

# Combined Non-financial Report

» In short «

By joining the UN Global Compact in 2021 – the world's largest initiative for responsible corporate governance – Jenoptik is committed to the ten principles in the areas of human rights, labor standards, environmental protection, and anti-corruption.

The Combined Non-financial Report meets the requirements of the  
CSR Directive Implementation Act.


# Combined Separate Non-financial Report in Accordance with the CSR Directive Implementation Act

## Position and Business Model

Jenoptik sees its entrepreneurial activity as more than purely the realization of commercial objectives; it is equally a commitment to society and the environment. Together with our customers, we create forward-looking trends in the fields of healthcare, the environment, mobility, and safety. As an international photonics group, innovation is our driving force and the basis of our success in business. Innovation and responsibility also form the core of our sustainability strategy. With our expertise and innovative products, Jenoptik is making an important contribution as an “enabler” to overcoming social and climate challenges and enabling customers worldwide to contribute more efficiently and sustainably to greater resource conservation and climate protection.

Jenoptik provides the majority of its products and services to the photonics market and is a supplier of high-quality capital goods. The Group is thus primarily a technology partner to industrial companies and public sector contractors. The contract signed in November 2021 to sell VINCORION is a further milestone on the path to transformation into a pure and globally leading photonics group. The 2021 non-financial KPIs still include the VINCORION division which is held for sale. The companies acquired at the end of 2021, BG Medical Applications GmbH and the SwissOptic Group, will be included in the non-financial reporting from 2022 onwards.

According to the current SPECTARIS Trend Report, photonic solutions can make a significant contribution to reducing greenhouse gas emissions due to their properties, applications and effects. For example, light-based solutions facilitate resource-conserving production processes, material savings and reduced energy consumption. According to SPECTARIS, the use of photonic technologies will reduce global greenhouse gas emissions by at least 11 percent by 2030.

Thanks to the product portfolio and sustainable internal company processes, Jenoptik is making a significant contribution to achieving the UN Sustainable Development Goals (SDGs). 

In 2021, Jenoptik joined the UN Global Compact – the world’s largest initiative for responsible corporate governance – committing itself to comprehensively complying with the ten principles in the areas of human rights, labor standards, environmental protection, and anti-corruption.

## Our Take on Sustainability

Our understanding of sustainability is based on the conviction that we can only achieve our economic goals, thereby sustaining profitable growth, by behaving responsibly towards the environment and society. To satisfy this demand, the issue of sustainability is within the responsibility of the Chairman of the Executive Board. The Investor Relations & Communications department is responsible for group-wide sustainability management at Jenoptik. The Executive Board and Supervisory Board are regularly updated on current projects. An ESG Committee, comprising representatives from the Human Resources, Environment Health and Safety, Corporate Real Estate, Quality Management, Purchasing, Compliance & Risk Management, Investor Relations & Communications departments as well as representatives from the divisions regularly discusses relevant cross-cutting issues and investigates the implementation of new regulations, for example.

What follows is information on sustainability issues which are essential to a better understanding of our business performance and the company’s development in the future.

The separate Combined Non-financial Report published here serves the purpose of fulfilling the requirements of the CSR Directive Implementation Act (CSR-RL-UG) in accordance with §§ 289b (3) and 315b (3) of the German Commercial Code (HGB). The reporting requirements pursuant to Article 8 of the EU Taxonomy Regulation relating to the disclosure of environmentally sustainable business activities also apply. The report covers the key issues in the areas of employees, the environment, social commitment, human rights and anti-corruption for both our external stakeholders and the company in the fiscal year 2021. The information in the non-financial report applies equally to the Group and JENOPTIK AG; any information that differs is indicated. The description of the approaches set out here is guided by Standard 103 of the Global Reporting Initiative (GRI). This means that Jenoptik presents components such



More information on the business model and markets can be found on page 89 of this Annual Report

as goals, existing guidelines, responsibilities, but also specific measures such as projects, programs and initiatives within the scope of the description. The GRI standard served as an orientation aid for the selection of key figures, but was not used for further detailing. This includes information on the number of employees, employees on parental leave or the fluctuation rate. The materiality analysis and the risk assessment were prepared in accordance with the requirements of CSR-RL-UG. In accordance with § 315b (1) (3) of the German Commercial Code, reference is occasionally made to other information available in the Group Management Report. The list below shows all the relevant passages in the Management Report that are relevant to the separate Combined Non-financial Report.

- Business model page 89
- Strategy from page 93 on
- R+D/Innovation management from page 103 on
- Risk & opportunities from page 141 on
- Diversity policy from page 32 on

## Information on the EU Taxonomy Regulation

With the taxonomy regulations, the EU Commission has defined uniform standards for ecological management and indicates, among other things, when an economic activity is to be classified as ecologically sustainable. The aim is to increase the transparency of the sustainability level of companies and to direct the flow of more money into so-called green technologies in order to achieve climate neutrality by 2050. In accordance with Article 8 of the EU Taxonomy Regulation, the Jenoptik Group also fulfills the transparency requirements to ensure transition to a climate-

neutral, resource-efficient and circular economy for the long-term competitiveness of the EU.

