



NON-
FINANCIAL
GROUP
REPORT

2017

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SCOPE OF THE NON-FINANCIAL GROUP REPORT

The business activities of the Pfeiffer Vacuum Group (hereinafter abbreviated as Pfeiffer Vacuum) are influenced by a large number of non-financial factors. Through the appropriate management of these issues, Pfeiffer Vacuum can create an important foundation for long-term corporate success. This report, which complies with the “Law to Strengthen Non-financial Reporting of Companies in their Management and Group Management Reports” (CSR guideline implementation law, in short: CSR-RUG), presents for the 2017 fiscal year for the first time how the Group manages material non-financial topics.

The non-financial Group report for the 2017 fiscal year is audited by the Supervisory Board of Pfeiffer Vacuum Technology AG. It receives support for this from Ernst & Young GmbH Wirtschaftsprüfungs-

gesellschaft, which has been commissioned with conducting an audit on the achievement of limited assurance pursuant to the International Standard on Assurance Engagements (ISAE) 3000 (Revised) “Assurance Engagements other than Audits or Reviews of Historical Financial Information” published by the International Auditing and Assurance Standards Board (IAASB).

We have waived the legal option to use a reporting framework this year because no sustainability reporting has been previously done according to international frameworks. In the coming years, we aim to strengthen our orientation toward Global Reporting Initiative (GRI) standards.

MATERIAL ISSUES

The CSR-RUG prescribes, above other matters, the presentation of the effects, management concepts, results, management-related key figures and material risks involving five aspects: environmental concerns, employee concerns, social concerns, respect for human rights and combating corruption and bribery.

A material analysis was used to identify the issues to be reported on in this non-financial Group report. This includes all those non-financial topics on which the business activities of Pfeiffer Vacuum have a significant impact and that are simultaneously neces-

sary to understand course of business, results and situation. The responsible specialist departments participated in the analysis of topics. Furthermore, a review was carried out as to whether any material risks exist within the meaning of CSR-RUG for the identified topics that are very likely to have severe negative impact on the aspects. The risk assessment found that there are no risks subject to mandatory reporting in view of the already existing management concepts.

BUSINESS MODEL

Pfeiffer Vacuum is one of the leading full-service providers of vacuum technology and had 2,945 employees worldwide as of the end of the reporting year. For 125 years, we have served the high-technology mechanical engineering market with innovative quality products, services and systems. The commitment of our employees, customer focus, eagerness to provide a high degree of performance and service and broad international integration characterize how our Company understands its business.

Pfeiffer Vacuum delivers customized solutions for the widest range of requirements for the generation, control and measurement of vacuum. Among the products are turbopumps, a range of backing pumps such as rotary vane, roots and dry pumps, complete pumping stations, customized vacuum systems and components, as well as helium leak detection systems. The business unit Semiconductor and Coating accounts for a significant portion of Group sales.

The most important production sites in the 2017 reporting year according to the number of employees were the German sites in Asslar (Pfeiffer Vacuum GmbH) and Göttingen (Pfeiffer Vacuum Components & Solutions GmbH), Annecy in France (Pfeiffer Vacuum SAS) and Asan in South Korea (Pfeiffer

Vacuum Semi Korea, Ltd.).¹ Several key figures will be reported in the year under review exclusively for the German sites. This will be specifically noted as appropriate.

The Company has an extensive network of sales companies and marketing agents. There are service sites at all important industrial locations of the world. More than 70 % of sales were generated outside Germany. The Company's primary sales markets and production sites are in Europe, the USA and Asia. The production sites have access to global procurement markets, whereby the procurement of many upstream products are concentrated in the respective country of production or nearby countries for the purpose of economic and ecological efficiency. Aluminum and steel in untreated and alloyed form are the essential raw materials of the products, complemented by mechanical and electronic components that are employed in various production processes.

The legal, ecological and social environment differs from region to region and therefore depends strongly on the respective Company site. These factors influence the respective production processes, supply chains and sales channels.

¹ In addition, over the course of 2017 additional companies were acquired in the USA and Germany that significantly expand the portfolio of the Pfeiffer Vacuum Group. If the management concepts of the material production sites are described in this non-financial Group report, they do not encompass new acquisitions due to their ongoing integration.

