Group that all Gerresheimer companies are managed responsibly in accordance with ethical business principles and in compliance with the prevailing rules and the law. For Gerresheimer, legally compliant conduct is not only the basis for responsible management but deepens the trust that those we do business with, shareholders and the public have confidence in our Company and our workforce.

### GROUP-WIDE COMPLIANCE MANAGEMENT SYSTEM (CMS)

The Group-wide CMS is based on policies adopted by the Management Board. The CMS has the primary aim of ensuring that all Gerresheimer Group employees adhere to applicable law and our internal rules in order to avoid compliance infringements and minimize compliance risk. To this end, the CMS implements preventive measures. Monitoring instruments built into the CMS help detect conduct that does not comply with the law and rules. If infringements are found, they are remedied and sanctioned appropriately as the individual case requires.

The focus of the CMS is on combating corruption as well as adhering to the provisions of antitrust and capital market law. It goes without saying that Gerresheimer also promotes conduct aligned with the rules of compliance in other relevant areas of activity and law.

### COMPLIANCE ORGANIZATION

Global responsibility for ensuring that the CMS is appropriate and effective in relation to compliance risks lies with the compliance organization.

The Management Board has appointed the General Counsel as Compliance Officer, who in this capacity is responsible for implementing and updating the guidelines issued by the Management Board and for providing training. Additionally, the Compliance Officer serves as the point of contact for questions and suggestions on the Gerresheimer Compliance Program and for reporting on any violations of compliance rules. In the event of infringements, the Compliance Officer carries out investigations and disciplinary action on the instruction of the CEO.

The Compliance Officer is supported by local compliance officers at subsidiary level. These help ensure that all employees are acquainted with the elements of the Gerresheimer Compliance Program. Local compliance officers are the first point of contact for all compliance-related questions and, in consultation with the Compliance Officer, also conduct training on compliance. The Compliance Officer advises and supports the local compliance officers and local management at all times.

### AVOIDING RISK

The Gerresheimer CMS features various preventive elements in order to avoid compliance infringements and minimize compliance risk. These include the Gerresheimer Compliance Program, training and risk analysis.

Gerresheimer's Compliance Program is intended to support employees in correctly applying laws and Company guidelines. All three focal areas selected for the Gerresheimer Compliance Program (combating corruption, antitrust law and capital market law) are covered by binding guidelines supplemented by instructions.

Employees are provided with compliance training at specific intervals. The selection of employees for training follows a risk-based approach. To identify the right participant group, lists of mandatory participants are drawn up for each training module. Training content is delivered both in a classroom setting and via e-learning programs. Classroom training is provided by in-house lawyers or outside experts. Course content is specified by the Compliance Officer and regularly updated.

For analysis and early detection of potential compliance risks, regular risk analysis is performed in which structural risks and business model-specific risks are identified and evaluated in a rating model. Risk analysis consists structurally of reviewing, weighting and aggregating the Company's operating, financial and reputation risks in relation to defined issues, taking into account the monitoring arrangements and processes that are already in place. Based on the outcomes, the scope for further risk reduction is evaluated together with the need for implementing any further monitoring measures.

## RISK IDENTIFICATION AND RESPONSE

Conduct that is not in compliance with the law and the rules is contrary to Gerresheimer's interest. All employees, without exception, are under obligation to comply with the applicable laws and rules. The Gerresheimer CMS features various monitoring instruments to ensure that our rules of conduct are observed.

An important such instrument in the Gerresheimer CMS is an electronic whistleblower system for reporting compliance infringements. The whistleblower system provides a direct online channel to the Compliance Officer that is available around the clock and anywhere in the world. Whistleblowers can choose to give their name or remain anonymous. This reporting procedure is open to employees, customers and suppliers as well as other third parties. The whistleblower system can be used in all the languages relevant to the Gerresheimer Group in order to make it as easy as possible to access.

Every suspicion of a compliance infringement is investigated. As a matter of policy, compliance infringements are always sanctioned on a case-by-case basis and in accordance with the proportionality principle. Depending on the severity of the infringement, this can lead to disciplinary measures such as dismissal, warning or relocation, together with claims for damages.

## REVIEW AND CONTINUOUS IMPROVEMENT

Review and continuous improvement are basic elements of the CMS. Accordingly, in the reporting year, new e-learning programs were implemented for the focal areas of anti-corruption and anti-trust law and rolled out to employees required to complete them. To secure a high participation rate in the e-learning programs across the Group, a comprehensive policy has been implemented to address employees who delay taking part. The training content has also been made available in an additional language.

## INTERNAL INVESTIGATIONS

In the reporting year, seven internal investigations were carried out throughout the Group on suspected infringements of compliance rules. On the basis of investigations conducted, employment contracts were terminated with three employees. In four cases, employees received awareness advisories or training and, in one instance, the contractual relationship with a contracting party was terminated.

## JUDICIAL AND OFFICIAL PROCEEDINGS

No judicial or regulatory proceedings in connection with focal issues under the CMS were initiated or conducted against Gerresheimer in the financial year 2020.

## REMUNERATION REPORT

The Remuneration Report presents the main features of the remuneration system for the Management Board and Supervisory Board. It also reports on remuneration granted to and received by the members of the Management Board and on the remuneration of the members of the Supervisory Board of Gerresheimer AG in the financial year 2020.

### REMUNERATION OF THE MEMBERS OF THE MANAGEMENT BOARD

#### BASIS, STRUCTURE AND COMPONENTS

The total remuneration of members of the Management Board consists of non-performance-based and performance-based components. Non-performance-based components comprise the basic salary and fringe benefits. The performance-based components comprise short and long-term variable remuneration together with long-term share-based variable remuneration. Pension benefits include both a non-performance-based and a performance-based component. The structure of remuneration is laid down by the Supervisory Board. An explanation of the individual components is provided in the following.

#### NON-PERFORMANCE-BASED REMUNERATION

##### Basic salary

Each member of the Management Board receives a fixed basic salary paid in twelve equal monthly installments.

##### Fringe benefits

Members of the Management Board receive various non-cash fringe benefits. These mainly comprise premiums for group accident insurance and invalidity insurance as well as provision of a company car. There is also directors and officers insurance for members of the Management Board; this provides for a deductible in accordance with section 93 (2) sentence 3 of the German Stock Corporation Act (Aktiengesetz/AktG).

#### PERFORMANCE-BASED REMUNERATION

##### Short-term variable remuneration (short-term incentive/STI)

The short-term variable remuneration (short-term incentive/STI) is tied to attainment of annual targets agreed in each member's contract of employment. Those targets are derived from the corporate planning approved by the Supervisory Board. They relate to variously weighted key performance indicators from the

Gerresheimer Group's financial control system, namely revenues, adjusted EBITDA and net working capital. The net working capital target component is calculated as average net working capital as a percentage of revenues. If all targets are met, the short-term variable remuneration is 50% of the basic salary. Limited to a maximum of 70% of the individual basic salary, the short-term variable remuneration is paid out in the subsequent year following approval of the Consolidated Financial Statements by the Supervisory Board.

##### Long-term variable remuneration (long-term incentive/LTI)

The long-term variable remuneration (long-term incentive/LTI) consists of a rolling bonus system which is tied to the attainment of specific targets over a three-year period. The key performance indicators relevant to target attainment are organic revenue growth and return on capital employed (Gx ROCE).

For long-term variable remuneration, the relevant key performance indicators are set each year for the next three years based on the business plan. If all targets are met, the long-term variable remuneration is 40% of the individual basic salary. Capped at 55% of the individual basic salary, the long-term variable remuneration is paid out three years after the base year.

##### Long-term share-based variable remuneration (phantom stocks)

As a further long-term variable remuneration component, members of the Management Board are granted rights against the performance of what are known as phantom stocks. A phantom stock right is the right to receive a cash payment that can be claimed within two years of the end of a five-year vesting period, subject to performance of a virtual Gerresheimer share as specified in the target.

The rights are granted for each year of service on the Management Board. Each phantom stock right is issued or granted approximately one month after the Annual General Meeting for the previous financial year. The initial value of the annual entitlement (annual tranche) is determined from the stock market closing prices of Gerresheimer shares. Valuation of the rights in the years until they are exercised is based on a recognized option price model (binomial model). Further explanations of the valuation assumptions are provided in the Notes to the Consolidated Financial Statements.

Target achievement for the entitlement under each annual tranche is determined against the performance of the Gerresheimer share price (share price performance) or the percentage increase in the Gerresheimer share price relative to the MDAX index (MDAX outperformance). The MDAX is a German mid-cap share index to which Gerresheimer also belongs. The target corridor for the share price performance target is between 20% and 40% of the increase in value of the annual tranche in question relative to the applicable initial value. If the target value is within this corridor, the payment entitlement is a minimum of 40% and a maximum of 80% of the basic salary. Amounts between these values are found by linear interpolation. The MDAX outperformance target is achieved if the Gerresheimer share price outperforms the MDAX over the specified period. If this is the case, the payment entitlement is 40% of the basic salary.

#### PENSION BENEFITS

In place of a company pension, active members of the Management Board receive a pension payment in the form of an annual cash amount to be used at their free disposal for their private pension provision. Said cash amount comprises a basic and a supplementary pension payment. The basic pension payment is 20% of the basic salary. The supplementary pension payment is 20% of the variable remuneration (STI) for the financial year.

#### BENEFITS ON TERMINATION OF MANAGEMENT BOARD SERVICE

##### Termination benefits

Termination benefits in the event of premature termination of a Management Board member's contract other than for cause are capped. Severance payments, including fringe benefits, in the event of premature termination of a Management Board member's contract other than for cause are therefore capped to a maximum of two years' remuneration and do not compensate more than the remaining term of the contract. The cap on termination benefits is determined with reference to total remuneration.

#### Change of control

In the event of a change of control, Management Board members have a once-only special right to terminate their contracts at six months' notice effective as of the end of the month and to resign as of the end of the notice period. The special right of termination applies solely within three months of the point in time at which the Management Board member gained – or were it not for gross negligence would have gained – knowledge of the change of control. The special right of termination only applies if, at the date notice is given, the contract has a remaining term of nine months or more. If a Management Board member exercises his or her special right of termination, the Company is required to pay termination benefits equal to three times the annual remuneration less amounts paid during the notice period. Annual remuneration is defined as remuneration for the full financial year, including short-term and long-term variable cash remuneration, but excluding long-term share-based variable remuneration.

#### MANAGEMENT BOARD REMUNERATION IN THE FINANCIAL YEAR

The total remuneration of active members of the Management Board of Gerresheimer AG in the financial year under review and the breakdown by individual components are shown in the following table:

In EUR k	2020	2019
Fixed remuneration	2,224	2,760
Non-cash remuneration	29	48
<b>Total non-performance-based remuneration</b>	<b>2,253</b>	<b>2,808</b>
Short-Term-Incentive	822	891
Long-Term-Incentive	–	281
Phantom Stocks (proportionally earned entitlements)	1,506	1,069
<b>Total performance-based remuneration</b>	<b>2,328</b>	<b>2,241</b>
Pension expenses	543	817
<b>Total remuneration</b>	<b>5,124</b>	<b>5,866</b>

Total remuneration for 2019 includes remuneration for two Management Board members whose appointments ended February and April 2019, respectively.

The tables below show individual remuneration, minimum and maximum amounts as well as the remuneration actually paid out and received for the individual members of the Management Board:

<b>DIETMAR SIEMSEN</b> CEO						
	Benefits granted				Benefits paid	
In EUR k	2020	2020 min.	2020 max.	2019	2020	2019
Fixed remuneration	950	950	950	950	950	950
Non-cash remuneration	10	10	10	13	10	13
<b>Total non-performance-based remuneration</b>	<b>960</b>	<b>960</b>	<b>960</b>	<b>963</b>	<b>960</b>	<b>963</b>
Short-Term-Incentive	475	–	665	475	418	40
Long-Term-Incentive 2019	–	–	–	380	–	–
Long-Term-Incentive 2020	380	–	523	–	–	–
Phantom Stocks	–	–	–	–	–	–
<b>Total performance-based remuneration</b>	<b>855</b>	<b>–</b>	<b>1,188</b>	<b>855</b>	<b>418</b>	<b>40</b>
Pension expenses	190	190	323	285	274	285
<b>Total remuneration</b>	<b>2,005</b>	<b>1,150</b>	<b>2,470</b>	<b>2,103</b>	<b>1,652</b>	<b>1,288</b>

<b>DR. LUKAS BURKHARDT</b> PRIMARY PACKAGING GLASS						
	Benefits granted				Benefits paid	
In EUR k	2020	2020 min.	2020 max.	2019	2020	2019
Fixed remuneration	634	634	634	570	634	570
Non-cash remuneration	14	14	14	18	14	18
<b>Total non-performance-based remuneration</b>	<b>648</b>	<b>648</b>	<b>648</b>	<b>588</b>	<b>648</b>	<b>588</b>
Short-Term-Incentive	317	–	444	285	251	245
Long-Term-Incentive 2019	–	–	–	228	–	–
Long-Term-Incentive 2020	254	–	349	–	–	–
Phantom Stocks	–	–	2,560	–	–	–
<b>Total performance-based remuneration</b>	<b>571</b>	<b>–</b>	<b>3,353</b>	<b>513</b>	<b>251</b>	<b>245</b>
Pension expenses	127	127	216	171	164	171
<b>Total remuneration</b>	<b>1,346</b>	<b>775</b>	<b>4,216</b>	<b>1,272</b>	<b>1,063</b>	<b>1,004</b>

<b>DR. BERND METZNER</b> CFO (SINCE MAY 2019)						
	Benefits granted				Benefits paid	
In EUR k	2020	2020 min.	2020 max.	2019	2020	2019
Fixed remuneration	640	640	640	350	640	350
Non-cash remuneration	5	5	5	4	5	4
<b>Total non-performance-based remuneration</b>	<b>645</b>	<b>645</b>	<b>645</b>	<b>354</b>	<b>645</b>	<b>354</b>
Short-Term-Incentive	320	–	448	175	153	–
Long-Term-Incentive 2019	–	–	–	140	–	–
Long-Term-Incentive 2020	256	–	352	–	–	–
Phantom Stocks	–	–	–	–	–	–
<b>Total performance-based remuneration</b>	<b>576</b>	<b>–</b>	<b>800</b>	<b>315</b>	<b>153</b>	<b>–</b>
Pension expenses	128	128	218	112	105	112
<b>Total remuneration</b>	<b>1,349</b>	<b>773</b>	<b>1,663</b>	<b>781</b>	<b>903</b>	<b>466</b>

Dr. Burkhardt was granted phantom stock rights in the reporting year commensurate with the extension of his contract by five years to December 31, 2025. The grant amount represents the maximum payout amount for the five tranches.

The fair values of phantom stock awards for each annual tranche and the expense recognized pro rata in profit or loss changed as follows for individual active members of the Management Board:

In EUR k	Portion of total expenses		Fair Value	
	2020	2019	2020	2019
Dietmar Siemssen	516	247	1,804	1,633
Dr. Lukas Burkhardt	709	165	2,951	1,011
Dr. Bernd Metzner	281	91	1,547	1,090

No payment was made in the reporting year for the 2018 to 2020 tranches of phantom stock rights as the corresponding vesting periods had not yet expired.

#### REMUNERATION OF FORMER MANAGEMENT BOARD MEMBERS

The total remuneration of former members of the Management Board amounted to EUR 2,201k in the financial year under review (prior year: EUR 2,184k). Provisions for pension obligations to former members of the Management Board came to EUR 29,722k at the balance sheet date (prior year: EUR 26,047k). The fair value of phantom stock rights of former Management Board members

at the end of the financial year totaled EUR 3,800k (prior year: EUR 3,740k), and the expense recognized pro rata in profit or loss for the phantom stock rights was EUR 1,537k (prior year: EUR 322k).

#### OTHER

The Company has not granted any advances or loans to members or former members of the Management Board. Likewise, no contingent liabilities have been assumed on behalf of members of this group.

#### REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD

Supervisory Board remuneration is governed by section 14 of Gerresheimer AG's Articles of Association. In addition to reimbursement of expenses and an attendance allowance of EUR 2k per meeting day, each member of the Supervisory Board receives fixed annual remuneration of EUR 70k. The fixed annual remuneration of the chairperson of the Supervisory Board is EUR 175k and that of the deputy chairperson is EUR 105k. Members of the Supervisory Board additionally receive fixed remuneration for chairing or serving on committees, which is also set out in section 14 of the Articles of Association of Gerresheimer AG.

Supervisory Board remuneration in the financial year 2020 is divided among individual members as follows:

In EUR	Fixed remuneration	Additional remuneration for committee work	Attendance fees	Total	Prior year
Dr. Axel Herberg, Chairman	175,000	60,000	20,000	255,000	257,000
Francesco Grioli, Deputy Chairman	105,000	40,000	20,000	165,000	167,000
Andrea Abt	70,000	20,000	16,000	106,000	104,000
Heike Arndt	70,000	–	8,000	78,000	78,000
Dr. Karin Dorrepaal	70,000	–	8,000	78,000	76,000
Franz Hartinger	70,000	–	8,000	78,000	78,000
Dr. Peter Noé	70,000	–	8,000	78,000	78,000
Markus Rocholz	70,000	40,000	20,000	130,000	132,000
Paul Schilling	70,000	–	8,000	78,000	78,000
Katja Schnitzler	70,000	20,000	16,000	106,000	106,000
Theodor Stuth	70,000	40,000	16,000	126,000	126,000
Udo J. Vetter	70,000	20,000	12,000	102,000	104,000
<b>Total remuneration</b>	<b>980,000</b>	<b>240,000</b>	<b>160,000</b>	<b>1,380,000</b>	<b>1,384,000</b>

Three members of the Supervisory Board received an additional total of EUR 15k in the reporting year (prior year: EUR 18k) for supervisory board mandates at subsidiaries of Gerresheimer AG.

Members of the Supervisory Board did not receive any further remuneration or benefits in the reporting year for personally provided services, including consulting and referral services.

No loans or advances were granted to members of the Supervisory Board nor contingent liabilities assumed in their favor.

## TAKEOVER-RELATED DISCLOSURES

Gerresheimer AG is a German stock corporation (Aktiengesellschaft) and has issued voting stock that is listed on the regulated market of the Frankfurt Stock Exchange (Prime Standard), a regulated market within the meaning of section 2 (7) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz/WpÜG).

### Structure of subscribed capital

The subscribed capital (capital stock) of Gerresheimer AG totaled EUR 31.4m as of November 30, 2020. It is divided into EUR 31.4m ordinary no-par-value bearer shares with a nominal share in capital stock of EUR 1.00 each. The Company's capital stock is fully paid in.

### Restrictions on voting rights or on the transfer of securities

As of the reporting date, there were no restrictions on voting rights or on the transfer of Gerresheimer AG shares by law, under the Articles of Association, or otherwise to the knowledge of the Management Board. All no-par-value shares in Gerresheimer AG issued as of November 30, 2020 are fully transferable, carry full voting rights and grant the holder one vote in General Meetings.

### Shareholdings exceeding 10% of voting rights

As before, the only direct or indirect shareholdings in the Company's capital stock exceeding 10% of voting rights of which we had been notified were those of NN Group N.V., Amsterdam.

### Shares carrying special rights with regard to control

None of the shares issued by Gerresheimer AG have rights which confer special control to their bearer.

### System of control of any employee share scheme where the control rights are not exercised directly by the employees

We have no information with regard to the system of control of any employee share scheme where the control rights are not exercised directly by the employees.

### Legal provisions and provisions of the Articles of Association on the appointment and replacement of Management Board members and on amendments to the Articles of Association

The appointment and replacement of members of the Management Board of Gerresheimer AG is governed by sections 84 and 85 of the German Stock Corporation Act (AktG) and section 31 of the Codetermination Act (MitbestG) in conjunction with section 6 of the Articles of Association. In accordance with section 6 (1) of the Articles of Association, the Management Board comprises at least two members. In all other respects, the Supervisory Board determines the number of members of the Management Board.

The Supervisory Board may appoint deputy members of the Management Board. It appoints one member of the Management Board as CEO or speaker.

Under section 179 AktG, any amendment to the Articles of Association requires a resolution of the Annual General Meeting. Excepted from this rule are amendments to the Articles of Association that relate solely to their wording. The Supervisory Board is authorized to make such changes. Unless otherwise required by law, Annual General Meeting resolutions are adopted by simple majority of votes cast. If a majority of capital is additionally required by law, resolutions are adopted by simple majority of the capital stock represented upon adoption of the resolution.

### Authority of the Management Board to issue or buy back shares

Under section 4 (4) of the Articles of Association, the Management Board is authorized, subject to Supervisory Board approval, to increase the Company's capital stock by issuing new no-par-value bearer shares for cash or non-cash consideration in one or more issues up to a total of EUR 6.28m by or before June 5, 2021. Increases in the capital stock effected as a result of exercising other authorizations based on authorized or conditional capital during the period of this authorization are taken into account against the increase. Shareholders must normally be granted subscription rights. The subscription right may also be granted in such a way that the shares are taken up by one or more banks or equivalent undertakings within the meaning of the first sentence of section 186 (5) of the AktG with an obligation to offer them to the Company's shareholders for subscription (indirect subscription right).

The Management Board is authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights in the following instances:

- › to exclude fractional amounts from the subscription right;
- › to the extent necessary to grant holders of conversion rights or warrants or parties under obligation to exercise conversion rights or warrants attached to bonds issued or yet to be issued by the Company or a Group company a subscription right to new shares to the same extent as they would be entitled to as shareholders after exercise of the warrant or conversion right or fulfillment of the obligation to exercise the warrant or conversion right;
- › in the event of capital increases for non-cash consideration in connection with business combinations or acquisitions of companies in whole or part or of shareholdings, including increases in existing shareholdings or other assets;
- › in the event of capital increases for cash consideration if the issue price of the new shares is not substantially below that of the existing, listed shares at the time of final fixing of the issue price by the Management Board within the meaning of



section 203 (1) and (2) and section 186 (3) sentence 4 AktG, and the percentage of capital stock attributable to the new shares for which the subscription right is excluded does not exceed 10% of the capital stock in existence at the time the authorization comes into effect or at the time the authorization is exercised, whichever amount is smaller.

The total sum of shares issued for cash or non-cash consideration subject to exclusion of subscription rights under this authorization may not exceed a EUR 3.14m share of capital stock (10% of the current capital stock). Shares issued or sold during the period of this authorization under exclusion of shareholders' subscription right in direct or analogous application of section 186 (3) sentence 4 AktG are to be set against the maximum limit of 10% of the capital stock. The same set-off rule applies to shares to be issued to service bonds with a conversion right or warrant or obligation to exercise a conversion right or warrant to the extent that the bonds are issued during the period of this authorization under exclusion of the subscription right by analogous application of section 186 (3) sentence 4 AktG.

The Management Board is authorized, subject to Supervisory Board approval, to stipulate other details of the capital increase and its execution, including the substantive details of rights attached to shares and the conditions of issue.

We further refer in this connection to our disclosures under "Restrictions on Voting Rights or on the Transfer of Securities".

The capital stock is conditionally increased by up to EUR 6.28m by the issue of up to 6,280,000 new no-par-value bearer shares. The conditional capital increase serves the purpose of granting no-par-value bearer shares to holders of convertible bonds or warrant bonds (or combinations of these instruments) (together "bonds") with conversion rights or warrants or obligations to exercise conversion rights or warrants, which on the basis of the authorization approved by resolution of the Annual General Meeting on June 6, 2019 are issued by or before June 5, 2021 by the Company or a Group company within the meaning of section 18 AktG. Increases in the capital stock effected as a result of exercising other authorizations for the issue of shares based on authorized or conditional capital during the period of this authorization are taken into account against the increase. The new shares will be issued at the conversion or warrant price to be determined in each case in accordance with the authorization resolution described above. The conditional capital increase is to be carried out only to the extent that conversion rights or warrants are used or obligations to exercise a conversion right or warrant are fulfilled and no other forms of fulfillment are employed. New shares issued because

of the exercise of conversion rights or warrants or fulfillment of obligations to exercise conversion rights or warrants participate in earnings from the beginning of the financial year in which they are issued. The Management Board is entitled to stipulate further details with regard to execution of the conditional capital increase subject to Supervisory Board approval.

#### **Material agreements conditional on a change of control following a takeover bid**

The revolving credit facility with a total facility amount of EUR 476.0m, of which EUR 162.6m was drawn, together with drawings of EUR 1.4m on ancillary credit facilities, at the reporting date, may be terminated by the lenders, and would consequently be repayable early and in full, if a third party or several third parties acting in concert were to acquire 50.01% or more of voting rights in Gerresheimer AG.

Promissory note holders are each entitled to call due their promissory notes if any party, or any group of parties acting in concert, directly or indirectly acquires the right to appoint the majority of members of the Supervisory Board of Gerresheimer AG or directly or indirectly acquires more than 50% of the shares or voting rights in Gerresheimer AG.

A change of control following a takeover bid may impact some of our operating contracts featuring change-of-control provisions. These are standard change-of-control clauses that give the other party to the contract a right to terminate the contract prematurely in the event of a change of control.

#### **Compensation agreements for the event of a takeover bid**

In the event of a change of control, Management Board members have a once-only special right to terminate their contracts at six months' notice effective as of the end of the month and to resign as of the end of the notice period. The special right of termination applies solely within three months of the point in time at which the Management Board member gained – or were it not for gross negligence would have gained – knowledge of the change of control. The special right of termination only applies if, at the date notice is given, the contract has a remaining term of nine months or more. If a Management Board member exercises his or her special right of termination, the Company is required to pay termination benefits equal to three times the annual remuneration less amounts paid during the notice period. Annual remuneration is defined as remuneration for the full financial year, including short-term and long-term variable cash remuneration, but excluding long-term share-price-based variable remuneration.

## CORPORATE GOVERNANCE STATEMENT

The Corporate Governance statement pursuant to Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch) is an integral part of the Combined Management Report. In accordance with Section 317 para. 2 sent. 6 of the German Commercial Code, the audit of the disclosures made within the scope of Sections 289f and 315d of the German Commercial Code is to be limited to determining whether disclosures have been made.

### STATEMENT OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Management Board and Supervisory Board of Gerresheimer AG most recently adopted the following Statement of Compliance in accordance with section 161 AktG as follows on September 3, 2020:

“Declaration of the Management Board and Supervisory Board of Gerresheimer AG on the recommendations of the ‘Government Commission on the German Corporate Governance Code’, pursuant to section 161 of the German Stock Corporation Act.

Since the submission of the most recent Statement of Compliance on September 4, 2019 until March 20, 2020, Gerresheimer AG has complied with all recommendations of the ‘Government Commission on the German Corporate Governance Code’ as amended on February 7, 2017, with the exception of such recommendation cited and explained in said Statement of Compliance.

Gerresheimer AG has complied with all recommendations of the ‘Government Commission on the German Corporate Governance Code’ as amended on December 16, 2019 which became effective on March 20, 2020 (‘Code 2020’), since Code 2020 came into effect and will continue to comply with these recommendations in the future, in each case with the following exceptions:

1. The Company will only make available on its website the Rules of Procedure for the Supervisory Board in the future. In this respect, the recommendation in D.1 of the Code 2020 has not yet been complied with.
2. The recommendation in D.7 of the Code 2020, which states that the Supervisory Board should meet on a regular basis without the Management Board, is not being complied with. While the Presiding Committee generally meets regularly without the Management Board, the Supervisory Board only meets regularly without the Management Board when personnel matters relating to the Management Board are to be discussed. In the case of other topics, any non-participation of the Management Board marks a situational exception.
3. Section G.I. of the Code 2020 contains new and in some cases amended recommendations regarding remuneration of the

Management Board. The following such recommendations are either not complied with or not completely complied with by the current remuneration system for Management Board members that was approved by the Annual General Meeting of Gerresheimer AG on April 30, 2015: G.1 (determining the remuneration system), G.3 (disclosure of the appropriate peer group for assessment of adequate compensation), G.10 (variable remuneration predominantly granted as share-based remuneration; accessible only after a period of four years), G.11 (retaining or reclaiming variable remuneration components). On June 9, 2021, the Supervisory Board will present an amended remuneration system for Management Board members to the Annual General Meeting for its approval (pursuant to section 120a (3) of the German Stock Corporation Act).”

The Rules of Procedure for the Supervisory Board are now available on our website.

Also available on our website are the Statements of Compliance issued in the past five years.

### INFORMATION ON CORPORATE GOVERNANCE PRACTICES

Gerresheimer is one of the leading partners to the pharma and healthcare industry worldwide. As manufacturers of products made from glass and plastic for drug packaging and delivery, we make a meaningful and significant contribution to health and well-being.

In this age of increasing globalization as well as growing social and environmental challenges, we are conscious of our corporate responsibility, which goes far beyond the realm of our products. We meet this responsibility actively, comprehensively and sustainably, and are happy to be measured against our principles. In our business activities, we acknowledge our responsibility toward society, our employees, investors, customers, suppliers and the environment. Our corporate social responsibility principles are publicly available at [www.gerresheimer.com/en/company/corporate-social-responsibility](http://www.gerresheimer.com/en/company/corporate-social-responsibility).

The Gerresheimer Group considers effective risk management a key factor in sustaining value for the long term. The management of opportunities and risks is therefore integral to our organizational structure and processes. The risk management system centers on identifying and mitigating operational risks through the monitoring, planning, management and control systems in place within the entities and at headquarters. We have defined guidelines on risk reporting for subsidiaries and key head office functions. Furthermore, we continuously expand our early warning system and adapt it to the latest developments. Core elements of the internal risk management and internal control system are described in the “Report on Opportunities and Risks” section of the Group Management Report.

## COMPOSITION AND PROCEDURES OF THE MANAGEMENT BOARD

Gerresheimer AG is subject to German stock corporation law and consequently has a two-tier management system comprising a Management Board and a Supervisory Board. The Management Board manages the Company autonomously in the Company's interest and is obligated to increase shareholder value on a sustainable basis. It is responsible for preparing the Company's quarterly statements and interim reports, as well as the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report of Gerresheimer AG and the Group. The Management Board ensures compliance with other statutory provisions and mandatory rules, and works to ensure that the subsidiaries of Gerresheimer AG do so likewise. It has established appropriate systems for the structuring of compliance and risk management. The Management Board informs the Supervisory Board regularly, promptly and comprehensively on all issues relevant to the Company with regard to strategy, planning, business performance, the risk situation, risk management and compliance. Significant transactions require the approval of the Supervisory Board.

The Management Board of Gerresheimer AG consists of a minimum of two members. Members of the Management Board are initially appointed for a maximum of three years. Management Board members should not be above the age of 65. The members of the Management Board have joint responsibility for the Company's management, with the individual members each directing the Management Board mandates assigned to them under their own responsibility. Coordination of the Management Board portfolios is the responsibility of the Chief Executive Officer (CEO). The Management Board has not established any committees. The individual members of the Management Board and their portfolios are listed under "Supervisory Board and Management Board". Information on the areas of responsibility and the resumes of the members of the Management Board are available at [www.gerresheimer.com/en/company/management](http://www.gerresheimer.com/en/company/management). Remuneration of Management Board members is set out in the Remuneration Report.

## COMPOSITION AND PROCEDURES OF THE SUPERVISORY BOARD AND ITS COMMITTEES

### SUPERVISORY BOARD

The Supervisory Board advises the Management Board in running the business and oversees its management. It regularly discusses business performance and planning as well as strategy and strategy implementation. The Supervisory Board reviews the Annual and Consolidated Financial Statements and the Combined Management Report of Gerresheimer AG and of the Group together with the proposal for appropriation of retained earnings. It approves the Annual Financial Statements of Gerresheimer AG and adopts the Consolidated Financial Statements, having due regard to the findings of the review by the Audit Committee and the auditor's reports. The Supervisory Board also decides on the appointment and dismissal of Management Board members and their remuneration. On a regular basis, the Supervisory Board's Presiding Committee reviews the composition of the Management Board and the division of responsibilities within the Management Board against the needs of the Group's business activities. In a joint meeting with the Management Board as part of succession planning, the Supervisory Board additionally addressed human resources issues and in particular the systems in place for identifying and promoting management talent within the Group. The Supervisory Board is required to work together with the Management Board to ensure long-term succession planning. Detailed information on the work of the Supervisory Board in the financial year under review is provided in the Report of the Supervisory Board.

Resolutions of the Supervisory Board are normally adopted by simple majority. In the event of a tied vote on the Supervisory Board, the Chairman of the Supervisory Board has two votes if a new ballot on the same matter is held and there is still a tie.

The period of office of the current Supervisory Board members started at the end of the Annual General Meeting on April 26, 2017 and runs to the end of the Annual General Meeting at which a resolution is adopted on the formal approval of the actions of the members of the Supervisory Board for the financial year 2021. The Supervisory Board of Gerresheimer AG comprises twelve members. There are a total of four committees, whose responsibilities and composition are described in the following. In accordance with the German Codetermination Act, the Supervisory Board is composed of equal numbers of shareholder and employee representatives. Shareholder representatives on the Supervisory Board are elected by simple majority at the Annual General Meeting. The employee representatives on the Supervisory Board are elected as stipulated in the German Codetermination Act.

Detailed information on the work of the Supervisory Board in the financial year under review is provided in the Report of the Supervisory Board. The individual members of the Supervisory Board and their mandates are listed under "Supervisory Board and Management Board" and are published at [www.gerresheimer.com/en/company/management](http://www.gerresheimer.com/en/company/management). The information on the website also includes the resumes of the members of the Supervisory Board. Remuneration of Supervisory Board members is set out in the Remuneration Report.

## SUPERVISORY BOARD COMMITTEES

The Supervisory Board has established a total of four committees. Their duties, responsibilities and work processes comply with the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code (the Code), except as otherwise stated in the Statement of Compliance issued by the Management Board and Supervisory Board pursuant to section 161 AktG. The committee chairpersons report regularly at Supervisory Board meetings on the meetings of the committees and their activities.

The **Presiding Committee** prepares the Supervisory Board's personnel-related decisions, notably the appointment and dismissal of Management Board members, appointment of the Chief Executive Officer and decisions regarding Management Board remuneration. In proposals for the appointment of members of the Management Board, the Presiding Committee has regard to the age limit stipulated for Management Board members, long-term succession planning and diversity. It is responsible for approving transactions between the Company and related parties. In addition, the Presiding Committee decides on the approval of contracts and transactions with members of the Management Board and their related parties.

As of November 30, 2020, the Presiding Committee was composed of the following members: Dr. Axel Herberg (Chairman), Francesco Grioli, Markus Rocholz and Udo J. Vetter.

The **Audit Committee** primarily oversees accounting and the accounting processes. It is responsible for the preliminary review of the Annual and Consolidated Financial Statements, the Combined Management Report and the proposal for appropriation of retained earnings. Based on the auditor's report and following its own preliminary review, the Audit Committee prepares the Supervisory Board's decisions on approval of the Annual Financial Statements of Gerresheimer AG and adoption of the Consolidated Financial Statements. The Audit Committee also discusses the quarterly statements and the interim report with the Management Board. It monitors the effectiveness of the internal control system, the risk management system, the internal audit system and compliance. The Audit Committee prepares the Supervisory Board's proposal

to the Annual General Meeting for election of the auditor and submits a corresponding recommendation to the Supervisory Board. It takes appropriate measures to establish and monitor the independence of the auditor. The Audit Committee is also responsible for approving the award of non-audit services to the auditor. It regularly assesses audit quality.

As of November 30, 2020, the Audit Committee was made up of the following members: Theodor Stuth (Chairman), Andrea Abt, Francesco Grioli, Dr. Axel Herberg, Markus Rocholz and Katja Schnitzler.

The **Nomination Committee** nominates suitable candidates for the Supervisory Board to propose at the Annual General Meeting for election of shareholder representatives to the Supervisory Board.

As of November 30, 2020, the Nomination Committee comprised the following members: Dr. Axel Herberg (Chairman), Dr. Peter Noé and Udo J. Vetter.

The **Mediation Committee** presents proposals to the Supervisory Board for the appointment of Management Board members if the required majority of two-thirds of the votes of the Supervisory Board members is not obtained in the first ballot.

As of November 30, 2020, the Mediation Committee comprised the following members: Dr. Axel Herberg (Chairman), Dr. Karin Dorrepaal, Francesco Grioli and Franz Hartinger.

## SELF-ASSESSMENT BY THE SUPERVISORY BOARD

The Supervisory Board regularly assesses the effectiveness with which the Supervisory Board as a whole and its committees perform their responsibilities. Alongside qualitative criteria, the Supervisory Board specifically assesses the Supervisory Board's procedures and the flow of information between the committees and the full Supervisory Board, as well as the timely provision of sufficient information for the Supervisory Board and its committees. The Supervisory Board carried out its most recent self-assessment in October 2019.