We are making use of the exempting provision for the fiscal year 2021. Accordingly, only the taxonomy-eligible business activities related to the first two environmental goals are to be reported for 2021. Reporting on taxonomy-aligned activities is not required under the exempting provision. Jenoptik is also exercising of an option and has not taken joint ventures into account.

With regard to the disclosure of environmentally sustainable business activities, a screening of all significant activities of the Jenoptik Group was carried out in 2021 in conjunction with Financial Controlling in a joint project with regard to the environmental objectives "climate protection" and "adaptation to climate change" regulated in Article 9. As a result, it was determined that the business activities conducted by Jenoptik are not regulated in the EU taxonomy and that the NACE codes as well as the activities of both Annexes I and II do not apply. As a technology group, Jenoptik's business activities – like those of other suppliers – do not fall within the sectors regulated in the EU taxonomy. Consequently, Jenoptik does not generate any revenue associated with environmentally sustainable business activities as defined in the EU taxonomy.

Even if, as a result, no capital and operating expenditure was incurred in such ecologically sustainable business activities in 2021, Jenoptik is nevertheless investing in sustainability and is making a contribution to environmental protection and the conservation of resources. Jenoptik also makes use of the option not to include joint ventures in the consideration. Table T15 shows an overview of the KPIs to be disclosed.

### T15 KPIs to be disclosed according to EU taxonomy

| KPI                              | Total amount<br>(in million euros) | Proportion taxonomy-eligible<br>(in %) | Proportion not taxonomy-eligible<br>(in %) |
|----------------------------------|------------------------------------|--|--|
| Revenue*                         | 895.7                              | 0                                      | 100  |
| Capital expenditure**<br>(CapEx) | 192.3                              | <1                                     | >99  |
| Operating expenditure<br>(OpEx)  | 65.1                               | 1                                      | 99   |

\* Revenue 2021 incl. VINCORION see Consolidated Statement of Income and Notes 4.13

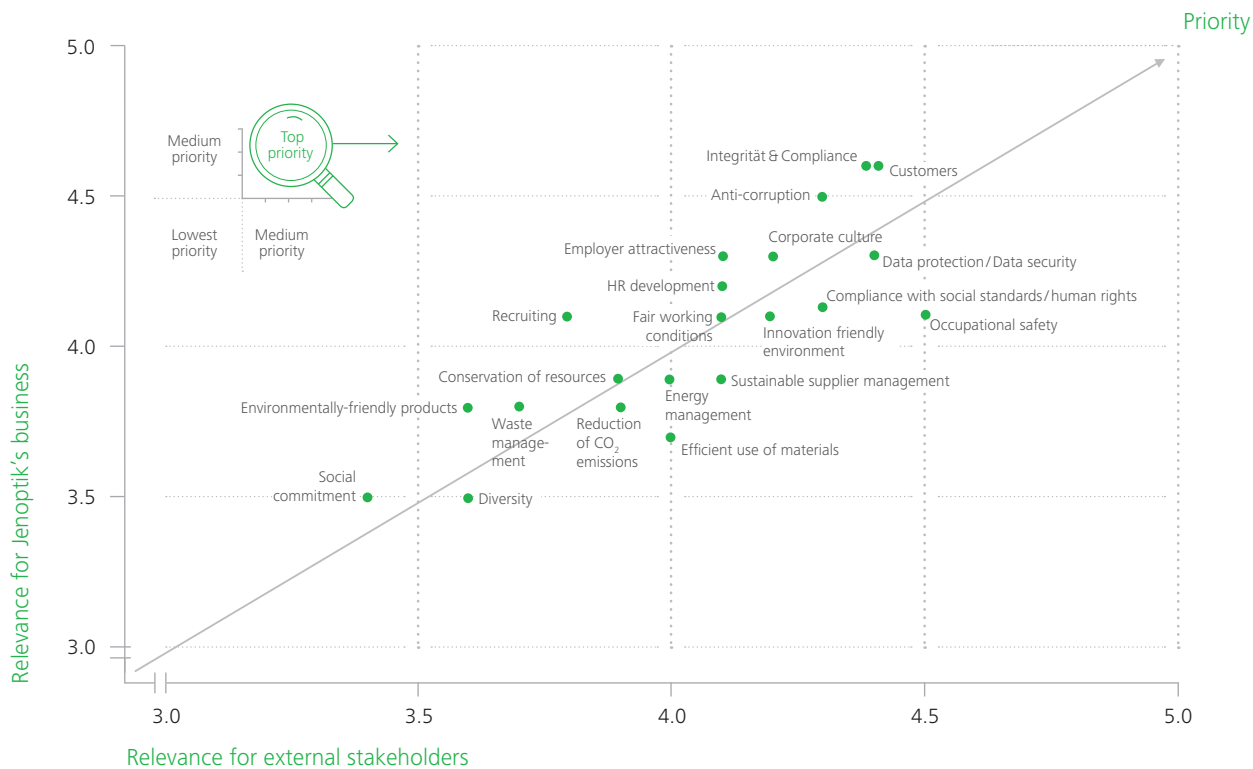
\*\* Capital expenditure 2021 see Additions in Group Notes, points 5.1 and 5.2

The information provided in Annex 1 of the Delegated Regulation on Article 8 on **capital expenditure** (CapEx) shall apply in item 1.1.2. In order to determine Jenoptik's taxonomy-eligible capital expenditure, we first analyzed the additions to property, plant and equipment and intangible assets in the reporting year to determine what proportion of these relate to the acquisition of products from taxonomy-eligible business activities and individual measures through which the target activities are carried out in a low-carbon manner or the emission of greenhouse gases is reduced (numerator). It was explicitly pointed out in the dialog with the responsible persons that double counting must be avoided. In the case of investment that could not be clearly allocated, the taxonomy-eligible capital expenditure was determined using suitable allocation models. The taxonomy-eligible capital expenditure determined in this way was set in proportion to the total capital expenditure reported in the Notes (denominator).