ENVIRONMENTAL CONCERNS

Products from Pfeiffer Vacuum affect the environment during all phases of their life cycle. This begins with the consumption of resources in the supply chain. Resources like aluminum and electricity are consumed during the manufacturing phase at all our production sites, generating waste in the form of metal shavings and coolants. During the usage phase, the decisive factor is essentially the electricity consumption of the respective application.

Environmental Standards in the Supply Chain

Pfeiffer Vacuum procures upstream products from numerous suppliers. Inadequate environmental standards on the part of suppliers may result in the pollution of air, soil and water, climate harm or the loss of biodiversity regionally and/or globally. Cited as an example for this is the material aluminum, which is used in numerous vacuum pumps from Pfeiffer Vacuum. The processing of the source material bauxite generates toxic red sludge and smelting leads to the emission of gases that are partially harmful to the environment. Therefore, the legally compliant handling of waste products by suppliers is important.

At Pfeiffer Vacuum's principle production sites, the primary responsibility for the observance of environmental standards is borne on a decentralized basis by employees at the respective procurement department. They attempt to see to it that suppliers at least comply with legal environmental provisions. For this purpose, there is a code of conduct at the principal production sites (or corresponding agreements with the suppliers) requiring compliance with legal provisions and the implementation of environmental measures. Suppliers who are considered for the series delivery of production-related parts must accept these conditions. Furthermore, in Annecy, Asslar and Göttingen the agreements stipulate

that the development or use of a suitable environment management system is expected. As a result, environmental impact should be minimized to the extent possible.

Agreements are currently being concluded between the respective purchasers and potential new suppliers on a decentralized and location-specific basis. There are plans to standardize this process through the introduction of a Group-wide supplier relationship management tool. The goal here is to impose the same binding requirements regarding legal environmental provisions and standards on all suppliers throughout the Group.

In order to monitor adherence to environmental standards in the supply chain, there are two processes to evaluate suppliers at all principal production sites. First, the employee responsible in the procurement department, usually accompanied by a colleague from quality assurance or development, conducts an informal inspection of the production halls at potential new series suppliers. In the process, an analysis is also performed of environmental aspects, such as the handling of waste materials. Second, there are announced quality audits, during which for example a check is made that an environmental management system exists.

The investigation of potential environmental risks in the supply chain should be supported in the next few years by the introduction of an additional Group-wide software platform. This involves a risk management tool in purchasing, which should facilitate the provision of intra-Group information on the respective product-specific supply chain.

Energy

Since the climate conference in Paris in 2015, many governments and companies around the world have committed themselves to ambitious climate goals in order to limit the potentially catastrophic ecological and socioeconomic consequences of climate change. Even if the manufacturing of vacuum pumps involves relatively low energy intensity compared to the mechanical engineering industry, Pfeiffer Vacuum would like to report on energy management in view of the overall social relevance of the topic.

Pfeiffer Vacuum does not currently have a Group-wide concept on this topic. Nevertheless, energy consumption is recorded at the production sites on a decentralized basis in part for cost reasons and is actively managed in the case of the largest production sites in Asslar and Annecy.

Pfeiffer Vacuum GmbH in Asslar has had a certified energy management system pursuant to ISO 50001 since 2015. A service provider assumes responsibility for all measures and obligations related to ISO 50001. The provider assumes the role of an energy management officer at Pfeiffer Vacuum GmbH and coordinates quarterly energy team meetings, in which the facility management, the procurement department, and the engineering department participate. At these meetings, energy consumption measurements are evaluated, priorities are set and measures are planned or reviewed. In the reporting year, the service provider conducted nine internal energy audits, in which potential improvements were identified and the implementation of planned measures was reviewed. Electricity and natural gas consumption is reported to the management of Pfeiffer Vacuum GmbH once per year as part of an annual report on quality and environmental management. Asslar has a cogeneration plant and a photovoltaic system in order to improve environmentally friendly energy production. Measures in the reporting year included the comprehensive replacement of lighting with energy-efficient LEDs.