## CONFLICTS OF INTEREST

Members of the Management Board and Supervisory Board must disclose any conflicts of interest to the Chairman of the Supervisory Board. In the event of significant conflicts of interest that are not merely temporary in nature, the Supervisory Board member in question must resign from office. In its report to the Annual General Meeting, the Supervisory Board provides information on any conflicts of interest that have arisen and how they have been handled.

## DIRECTORS' DEALINGS

Members of the Management Board and Supervisory Board as well as their related parties are required to disclose transactions involving shares or debt instruments of Gerresheimer AG, or involving related financial instruments, if the value of the transactions reaches or exceeds a total of EUR 20,000 within a calendar year. All transactions made are published and can be viewed on the website.

## SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders of Gerresheimer AG exercise their rights at the Company's Annual General Meeting. At the Annual General Meeting, shareholders resolve as a rule on profit appropriation, formal approval of the actions of the Management Board and Supervisory Board and election of the auditor. In addition, the Annual General Meeting resolves on amendments to the Articles of Association and measures involving changes in capital, which are implemented by the Management Board. The shareholders may exercise their voting rights at the Annual General Meeting themselves or arrange for them to be exercised through a proxy of their choice or a Company-designated proxy who is bound by instructions. They may also make use of postal voting or voting by electronic means.

Due to the special circumstances surrounding the Covid-19 pandemic, the Annual General Meeting on June 24, 2020 was held entirely in virtual form without the physical presence of shareholders or their proxies.

We provide comprehensive information about the Company's development as part of our investor relations activities. Gerresheimer makes intensive use of the Internet for reporting purposes. At [www.gerresheimer.com/en/investor-relations](http://www.gerresheimer.com/en/investor-relations), we publish, among other things, our annual and interim reports, ad hoc announcements and press releases, analysts' presentations and the financial calendar, which lists the main publication dates for financial communications and the date of the Annual General Meeting.

## FINANCIAL ACCOUNTING AND AUDITING

Financial accounting in the Gerresheimer Group is based on the International Financial Reporting Standards (IFRS) adopted by the European Union as of the reporting date together with the supplementary stipulations of German commercial law. The Annual Financial Statements of Gerresheimer AG, on which dividend payments are based, are prepared in accordance with the German Commercial Code (Handelsgesetzbuch/HGB) and the German Stock Corporation Act (Aktiengesetz/AktG).

The auditor is elected by the Annual General Meeting in accordance with statutory provisions. Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte), Duesseldorf, was appointed as auditor for the financial year 2020. Deloitte has audited the Annual Financial Statements of Gerresheimer AG and the Consolidated Financial Statements since the financial year 2009. The German Public Accountants (Wirtschaftsprüfer) signing the Annual Financial Statements of Gerresheimer AG and the Consolidated Financial Statements are René Kadlubowski (since the financial year 2016) and Dennis Klawitter (since the financial year 2020). The statutory requirements and rotation rules under the HGB are met.

## ACT ON EQUAL PARTICIPATION OF WOMEN AND MEN IN EXECUTIVE POSITIONS

By law, the Supervisory Board of Gerresheimer AG must comprise at least 30% men and at least 30% women. As of November 30, 2020, the Supervisory Board is composed of four women and eight men, which equates to 33.3% female membership.

For the Management Board, the Supervisory Board set a target in April 2017 of one woman, to be complied with by April 26, 2022.

In the financial year 2018, the Management Board of Gerresheimer AG set targets for the percentage of women at the first and second management levels below the Management Board at 20% and 33% respectively, to be complied with by June 30, 2023.

## DIVERSITY POLICY FOR THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

### MANAGEMENT BOARD

The Supervisory Board considers a wide variety of aspects when selecting members of the Management Board, notably including the following:

- › Members of the Management Board are expected to have held management responsibility for several years;
- › The Management Board as a whole is required to have several years of experience in the areas of production, sales, finance, planning, human resources management, legal affairs and compliance;
- › At least one member of the Management Board is required to have capital market experience;
- › Members of the Management Board are expected to have international experience;
- › Management Board members should not be over the age of 65;
- › Management Board positions must be filled having due regard to the target set by the Supervisory Board for the percentage of women on the Management Board.

At the recommendation of the Presiding Committee, the Supervisory Board decides on a case-by-case basis who is to be appointed to a given position on the Management Board.

## SUPERVISORY BOARD

The Supervisory Board must be composed in such a way that its members as a group possess the knowledge, skills and professional experience required to properly complete their tasks. In addition, the statutory gender quota must be complied with and due allowance made for diversity. Specifically, the Supervisory Board has defined the following objectives and skill sets for its composition:

- › Sufficient representation on the Supervisory Board of members with experience in the fields of business management, strategy and human resources, Company-specific knowledge of the industry, specific knowledge on the customer side and knowledge of accounting principles, internal control procedures and auditing;
- › At least one member of the Supervisory Board should have several years' professional international business experience or be of foreign nationality;
- › The maximum age limit for members of the Supervisory Board is set at 70, meaning that the term of office of a Supervisory Board member ceases at the end of the first Annual General Meeting following the member's 70th birthday;
- › At least four out of six shareholder representatives should be independent of the Company and the Management Board;
- › No active role with customers or suppliers of Gerresheimer AG or any of its subsidiaries;
- › No position held on a governing body, no consulting for significant competitors of Gerresheimer AG or any of its subsidiaries and no personal ties with any significant competitor;
- › Members of the Supervisory Board who are also members of the management board of a publicly listed company are not to occupy more than a total of two supervisory board mandates or comparable positions at publicly listed companies;
- › Members of the Supervisory Board who are not also members of the management board of a publicly listed company are not to occupy more than a total of five supervisory board mandates or comparable positions at publicly listed companies (a mandate as supervisory board chairperson is counted twice);
- › No more than two members of the Supervisory Board should be former members of the Management Board.

The current composition of the Supervisory Board is consistent with the above-mentioned objectives and the profile of skills and experience.

The Supervisory Board should include independent members in a number it deems to be sufficient. At least four out of six shareholder representatives on the Supervisory Board should be independent of the Company and the Management Board. The chairperson of the Supervisory Board, the chairperson of the Audit Committee and the chairperson of the Presiding Committee should be independent of the Company and the Management Board. The chairperson of the Audit Committee also should be independent of any controlling shareholder. Criteria laid down to establish independence include the following:

- › No personal or business relationship with Gerresheimer AG or its Management Board that may cause a substantial and not merely temporary conflict of interest;
- › The Supervisory Board member in question or a close family member of the Supervisory Board member has not been a member of the Management Board of Gerresheimer AG in the two years prior to appointment; does not currently maintain, will not maintain until appointment and has not maintained in the year prior to appointment a material business relationship with Gerresheimer AG or any of its affiliated companies (e.g. as customer, supplier, lender or advisor), directly or as a shareholder, or in a leading position of a non-group entity, is not a close family member of a Management Board member and has not been a member of the Supervisory Board for more than twelve years.

Applying the above-mentioned criteria, all shareholder representatives on the Supervisory Board determined on September 3, 2020 that the six current shareholder representatives on the Supervisory Board – Dr. Axel Herberg, Andrea Abt, Dr. Karin Dorrepaal, Dr. Peter Noé, Theodor Stuth and Udo J. Vetter – are independent of the Company and of the Management Board. Although Theodor Stuth and Udo J. Vetter have been members of the Supervisory Board for more than twelve years, both members are to be regarded as independent taking all criteria into account.

## REPORT ON OPPORTUNITIES AND RISKS

### UNIFORM GROUP-WIDE MANAGEMENT OF OPPORTUNITIES AND RISKS

As a globally operating company, we are regularly confronted with developments and events that can have either a positive or a negative effect on our net assets, financial position and results of operations. It is only our willingness to enter into entrepreneurial risks that enables us to seize opportunities. Up to a defined risk tolerance level, we therefore consciously enter into risks if they offer a balanced opportunity-risk profile.

We fundamentally address risk management and opportunity management separately. Our risk management system identifies, assesses and documents risks and supports their monitoring. Opportunities, on the other hand, are identified and communicated as an integral part of regular communications between the subsidiaries and the control function at Gerresheimer AG in its capacity as holding company.

The central element of the risk management system consists in identifying and mitigating operational risks through the monitoring, planning, management and control systems in place within the entities and the management holding company. In our risk management strategy, we aim to identify risks as early as possible, to assess them, to prevent or mitigate potential impacts by taking suitable actions and, where applicable, to transfer identified risks to third parties. Not even a risk management system can provide an absolute guarantee that risks will be avoided. But it does help us in limiting them and hence in attaining our business targets.

Responsibility for establishing and effectively maintaining the risk management system lies with the Management Board and Supervisory Board of Gerresheimer AG. The legal representatives of our operating companies and the management of key head office functions are additionally involved in monitoring, promptly identifying, analyzing, managing and communicating risks. We have drawn up guidelines on risk reporting for our subsidiaries and key head office functions. Furthermore, we continuously fine-tune our risk management system and adapt it to current developments and conditions.

To coordinate risk management throughout the Group and foster an integrated risk management philosophy, the Management Board of Gerresheimer AG has established a Risk Committee.

This is composed of the Chief Financial Officer, who chairs the committee, and the heads of Controlling, Internal Audit, Legal Affairs & Compliance, Accounting, and Global Risk Management & Insurance. Its primary remit is to scrutinize risks in the risk report as well as to further improve and monitor methods and tools in the risk management system. The Risk Committee meets on a half-yearly basis in step with the schedule for risk reporting to the Management Board and Supervisory Board.

The main elements of the Group-wide risk management system are as follows:

- › Uniform, periodic risk reporting to head office by subsidiaries
- › Regular risk assessment in key central departments
- › Risk segmentation into corporate-strategy, external and industry-specific, operational and financial risks
- › Quantification of risks in terms of potential financial impact and probability
- › Recording of effects on profit or loss by business unit
- › Mitigation and risk reduction by loss prevention and risk transfer

Where identified risks are already included in operational and strategic plans, in our forecast or in monthly, quarterly or annual financial statements, they are not included in risk reporting. This avoids double counting in Gerresheimer AG's risk management system. Risks are similarly excluded where no further assessment is needed to determine that the probability of occurrence is effectively nil (such as the risk of disastrous earthquakes in Germany). Risk reporting covers risks but not opportunities.

The Gerresheimer Group applies a number of risk management principles. These stipulate zero risk tolerance for breaches of official regulations and laws or the Company's compliance requirements, as well as for defective products and product quality shortfalls.

As a process-independent element of our risk management system, the Internal Audit Department appraises the effectiveness and proper functioning of the early warning system at regular intervals. In addition, the external auditors assess the early warning system as part of the audit of the Annual Financial Statements and report on this to the Management Board and Supervisory Board. Our early warning system is in full conformity with statutory requirements and also with the German Corporate Governance Code.

## **INTERNAL CONTROL SYSTEM IN RELATION TO THE FINANCIAL REPORTING PROCESS**

The Consolidated Financial Statements of the Gerresheimer Group are prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the European Union and with the supplementary requirements applicable under section 315e (1) of the German Commercial Code (Handelsgesetzbuch/HGB). The Annual Financial Statements of Gerresheimer AG are prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act (Aktiengesetz/AktG).

The overriding objective of our internal control and risk management system in relation to the financial reporting process is to ensure compliance in financial reporting. Establishing and effectively maintaining adequate internal controls over financial reporting is the responsibility of the Management Board and Supervisory Board of Gerresheimer AG, which assess the adequacy and effectiveness of the control system at each financial year-end.

We prepare the Consolidated Financial Statements in a multistage process using recognized consolidation systems. The audited, preconsolidated financial statements of the subgroups and the audited or reviewed financial statements of the other subsidiaries are combined to produce the Consolidated Financial Statements of Gerresheimer AG. Gerresheimer AG has responsibility for the uniform Group-wide chart of accounts, for carrying out central consolidation adjustments as well as for scheduling and organizing the financial statements preparation process.

Uniform guidelines on accounting in accordance with IFRS are in place for the subsidiaries included in the Consolidated Financial Statements. These include a description of the general consolidation methods as well as the applicable accounting policies in accordance with IFRS. Continuously updated to reflect changes to the IFRSs, the guidelines are available on the Gerresheimer intranet to all employees at subsidiaries. There is also a binding schedule for the financial close process.

In the course of the financial close process, the balance sheet, income statement and statement of comprehensive income are entered into the system along with information relevant to the cash flow statement, the statement of changes in equity, the notes and the management report. Effective maintenance of the system is provided centrally by Group Accounting. In addition to the automated checks that are in place, manual data completeness and accuracy checks are carried out by the operating companies and head office. The professional aptitude of employees involved in the financial reporting process is examined during their selection process, after which they receive regular training. We fundamentally apply the dual control principle. Other control mechanisms are target-performance comparisons as well as analyses of the content of and changes in the individual items. Accounting ensures that function-related information is reported by the relevant departments and incorporated into the Consolidated Financial Statements. Our Internal Audit Department reviews the effectiveness of the controls implemented at the subsidiaries and head office in order to ensure compliance with financial reporting guidelines. As part of the 2020 year-end audit, the independent auditors examined our early warning system in accordance with section 317 (4) HGB in conjunction with section 91 (2) AktG.

We prepare the Annual Financial Statements of Gerresheimer AG using the SAP software system. Day-to-day accounting and the preparation of the Annual Financial Statements are divided into functional process steps. Either automated or manual controls are integrated into all process steps. The organizational arrangements ensure that all business transactions and the preparation of the Annual Financial Statements are recorded completely, in a timely and accurate manner and are processed and documented within the appropriate time frame. The relevant data from Gerresheimer AG's single-entity financial statements is transferred into the consolidation system and adjusted as necessary to comply with IFRS.

The Supervisory Board is also involved in the control system through its Audit Committee. In particular, the Audit Committee oversees the financial reporting process, the effectiveness of the control, risk management and internal audit systems as well as the audit of the financial statements. It is also responsible for checking the documents related to Gerresheimer AG's annual financial statements and the consolidated financial statements, and discusses with the Management Board and the auditors Gerresheimer AG's annual financial statements, the consolidated financial statements and the combined management report.



## OPPORTUNITIES OF FUTURE DEVELOPMENTS

The Gerresheimer Group has a wide range of opportunities open to it due to its extensive, global business activities. These are primarily driven by the megatrends described under “Strategy and Objectives”. They provide numerous opportunities for profitable, sustainable growth. We undertook capital expenditure on numerous growth and capacity expansion projects in the financial year 2020 and will continue to do so in 2021. Many of our innovative products are already commercially available and others will follow. Our strong innovation pipeline is based on our technical development centers and small-batch production for medical plastic systems and syringes, our glass and innovation center in the USA together with the innovative capacity strength of our Advanced Technologies Division.

Under our strategy (see under “Strategy and Objectives”), we have adopted goals and launched measures geared to generating profitable, sustainable growth on the basis of these diverse opportunities.

## RISKS OF FUTURE DEVELOPMENTS

The Gerresheimer Group is exposed to a wide range of risks due to its extensive, global business activities. To the extent that the criteria for accounting recognition are met, appropriate provision has been made for all identifiable risks.

The following sections describe risks that could affect the Gerresheimer Group’s net assets, financial position and results of operations. The probability of occurrence of these risks is assessed according to the following criteria:

- › Improbable = Probability of occurrence less than 10%
- › Possible = Probability of occurrence between 10% and 50%

Risks with a probability of occurrence of more than 50% are recognized and taken into account in planning where possible.

The potential financial implications of these risks are assessed by the following criteria:

- › Moderate = Net loss of up to EUR 10m
- › Significant = Net loss of more than EUR 10m

The net loss relates to the potential loss in the event of a risk materializing, taking into account the effects of risk mitigation measures.

## OVERVIEW OF RISKS AND THEIR FINANCIAL IMPLICATIONS

	Probability	Possible implications
<b>Business strategy risks</b>		
Risks from acquisition	possible	significant
Product launches	possible	significant
<b>External and industry-sector-specific</b>		
Customer market risks	possible	moderate
Macroeconomic risks	possible	significant
Risks of change in the regulatory environment	possible	moderate
Risks from the future development of state healthcare systems	possible	significant
Tax risks	improbable	moderate
<b>Operational risks</b>		
Productional risks	improbable	significant
Product liability risks	possible	moderate
Energy and raw material prices	possible	moderate
Human resources risks	possible	moderate
IT risks	possible	moderate
Legal risks	possible	moderate
<b>Financial risks</b>		
Currency and interest rate risk	improbable	moderate
Credit risk	improbable	significant
Liquidity risk	improbable	moderate

Existing risks are discussed in detail in the following.

## BUSINESS STRATEGY RISKS

### RISKS FROM ACQUISITIONS

#### Potential impacts:

Acquisitions are an integral part of our strategy. Corporate acquisitions harbor the risk of not all material risks being identified in due diligence. Despite careful due diligence, changes in circumstances can mean that initial targets are not met in whole or in part. With a view to the dynamic position, especially in the Advanced Technologies Division as innovation driver, we assess the probability of occurrence as possible.

#### Countermeasures:

Functional departments and, where applicable, outside specialists are involved from an early stage to ensure close scrutiny of acquisition projects during due diligence. The process as a whole is managed by our Corporate Mergers & Acquisitions Department in collaboration with the divisions. We aim to identify risks as early as possible by closely and continuously monitoring the market and competition, and to mitigate or minimize them by taking suitable countermeasures.

## RISKS FROM PRODUCT LAUNCHES

### Potential impacts:

The development of innovative products and their market launch – in close consultation with our customers – is a key component of our growth strategy. In the context of our management responsibility, we are fully aware that this entails risks as well as opportunities. Despite our best efforts, we cannot guarantee that our developments will reach fruition and new products will be commercially successful.

### Countermeasures:

On the basis of comprehensive market analyses and contracts with customers, we ensure that the opportunities arising from a successful product launch are maximized and potential risks minimized.

## EXTERNAL AND INDUSTRY-SPECIFIC RISKS

### CUSTOMER MARKET RISK

#### Potential impacts:

Business-cycle risks relating to macroeconomic developments can restrict our market prospects and thus put sales at risk. Demand could also develop negatively due to conscious purchasing restraint on the part of our customers. If the market were not ready to absorb additional supply volumes, competitive pressure could increase for an interim period as a result. Furthermore, within the scope of existing capacity, competitors could try to gain additional or regain lost market share by increasing supply. A fall in demand could also lead to increasing competitive pressure. Significant changes in capacity and capacity utilization, increases in supply by individual competitors within the scope of existing capacity and longer-run reductions in demand could have a substantial impact on pricing and/or on sales opportunities.

#### Countermeasures:

To improve competitiveness, we are working among other things to further improve our cost structure and organizational structure and to expand our product portfolio. We watch the market and aim to make targeted use of opportunities. In the event of sustained changes, we apply measures such as focusing capacity utilization on high-productivity production plants.

### MACROECONOMIC RISKS

#### Potential impacts:

For the Gerresheimer Group, the performance of the global economy has a key impact on growth. The Covid-19 pandemic triggered a global recession in 2020 and, contrary to the original forecasts, caused the global economy to contract for the first time since the

2009 financial crisis. In its forecast (as of October 2020), the IMF expects global economic output to have fallen by 4.4% in 2020 and anticipates a return to the growth trend with positive economic growth of 5.2% in 2021. Any slowdown in global economic growth therefore represents a risk for the Gerresheimer Group's revenue and earnings performance.

#### Countermeasures:

We meet this risk by constantly monitoring global economic trends. In the event of any change, we apply measures such as focusing capacity utilization on high-productivity production plants. The Gerresheimer Group also has in place a pandemic crisis plan, enabling us to respond swiftly at any time to any developments so as to ensure business continuity at our production locations. This is managed by the global Covid-19 crisis team and local crisis teams at the production locations.

### RISKS OF CHANGE IN THE REGULATORY ENVIRONMENT

#### Potential impacts:

Regulatory requirements tend to increase in quantity and scope from year to year. While delivering major benefits to patients, this presents major challenges for everyone in the market. Especially in European industrialized countries and the USA, policymakers attach great importance to proof of significant therapeutic added value before new drugs are approved. For this reason, the competent authorities usually carry out a detailed cost-benefit analysis before any new drug can be released onto the market. This creates risk with regard to the timing and volume of new drug launches and corresponding risk to sales of our primary packaging. Furthermore, rising quality expectations among our customers can create a need for increased capital expenditure.

#### Countermeasures:

We address these risks by working continuously on our own quality requirements. In addition, we back up our customers' sales forecasts with our own analysis. As a result of our continuous quality improvement measures, we assess the financial impact as moderate.

### RISKS FROM THE FUTURE DEVELOPMENT OF STATE HEALTHCARE SYSTEMS

#### Potential impacts:

In the financial year 2020, Gerresheimer generated the majority of revenues with the pharma and healthcare industry. Governments and health insurance funds in Europe and the USA have endeavored to curb the rate of increase in healthcare costs in recent years. This has led to increased price pressure on the

pharma industry, where the need for cost control has intensified due to limited patent protection and the constant rise in product development costs. This trend can similarly lead to increasing price pressure on our products, although generally only a small percentage of the total price a consumer pays for medication relates to pharmaceutical primary packaging. If the price pressure is not offset by cost reductions or enhanced efficiency, this could have a significant negative impact on our net assets, financial position and results of operations.

**Countermeasures:**

Early identification of such developments as they emerge and active portfolio management are therefore important elements of corporate management. The Gerresheimer Group's international and multi-market presence also means that it is better placed to make up for cyclic fluctuations in individual markets and countries than other companies lacking such a global lineup.

**TAX RISKS**

**Potential impacts:**

Due to the globalization of its business, the Gerresheimer Group must take into account a wide variety of international and country-specific rules laid down by tax authorities. Tax risks can arise from failing to fully comply with tax rules or due to differences in the tax treatment of specific matters and transactions. In particular, tax audits and any resulting audit findings involving interest and additional tax payments may have a negative impact on the Group. Due to timely tax audits and the results of these in the past, we consider the probability of material findings to be low. We therefore assess the probability of occurrence as improbable.

**Countermeasures:**

Tax risks are regularly and systematically examined and assessed. Any resulting risk mitigation measures are agreed between Gerresheimer AG Group Tax and subsidiaries. In addition, Group-wide tax compliance guidelines serve to document and verify effective tax compliance management with the aim of systematically and preventively ensuring compliance with statutory requirements and obligations together with internal Group tax guidelines.

**OPERATIONAL RISKS**

Our definition of operational risks includes operating, human resources and safety risk. Such risks are mitigated by taking out adequate insurance cover and by placing stringent requirements on production, project and quality management.

**PRODUCTION RISKS**

**Potential impacts:**

Unfavorable circumstances and developments can lead to business interruptions and damage at our plants. Alongside the cost of damage repair, the main risk is of a business interruption leading to production downtime and thus jeopardizing the fulfillment of our contractual obligations to customers. Based on our track record of losses, the loss frequency for our business is very low while the potential financial impact is high.

**Countermeasures:**

To counter the risk of unplanned, longer-run production plant stoppage or downtime, the Gerresheimer Group has established ongoing plant inspections and preventive maintenance. We also continuously modernize our existing production systems and invest in new, more modern plant and machinery. The Gerresheimer Group uses insurance policies to guard against the financial impacts of potential damage and associated production downtimes together with any liability risk. By transferring risk to insurers in this way, we ensure that the financial impact is limited to the agreed deductible. The financial implications for the Group are therefore assessed as moderate. We currently insure possible own loss or damage at replacement value under all-risk property and other insurance policies. An all-risk business interruption policy, which like the all-risk property policy is subject to appropriate deductibles, currently protects us against potential loss of earnings in the event of business interruption at our plants. The scope and substance of these insurance policies are continually reviewed and modified as needed by our Global Risk Management & Insurance department. As a result of insurance market developments, there is no guarantee that Gerresheimer will be able to obtain adequate insurance cover in the future at present terms and conditions. We thus rate the potential financial impact to be significant.

## PRODUCT LIABILITY RISKS

### Potential impacts:

Despite internal measures to ensure product quality and safety, the Gerresheimer Group cannot rule out the possibility of loss or damage for customers and consumers from the use of packaging products and systems manufactured. More exacting customer requirements in the direction of zero defect tolerance pose special challenges for quality assurance. Potential product liability risks are illustrated by the following examples: The supply of defective products to customers could result in damage to production facilities or even cause business interruption. For us, this could also mean loss of reputation for the Gerresheimer Group. Furthermore, in combination with medicines and ingredients sold by its pharma and healthcare industry customers, faulty products produced by the Gerresheimer Group could pose a health hazard to consumers. It cannot be ruled out that the Group might lose customers as a result of any such event. Gerresheimer could also be exposed to related liability claims such as claims for damages from customers or product liability claims from consumers. Any product liability claims made against Gerresheimer, especially in class actions in the USA, could be substantial. There is also the risk of the Group potentially having to bear considerable costs for recalls. As these examples show, negative impacts on the Gerresheimer Group's net assets, financial position and results of operations cannot be ruled out.

### Countermeasures:

To avoid product liability claims, the Gerresheimer Group applies extensive quality assurance measures. The quality assurance and defect resolution process applied to our products is subject to continuous improvement and refinement. In addition, product liability and recall cost insurance fully covers any claims and liability risks incurred, meaning that risk is largely transferred and the potential financial impact is assessed as moderate.

## RISKS FROM ENERGY AND RAW MATERIAL PRICES

### Potential impacts:

Our energy requirements are consistently high, due in particular to the energy-intensive combustion and melting processes in our high-temperature furnaces. A significant rise in energy prices can have an impact on the Gerresheimer Group's results of operations.

Another significant portion of production costs relates to raw materials for the manufacture of glass and plastic. In the manufacture of plastic products, we are reliant on intermediary products such as polyethylene, polypropylene and polystyrene. The prices of these products largely depend on oil price trends.

### Countermeasures:

To cushion against rising energy costs, we make use of the special compensation arrangement in Germany for energy-intensive companies under section 64 of the Renewable Energy Act and also hedge against increases in energy prices. We have additionally agreed price escalation clauses in a number of contracts with customers. Over and above these, price fluctuations in the procurement markets for raw materials are largely offset by hedging, productivity gains and price increases. In the overall appraisal, we assess the financial impact as moderate.

## HUMAN RESOURCES RISKS

### Potential impacts:

The technical expertise and individual commitment of our employees are crucial to the successful implementation of our growth-driven corporate strategy. Training, recruiting and securing the long-term loyalty of sufficient numbers of qualified personnel will remain extremely important for our Company in the future. Failure to do so could have a considerable impact on our business success. Demographic change and the resulting potential skills shortage pose additional personnel risks in the medium to long term.

### Countermeasures:

We counter these risks by positioning ourselves as an attractive employer worldwide. Elements in this include competitive pay, occupation-specific and technical training and continuing education, structured succession planning (talent management) and individual fostering of young talent. As a global Group, we also operate diversity-oriented personnel policies and employ target group-specific personnel marketing.

## IT RISKS

### Potential impacts:

Increasing use is made of computer-aided business processes as well as of IT systems for internal and external communications. Major disruption to – or even failure of – such systems can cause data loss and obstruct business processes. IT risks consequently relate to a complete failure of the Gerresheimer ERP system and therefore the risk of no longer being able to maintain system-driven operation of the Group's business processes. There is also the risk of the central directory service going offline and with it all Windows users in the Company. Failure of the wide area networks (WAN) would also be critical, as these are used to transfer data between all Gerresheimer locations.

#### **Countermeasures:**

IT systems are standardized, harmonized, reviewed and improved Group-wide to ensure that our business processes function smoothly at all times. Minimum sectoral IT standards such as backups, redundant data links and distributed data centers help to minimize downtime risk. In the course of instituting measures for the European Union General Data Protection Regulation, technical and organizational minimum standards were established for all locations. To mitigate the risk of directory failure, the systems are designed to cover all sites and thus incorporate multiple redundancy. In order to reduce logical errors in the central WAN, services are overlaid with a software-defined network.

Our IT Governance and IT Compliance functions ensure that statutory, internal corporate and contractual requirements are met and implemented.

#### **LEGAL RISKS**

##### **Potential impacts:**

As an international enterprise, the Gerresheimer Group must comply with differing laws in different jurisdictions. This can result in a wide range of risks relating to contract, competition, environment, trademark and patent law.

##### **Countermeasures:**

We limit such risks by means of legal appraisal by our internal legal departments and by consulting external specialists on national law in the jurisdictions concerned.

We have established a global Compliance Management System to ensure compliance with laws and regulations worldwide, especially in the areas of corruption prevention, antitrust law and capital market law. All board members as well as employees of Gerresheimer AG and of all subsidiaries must abide by our compliance guidelines. Adherence to the law and conformity with the guidelines under the Gerresheimer Compliance Program are of paramount importance to Gerresheimer AG and its affiliated companies.

We have no knowledge of risks from legal disputes that could have a significant impact on the Gerresheimer Group's net assets, financial position and results of operations.

#### **FINANCIAL RISKS**

We are exposed to financial risks in our operating activities. The responsible Group Treasury Department centrally monitors the financial risks facing the Group by means of Group-wide financial risk management. The Group manages identified risk exposures by using appropriate hedging strategies on the basis of clearly defined guidelines.

#### **CURRENCY AND INTEREST RATE RISK**

##### **Potential impacts:**

As a company headquartered in Germany, our Group and reporting currency is the euro. Given that we conduct a large part of our business outside of the eurozone, exchange rate fluctuations can have an impact on earnings. The greater volatility of exchange rates in recent years has increased related opportunities and risks. We are additionally exposed to interest rate risk in borrowing. Interest rate fluctuations can alter the interest burden on existing debt and the cost of refinancing.

##### **Countermeasures:**

We limit exchange rate risks in operating activities by using forward exchange contracts. The Group uses derivative financial instruments exclusively to hedge risk in connection with commercial transactions. We contain interest rate risk where necessary by entering into interest rate swaps.

#### **CREDIT RISK**

##### **Potential impacts:**

Credit risk on primary and derivative financial instruments comprises the risk of counterparties being potentially unable to meet their contractual payment and fulfillment obligations.

##### **Countermeasures:**

Through our credit and receivables management function as well as operating company sales functions, we monitor credit risks resulting from the Group's trade relationships. Our customers undergo internal credit checks on an ongoing basis in order to avoid losses on receivables. Receivables from customers lacking a top credit rating are insured where insurance cover is available. To avoid credit risks from financial instruments, such instruments are only entered into with parties having top credit ratings.

#### **LIQUIDITY RISK**

##### **Potential impacts:**

There is the risk of not being able to fulfill existing or future payment obligations due to insufficient availability of funds.

##### **Countermeasures:**

The Group's liquidity situation is monitored and managed on the basis of multi-year financial planning and monthly liquidity planning. To safeguard liquidity, the Gerresheimer Group additionally has available a revolving credit facility and several promissory loans with maturities up to 2027. Reference is also made here to the quarterly meetings of the Investment Committee and its liquidity monitoring function.

Further information on the financial risks and their management is provided in the Notes to the Consolidated Financial Statements under "Financial Risk Management and Derivative Financial Instruments".

## **RISKS RELATING TO THE CSR DIRECTIVE IMPLEMENTATION ACT**

Information on our sustainability risks can be found in the non-financial group declaration under "Corporate Responsibility and Sustainability at Gerresheimer".

## **OVERALL ASSESSMENT OF THE GROUP RISK SITUATION**

The Gerresheimer Group has a wide range of opportunities open to it due to its extensive, global business activities (see "Megatrends" in the "Strategy and Objectives" section). We are active in global growth markets with our core businesses of manufacturing pharmaceutical primary packaging, drug delivery devices and packaging for cosmetics. Growing demand for vaccines and self-medications, together with the paradigm shift from small molecules to biologics and biosimilars, will further boost the market for injectable drugs. With its global footprint and broad product portfolio, Gerresheimer is well positioned in attractive niche markets. For a market-leading manufacturer of packaging and glass syringes for vaccines such as Gerresheimer, even the Covid-19 pandemic presents opportunities from a commercial perspective. Our capital expenditure in the financial year 2020 and the planned capital expenditure on numerous growth projects in the financial year 2021 enhance our future potential for profitable, sustainable growth.

The basis for the Management Board's overall assessment of the risk situation is provided by our risk management system. The risk reporting process collates all risks reported by subsidiaries and head office functions. Risk reporting to the Management Board and the Supervisory Board follows a regular cycle.

Despite the Covid-19 pandemic, there was no significant change in the Gerresheimer Group's risks in the financial year 2020 compared to the prior year. Based on our overall risk assessment, there are currently no risks that raise doubt about the ability of the Gerresheimer Group or Gerresheimer AG to continue as a going concern or that could have a material effect on its net assets, financial position and results of operations.

The revolving credit facility is subject to a financial covenant in line with prevailing market practices. This is described under "Financing instruments". The stipulated financial covenant pursuant to the credit line agreement in force was complied with in the financial years 2019 and 2020. Based on our multiple-year budget, we project that this financial covenant will continue to be met in the future.

# **OUTLOOK**

## **GROUP STRATEGIC OBJECTIVES**

The following statements on the future business performance of the Gerresheimer Group and of Gerresheimer AG, and the assumptions about the economic development of the market and industry deemed significant for this purpose, are based on our assessments, which we consider realistic at the present time based on the information we have available. Those assessments are subject to uncertainty, however, and entail the unavoidable risk that actual performance may vary in direction or magnitude from the projected performance.

## **DEVELOPMENT OF THE ECONOMIC ENVIRONMENT**

The IMF expects a global economic recovery in 2021 and forecasts world economic growth of 5.2% (as of October 2020). This returns the global gross domestic product (GDP) in 2021 to just above the level of 2019, the year before the Covid-19 pandemic. According to the experts, the economic upturn that started in the third quarter of 2020 is likely to amplify steadily in 2021.

Regional trends vary, however: Although the IMF experts expect industrialized nations to grow by 3.9% in 2021, that would still leave GDP two percentage points short of 2019. Emerging and developing economies are already expected to exceed the 2019 GDP level in 2021. GDP in emerging and developing countries is expected to grow by 6.0% in 2021, which is some 2.5 percentage points higher than the figure for 2019.

For the USA, the IMF forecasts growth of 3.1% for 2021, compared with a 4.3% contraction in 2020.

The eurozone is expected to see a stronger economic recovery than the USA. Growth there is projected to be 5.2%. On the other hand, the 8.3% contraction in 2020 was also significantly greater than the decrease in the USA. At 4.2%, growth in Germany is expected to be weaker in 2021 than in the eurozone as a whole.

According to the experts, China is forecast to grow more strongly again with an increase of 8.2%, following significantly lower growth of 1.9% in 2020 than in preceding years. The robust recovery of the Chinese economy is partly due to the fact that China came out of the first lockdown in the fight against the Covid-19 pandemic much earlier than, for example, the USA or Europe as well as partly to government support programs and to export trade that was not hit

as hard in the further course of the pandemic. India is expected to achieve stronger growth of 8.8%, but this follows a very sharp, 10.3% decline in the economy in 2020. At 2.8%, anticipated growth in Brazil, on the other hand, is relatively moderate compared to the other nations.

## EXPECTED RESULTS OF OPERATIONS

Our overarching Group objective is to become the leading global partner for enabling solutions that improve health and well-being. To achieve this, we aim to generate sustainable and profitable growth and extend our global reach.

We expect to generate revenue growth in the **Plastics & Devices Division** in the financial year 2021. Our drug delivery devices remain the main revenue and growth driver in this segment. These primarily comprise autoinjectors, inhalers, insulin pens and prefillable syringes. Overall, our business in this division is firmly on track for growth thanks to clear, intact megatrends, and will continue to grow in the coming financial year, especially in terms of inhaler and syringe sales. Products and solutions for biotech-based drugs in particular play an increasingly important role in this context. This is also reflected in the capital expenditure on capacity expansion in syringe production at our location in Buende (Germany) and in the addition of syringe production at the new plant for drug delivery devices in Skopje (Republic of North Macedonia). A further focus of capital expenditure relates to a major contract for the production of autoinjectors in Pfreimd (Germany).

Revenues from our plastic pharmaceutical primary packaging products are expected to continue performing well in Europe and the USA in the financial year 2021. We have special expectations for revenue growth in the emerging markets of Brazil, India and China. In the USA, we are investing in a new location as well as in diversification of the product portfolio.

For our **Primary Packaging Glass Division**, we forecast revenue growth with our glass primary packaging, such as injection vials, ampoules, pharma jars, perfume flacons and cream jars. We will continue to invest in automation as well as in expanding our global capacity and product portfolio in the financial year 2021, especially with regard to superior-quality products. Three furnace expansions will take place in 2021 to increase capacity in the Moulded Glass Business Unit – two at European plants and one at a plant in India. In the Tubular Glass Business Unit, we are investing in capacity

expansion for the production of injection vials. We expect revenue growth in all regions with products for both the pharmaceutical and the cosmetics industry.