Specifically, the investment of the Jenoptik Group in the acquisition of products from taxonomy-compliant business activities and individual measures through which greenhouse gas emissions are reduced, totaled 0.5 million euros in 2021. This includes, for example, investment in energy-efficient equipment, the overall energy performance of buildings, charging stations for electric vehicles and renewable energy technologies.

With regard to **operating expenditure** (OpEx) in accordance with Article 8 (2) of the regulation, Jenoptik only reports operating expenditure for the acquisition of products from taxonomy-aligned business activities and individual measures through which the emission of greenhouse gases is reduced, in the same way as for capital expenditure. In order to determine Jenoptik's taxonomy-eligible operating expenditure, we first analyzed the expenses in the reporting year to determine what proportion of

## G14 Materiality matrix



these related to direct, non-capitalized costs relating to research and development, building refurbishment measures, short-term leasing, maintenance and repair as well as all other direct expenses in connection with the day-to-day maintenance of assets in property, plant and equipment (numerator). In the case of expenses that could not be clearly allocated, the taxonomy-eligible operating expenditure was determined using suitable allocation models. The taxonomy-eligible operating expenditure determined in this way was set in proportion to the operating expenditure covered by the taxonomy (denominator). These amounted to a total of 0.3 million euros in 2021.

## Materiality Analysis

Jenoptik maintains ongoing dialog with all of its stakeholders. In 2020, an update of the materiality analysis took place in the form of an online survey by means of an independent assessment of all non-financial aspects which are essential for sustainable business development – both from Jenoptik’s perspective and from the perspective of the respective external target groups (customers and business partners, suppliers, employees, shareholders, investors, and the general public). The results of the overall assessment are summarized in the materiality matrix G14 and, as a rule, are reviewed every two years. Topics in the upper right quadrant are particularly essential to the Group’s business development from the perspective of both Jenoptik and our stakeholders. Topics such as sustainable supplier and energy management and the reduction of CO<sub>2</sub> emissions have become increasingly important. The Jenoptik materiality matrix forms the basis of all our long-term ESG activities and is incorporated into the corporate strategy. The key non-financial topics are explained in detail in the sections below.

The following overview reveals where Jenoptik sees its specific priorities for action in the value chain.

## Non-financial Objectives

The transformation of the corporate culture to a more open, agile and less complex company whose employees contribute to success with commitment and motivation is in full progress. Sustainability plays a crucial role here and is firmly anchored in the Group’s corporate strategy. Management’s clear commitment to greater sustainability is evident in the wide range of sustainability objectives, some of which are also reflected in remuneration for the Executive Board and group financing. Both the debenture bonds placed in March and the syndicated loan of 400 million euros that followed in December 2021 are aligned to the ESG targets – diversity rate, green electricity rate, and the Group’s CSR rate.

As an “enabler”, Jenoptik enables its customers to contribute to greater resource conservation and environmental protection through its products and photonic solutions. The Group’s sustainability targets cover all ESG areas.

In order to support the goal of international climate policy and to limit global warming, Jenoptik wants to make an active contribution to reducing CO<sub>2</sub> emissions, even though the technology group does not belong to one of the most energy-intensive sectors. Jenoptik has set itself the goal of reducing CO<sub>2</sub> emissions by 30 percent by 2025 compared to the base year 2019. The savings will come from direct emissions released by Jenoptik itself (Scope 1) as well as the indirect emissions from purchased energy (Scope 2). Specific measures include further

## T16 Jenoptik's key topics

| Employees                              | Environment                            | Social commitment   | Human rights  | Anti-corruption  | Other topics   |
|--|--|---|---|--|--|
| Corporate culture                      | Energy management                      | Social commitment in science, education, art & culture as well as social projects | Compliance with human rights and social standards in the supply chain | Responsible business relationships and fair business practices | Innovation: Environmentally friendly products and efficient use of materials |
| HR development                         | Reduction of CO <sub>2</sub> emissions |   | Sustainable supplier management                                       | Integrity and compliance                                       | Innovation-friendly environment  |
| Recruiting and employer attractiveness | Water management                       |   |   | Data protection  | Customer satisfaction  |
| Fair working conditions                | Protection of resources                |   |   | Data security  |  |
| Occupational safety                    |  |   |   |  |  |

expanding the proportion of green electricity used group-wide and various energy efficiency measures at Jenoptik sites worldwide. The proportion of green electricity used at the main sites is to increase to 70 percent by 2022 and to 75 percent of

total electricity requirements by 2025, the vehicle fleet is to be expanded to include vehicles with alternative drives, and an appropriate infrastructure for charging all battery-powered vehicles is to be provided at the sites.