At Pfeiffer Vacuum SAS in Annecy, responsibility for energy management lies with the Environment, Health and Safety Department. It plans measures, implements them and measures progress on a

monthly basis. Measures in the reporting year encompassed the improved thermal insulation of the largest office building. The exclusive sourcing of heat from a local biomass facility promotes environmentally friendly heating. In 2017, Pfeiffer Vacuum SAS published a current statement on energy policy. This involves a statement in which the Chief Executive Officer of Pfeiffer Vacuum commits himself to the importance of energy management at Pfeiffer Vacuum SAS. The energy policy provides, among other things, for certification pursuant to ISO 50001 for the coming fiscal year.

The energy and fuel consumption for the German production sites is being recorded through the respective energy management. In 2017, a total of 10,186 MWh of electricity² (previous year: 10,029 MWh) and 7,048 MWh of natural gas (previous year: 6,376 MWh) were consumed for heat generation. The service vehicle fleet was filled up with a total of 123,137 liters of diesel (previous year: 131,233 liters).

Environmental Friendliness and Energy Efficiency of Products

A variety of resources are consumed during the manufacturing phase of our products. With regard to environmental impact, it is primarily the use of materials in product development and during the production process that is decisive.

Pfeiffer Vacuum has significant influence over material efficiency and the environmental friendliness of products during the product development process. It is managed by the principal production sites on a decentralized basis. In Annecy and Asslar, there are internal procedural guidelines which encompass aspects and standards regarding the consideration of various environmental protection aspects as part of product development. The provisions in Asslar include, for example, the testing of the environmental friendliness of the materials and processes used and the avoidance of hazardous materials. Through a corresponding product design, products can be developed in many cases that enable conservation of the materials used through smaller dimensions.

² Consumption includes electricity sourced from energy providers and electricity generated by the cogeneration plant.

In the production process, Pfeiffer Vacuum strives for increased material efficiency and the environmentally responsible handling of all materials used at the principal production sites. For example, the increased material efficiency of aluminum (under the same production conditions) would lead to less environmental harm because large quantities of energy must be expended during aluminum manufacturing while in part waste materials harmful to the environment are generated. Pfeiffer Vacuum adheres to the legal requirements for dangerous materials to ensure the environmentally friendly handling of the raw materials and precursors it uses. An example to cite here would be the EU Chemicals Ordinance REACH and the RoHS guidelines for restricting the use of certain hazardous materials in electronic devices. Anecy, Asslar and Asan support the continuous improvement of operational environmental management through certification pursuant to the environmental management standard ISO 14001.

Alongside the named environmental aspects in the manufacturing phase, the energy efficiency of products in the user phase is also an important construction aspect. This stipulation can be found in internal

procedural guidelines at the largest production sites in Asslar and Anecy. In many cases, this internal guideline is also supported by the fact that the customer establishes product-specific requirements for the energy efficiency of the newly developed product.

Improved energy efficiency is mostly attributable to one of two cases. One possibility is the reduced energy consumption of follow-on products compared to predecessor products. For example, Pfeiffer Vacuum was able to achieve higher energy efficiency than many multi-stage Roots pumps of comparable pumping power through an energy-saving mode for idling phases and an optimized product design in the ADH series. A second potential for energy savings lies in the development of new technical solutions. In many applications, the use of our systems is significantly more energy efficient than technical alternatives. For example, the mechanical vacuum systems developed by Pfeiffer Vacuum in the area of steel degassing conserve significant amounts of energy compared to conventional steam jet pump systems.

SOCIAL CONCERNS AND RESPECT FOR HUMAN RIGHTS

Conflict Minerals

Pfeiffer Vacuum customers increasingly demand proof that the acquired products are “conflict-free.” Currently, this primarily affects customers who are subject to the Dodd-Frank Act in the USA. Understood under “conflict-free” products are those that do not contain any raw material components from smelters that directly or indirectly support armed groups in the Democratic Republic of Congo or bor-

dering countries. Pfeiffer Vacuum uses the potentially critical minerals tantalum, tin, tungsten and gold, primarily in connection with purchased electronic components.