The **Advanced Technologies Division** will continue its systematic development in the financial year 2021 as the Gerresheimer Group's innovation and digitalization hub. In parallel, the division will continue to advance market penetration with the already available micro pump for self-treatment of Parkinson's disease. Regarding our project for the development of a micro pump for the treatment of heart disease, we are supporting our partner in the approval process. We are likewise developing micro pump technology for the delivery of large-molecule biological drugs. In addition, a platform is under development for smart, precision inhalation measurement systems.

On a continuous basis, we weigh potential acquisitions and collaborations with universities, other trading partners and customers in order to further enhance Gerresheimer's positioning as the solutions provider for the pharma and healthcare industry.

## EXPECTED FINANCIAL SITUATION AND LIQUIDITY

The Gerresheimer Group had EUR 88.0m in cash and cash equivalents as of November 30, 2020 (prior year: EUR 85.8m). Under the revolving credit facility – plus ancillary credit facilities – with a total facility amount of EUR 476.0m (prior year: EUR 550.0m), we had EUR 312.0m available in undrawn amounts as of the reporting date (prior year: EUR 231.2m). This puts us in a sound financial position.

The maturities of the promissory loans are spread as follows over the next five years and beyond:

In EUR m for the financial years	Promissory loans (nominal value)
2021	–
2022	305.5
2023	163.0
2024	109.0
2025	187.5
after 2025	45.5
<b>Total</b>	<b>810.5</b>

The revolving credit facility matures in financial year 2025.

## OVERALL OUTLOOK ASSESSMENT

Our Company is well equipped for the financial years ahead. We have a sound financial base, long-range financing and a clear-cut corporate strategy founded on long-term megatrends. We are in the process of transforming Gerresheimer into a growth stock as innovation leader and solution provider. The goal in all activities is profitable and sustainable growth. We will continue to globalize our Company and take attractive technologies into our portfolio. Alongside organic growth that we plan to finance out of operating cash flow, acquisitions subject to careful appraisal of opportunities and risks will continue to play an instrumental role. We are very well placed to systematically act on the potential opportunities arising from innovations or a consolidation of our industry.

### GERRESHEIMER GROUP

The Gerresheimer Group pursues a successful, clear-cut strategy geared to sustainable and profitable growth. Our expectations for the financial year 2021, in each case assuming constant exchange rates and excluding acquisitions and divestments, are set out in the following.

The most important currency after the euro continues to be the US dollar with a share of just under 30% of revenues and just below 40% of adjusted EBITDA in 2021. As before, a rise or fall in the US dollar by about one cent against the euro has an impact of around EUR 4m on revenues and EUR 1m on adjusted EBITDA.

### OUTLOOK FOR THE FINANCIAL YEAR 2021

#### Revenues and adjusted EBITDA

We anticipate revenue growth in the mid-single-digit percentage range<sup>5</sup> for our core business<sup>6</sup> in the financial year 2021, as against the comparative figure at constant exchange rates for the financial year 2020 of EUR 1,390.1m<sup>7</sup>. For adjusted EBITDA in our core business, we expect growth in the mid-single-digit percentage range for the financial year 2021, versus a comparative adjusted EBITDA figure of EUR 318.6m<sup>8</sup> in the financial year 2020. The adjusted EBITDA margin in our core business is expected to be between 22% and 23% in the financial year 2021.

For the Advanced Technologies Division, we expect revenues and adjusted EBITDA in the financial year 2021 to be on a par with the prior year.

#### Adjusted earnings per share

We anticipate that earnings per share attributable to the shareholders of Gerresheimer AG will increase on a constant exchange rate basis by approximately 10% in the financial year 2021 relative to the equivalent figure at constant exchange rates for the financial year 2020 (EUR 3.84 per share).

### PRELIMINARY INDICATION FOR SUBSEQUENT YEARS

#### Revenues and adjusted EBITDA margin

In the medium-term planning period, we target organic growth in the core business in the high single-digit percentage range year for year. We aim to deliver this above-market growth by expanding capacities and increasing market share as well as with innovative products such as Gx<sup>®</sup> Elite Glass, prefillable sterile Gx<sup>®</sup> RTF vials and Gx RTF<sup>®</sup> syringe systems, connected drug delivery devices, products and solutions for biotech-based drugs and significant growth in emerging markets.

Our medium-term expectation for the adjusted EBITDA margin at constant exchange rates in the core business is 23%. This improvement relative to profitability in the financial year 2020 is primarily to be achieved by means of economies of scale, an improved product mix as well as increased process automation and digitalization.

We see potential for significant sales and earnings leverage in completion of the planned development projects in the Advanced Technologies Division.

#### Adjusted earnings per share

On the basis of the good business trend for the years ahead, we anticipate that earnings per share attributable to the shareholders of Gerresheimer AG will increase on a constant exchange rate basis by at least 10% per year.

#### Return on capital employed and adjusted EBITDA leverage

Our medium to long-term target for Gx ROCE is approximately 15%. In addition, we target a ratio of net financial debt to adjusted EBITDA (adjusted EBITDA leverage) of around 2.5x for the long term. The adjusted EBITDA leverage actually obtained may temporarily diverge from this because acquisition and divestment activities, as with organic business opportunities, cannot be planned in detail.

<sup>5</sup> The core business comprises the Plastics & Devices and Primary Packaging Glass divisions, plus head office/consolidation in the case of adjusted EBITDA.

<sup>6</sup> The mid-single-digit percentage range is the range between 3% and 7%.

<sup>7</sup> Based on the revenues for the financial year 2020 translated at the budgeted exchange rates for the financial year 2021.

<sup>8</sup> Based on adjusted EBITDA for the financial year 2020 translated at the budgeted exchange rates for the financial year 2021.



# **Consolidated Financial Statements of Gerresheimer AG**

for the Financial Year 2020

## CONSOLIDATED INCOME STATEMENT

Financial Year 2020 (December 1, 2019 to November 30, 2020)

In EUR k	Notes	2020	2019
Revenues	(9)	1,418,786	1,392,255
Cost of sales	(10)	-981,181	-1,115,070
<b>Gross profit</b>		<b>437,605</b>	<b>277,185</b>
Selling and administrative expenses	(11)	-275,474	-274,036
Other operating income	(13)	33,155	153,733
Restructuring expenses	(14)	953	92
Other operating expenses	(15)	-39,805	-33,241
Share of profit or loss of associated companies	(20)	27	25
<b>Results of operations</b>		<b>156,461</b>	<b>123,758</b>
Interest income		1,455	2,653
Interest expense		-20,763	-24,701
Other financial expenses		-2,008	-3,542
<b>Net finance expense</b>		<b>-21,316</b>	<b>-25,590</b>
Net income before income taxes		135,145	98,168
Income taxes	(16)	-45,264	-15,487
<b>Net income</b>		<b>89,881</b>	<b>82,681</b>
Attributable to shareholders of Gerresheimer AG		88,559	80,781
Attributable to non-controlling interests		1,322	1,900
<b>Diluted and non-diluted earnings per share (in EUR)</b>	(17)	<b>2.82</b>	<b>2.57</b>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial Year 2020 (December 1, 2019 to November 30, 2020)

In EUR k	Notes	2020	2019
<b>Net income</b>		<b>89,881</b>	<b>82,681</b>
Revaluation of defined benefit plans	(27)	-6,778	-16,530
Revaluation of equity instruments		1,087	567
Income taxes	(16)	2,221	4,662
<b>Other comprehensive income that will not be reclassified subsequently to profit or loss</b>		<b>-3,470</b>	<b>-11,301</b>
Changes in the fair value of available-for-sale financial assets		-89,012	16,840
<b>Other comprehensive income that will be reclassified to profit or loss when specific conditions are met</b>		<b>-89,012</b>	<b>16,840</b>
<b>Other comprehensive income</b>		<b>-92,482</b>	<b>5,539</b>
<b>Total comprehensive income</b>		<b>-2,601</b>	<b>88,220</b>
Shareholders of Gerresheimer AG		-3,590	85,965
Non-controlling interests		989	2,255

## CONSOLIDATED BALANCE SHEET

As of November 30, 2020

ASSETS			
In EUR k	Notes	Nov. 30, 2020	Nov. 30, 2019
Intangible assets	(18)	1,274,399	1,357,174
Property, plant and equipment	(19)	763,101	701,937
Investment property	(19)	3,601	9,215
Investments accounted for using the equity method	(20)	332	332
Income tax receivables		766	878
Other financial assets	(21)	8,342	7,006
Other receivables	(22)	1,860	2,796
Deferred tax assets	(16)	12,805	17,066
<b>Non-current assets</b>		<b>2,065,206</b>	<b>2,096,404</b>
Inventories	(23)	189,982	185,093
Trade receivables	(24)	215,459	224,170
Contract assets	(25)	14,178	5,392
Income tax receivables		1,923	5,485
Other financial assets	(21)	13,899	15,448
Other receivables	(22)	27,976	23,416
Cash and cash equivalents		87,950	85,831
<b>Current assets</b>		<b>551,367</b>	<b>544,835</b>
<b>Total assets</b>		<b>2,616,573</b>	<b>2,641,239</b>
<b>EQUITY AND LIABILITIES</b>			
Subscribed capital	(26)	31,400	31,400
Capital reserve	(26)	513,827	513,827
Other reserve	(26)	-135,150	-47,563
Retained earnings	(26)	473,756	427,439
<b>Equity attributable to shareholders of Gerresheimer AG</b>		<b>883,833</b>	<b>925,103</b>
Non-controlling interests	(26)	15,831	16,454
<b>Equity</b>		<b>899,664</b>	<b>941,557</b>
Provisions for pensions and similar obligations	(27)	150,817	153,300
Other provisions	(29)	14,339	11,529
Trade payables	(30)	152	35
Contract liabilities	(25)	2,458	1,471
Other financial liabilities	(30)	836,397	498,174
Other liabilities	(31)	1,907	1,941
Deferred tax liabilities	(16)	131,380	142,436
<b>Non-current liabilities</b>		<b>1,137,450</b>	<b>808,886</b>
Provisions for pensions and similar obligations	(27)	12,382	12,936
Other provisions	(29)	40,590	35,332
Trade payables	(30)	211,619	221,454
Contract liabilities	(25)	7,454	8,717
Other financial liabilities	(30)	213,944	530,560
Income tax liabilities		11,265	5,851
Other liabilities	(31)	82,205	75,946
<b>Current liabilities</b>		<b>579,459</b>	<b>890,796</b>
<b>Total equity and liabilities</b>		<b>2,616,573</b>	<b>2,641,239</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial Year 2020 (December 1, 2019 to November 30, 2020)

In EUR k	Accumulated other comprehensive income					Equity attributable to shareholders of Gerresheimer AG	Non-controlling interests	Total equity
	Subscribed capital	Capital reserve	Equity instruments	Currency translation reserve	Retained earnings			
<b>As of December 1, 2018</b>	<b>31,400</b>	<b>513,827</b>	<b>-6</b>	<b>-67,139</b>	<b>394,578</b>	<b>872,660</b>	<b>17,473</b>	<b>890,133</b>
Conversion effect first-time adoption IFRS 15	-	-	-	-	55	55	-	55
Conversion effect first-time adoption IFRS 9	-	-	2,533	-	-	2,533	-	2,533
<b>Adjusted total as of December 1, 2018</b>	<b>31,400</b>	<b>513,827</b>	<b>2,527</b>	<b>-67,139</b>	<b>394,633</b>	<b>875,248</b>	<b>17,473</b>	<b>892,721</b>
Net income	-	-	-	-	80,781	80,781	1,900	82,681
Other comprehensive income	-	-	567	16,482	-11,865	5,184	355	5,539
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>567</b>	<b>16,482</b>	<b>68,916</b>	<b>85,965</b>	<b>2,255</b>	<b>88,220</b>
Dividend payments	-	-	-	-	-36,110	-36,110	-3,274	-39,384
<b>As of December 1, 2019</b>	<b>31,400</b>	<b>513,827</b>	<b>3,094</b>	<b>-50,657</b>	<b>427,439</b>	<b>925,103</b>	<b>16,454</b>	<b>941,557</b>
Net income	-	-	-	-	88,559	88,559	1,322	89,881
Other comprehensive income	-	-	1,087	-88,674	-4,562	-92,149	-333	-92,482
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,087</b>	<b>-88,674</b>	<b>83,997</b>	<b>-3,590</b>	<b>989</b>	<b>-2,601</b>
Dividend payments	-	-	-	-	-37,680	-37,680	-1,612	-39,292
<b>As of November 30, 2020</b>	<b>31,400</b>	<b>513,827</b>	<b>4,181</b>	<b>-139,331</b>	<b>473,756</b>	<b>883,833</b>	<b>15,831</b>	<b>899,664</b>

## CONSOLIDATED CASH FLOW STATEMENT

Financial Year 2020 (December 1, 2019 to November 30, 2020)

In EUR k	Notes	2020	2019
Net income		89,881	82,681
Income taxes	(16)	45,264	15,487
Amortization/impairment losses of intangible assets	(18)	40,231	178,651
Depreciation/impairment losses of property, plant and equipment	(19)	105,272	91,295
Share of profit or loss of associated companies and other investment income		-238	-242
Change in provisions		114	-17,584
Result of disposals of non-current assets/liabilities		-8,975	-2,761
Net finance expense		21,316	25,590
Interests paid		-18,842	-20,230
Interests received		830	879
Income taxes paid		-38,284	-38,354
Income taxes received		8,017	2,194
Change in inventories		-12,174	-12,891
Change in trade receivables and other assets		-14,131	44,267
Change in trade payables and other liabilities		3,276	-153,044
Other non-cash expenses/income		637	-3,014
<b>Cash flow from operating activities</b>		<b>222,194</b>	<b>192,924</b>
Cash received from disposals of non-current assets		16,982	5,229
Cash paid for capital expenditure in intangible assets and property, plant and equipment		-173,073	-163,902
Cash paid for capital expenditure in fully consolidated companies as well as other equity investments		-1,034	-650
Cash received in connection with divestments, net of cash paid	(8)	93	-388
Cash paid for the acquisition of subsidiaries, net of cash received	(8)	-	-43,499
<b>Cash flow from investing activities</b>		<b>-157,032</b>	<b>-203,210</b>
Dividend payments to third parties		-39,312	-39,409
Dividend payments from third parties		211	217
Raising of loans		499,496	384,130
Repayment of loans		-501,627	-343,178
Cash paid for leases and installment purchases liabilities		-10,922	-2,830
<b>Cash flow from financing activities</b>		<b>-52,154</b>	<b>-1,070</b>
<b>Changes in financial resources</b>		<b>13,008</b>	<b>-11,356</b>
Effect of exchange rate changes on financial resources		-5,719	525
Financial resources at the beginning of the period		51,105	61,936
<b>Financial resources at the end of the period</b>		<b>58,394</b>	<b>51,105</b>
<b>Components of the financial resources</b>			
Cash and cash equivalents		87,950	85,831
Bank overdrafts		-29,556	-34,726
<b>Financial resources at the end of the period</b>		<b>58,394</b>	<b>51,105</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of Gerresheimer AG for the Financial Year 2020  
(December 1, 2019 to November 30, 2020)

### NOTES ON CONSOLIDATION AND ACCOUNTING

#### (1) General Information

The Gerresheimer Group is a global leading manufacturer of high-quality specialty glass as well as plastic products, drug-delivery-devices and solutions for the international pharma, healthcare and cosmetics industry.

Gerresheimer AG is a stock corporation (Aktiengesellschaft) under German law. The Company has its registered office at Klaus-Bungert-Strasse 4, 40468 Duesseldorf (Germany). It is entered in the commercial register of Duesseldorf Local Court (Amtsgericht) as HRB 56040.

Gerresheimer AG shares are traded on the regulated market in the Prime Standard segment of the Frankfurt Stock Exchange under the stock symbol GXI and ISIN DE000A0LD6E6. Gerresheimer has been included in the MDAX since December 22, 2008.

The consolidated financial statements as of November 30, 2020 were prepared in accordance with the International Financial Reporting Standards (IFRSs), applicable as of the reporting date, issued by the International Accounting Standards Board (IASB) as adopted by the European Union as well as with regulations under commercial law as set forth in section 315e paragraph 1 of the German Commercial Code (Handelsgesetzbuch/HGB).

For the sake of clarity and information value of the consolidated financial statements, certain items are combined in the consolidated balance sheet and the consolidated income statement and presented separately in the notes to the consolidated financial statements. The consolidated income statement has been prepared using the function of expense method.

The consolidated financial statements are presented in euros, the functional currency of the parent company. Individual values as well as subtotal values reflect the value with the smallest rounding difference. Consequently, minor differences to subtotal values can occur when adding up reported individual values.

The consolidated financial statements of Gerresheimer AG are published in German in the Federal Law Gazette and on the Internet at [www.gerresheimer.com](http://www.gerresheimer.com).

#### (2) New Accounting Standards

The accounting principles are consistent with the prior year, except for the following new and revised standards and interpretations, which were adopted for the first time.

- > IFRS 16: Leases
- > Amendments to IFRS 9: Prepayment Features with Negative Compensation
- > Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- > Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures, Uncertainty over Income Tax Treatments
- > IFRIC 23: Uncertainty over Income Tax Treatments
- > Annual Improvements to IFRSs, 2015–2017 Cycle

The initial application of **IFRS 16** had the following material effects:

The new IFRS 16 Leases replaced the previous IAS 17 and various interpretations. It is effective for annual periods beginning on or after January 1, 2019. The new standard introduces a uniform model for identifying leasing arrangements and for lessee accounting. Lessees are no longer required, as they were before, to distinguish between operating and finance leases. Instead, for all leases (lease agreements), lessees recognize a right-of-use asset – representing the right to use the leased asset – and a corresponding lease liability. Consequently, the nature of expenses related to those leases has also changed. IFRS 16 replaces the operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. Lessors continue to distinguish between operating and finance leases in the same way as they were required to do under the previous standard, IAS 17.

Gerresheimer applies IFRS 16 for the first time retrospectively as from December 1, 2019. The prior-year figures have not been restated. The reporting period is consequently presented in accordance with IFRS 16 and the comparative prior-year period in accordance with IAS 17.

For leases previously classified as operating leases where Gerresheimer is the lessee, the Company recognizes a right-of-use asset in the amount of the lease liability at the time of first-time application. Lease liabilities were initially measured at the present value of the outstanding lease payments, with discounting applied at the incremental borrowing rate at the time of initial application. Discounting was applied at a weighted incremental borrowing rate

of 2.1% for the euro currency area and rates ranging from 2.1% to 8.8% for countries outside the euro currency area. The weighted average incremental borrowing rate for all leases is 3.2%. Use was also made of the following practical expedients for transition:

- > Leases ending no later than November 30, 2020 are accounted for as short-term leases, irrespective of the original lease term.
- > Initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- > The information available at the transition date was used to determine the terms of leases with options to extend or terminate a lease.
- > Contracts were not reassessed to determine whether they were, or contained, a lease.

Initial recognition of right-of-use assets for former operating leases in property, plant and equipment increased total assets by EUR 28.8m. The lease liabilities recognized likewise amounted to EUR 28.8m and increased net debt by that amount. Including finance lease liabilities accounted for as finance leases until November 30, 2019, lease liabilities totaled EUR 37.4m as of December 1, 2019.

Based on the other financial obligations from rental and operating lease agreements as of November 30, 2019, the following table shows the reconciliation to the opening balance of the lease liabilities as of December 1, 2019:

In EUR k	
<b>Other financial obligations under rental and operating lease agreements as of November 30, 2019</b>	<b>39,273</b>
Practical expedient for short-term leases	955
Practical expedient for leases of low-value assets	880
Obligations that do not fall within the scope of IFRS 16	6,693
Effect from discounting	1,935
<b>Obligations from operating lease agreements (discounted)</b>	<b>28,810</b>
Book value of liabilities from finance lease agreements as of November 30, 2019	8,612
<b>Book value of lease liabilities from IFRS 16 as of December 1, 2019</b>	<b>37,422</b>

In the consolidated cash flow statement, the cash flow from operating activities improves due to the principal portion of the lease payments being reported as cash flow from financing activities.

First-time adoption of the other above-mentioned standards and interpretations have not had any significant effect on these consolidated financial statements.

The IASB also published the following revised standards, which were adopted by the European Commission. They were not yet applicable in the financial year and were not applied earlier:

- > Framework: Amendments to References to the Conceptual Framework in IFRS Standards, effective for financial years beginning on or after January 1, 2020
- > Amendments to IFRS 3: Definition of a Business, effective for financial years beginning on or after January 1, 2020
- > Amendments to IFRS 16: Covid-19-Related Rent Concessions, effective for financial years beginning on or after January 1, 2020
- > Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform, effective for financial years beginning on or after January 1, 2020
- > Amendments to IAS 1 and IAS 8: Definition of Material, effective for financial years beginning on or after January 1, 2020

On current knowledge, the new or amended IFRS applicable for the first time do not have a material impact on the Consolidated Financial Statements.



### (3) Consolidated Group

#### a) Changes in the consolidated Group and in non-controlling interests during the financial year 2020

##### i) Merger of Gerresheimer item GmbH

With effective date December 1, 2019, Gerresheimer item GmbH, Muenster (Germany) was merged with Gerresheimer Regensburg GmbH, Regensburg (Germany).

##### ii) Liquidation of Kimble Chase Holding LLC

With effective date February 29, 2020, Kimble Chase Holding LLC, Vineland, NJ (USA), was dissolved, as the company has ceased operation. The company made a distribution of USD 324k to Gerresheimer Glass Inc., Vineland, NJ (USA), and USD 311k to Chase Scientific Glass Inc., a subsidiary of the Thermo Fisher Scientific Inc. Kimble Chase Holding LLC, Vineland, NJ (USA) was founded during the sale process of the Life Science Research Division.

##### iii) Merger of DSTR S.L.U.

With effective date December 1, 2019, DSTR S.L.U., Epila (Spain) was merged with Gerresheimer Spain S.L.U., Epila (Spain).

##### iv) Acquisition minority share in Zaragoza S.A.

With effective date October 8, 2020 Gerresheimer acquired indirectly the shares in Gerresheimer Zaragoza S.A., Epila (Spain) still held by third parties for a purchase price of EUR 34k. The transaction has no further impact on assets, liabilities and equity, as these have already been recognized in full in the consolidated balance sheet.

#### b) Changes in the consolidated Group during the financial year 2019

##### i) Foundation of Gerresheimer Skopje DOOEL Ilinden

With effective date March 20, 2019, Gerresheimer Skopje DOOEL Ilinden, Ilinden (Republic of North Macedonia) was established. Since the second half of the financial year 2019 Gerresheimer is building a new plant in Skopje for the production of plastic systems for the pharmaceutical and the medical technology sector as well as prefillable syringes.

##### ii) Deconsolidation of Gerresheimer Buenos Aires S.A.

On December 2, 2019, and with economic effect as of November 30, 2019, Gerresheimer entered into an agreement to sell Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina) to IMAP SAIC, a leading Argentinean manufacturer of plastic packaging. Due to materiality reasons the company was already deconsolidated as of November 30, 2019 and the fair value of the agreed consideration was reported under investments.

##### iii) Share acquisition respimetrix GmbH

With purchase agreement dated February 21, 2019 Gerresheimer acquired 60% of capital shares and voting rights in respimetrix GmbH, Duesseldorf (Germany). respimetrix GmbH is a research company. For reasons of materiality, full consolidation of respimetrix GmbH was waived. The valuation of the company's shares has an effect on net income and is reported within other operating expenses. The company was renamed Gerresheimer respimetrix GmbH in the financial year 2020.

List of shareholdings of Gerresheimer AG as of November 30, 2020:

In %	Investment (direct and indirect)
<b>Entities included in the consolidated financial statements</b>	
<b>Asia</b>	
Gerresheimer Medical Plastic Systems Dongguan Co. Ltd., Wang Niu Dun Town, Dongguan City (China)	100.00
Gerresheimer Pharmaceutical Packaging Mumbai Private Ltd., Mumbai (India)	100.00
Gerresheimer Plastic Packaging (Changzhou) Co., Ltd., Changzhou City, Jiangsu (China)	100.00
Gerresheimer Singapore Pte. Ltd., Singapore (Singapore)	100.00
Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)	60.00
Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)	60.00
Neutral Glass & Allied Industries Private Ltd., Mumbai (India)	100.00
Triveni Polymers Private Ltd., New Delhi (India)	100.00
<b>Europa</b>	
Gerresheimer Boleslawiec S.A., Boleslawiec (Poland)	100.00
Gerresheimer Bünde GmbH, Buende (Germany) <sup>1)</sup>	100.00
Gerresheimer Chalon SAS, Chalon-sur-Saone (France)	100.00
Gerresheimer Denmark A/S, Vaerloese (Denmark)	100.00
Gerresheimer Essen GmbH, Essen (Germany) <sup>1)</sup>	100.00
GERRESHEIMER GLAS GmbH, Duesseldorf (Germany) <sup>1)</sup>	100.00
Gerresheimer Group GmbH, Duesseldorf (Germany) <sup>2)</sup>	100.00
Gerresheimer Hallenverwaltungs GmbH, Duesseldorf (Germany) <sup>1)</sup>	100.00
Gerresheimer Hallenverwaltungs GmbH & Co. Objekt Düsseldorf KG, Duesseldorf (Germany) <sup>2)</sup>	100.00
Gerresheimer Holdings GmbH, Duesseldorf (Germany) <sup>1)</sup>	100.00
Gerresheimer Horsovsky Tyn spol. s r.o., Horsovsky Tyn (Czech Republic)	100.00
Gerresheimer Medical Systems Schweiz AG, Zug (Switzerland) <sup>4)</sup>	100.00
Gerresheimer Lohr GmbH, Lohr/Main (Germany) <sup>1)</sup>	100.00
Gerresheimer Medical Plastic Systems GmbH, Regensburg (Germany) <sup>1)</sup>	100.00
Gerresheimer Momignies S.A., Momignies (Belgium)	100.00
Gerresheimer Moulded Glass GmbH, Tettau (Germany) <sup>1)</sup>	100.00
Gerresheimer Plastic Packaging SAS, Besancon (France)	100.00
Gerresheimer Regensburg GmbH, Regensburg (Germany) <sup>1)</sup>	100.00
Gerresheimer Skopje DOOEL Ilinden, Ilinden (Republic North Macedonia)	100.00
Gerresheimer Spain S.L.U., Epila (Spain)	100.00
Gerresheimer Tettau GmbH, Tettau (Germany) <sup>1)</sup>	100.00
Gerresheimer Vaerloese A/S, Vaerloese (Denmark)	100.00
Gerresheimer Valencia S.L.U. in LIQ, Masalaves (Spain)	100.00
Gerresheimer Werkzeugbau Wackersdorf GmbH, Wackersdorf (Germany) <sup>1)</sup>	100.00
Gerresheimer Wertheim GmbH, Wertheim (Germany) <sup>1)</sup>	100.00
Gerresheimer Zaragoza S.A., Epila (Spain)	100.00
Sensile Medical AG, Olten (Switzerland)	99.89

In %	Investment (direct and indirect)
<b>Americas</b>	
Centor Inc., Perrysburg, OH (USA)	100.00
Centor Pharma Inc., Perrysburg, OH (USA)	100.00
Centor US Holding Inc., Perrysburg, OH (USA)	100.00
Gerresheimer Glass Inc., Vineland, NJ (USA)	100.00
Gerresheimer Mexico Holding LLC, Wilmington, DE (USA)	100.00
Gerresheimer MH Inc., Wilmington, DE (USA)	100.00
Gerresheimer Peachtree City (USA) L.P., Peachtree City, GA (USA)	100.00
Gerresheimer Peachtree City Inc., Peachtree City, GA (USA)	100.00
Gerresheimer Plasticos Sao Paulo Ltda., Embu (Brazil)	100.00
Gerresheimer Queretaro S.A., Queretaro (Mexico)	100.00
Gerresheimer Sistemas Plasticos Mediciniais Sao Paulo Ltda., Indaiatuba (Brazil)	100.00
<b>Associated companies</b>	
Gerresheimer Tooling LLC, Peachtree City, GA (USA)	30.00
PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn (Czech Republic)	40.59
<b>Non-consolidated companies<sup>3)</sup></b>	
Corning Pharmaceutical Packaging LLC, Wilmington, DE (USA)	25.00
Gerresheimer respimetrix GmbH, Duesseldorf (Germany)	60.00
Nouvelles Verreries de Momignies Inc., Larchmont, NY (USA)	100.00

<sup>1)</sup> The Company made use of the exemption option pursuant to Section 264 para. 3 of the German Commercial Code.

<sup>2)</sup> The Company made use of the exemption option pursuant to Section 264b of the German Commercial Code.

<sup>3)</sup> Company not consolidated since it is not material to the net assets, financial position and results of operations or the cash flows of the Group.

<sup>4)</sup> Previously: Gerresheimer Küsnacht AG, Kuessnacht (Switzerland); the company changed its name and site as of August 5, 2020.

The following tables provide condensed financial information for subsidiaries with material non-controlling interests:

	Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., Danyang, Jiangsu (China)		Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., Zhenjiang, Jiangsu (China)		Kimble Chase Holding LLC, Vineland, NJ (USA)	
In EUR k	Nov. 30, 2020	Nov. 30, 2019	Nov. 30, 2020	Nov. 30, 2019	Nov. 30, 2020	Nov. 30, 2019
Proportion of ownership interests and voting rights held by non-controlling interests in %	40.0	40.0	40.0	40.0	–	49.0
Accumulated non-controlling interests	10,220	10,024	5,430	5,950	–	285
Current assets	17,862	16,744	12,760	13,158	–	591
Non-current assets	14,413	13,873	5,198	5,556	–	–
Current liabilities	7,546	5,265	4,187	3,568	–	9
Non-current liabilities	18	–	73	–	–	–
	<b>2020</b>	2019	<b>2020</b>	2019	<b>2020</b>	2019
Revenues	22,557	25,342	15,460	18,061	–	–
Net income	1,008	2,139	2,352	2,958	-3	33
Cash flow from operating activities	2,949	3,459	4,053	1,529	18	-41
Cash flow from investing activities	-2,347	-1,870	-290	-1,020	–	–
Cash flow from financing activities	-84	–	-3,472	–	-560	-6,682
Dividends paid to non-controlling interests <sup>1)</sup>	–	–	1,349	–	283	3,300

<sup>1)</sup> Dividends paid are converted at the respective transaction rate.

Changes in non-controlling interests are shown in the consolidated statement of changes in equity.

#### (4) Consolidation Principles

The consolidated financial statements include Gerresheimer AG and the domestic and foreign subsidiaries it directly or indirectly controls.

Consolidation of subsidiaries begins at the date the parent company obtains control. If control is lost, subsidiaries are to be deconsolidated. Non-controlling interests in equity, net income and comprehensive income are presented separately in the consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income. In the consolidated balance sheet, non-controlling interests are presented separately from equity attributable to shareholders of Gerresheimer AG.

Acquisitions of subsidiaries are accounted for using the acquisition method. This stipulates that all identifiable assets and liabilities of an entity acquired in a business combination are measured at acquisition date fair values. Any excess of the sum of the consideration transferred, the fair value of any previously held equity interest in the acquiree and any non-controlling interest over the remeasured net assets of the subsidiary is recognized as goodwill. Any gain from a bargain purchase (negative goodwill), after careful reassessment, is recognized immediately in other operating income in profit or loss.

Investments in associates are accounted for using the equity method. They are initially measured at cost. Changes in the Group's share of equity and any goodwill impairments are accounted for in the share of profit or loss of associated companies. The share of profit or loss of associated companies is recognized in results of operations, as Gerresheimer holds such investments not for financial purposes but as part of the Group's operating business. The

two associated companies included in the consolidated financial statements prepare their financial statements as of December 31, and therefore at a different balance sheet date as the consolidated financial statements. The at equity measurement is based on the last available balance sheet of the associated company. For reasons of materiality, the preparation of interim financial statements at the consolidated reporting date is waived.

Domestic and foreign entities included in the consolidated financial statements are prepared using uniform accounting policies.

Intra-Group transactions are eliminated. Receivables and payables between consolidated companies are set off against each other, intra-Group profits and losses are eliminated and intra-Group income is set off against corresponding expenses. Temporary differences from consolidation are subject to tax deferrals.

#### (5) Currency Translation

Transactions in a currency other than an entity's functional currency are translated into the functional currency at the exchange rate as of the date of initial recognition. Monetary assets and liabilities denominated in foreign currency are measured at the reporting date exchange rate. Currency translation gains and losses are accounted for in profit or loss in the consolidated income statement. In departure from this, the effective portion of translation gains and losses on financial instruments designated as hedge instruments in a cash flow hedge is accounted for in other comprehensive income. Non-monetary items denominated in foreign currency are carried at historical exchange rates.

Assets and liabilities of foreign entities whose functional currency is not the Group currency are translated into euros using the mid-market rates at the balance sheet date as published by the European Central Bank. Equity items are carried at historical exchange rates. Expense and income items as well as cash flows of foreign entities are translated into euros at the average exchange rate for the financial year. Foreign exchange translation differences are recognized directly in equity, in accumulated other comprehensive income. On disposal of interests in a foreign entity, the cumulative translation difference attributable to the

shareholders of Gerresheimer AG is reclassified to profit or loss in the consolidated income statement in the period of the disposal.

Exchange gains and losses from the translation of foreign currency operating receivables and payables and the net gain or loss from remeasurement of derivative financial instruments used as hedges of operating foreign currency risks are netted and reported in other operating income or other operating expenses. Exchange gains or losses from financing activities are reported in the net finance expense.

The following exchange rates have been used for the translation of currencies material to the Gerresheimer Group:

1 EUR	Cur- rency	Closing rate		Average rate	
		Nov. 30, 2020	Nov. 30, 2019	2020	2019
Brazil	BRL	6.35	4.65	5.75	4.41
Switzerland	CHF	1.08	1.10	1.07	1.12
China	CNY	7.88	7.72	7.87	7.74
Czech Republic	CZK	26.19	25.52	26.36	25.71
Denmark	DKK	7.44	7.47	7.46	7.47
India	INR	88.73	78.69	83.71	78.80
Republic North Macedonia	MKD	61.68	61.50	61.62	61.51
Mexico	MXN	24.05	21.45	24.22	21.82
Poland	PLN	4.47	4.32	4.43	4.30
Singapore	SGD	1.60	1.50	1.56	1.53
United States of America	USD	1.20	1.10	1.13	1.12

#### (6) Accounting Policies as well as Judgment and Estimates

##### Intangible assets

Intangible assets are carried at cost, less amortization over their planned useful life if their useful life is finite, and less any impairment losses. The useful life of licenses and similar rights is one to 20 years. Brand names with finite useful lives are, like technologies, amortized over five to 25 years. Customer bases are amortized over 15 to 20 years.

Other brand names and goodwill are classified as intangible assets with indefinite useful lives. Goodwill arising from business combinations is capitalized at cost less any necessary impairment losses. Brand names with indefinite useful lives and goodwill are tested for impairment at least once a year. Impairment testing is performed at the end of a financial year and additionally when there are indications of a possible impairment.

Gerresheimer expenses research costs as incurred. Gerresheimer only recognizes development costs as an intangible asset if – among other things – it is likely that the project will be technically and commercially feasible and if the cost attributable to the intangible asset during its development can be measured reliably. Capitalized development costs are amortized on a straight-line basis over three respectively ten years.

The Group receives emission allowances free of charge in certain European countries as part of the European Emissions Trading System. Obligations from emissions are accounted by Gerresheimer for using the net liability method. Gerresheimer records the emission allowances as non-monetary government grants at their nominal amount. Obligations in respect of pollution emissions are only be taken into account if the emissions exceed the volume covered by the emission allowances held by the Gerresheimer Group. The obligation is recognized at the fair value of the additional emission allowances to be procured. Emission allowances acquired from third parties are recognized at cost and reported under “other assets” in “other receivables”.

**Property, plant and equipment**

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. Next to directly attributable costs, the cost of property, plant and equipment also includes apportioned indirect material, indirect labor and production-related administrative expenses. Borrowing costs are recognized solely for qualifying assets. Qualifying assets are assets that take at least twelve months to get ready for use. Property, plant and equipment is generally subject to depreciation on a straight-line basis. Depreciation is based on estimates of useful lives as follows:

In years	
Buildings	10 to 50
Plant and machinery	5 to 15
Fittings, tools and equipments	3 to 10

Gerresheimer recognizes costs of repairs and maintenance in the consolidated income statement as they are incurred. Gerresheimer recognizes costs of major servicing and furnace overhauls as part of carrying amount if it is probable that they will result in future economic benefits and can be measured reliably.