## T17 Non-financial targets and key performance indicators

| Aspects     | Aspiration  | Performance indicators   | Status 2020   | Status 2021                         | Target   |
|-------------|---|--|---|-------------------------------------|--|
| Employees   | We want to increase the satisfaction and commitment of the employees and want to increase the attractiveness of Jenoptik as an employer   | <ul style="list-style-type: none"> <li>Fluctuation (attributable to employees)</li> <li>Engagement Score</li> <li>Sick leave</li> </ul>  | 3.1 %   | 5.4 %                               | <5 %   |
|             | We want to increase our diversity and employ more women and employees of international origin in management positions   | <ul style="list-style-type: none"> <li>Diversity rate *</li> </ul>   | 27.8 %  | 28.6 %                              | 30 % by 2022<br>33 % by 2025   |
|             | We want to fill more internal vacancies with by Jenoptik  | <ul style="list-style-type: none"> <li>Training ratio</li> <li>Number of trainees taken on (hiring ratio)</li> </ul>   | 4.2 %<br>79 %   | 4.0 %<br>97 %                       | >4 %<br>100 %  |
| Innovation  | Securing and boosting competitiveness, revenue and earnings through successful innovations  |  |   |                                     |  |
|             | <ul style="list-style-type: none"> <li>We want to increase our R+D output including customer-specific developments</li> <li>We want to increase the share of revenue generated with products and platforms which have been developed in the last three years</li> </ul>   | <ul style="list-style-type: none"> <li>R+D output</li> <li>Vitality Index</li> </ul>   | 9 %<br>17.1 %   | 9 %<br>19.1 %                       | 10 % by 2022<br>20 % by 2022<br>22 % by 2025                         |
| Environment | Reduction in CO <sub>2</sub> emissions:   |  |   |                                     |  |
|             | <ul style="list-style-type: none"> <li>We want to increase the proportion of green electricity used at our main production sites</li> <li>We want to reduce our CO<sub>2</sub> emissions</li> <li>We want to expand our fleet of vehicles with alternative drive technologies and create an appropriate infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Proportion of green electricity at the main production sites</li> <li>CO<sub>2</sub> reduction (Scope 1+2) compared to base year 2019 (10.161 t)</li> <li>Number of vehicles with alternative drive technologies in the fleet</li> <li>Number of charging stations/ points</li> </ul> | 70.7 %<br>9.5 %<br>6 ***<br>17 ***                            | 76.4 %<br>24.1 %<br>16<br>27 points | 70 % by 2022<br>75 % by 2025<br>30 % by 2025<br>Increase<br>Increase |
|             | Suppliers   | We want to increase transparency in our supply chain in order to guarantee the protection of human rights and the environment  | <ul style="list-style-type: none"> <li>CSR rate **</li> </ul> | –                                   | 38.0 %   |

\* Diversity rate: Average percentage of the number of managers with an international background as well as female managers

\*\* CSR rate: Corporate Social Responsibility Rate: average percentage of all suppliers of production materials with an annual purchasing volume of more than 200,000 euros for which complete CSR self-assessments and self-assessments considered non-critical are available

\*\*\* Minimal deviations from the figures published in the 2020 Annual Report due to corrections


In HR work, initiatives to increase the diversity of our employees and the attractiveness of Jenoptik as an employer are a key issue. Increasing the diversity rate, calculated as the average percentage of managers with an international background and female managers, to 30 percent by 2022 and to 33 percent by 2025 is therefore a key objective of the Group.

In addition, we want to implement the increasing transparency requirements regarding human rights in the supply chain and our goal is to meet the higher standards of due diligence through sustainable supplier management and to increase transparency in the supply chain.

The promotion of good framework conditions for more innovations and greater investment in research and development ensure substantial growth and play a decisive role in our future performance. In addition to the already defined goal of increasing our R+D performance, including customer-specific developments, to 10 percent of revenue by 2022, we therefore want to continuously increase the share of revenue generated by products and platforms that have been developed in the last three years. The so-called Vitality Index increased to 19.1 percent in the reporting year (prior year: 17.1 percent). By 2022, revenue from new products is expected to increase to 20 percent, and 22 percent by 2025. 

The non-financial objectives are described in detail in the respective chapters on the following pages and are summarized in table T17.

The group-wide recording of all sustainability key performance indicators (KPIs) for non-financial reporting has been carried out since 2021 as part of the existing LucaNet financial reporting system. The creation of a uniform reporting process guarantees the provision of regular information to the boards as well as the management of these KPIs. The 2021 non-financial KPIs still include the VINCORION division which is held for sale. The companies acquired at the end of 2021, BG Medical Applications GmbH and the SwissOptic Group, are not yet part of the non-financial reporting, but will be from 2022 onwards. As a result of the acquisitions made and the signing of a contract to sell VINCORION (mechatronic business for the defense sector, among others), the Jenoptik Group will focus even more strongly on its core business of photonics in the future and will therefore also become more interesting for ESG investors.

Corporate governance, compliance and adherence to stringent quality criteria are of key importance to Jenoptik. We are as committed to law-abiding and compliant conduct with respect for human rights as we are to ensuring the above-average quality of our products and services. As a responsible and socially committed company, Jenoptik considers it its duty to play an active role in shaping its environment. Commitment to our region is also another high priority. 