The investigation of the supply chain for the use of conflict minerals has been performed in recent years at the principal production companies Asslar and Anecy on a decentralized basis by the procurement department.³ During this process, the procurement departments ask suppliers in writing whether conflict minerals are being used in the respective supply

³ There is currently no active management of conflict minerals in Asan since most of the procured, potentially critical upstream products originate from Anecy. In Göttingen, there have been isolated activities to investigate the supply chain for conflict minerals in recent years, but there is currently no centrally controlled conflict mineral management here either.

chain. If the use of conflict minerals should be determined here, initially consultations are held with the supplier in order to find a common solution. As a last resort, the supplier can be excluded since otherwise it would no longer be possible to characterize the products of the respective production company as conflict-free. Due to the high degree of complexity and dynamic nature of this topic, Pfeiffer Vacuum GmbH in Asslar outsourced this process in 2017 to a specialized service provider and aims to expand this process across the Group. This should promote the necessary transparency and completeness of the information. In addition, Pfeiffer Vacuum GmbH is pursuing the goal of continuing to use only raw materials that originate from certified smelters. Currently, unobjectionable but uncertified smelters are also permitted.

In case of inquiries by customers or shareholders, the German production companies issue a conflict mineral statement. This commitment to conflict-free products includes as an annex the standardized Conflict Minerals Reporting Template (CMRT) of the Conflict-Free Sourcing Initiative, which includes detailed information on the country of origin of all smelters and refineries that were used. Anecy and Asan respond to this type of inquiry individually without using the standardized conflict mineral statement.

Social Standards in the Supply Chain

Pfeiffer Vacuum strives to comply with social law provisions and standards worldwide. The observance of social standards includes respect for human and employee rights and occupational safety. Since the principal production sites of Pfeiffer Vacuum are located in industrialized countries, Pfeiffer Vacuum has classified the likelihood of a violation of social standards as rather low given the respectively applicable strict legal provisions. Therefore, material risks for a violation of social standards exist particularly in the global supply chains.

There is currently no Group-wide concept for the topic. At the major production sites of the Pfeiffer Vacuum Group, each procurement department is responsible for the evaluation of suppliers on a decentralized basis. The section "Environmental Standards in the Supply Chain" describes supplier agreements in Asslar, Göttingen and Anecy, which require that suppliers take into account fundamental social standards, among other issues. This includes the observance of human rights, for example regarding child and forced labor, the non-discrimination of minorities and the observance of all labor and health protection regulations. The contractual agreements of the South Korean company in Asan engage with the topic of occupational safety.

The Group-wide planned software platform for risk management in purchasing, which is described in the section "Environmental Standards in the Supply Chain," should also be able to disclose risks with social standards by monitoring the political and social situation and evaluating various blacklists.

EMPLOYEE CONCERNS

Occupational health and safety

As a responsible employer, Pfeiffer Vacuum would like to minimize the number of accidents and the frequency of illness-related absence days. Not only does every employee of our Company benefit from this, so too does the Group itself since the lack of occupational safety can result in costs from absences, reduced productive capacity and lower product quality. For this reason, we follow the principle that occupational health and safety are at a high level.

In the areas of production, administration and sales, there are different respective requirements for occupational safety. In this report, our attention is focused on the principle production sites as this is where the potential for an accident to occur is greatest. The topic of occupational safety is handled by a least one central contact person at the principle production sites. While most of the tasks in Asslar and Korea have been outsourced to a service provider, in Annecy and Göttingen the contact persons belong to the respective department for health & safety. Within the scope of the legal provisions, the management of occupational safety at the principal production sites includes instructions for employees, occupational safety inspections or audits as well as precautions for particularly dangerous work areas and work situations. In addition, occupational safety meetings are held on a quarterly basis. At these, accident incidents are discussed and measures are planned or reviewed. The results are compiled in Annecy and Asslar in annual reports. The South Korean company in Asan has had its occupational health and safety concept certified pursuant to OHSAS 18001.

The absolute and relative numbers of employee workplace accidents requiring disclosure serve as key figures in the German production companies. As of the end of the fiscal year, among the 885 employees in Göttingen and Asslar, there were a total of 11 reportable workplace accidents with more than three days of absence from work.⁴ With a rate of 12.4 accidents per 1,000 employees, the figure is clearly below the Germany-wide industry average of 23.0 (as of 2016). Group-wide uniform key figures should be introduced next year.

Health protection should prevent work-related disruptions and occupational diseases. For this reason, attention is paid to ergonomics in the workplace, for example. Health protection is managed in Annecy and Göttingen by the respective health & safety department and in Asan by an external service provider. The health protection concept at the production site in Asslar, which is managed by the human resources department, includes, amongst others, measures such as health consultations at a company physician, a vaccination program and fitness club memberships for employees. Pfeiffer Vacuum SAS in Annecy offers employees similar programs and has also established a cross-department committee that develops measures to increase the well-being of employees.