**Government grants**

Gerresheimer recognizes government grants if they have been approved and there is reasonable assurance that the entity will comply with the conditions attached to them. Grants for purchases of assets are deducted from cost and subsequently reduce depreciation.

Where grants are intended as compensation for expenses incurred by the Group, they are recognized in profit or loss in the period in which the grant becomes receivable.

**Investment property**

Investment property comprises land and buildings held on a long-term basis to earn rental income or for capital appreciation. It is recognized at cost less accumulated depreciation and accumulated impairment losses (cost model).

**Leases**

The changes in lease accounting and the practical expedients made use of by Gerresheimer on initial application of IFRS 16 are covered in Note (2) “New Accounting Standards”.

Until November 30, 2019, Gerresheimer accounted for leases in accordance with IAS 17. Where substantially all the risks and rewards transferred to Gerresheimer as lessee, the leased property was recognized as an asset at fair value or, if lower, the present value of the future minimum lease payments, and was depreciated over the shorter of the estimated useful life or the lease term. Depreciation was recognized as expense in the income statement. The obligation to pay future lease payments was recognized as a financial liability discounted to present value. In operating leases where it was the lessee, Gerresheimer recognized the lease/rental payments directly as expense in the income statement.

From December 1, 2019, for all leases where it is the lessee, Gerresheimer normally recognizes a right-of-use asset for the leased property and a lease liability. Exceptions apply to short-term leases with a lease term of 12 months or less and for leases of low-value assets. Leased items with a maximum value of EUR 5,000 are defined as low-value assets.

The lease liability is measured at the present value of the future lease payments. Lease payments include fixed payments, payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease early.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, Gerresheimer uses its incremental borrowing rate. Lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability (calculated using the effective interest method) and reducing the carrying amount to reflect the lease payments made.

If there is an option to extend or terminate a lease, the lease term is determined considering all relevant facts and circumstances that create an economic incentive to exercise the option to extend or not to exercise the option to terminate. Periods covered by options are considered when determining the lease term if the lessee is reasonably certain to exercise or not to exercise the option, as the case may be. Upon the occurrence of a significant event or significant change in circumstances that is within Gerresheimer's control, Gerresheimer reassesses its likelihood of exercising an option to extend.

In the consolidated statement of financial position, right-of-use assets are included in property, plant and equipment – that is, in the same line item in which the underlying assets would be presented if they were owned by Gerresheimer. Lease liabilities are included in financial liabilities.

On initial measurement, the cost of a right-of-use asset comprises the amount of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and an

estimate of costs to be incurred in dismantling or removing the underlying asset, or in restoring the underlying asset or the site on which it is located. Subsequent measurement is at cost less accumulated depreciation and impairments.

Right-of-use assets are depreciated on a straight-line basis from the commencement date to the end of the lease term, unless ownership of the underlying asset transfers to Gerresheimer at the end of the lease term or the cost of the right-of-use asset reflects that Gerresheimer will exercise a purchase option, in which case the right-of-use asset is depreciated over the useful life of the underlying asset determined in accordance with the rules for property, plant and equipment. The cost of the right-of-use asset is additionally adjusted on an ongoing basis, where necessary, for any impairment losses and any remeasurement of the lease liability.

Further information on leases is provided in Note (19) "Property, Plant and Equipment and Investment Property".

If substantially all risks and rewards are attributable to Gerresheimer as a lessor (operating lease), the leased asset is recognized in the balance sheet. Measurement of the leased asset is then based on the accounting policies applicable to that asset. Gerresheimer recognizes lease payments in profit or loss.

#### **Factoring**

For the purpose of accessing new sources of financing a minor portion of the trade receivables is sold to factoring companies. If the associated default risks are transferred to the purchaser (non-recourse factoring) the trade receivables are derecognized from the consolidated balance sheet at the time of the sale. Amounts retained by the factoring company are recognized in current other financial assets. Liabilities from cash receipts for sold receivables, which are not yet transferred to the factoring company, are reported in current other financial liabilities.

#### **Impairment**

Property, plant and equipment, investment property, goodwill and intangible assets are tested for impairment if circumstances or other events indicate that their carrying amount exceeds their recoverable amount. Goodwill and other intangible assets with indefinite useful lives are additionally tested annually for impairment at the level of the cash-generating units to which they belong.

An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use.

Impairment losses recognized in prior periods are reversed if the reasons for impairment cease to exist, except for impairment losses on goodwill is excluded.

Impairment losses on goodwill are recognized in other operating expenses, impairment losses on other assets are recognized in the respective functional area expenses and any subsequent impairment reversals are recognized in other operating income.

#### **Inventories**

Gerresheimer measures inventories at the lower of cost and net realizable value. The initial recognition is generally at average acquisition or production cost. It includes production and material overheads in addition to direct costs. Other expenses attributable to production are also included in the costs of conversion. Besides these production costs, the cost of sales shown in the consolidated income statement also include the cost of unused capacity.

#### **Financial assets**

A financial asset is recognized when Gerresheimer becomes a party to the contractual provisions of the financial asset. Except for trade receivables without a significant financing component, which are initially measured at their transaction price, Gerresheimer recognizes financial assets at initial recognition at fair value plus directly attributable transaction costs. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized directly in the consolidated income statement. The settlement date, i.e. the date on which the asset is delivered to or by the Gerresheimer Group (date of transfer of ownership), is relevant for the first-time recognition and derecognition of regular purchases or sales. Financial assets are derecognized when the contractual rights to the cash flows from the asset expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership of the asset.

Financial assets are grouped in the Gerresheimer Group into measurement categories as follows:

**Financial assets measured at amortized cost:** Financial assets held in order to collect contractual cash flows that are solely payments of principal and interest. Interest income on such assets is measured using the effective interest method and accounted for in net finance expense. All gains and losses from derecognition, from impairment losses and from currency translation are recognized immediately in the consolidated income statement. At Gerresheimer, this category primarily comprises trade receivables, which are not sold in the context of factoring agreements, cash and cash equivalents, contractual refund claims, other loans and a large number of individual items classified as "other" within other financial assets.

**Financial assets measured at fair value through other comprehensive income:** This category includes equity instruments for which Gerresheimer has irrevocably elected at initial recognition to present fair value changes in other comprehensive income. In the Gerresheimer Group, that election is made for various investments on a case-by-case basis. On disposal of such financial assets, the gains and losses recognized in cumulative other comprehensive income are not reclassified to the consolidated income statement and remain instead in other comprehensive income. Dividends from such equity instruments are recognized in other operating income.

**Financial assets measured at fair value through profit or loss:** Financial assets that are measured neither at amortized cost nor at fair value through other comprehensive income. At Gerresheimer, these are primarily derivative financial instruments with positive market values that are not in an effective hedging relationship and equity instruments for which the election has not been made to recognize subsequent changes in other comprehensive income. Furthermore, trade receivables that are being sold in the context of factoring agreements, are included in this measurement category. Please see Note (7) for further explanations on derivative financial instruments.

Impairment losses on financial assets measured at amortized cost are recognized on the basis of the expected credit losses. In accordance with the general approach to be applied to all of the above financial assets with the exception of trade receivables or contract assets without a significant financing component, impairment losses are recognized in the amount of the twelve-month expected credit loss unless the credit risk has increased significantly since initial recognition. If the credit risk significantly increases in subsequent periods, the impairment loss is measured as the expected credit losses over the remaining term. To determine whether the credit risk has significantly increased, the Gerresheimer Group makes use of all information that is reasonable and available without undue cost or effort. For cash and cash equivalents, no impairment for expected credit losses is recognized due to the short terms (in some cases with daily maturities) and the good credit rating of the banks.

Contrary to the general approach, the simplified impairment approach is applied for trade receivables and contract assets. Under this approach, impairment losses are always recognized in the amount of the lifetime expected credit losses. In order to determine the impairment loss, the Gerresheimer Group makes use, among other information, of internal and external customer ratings, default risks obtained from information service providers and past due information. Where no reliable information on default risk is available, lifetime expected credit losses are determined on the basis of the amounts past due as of the reporting date. The determination of impairment losses also takes into account the existence of credit insurance that covers part of trade receivables.

Impairments are recognized on individual financial assets when there is objective evidence of impairment. Objective evidence of impairment can be – among other things – an increased probability that the borrower will enter bankruptcy or other financial re-organization, significant financial difficulty of the contractual party, the disappearance of an active market for the financial asset or a breach of contract.

#### **Other receivables**

Tax receivables and other non-financial assets are recognized at nominal values.

#### **Cash and cash equivalents**

Cash and cash equivalents are carried as financial assets at nominal value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents have original terms of three months or less. Cash and cash equivalents comprise cash on hand and demand deposits not subject to risk of changes in value.

#### **Non-current assets and disposal groups held for sale**

This item includes non-current assets or groups of assets that are able to be sold in their current condition, their sale is decided by the appropriate management and is highly probable within twelve months.

Non-current depreciable assets in a disposal group are no longer depreciated or amortized. They are to be impaired if the fair value less costs to sell is lower than the carrying amount. Impairment losses are recognized by Gerresheimer in the consolidated income statement.

#### **Provisions for pensions and similar obligations**

The Group has a number of pension schemes geared to the regulations and practices of the countries they apply to. Commitments have also been made in the US to provide post-employment medical care.

When accounting for pensions and other post-employment benefits, a distinction is made between defined benefit plans and defined contribution plans. For defined contribution plans, the Group's obligation is limited to the performance of current annual contributions to an external pension fund. There is no legal or constructive obligation to pay any additional contributions in cases where the fund cannot meet its performance obligations for the current or prior years. Accordingly, Gerresheimer does not recognize any assets and liabilities in relation to defined contribution plans with the exception of contribution payments in advance and arrears.

Under defined benefit plans, however, the Group has an obligation to pay pension benefits. The amount of the defined benefit obligation is tied to factors such as age, years of service and salary. The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method. Gerresheimer calculates the current service cost and the



net interest expense on the basis of the assumptions made at the end of the respective prior year. The revaluation of pension obligations, which is based on updated valuation parameters as of the balance sheet date, are recognized by Gerresheimer in other comprehensive income. Past service costs from plan changes or curtailments are expensed.

The amount recognized as the defined benefit liability comprises the present value of the defined benefit obligation minus the fair value of plan assets out of which the obligations are to be settled directly.

The obligations are measured annually by independent actuaries. The expenses from compounding the net pension obligations are recognized in net finance expense.

#### **Stock appreciation rights (phantom stocks)**

The stock appreciation rights issued by Gerresheimer to members of the Management Board provide for cash compensation in an amount that depends on the performance of the share price. Gerresheimer accounts for the entitlements acquired by the beneficiaries up to each reporting date by allocations to provisions which are recognized in personnel expenses. The total expense to be recognized from the grant date until the exercise date of phantom stocks is calculated based on the respective fair value of the phantom stocks and the expected staff turnover rate among beneficiaries; these parameters are reviewed at each balance sheet date.

#### **Other provisions**

Other provisions are recognized if a current obligation exists as a result of a past event, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if the amount of the obligation can be reliably estimated. Non-current provisions are discounted. If a contractual claim to refund in full or partial from a third party is sufficiently probable, Gerresheimer recognizes an asset in the consolidated balance sheet.

Other provisions also include obligations from partial retirement arrangements on a block model basis. The salary portion and the top-up amounts paid by the employer are recognized pro rata temporis during the active phase over the employee's remaining term of service. While the top-up amounts are paid out from the beginning of the active phase, the salary amounts are payable from the beginning of the passive phase.

Post-employment benefits are accounted for when an obligation exists on the basis of a detailed formal plan or a specific offer relating to termination benefits. Benefits not expected to be paid in full within twelve months are discounted to the present value.

#### **Income taxes**

In addition to the calculation of current income taxes, deferred income tax liabilities (deferred income tax assets) are recognized for differences between the tax bases and the IFRS carrying amounts of assets and liabilities, the reversal of which has the effect of increasing (decreasing) the tax burden. Deferred tax assets are also recognized for expected tax benefits from the future utilization of tax loss carryforwards and tax credits. The calculation is based on the tax rates valid as of the reporting date, unless a tax rate change has already been resolved for the period of expected reversal of the temporary differences or expected use of loss carryforwards and tax credits. Deferred tax assets are only taken into account if realization of the tax benefits within the planning horizon seems to be mostly likely.

Changes in recognized deferred tax assets or liabilities result in deferred tax expense or income. As far as the changes in deferred taxes result from items recognized in other comprehensive income, deferred taxes as well as their changes are equally recognized in other comprehensive income.

Deferred tax assets and liabilities are offset by company or tax group if, and only if, the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority and if Gerresheimer has a legally enforceable right to set off current tax assets against current tax liabilities.

#### **Financial liabilities**

Financial liabilities include non-derivative liabilities and negative fair values of derivative financial instruments.

A non-derivative liability is initially recognized when a contractual obligation to payment comes into being. Initial measurement is at fair value less any transaction costs. Subsequent measurement is at amortized cost using the effective interest method. Any differences between the amount on initial recognition and the amount repayable on maturity are recognized as interest expense in the consolidated income statement over the term of the liability.

Contingent consideration in connection with acquisitions and derivative financial instruments not determined to be an effective hedge are accounted for at fair value through profit or loss.

Financial liabilities are to be derecognized when they have been settled, removed or canceled and thus expired.

#### **Other liabilities**

Gerresheimer measures liabilities from other taxes or from social security and other non-financial liabilities at their settlement amount. Prepayments received and obligations under construction contracts for which the customer has already paid the consideration are accounted for as contract liabilities.

#### **Revenue recognition**

Gerresheimer recognizes revenues when it has transferred control in goods or services to a customer. A customer has control when the customer can direct the use of and obtain the remaining benefits from a product or service. For sales of goods, revenues are recognized at a point in time comprising the time of shipment. Such revenues are recognized at the point in time when the risks and rewards of ownership are transferred to the customer, provided that the revenues and costs can be measured reliably, recovery of the consideration is probable, Gerresheimer retains no control of the goods and it is not probable that recognized revenues have to be canceled.

Conversely, revenues from services are recognized over the performance period and based on progress achieved.

Revenues are limited in amount to the consideration that Gerresheimer considers it highly probable that it will receive for satisfaction of the performance obligations. Reported revenues are reduced by amounts collected on behalf of third parties (such as value added tax) as well as by actual and expected sales deductions for discounts and rebates. Sales deductions are estimated primarily on the basis of historical experience and specific contract terms. Revenues are additionally reduced by amounts for expected returns of defective goods, or in connection with contractual agreements for the return of saleable products, at the time of sale or at the point in time when the amount of future returns can be reliably determined. Interest income is recorded using the effective interest method.

#### **Customer-specific construction contracts**

For construction contracts, Gerresheimer recognizes revenue over a period of time comprising the contract performance period, commensurate with the transfer of control over the goods and services to the customer. Gerresheimer determines the percentage of completion of a customer contract for this purpose as the ratio of contract costs incurred to expected total contract costs (cost-to-cost method). To the extent that contract costs incurred plus recognized profits and less recognized losses exceed the consideration received from the customer, the excess is recognized as a contract asset. In the opposite case, the shortfall is recognized as a contract liability.

If the stage of completion of a customer-specific contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognized in profit or loss when they are incurred unless they result in recognition of a contract asset for future performance, in which case Gerresheimer recognizes a contract asset for the costs and amortizes them consistent with the transfer of the goods or services to the customer. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately in the consolidated income statement.

#### **Judgments and estimates**

Preparation of the consolidated financial statements requires estimates, assumptions and judgments that affect the recognition and measurement of assets and liabilities, the amount of recognized income and expense and the disclosure of contingent liabilities and receivables. Although the estimates are subject to ongoing review and made to the best of management's knowledge of current events and transactions, actual future results may differ from the estimated amounts. Changes in accounting estimates are recognized in profit or loss in the period of the change if the change affects that period only and in the period of the change and future periods if the change affects both. Such changes do not affect prior-year figures.

Information on the main assumptions made about the future and other sources of estimation uncertainty that have a risk of resulting in material accounting adjustments is provided in the following.

Acquisitions of **subsidiaries** are accounted for using the acquisition method. This stipulates that all identifiable assets and liabilities of an entity acquired in a business combination are included in the Consolidated Financial Statements at acquisition date fair values. Measuring fair values requires estimates. The fair values of land, buildings and office equipment are generally measured by independent appraisers. Gerresheimer also uses expertise of appraisers to value intangible assets, depending on the type of asset and the complexity of valuation method. Measurement is based as a rule on management projections of the net cash flows to be generated from assets and the applicable discount rate.

Assessing the recoverability of **goodwill** involves determining the value in use of the cash-generating unit to which it is allocated. Measuring the value in use requires an estimation of future cash flows for the cash-generating unit and of an appropriate discount rate for the present value calculation. If the future cash flows prove lower than management estimated, impairment may be required. For further information, please see Note (18).

The amount of **pension and similar obligations** to employees significantly depends on assumptions about future developments. The defined benefit obligation is measured in accordance with actuarial methods based on assumptions regarding the discount rate, increases in salaries and pensions, and life expectancy. These can differ considerably from actual developments because of variations in the market and economic environment. In addition, Gerresheimer provides subsidized healthcare for retired employees in the USA. Should it become necessary to modify the assumptions relating to the aforementioned parameters, this may have an effect on the future amount of pension costs, equity, and provisions for pensions and similar obligations. For further information, please see Note (27).

The Gerresheimer Group operates in many different countries and is consequently subject to multiple different tax jurisdictions. If no group taxation regimes such as fiscal unity are used, taxable income tax, tax receivables and payables, temporary differences, tax loss carryforwards and the resulting deferred tax assets and liabilities must be determined separately for each taxable entity. Deferred tax assets are subject to significant estimation uncertainty. Deferred tax assets are recognized insofar as their realization within the planning horizon is mostly likely to be expected. The realization of deferred tax assets thus notably depends on the ability to generate sufficient taxable income for the applicable type

of tax in the relevant tax jurisdiction in the future. Various factors have to be taken into account in assessing the probability of the inflow of future economic benefits, such as corporate planning, restrictions on tax loss carryforwards, minimum taxation and tax planning strategies. The amounts recognized for deferred tax assets may decrease if the estimates of budgeted taxable income have to be revised or if changes in tax law restrict the timescale of tax benefits or the extent to which they can be realized. For further information, please see Note (16).

The fair value of **stock appreciation rights** is recognized pro rata temporis in personnel expenses and, at the same time, as a provision because there is an obligation to make a cash settlement. Fair values of phantom stocks are determined using a recognized (binomial) option pricing model. The parameters used in this model and the fair values of each tranche are presented in Note (28). Any necessary changes in the assumptions relating to the aforementioned parameters may affect the future amount of expenses, equity, and provisions for obligations relating to Gerresheimer stock appreciation rights.

**Revenues from customer-specific construction contracts** are recognized in accordance with the transfer of goods or services to a customer (percentage of completion method). Gerresheimer determines the extent of services rendered to the customer as the ratio of contract costs incurred to expected total contract costs (cost to cost method). The main estimates relate to the total contract costs and the contract costs to complete the contract. These estimates are reviewed and adjusted as necessary on an ongoing basis. This may affect the amount of revenue recognized and the profit from a construction contract.

## (7) Financial Risk Management and Derivative Financial Instruments

Derivative financial instruments are used exclusively for hedging purposes.

A Group-wide financial risk management monitors centrally the Group's financial risks. Identified potential risks are managed using suitable hedging instruments on the basis of clearly defined guidelines.

Besides price risks from fluctuations on money and capital markets as well as international commodities markets, risk management also targets credit and liquidity risk.

In line with intra-Group financing guidelines, **exchange rate risks** are hedged using forward exchange contracts and currency swaps. Generally, the risk exposures assessed in currency management are transaction risks, only. Currency derivatives are generally used to hedge specific hedged items and are recognized as hedging instruments.

**Credit risks** resulting from the Group's trade relationships are monitored by credit and receivables management and by the sales divisions management of operating entities. With the aim of avoiding losses on receivables, customers are subject to ongoing internal credit checks. Receivables from customers that do not have a first-class credit rating are generally insured.

The Group's **liquidity situation** is monitored and managed using sophisticated planning instruments. Risks in connection with the procurement of funds are identified and monitored on the basis of rolling financial and liquidity plans.

All derivative financial instruments are measured at fair value. Derivative financial instruments with positive fair values are recognized in other financial assets and derivatives with negative fair values in other financial liabilities.

The fair values of derivative financial instruments are measured using the applicable exchange rates, interest rates and credit standings at the balance sheet date. The fair value is the price that a Group entity would receive or have to pay to transfer a

derivative financial instrument in an orderly transaction between market participants at the balance sheet date. Changes in the fair value of derivative financial instruments are immediately recognized in profit or loss.

Due to their short-term nature, the currency derivatives used to hedge exchange rate risk are not designated as hedge instruments by Gerresheimer. Changes in their fair value are recognized in profit or loss in accordance with the general rules on accounting for derivatives.

### (8) Consolidated Cash Flow Statement

The consolidated cash flow statement shows how the financial resources of the Gerresheimer Group have changed due to cash inflows and outflows during the financial year. The cash flow effects of acquisitions and divestments are presented separately.

In the prior year period, the item "Cash paid for the acquisition of subsidiaries, net of cash received" includes the second fixed purchase price component paid as of December 17, 2018 and the payment of a contingent purchase price component on July 2, 2019 for the acquisition of Sensile Medical AG, Olten (Switzerland). In the current reporting period, the item "Cash received in connection with divestments, net of cash paid" reflects the liquidation of the investment Micro Center Central-Switzerland AG, Samen (Switzerland). In the prior-year period, this items reflects the disposal of cash in relation to the deconsolidation of Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina) as of November 30, 2019. Financial resources as reported in the consolidated cash flow statement comprise cash and cash equivalents, which is cash on hand, checks and bank balances, diminished by bank overdrafts.

The change in liabilities from financing activities is as follows:

In EUR k	Nov. 30, 2019	Cash Flows		Non-cash changes					Nov. 30, 2020
		Cash inflow	Cash outflow	Disposal	Currency effects	New contracts	Fair value changes	First time adoption IFRS 16	
Promissory loans	674,293	325,000	-190,475	-	-	-	229	-	809,047
Liabilities to banks	308,523	174,496	-312,127	-	-1,355	-	-	-	169,537
Accrued financing fees	-1,484	-	-571	-	15	-	1,005	-	-1,035
Lease and installment purchases liabilities	10,302	-	-10,922	-149	-1,103	12,644	-	28,810	39,584
	<b>991,634</b>	<b>499,496</b>	<b>-514,095</b>	<b>-149</b>	<b>-2,443</b>	<b>12,644</b>	<b>1,234</b>	<b>28,810</b>	<b>1,017,133</b>

Other financial liabilities as reported in the consolidated balance sheet comprise liabilities, which are not reported in the cash flow from financing activities in the consolidated cash flow statement.

## NOTES TO THE CONSOLIDATED INCOME STATEMENT

### (9) Revenues

Revenues rose from EUR 1,392,255k in the financial year 2019 by 1.9% to EUR 1,148,786k in the financial year 2020.

Revenues mainly result from sales of goods. Revenues from customer-specific contracts amount to EUR 51,156k (prior year: EUR 51,019k) in the reporting period.

For information on contract balances, please see Note (25).

An analysis of revenues by division and region is provided in Note (34) "Segment Reporting".

### (10) Cost of Sales

Cost of sales comprises the cost of goods manufactured and sold and the purchase cost of merchandise sold. Cost of conversion includes direct costs such as direct material, labor, energy and depreciation of production plant as well as indirect costs such as repairs. In cost of sales a total of EUR 99,660k (prior year: EUR 224,719k) of depreciation, amortization and impairment losses is included, of which amortization and impairment losses of fair value adjustments from purchase price allocations amount to EUR 2,419k (prior year: EUR 127,654k).

Due to the unexpected termination of the project to develop a micro pump for the treatment of diabetes by a customer, impairment losses on three patents in the amount of EUR 3,633k were recognized in the prior year on the level of the cash-generating unit Sensile Medical. The impairment test on the level of the cash-generating unit Sensile Medical resulted in the prior year in a need for impairment losses of fair value adjustments on technologies in the amount of EUR 102,972k and impairment losses on development costs of EUR 4,250k.

The cost of inventories recognized as an expense during the financial year was EUR 397,263k (prior year: EUR 362,179k).

### (11) Selling and Administrative Expenses

Selling expenses comprise personnel and non-personnel expenses for the sales organizations and distribution of the products (including freight and commissions). In addition, selling expenses include depreciation, amortization and impairment losses of EUR 32,788k (prior year: EUR 33,427k). Of the depreciation and amortization EUR 30,374k (prior year: EUR 31,046k) relate to fair value adjustments from purchase price allocations. Furthermore the prior year figure includes impairment losses of fair value adjustments of brand names in the amount of EUR 864k in

the Advanced Technologies Division. The impairment losses result from the annual impairment test on goodwill.

Administrative expenses mainly comprise personnel and non-personnel expenses for administrative functions, depreciation and amortization amounting to EUR 9,309k (prior year: EUR 6,467k).

### (12) Personnel Expenses and Employees

Personnel expenses break down as follows:

In EUR k	2020	2019
Wages and salaries	365,153	358,081
Social security and other benefit costs	65,631	63,290
Pension costs	4,562	3,468
<b>Personnel expenses</b>	<b>435,346</b>	<b>424,839</b>

The average number of employees in the financial year 2020 is as follows:

	2020	2019
White-collar	2,422	2,436
Blue-collar	7,257	7,243
Trainees	203	201
<b>Average number of employees</b>	<b>9,882</b>	<b>9,880</b>

### (13) Other Operating Income

In EUR k	2020	2019
Income from refund claims against third parties	14,403	6,593
One-off income	8,165	2,941
Income from the derecognition of liabilities	2,740	4,721
Income from the reversal of provisions	1,750	4,225
Income from the disposal of intangible assets and property, plant and equipment	1,611	200
Income from sale of scrap	877	1,152
Derecognition of contingent purchase price components	-	129,801
Income from other tax claims	-	455
Sundry other income	3,609	3,645
<b>Other operating income</b>	<b>33,155</b>	<b>153,733</b>

Income from refund claims against third parties is mainly attributable to income from insurance reimbursements. These insurance reimbursements reflect compensation for incurred financial losses in relation to a furnace damage in one of our plants in the United States (EUR 9,623k) as well as from a fire in a warehouse at one of our German molded glass plants (EUR 3,774k). This item also includes EUR 399k from reimbursement claims against various suppliers and customers (prior year: EUR 3,317k).

One-off income is mostly attributable to a book gain from the sale of a piece of land in Switzerland, which was reported as investment property in the consolidated balance sheet as of November 30, 2019. Furthermore, existing technical equipment and machines have been sold within this transaction. One-off income of the prior year is also attributable to a book gain from the sale of a piece of land in Switzerland.

In the prior period other operating income mainly represent income from the derecognition of contingent purchase price components from the acquisition of Sensile Medical in the amount of EUR 129,801k. The derecognition is due to the fact that the contractually agreed milestones were not reached due to unexpected termination by the customers of projects for the development of a micro pump for the treatment of heart diseases and for the treatment of diabetes as well as project delays.

#### (14) Restructuring Expenses

Gerresheimer recognizes expenses as restructuring expenses if they are incurred for a program planned and controlled by management that materially changes either the scope of a business undertaken by the Group or the manner in which that business is conducted.

EUR 1,844k in income from the reversal of provisions for restructuring measures is offset in the total. The restructuring expenses in the reporting year relate to the plant closures in the Primary Packaging Glass Division that were decided in the financial years 2015 and 2017.

#### (15) Other Operating Expenses

In EUR k	2020	2019
One-off expenses	17,440	9,334
Research and development	7,656	3,591
Contract modification in connection with the termination of a project to develop a micro pump for the treatment of diabetes	3,965	9,241
Addition to bad debt allowances and loss from derecognition of receivables	2,205	1,204
Supervisory Board remuneration and expense reimbursement	1,411	1,408
Currency losses	1,304	27
Loss from disposal of intangible and fixed assets	381	371
Impairment Goodwill	-	5,014
Sundry other expenses	5,443	3,051
<b>Other operating expenses</b>	<b>39,805</b>	<b>33,241</b>

One-off expenses of EUR 1,249k are related to a strategic and structural personnel adjustment due to automation and digitalization as well as measures to improve efficiency in the Primary Packaging Glass Division. Furthermore, expenses of EUR 6,296k are included here, which are in connection with the Covid-19 pandemic, mainly to ensure business continuity, to implement and adhere to safety concepts as well as to the pay incentives to employees.

#### (16) Income Taxes

In EUR k	2020	2019
Current income taxes	-40,966	-36,319
Deferred income taxes	-4,298	20,832
<b>Income taxes</b>	<b>-45,264</b>	<b>-15,487</b>

As in the prior year, income taxes in Germany were determined on the basis of a combined tax rate of 29.0%, comprising the 15.0% corporation tax rate, the 5.5% solidarity surcharge and the 13.0% average trade tax rate. The income tax rates applied for foreign subsidiaries ranged from 0.0% to 34.0% (prior year: 0.0% to 34.0%). Some subsidiaries in China benefit from temporary tax privileges, with a resulting tax rate of 10.0% respectively 15.0%. The subsidiary in the Republic of North Macedonia is exempt from income taxes for a period of ten years.

The income tax expenses expected on the basis of the combined tax rate differ from the reported amounts as follows:

In EUR k	2020	2019
Net income before income taxes	135,145	98,168
<b>Expected tax expense: 29% (prior year: 29%)</b>	<b>-39,192</b>	<b>-28,469</b>
Loss carryforwards without deferred tax assets	-2,858	-3,486
Different foreign tax rates	3,557	-5,737
Non-deductible expenses	-2,586	-4,895
Tax-free income and tax benefits	-83	37,549
Effects from changes in tax rates	369	-7,822
Change in valuation allowances on deferred tax assets	-4,652	-2,929
Taxes from prior periods	458	455
Other	-277	-153
<b>Total differences</b>	<b>-6,072</b>	<b>12,982</b>
<b>Effective tax expense</b>	<b>-45,264</b>	<b>-15,487</b>
<b>Tax rate</b>	<b>33.5%</b>	<b>15.8%</b>

Tax rate in the financial year 2020 is 33.5%. In the prior-year period, it should be noted here that the other operating income of EUR 129,801k from the derecognition of contingent purchase price components in connection with the acquisition of Sensile Medical recognized in the financial year 2019 is not taxable. In addition, in connection with the unexpected termination by the customer of the project for the development of a micro pump for the treatment of diabetes and the resulting impairment losses in the amount of EUR 113,100k in the cash-generating unit Sensile Medical, there were effects on the net income before income taxes and effects on the income taxes themselves. Excluding these one-off effects this would result in a comparable tax rate of 29.3% in the financial year 2019. The increase in the tax rate in 2020 results primarily from the valuation allowances on deferred tax assets on temporary loss carryforwards of a foreign subsidiary as well as from the income tax burden on the company property sold as part of the closure of the Kuessnacht (Switzerland) location.

Deferred taxes relate to the following main balance sheet items and loss carryforwards:

In EUR k	Nov. 30, 2020		Nov. 30, 2019	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Non-current assets	3,537	168,345	4,030	182,117
Inventories	1,992	2,787	1,067	2,397
Receivables and other assets	1,232	1,229	392	1,366
Provisions for pensions	27,664	–	27,454	–
Other provisions	7,439	–	7,284	–
Payables and other liabilities	2,693	–	3,617	–
Other provisions and liabilities	–	1,611	–	2,732
Other financial assets/liabilities	3	–	15	–
Loss carry forwards	10,837	–	19,383	–
	<b>55,397</b>	<b>173,972</b>	<b>63,242</b>	<b>188,612</b>
Offset	-42,592	-42,592	-46,176	-46,176
<b>Deferred taxes</b>	<b>12,805</b>	<b>131,380</b>	<b>17,066</b>	<b>142,436</b>

The deferred tax assets and liabilities are netted for each company or tax group, provided that they relate to income taxes that apply to the same tax authority and Gerresheimer has an enforceable right to offset actual tax refund claims against actual tax liabilities.

The deferred income taxes, which are recognized in other comprehensive income, result in an increase in equity of EUR 2,221k (prior year: EUR 4,662k), which fully relate to income taxes in connection with the remeasurement of defined benefit obligation pension plans.

Deferred tax assets were not recognized for tax loss carryforwards in the amount of EUR 102,686k (prior year: EUR 93,637k), as these loss carryforwards are not expected to be used in the next five years at Group companies of Gerresheimer AG. This includes corporate tax loss carryforwards of EUR 11k (prior year: EUR 11k) and trade tax loss carryforwards of EUR 9,181k (prior year: EUR 9,170k) for domestic subsidiaries.

Deferred tax assets of EUR 1,208k (prior year: EUR 2,098k) were recognized for tax loss carryforwards at foreign Group companies, as the companies concerned expect to generate future taxable profits. There is sufficient reliability that the tax loss carryforwards can be realized.

Temporary loss carryforwards in the amount of EUR 84,841k, which can be used in the period from 2021 to 2030 (prior year: EUR 60,773k, period from 2020 to 2027), relate exclusively to foreign companies.

With effect from December 1, 2019, a profit and loss transfer agreement was concluded between Gerresheimer Holdings GmbH and Gerresheimer Group GmbH. Thus, the tax group of Gerresheimer AG was expanded to include Gerresheimer Group GmbH with its direct and indirect German 100% subsidiaries. The temporary interruption of the tax group between Gerresheimer Holdings GmbH and Gerresheimer Group GmbH ended after the loss carryforwards of the Gerresheimer Group GmbH had been used up.

Deferred tax liabilities for taxable temporary differences from investments in fully consolidated subsidiaries in the amount of EUR 33,528k (prior year: EUR 34,629k) were not recognized, as Gerresheimer AG is able to control the timing of the reversal of the temporary differences and these will unlikely reverse in the foreseeable future.

### (17) Earnings per Share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders of Gerresheimer AG by the weighted average number of shares issued. Diluted earnings per share and basic earnings per share are identical as no diluting financial instruments were in circulation at the end of the reporting period, as in the prior year.

		2020	2019
Net income attributable to shareholders of Gerresheimer AG	in EUR k	88,559	80,781
Average number of issued ordinary shares	in thousand	31,400	31,400
Diluted and non-diluted earnings per share	in EUR	2.82	2.57

## NOTES TO THE CONSOLIDATED BALANCE SHEET

### (18) Intangible Assets

Intangible Assets break down as follows:

In EUR k	Goodwill	Customer relationship, brand names, technologies and similar assets	Development costs	Other	Intangible assets
<b>Acquisition costs as of November 30, 2020</b>					
Prior year carrying amount	681,022	1,080,678	36,751	52,249	1,850,700
Currency translation	-29,848	-47,369	-213	-327	-77,757
Additions	-	-	21,312	6,279	27,591
Disposals	-	-	-	-736	-736
Reclassifications	-	-	-	92	92
<b>Carrying amount</b>	<b>651,174</b>	<b>1,033,309</b>	<b>57,850</b>	<b>57,557</b>	<b>1,799,890</b>
<b>Accumulated amortization and impairment losses as of November 30, 2020</b>					
Prior year carrying amount	8,864	439,330	16,192	29,140	493,526
Currency translation	-	-17,104	-17	-364	-17,485
Disposals	-	-	-	-455	-455
Amortization	-	42,467	1,731	4,223	48,421
Impairment losses	-	-	1,484	-	1,484
<b>Carrying amount</b>	<b>8,864</b>	<b>464,693</b>	<b>19,390</b>	<b>32,544</b>	<b>525,491</b>
<b>Net carrying amount</b>	<b>642,310</b>	<b>568,616</b>	<b>38,460</b>	<b>25,013</b>	<b>1,274,399</b>

In EUR k	Goodwill	Customer relationship, brand names, technologies and similar assets	Development costs	Other	Intangible assets
<b>Acquisition costs as of November 30, 2019</b>					
Prior year carrying amount	674,437	1,064,735	30,933	47,623	1,817,728
Currency translation	6,809	15,493	38	102	22,892
Additions	-	-	5,857	6,199	12,056
Disposals	-224	-	-70	-1,303	-1,597
Reclassifications	-	-	-7	-372	-379
<b>Carrying amount</b>	<b>681,022</b>	<b>1,080,678</b>	<b>36,751</b>	<b>52,249</b>	<b>1,850,700</b>
<b>Accumulated amortization and impairment losses as of November 30, 2019</b>					
Prior year carrying amount	3,850	275,468	5,806	26,925	312,049
Currency translation	-	4,298	2	93	4,393
Disposals	-	-	-70	-1,294	-1,364
Reclassifications	-	-	-	-203	-203
Amortization	-	55,728	2,571	3,619	61,918
Impairment losses	5,014	103,836	7,883	-	116,733
<b>Carrying amount</b>	<b>8,864</b>	<b>439,330</b>	<b>16,192</b>	<b>29,140</b>	<b>493,526</b>
<b>Net carrying amount</b>	<b>672,158</b>	<b>641,348</b>	<b>20,559</b>	<b>23,109</b>	<b>1,357,174</b>

Significant intangible assets result from business combinations. Amortization of those intangible assets from business combinations is described by Gerresheimer as amortization of fair value adjustments. Amortization of intangible assets is disclosed in the functional areas cost of sales and selling expenses. Brand names – with the exception of two companies – have indefinite useful lives.