## Risks in Connection with Non-Financial Aspects

Weighing up corporate risks and opportunities is one of Jenoptik's principles of responsible corporate governance. The Group maintains a risk manual and a system of guidelines, thus providing a reliable reference framework for all employees worldwide. Our group guidelines structure reduces the scope of content regulated at group level and provides a globally uniform framework which can be supported with more detailed regulations. The guidelines are reviewed annually, and extended or updated as necessary.


In two risk periods per year, Compliance & Risk Management identifies all risks within the Group and discusses the top issues – set in net terms – with the Executive Board and the Audit Committee of the Supervisory Board. Our processes for the identification, management and control of risks involve non-financial environmental, social and corporate governance risks, including climate-related risks in the form of physical risks and transition risks. Physical climate risks result from the physical effects of climate change, e.g. plant damage due to extreme weather events or losses due to long periods of drought. Transition risks are the risks for business models resulting from decarbonization and the transition to CO<sub>2</sub>-free economic structures. They are divided, for example, into political/regulatory risks (e.g. rising prices for CO<sub>2</sub> emissions), legal risks (e.g. liability suits for climate damage), market risks (e.g. falling demand for fossil fuels), technology or competitive risks (e.g. outdated environmental technology), and risks to reputation (e.g. changing consumer preferences) in response to climate change. For risks associated with the coronavirus pandemic, refer to the Risk and Opportunity Report from page 141 on.



Further information on the corporate strategy can be found in the section on Targets and Strategies



For more on the topic of innovation and IP management, see R+D chapter from page 103 on

The net analysis did not identify any risks that are very likely, now or in the future, to have a serious negative impact on the specified key non-financial aspects. 



Detailed information on our risk management system and major risks, including in connection with non-financial aspects, can be found in the Risk and Opportunity Report from page 141 on

## Employee Matters

With their experience and knowledge, our employees are absolutely essential to the Jenoptik Group's business success. Future-oriented HR work and the responsible and modern approach to working conditions are therefore among our most important tasks.

HR at Jenoptik covers all employee-related operating and strategic measures for the implementation of the Group's objectives and is thus an essential component of the overall leadership and management process. HR delivers local service on site in the respective country for all employees and managers, supports division-specific projects and offers expert knowledge in the areas of recruiting, employer branding, HR development, labor law and remuneration. HR reports directly to the Chairman of the Executive Board, who is also HR Director, via the function Head of Global HR.

The first point of contact for all HR-related issues in day-to-day business concerning the Group's employees and managers are our colleagues from HR Operations. Each division has an HR Business Partner who is part of the management team. Working with Division Management, the HR Business Partners develop and implement HR strategic topics. 2021 saw the global launch of our "Introduction of SAP Success Factors" project to digitize and standardize all HR processes. It will be completed module by module by the first quarter 2023.

Alongside an appealing corporate culture, we see our employees' efforts, expertise, experience, and commitment to the company as key value contributions. This was also confirmed by the results of the materiality analysis, which in Human Resources in particular point to topics such as corporate culture, HR development and employee satisfaction.

With the implementation of the group strategy, the focus is on establishing a dialog-based **corporate culture** characterized by initiative, respect for diversity and equal opportunities. The basis for this is formed by our Jenoptik values – **open, driving, confident**. We believe that committed and curious people always perform outstandingly. We value new ideas and develop

them further in an open dialog. In order to achieve our targets, we encourage employees who drive things forward and who have the will to succeed.

In 2021, the focus was on **diversity**. The diversity rate (for definition, see section on Non-financial Objectives) is to increase to 30 percent by 2022 and 33 percent by 2025. In the fiscal year 2021, the diversity rate has already increased to 28.6 percent (prior year: 27.8 percent). Detailed information on gender equality and targets for the proportion of women on the Supervisory Board, Executive Board and the management level below the Executive Board can be found in the Corporate Governance Statement.

The diversity rate and other non-financial KPIs are reported quarterly in the Executive Management Committee (EMC). Closely related to this is the adaptation of our recruitment strategy to increasingly appeal to and hire applicants with diverse profiles. As part of our voluntary commitment to the Diversity Charter, which promotes a prejudice-free working environment, we held an international Diversity Day in May. Our global Diversity Council, an internationally diverse body, supported our activities and promoted their implementation in the countries. The ten members come from seven countries and include Stefan Traeger (CEO), Maria Koller (Head of Global HR) and Thomas Klippstein (Chairman of the Group Works Council). For external benchmarking, we took part in the Women's Career Index (FKI) audit in 2020. In the overall index, we scored 79 points, two points above the industry average. In March 2021, Jenoptik was even named "Rising star of the Year". Focus on all these topics will continue in 2022.

Jenoptik is modern and flexible in terms of leadership culture. Key to this are the promotion of respectful behavior towards one another in the workplace, balancing of career and family, flexible working hours, and a healthy work environment. In particular, the introduction of remote working in 2019 has helped us to cope well with the challenging conditions created by Covid-19.

We have measured the satisfaction and commitment of our employees via an employee survey. This is conducted globally. When completing the survey, employees evaluate the various facets of the corporate and leadership culture. The commitment of our employees (so-called Engagement Score) and the recommendation rate (so-called Net Promoter Score) are also measured.