Training and education

The corporate success of Pfeiffer Vacuum depends substantially on the commitment, performance and knowledge of its employees. Also in view of the shortage of specialists, Pfeiffer Vacuum can compete in the market only if it provides a high level of training and education. Our employees themselves, who

⁴The 2017 Annual Report presents the company-specific total of workplace and commuting accidents. Therefore, it deviates from the figure reported here.

can personally develop here through individual and professional continuing education programs, benefit from this.

Due to its tremendous importance, the topic of training has been managed Group-wide since 2016 by the international training department, which is subordinate to the human resources department. In the "PV Academy" program, the international training team coordinates Group-wide continuing education activities, which are supported through the respective human resources departments by at least one person responsible for training. As coaches and lecturers, both internal experts from various technical departments and external service providers are used for non-subject-specific topics such as language courses and software use.

In 2016, efforts began to consolidate training activities in a uniform global learning platform. With the exception of Pfeiffer Vacuum SAS and the companies acquired in the reporting year, the platform was already being used Group-wide at the end of 2017. By 2018, the completion of a Group-wide roll-out of the learning platform is planned in order to create the same foundation for training for all employees.

By using the software, supervisors have an overview of the training history of their employees and can plan necessary further training. Serving as orientation here is the general training concept, which recommends knowledge modules dependently of the qualifications of employees. Through this approach, basic knowledge can be assured for new employees and knowledge gaps can be closed in a targeted manner for already seasoned employees. The employees themselves can also search in a catalog for training that interests them. In the fiscal year, approximately 260 different catalog training sessions (including e-learning) were held. Following approval by the supervisor, the training wishes are taken into account in planning upcoming training sessions, subject to course capacities. Along with cataloged training, the software can be used to request and plan individual seminars not included in the course catalog.

The measurement of the impact and success rate of training measures are recorded by means of standardized evaluation questionnaires, which should ensure the continuous refinement of the courses. The training material is available to all companies Group-wide via the cloud-based global learning platform. In order to increase the accessibility of training and to reduce travel times, there are also self-study courses and webinars as part of a "blended learning concept" in addition to the individual and group training that was customary until 2016. They can be completed by employees on a decentralized basis at the respective location.

The global learning platform makes it possible to compile assessment reports at any time with numerous filter options. They are discussed at irregular intervals with the Director of the human resources department. In 2017, Group-wide training encompassed a total of more than 1,300 training measures for 7,600 internal and external training participants (of which over 6,700 were internal).⁵ Following the Group-wide introduction of the learning platform, additional key figures and targets should be reported.

Along with the continuing education of existing employees, Pfeiffer Vacuum also attaches great value to the training of new employees. Even though there is currently no Group-wide management to expand training activities, the strengthening of international exchange programs is planned, for example. Along with the offering of apprenticeship and intern positions, Pfeiffer Vacuum GmbH in Asslar also offers dual study programs and positions for master's degrees and student trainees and holds lectures at colleges and universities.

In 2017, there was a total of 83 apprentices (previous year: 74), 34 students (previous year: 31) and 101 interns (previous year: 113) across the sites in Asslar, Göttingen and Annecy.⁶ The innovative strength of our apprentices was demonstrated in 2017 by the new talent innovation prize of the Hessen-based metals and electronic industry association HESSEN-METALL, in which dual study trainees from Pfeiffer Vacuum GmbH reached second place with a turbo-pump control system via smartphone.

⁵ These figures are a combination of assessments of the global learning platform and manual surveys of those training activities that were conducted before the introduction of the global learning platform. Companies acquired during the fiscal year are still not included. The figures have been rounded to the respective hundreds digit.

⁶ Compared to the 2016 Annual Report, the figures for students and apprentices differ from those of the previous year.

COMBATING CORRUPTION AND BRIBERY

Each year there are thousands of cases of corruption-related criminal acts and associated offenses in the German and international economies. Given the far-flung supply chain and the niche market of vacuum pumps, the theoretical danger exists of improper arrangements at Pfeiffer Vacuum as well. Corruption and anti-competitive incidents can distort market conditions, thereby impeding fair competition. This has an impact both on individual consumers and economic performance in general. The discovery of such incidents entails the threat of high monetary penalties and significant reputational damage.