**Goodwill** is assigned to five (prior year: five) cash-generating units as follows:

In EUR k	Goodwill	
	Nov. 30, 2020	Nov. 30, 2019
Plastics & Devices		
Plastic Packaging	79,738	86,191
Medical Systems	115,468	115,468
Centor	257,443	280,838
Primary Packaging Glass		
Converting	63,341	63,341
Moulded Glass	126,320	126,320
<b>Goodwill</b>	<b>642,310</b>	<b>672,158</b>

To assess the recoverability of goodwill, Gerresheimer has tested whether the recoverable amount of each of the cash-generating units at least covers the carrying amount of the net assets. The recoverable amount is determined as the higher of value in use and the fair value less costs of disposal. Value in use – based on cash flow projections budgeted for the financial years 2021 to 2025 (prior year: 2020 to 2024) – is the main measure of value applied by Gerresheimer. Corporate planning considers factors in historical developments and current market expectations. As in the prior year, the growth rate used to extrapolate for subsequent years was 1.0%. Future cash flows are discounted using the weighted average cost of capital (WACC). Both the beta factor used to determine the cost of equity and borrowing costs were derived on the basis of a peer group.

Corporate planning takes into account a steadily growing market for pharma products. This assumption is based on the demographic development, which leads to an increase in medical care since there is a growing world population in combination with an increasing life expectancy of the population. This development is also reflected in the relevant mega trends (we refer to the section on “Strategy and Targets” in the Combined Management Report).

The WACC before tax was determined iteratively from the WACC after tax and breaks down as follows for the cash-generating units:

In %	WACC before tax	
	Nov. 30, 2020	Nov. 30, 2019
Plastics & Devices		
Plastic Packaging	9.5	7.5
Medical Systems	7.0	7.7
Centor	7.0	5.9
Primary Packaging Glass		
Converting	7.2	6.0
Moulded Glass	6.6	7.1

The impairment test for the goodwill did not result in any need for impairment. The change in the book values of the goodwill of the individual cash-generating units results exclusively from currency effects.

For each cash-generating unit to which goodwill was allocated as of November 30, 2020, no reasonable change of the underlying assumptions to determine the value in use would cause the carrying amount of the cash-generating unit to exceed their net realizable value considerably.

**Brand names** capitalized as of November 30, 2020 break down as follows:

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Plastic Packaging	15,152	16,301
<i>Thereof with indefinite useful life</i>	15,152	16,301
Medical Systems	4,957	4,957
<i>Thereof with indefinite useful life</i>	4,957	4,957
Centor	2,770	3,226
<i>Thereof with indefinite useful life</i>	–	–
Sensile Medical	1,906	2,157
<i>Thereof with indefinite useful life</i>	–	–
<b>Trademarks</b>	<b>24,785</b>	<b>26,641</b>

The change in the carrying amount of brand names with indefinite useful lives results exclusively from currency effects.

In the financial year 2020, research and development spending of EUR 7,656k (prior year: EUR 3,591k) was recognized in the consolidated income statement as other operating expenses. The Group also capitalized development costs in the amount of EUR 21,312k (prior year: EUR 5,857k). The increase in capitalized development costs as against the prior year is largely attributable to capital expenditure on projects in the Advanced Technology Division, namely the planned further development of a micro pump for the treatment of heart disease.

The “other” item mainly relates to licenses, off-the-shelf software and prepayments on intangible assets. Licenses notably relate to an integrated passive syringe safety system and to Gx® RTF vials – a new product portfolio of prefillable sterile injection vials – together with the related technological know-how.

## (19) Property, Plant and Equipment and Investment Property

Property, plant and equipment and investment property break down as follows:

In EUR k	Land, land rights and buildings (used for operating purposes)	Plant and machinery	Other equipment and machinery	Payments on account and assets under construction	Property, plant and equipment	Investment property
<b>Acquisition costs as of November 30, 2020</b>						
Prior year carrying amount	255,126	892,896	91,640	167,429	1,470,091	12,062
First-time adoption effect IFRS 16	22,681	1,072	5,057	–	28,810	–
Currency translation	-9,528	-40,323	-2,176	-7,647	-59,674	–
Additions	3,980	39,724	13,158	115,014	171,876	–
Disposals	-122	-10,872	-6,474	-37	-17,505	-7,737
Reclassifications	17,096	53,617	10,926	-81,790	-151	–
<b>Carrying amount</b>	<b>289,233</b>	<b>936,114</b>	<b>112,131</b>	<b>192,969</b>	<b>1,530,447</b>	<b>4,325</b>
<b>Accumulated depreciation and impairment losses as of November 30, 2020</b>						
Prior year carrying amount	88,891	552,044	64,104	115	705,154	2,847
Currency translation	-2,745	-23,896	-1,206	-5	-27,852	–
Disposals	-102	-9,629	-5,393	-21	-15,145	-2,205
Reclassifications	-29	-4,906	4,852	–	-83	82
Depreciation	15,634	78,681	10,640	–	104,955	–
Impairment losses	–	129	87	101	317	–
<b>Carrying amount</b>	<b>101,649</b>	<b>592,423</b>	<b>73,084</b>	<b>190</b>	<b>767,346</b>	<b>724</b>
<b>Net carrying amount</b>	<b>187,584</b>	<b>343,691</b>	<b>39,047</b>	<b>192,779</b>	<b>763,101</b>	<b>3,601</b>

In EUR k	Land, land rights and buildings (used for operating purposes)	Plant and machinery	Other equipment and machinery	Payments on account and assets under construction	Property, plant and equipment	Investment property
<b>Acquisition costs as of November 30, 2019</b>						
Prior year carrying amount	252,724	813,630	91,064	111,421	1,268,839	5,335
Currency translation	1,882	7,142	29	-6	9,047	–
Additions	4,933	56,239	5,461	106,662	173,295	–
Disposals	-1,001	-27,985	-9,632	-316	-38,934	–
Reclassifications	-3,412	43,870	4,718	-50,332	-5,156	6,727
<b>Carrying amount</b>	<b>255,126</b>	<b>892,896</b>	<b>91,640</b>	<b>167,429</b>	<b>1,407,091</b>	<b>12,062</b>
<b>Accumulated depreciation and impairment losses as of November 30, 2019</b>						
Prior year carrying amount	82,283	500,765	64,947	116	648,111	724
Currency translation	692	3,108	-64	-1	3,735	–
Disposals	-523	-27,157	-9,307	-3	-36,990	–
Reclassifications	-1,938	621	358	3	-957	2,082
Depreciation	8,377	74,701	8,170	–	91,248	41
Impairment losses	–	6	–	–	6	–
<b>Carrying amount</b>	<b>88,891</b>	<b>552,044</b>	<b>64,104</b>	<b>115</b>	<b>705,154</b>	<b>2,847</b>
<b>Net carrying amount</b>	<b>166,235</b>	<b>340,852</b>	<b>27,536</b>	<b>167,314</b>	<b>701,937</b>	<b>9,215</b>

Land and buildings owned by the group with a book value of EUR 1,449k as of November 30, 2019 were provided in the prior year as collateral for the case in which the prior owners of the group company concerned are not able to comply with their liabilities to the tax authorities. With regard to the collateral provided, there has been a full right of recourse to the principle debtor and thus there is just a low asset risk to be enlisted from these collaterals for the Gerresheimer Group.

The investment property refers to leasehold land as well as non-operating property with a carrying amount of EUR 3,601k (prior year: EUR 9,215k) and a fair value of EUR 8,213k (prior year: EUR 24,962k). The fair value is determined from various sources of information, which include past sales, officially published indicative land values and independent appraisals. The fair values of other non-operating land are the same as the carrying amounts.

Rental income from investment properties amounts to EUR 28k in the financial year 2020 (prior year: EUR 28k). Expenses of EUR 21k were incurred (prior year: EUR 18k) that are entirely attributable to investment property, which generated rental income during the period.

Of the impairment losses, 0.0% (prior year: 100.0%) refer to the Primary Packaging Glass Division and 100.0% (prior year: 0.0%) to the Plastics & Devices Division.

#### Leases

In addition to assets owned by Gerresheimer, property, plant and equipment also includes right-of-use assets under leases where Gerresheimer is the lessee. The leases are mainly longer-term leases on warehouses, office buildings, land, production machinery and vehicles. Lease terms generally range between 30 and 60 months.

The table below shows changes in right-of-use assets included in property, plant and equipment:

In EUR k	Right-of-use-asset land, land rights and buildings (used for operating purposes)	Right-of-use-asset plant and machinery	Right-of-use-asset other equipment	Total
<b>As of November 30, 2020</b>				
Prior year carrying amount	1,887	6,248	140	8,275
First-time adoption effect IFRS 16	22,681	1,072	5,057	28,810
Currency translation	-1,048	-250	-314	-1,612
Additions	1,727	2,125	8,762	12,614
Disposals	-	22	147	169
Reclassifications	-	-60	-	-60
Depreciation	6,717	846	2,838	10,401
<b>Carrying amount</b>	<b>18,530</b>	<b>8,267</b>	<b>10,660</b>	<b>37,457</b>
Acquisition cost	26,139	9,415	13,409	48,963
Accumulated depreciation and impairment losses	7,609	1,148	2,749	11,506

A maturity analysis of the corresponding lease liabilities is provided in Note (33) "Reporting on Capital Management and Financial Instruments".

The following amounts were recognized in profit or loss in the reporting period:

In EUR k	2020
Interest expense on lease liabilities	1,182
Expenses relating to short-term leases	2,152
Expenses relating to leases of low-value assets	796
	<b>4,130</b>

In the financial year 2020, the total cash outflows for leases including interest portion amounted to EUR 11,194k.

## (20) Investments Accounted for Using the Equity Method

The table below shows a summary of aggregated financial information on companies that are accounted for using the equity method. The companies included here are Gerresheimer Tooling LLC, Peachtree City, GA (USA) and PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn (Czech Republic):

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Assets	3,784	3,802
Equity	1,066	1,062
Liabilities	2,716	2,740
Revenues	3,636	3,684
Profit or loss	92	340

Investments accounted for using the equity method have developed as follows:

In EUR k	Investments accounted for using the equity method
<b>As of November 30, 2020</b>	
Prior year carrying amount	332
Currency translation	-27
Share of profit or loss of associated companies	27
<b>Carrying amount</b>	<b>332</b>
<b>As of November 30, 2019</b>	
Prior year carrying amount	297
Currency translation	10
Share of profit or loss of associated companies	25
<b>Carrying amount</b>	<b>332</b>

## (21) Financial Assets

Financial assets break down as follows:

In EUR k	Nov. 30, 2020			Nov. 30, 2019		
	Total	Thereof current	Thereof non-current	Total	Thereof current	Thereof non-current
Fair value of derivative financial instruments	1,099	1,099	-	194	194	-
Investments	5,147	-	5,147	3,749	-	3,749
Refund claims for pension benefits	3,022	278	2,744	3,260	270	2,990
Refund claims from third parties	3,933	3,933	-	6,712	6,712	-
Other loans	478	27	451	292	25	267
Other	8,562	8,562	-	8,247	8,247	-
<b>Other financial assets</b>	<b>22,241</b>	<b>13,899</b>	<b>8,342</b>	<b>22,454</b>	<b>15,448</b>	<b>7,006</b>
Trade receivables	215,459	215,459	-	224,170	224,170	-
Cash and cash equivalents	87,950	87,950	-	85,831	85,831	-
<b>Financial assets</b>	<b>325,650</b>	<b>317,308</b>	<b>8,342</b>	<b>332,455</b>	<b>325,449</b>	<b>7,006</b>

As of November 30, 2020 the book value of investments is mainly attributable to the investment in Securetec Detektions-Systeme AG, Neubiberg (Germany) in the amount of EUR 4,338k (prior year: EUR 3,251k), which is designated into the category "at fair value through other comprehensive income".

Non-current other loans as of November 30, 2020 mainly relate to a loan in the amount of EUR 392k (prior year: EUR 207k) granted to Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina), which was deconsolidated as of November 30, 2019. This loan is secured with pledges on machines and guarantees by the purchaser.

The position "other" includes mainly bills of exchange and receivables for reimbursement agreements.

At the reporting date as well as in the prior year, other financial assets that are neither past due nor impaired are recoverable in full and none of the unimpaired financial assets were overdue. Due to the low historical and expected default rates and the high creditworthiness of the debtors, no impairment losses were recognized for expected credit losses on refund claims for pension benefits, refund claims from third parties, other loans as well as on bills of exchange and receivables from rebate agreements which are included in the position "other".

The carrying amount of financial assets in the consolidated financial statements represents the maximum exposure to credit risk for the Group as a whole. Approximately 21% of trade receivables were covered by credit insurance in the financial year 2020 (prior year: approximately 25%). The risk concentration in relation to trade receivables and contract assets is considered to be low due to the world wide activities of the Gerresheimer Group and the diversification on a large number of customers.

In the financial year 2020 as well as in the prior year no financial assets were pledged as collateral for liabilities or contingent liabilities.

For further details on the fair values of derivative financial instruments, please see the information provided in Note (33).

## (22) Other Receivables

Other receivables break down as follows:

In EUR k	Nov. 30, 2020		
	Total	Thereof current	Thereof non-current
Other tax receivables	17,829	17,457	372
Prepaid assets	5,693	5,064	629
Other assets	6,314	5,455	859
<b>Other receivables</b>	<b>29,836</b>	<b>27,976</b>	<b>1,860</b>

In EUR k	Nov. 30, 2019		
	Total	Thereof current	Thereof non-current
Other tax receivables	13,201	12,584	617
Prepaid assets	5,853	4,725	1,128
Other assets	7,158	6,107	1,051
<b>Other receivables</b>	<b>26,212</b>	<b>23,416</b>	<b>2,796</b>

The prepaid assets mainly consist of accrued payments made prior to the reporting date for maintenance, tax, personnel and insurance expenses in the next financial year as well as payments made in connection with the extension of supply agreements with major customers.

## (23) Inventories

Inventories break down as follows:

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Raw materials, consumables and supplies	66,718	60,356
Work in progress	16,547	18,749
Finished goods and merchandise	103,296	102,302
Prepayments made	3,421	3,686
<b>Inventories</b>	<b>189,982</b>	<b>185,093</b>

Write-downs of inventories totaling EUR 8,796k (prior year: EUR 7,065k) were recognized as an expense in the financial year. When the circumstances that caused a write-down no longer exist, the write-down is reversed. Reversals of write-downs amounted to EUR 863k (prior year: EUR 263k) in the financial year. These are mainly attributable to the increase of the net realizable value of finished goods and merchandise written down in prior periods.

For further details on the cost of inventories recognized as an expense during the financial year, please see the information provided in Note (10).

As in the prior year, no inventories were pledged as security for liabilities as of November 30, 2020.

## (24) Trade Receivables

Trade receivables break down as follows:

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Trade receivables	219,387	226,738
Less bad debt allowances	3,928	2,568
<b>Net trade receivables</b>	<b>215,459</b>	<b>224,170</b>

Trade receivables relate to unconditional payment claims of the Group for completed and invoiced services. Trade receivables generally do not include any interest component.

The customer-specific payment terms are usually between 30 and 60 days. In some cases there are agreements on discounts.

Contract assets from customer-specific construction and development contracts recognized since the financial year 2019 are shown in Note (25).

As of the balance sheet date, the age structure of unimpaired trade receivables breaks down as follows:

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Carrying amount	215,459	224,170
General bad debt allowances	2,865	1,648
Specific bad debt allowances	1,063	920
Gross carrying amount of receivables for which specific bad debt allowances were recognized	-1,454	-966
<b>Trade receivables not impaired</b>	<b>217,933</b>	<b>225,772</b>
<i>Thereof as of the balance sheet date</i>		
<i>not past due</i>	189,088	197,784
<i>past due by up to 30 days</i>	13,162	9,700
<i>past due by 31 to 60 days</i>	6,870	4,694
<i>past due by 61 to 90 days</i>	2,353	956
<i>past due by 91 to 120 days</i>	1,964	8,648
<i>past due by more than 120 days</i>	4,496	3,990
	<b>217,933</b>	<b>225,772</b>

The impairments taken into account for the expected credit losses are insignificant due to the good creditworthiness of the contractual partners and the measures taken in the context of credit and receivables management.

Bad debt allowances developed in the financial year 2020 as follows:

In EUR k	General bad debt allowances/ expected credit losses	Specific bad debt allowances	Total allowances
As of December 1	1,648	920	2,568
Additions	1,699	445	2,144
Utilizations	-181	-2	-183
Reversals	-112	-218	-330
Currency translation	-189	-82	-271
<b>As of November 30</b>	<b>2,865</b>	<b>1,063</b>	<b>3,928</b>

## (25) Contract Assets and Contract Liabilities

The following table provides information on contractual assets and contract liabilities from contracts with customers:

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Contract assets	14,178	5,392
Contract liabilities	9,912	10,188

The contract assets mainly relate to the Group's rights to consideration for services from construction contracts not yet invoiced as of the balance sheet date. The amounts recognized as contract assets are reclassified to trade receivables as soon as the Group has an unconditional right to consideration. In the financial year 2019, contract assets of the subsidiary Sensile Medical in the amount of EUR 26,567k were derecognized as a result of a changed estimate of the transaction price.

The contractual assets consist of the netted contract position from prepayments received from customers for non-current construction contracts on the one hand and from consignment warehouse contracts, in which the customers obtain control upon delivery of the goods to the consignment warehouse on the other.

In the reporting period, the following changes in contract liabilities were significant:

In EUR k	2020	2019
As of December 1	10,188	6,679
Additions to contract liabilities	6,502	7,874
Revenue recognized in the reporting period that was included in the contract liability balance at the beginning of the period	5,737	2,732
Other	-1,041	-1,633
<b>As of November 30</b>	<b>9,912</b>	<b>10,188</b>

The performance obligations (unfulfilled or partially unfulfilled) in the amount of EUR 27,209k (prior year: EUR 40,038k), which are partly netted in the contract assets, have an original contract term of more than one year. Management expects that approximately 60% (prior year: 60%) of the transaction price allocated to the unfulfilled performance obligations at the end of fiscal year 2020 will be recognized as revenue in the next reporting period. The remaining 40% (prior year: 40%) is expected to be recognized as revenue in subsequent financial years.

For the other remaining performance obligations in the amount of EUR 4,652k (prior year: EUR 5,509k) relate to Gerresheimer's obligation to transfer goods or services to customers for whom prepayments have already been received. The Group assumes that approximately 50% (prior year 70%) of the related revenue will be recognized within one year. The remaining 50% (prior year: 30%) are expected to be recognized as revenue in the following financial years.

## (26) Equity and Non-controlling Interests

As of November 30, 2020, subscribed capital remains unchanged at EUR 31,400k, and the capital reserve amounts to EUR 513,827k. Thus, the amounts are unchanged from the balance sheet date of the prior year. The capital reserve contains share premiums from the IPO in the year 2007 and cash contributions from shareholders in the years 2004 and 2007.

The number of shares outstanding at the reporting date is 31,400,000 each with a nominal value of EUR 1.00. In the current financial year, a dividend of EUR 37,680k was paid out for the financial year 2019. This corresponds to a dividend of EUR 1.20 per no-par-value share.

## Proposal for appropriation of retained earnings

The Management Board and the Supervisory Board will propose to the Annual General Meeting on June 9, 2021 to distribute a dividend of EUR 1.25 per share for the financial year 2020 (prior year: EUR 1.20 per share). This corresponds to a dividend payment of EUR 39,250k. In relation to the adjusted net income attributable to the shareholders of Gerresheimer AG, the dividend ratio amounts to 32.1%.

Furthermore, it will be proposed that the residual retained earnings of the Company of EUR 136,296k should be carried forward to new account.

In EUR	2020	2019
Retained earnings before dividend payments	175,546,335.76	127,391,567.38
Dividend payments	39,250,000.00	37,680,000.00
<b>Carryforward to new account</b>	<b>136,296,335.76</b>	<b>89,711,567.38</b>

## (27) Provisions for Pensions and Similar Obligations

The Gerresheimer Group has pension plans in various countries. Of these, the pension plans in Germany, Switzerland and pension and health plans (health insurance for retired employees) in the USA account for 97.6% of the Gerresheimer Group's total provisions for pensions and similar obligations.

No new employees are accepted into the German defined benefit plans. The German plans are in the process of being wound down, with their pension obligations decreasing over time. Pension awards are generally based on an employee's length of service, pay and position. Pension entitlements are thus acquired for each year of service according to salary. Pension awards for members of the management board that were appointed before February 10, 2015 and therefore receive defined benefit plans for retirement cover are generally handled through a pension fund or provident fund. If the fund assets are insufficient when the pension starts, supplementary contributions have to be called in.

The US defined benefit plans have been closed and the benefits vested. These plans are funded by investments (plan assets). The plans are financed from annual contribution payments. To limit exposure to capital market and demographic risk for the Gerresheimer Group, all new US pension plans are defined contribution plans.

Retired employees domiciled in the US also receive subsidized healthcare. Under these plans, retirees are refunded a certain percentage of eligible healthcare expenditure. The healthcare plans in the US have been closed and the benefits vested. This has limited the risk of continuously increasing refund claims for the Gerresheimer Group. Changes in the legal framework can cause changes to pension and health plans.

Provisions for pensions developed as follows:

In EUR k	2020	2019
As of December 1	166,236	155,526
Utilizations	-11,126	-10,872
Additions	3,486	3,842
Impact of revaluation	6,778	16,530
Currency translation	-2,175	1,210
<b>As of November 30</b>	<b>163,199</b>	<b>166,236</b>
<i>Thereof current</i>	<i>12,382</i>	<i>12,936</i>

Provisions of EUR 126,045k (prior year: EUR 122,103k) were recognized in connection with various pension plans and individual agreements entered into by German Group companies; an amount of EUR 37,154k (prior year: EUR 44,133k) relates in particular to foreign Group entities in the US and Switzerland. The provision also includes the obligations of US Group companies to assume the medical expenses of retired employees.

The benefits are mainly financed through the systematic accumulation of pension provisions at the entities concerned. External funds that meet the definition of plan assets exist both domestically and internationally.

The following assumptions were made when determining the pension provision and plan assets:

In %	Domestic		International	
	Nov. 30, 2020	Nov. 30, 2019	Nov. 30, 2020	Nov. 30, 2019
Discount rate	0.57	0.69	0.10–6.27	0.00–7.01
Increase in salaries	3.25	3.25	0.50–6.63	0.50–6.61
Increase in pensions	1.50	1.00	–	–
Increase in medical costs	–	–	5.00	5.00–5.33

The discount rate is based on the yield on high-quality corporate bonds. The mortality tables of Prof. Dr. Heubeck 2018G were used as the reference basis with regard to mortality for the determination of domestic pension obligations. For foreign Group companies, current country-specific mortality assumptions were used. The projected income trends reflect expected rates of increase in salaries and income.

The present value of the defined benefit obligation breaks down as follows:

In EUR k	2020	2019
As of December 1	224,517	220,290
Current service cost	1,956	2,188
Interest expense	2,437	4,428
Employee contributions	736	615
Benefit payments	-14,524	-11,452
Actuarial gains/losses	10,120	20,236
<i>Financial assumptions</i>	<i>12,419</i>	<i>26,115</i>
<i>Demographic assumptions</i>	<i>-1,073</i>	<i>-1,133</i>
<i>Experience assumptions</i>	<i>-1,226</i>	<i>-4,746</i>
Past service cost	-445	–
Administration costs	353	440
Settlement	–	-14,984
Currency translation and other changes	-3,931	2,756
<b>As of November 30</b>	<b>221,219</b>	<b>224,517</b>



Changes in the fair value of plan assets are as follows:

In EUR k	2020	2019
As of December 1	58,281	64,764
Interest income on plan assets	815	1,455
Actual return on plan assets, excluding interest income on plan assets	3,342	3,706
Employee contributions	736	615
Employer contributions	1,555	955
Benefit payments	-4,953	-1,535
Settlement	-	-13,225
Currency translation and other changes	-1,756	1,546
<b>As of November 30</b>	<b>58,020</b>	<b>58,281</b>

The composition of the plan assets used to cover the defined benefit obligation breaks down as follows as of the balance sheet date:

In EUR k	Domestic		International	
	Nov. 30, 2020	Nov. 30, 2019	Nov. 30, 2020	Nov. 30, 2019
Plan assets with quoted market price	5,261	5,427	46,273	45,634
Shares (held directly)	451	2,399	17,651	16,062
Fixed-interest securities	4,778	2,996	19,213	20,465
Liquidity	32	32	760	723
Real estate	-	-	5,459	5,142
Other	-	-	3,190	3,242
Plan assets with non-quoted market price	6,415	7,111	71	109
Insurance contracts	6,344	7,038	71	109
Other	71	73	-	-
<b>Plan assets</b>	<b>11,676</b>	<b>12,538</b>	<b>46,344</b>	<b>45,743</b>

The expected contributions to plan assets in the next financial year are estimated at EUR 1,695k.

The main pension funds relate to the pension plans in the US, Switzerland and Germany. The following table shows the composition of the defined benefit obligation as well as the fair value of plan assets across countries:

In EUR k	Defined benefit obligation (DBO)	Fair value plan assets
Germany	137,720	11,676
United States	48,006	24,219
Schweizerland	31,254	21,836
Other	4,239	289
<b>November 30</b>	<b>221,219</b>	<b>58,020</b>

The investment policy of these plan assets, besides complying with regulatory requirements, is geared to the risk structure within the defined benefit obligation.

Pension expenses included in the consolidated income statement are calculated as follows:

In EUR k	2020	2019
Current service cost	1,956	2,188
Past service cost	-445	-
Settlement	-	-1,759
<b>Service cost</b>	<b>1,511</b>	<b>429</b>
Interest expense	2,437	4,428
Interest income on plan assets	-815	-1,455
<b>Net interest expense</b>	<b>1,622</b>	<b>2,973</b>
<b>Administration costs</b>	<b>353</b>	<b>440</b>
	<b>3,486</b>	<b>3,842</b>
Thereof expense for pension benefits for which there are reimbursement rights	35	68

With the exception of net interest expense, all expenses and income are recognized on a net basis in personnel expenses, which is included in functional costs. Net interest expense is shown in the net finance expense.

For one pension obligation in Germany, there is a contractual refund claim for pension payments against a third party. This refund claim does not conform to the definition of plan assets and therefore cannot be accounted for net of the pension obligations. The refund claim for pension benefits is included in other financial assets. Please see Note (21).

The Gerresheimer Group expects benefit payments in future years as follows:

In EUR k	2021	2022	2023	2024
Expected benefit payments	12,382	11,962	12,123	12,432

The weighted average duration of the defined benefit obligation is 12.6 years in Germany and between 6.3 and 14.3 years internationally.

The main actuarial assumptions used in the measurement of defined benefit obligations are the discount rate and the expected salary trend. The sensitivity analyses in the following show how the amount of the defined benefit obligation would have been affected by possible changes in the relevant assumptions. The calculations assume otherwise unchanged assumptions:

In EUR k	Effect on present value of defined benefit obligation	
	2020	2019
Increase in discount rate by 0.5 percentage points	-13,123	-13,195
Decrease in discount rate by 0.5 percentage points	15,228	15,501
Increase in salaries by 0.25 percentage points	532	655
Decrease in salaries by 0.25 percentage points	-597	-674

Various interdependencies exist between the above actuarial assumptions. The sensitivity analyses do not take such interdependencies into account.

The following table gives an overview of expenses for defined contribution plans as well as statutory pension insurance contributions:

In EUR k	2020	2019
Defined contribution plans	1,735	1,805
Statutory pension insurance contributions	14,557	13,819

Expenses for defined contribution plans mainly relate to US Group companies.

## (28) Long-term oriented share-based payment transaction (Phantom Stocks)

As a further long-term variable remuneration, the members of the management board are granted claims to the performance of so-called phantom stocks. The phantom stocks entitlement is the right to receive cash remuneration, which, subject to the performance of a virtual Gerresheimer share specified in the target achievement, can be asserted within two years (exercise period) after a five-year waiting period.

The entitlements are granted for each year of executive board activity. The issue respectively the granting of the respective phantom stocks entitlement takes place around one month after the annual general meeting of the past financial year. The issue price of the annual entitlement (annual tranche) is determined on the basis of the closing price of the Gerresheimer share. The issue price for the financial year 2020 tranche is EUR 92.31.

The target achievement for the entitlement from the respective annual tranche is determined on the basis of the development of the Gerresheimer share price (price performance) or the percentage increase in value of the Gerresheimer share compared to the MDAX (MDAX outperformance). The target corridor for the price performance target is between 20% and 40% of the increase in value of the corresponding annual tranche compared to the respective issue price. If the target value is in this corridor, the payment entitlement is at least 40% and a maximum of 80% of the basic remuneration. There is linear interpolation between the values. The MDAX outperformance target is achieved if the Gerresheimer share price outperforms the MDAX in the defined period. If this is the case, the payment claim is 40% of the basic remuneration.

The fair value of the phantom stocks is determined using a recognized (binomial) option pricing model. The volatility of the target value is assumed as 23.2% p.a. (prior year: 29.7% p.a.) and the employee turnover rate as 3.6% p.a. (prior year: 3.6% p.a.). The yield on German government bonds of matching maturities was used as the risk-free interest rate. Additionally, the following assumptions were made for the fair value valuation:

Assumptions Phantom Stocks	Exercise period	Fair value	Fair value	Issue price per tranche
In EUR k		Nov. 30, 2020	Nov. 30, 2019	In EUR
Tranche 2016	2021–2023	1,120	846	68.87
Tranche 2017	2022–2024	1,624	1,138	74.61
Tranche 2018	2023–2025	1,512	1,162	67.42
Tranche 2019	2024–2026	1,728	1,117	66.78
Tranche 2020	2025–2027	1,303	1,212	92.31
Tranche 2021	2026–2028	1,149	891	99.72
Tranche 2022	2027–2029	663	164	99.12
Tranche 2023	2028–2030	333	–	98.59
Tranche 2024	2029–2031	334	–	98.15
Tranche 2025	2030–2032	336	–	97.79
<b>Total</b>		<b>10,102</b>	<b>6,530</b>	

The total expense recognized in profit or loss from phantom stocks agreements amounted to EUR 3,043k in the reporting year (prior year: EUR 1,450k).

The provision for the phantom stocks entitlement amounted to EUR 5,966k as of the reporting date (prior year: EUR 4,400k).

## (29) Other Provisions

Other provisions developed as follows:

In EUR k	Tax provision	Personnel obligations	Warranties	Sales bonuses, rebates and discounts	Restructuring provisions	Other	Total other provisions
<b>As of Nov. 30, 2020</b>	<b>1,373</b>	<b>20,782</b>	<b>8,119</b>	<b>7,035</b>	<b>5,444</b>	<b>12,176</b>	<b>54,929</b>
<i>Thereof current</i>	1,373	10,033	8,007	7,035	3,286	10,856	40,590
Additions	244	8,405	5,219	5,782	891	7,009	27,550
Utilizations	517	4,642	3,550	2,823	1,893	751	14,176
Reversals	–	98	922	169	1,844	526	3,559
Reclassifications	–	-26	–	–	26	–	–
Currency translation	-11	-597	-174	-149	-294	-522	-1,747
<b>As of Nov. 30, 2019</b>	<b>1,657</b>	<b>17,740</b>	<b>7,546</b>	<b>4,394</b>	<b>8,558</b>	<b>6,966</b>	<b>46,861</b>
<i>Thereof current</i>	1,657	9,382	7,290	4,394	5,966	6,643	35,332
Additions	1,593	5,247	4,029	3,371	364	2,877	17,481
Utilizations	3,752	5,892	2,759	3,418	5,161	1,258	22,240
Reversals	–	969	2,312	153	456	819	4,709
Reclassifications	–	-83	–	–	83	–	–
Currency translation	12	192	86	36	106	1	433
<b>As of Dec. 1, 2019</b>	<b>3,804</b>	<b>19,245</b>	<b>8,502</b>	<b>4,558</b>	<b>13,622</b>	<b>6,165</b>	<b>55,896</b>

Provisions for personnel obligations notably include obligations relating to the phantom stocks agreements a group health insurance program at the US Group companies as well as long-service awards and partial retirement agreements.

Provisions for warranties are recorded on the basis of legal or contractual obligations and refer to product related warranty commitments and the Group's obligation to replace deficient products within the given warranties. The amount of provisions recorded is

based on management's best estimate. This estimate was done on the basis of past experience and warranty data of similar products. It can fluctuate due to changed production processes as well as due to other parameters influencing the product's quality.

Provisions for sales bonuses, rebates and discounts relate to unpaid compensations granted on revenues realized prior to the balance sheet date.

Restructuring provisions basically refer to two main issues, which have been started in prior periods. On the one hand it includes adjustments of employee capacities within the Plastics & Devices Division. On the other hand it comprises a provision for the shut down of a plant in the Primary Packaging Glass Division. The restructuring provisions of EUR 5,444k at the financial year-end (prior year: EUR 8,558k) are based on detailed formal plans.

Two arbitration proceedings were pending at the subsidiaries Gerresheimer Group GmbH, Duesseldorf (Germany) and GERRESHEIMER GLAS GmbH, Duesseldorf (Germany) which were decided legally binding in the financial year 2017. Since these arbitration proceeds are not yet fully completed, expected expenses and payments for these proceedings are considered as part of the position "other" within the provisions. Moreover, the position "other" also includes expected expenses for a large number of items, which are not significant on an individual basis.

Interest expenses relating to the compounding of long-term accruals amount to EUR 107k (prior year: EUR 300k).

Outflows of economic benefits in relation to provisions are expected in the amount of EUR 40,590k (prior year: EUR 35,332k) within one year, EUR 14,339k (prior year: EUR 11,529k) between two and five years.

### (30) Financial Liabilities

Financial liabilities break down as follows:

In EUR k	Nov. 30, 2020			Nov. 30, 2019		
	Total	Thereof current	Thereof non-current	Total	Thereof current	Thereof non-current
Promissory loans	809,047	–	809,047	674,293	189,429	484,864
Liabilities to banks	198,058	198,058	–	341,766	337,461	4,305
<i>Thereof unsecured</i>	198,058	198,058	–	341,766	337,461	4,305
Fair value of derivative financial instruments	491	491	–	789	789	–
Lease liabilities	38,179	11,385	26,794	8,612	721	7,891
Other	4,566	4,010	556	3,274	2,160	1,114
<b>Other financial liabilities</b>	<b>1,050,341</b>	<b>213,944</b>	<b>836,397</b>	<b>1,028,734</b>	<b>530,560</b>	<b>498,174</b>
Trade payables	211,771	211,619	152	221,489	221,454	35
<b>Financial liabilities</b>	<b>1,262,112</b>	<b>425,563</b>	<b>836,549</b>	<b>1,250,223</b>	<b>752,014</b>	<b>498,209</b>

Lease liabilities reported separately as of November 30, 2020 amount to EUR 38,179k and are accounted for in accordance with IFRS 16 Leases. In the prior-year period, lease liabilities amount to EUR 8,612k (previously reported within the item "other") and comprise lease liabilities from finance lease agreements recognized under IAS 17 Leases, only. For further explanations on the first time application of IFRS 16 Leases, please refer to Note (2). For further details of derivative financial instruments, please see Note (33).