A total of 69 percent of our employees took part in the 2021 survey (prior year: 58 percent). The engagement score was 72 percent, i.e. 72 percent of the employees who took part in the survey positively identify with their duties at Jenoptik and actively contribute (prior year: 76 percent). With a “Net Promoter Score” of 69 percent (prior year: 74 percent) more than two thirds of the participating employees would recommend Jenoptik as a good employer. Our managers communicated the results of the employee survey to their teams and developed measures in a joint workshop. The main reasons for the decrease in the Engagement Score compared to the prior year are the adjustments to personnel levels we had to make in the Metrology area with a focus on the USA and Germany. We will conduct a further global employee survey in 2022.

Jenoptik is family-friendly and responds to the needs of its employees with flexible working hour models. Flexitime, part-time work, and flexible parental leave all make it easier for our employees to strike their own balance between family and working life. In 2021, 177 employees made use of parental leave in Germany (prior year: 159 employees). The number of part-time contracts in Germany rose to 11.7 percent in 2021 and, globally, 9.3 percent of our employees are part-time workers (prior year: 10.9 percent in Germany and 8.9 percent worldwide). The global employee fluctuation rate in 2021 was 5.4 percent (prior year: 3.1 percent). One of the most important preconditions for balancing career and family is the availability of childcare. For several years, Jenoptik has been investing in daycare centers at the Jena, Wedel, and Monheim sites, as well as in flexible childcare models. This means that our employees are assured a place at the daycare centers.

**HR development** is a key factor that determines the future viability of the company and the commitment of our employees. To help promote them in line with their potential and interests, the development needs are analyzed in regular staff appraisals. In our employee survey, we verified whether staff appraisals are held at all sites. In 2021, Jenoptik invested around 2.6 million euros (prior year: 2.2 million euros) in the professional development of its employees. This includes both the costs for trainees and students at the Cooperative State Universities and the costs for further training for our employees.


Learning at Jenoptik is structured according to the 70:20:10 principle: as employees and their supervisors are the experts for their own further development, 70 percent of learning takes place in the workplace and 20 percent through learning from others. Classroom or online training makes up 10 percent.

We have also been following the 70:20:10 learning principle in the development of our managers: there are three target-group specific programs aimed at high-potential employees, new managers and experienced managers. Our managers are key drivers of a uniform leadership culture at Jenoptik and thus of our corporate success. They are responsible for motivating the employees and have a direct influence on their satisfaction. In 2021, the restrictions imposed by Covid-19 meant that all three programs were held online. For our experienced managers, so-called “learning journeys” on the topics of change management and new leadership took place in 2021.

## HR Recruitment

Jenoptik’s HR requirements are guided by the Group’s international growth strategy, resulting in a greater need for recruitment in Asia, Canada and the USA. However, experts and managers are also being sought in Germany. The audiences addressed by recruitment and thus also HR marketing are primarily specialists and skilled workers in the natural and engineering sciences as well as experts with business management and legal backgrounds.

In order to fill more vacant positions with internal specialists trained at Jenoptik, the training ratio was increased, taking into account the retirement of employees in the context of succession planning. In the reporting period, the training ratio was 4.0 percent (prior year: 4.2 percent). Thus, at the end of 2021, a total of 177 trainees were employed by the Group worldwide (prior year: 189 worldwide). The retention rate for trainees who successfully completed their vocational training in 2021 was 97.4 percent (prior year: 78.6 percent). These trainees were taken on for an unlimited period by the company.

Specific support for school students, university students and graduates forms part of the Group’s expertise strategy, ensuring early loyalty to the company and thus simplifying the recruitment process. A selection of targeted initiatives and cooperation arrangements is shown in table T18. 



Increasing **attractiveness as an employer** is the focus of employer branding at Jenoptik. Clear and distinctive positioning as an attractive employer should support recruitment and develop a positive and unmistakable employer image as a future-oriented, innovative high-tech company in the photonics industry. The definition of the employer brand and the development of the associated values (Employer Value Proposition) were carried out on the basis of the Jenoptik Strategy 2022 under the motto "More Light". The focus was once again on target-group oriented communication using social media channels in 2021. Numerous vocational training and university fairs were held online.

**Occupational health and safety** are also key topics affecting the basic needs of our employees and their satisfaction in the workplace. They are firmly anchored in the Group's operating processes and aim to minimize risks arising in the work environment that may endanger employees. The Jenoptik companies are each responsible for applying the law on all aspects of occupational health and safety. Occupational Safety, Health and Environmental Protection (OSHEP) is part of Corporate Real Estate Management, falling within the remit of the Chief Financial Officer. It provides advice to all companies, coordinates tasks and supports the Executive Board in implementing measures. Occupational health and safety committee meetings are held in all divisions each quarter. In addition, all employees are briefed on issues relating to health and safety at work at least once a year. At all the German locations, around ten percent of the workforce are trained as first-aiders. The number of reportable **workplace and commuting accidents** in Germany fell in 2021 to 9.1 per 1,000 employees (prior year: 11.4). The rate for the Group as a whole was 9.5. Compared to the other

members of the ETEM trade association (Energy, Textile, Electronics and Media Products), Jenoptik is still significantly below the average figure of 19.5 in 2020.