Adherence to all legal provisions applicable to Pfeiffer Vacuum Technology AG and its subsidiaries as well as internal rules (compliance) is the goal of the Company and part of the corporate culture.

A clear definition of permitted and prohibited conduct enables a transparent framework. The key document is "Management Policy", which must be signed by all Group-wide members of management. It obligates management to follow all guidelines and rules of the Company, while simultaneously ensuring compliance by all employees. The policy contains numerous corruption-related provisions on employment relationships, remuneration rules, promotions, transactions, investments, and a description of the internal control system.

Specific topics are addressed in depth in separate guidelines. For example, "Corporate Travel & Entertainment Policy" deals with the handling of business meals, entertainment expenses and presents. The "Sales & Price Policy" is dedicated to the granting of credit, contract negotiations, price quotations and rebates.

The most prominent corporate-wide guideline is the Code of Conduct, which stipulates ethically and morally binding principles for all employees. The Code of Conduct is also available outside the Company on the corporate homepage in the German and English languages. A compliance officer, whose authority is established in the Code of Conduct, is responsible for compliance with the Code of Conduct. The Code of Conduct also provides several fundamental guidelines on corruption and bribery. For example, it describes the proper treatment of business partners, suppliers and service providers. It addresses conflicts of interest as well as legal provisions regarding insiders. The Code of Conduct also describes how it is possible for employees to provide notification of legal violations in the Group. This path is also available to third parties outside the Company. All legitimate notifications are investigated and any confirmed compliance violations are sanctioned accordingly.

As part of the audit of the internal control system, several subsidiaries are audited each year. In this connection, a variety of corruption-sensitive corporate areas, such as sales and procurement, are evaluated. Remuneration practices are also examined.

With external support, an expansion and adjustment of the compliance management system is currently underway.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German PDF version of the group non-financial report 2017 of Pfeiffer Vacuum Technology AG. The following text is a translation of the original German Independent Assurance Report.

To Pfeiffer Vacuum Technology AG, Asslar

We have performed a limited assurance engagement on the group non-financial report of Pfeiffer Vacuum Technology AG according to § 315b HGB ("Handelsgesetzbuch": German Commercial Code), for the reporting period from 1 January 2017 to 31 December 2017 (hereafter group non-financial report). Our engagement did not include any disclosures for prior years.

Management's responsibility

The legal representatives of the Company are responsible for the preparation of the group non-financial report in accordance with § 315c HGB.

This responsibility includes the selection and application of appropriate methods to prepare the group non-financial report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that they have considered necessary to enable the preparation of a group non-financial report that is free from material misstatement, whether due to fraud or error.

Auditor's declaration relating to independence and quality control

We are independent from the entity in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in audit firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor's responsibility

Our responsibility is to express a limited assurance conclusion on the group non-financial report based on the assurance engagement we have performed.

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the group non-financial report of the Company has been prepared, in all material respects, in accordance with § 315c HGB. In a limited assurance engagement, the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor's professional judgment.

Within the scope of our assurance engagement, which has been conducted between March and April 2018, we performed amongst others the following assurance and other procedures:

- Inquiries of employees regarding the selection of topics for the group non-financial report, the risk assessment and the concepts of Pfeiffer Vacuum for the topics that have been identified as material,
- Inquiries of employees responsible for data capture and consolidation as well as the preparation of the group non-financial report, to evaluate the reporting processes, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the group non-financial report,
- Inspection of relevant documentation of the systems and processes for compiling, analyzing and aggregating data in the relevant areas in the reporting period and testing such documentation on a sample basis,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected qualitative statements and data,
- Analytical procedures at group level regarding the quality of the reported data,
- Evaluation of the presentation of disclosures in the group non-financial report.

Assurance conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the group non-financial report of Pfeiffer Vacuum Technology AG for the period from 1 January 2017 to 31 December 2017 has not been prepared, in all material respects, in accordance with § 315c HGB.

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with Pfeiffer Vacuum Technology AG. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.ey.com/de/de/home/aab). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, April 13, 2018

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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IMPRINT

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