The following table shows maturities, interest rates and fair values for promissory loans and liabilities to banks:

Nov. 30, 2020						
Currency in k	Currency	Amount	Due by	Interest rate in % p.a.	Carrying amount (in EUR)	Fair Value (in EUR)
<b>Promissory loans</b>	EUR	160,000	2022 <sup>1)</sup>	1.44	160,000	160,000
	EUR	50,000	2022 <sup>1)</sup>	0.95 <sup>2)</sup>	50,000	50,000
	EUR	157,000	2023 <sup>1)</sup>	0.98	157,000	157,000
	EUR	6,000	2023 <sup>1)</sup>	0.95 <sup>2)</sup>	6,000	6,000
	EUR	25,500	2025 <sup>1)</sup>	2.04	25,500	25,500
	EUR	90,000	2022 <sup>1)</sup>	0.82	90,000	90,000
	EUR	5,500	2022 <sup>1)</sup>	0.60 <sup>2)</sup>	5,500	5,500
	EUR	104,500	2024 <sup>1)</sup>	1.25	104,500	104,500
	EUR	4,500	2024 <sup>1)</sup>	0.75 <sup>2)</sup>	4,500	4,500
	EUR	139,500	2025 <sup>1)</sup>	1.30 <sup>2)</sup>	139,500	139,500
	EUR	22,500	2025 <sup>1)</sup>	1.30 <sup>2)</sup>	22,500	22,500
	EUR	45,500	2027 <sup>1)</sup>	1.72	45,500	45,500
<b>Capitalized fees</b>	EUR	-1,453	2020–2027 <sup>1)</sup>	0.60–2.04	-1,453	-1,453
					<b>809,047</b>	<b>809,047</b>
<b>Liabilities to banks</b>	PLN	98,446	2021	0.80–0.85 <sup>4)</sup>	22,019	22,019
	EUR	165,003	2021	0.39–0.55 <sup>4)</sup>	165,003	165,003
	BRL	32,000	2021	4.15–6.58	5,038	5,038
	USD	108	2021	1.81	90	90
	CNY	5,850	2021	4.35	742	742
	INR	550,184	– <sup>3)</sup>	8.42–9.95 <sup>4)</sup>	6,201	6,201
<b>Capitalized fees</b>	EUR	-928	2025	–	-928	-928
	USD	-128	2025	–	-107	-107
					<b>198,058</b>	<b>198,058</b>
					<b>1,007,105</b>	<b>1,007,105</b>
Nov. 30, 2019						
Currency in k	Currency	Amount	Due by	Interest rate in % p.a.	Carrying amount (in EUR)	Fair Value (in EUR)
<b>Promissory loans</b>	EUR	169,500	2020 <sup>1)</sup>	0.98	169,500	169,500
	EUR	20,000	2020 <sup>1)</sup>	0.75 <sup>2)</sup>	20,000	20,000
	EUR	160,000	2022 <sup>1)</sup>	1.44	160,000	160,000
	EUR	50,000	2022 <sup>1)</sup>	0.95 <sup>2)</sup>	50,000	50,000
	EUR	25,500	2025 <sup>1)</sup>	2.04	25,500	25,500
	EUR	90,000	2022 <sup>1)</sup>	0.82	90,000	90,000
	EUR	5,500	2022 <sup>1)</sup>	0.60 <sup>2)</sup>	5,500	5,500
	EUR	104,500	2024 <sup>1)</sup>	1.25	104,500	104,500
	EUR	4,500	2024 <sup>1)</sup>	0.75 <sup>2)</sup>	4,500	4,500
	EUR	45,500	2027 <sup>1)</sup>	1.72	45,500	45,500
<b>Capitalized fees</b>	EUR	-707	2020–2027 <sup>1)</sup>	0.60–2.04	-707	-707
					<b>674,293</b>	<b>674,293</b>
<b>Liabilities to banks</b>	PLN	63,858	2020	1.97–2.28 <sup>4)</sup>	14,787	14,787
	EUR	320,671	2020	0.27–1.55	320,671	320,671
	BRL	20,000	2021	6.05–6.58	4,305	4,305
	INR	274,399	– <sup>3)</sup>	9.45–9.85 <sup>4)</sup>	3,487	3,487
<b>Capitalized fees</b>	EUR	-1,320	2024	–	-1,320	-1,320
	USD	-180	2024	–	-164	-164
					<b>341,766</b>	<b>341,766</b>
					<b>1,016,059</b>	<b>1,016,059</b>

<sup>1)</sup> Final maturity.

<sup>2)</sup> These items relate to variable interest, however here only a margin is reported since the EURIBOR is negative as of the reporting date.

<sup>3)</sup> Operating loan facility, indefinite term.

<sup>4)</sup> The indicated positions refer to variable interest.

The interest rates shown are the interest rates at the balance sheet date.

In connection with the refinancing of the syndicated loan, a revolving credit facility agreement of EUR 550,000k was reached on September 26, 2019 with a five-year term to maturity plus two one-year extension options. During the fiscal year one option with a one year extension was used. In addition, one syndicate bank withdrew from the syndicated loan agreement on November 10, 2020, so that a total volume of EUR 476,000k of the revolving credit facility including ancillary credit lines was still available at the end of the financial year on November 30, 2020. As at the balance sheet date, the revolving loan was utilized in the amount of EUR 162,639k plus utilized ancillary credit lines of EUR 1,336k. It is included in the liabilities to banks in the table above.

The promissory loans issued on November 10, 2020 in the total amount of EUR 325,000k are divided into a three-year and a five-year tranche of EUR 163,000k and EUR 162,000k, respectively. The funds were used to repay the promissory loans from 2015 (EUR 189,500k) that fell due for repayment in November 2020, as well as to redeem a syndicate bank leaving the syndicated loan agreement and to repay parts of the revolving credit facility.

The position "other" in other financial liabilities includes among other things liabilities from installment purchases and accrued interest liabilities.

### (31) Other Liabilities

Other liabilities break down as follows:

In EUR k	Nov. 30, 2020			Nov. 30, 2019		
	Total	Thereof current	Thereof non-current	Total	Thereof current	Thereof non-current
Liabilities from other taxes	10,807	10,807	–	9,904	9,904	–
Liabilities from social security obligations	6,285	6,285	–	5,197	5,197	–
Other	67,020	65,113	1,907	62,786	60,845	1,941
<b>Other liabilities</b>	<b>84,112</b>	<b>82,205</b>	<b>1,907</b>	<b>77,887</b>	<b>75,946</b>	<b>1,941</b>

The position "other" primarily relates to obligations to employees.

### (32) Other Financial Obligations

Other financial obligations not recognized in the consolidated balance sheet break down as follows:

In EUR k	Nov. 30, 2020	Nov. 30, 2019
Obligations under rental agreements, which are not recognized in the balance sheet	7,242	39,273
Capital expenditure commitments	35,598	26,636
Sundry other financial obligations	19,227	10,274
<b>Other financial obligations</b>	<b>62,067</b>	<b>76,183</b>

### (33) Reporting on Capital Management and Financial Instruments

The Group's capital management objectives primarily consist of maintaining and ensuring the best-possible capital structure to reduce cost of capital, ensuring a sufficient level of cash and cash equivalents as well as active management of net working capital. Net financial debt as of November 30, 2020 amounts to EUR 962,226k (prior year: EUR 942,721k) and net working capital is EUR 197,936k (prior year: EUR 182,980k).

The Gerresheimer Group's risk management system for credit risk, liquidity risk and individual market risks, including interest risks, currency risks and other price risks, is described, including its objectives, policies and processes and its measures to monitor the covenants to be complied with, in the "Opportunity and Risk Report" section of the Combined Management Report. Please see Note (7) for further explanations.

### Information on financial instruments by category

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities for each category of financial instruments and reconciles them to the corresponding balance sheet items:

In EUR k	Nov. 30, 2020			
	At amortized cost		At fair value	
	Carrying amount	For information purposes: Fair value	Carrying amount	Balance sheet amount
Trade receivables	215,459	215,459	-	215,459
At amortized cost	215,459	215,459	-	
Other financial assets	15,923	15,923	6,318	22,241
At fair value through other comprehensive income	-	-	4,411	
At fair value through profit or loss	-	-	1,907	
At amortized cost	15,923	15,923	-	
Cash and cash equivalents	87,950	87,950	-	87,950
At amortized cost	87,950	87,950	-	
<b>Financial assets</b>	<b>319,332</b>	<b>319,332</b>	<b>6,318</b>	<b>325,650</b>
Other financial liabilities	1,049,850	1,049,850	491	1,050,341
At amortized cost	1,049,850	1,049,850	-	
At fair value through profit or loss	-	-	491	
Trade payables	211,771	211,771	-	211,771
At amortized cost	211,771	211,771	-	
<b>Financial liabilities</b>	<b>1,261,621</b>	<b>1,261,621</b>	<b>491</b>	<b>1,262,112</b>

In EUR k	Nov. 30, 2019			
	At amortized cost		At fair value	
	Carrying amount	For information purposes: Fair value	Carrying amount	Balance sheet amount
Trade receivables	224,170	224,170	-	224,170
At amortized cost	224,170	224,170	-	
Other financial assets	18,437	18,437	4,017	22,454
At fair value through other comprehensive income	-	-	3,324	
At fair value through profit or loss	-	-	693	
At amortized cost	18,437	18,437	-	
Cash and cash equivalents	85,831	85,831	-	85,831
At amortized cost	85,831	85,831	-	
<b>Financial assets</b>	<b>328,438</b>	<b>328,438</b>	<b>4,017</b>	<b>332,455</b>
Other financial liabilities	1,027,945	1,027,945	789	1,028,734
At amortized cost	1,027,945	1,027,945	-	
At fair value through profit or loss	-	-	789	
Trade payables	221,489	221,489	-	221,489
At amortized cost	221,489	221,489	-	
<b>Financial liabilities</b>	<b>1,249,434</b>	<b>1,249,434</b>	<b>789</b>	<b>1,250,223</b>

Liabilities measured at amortized cost include lease liabilities for which Group companies are the lessees. The fair values of receivables, loans and liabilities are measured at the present value of future cash flows. The cash flows are discounted at an interest rate, taking into account the maturity of the asset or the remaining term of the liability and the counterparty's credit standing as of the balance sheet date.

Due to the predominantly short terms, the fair values of trade receivables, trade payables, other financial assets and other financial liabilities measured at amortized cost as well as cash and cash equivalents do not differ significantly from their carrying amounts.

All interest income from financial asset and all further expenses from financial liabilities refer to the category "at amortized costs".

#### Information on fair values

By type of determination of the fair values of financial assets and financial liabilities, three hierarchy levels must be distinguished. Gerresheimer reviews the categorization of fair value measurements to levels in the fair value hierarchy at the end of each reporting period.

Level 1: Fair values are determined on the basis of quoted prices in an active market.

Level 2: If no active market for a financial asset or a financial liability exists, fair value is established by using valuation techniques. The fair value measurements are determined on the basis of prices in the most recent transactions with willing and independent parties or using valuation techniques that only take into account directly or indirectly observable inputs.

Level 3: The fair value measurements are based on models incorporating unobservable inputs that are significant to the measurement.

In EUR k	Nov. 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets designated "at fair value through other comprehensive income"				
Investments	-	4,339	-	4,339
Securities	72	-	-	72
Financial assets designated "at fair value through profit and loss"				
Investments	-	808	-	808
Derivative financial assets	-	1,099	-	1,099
<b>Measured at fair value</b>	<b>72</b>	<b>6,246</b>	<b>-</b>	<b>6,318</b>
Financial liabilities designated "at fair value through profit and loss"				
Derivative financial liabilities	-	491	-	491
<b>Measured at fair value</b>	<b>-</b>	<b>491</b>	<b>-</b>	<b>491</b>
	Nov. 30, 2019			
In EUR k	Level 1	Level 2	Level 3	Total
Financial assets designated "at fair value through other comprehensive income"				
Securities	73	-	-	73
Financial assets designated "at fair value through profit and loss"				
Investments	-	499	-	499
Derivative financial assets	-	194	-	194
<b>Measured at fair value</b>	<b>73</b>	<b>3,944</b>	<b>-</b>	<b>4,017</b>
Financial liabilities designated "at fair value through profit and loss"				
Derivative financial liabilities	-	789	-	789
<b>Measured at fair value</b>	<b>-</b>	<b>789</b>	<b>-</b>	<b>789</b>



### Maturity analysis

The Group continually monitors liquidity risk. The maturities of the Group's financial liabilities as of November 30, 2020 are as follows. The amounts are stated on the basis of the contractual, non-discounted payments.

#### Nov. 30, 2020

In EUR k	Due or due in 1 months	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Promissory loans	–	–	–	765,000	45,500	810,500
Liabilities to banks	193,731	2,189	3,173	–	–	199,093
Interest payments on promissory loans and liabilities to banks	486	127	9,916	24,306	1,565	36,400
Trade payables	128,160	69,462	13,997	152	–	211,771
Lease liabilities	1,000	2,219	7,731	23,599	7,996	42,545
Liabilities from installment purchases	78	156	694	490	–	1,418
Other	311	–	10	90	–	411
	<b>321,766</b>	<b>74,153</b>	<b>35,521</b>	<b>813,637</b>	<b>55,061</b>	<b>1,302,138</b>

#### Nov. 30, 2019

In EUR k	Due or due in 1 months	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Promissory loans	–	–	189,500	305,500	180,000	675,000
Liabilities to banks	338,194	300	451	4,305	–	343,250
Interest payments on promissory loans and liabilities to banks	394	287	8,140	17,746	2,868	29,435
Trade payables	143,535	68,008	9,911	35	–	221,489
Finance lease liabilities	109	203	675	3,936	6,297	11,220
Liabilities from installment purchases	52	140	472	1,025	–	1,689
Other	105	–	10	88	–	203
	<b>482,389</b>	<b>68,938</b>	<b>209,159</b>	<b>332,635</b>	<b>189,165</b>	<b>1,282,286</b>

The non-discounted liabilities to banks existing as of November 30, 2020 in the amount of EUR 199,093k include EUR 162,639k (prior year: EUR 302,318k) drawings on the revolving credit facility and on the ancillary lines in the amount EUR 1,336k. These drawings are fully included under the item "Due or due in 1 month".

### Hedges

Derivative financial instruments are used exclusively for hedging purposes. The Group's financial risks are monitored centrally as part of Group-wide financial risk management. Identified potential risks are managed using suitable hedging instruments on the basis of clearly defined guidelines.

The following table provides an overview of hedges as of the financial year-end:

	Nov. 30, 2020	Nov. 30, 2019
In EUR k	<b>Exchange rate hedges</b>	Exchange rate hedges
Nominal value (gross)	121,540 <sup>1)</sup>	136,020 <sup>1)</sup>
Fair value (net)	609	-595
Residual term	03/2021	05/2020
Carrying amount (underlying assets)	40,842	45,212
Carrying amount (underlying liabilities)	6,537	2,642

<sup>1)</sup> This includes forward exchange contracts for receivables and payables between consolidated companies in the amount of EUR 72,593k (prior year: EUR 82,802k) that have been eliminated in the consolidation.

The derivative financial instruments are measured at fair values determined by banks. As hedges, there is an economic relationship between the hedging instruments and hedged operating items.

### Foreign exchange hedges

In accordance with internal financing guidelines, the Gerresheimer Group used forward exchange contracts and currency swaps in the financial year 2020 to hedge currency risks on foreign currency-denominated receivables and payables. The sole risk exposure in connection with currency management relates to transaction risks. Due to their short maturity, Gerresheimer did not designate the currency derivatives used to hedge currency risks as hedging instruments. Changes in their fair value are recognized in profit or loss in accordance with the general rules of derivatives accounting.

Gains from derivative financial instruments of EUR 1,100k were recognized in profit and loss in the financial year 2020 (prior year: EUR 4,862k losses).

### Sensitivity analyses

Interest rate risk is presented using sensitivity analyses. The following section describes the sensitivity of net income before income taxes to a reasonably possible change in interest rates.

The interest rate sensitivity analyses are based on the following assumptions:

Changes in the market interest rate of non-derivative financial instruments with fixed interest rates only affect net income when the instruments are measured at fair value. In the Gerresheimer Group, all non-derivative liabilities are measured at amortized cost. No financial liabilities with fixed interest rates are therefore exposed to interest rate risk.

If the market interest rate had been 100 basis points higher or 100 basis points lower as of November 30, 2020 (prior year: 100 basis points higher or 100 basis points lower), net income before income taxes would have been EUR 1,237k lower or EUR 66k higher (prior year: EUR 2,371k lower or EUR 53k higher).

The following section describes the sensitivity of net income before income taxes (due to the change in the fair values of monetary assets and liabilities) to a reasonably possible change in exchange rates.

If the euro had increased (decreased) by 10% against all currencies as of November 30, 2020, net income before income taxes would have decreased by EUR 793k or increased by EUR 704k (prior year using the same sensitivities: decrease of EUR 314k or increase of EUR 388k).

## OTHER NOTES

### (34) Segment Reporting

Segment reporting follows internal reporting according to the management approach.

In the Gerresheimer Group, the Management Board of Gerresheimer AG, as the chief operating decision maker, allocates resources to the operating segments and assesses their performance. The reportable segments and regions as well as the performance data shown are consistent with the internal management and reporting system.

The Gerresheimer Group is managed through strategic business units organized as divisions. These are aggregated into reporting segments based on their specific production technologies and the materials we use in our products.

The Gerresheimer Group is divided into the three reportable divisions Plastics & Devices, Primary Packaging Glass and Advanced Technologies.

**Plastics & Devices** combines complex, customer-specific products for simple and safe drug delivery together with system packaging for liquid and solid medicines plus services.

Operating on an individual project basis, we provide our customers from the pharma industry, diagnostics and medical technology with tailored medical plastic systems and services at every link in their value chain. Products range from inhalers for targeted treatment of respiratory diseases to insulin pen systems for diabetics, autoinjectors and prefillable syringes, as well as a wide variety of diagnostic systems.

Our broad range of high-quality pharmaceutical plastic packaging products includes application and dosage systems, such as eye dropper and nasal spray vials, special containers for tablets and powders, along with tamper-evident multifunctional closure systems with child-resistant and senior-friendly applications and integrated moisture absorbers.

A feature of the US market for prescription medication is the pour-and-count system. The amount of oral medication stated in a prescription is specially packaged in pharmacies for each patient in a plastic container manufactured and supplied by Gerresheimer. Our customers for these specialty plastic containers include national and regional pharmacy chains, supermarkets and wholesalers.

**Primary Packaging Glass** produces primary glass packaging for the pharma and cosmetics industries, as well as special small-volume glass containers for the food and beverage industry.

We provide a wide range of flint glass and amber glass containers for the pharma industry. Alongside infusion, dropper and syrup bottles, our product range also includes high-quality specialty products such as injection vials, ampoules and cartridges made of borosilicate glass tubing.

Our product portfolio for the cosmetics industry comprises high-quality clear, colored and opal glass packaging for perfumes, deodorants, skin-care and wellness products. A wide range of shaping, coloring, printing and exclusive finishing technologies are available to us for this purpose.

For the food and beverage industry, we supply both standard and custom miniature as well as other sizes of bottles and glass containers for products such as liquid foods, spices and spirits.

**Advanced Technologies** is our innovation center and hub for smart devices. The division develops smart drug delivery systems for pharma and biotech companies. Its portfolio currently comprises patented micro pumps, which are used to self-administer medication for Parkinson's or heart failure, for example. In addition to ongoing evaluation of further projects for the development of smart products, a platform for smart inhalation measurement systems is currently under development.

The effects of intra-Group services of Gerresheimer AG, consolidation measures and inter-segment reconciliations are presented in the segment reporting in the column "Head office/consolidation". The measurement principles for segment reporting are based on the IFRSs applied in the consolidated financial statements.

Segmental performance is assessed and calculated according to the following criteria:

- › Intra-Group revenues are measured on an arm's length basis. There were no revenues with key accounts amounting to more than 10% of Gerresheimer Group revenues neither for the financial year 2020 nor for the prior year.
- › Adjusted EBITDA is not defined in IFRS but represents a key performance indicator for the Gerresheimer Group. Adjusted EBITDA is net income before income taxes, net finance expense, amortization/impairment losses of fair value adjustments, depreciation and amortization, impairment losses (including impairment losses on goodwill), restructuring expenses and one-off income and expenses.
- › Net working capital is defined as inventories, trade receivables, contract assets and prepayments made less contract liabilities and trade payables.
- › Operating cash flow comprises adjusted EBITDA plus changes in net working capital at constant exchange rates less capital expenditures adjusted by additions to right-of-use assets.
- › Capital expenditures comprise all additions to intangible assets and property, plant and equipment measured at cost.
- › Non-current assets do not include financial instruments, deferred tax assets, post-employment benefits or rights arising from insurance contracts.

In the following, the key indicators used by Gerresheimer AG for assessing the performance of the divisions are shown as well as additional indicators by region:

### Segment Data by division

In EUR k	Plastics & Devices		Primary Packaging Glass		Advanced Technologies		Head office/consolidation		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Segment revenues	771,586	758,300	644,122	631,486	9,476	6,439	–	–	1,425,184	1,396,225
Thereof Intra-Group revenues	6,398	3,970	–	–	–	–	-6,398	-3,970	–	–
<b>Revenues with third parties</b>	<b>765,188</b>	<b>754,330</b>	<b>644,122</b>	<b>631,486</b>	<b>9,476</b>	<b>6,439</b>	<b>–</b>	<b>–</b>	<b>1,418,786</b>	<b>1,392,255</b>
Adjusted EBITDA	212,493	196,444	137,328	122,888	-14,480	-23,443	-25,202	104,116 <sup>3)</sup>	310,139	400,005
Depreciation and amortization	-47,109	-42,287	-57,873	-50,015	-2,416	-2,613	-3,364	-2,564	-110,762	-97,479
Impairment losses <sup>1)</sup>	-317	–	–	-6	-1,484	-7,883	–	–	-1,801	-7,889
Adjusted EBITA	165,067	154,157	79,455	72,867	-18,380	-33,939	-28,566	101,552	197,576	294,637
Net working capital	100,208	76,878	97,212	104,130	2,473	4,865	-1,957	-2,893	197,936	182,980
Operating cash flow	124,474	111,586	54,308	48,472	-25,681	-20,582	-26,635	102,123	126,466	241,599
Capital expenditure <sup>2)</sup>	78,501	93,782	96,498	82,926	23,268	4,855	1,206	3,788	199,473	185,351
Employees (average)	4,476	4,476	5,175	5,176	103	112	128	116	9,882	9,880

<sup>1)</sup> The impairments in financial year 2020 include an impairment loss on the level of the Advanced Technologies Division on development costs of EUR 1,484k relating to the cash-generating unit Sensile Medical. In the financial year 2019 an impairment loss on three patents of EUR 3,633k and an impairment loss on development costs of EUR 4,250k also related to the cash-generating unit Sensile Medical.

<sup>2)</sup> Capital expenditure reflect the additions to intangible assets and property, plant and equipment, which were not fully cash-effective in the financial year.

<sup>3)</sup> This includes in the financial year 2019 EUR 129,801k from the derecognition of contingent purchase price liabilities from the acquisition of Sensile Medical.

### Key indicators by region<sup>1)</sup>

In EUR k	Germany		Europe		Americas		Emerging markets		Other regions		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenues by target region	317,885	307,467	513,395	481,670	381,336	385,667	184,387	196,789	21,783	20,662	1,418,786	1,392,255
Revenues by region of origin	578,997	545,047	312,163	302,655	351,454	349,878	176,172	194,675	–	–	1,418,786	1,392,255
Non-current assets	760,058	711,679	493,980	474,144	640,433	726,568	149,587	159,941	–	–	2,044,058	2,072,332
Employees (average)	3,604	3,575	2,347	2,337	1,057	1,082	2,874	2,886	–	–	9,882	9,880

<sup>1)</sup> Europe without Germany and European emerging markets like Russia and Turkey. Americas without American emerging markets like Brazil, Mexico and Colombia.

IQVIA modified its definition of emerging markets in the financial year 2020, whereby 17 countries are now defined as emerging markets. The Ukraine was newly added to the definition, while the countries Argentina, Chile, Kazakhstan, Nigeria, Poland and Thailand were excluded from the definition of emerging markets. Correspondingly, we have updated our reporting to this adjusted definition and changed prior-year figures. According to the current definition employed by IQVIA, emerging market revenues comprise revenue in Egypt, Algeria, Bangladesh, Brazil, China, India, Indonesia, Columbia, Mexico, Pakistan, Philippines, Russia, Saudi-Arabia, South Africa, Turkey, Ukraine and Vietnam.

Reconciliation from adjusted EBITDA to net income is shown in the following table:

In EUR k	2020	2019
<b>Adjusted EBITDA</b>	<b>310,139</b>	<b>400,005</b>
Depreciation and impairment losses	-112,563	-105,368
<b>Adjusted EBITA</b>	<b>197,576</b>	<b>294,637</b>
One-off expenses and income	-8,322	-6,301
Amortization and impairment losses of fair value adjustments	-32,793	-159,564
Impairment Goodwill	-	-5,014
<b>Results of operations</b>	<b>156,461</b>	<b>123,758</b>
Net finance expense	-21,316	-25,590
Income taxes	-45,264	-15,487
<b>Net income</b>	<b>89,881</b>	<b>82,681</b>

### (35) Auditor's Fees and Services

The auditor of the annual and consolidated financial statements of Gerresheimer AG is Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Duesseldorf (Germany). The independent auditor's report is signed by René Kadlubowski (since the financial year 2016) and Dennis Klawitter (for the first time for the financial year 2020). René Kadlubowski is the auditor in charge.

Deloitte GmbH Wirtschaftsprüfungsgesellschaft has been the auditor for Gerresheimer AG since the financial year 2009.

The following fees have been recognized as expense for services provided by Deloitte GmbH Wirtschaftsprüfungsgesellschaft:

In EUR k	2020	2019
Audit fees	606	590
Other assurance services	75	67
<b>Auditor fees</b>	<b>681</b>	<b>657</b>

### (36) Related Party Transactions

In the course of our operating activities, we conduct business with legal entities and individuals who are able to exert influence on Gerresheimer AG or its subsidiaries or are controlled or significantly influenced by Gerresheimer AG or its subsidiaries.

Related parties include companies that are related parties of members of the Supervisory Board of Gerresheimer AG, non-consolidated companies and associated companies, and members of the Gerresheimer AG Supervisory Board and Management Board.

For information on the remuneration of the Management Board and the Supervisory Board, please refer to Note (37) and to the "Remuneration Report" in the Combined Management Report.

The table below shows transactions with related parties:

In EUR k	2020		30. November 2020	
	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables
Company in relation to a member of the Gerresheimer AG Supervisory Board	3,043	-	327	-
Associated companies	-	1,226	-	16
Non-consolidated companies	-	-	1	-
	<b>3,043</b>	<b>1,226</b>	<b>328</b>	<b>16</b>
In EUR k	2019		30. November 2019	
	Sale of goods and services	Purchase of goods and services	Trade receivables	Trade payables
Company in relation to a member of the Gerresheimer AG Supervisory Board	3,428	-	465	-
Associated companies	2	2,273	-	116
Non-consolidated companies	257	-	7	-
	<b>3,687</b>	<b>2,273</b>	<b>472</b>	<b>116</b>

The transactions with companies that are related parties of members of the Supervisory Board of Gerresheimer AG relate to Vetter Pharma-Fertigung GmbH & Co. KG, Ravensburg (Germany).

The transactions with associated companies are fully attributable to the companies Gerresheimer Tooling LLC, Peachtree City (GA/ USA) and PROFORM CNC Nastrojarna spol. s r.o., Horsovsky Tyn (Czech Republic).

The transactions with non-consolidated companies in the prior year relate completely to Gerresheimer Buenos Aires S.A., Buenos Aires (Argentina), which has been deconsolidated as of November 30, 2019.

All transactions are conducted at market prices and on arm's length terms.

### (37) Total Remuneration of the Members of the Supervisory Board and Management Board

Total remuneration of the members of the Supervisory Board and Management Board of Gerresheimer AG break down as follows:

In EUR k	2020	2019
Short-term employee benefits	3,618	4,267
Post-employment benefits	–	249
Other long-term benefits	–	281
Share-based payments	1,506	1,069
<b>Total remuneration Management Board</b>	<b>5,124</b>	<b>5,866</b>
<b>Short-term employee benefits of the Supervisory Board</b>	<b>1,380</b>	<b>1,384</b>
<b>Total remuneration of the members of the Management Board and Supervisory Board</b>	<b>6,504</b>	<b>7,250</b>

The provision for pensions for former members of the Management Board and their dependents is EUR 29,722k (prior year: EUR 26,047k). Regular payments for pensions and other benefits amounted to EUR 1,321k (prior year: EUR 1,303k).

Remuneration of the members of the Supervisory Board of Gerresheimer AG amounts to EUR 1,380k in the financial year 2020 (prior year: EUR 1,384k). Thereof, the main portion results from fixed remuneration in the amount of EUR 1,220k, which will be due as soon as the Annual General Meeting has passed a resolution on formal approval of the activities of the Supervisory Board members for the respective financial year. The other remuneration of EUR 160k results from attendance fees.

Further information on the remuneration of the members of the Management Board is provided in the "Remuneration Report" section of the Combined Management Report.

### (38) Corporate Governance

Corporate governance represents a company's entire management and monitoring system, including organization, business policies and guidelines as well as internal and external control mechanisms. The aim of good corporate governance is responsible and transparent corporate management and control geared to sustained value creation. This enhances the confidence of national and international investors, business partners, financial markets, employees and the public in the management and control of Gerresheimer AG.

Gerresheimer AG is required as a listed company to stating to what extent it complies with the recommendations of the "German Corporate Governance Code" and any recommendations it has not or will not comply with and why not.

The Management Board and Supervisory Board of Gerresheimer AG most recently adopted the following Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act as follows on September 3, 2020:

"Since the submission of the most recent Statement of Compliance on September 4, 2019 until March 20, 2020 Gerresheimer AG has complied with all recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on February 7, 2017, with the exception of such recommendation cited and explained in said Statement of Compliance.

Gerresheimer AG has complied with all recommendations of the 'Government Commission on the German Corporate Governance Code' as amended on December 16, 2019 which became effective on March 20, 2020 ('Code 2020'), since Code 2020 came into effect and will continue to comply with these recommendations in the future, in each case with the following exceptions:

1. The company will only make available on its website the Rules of Procedure for the Supervisory Board in the future. In this respect, the recommendation in D.1 of Code 2020 has not yet been complied with.
2. The recommendation in D.7 of Code 2020, which states that the Supervisory Board should meet on a regular basis without the Management Board, is not being complied with. While the Presiding Committee generally meets regularly without the Management Board, the Supervisory Board only meets regularly without the Management Board when personnel matters relating to the Management Board are to be discussed. In the case of other topics, any non-participation of the Management Board marks a situational exception.
3. Section G.I. of Code 2020 contains new and in some cases amended recommendations regarding remuneration of the Management Board. The following such recommendations are either not complied with or not completely complied with by the current remuneration system for Management Board members that was approved by the Annual General Meeting of Gerresheimer AG on April 30, 2015: G.1 (determining the remuneration system), G.3 (disclosure of the appropriate peer group for assessment of adequate compensation), G.10 (variable remuneration predominantly granted as share-based remuneration; accessible only after a period of four years) G.11 (retaining or reclaiming variable remuneration components). On June 9, 2021, the Supervisory Board will present an amended remuneration system for Management Board members to the Annual General Meeting for its approval (pursuant to Section 120a(3) of the German Stock Corporation Act)."

The internal regulations of the Supervisory Board as well as the declaration is available on the Company website ([www.gerresheimer.com/en/investor-relations](http://www.gerresheimer.com/en/investor-relations)).

### (39) Subsequent Events

There were no subsequent events after November 30, 2020, that are expected to have a material impact on the net assets, financial position or results of operations of the Gerresheimer Group.

Duesseldorf, Germany, January 29, 2021



Dietmar Siemssen



Dr. Bernd Metzner



Dr. Lukas Burkhardt

# Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of assets, liabilities, financial position and profit or loss of the Group, and the Group Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Duesseldorf, Germany, January 29, 2021



Dietmar Siemssen



Dr. Bernd Metzner



Dr. Lukas Burkhardt



# Independent Auditor's Report

To Gerresheimer AG, Düsseldorf/Germany

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

### Audit opinions

We have audited the consolidated financial statements of Gerresheimer AG, Düsseldorf/Germany, and its subsidiaries (the Group) which comprise the consolidated balance sheet as at 30 November 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 December 2019 to 30 November 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of Gerresheimer AG, Düsseldorf/Germany, combined with the management report of and the Parent, for the financial year from 1 December 2019 to 30 November 2020. In accordance with the German legal requirements, we have not audited the content of the consolidated non-financial statement pursuant to Sections 315b and 315c German Commercial Code (HGB) included in section "Corporate responsibility and sustainability at the level of Gerresheimer (consolidated non-financial statement)" of the combined management report, and the content of the corporate governance statement pursuant to Sections 289f and 315d HGB including the further reporting on corporate governance included in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- › the accompanying consolidated financial statements comply, in all material respects, with the International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 30 November 2020 and of its financial performance for the financial year from 1 December 2019 to 30 November 2020, and
- › the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of consolidated non-financial statement pursuant to Sections 315b and 315c HGB included in section "Corporate responsibility and sustainability at the level of Gerresheimer (consolidated non-financial statement)" of the combined management report, and of the corporate governance statement pursuant to Sections 289f and 315d HGB including the further reporting on corporate governance included in the combined management report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

### Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

### Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 December 2019 to 30 November 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

- 1 Recoverability of goodwill and technologies
- 2 Deferred taxes on deductible temporary valuation differences and on loss carryforwards

Our presentation of these key audit matters has been structured as follows:

- a Description (including reference to corresponding information in the consolidated financial statements)
- b Auditor's response

## 1 Recoverability of goodwill and technologies

a In the consolidated financial statements of Gerresheimer AG, goodwill totaling mEUR 642.3 (24.5% of the balance sheet total), and technologies, which are amortized, totaling mEUR 244.9 (9.4% of the balance sheet total) are disclosed under the balance sheet item "intangible fixed assets". Considerable amortization had already been made on the technologies in the Sensile Medical segment in the prior year. Goodwill and technologies are allocated to respective cash-generating units.

These cash-generating units are tested for impairment at least annually or on specific occasions (impairment tests), with the carrying amounts of the cash-generating units being compared with the respective realizable amount. The realizable amount is determined based on the value in use. For this purpose, the planned future cash inflows (cash flows) are discounted (DCF method). The cash flow forecasts are based on the corporate planning for the next five years approved by the executive board, taken note of by the supervisory board, and valid at the time the impairment test is conducted, which is written forward with assumptions concerning long-term growth rates (perpetuity), also taking into account expectations concerning the future market trend, and country-related assumptions concerning the trends of macroeconomic variables. A major value driver for the technologies is their assumed residual useful life. The beta factor used for determining weighted capital costs is derived from the capital market data of a group of comparable entities.

Since the result of these measurements depends to a large extent on the executive board's assumptions regarding the future development and its assessment of the future cash flows and of the discount factors used which has been made on this basis, and thus involves a high degree of uncertainty, this was a key audit matter.

The executive board's disclosures on goodwill and technologies are included in notes 6 and 18 of the notes to the consolidated financial statements.

b As part of our audit, we verified, among other things, the methodical procedure for performing the impairment tests, assessed the determination of weighted capital costs, and assessed, calling in our valuation experts, the method of computing the impairment test. For the purpose of risk assessment, we gained an insight into adherence to planning in the past, and assessed to what extent the impairment tests had been influenced by subjectivity, complexity and other inherent risk factors. We reconciled the future cash flows used for valuation purposes with the 5-year planning prepared by the executive board and taken note of by the supervisory board, as well as obtained from the executive board information about the material assumptions underlying this planning, and reviewed the assumptions made for reasonableness. For this purpose, we reconciled, among others, the assumptions with macroeconomic and industry-related market expectations. Furthermore, we examined whether the planning was consistently derived from the assumptions. Especially the growth rates (perpetuity) assumed for the phase after the detailed planning period, which have a great influence on the measurement, were reviewed with professional skepticism. Our procedure in respect of the cash-generating unit Sensile Medical was analogous to the procedure in respect of the scenario planning submitted concerning the assumed useful life of 24 years of the technologies, assessing the potential scenarios assumed by the executive board, and the estimated probabilities of their occurrence in determining the value in use. For this purpose, we could also rely on evidence of the prior year's audit. Our audit also covered auditing whether costs for group functions have appropriately been taken into account in the impairment tests of the respective cash-generating units.

Knowing that even relatively minor changes in the respective discount factor used may have major effects on the amount of the realizable value determined, calling in our valuation experts, we intensively dealt with the parameters used in determining the discount factors used. Furthermore, we performed supplementary own sensitivity analyses on account of the material importance of the goodwill and of the technologies for the Group's financial performance in order to be able to assess a potential impairment risk in the event of a potential change in one of the major assumptions underlying the measurement. We traced the computation schemes applied. Finally, we audited the completeness and appropriateness of the disclosures in the notes to the consolidated financial statements required to be made under IAS 36.