In the interests of our employees' health and performance, the Group offers regular medical examinations by a company physician. In 2021, the focus continued to be on managing the pandemic. With the help of a pandemic plan and hygiene concept at all sites, it was possible to prevent the spread of infection at the operating facilities while maintaining the ability to work in all areas. The fast and regular exchange of information between all the coronavirus task forces set up and the provision of information to employees, but in particular the rapid introduction, implementation and consistent enforcement of hygiene measures, vaccination offers and the opportunities for remote working have made a significant contribution to the success. Despite all this, it was not possible to prevent 165 employees across the Group from contracting Covid-19 in 2021. However, with the exception of eight cases in three clusters, these infections can be exclusively attributed to private leisure activities outside Jenoptik's operating facilities.

**Company health management** at Jenoptik in Germany is centrally managed by the HR department in the Corporate Center. Despite the pandemic, the cooperation agreement with the Techniker Krankenkasse (TK) health insurance fund and the establishment of local "health steering groups" to support the implementation of on-site activities made it possible to carry out employee offerings as part of our "Move It!" project. The workshops to develop improvement measures from our "Healthy Work" project were also continued.

---

## T18 Initiatives and cooperations (selection)

---

### Jenoptik supports

- career guidance projects at schools, also offering their students the opportunity to complete an internship
- young researchers in Thuringia as a longstanding state-level corporate sponsor of the "Jugend forscht" initiative
- various industry organizations to promote professional development activities
- students in the form of degree theses, internships, and scholarships

---

### Jenoptik works with

- selected universities around the world with regards to HR marketing and recruitment, for research purposes, and to foster the professional development of its employees
  - selected universities around the world via projects and is active through a range of committees and networks in an advisory capacity
-

## Environmental Matters

Protection of our environment is of high priority to us. We see it as our corporate responsibility to grow sustainably in harmony with the environment and society and to use resources efficiently at all our sites worldwide. In order to also actively contribute to climate protection, the Group has set itself the target of reducing CO<sub>2</sub> emissions (Scope 1+2) by 30 percent by 2025 compared to the base year 2019 and is taking various measures to achieve the target (see section Non-financial Objectives).

2021 has already seen the second group-wide sustainability competition focusing on environmental protection. The numerous project entries from our employees clearly indicate the level of commitment which will contribute to greater sustainability at Jenoptik. An independent jury evaluated the project entries, and the winners were awarded prizes at the beginning of 2022.

Projects from the 2021 sustainability competition:

- With a great deal of commitment, Jenoptik employees planted 1,000 trees, together making a contribution to climate protection and “more green” in Jena.
- At the Monheim site, the useful life of furniture was extended, significant waste was avoided, and costs were saved.
- With TraffiPole, our developers at Light & Safety succeeded in creating an environmentally friendly and sustainable traffic monitoring solution. With a housing made of fully recyclable materials, reduced power consumption and the elimination of cooling, it can also be operated self-sufficiently with batteries or solar panels.
- By clearing up an old scrap yard on the production site in Jupiter, Florida, and then recultivating it as an outdoor fitness area, nature was restored and long-term health benefits were created for our employees.
- The JENvelt® system developed by the Light & Optics division in cooperation with Prozessfabrik Berger allows for “exchange instead of scrap” and is used by our customers in laser processing machines. A complex component no longer has to be disposed of in its entirety as a result of a defective subcomponent.
- Every Friday, a mobile organic farm shop supplies employees with regional and seasonal products in front of the production buildings in Jena.

**Environmental management** is a key part of our business practices. We comply with national and international statutes and set standards in resource conservation and energy efficiency with respect to the manufacture of our products. However we also require our suppliers and contractual partners to comply with relevant laws to minimize environmental risks. As a manufacturing company, we set our focus on efficient resource management to reduce energy consumption and greenhouse gas emissions to the best of our ability, use commodities and materials in a safe and resource-saving manner and to largely avoid producing hazardous waste. We pay attention to good environmentally friendly design and the economical use of resources as early as in the development stage, while minimizing the impact on people, the environment and nature through regulated recycling and disposal. In line with their environmental relevance, selected Jenoptik companies are certified in accordance with the ISO 14001 environmental management standard, which sets out globally recognized requirements for an environmental management system. 

In December 2021, Jenoptik received the ASML Sustainability Excellence Award. The Light & Optics division was particularly persuasive with regard to its sustainability goals “Increase Re-use” and “Business Continuity”. By increasing the re-use and recycling of electronic components through highly standardized repair processes, thousands of ASML modules can now be repaired and the special electronics reused instead of being disposed of as scrap. For Jenoptik, the award is both a confirmation and an incentive to continue along this path. The award comes with prize money, which is matched by an equal amount from Jenoptik. The total amount will be donated to the non-profit organization Kindersprachbrücke Jena for use in various projects.

Occupational Safety, Health and Environmental Protection (OSHEP) topics are part of Corporate Real Estate Management and fall within the remit of the Chief Financial Officer. The Jenoptik companies are each responsible for applying the law on all aspects of environmental protection. The central environmental protection officer from Safety, Occupational and Environmental Protection is available to provide assistance where required and, for example, reviews all group capital expenditure projects with regard to their environmental relevance. Waste officers take care of all matters relating to the prevention, accrual, recycling, and disposal of hazardous and non-hazardous waste.