## 2 Deferred taxes on deductible temporary differences, and on loss carryforwards

- (a) In the consolidated financial statements of Gerresheimer AG, deferred tax assets totaling mEUR 12.8 net of deferred tax liabilities (before netting mEUR 55.4; of which mEUR 10.8 related to tax loss carryforwards) are disclosed in the group balance sheet. No deferred tax assets were recognized for tax loss carryforwards totaling mEUR 102.7, because these are not expected to be realized within the next five years. The tax planning is based on the corporate planning approved by the executive board and taken note of by the supervisory board.

From our point of view, the deferred tax assets were of most significance, because the corporate planning, as the basis of deferred tax asset recoverability, is to a large extent dependent on the assessment and the assumptions of the executive board, and therefore involves a high degree of uncertainty.

The Company's disclosures on deferred taxes are included in notes 6, and 16 of the notes to the consolidated financial statements.

- (b) As part of our audit, we verified, calling in our tax experts, the recognition and measurement of deferred taxes. We evaluated the recoverability of deferred tax assets related to deductible differences and loss carryforwards on the basis of the corporate planning and internal forecasts of the Company concerning the future tax income situation of the respective Company, and assessed the appropriateness of the assumptions used. We traced the reconciliation to the tax result by means of supporting evidence, calling in our tax expert. Furthermore, we audited the computational accuracy of the reconciliation. In addition, we audited the completeness and appropriateness of the disclosures in the notes to the consolidated financial statements required to be made under IAS 12.

### Other information

The executive board and the supervisory board are responsible for the other information. The other information comprises

- › the section "Corporate responsibility and sustainability at the level of Gerresheimer (consolidated non-financial statement)" of the combined management report,
- › the corporate governance statement pursuant to Sections 289f and 315d HGB including the further reporting on corporate governance included in the combined management report,
- › the report of the supervisory board,

- › the executive board's confirmation pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB, respectively, regarding the consolidated financial statements and the combined management report, and
- › all other parts of the annual report,
- › but not the consolidated financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the declaration regarding the German Corporate Governance Code including the further reporting on corporate governance according to Section 161 German Stock Corporation Act (AktG), which are part of the corporate governance statement included in the combined management report. Apart from that the executive directors are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our group audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- › is materially inconsistent with the consolidated financial statements, with the assertions in the combined management report whose content has been audited, or our knowledge obtained in the audit, or
- › otherwise appears to be materially misstated.

### Responsibilities of the executive board and the supervisory board for the consolidated financial statements and the combined management report

The executive board is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive board is responsible for assessing the Group's ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is

responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive board is responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive board is responsible for such arrangements and measures (systems) as it has considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

#### **Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit.

We also

- › identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- › obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- › evaluate the appropriateness of accounting policies used by the executive board and the reasonableness of estimates made by the executive board and related disclosures.
- › conclude on the appropriateness of the executive board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- › evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS, as adopted by the EU, and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- › obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- › evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- › perform audit procedures on the prospective information presented by the executive board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

### Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 24 June 2020. We were engaged by the supervisory board on 3 September 2020. We have been the group auditor of Gerresheimer AG, Düsseldorf/Germany, without interruption since the financial year 2008/2009.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

### GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is René Kadlubowski.

Düsseldorf/Germany, 29 January 2021

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

Signed: René Kadlubowski  
Wirtschaftsprüfer  
(German Public Auditor)

Signed: Dennis Klawitter  
Wirtschaftsprüfer  
(German Public Auditor)

# Limited Assurance Report of the Independent Auditor

To Gerresheimer AG, Düsseldorf/Germany

## OUR ENGAGEMENT

We have performed a limited assurance engagement on the consolidated non-financial statement in accordance with Sec. 315b HGB of Gerresheimer AG, Düsseldorf/Germany, (the "Company") for the period from 1 December 2019 to 30 November 2020, which is included in the group management report.

Our engagement did not cover the content of the Company's websites which reference is made to in the consolidated non-financial statement.

## RESPONSIBILITIES OF THE EXECUTIVE BOARD

The executive board of Gerresheimer AG are responsible for the preparation of the consolidated non-financial statement in accordance with Secs. 315b, 315c in conjunction with Secs. 289c to 289e HGB.

The consolidated non-financial statement prepared by the executive board was based on the framework of the Global Reporting Initiative in the version Standards, which has been stated in the consolidated non-financial statement.

These responsibilities of the executive board include the selection and application of appropriate methods to prepare the consolidated non-financial statement, and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. In addition, the executive board are responsible for such internal control as they have determined necessary to enable the preparation of the consolidated non-financial statement that is free from material misstatement, whether due to fraud or error.

The accuracy and completeness of the environmental data contained in the consolidated non-financial statement are subject to inherent limitations which result from the nature and method of data collection and computation, as well as from assumptions made.

## RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the consolidated non-financial statement based on our work performed within our limited assurance engagement.

We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

Our audit firm applies the national legal regulations and the professional quality assurance statements, specifically the Professional Code of Conduct for German Public Auditors and Sworn Auditors, as well as the IDW Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1), which are in compliance with the International Standard on Quality Control 1 (ISQC 1) developed and approved by the International Auditing and Assurance Standards Board (IAASB).

We conducted our assurance work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", developed and approved by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention to cause us to believe that the consolidated non-financial statement has not been prepared, in material respects, in accordance with Secs. 315b, 315c in conjunction with Secs. 289c to 289e HGB. The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the auditor's professional judgment.

Within the scope of our assurance work, which we performed during the months from October 2020 to January 2021, we performed, among others, the following procedures and other work:

- › Gaining an understanding of the structure of the sustainability organization, and of the involvement of stakeholders
- › Inquiries of the executive board and relevant personnel who have been involved in the preparation of the consolidated non-financial statement, about the preparation process, about the existing measures and precautions (system) taken for preparing the consolidated non-financial statement, as well as about the disclosures in the consolidated non-financial statement
- › Identification of risks of material misstatements in the consolidated non-financial statement
- › Analytical evaluation of disclosures in the consolidated non-financial statement
- › Cross validation of the disclosures in the consolidated non-financial statement and the corresponding data in the consolidated financial statements, as well as in the sundry parts of the group management report
- › Assessment of the presentation of the disclosures
- › Evaluation as to whether the work performed by an expert of the executive board constitutes reasonable evidence.

## CONCLUSION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial statement of Gerresheimer AG for the period from 1 December 2019 to 30 November 2020 has not been prepared, in material respects, in compliance with Secs. 315b, 315c in conjunction with Secs. 289c to 289e HGB.

Our conclusion does not cover the Company's websites which reference is made to in the consolidated non-financial statement.

## INTENDED USE OF THE REPORT

We issue this report on the basis of the engagement letter dated 3 September 2020 concluded with Gerresheimer AG. The assurance engagement was performed for the purposes of Gerresheimer AG, and the report is solely designed for informing Gerresheimer AG about the findings of the assurance engagement.

## LIABILITY

This report should not be used by third parties as a basis for any (asset) decision. We are liable solely to Gerresheimer AG, and our liability is governed by the engagement letter dated 3 September 2020 concluded with Gerresheimer AG, as well as the "General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" in the version dated 1 January 2017. However, we do not accept or assume liability to third parties. By reading and using the information contained in this report, each recipient confirms notice of the provisions of the General Engagement Terms (notably the limitation of our liability for negligence to EUR 4 million as stipulated in no. 9 of the IDW-AAB), and agrees and acknowledges the General Engagement Terms towards us.

Düsseldorf/Germany, 29 January 2021

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

Signed: René Kadlubowski  
Wirtschaftsprüfer  
(German Public Auditor)

Signed: p.p. Viola Möller

# Supervisory Board and Management Board

## SUPERVISORY BOARD

Financial year 2020

### Dr. Axel Herberg

Chairman of the Supervisory Board  
 Managing Partner of CCC Investment GmbH  
 a) Leica Camera AG  
 b) Leica Group (photography and sport optics)  
     Lisa Germany Holding GmbH  
     Vetter Pharma-Fertigungs GmbH & Co. KG  
     European Medco Development 4 S.à.r.l., Luxembourg  
     (since May 22, 2020)

### Francesco Grioli

Deputy Chairman of the Supervisory Board  
 Member of the Governing Board of  
 IG Bergbau, Chemie, Energie  
 a) Continental AG

### Andrea Abt

Master of Business Administration  
 Former Head of Supply Chain Management of the  
 Siemens AG Sector Infrastructure  
 b) SIG plc, United Kingdom (until February 12, 2020)  
     John Laing Group plc, United Kingdom  
     Petrofac Ltd., Jersey  
     Polymetal International plc, Jersey (since March 4, 2020)

### Heike Arndt

Regional Deputy Director Westphalia of  
 IG Bergbau, Chemie, Energie  
 a) RAG Verkauf GmbH (until December 31, 2020)  
     Evonik Performance Materials GmbH (until June 30, 2020)  
     Evonik Operations GmbH (Deputy Chairwoman)  
     (since July 1, 2020)

### Dr. Karin Dorrepaal

Consultant  
 Former Member of the Management Board of Schering AG  
 a) Paion AG (Deputy Chairwoman)  
 b) Triton Beteiligungsberatung GmbH  
     Almirall S.A., Spain  
     Kerry Group plc, Ireland  
     Julius Clinical Research BV, The Netherlands  
     van Eeghen & Co BV, The Netherlands (since June 24, 2020)  
     Intravacc BV, The Netherlands (since January 1, 2021)

### Franz Hartinger

Chairman of the Company Works Council of  
 Gerresheimer Regensburg GmbH  
 a) Gerresheimer Regensburg GmbH

### Dr. Peter Noé

Degree in Business Administration  
 Former Member of the Management Board of Hochtief AG  
 b) BlackRock Asset Management Schweiz AG, Switzerland  
     (until December 31, 2020)

### Markus Rocholz

Chairman of the Company Works Council of  
 Gerresheimer Essen GmbH  
 a) Gerresheimer Tettau GmbH

### Paul Schilling

Chairman of the Company Works Council of  
 Gerresheimer Bünde GmbH  
 a) Gerresheimer Bünde GmbH

### Katja Schnitzler

Group Senior Director Operational Excellence, Environment,  
 Health, Safety & Corporate Social Responsibility of  
 Gerresheimer AG

### Theodor Stuth

Consultant  
 Managing Director of hpulcas GmbH  
 Former Auditor and Certified Tax Advisor  
 b) Wickeder Holding GmbH  
     Wickeder Profile Walzwerk GmbH  
     Linet Group SE, The Netherlands

### Udo J. Vetter

Pharmacist and General Partner of UV-Cap GmbH & Co. KG  
 a) ITM AG (Chairman)  
 b) Vetter Pharma-Fertigungs GmbH & Co. KG (Chairman)  
     HSM GmbH & Co. KG  
     Navigo GmbH (Chairman)  
     OncoBeta International GmbH (Chairman)  
     OncoBeta GmbH (Chairman)  
     Paschal India Pvt. Ltd., India (Chairman)  
     Gland Pharma Ltd., India



**MANAGEMENT BOARD**

Financial year 2020

**Dietmar Siemssen**

Chairman

- a) BFC Fahrzeugteile GmbH
  - Gerresheimer Regensburg GmbH (Chairman)
  - Gerresheimer Bünde GmbH (Chairman)
- b) Gerresheimer Boleslawiec S.A., Poland (Deputy Chairman)
  - Gerresheimer Denmark A/S, Denmark (Chairman)
  - Gerresheimer Vaerloese A/S, Denmark (Chairman)
  - Sensile Medical AG, Switzerland (Chairman)
  - Centor US Holding Inc., USA (Chairman)
  - Centor Inc., USA (Chairman)
  - Centor Pharma Inc., USA (Chairman)
  - Gerresheimer Glass Inc., USA (Chairman)
  - Triveni Polymers Pvt. Ltd., India
  - Gerresheimer respimetrix GmbH (Chairman)

**Dr. Lukas Burkhardt**

- a) Gerresheimer Tettau GmbH (Chairman)
- b) Gerresheimer Boleslawiec S.A., Poland (Chairman)
  - Gerresheimer Momignies S.A., Belgium (Chairman)
  - Gerresheimer Glass Inc., USA
  - Corning Pharmaceutical Packaging LLC, USA
  - Gerresheimer Queretaro S.A., Mexico (Chairman)
  - Gerresheimer Pharmaceutical Packaging Mumbai Pvt. Ltd., India
  - Neutral Glass and Allied Industries Pvt. Ltd., India
  - Gerresheimer Shuangfeng Pharmaceutical Glass (Danyang) Co. Ltd., China (Chairman)
  - Gerresheimer Shuangfeng Pharmaceutical Packaging (Zhenjiang) Co. Ltd., China (Chairman)

**Dr. Bernd Metzner**

- a) Gerresheimer Tettau GmbH (Deputy Chairman)
  - Gerresheimer Regensburg GmbH (Deputy Chairman)
  - Gerresheimer Bünde GmbH (Deputy Chairman)
  - Döhler Group SE (until June 23, 2020)
  - UniCredit Bank AG (since June 23, 2020)
- b) Gerresheimer Glass Inc., USA
  - Kimble Chase Holding LLC, USA (Chairman) (until February 28, 2020)
  - Centor US Holding Inc., USA
  - Centor Inc., USA
  - Centor Pharma Inc., USA
  - Corning Pharmaceutical Packaging LLC, USA
  - Sensile Medical AG, Switzerland

# Gerresheimer AG Locations



● LOCATIONS

PLASTICS & DEVICES

- Anapolis, Brazil
- Berlin, Ohio, USA
- Boleslawiec, Poland
- Buende, Germany
- Changzhou, China
- Dongguan City, China
- Haarby, Denmark
- Horsovsky Tyn, Czech Republic
- Indaiatuba, Brazil
- Kosamba III, India
- Kundli, India
- Muenster, Germany
- New Delhi, India
- Peachtree City, Georgia, USA
- Perrysburg, Ohio, USA
- Pfreimd, Germany
- Regensburg, Germany
- Sao Paulo Butanta, Brazil
- Sao Paulo Cotia, Brazil
- Sao Paulo Embu, Brazil
- Singapore, Singapore
- Skopje, Republic of North Macedonia
- Vaerloese, Denmark
- Wackersdorf, Germany
- Zaragoza, Spain

PRIMARY PACKAGING GLASS

- Boleslawiec, Poland
- Chalon, France
- Chicago Heights, Illinois, USA
- Danyang I, China
- Danyang II, China
- Essen, Germany
- Kosamba I, India
- Kosamba II, India
- Lohr, Germany
- Momignies, Belgium
- Morganton, North Carolina, USA
- Mumbai, India
- Queretaro, Mexico
- Tettau, Germany
- Vineland, New Jersey, USA
- Vineland (Crystal Avenue), New Jersey, USA
- Vineland (Forest Grove), New Jersey, USA
- Wertheim, Germany
- Zhenjiang, China



ADVANCED TECHNOLOGIES

- Olten, Switzerland
- Duesseldorf, Germany

○ HEADQUARTERS

- Duesseldorf, Germany  
(Gerresheimer AG)

# Product Overview by Division

## PLASTICS & DEVICES

The Plastics & Devices Division includes complex, customer-specific products for simple and safe drug delivery together with system packaging for liquid and solid medicines plus services.

### DRUG DELIVERY SYSTEMS

Drug delivery systems transport drugs simply and rapidly into the body. They include plastic systems such as inhalers, pen systems and injection systems.

### PREFILLABLE SYRINGE SYSTEMS

Prefillable syringe systems made from glass and COP (cyclic olefin polymer) are supplied to customers in the pharmaceutical and biotech industry for filling with drugs. Gerresheimer offers a widely diversified range of sterile and non-sterile syringe systems. Gx RTF® (ready-to-fill) and Gx RTF® ClearJect® syringe systems are delivered to the customer washed, siliconized, assembled with a closure cap and sterilized, i.e., completely ready to fill.

### MEDICAL TECHNOLOGY PRODUCTS

Gerresheimer produces disposables for various analysis systems in laboratories and medical practices, quick tests for patients in medical practices or hospitals, skin-prick aids and lancets for diabetics, disposables and components for dialysis machines, catheters and surgical devices made from plastic.

### CONTAINERS FOR SOLID DOSAGE

For non-liquid forms of delivery such as tablets and powder, Gerresheimer offers a wide spectrum of high-quality, user-friendly products which are complemented by a multifaceted range of alternatives in terms of specific closures, tamper-evident closures and other design options.

### CONTAINERS FOR LIQUID DOSAGE

For liquid applications in the field of pharma and healthcare, Gerresheimer has a host of container types made from PET, PE and PP in its range. Numerous system accessories allow individual tailoring to the customer's needs.

### CONTAINERS FOR OPHTHALMIC AND RHINOLOGICAL APPLICATIONS

Gerresheimer also produces special plastic-based vials for eye drops and nasal sprays. These user-friendly containers, which can be complemented by different drop, spray or pump system components, facilitate precise drug dosage and application.

### CONTAINERS FOR PARENTERAL APPLICATIONS: COP VIALS

These primary packaging containers (2 to 100 ml) from Gerresheimer offer our customers an alternative packaging solution if the substance to be filled is not compatible with glass vials. The metal ion-free and extremely break-resistant COP polymer's notable properties include high transparency and a non-polar surface, which is ideal for sensitive new-generation parenteral medicines. Furthermore, it can be used for storage at freezing temperatures.

### CONTAINERS FOR ORAL PRESCRIPTION MEDICATION

Gerresheimer company Centor supplies a portfolio of plastic packaging and closures for oral prescription medication in the North American end-consumer market. The precise amount of oral medication stated in a prescription is specially packaged by the pharmacist in a plastic container for each patient. Centor's 1-Click® and Screw-Loc® product lines are the two leading forms of plastic packaging in the USA.

### CONTAINERS FOR COSMETICS

Gerresheimer's portfolio of innovative plastic packaging encompasses a wide variety of standard shapes and sizes as well as customer-specific packaging in accordance with individual requirements. Gerresheimer deploys the latest technologies to provide custom finishing and decorating options for our top-quality skin-care and hair-care packaging solutions.

## PRIMARY PACKAGING GLASS

The Primary Packaging Glass Division produces primary glass packaging for the pharma and cosmetics industries, as well as specialty glass containers for the food and beverage industry.

### AMPOULES

An ampoule is a sealed container made from tubular glass in standardized ISO types. In the case of pharmaceutical ampoules, a distinction is made between various break-open methods such as the One Point Cut, Color Break and Score Ring procedures.

### CARTRIDGES

The cartridge is a glass cylinder which is closed at the front end by an aluminum cap with a membrane which is penetrated by an injection needle for the actual injection. The rear end of the cartridge is closed by a rubber stopper. Cartridges are used primarily in dental medicine as a primary packaging form for local anesthetics and, in diabetes therapy, for insulin pens.

### VIALS FOR PHARMACEUTICALS

Vials (injection vials) are small-volume primary packaging containers made from tubular or molded glass. The filling volume of vials for pharmaceutical applications ranges from 0.6 to 50 ml.

### BOTTLES AND JARS FOR PHARMACEUTICALS

Gerresheimer supplies glass containers for pharmaceutical use in a wide variety of shapes and sizes. These include syrup and dropper bottles, tablet jars, wide-neck jars as well as injection, infusion and transfusion bottles.

### FLACONS AND POTS FOR COSMETICS

Gerresheimer produces flacons, jars, samplers, vials and ampoules in the widest possible variety of forms and finishes – for example, for fragrances, deodorants, care cosmetics and decorative cosmetics.

### BOTTLES AND JARS FOR BEVERAGES AND FOOD

Gerresheimer supplies customer-specific small-volume containers for spirits and food.

## ADVANCED TECHNOLOGIES

The Advanced Technologies Division is our innovation center and hub for smart devices. It develops smart drug delivery systems for pharma and biotech companies. Its portfolio currently comprises patented micro pumps, which are used to self-administer medication for Parkinson's or heart failure, for example. In addition, a platform for smart inhalation measurement systems is under development.

## DRUG DELIVERY PRODUCTS

Sensile Medical develops innovative drug delivery products and platforms with digital and electronic capabilities for pharmaceutical and biotech customers. These are used to self-administer liquid drugs for a wide variety of applications.

Gerresheimer respimetrix is developing an inhalation measurement platform that uses a patented flow sensor to accurately monitor each inhalation in patients with respiratory diseases. The data on each inhalation provides valuable information about when and how the patient inhales and about their lung condition.

# Glossary

## 1-Clic®

1-Clic® is the brand name of a well-known product line from our American subsidiary Centor Inc. The semitransparent orange plastic containers with white closures are used in pharmacies to package up prescription medication in the quantity specified by a patient's physician.

## Ampoule

Sealed container made from tubular glass in three standardized ISO types (B, C and D). Pharmaceutical ampoules feature different opening systems, including One Point Cut, Color Break and Score Ring.

## Autoinjector

Medical device for administering a single dose (injection) of a liquid drug. Autoinjectors were mainly developed for self-administration by the patient. The devices use prefilled syringes.

> **Pen system**

## Backstop

The backstop is an ingenious addition to the Gerresheimer syringe range. The plastic system component is clipped onto the finger flange of a glass syringe. It narrows the top opening and stops the plunger head from being pulled out of the syringe. The ergonomically shaped wings also enlarge the finger flange for improved ease of use.

## Baked-on siliconization

> **Gx Baked-On RTF®**

## Batch

> **Furnace**

## BioPack

In addition to conventional PE and PET packaging, Gerresheimer also supplies new, environment-friendly plastic packaging for pharmaceutical and cosmetic applications. One of the main feedstock sources for biomaterials is sugarcane. "Green" PE and PET from sugarcane is 100% recyclable. BioPack products have the same properties as conventional plastic containers and can be produced on existing filling and packaging lines. Using biomaterials helps reduce greenhouse gas emissions and so protects the environment.

## Biopharmaceutics

Also known as biopharmaceutical drugs or biotech drugs. Drugs produced in genetically modified organisms by means of biotechnology. Biopharmaceutics is one of the fastest-growing product categories in the pharma and biotech industry.

## Borosilicate glass

Glass with very high hydrolytic resistance thanks to its chemical makeup. Its low alkali emission makes borosilicate glass well suited as a packaging material for injectables.

> **Hydrolytic resistance**

## Bulk syringes

Syringe barrels supplied to the customer in an unsterilized state. Washing, siliconization, mounting of the closure cap/needle shield and sterilization before filling is carried out by the pharma company.

## Camera inspection systems

The quality of Gerresheimer products is monitored during and after manufacture using in-process controls. Advanced inspection systems help pick out defective items at an early stage with the aid of dedicated computer technology and digital image processing.

## Cartridge

Tubular glass cylinder closed at the front end by an aluminum cap with a membrane that is penetrated by a pen needle to draw up the injection solution.

## Child-resistant closure

Closure that protects children from harm by making pharmaceutical packaging hard for them to open. Opening these special closures requires actions that (without instruction) are generally beyond the dexterity of a child. They typically call for non-intuitive opening actions or a combination of movements simultaneously or in sequence (e.g. press-and-turn caps).

## Clean room

Room in which special air-handling processes and systems are used to control particulate and microbial air quality. An integral feature of pharmaceutical production technology, this is essential to the manufacture of numerous drug delivery and primary packaging solutions.

**ClearJect®**

Brand name used by our Japanese partner Taisei Medical Co., Ltd. The Gx RTF® ClearJect® syringe is the first COP (cyclic olefin polymer) syringe made by Gerresheimer in Europe. The new Gx RTF® ClearJect® syringe with cannula offers key advantages for sensitive active ingredients manufactured using biotechnology.

> **Gx RTF® ClearJect®**

**Cold end**

The cold end refers to the final steps of the molded glass production process from removal from the lehr to the packaging section. Once glass containers come out of the lehr, at which point they have cooled to about 100°C, the bottles and jars are quality controlled in ultra-modern testing systems. The glass is then ready for finishing in a further process step. This involves a wide variety of techniques (such as printing and engraving), after which, following a final quality check, it is packaged, palleted and shipped out of the glassworks.

**COP syringe**

> **Gx RTF® ClearJect®**

**COP vials**

These primary packaging containers (2 to 100 ml) from Gerresheimer offer our customers an alternative packaging solution if the substance to be filled is not compatible with glass vials. The metal ion-free and extremely break-resistant COP polymer's notable properties include high transparency and a non-polar surface, which is ideal for sensitive new-generation parenteral medicines. Furthermore, it can be used for storage at freezing temperatures.

**Cytostatics**

Cytostatics are natural or synthetic substances that inhibit cell growth. They are notably used in cancer treatment (chemotherapy) and in some treatments for autoimmune diseases.

**Delamination**

In the context of glass as a primary packaging material, delamination relates to the appearance of glass flakes by spalling. Under certain conditions, glass can be reactive and susceptible to surface disintegration. This loss of structural integrity can result in the formation of glass lamellae that separate from the surface. Numerous parameters involved in glass chemistry and production can contribute to delamination. The flakes are not visible to the naked eye.

**Diabetes care**

Medical specialism covering diabetes diagnosis and therapy. In this business field, Gerresheimer focuses on developing and producing highly innovative lancets, skin-prick aids and insulin pen systems.

**Diagnostic systems**

Systems for analyzing organic liquids and materials outside the body (in vitro). Such systems can analyze patient samples for specific parameters – in many cases fully automatically.

**Digital interface**

Sensile Medical products offer interfaces for transferring data to an app or protected clouds. Patients can be reminded to take their drugs or maintain an electronic diary, for example. This allows doctors to monitor the drug administration history. And frees patients of the need to keep handwritten records.

**Dropper bottle system**

Special glass or plastic bottle system consisting of bottle, dropper and closure for administering medication in drop form.

**Drug delivery system**

System to transport a drug's active substance in various ways (by pulmonary or nasal inhalation, through the skin, via the mucous membranes or orally) to exactly where it is needed in the body. Examples: inhalers for the treatment of respiratory disease and prefillable syringes for injection drugs.

**Drug master file (DMF)**

Document recording the (pharmaceutical) manufacturing process and drug quality assurance system used for regulatory agencies (such as the FDA in the USA or Health Canada in Canada). Drug master files enable producers who are not the final distributor of a drug (such as the producer of the active agent or primary packaging) to provide drug regulators with all necessary information without passing on trade secrets to their business partners.

**Duma®**

The Duma® brand name encompasses a large variety of pharmaceutical plastic primary packaging containers made by the Plastic Packaging Business Unit. Duma® containers are primarily used for drugs in solid dosage forms such as tablets and powders. The containers combine with a great variety of closure systems for different applications and users.



**Furnace**

Used for the melting process in glass production. The raw materials are mixed in batches and melted in the furnace at about 1,600°C. Gerresheimer's furnaces run 24 hours a day, 365 days a year.

**Gx<sup>®</sup> ARMOR Vials**

The new Gx<sup>®</sup> ARMOR vials product line is designed for parenteral solutions with aggressive active agents and specially equipped to prevent delamination. Gx<sup>®</sup> ARMOR stands for Gerresheimer Advanced Risk Management and Operational Response.

**Gx Baked-On RTF<sup>®</sup>**

Gx Baked-On RTF<sup>®</sup> optimizes Gx RTF<sup>®</sup> syringes for silicone oil-sensitive biotech drugs. This Gerresheimer process is patented in Europe and the USA. Baked-on siliconization permanently fixes the silicone oil to the glass surface and significantly reduces the number of free oil droplets.

**GxCare**

GxPure, GxCircular and GxCare are the three pillars of Gerresheimer's sustainability strategy. GxCare groups people-focused themes such as health and occupational safety, employee satisfaction and community.

**GxCircular**

GxPure, GxCircular and GxCare are the three pillars of Gerresheimer's sustainability strategy. GxCircular subsumes themes relating to our products and the resources we use, notably recycling and waste, ecodesign and sustainable procurement management.

**Gx<sup>®</sup> Elite Glass**

The Gx<sup>®</sup> Elite Glass product family made from type I borosilicate glass was developed for pharmaceutical vials in highly demanding applications. Gx<sup>®</sup> Elite Glass vials are two to three times as robust as conventional type I glass as well as being significantly more break-resistant on the filling line and in lyophilization. They exceed industry standards in cosmetic and dimensional terms.

**Gx<sup>®</sup> FLASH**

Gx<sup>®</sup> FLASH is a proprietary Gerresheimer test procedure to predict the susceptibility of vials to delamination. Specific thresholds in the production process are continuously monitored. Vials are randomly sampled at regular intervals and tested for susceptibility to delamination.

**Gx<sup>®</sup> G3 inspection system**

The Gx<sup>®</sup> G3 inspection system is the latest (third) generation inspection system for tubular glass products. In syringe production, the system allows all parts of the glass body to be cosmetically inspected in extremely high resolution. The system also offers highly accurate inspection of product geometry.

**Gx InnoSafe<sup>®</sup>**

With their exposed needles, used syringes are an ever-present hazard at doctors' practices, laboratories and hospitals. Gx InnoSafe<sup>®</sup> is a syringe provided by Gerresheimer with an integrated passive safety system that avoids inadvertent needleprick injuries, precludes reuse and is optimized both for pharma industry production workflows and for easy and intuitive use by medical personnel.

**GxPure**

GxPure, GxCircular and GxCare are the three pillars of Gerresheimer's sustainability strategy. GxPure brings together environment-focused themes such as emissions, energy and water.

**Gx<sup>®</sup> RHOC**

Gx<sup>®</sup> RHOC is a proprietary Gerresheimer camera system offering superior dimensional quality. The system consists of three high-resolution matrix cameras on each side plus a hyper-centric ID camera. Further features include integration with the forming machine and Infinity SPC software.

**Gx RTF<sup>®</sup> ClearJect<sup>®</sup>**

Brand name of the first COP (cyclic olefin polymer) syringe made by Gerresheimer in Europe. The new Gx RTF<sup>®</sup> ClearJect<sup>®</sup> syringe with cannula offers key advantages for sensitive active ingredients manufactured using biotechnology. ClearJect<sup>®</sup> is a brand created by our Japanese partner company Taisei Medical Co. Ltd.

> **ClearJect<sup>®</sup>**

**Gx RTF<sup>®</sup> syringe systems**

The letters RTF in Gerresheimer's Gx RTF<sup>®</sup> syringe brand stand for ready-to-fill. Gx RTF<sup>®</sup> syringe systems are delivered to the customer washed, siliconized, assembled with the closure cap, packed in nests and tubs, and sterilized – completely ready to fill, as the name suggests. This cuts out a whole chain of elaborate process steps for pharma manufacturers. Customers can therefore start filling injectables straightaway, saving a lot of time and money in the process.

**Gx® RTF vials**

Gerresheimer's two core competencies – molding vials from glass tubing and the ready-to-fill process for prefillable syringes – are combined in producing the new Gx® RTF vials, available in customized packaging configurations or the well-known Ompi EZ-fill® packaging format. Made from type I borosilicate glass, Gx® RTF vials are washed, packed in trays or nests and tubs, sterilized and shipped to pharma customers, who can then start filling straightaway without any additional process steps.

**Gx Tekion®**

Gx Tekion® is a system developed by Gerresheimer for cleaning glass tubes with ionized air.

**Gx TELC® (Tamper Evident Luerlock Closure)**

Tamper-evident closure system developed by Gerresheimer for prefilled syringes. The system combines a Luerlock adapter with a tamper-evident closure.

**Gx® THOR (Thermal Hydrolytic Optimization and Reduction)**

Gx® THOR is a new Gerresheimer technology to reduce delamination susceptibility in vials. The technology is integrated into existing forming lines. Gx® THOR links critical areas of the converting process and guarantees that 100% of vials are controlled to optimum temperature forming profile. Specified acceptance thresholds are monitored using statistical process control.

**Gx® TWILC**

Under the name Gx® TWILC (Twistable Integrated Luerlock Closure), Gerresheimer markets Gx® RTF syringes with the SG ITC (Integrated Tip Cap) twist-off closure provided by the Stevenato Group. This is a particularly user-friendly system for Luerlock syringes because it features a more stable closure than traditional Luer cone closure systems, thus providing added protection for the contents. The twist-off feature also makes for greater ease of use for healthcare professionals without compromising the integrity of the prefillable syringe itself.

**Hot end**

The hot end refers to the first steps of the molded glass production process from the furnace to the Lehr. Material is melted in the furnace at approximately 1,600°C and then enters the feeder. Here, the glass is brought to the desired temperature and the glass gob formed. The glass gob – exact to the gram – then drops into the molding machine, where the glass container takes shape. Fully formed and scorching hot, the containers are transported on a conveyor belt to the Lehr, where they are cooled at a specified rate so that the glass retains no residual tension that could lead to spontaneous breakage.

**Hydrolytic resistance**

The resistance of glass to the leaching of alkali ions from the glass surface, and the parameter used to grade glass into hydrolytic classes.

**Infusion pump**

The infusion pumps made by Gerresheimer's subsidiary Sensile Medical, which are based on micro pump technology, are worn off-body and can be attached to a belt or stored in a small bag, for example. The liquid drug is injected with a standard infusion set. More and more patients who depend on a daily infusion are wearing pumps this way.

**Inhaler**

Device used in the treatment of asthma, bronchitis and other chronic or acute respiratory ailments. It transports aerosol and powder-based medications into the upper and lower respiratory tracts.

**Injection vial****› Vial****Inner surface treatment**

Special surfacing process for the inside of pharmaceutical containers, e.g. to ensure compatibility with the medication.

**Insulin pen system**

An insulin pen is a special injection system for safe and near-painless delivery of insulin from a cartridge.

**Integrated moisture absorber**

A moisture absorber protects medication from the effects of moisture during storage and absorbs atmospheric humidity entering the container as a result of it being repeatedly opened. Gerresheimer integrates the desiccant in a capsule affixed to the inside of the Duma® Twist-Off cap.

**Lancet**

Plastic-coated blood-sampling needle for insertion into a skin-prick aid for diabetic patients.

**Lancet magazine**

Magazine with integrated lancets in a drum housing.

**Laser coding**

In the new laser coding process for syringes, a tiny data matrix code uniquely identifying the respective packaging container's type and origin is indelibly laser-etched onto the finger flange. In this way, Gerresheimer offers an innovative track-and-trace solution for pharma containers and helps combat drug counterfeiting.

**Luer system (Luerlock/luer cone)**

The luer system is a connector system, standardized under the DIN EN ISO 80369 standards series, for syringes, cannulas and various medical tube systems. A seal is achieved in the luer system by the tapered design of the connecting parts, known as the luer cone. The inner cone of the one connector end is referred to as female and the outer cone of its counterpart as male. On Gx RTF® syringes, the female part is made from glass and is integral to the syringe barrel. Where the connection to the female cone is secured with an inside thread, the system is referred to as a Luerlock. The connection is made and undone with a half-turn and cannot be released inadvertently.

**Manufacturing execution system**

A manufacturing execution system (MES) makes the oversight, management and monitoring of production possible in real time. The focus is on data exchange among all production stages and on improving information flows during manufacturing. Defects, machine failures, line malfunctions and the like are automatically captured or simply entered into the MES. Everyone else involved is instantly informed without delay. Systematic error capture can boost quality and productivity. Gerresheimer is already using its second-generation MES. In order to make the MES easier to operate, its user interface was developed in collaboration with the key users from various departments and adapted to their needs.

**Metal-free syringe**

Especially for drugs based on biotech products, prefillable syringes are needed that preclude the possibility of contamination with tungsten or other metals. For the new metal-free 1 ml long Gx RTF® Luerlock syringe, the pin used to shape the cone is therefore made from a special ceramic material.

**Molded glass**

Molded glass packaging is produced in a single operation directly after the melting process.

**Molecular diagnostics**

Molecular diagnostics refers to analysis methods based on examination of genetic material (DNA or RNA). These allow more precise information to be obtained than with traditional diagnostic procedures so that illnesses can be detected faster.

**Multifunctional closure system**

Gerresheimer closures feature secure, air-tight opening and closure systems to meet varied requirements. All caps conform to ISO standards and can be combined with our glass and plastic packaging containers for liquids and solids. The multifunctional closures are tamper-evident, child-resistant, senior-citizen-friendly and moisture-absorbing.

**Needle safety system**

> Gx InnoSafe®

**Needle shield**

Syringe part made from a pharmaceutical rubber compound placed over the taper to protect the needle and stopper the front end of the syringe.

**Nest**

A nest is a packaging unit for vials, syringes and cartridges that ensures there is no glass-to-glass contact. Nests are positioned in a tub. The new prefillable Gx® RTF vials, for example, are washed, sterilized and then packaged in nests and tubs (or alternatively in trays) for shipment. This prevents breakage and safeguards the high cosmetic quality of the vials. The nest and tub arrangement is suitable for direct filling and closure of the vials while still positioned in the nest (as with Gx RTF® syringes).

**Ophthalmology**

The medical field of ophthalmology deals with eye and sight diseases as well as malfunctions and their medical treatment.

**Parenteral drugs**

Parenteral drugs are sterile medicinal drugs that are introduced into the body by injection, infusion or implantation. Gerresheimer provides a wide range of primary packaging and drug delivery systems for filling, storing and/or delivery of injection and infusion drugs. Parenteral drugs place particularly high demands on the quality of the primary packaging and the material tempering process.

**Paste mold technology**

Glass-forming (blowing) process using a rotating mold to produce a round and seamless piece of glassware.

**Patch pump**

The patch pumps made by Gerresheimer's subsidiary Sensile Medical, which are based on micro pump technology, adhere directly to the skin. One example of their use is with diabetes patients, for whom the doctor initially sets the pump according to the specific therapy. The patient then attaches the pump to his or her stomach or upper arm with an adhesive patch. When the pump starts, the needle integrated into the device is automatically inserted and remains in place for several days. This means patients can get their insulin without daily injections.

**> SenseCore micro pump****PCR/PIR glass**

Glass is a 100% recyclable raw material that can be endlessly reprocessed into glass in a circular economy. With this in mind, pharma jars and glass cosmetics packaging are produced using large quantities of recycled glass (cullet) as a substitute for raw materials. This is sourced from Gerresheimer's own internal material cycle (post-industrial recycled [PIR] glass) and, subject to controls, from household recycling (post-consumer recycled [PCR] glass). By using recycled glass, new high-quality glass packaging can be produced while conserving resources. The higher the proportion of recycled glass, the less energy is needed for production. In cooperation with its customers, Gerresheimer has developed a cosmetic glass, which has the highest proportion of recycled glass (PCR glass) available today.

**Pen system**

A pen system is used to administer medication in multiple doses. Unlike autoinjectors (which are non-reusable), pen systems are mostly used multiple times. A pen system contains a prefilled cartridge as the primary packaging.

**> Insulin pen system****PharmaPlus**

PharmaPlus is a range of high-caliber technical solutions in glass forming for unprecedented levels of precision. This includes the production of borosilicate glass tubes, which Gerresheimer itself manufactures as an intermediary product. The subsequent forming processes likewise produce an excellent new standard of quality in primary packaging, for syringes, cartridges, vials and ampoules alike.

**Plastic systems**

Complex and technically sophisticated assemblies made from multiple plastic components.

**Platform solution**

Gerresheimer's subsidiary Sensile Medical AG has developed a novel, patented micro pump (see SenseCore micro pump) that forms the heart of its microinfusion devices. These devices allow safe, simple and highly accurate administration of liquid drugs into subcutaneous tissue. The micro rotary piston pump can serve a wide variety of requirements for specific delivery profiles that can be adapted to different therapies, drugs and primary packaging materials. This enables a broad range of customer-specific solutions to be provided on a single platform.

**Plunger rod**

Syringe part that is threaded or clipped onto the plunger head. For an injection, the user's thumb pushes down on the plunger rod to move the plunger and empty the syringe.

**Plunger (head)/rubber stopper**

Syringe part made from a pharmaceutical rubber compound that closes the syringe end after filling.

### **Pour-and-count system**

The pour-and-count system is the usual way of selling prescription medicines in the USA and Canada and contrasts with the standardized pack units sold in Europe. In the pour-and-count system, drug producers package large quantities (100 to 1,000 units) of tablets and capsules in containers delivered to pharmacies by drug wholesalers on demand. The pharmacist pours tablets or capsules from the containers and counts out the precise quantity stipulated in the prescription. The tablets or capsules are dispensed in special plastic containers such as those provided by our American subsidiary Centor, with a customer-specific label (in many cases both the dispensing and labeling process are automated).

### **Prefillable syringe systems**

Prefillable syringe systems in the form of Gx RTF® and Gx RTF® ClearJect® syringes are supplied sterile to customers in the pharma and biotech industry. They are ready to be filled with liquid medication and sealed on accredited production lines.

#### **> Gx RTF® syringe systems**

### **Primary packaging**

Packaging that is in direct contact with medication, cosmetic and food products.

### **RPET**

Personal care products are often packaged in PET bottles and containers, because PET (polyethylene terephthalate) has a low intrinsic weight, is versatile, easy to mold and break-resistant. Used and recycled PET, known as RPET, is suitable for producing new RPET packaging products. For years, Gerresheimer has been offering its PET ranges with various mixtures of post-industrial recycled (PIR) and post-consumer recycled (PCR) materials and is able to produce containers made from up to 100% RPET.

### **Safe Pack**

Pharmaceutical packaging is subject to stringent requirements and must be kept free of germs and particles. The hygienic Safe Pack ensures that sterile containers produced in the high-temperature process arrive at the filler free of contamination. Pharmaceutical containers are vacuum-packed and hermetically sealed in compliance with the most stringent certified hygiene requirements.

### **Screw-Loc®**

Screw-Loc® is the brand name of a well-known product line from our American subsidiary Centor. The semitransparent orange plastic containers with white closures are used in pharmacies to package up prescription medication in the quantity specified by a patient's physician.

### **SenseCore micro pump**

SenseCore technology is based on the innovative, patented micro rotary piston pump developed by Gerresheimer's subsidiary Sensile Medical. SenseCore is small, enables very precise dosage and consists of only two plastic parts. Compatible with various liquid drugs, this micro pump is at the heart of Sensile Medical's range of pump platforms. Due to their ability to be operated by patients themselves, these devices improve the lives of people who depend on injection aids. The devices are adjusted to the patients' illness-related complaints, thus ensuring simple, reliable operation.

### **Siliconization**

Silicone oil is used as a glide agent in the inner surface treatment of pharmaceutical containers. This makes it easier for the plunger to slide along the syringe barrel – an essential feature in a properly functioning syringe system.

#### **> Gx Baked-On RTF®**

### **Skin-prick aid**

Device for diabetics allowing a lancet to be inserted near-painlessly into the skin. Some models allow for different penetration depths to cater for variations in skin thickness.

### **Tamper-evident closure**

A tamper-evident closure reliably signals that a pharmaceutical container has been previously opened. This means physicians, nurses and patients know if a drug has been used without authorization. Gerresheimer's Duma® Twist-Off tamper-evident screw caps for tablet bottles have a ring on the cap that is detached by the twisting action when the container is first opened. The pieces of plastic connecting the ring to the cap are torn off in the process, clearly indicating that the product has been opened before. Likewise, the Tamper Evident Luerlock Closure (TELC®) for Gerresheimer syringe systems is activated by twisting. The twist action causes the tabs on the twist-off closure to spread out, showing that the syringe has been previously opened.

**TCC**

Technical Competence Center, where products and systems are developed and made ready for series production in collaboration with the customer.

**TE ring (tamper-evident ring)**

> **Tamper-evident closure**

**Tip cap**

Syringe part made from a pharmaceutical rubber compound that is placed over the taper to stopper the front end of the syringe.

**TPE (Thermoplastic Elastomer)**

Plastic with thermoplastic properties, behaving like a classical elastomer at room temperatures but allowing its shape to be modified when heated.

**Tray**

A tray is a packaging unit for vials, syringes and cartridges that ensures there is no glass-to-glass contact. The new prefillable Gx® RTF vials, for example, are washed, sterilized and then packaged in trays (or alternatively in nests and tubs) for shipment. This prevents breakage and safeguards the high cosmetic quality of the vials. Trays are generally used for manual filling in the case of small quantities for laboratory use, or conventionally in large-volume fill lines where the vials are taken out and separated beforehand.

**Tub**

> **Nest**

**Tubular glass**

Tubular glass involves two separate processes: first, the production of glass tubes and, second, the manufacture from those tubes of primary packaging such as syringes, cartridges, ampoules and vials.

**Type I borosilicate glass**

High-quality type I borosilicate glass has the highest-possible hydrolytic resistance due to its chemical composition. Its low alkali emissions make borosilicate glass well suited as a packaging material for injectables. Ampoules, cartridges, vials and syringe barrels are the main products for which chemically highly resistant type I borosilicate glass is the preferred material.

**Type II glass**

Type II glass is a soda-lime-silica glass that has been de-alkalized. This treatment gives type II glass very high hydrolytic resistance, making it suitable for acid and neutral aqueous parenterals.

**Type III glass**

Type III glass is a soda-lime-silica glass with medium hydrolytic resistance. This type of glass is suitable for all other liquid as well as for solid preparations. It is used for products such as cough syrups and tablets.

**Vial**


A small-volume primary packaging container made from tubular glass. Gerresheimer makes vials for pharmaceutical applications with filling volumes ranging from 0.6 to 50 ml. Often referred to as an injection vial as the liquid is drawn out with an injection needle (disposable syringe).






*The definitions in this glossary apply in context as used by Gerresheimer and are not intended as generally applicable definitions.*

# Non-financial Group Statement 2020

## GRI content index

The following GRI content index shows how we meet the requirements of the GRI standards that are material to us. The required disclosures can be found on the specified pages of the non-financial group statement and in the audited parts of the Annual Report. If a disclosure is not fully covered by the references, the additional information is supplemented in the “Explanations” column or the reasons for omission are explained. Information

and data relating to the individual standards are only listed if they are relevant from a management perspective and the information is therefore recorded. For the information marked by  to which reference is made, a limited assurance has been performed by Deloitte. The independent assurance can be found on page 148 in the non-financial group statement.

GRI-Standard	References	Explanations	audited
<b>General disclosures</b>			
<b>Organizational profile</b>			
<b>102-1</b>	<b>Name of the organization</b>  Annual Report, Legal notice, U3  Gerresheimer AG		
<b>102-2</b>	<b>Activities, brands, products, and services</b>  Annual Report, Fundamental information about the group, p. 31 Non-financial statement, GxCircular, Ecodesign, p. 61–63		
<b>102-3</b>	<b>Location of headquarters</b>  Annual Report, Legal notice, U3  Gerresheimer AG Klaus-Bungert-Straße 4 40468 Duesseldorf Germany		
<b>102-4</b>	<b>Location of operations</b>  Annual Report, Fundamental information about the group, p. 31 Non-financial statement, GxCare, Our employees, p. 65–66 Non-financial statement, GxCare, Diversity and equal opportunities, p. 67		
<b>102-5</b>	<b>Ownership and legal form</b>  Notes to the Consolidated Financial Statements, List of shareholdings of Gerresheimer AG, p. 104 Annual Report, Fundamental information about the group, p. 31 Annual Report, Legal notice, U3		
<b>102-6</b>	<b>Markets served</b>  Annual report, Fundamental information about the group, p. 31 Non-financial statement, GxCircular, Ecodesign, p. 61–63		
<b>102-7</b>	<b>Scale of the organization</b>  Annual Report, Fundamental information about the group, p. 31 Annual Report, Multi-year overview, U2 Non-financial statement, GxCircular, Ecodesign, p. 61–63 Non-financial statement, GxCare, Our employees, p. 65–66		
<b>102-8</b>	<b>Information on employees and other workers</b>  Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>102-9</b>	<b>Supply chain</b>  Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64	Gerresheimer currently has over 9,500 suppliers worldwide.	
<b>102-10</b>	<b>Significant changes to the organization and its supply chain</b>  Notes to the Consolidated Financial Statements, List of shareholdings of Gerresheimer AG, p. 104 Notes to the Consolidated Financial Statements, consolidated group, p. 103 Non-financial statement, Our sustainability targets, p. 51–52 Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64		
<b>102-11</b>	<b>Precautionary Principle or approach</b>  Non-financial statement, Our sustainability strategy and materiality analysis, p. 49–50 Non-financial statement, Sustainability risks, p. 54 Non-financial statement, GxCircular, Ecodesign, p. 61–63		

GRI-Standard	References	Explanations	audited
<b>102-12</b>	<b>External initiatives</b> Non-financial statement, Stakeholder dialogues, p. 54	Gerresheimer AG officially joined the Alliance for Water Stewardship as a member in December 2020.	
<b>102-13</b>	<b>Membership of associations</b> Non-financial statement, Stakeholder dialogues, p. 54	Some of our sites are also involved in local initiatives and networks, which we do not record centrally. Apart from the usual membership contributions, no significant financial support was granted in 2020.	
<b>Strategy, ethics and integrity</b>			
<b>102-14</b>	<b>Statement from senior decision-maker</b> Annual Report, Strategy and objectives, p. 32–33 Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50		
<b>102-16</b>	<b>Values, principles, standards, and norms of behavior</b> Annual Report, Strategy and objectives, p. 32–33 Annual Report, Corporate governance statement in accordance with § 315d HGB, p. 80 Non-financial statement, Responsibility, Rules, Processes and controls, p. 53 Non-financial statement, GxCare, p. 65		
<b>Governance</b>			
<b>102-18</b>	<b>Governance structure</b> Annual Report, Corporate Governance report, p. 80 Non-financial statement, Responsibility, Rules, Processes and controls, p. 53		
<b>Stakeholder engagement</b>			
<b>102-40</b>	<b>List of stakeholder groups</b> Non-financial statement, Stakeholder dialogues, p. 54	Our key stakeholder groups include: – business partners and customers – the capital market – our employees – political representatives – non-governmental organizations – neighbors and local community	
<b>102-41</b>	<b>Collective bargaining agreements</b> Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>102-42</b>	<b>Identifying and selecting stakeholders</b>	Gerresheimer is open to dialog with any interested person or group who has an interest in or influence on our business activities.	
<b>102-43</b>	<b>Approach to stakeholder engagement</b> Non-financial statement, Stakeholder dialogues, p. 54		☑
<b>102-44</b>	<b>Key topics and concerns raised</b> Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50 Non-financial statement, Stakeholder dialogues, p. 54		☑
<b>Reporting practice</b>			
<b>102-45</b>	<b>Entities included in the consolidated financial statements</b> Notes to the Consolidated Financial Statements, List of shareholdings of Gerresheimer AG, p. 104 Notes to the Consolidated Financial Statements, consolidated group, p. 103		☑
<b>102-46</b>	<b>Defining report content and topic boundaries</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50		☑
<b>102-47</b>	<b>List of material topics</b> Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50	Our material topics include: <b>GxPure</b> – CO <sub>2</sub> -emissions – Renewable energy – Water <b>GxCircular</b> – Recycling and waste – Ecodesign – Responsible supply chain management <b>GxCare</b> – Employee satisfaction – Health and safety – Community Engagement	☑



GRI-Standard	References	Explanations	audited
<b>102-48</b>	<b>Restatements of information</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49		☑
<b>102-49</b>	<b>Changes in reporting</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50		☑
<b>102-50</b>	<b>Reporting period</b>	The reporting period covers the fiscal year from Dec. 1, 2019 to Nov. 30, 2020.	
<b>102-51</b>	<b>Date of most recent report</b>	The last report was published on Feb. 14, 2020.	
<b>102-52</b>	<b>Reporting cycle</b>	The report is published once a year.	
<b>102-53</b>	<b>Contact point for questions regarding the report</b>  Annual Report, Legal notice, U3		
<b>102-54</b>	<b>Claims of reporting in accordance with the GRI Standards</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49	Gerresheimer AG's 2020 reporting was prepared in accordance with the GRI Standards 'Core' option, but does not yet fully comply with it.	☑
<b>102-55</b>	<b>GRI content index</b>  Annual Report, Reference and reporting framework/ GRI content index, p. 165		☑
<b>102-56</b>	<b>External assurance</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Annual Report, Independent Auditor's Report on an audit to obtain limited assurance on sustainability information, p. 148	The audit was commissioned by the Supervisory Board, and the results are reported to the Executive Board and Supervisory Board.	☑
<b>103-1</b>	<b>Explanation of the material topic and its boundary</b>  Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50	In the course of determining our key areas for action, we analyzed where the impacts of the most important aspects occur, i.e. where our business activities or products result in a significant impact on the environment and society, or where external challenges affect our business. According to this system, we have delineated which aspects are approach focuses on.	
<b>Economy</b>			
<b>Economic performance</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b>  Annual report, Fundamental information about the group, p. 31 Annual report, Strategy and objectives, p. 32–33 Annual report, Financial control system, p. 34 Non-financial statement, Our Sustainability strategy and materiality analysis, p. 49–50		
<b>201-1</b>	<b>Direct economic value generated and distributed</b>  Annual report, multi-year overview, U2 Notes to the Consolidated Financial Statement, proposal for appropriation of retained earnings, p. 125 Notes to the Consolidated Financial Statement, personnel Expenses and Employees, p. 115 Notes to the Consolidated Financial Statement, Cost of Sales, p. 115		
<b>201-2</b>	<b>Financial implications and other risks and opportunities due to climate change</b>  Annual Report, Opportunities and risks report, p. 85 Non-financial statement, Sustainability risks, p. 54 Non-financial statement, GxPure, Emissions and energy, p. 55 Non-financial statement, GxPure, Water, p. 58	We report in detail on the results of the assessment of opportunities and risks in the CDP climate change questionnaire.	
<b>201-3</b>	<b>Defined benefit plan obligations and other retirement plans</b>  Notes to the Consolidated Financial Statement, Accrued pension and similar obligations, p. 125		

GRI-Standard	References	Explanations	audited
<b>Procurement Practices</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, GxCircular, Sustainable procurement, p. 63–64		
<b>204-1</b>	<b>Proportion of spending on local suppliers</b>	Gerresheimer does not have a specific guideline on local purchasing. Procurement is carried out in such a way that security of supply and quality can best be guaranteed locally.	
<b>Anti-corruption</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Annual Report, Opportunities and risks report, p. 85 Non-financial statement, Business ethics and compliance with the law, p. 72		
<b>205-1</b>	<b>Operations assessed for risks related to corruption</b> Non-financial statement, Business ethics and compliance with the law, p. 72	We do not report identified corruption risks as these are subject to business secrecy.	☑
<b>205-2</b>	<b>Communication and training about anti-corruption policies and procedures</b> Non-financial statement, Business ethics and compliance with the law, p. 72	Information by region and employee category is currently not available. As the Gerresheimer Group's compliance department has Group-wide responsibility, we follow a uniform approach for the entire Group, irrespective of employee category and region.	☑
<b>205-3</b>	<b>Confirmed incidents of corruption and actions taken</b> Non-financial statement, Business ethics and compliance with the law, p. 72	The extent to which the cases involve sanctioned compliance violations is confidential information. No public law proceedings relating to corruption were initiated against the Group or employees in the reporting period.	☑
<b>Anti-competitive Behavior</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Business ethics and compliance with the law, p. 72		
<b>206-1</b>	<b>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</b> Non-financial statement, Business ethics and compliance with the law, p. 72	In the financial year 2020, the Gerresheimer Group was not subject to any antitrust fine proceedings or third-party antitrust claims.	☑
<b>Environment</b>			
<b>Materials</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCircular, p. 60 Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64		
<b>301-1</b>	<b>Materials used by weight or volume</b> Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64	Due to the diversity of our purchasing portfolio, such an indicator (weight or volume) does not represent information relevant to the management approach of this aspect.	
<b>301-2</b>	<b>Recycled input materials used</b> Non-financial statement, GxCircular, Ecodesign, p. 61–63	Currently, the use of secondary raw materials depends on regulatory requirements, customer requirements, economic as well as qualitative availabilities. No global data are currently collected due to a lack of materiality.	
<b>301-3</b>	<b>Reclaimed products and their packaging materials</b> Non-financial statement, GxCircular, Ecodesign, p. 61–63	The percentage is not determined or reported due to lack of materiality.	
<b>Energy</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, GxPure, p. 55 Non-financial statement, GxPure, Emissions and energy, p. 55		
<b>302-1</b>	<b>Energy consumption within the organization</b> Non-financial statement, GxPure, Emissions and energy, p. 55	Each production site worldwide reports data on energy consumption in accordance with the internally applicable policy; this takes into account the requirements of the GHG Protocol.	☑
<b>302-2</b>	<b>Energy consumption outside of the organization</b> Non-financial statement, GxPure, Emissions and energy, p. 55	Each production site worldwide reports data on energy consumption in accordance with the internally applicable policy; this takes into account the requirements of the GHG Protocol.	☑

GRI-Standard	References	Explanations	audited
<b>302-3</b>	<b>Energy intensity</b>  Annual Report, Consolidated income statement, p. 96 Non-financial statement, GxPure, Emissions and energy, p. 55	The ratio of energy consumption to sales can be determined from the referenced pages. However, we do not report this due to the heterogeneity of the portfolio. In the coming reporting period, we intend to determine a meaningful reference figure for each business area and include the information in the next report.	☑
<b>302-4</b>	<b>Reduction of energy consumption</b>  Non-financial statement, GxPure, Emissions and energy, p. 55		☑
<b>302-5</b>	<b>Reductions in energy requirements of products and services</b>  Non-financial statement, GxPure, Emissions and energy, p. 55 Non-financial statement, GxCircular, Ecodesign, p. 61–63		☑
<b>Water and Effluents</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxPure, p. 55 Non-financial statement, GxPure, Water, p. 58		
<b>303-1</b>	<b>Interactions with water as a shared resource</b>  Non-financial statement, GxPure, water, p. 58		
<b>303-2</b>	<b>Management of water discharge-related impacts</b>  Non-financial statement, GxPure, water, p. 58		
<b>303-3</b>	<b>Water withdrawal</b>  Non-financial statement, GxPure, water, p. 58		☑
<b>303-4</b>	<b>Water discharge</b>	Data on water return are not yet available; a survey is planned for the medium term. The current priority is on data acquisition and quality improvement within the fields of action defined as material.	
<b>303-5</b>	<b>Water consumption</b>	Data on water consumption are not yet available; a survey is planned for the medium term. The current priority is to obtain data and improve quality within the fields of action defined as essential.	
<b>Emissions</b>			
<b>103-1, 2, 3</b>	<b>Managementansatz</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxPure, p. 55 Non-financial statement, GxPure, Emissions and energy, p. 55		
<b>305-1</b>	<b>Direct (Scope 1) GHG emissions</b>  Non-financial statement, Our sustainability targets, p. 51–52 Non-financial statement, GxPure, Emissions and energy, p. 55	The calculation takes into account all sources of Scope 1 emissions, but does not identify them separately due to their respective materiality. Refrigerants contribute less than 1% of Scope 1 emissions. The amount is determined during maintenance work on the cooling systems based on the required refill quantity.	☑
<b>305-2</b>	<b>Energy indirect (Scope 2) GHG emissions</b>  Non-financial statement, Our sustainability targets, p. 51–52 Non-financial statement, GxPure, Emissions and energy, p. 55		☑
<b>305-3</b>	<b>Other indirect (Scope 3) GHG emissions</b>  Non-financial statement, Our sustainability targets, p. 51–52 Non-financial statement, GxPure, Emissions and energy, p. 55		☑
<b>305-4</b>	<b>GHG emissions intensity</b>  Annual Report, Consolidated income statement, p. 96 Non-financial statement, GxPure, Emissions and energy, p. 55	The ratio of GHG emissions (CO <sub>2</sub> e) to sales can be determined from the referenced pages. We do not report this intensity indicator (t CO <sub>2</sub> e/euro sales) in the 2020 financial year due to the heterogeneity of the portfolio. In the coming reporting period, we intend to determine a meaningful reference figure for each business unit and include the information in the next report.	☑
<b>305-5</b>	<b>Reduction of GHG emissions</b>  Non-financial statement, Our sustainability targets, p. 51–52 Non-financial statement, GxPure, Emissions and energy, p. 55		☑
<b>305-7</b>	<b>Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</b>	Air emissions arise in the course of our production processes, primarily in connection with glass production. We do not currently record these globally due to their varying significance.	

GRI-Standard	References	Explanations	audited
<b>Waste</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCircular, p. 60 Non-financial statement, GxCircular, Recycling and waste, p. 60		
<b>306-1</b>	<b>Waste generation and significant waste-related impacts</b> Non-financial statement, GxCircular, Recycling and waste, p. 60	Waste is recorded as soon as it leaves the site property and is handed over to the disposal company. By-products and internal recycling streams are not recorded as part of the waste, but serve to prevent waste generation. Waste data is only recorded for the company's own sites; waste generated by suppliers or customers is not recorded.	
<b>306-2</b>	<b>Management of significant waste-related impacts</b> Non-financial statement, GxCircular, Recycling and waste, p. 60		
<b>306-3</b>	<b>Waste generated</b>	Starting in the new fiscal year, we will collect global data on our waste generation by type (hazardous and non-hazardous) and disposal method. We plan to report this data for the first time in the report for fiscal year 2021. Waste is defined as such when it leaves the site for disposal or recycling.	
<b>306-4</b>	<b>Waste diverted from disposal</b>	Starting in the new fiscal year, we will collect global data on our waste generation by type (hazardous and non-hazardous) and disposal method. We plan to report this data for the first time in the report for fiscal year 2021. Waste is defined as such when it leaves the site for disposal or recycling.	
<b>306-5</b>	<b>Waste directed to disposal</b>	Starting in the new fiscal year, we will collect global data on our waste generation by type (hazardous and non-hazardous) and disposal method. We plan to report this data for the first time in the report for fiscal year 2021. Waste is defined as such when it leaves the site for disposal or recycling.	
<b>Environmental Compliance</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, Business ethics and compliance with the law, p. 72		
<b>307-1</b>	<b>Non-compliance with environmental laws and regulations</b> Non-financial statement, Business ethics and compliance with the law, p. 72	In 2020, no significant fines or non-monetary penalties were imposed on Gerresheimer AG for non-compliance with environmental laws and regulations.	
<b>Supplier Environmental Assessment</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64		
<b>308-1</b>	<b>New suppliers that were screened using environmental criteria</b> Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64	In the reporting period, 36% of new (strategic) suppliers were audited according to ecological criteria. We aim to have audited all strategically relevant suppliers according to ecological and social criteria by 2023.	☑
<b>308-2</b>	<b>Negative environmental impacts in the supply chain and actions taken</b> Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64	In the reporting period, 286 (30%) of the (strategic) suppliers were audited according to ecological criteria. We aim to have audited all strategically relevant suppliers according to environmental and social criteria by 2023. Needs for improvement were identified for three suppliers during the audits. No business relationships were terminated in the fiscal year.	☑

GRI-Standard	References	Explanations	audited
<b>Social</b>			
<b>Employment</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65		
<b>401-1</b>	<b>New employee hires and employee turnover</b> Non-financial statement, GxCare, p. 65	More detailed information (by age group, gender, religion) is not relevant for the steering of this aspect.	☑
<b>401-2</b>	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b> Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>401-3</b>	<b>Parental leave</b> Non-financial statement, GxCare, Labor and social standards, p. 68	More detailed information such as the breakdown by gender is not relevant for the steering of this aspect.	☑
<b>Labor/Management relations</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>402-1</b>	<b>Minimum notice periods regarding operational changes</b> Non-financial statement, GxCare, Labor and social standards, p. 68	The basic principle of our actions is compliance with national law. Thus, we adhere to the relevant notification requirements periods resulting from national laws or local collective agreements.	
<b>Occupational Health and Safety</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Health and safety, p. 69		
<b>403-1</b>	<b>Occupational health and safety management system</b> Non-financial statement, GxCare, Health and occupational safety, p. 69	Our goal is to implement an ISO 45001 management system at all our production sites by 2023. We aim for 100% coverage for our production sites and cover about 32% of our employees in 2020.	☑
<b>403-2</b>	<b>Hazard identification, risk assessment, and incident investigation</b> Non-financial statement, GxCare, Health and occupational safety, p. 69 Non-financial statement, Business ethics and compliance with the law, p. 72	The identification of hazards, risk assessment and investigation of incidents is part of the of the management systems (ISO 14001, 45001 and 9001). Our goal is to implement an ISO 45001 management system at all our production sites by 2023.	☑
<b>403-3</b>	<b>Occupational health services</b> Non-financial statement, GxCare, Health and occupational safety, p. 69	Our Gerresheimer management system includes the establishment of an occupational health service at all locations and is simultaneously covered by ISO Standard 45001.	
<b>403-4</b>	<b>Worker participation, consultation, and communication on occupational health and safety</b> Non-financial statement, GxCare, Health and occupational safety, p. 69	Our Gerresheimer management system foresees the establishment of appropriate committees at all sites and is reviewed via regular assessments; at the same time, this is covered by ISO 45001.	☑
<b>403-5</b>	<b>Worker training on occupational health and safety</b> Non-financial statement, GxCare, Health and occupational safety, p. 69	Our Gerresheimer management system foresees the implementation, communication and maintenance of occupational safety standards; at the same time, this is covered by ISO 45001.	☑
<b>403-6</b>	<b>Promotion of worker health</b> Non-financial statement, GxCare, Health and occupational safety, p. 69	Our Gerresheimer management system foresees the creation of a health program at all our sites. Implementation is based on local conditions.	☑

GRI-Standard	References	Explanations	audited
<b>403-7</b>	<b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>  Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64		☑
<b>403-8</b>	<b>Workers covered by an occupational health and safety management system</b>  Non-financial statement, GxCare, Health and occupational safety, p. 69	Our goal is to implement an ISO 45001 management system at all our production sites by 2023. We aim to achieve 100% coverage for our production sites and cover approximately 32% of our employees in 2020. We do not collect further information on local legal requirements globally.	☑
<b>403-9</b>	<b>Work-related injuries</b>  Non-financial statement, GxCare, Health and occupational safety, p. 69	In the financial year 2021, we only recorded accidents for our own employees, but are currently assessing the expansion of the scope to include non-Gerresheimer employees.	☑
<b>403-10</b>	<b>Work-related ill health</b>  Non-financial statement, GxCare, Health and occupational safety, p. 69	So far, we only survey the risk of occupational diseases, but not the type and frequency of occurrence of these diseases due to the globally very different legal definitions.	☑
<b>Training and education</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65		
<b>404-1</b>	<b>Average hours of training per year per employee</b>  Non-financial statement, GxCare, p. 65	Differentiation of the data by gender and employee category is not relevant for us.	☑
<b>404-2</b>	<b>Programs for upgrading employee skills and transition assistance programs</b>  Non-financial statement, GxCare, Personnel development, p. 67		
<b>404-3</b>	<b>Percentage of employees receiving regular performance and career development reviews</b>  Non-financial statement, GxCare, Personnel development, p. 67	We do not currently report on the percentage by gender, as this information is collected anonymously in individual regions, nor by employee category, as the data is not available.	☑
<b>Diversity and equal opportunity</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b>  Annual Report, Diversity concept for the Executive Board and Supervisory Board, p. 83 Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Diversity and equal opportunities, p. 67		
<b>405-1</b>	<b>Diversity of governance bodies and employees</b>  Annual Report, Diversity concept for the Executive Board and Supervisory Board, p. 83 Non-financial statement, GxCare, Diversity and equal opportunities, p. 67		
<b>405-2</b>	<b>Ratio of basic salary and remuneration of women to men</b>  Non-financial statement, GxCare, Labor and social standards, p. 68	Compensation is regulated by salary bands or collective bargaining agreements and is applied regardless of gender.	
<b>Non-discrimination</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b>  Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>406-1</b>	<b>Incidents of discrimination and corrective actions taken</b>  Non-financial statement, GxCare, Labor and social standards, p. 68 Non-financial statement, Business ethics and compliance with the law, p. 72	No cases of discrimination were noted via the reporting mechanisms of our compliance management.	☑

GRI-Standard	References	Explanations	audited
<b>Freedom of Association and Collective Bargaining</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>407-1</b>	<b>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</b>  Non-financial statement, GxCare, Labor and social standards, p. 68 Non-financial statement, Business ethics and compliance with the law, p. 72	No violation of trade union freedom of association was reported as part of our compliance management.	
<b>Child Labor</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Labor and social standards, p. 28		
<b>408-1</b>	<b>Operations and suppliers at significant risk for incidents of child labor</b>  Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64 Non-financial statement, GxCare, Labor and social standards, p. 68	We maintain relationships with suppliers from two countries that generally have an increased risk of child labor. We are not aware of any significant risk of incidents of child labor among our suppliers.	
<b>Forced or Compulsory Labor</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>409-1</b>	<b>Operations and suppliers at significant risk for incidents of forced or compulsory labor</b>  Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64 Non-financial statement, GxCare, Labor and social standards, p. 68	We maintain relationships with suppliers from two countries that generally have an increased risk of incidents of forced or compulsory labor. We are not aware of any significant risk of incidents of forced or compulsory labor for our suppliers specifically.	
<b>Human Rights Assessment</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, GxCare, p. 65 Non-financial statement, GxCare, Labor and social standards, p. 68		
<b>412-1</b>	<b>Operations that have been subject to human rights reviews or impact assessments</b>  Non-financial statement, GxCare, Labor and social standards, p. 68 Non-financial statement, Business ethics and compliance with the law, p. 72		
<b>412-2</b>	<b>Employee training on human rights policies or procedures</b>	All employees are familiarized with our Corporate Responsibility Policy upon joining the company.	

GRI-Standard	References	Explanations	audited
<b>Local Communities</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, GxCare, Labor and social standards, p. 68 Non-financial statement, GxCare, Community Engagement, p. 71		
<b>413-1</b>	<b>Operations with local community engagement, impact assessments, and development programs</b> Non-financial statement, GxCare, Community Engagement, p. 71 Non-financial statement, Stakeholder dialogues, p. 54 Non-financial statement, Business ethics and compliance with the law, p. 72	Environmental impact assessments and operating permits are carried out or applied for as part of investment projects. We currently do not see a critical need for further institutionalized participation processes beyond our stakeholder dialog processes.	☑
<b>413-2</b>	<b>Operations with significant actual and potential negative impacts on local communities</b>	No such negative effects have arisen either through our internal grievance mechanisms or as part of our risk assessments for investment decisions.	☑
<b>Supplier Social Assessment</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64		
<b>414-1</b>	<b>New suppliers that were screened using social criteria</b> Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64	In the reporting period, 36% of new (strategic) suppliers were audited according to social criteria. We aim to have audited all strategically relevant suppliers according to environmental and social criteria by 2023.	☑
<b>414-2</b>	<b>Negative social impacts in the supply chain and actions taken</b> Non-financial statement, GxCircular, Responsible supply chain management, p. 63–64	We aim to have audited all strategically relevant suppliers according to environmental and social criteria by 2023. The audits did not identify any need for improvement at any supplier. No business relationships were terminated in the fiscal year.	☑
<b>Public Policy</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Stakeholder dialogues, p. 54		
<b>415-1</b>	<b>Political contributions</b> Non-financial statement, Stakeholder dialogues, p. 54	Direct or indirect donations to political parties, campaigns or individuals are not permitted.	☑
<b>Customer Health and Safety</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, Business ethics and compliance with the law, p. 72		
<b>416-1</b>	<b>Assessment of the health and safety impacts of product and service categories</b> Non-financial statement, GxCircular, Ecodesign, p. 61	Our products are inspected by the relevant authorities/agencies as part of the approval process and all our finished products undergo testing and evaluation to ensure a high level of safety during manufacture, use and disposal.	☑
<b>416-2</b>	<b>Incidents of non-compliance concerning the health and safety impacts of products and services</b> Non-financial statement, Business ethics and compliance with the law, p. 72	We have not identified any violation of regulations and/or voluntary codes of conduct. Services are not further relevant for us as a manufacturing company.	
<b>Socioeconomic Compliance</b>			
<b>103-1, 2, 3</b>	<b>Management approach</b> Non-financial statement, Corporate responsibility and sustainability at Gerresheimer, p. 48–49 Non-financial statement, Business ethics and compliance with the law, p. 72		
<b>419-1</b>	<b>Non-compliance with laws and regulations in the social and economic area</b> Non-financial statement, Business ethics and compliance with the law, p. 72	In the financial year 2020, no significant fines or non-monetary penalties were imposed on Gerresheimer AG for non-compliance with laws and regulations in the social and economic sphere.	



# Financial Calendar

April 8, 2021	Publication 1 <sup>st</sup> Quarter 2021
June 9, 2021	Annual General Meeting 2021
July 13, 2021	Interim Report 2 <sup>nd</sup> Quarter 2021
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### Note to the Annual Report

This Annual Report is the English translation of the original German version; in case of deviations between these two, the German version prevails.

### Note regarding the rounding of figures

Due to the commercial rounding of figures and percentages, small deviations may occur.

### Disclaimer

This Annual Report contains certain future-oriented statements. Future-oriented statements include all statements which do not relate to historical facts and events and contain future-oriented expressions such as 'believe', 'estimate', 'assume', 'expect', 'forecast', 'intend', 'could' or 'should' or expressions of a similar kind. Such future-oriented statements are subject to risks and uncertainties since they relate to future events and are based on the Company's current assumptions, which may not in the future take place or be fulfilled as expected. The Company points out that such future-oriented statements provide no guarantee for the future and that actual events including the financial position and profitability of the Gerresheimer Group and developments in the economic and regulatory fundamentals may vary substantially (particularly on the down side) from those explicitly or implicitly assumed or described in these statements. Even if the actual results for the Gerresheimer Group, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with such future-oriented statements in this Annual Report, no guarantee can be given that this will continue to be the case in the future.