See section on quality management in the Non-financial Report, from page 78 on

Jenoptik continues to implement and, in part, exceed statutory requirements relating to nature conservation and environmental protection for new buildings, extensions and the modernization of production facilities. For example, state-of-the-art technologies for saving resources and protecting the environment are utilized when fitting out production facilities. The new building for the Light& Production division at the Villingen-Schwenningen site complies in full with the environmental protection standards introduced at Jenoptik. For example, it was equipped with modern insulation, roof greening, sensor-controlled LED lighting and energy-saving heating and air conditioning technology. In addition, several charging stations for electric mobility have already been installed. The construction of the new conference center including an employee restaurant in Jena proceeded at a rapid pace in 2021, and its opening is scheduled for mid-2022. The company's values and strategy are at the heart of the 10 million euro investment. For example, an internationally recognized sustainability certification will be pursued as per LEED (Leadership in Energy and Environmental Design), which highlights environmental and social aspects. This includes the installation of a PV system, heat recovery in the ventilation system, e-charging stations, covered bicycle racks, low-emission interior materials or measures for reduced water consumption. In addition, Jenoptik's open culture is reflected in the spatial design and furniture structures, along with the future orientation in the use of modern materials (e.g. Alubond and glass façades or metal grids as privacy screens).

The conversion of existing lighting to LED lighting is being examined and successively implemented at several sites worldwide in ongoing reconstruction measures taking into account cost and environmental aspects. In 2021, for example, the outdoor facilities at the Triptis site were converted to LED so that

75 percent less electricity is consumed with a greater light yield. Electrical energy in Germany is already provided almost exclusively from green electricity. The successive development of an e-charging network – especially at the headquarters in Jena and beyond – created the basis for a vehicle fleet utilizing alternative drive technologies in 2021.

**Greenhouse gases:** As a technology company, Jenoptik generates only small volumes of emissions within its plants. The majority of its pollutant emissions is attributable to procured and externally purchased energy from electricity, gas or district heating. Jenoptik is reporting its CO<sub>2</sub> emissions for the past fiscal year for the first time, with the values stated being based on existing invoices and meter readings as well as estimated values, and is disclosing these separately according to Scope 1 and Scope 2 emissions. We only use very low amounts of other greenhouse gases in our production processes, so we do not report them for reasons of materiality.

The group-wide total energy consumption is shown in table T19 and is largely derived from electricity, gas and district heating. At 62,221 MWh, this was reduced in 2021 compared with the prior year due to energy savings and efficiency improvements as well as the sale of the crystal growth business in July 2021 (2020: 64,817 MWh).

In addition to absolute energy consumption, we are also reporting the energy consumption in relation to revenue, thus making the development of energy efficiency in our production transparent. In 2021, the total energy consumption of 70.22 MWh per 1 million euros of group revenue (including VINCORION) was below the level of the prior year (2020: 84.49 MWh per 1 million euros group revenue).

## T19 2021 Energy consumption by energy source (in MWh)

|              | Electricity   | Gas          | Wood pellets | District heating | Heating oil | Diesel/petrol | Energy consumption |
|--------------|---------------|--------------|--------------|------------------|-------------|---------------|--------------------|
| Germany      | 31,808        | 6,060        | 500          | 8,620            | 625         | 1,156         | 48,769             |
| Europe       | 797           | 40           | -            | -                | -           | 111           | 948                |
| Americas     | 8,212         | 3,744        | -            | -                | -           | 198           | 12,154             |
| Asia/Pacific | 349           | -            | -            | -                | -           | -             | 349                |
| <b>Total</b> | <b>41,166</b> | <b>9,844</b> | <b>500</b>   | <b>8,620</b>     | <b>625</b>  | <b>1,465</b>  | <b>62,220</b>      |

Throughout Germany, Jenoptik has used the targeted purchase of renewable energies to source almost exclusively green electricity, backed by certificates of origin, from European hydro power. Our international sites are also gradually converting to renewable energy sources. These measures have enabled us to significantly increase the share of green electricity used in the last two years. In the reporting year, we have therefore already achieved our target of increasing the share of green electricity used at our main sites to 70 percent of total electricity requirements by 2022 and to 75 percent by 2025. In 2021, the share of renewable energies in total electricity requirements increased to 76.4 percent due to the conversion of further sites to green electricity (2020: 70.7 percent). However, due to the portfolio change at the end of 2021 – both the sale of VINCORION and the acquisitions made are not yet reflected in the non-financial KPIs for 2021 – this figure may change in subsequent years and the target values already achieved may be undershot again.

The consumption of the various media (electricity, district heating, gas, heating oil, wood pellets) at all major sites was used to determine the CO<sub>2</sub> emissions. The group-wide CO<sub>2</sub> emissions were reduced by 16.1 percent to 7,713 tons (2020: 9,194 tons). Relative to the base year 2019, CO<sub>2</sub> emissions in 2021 have thus already been reduced by 24.1 percent (2020: reduction by 9.5 percent). This was mainly attributable to a higher proportion of green electricity and the sale of the crystal growth business in Eisenach in July 2021, as well as lower gas consumption at the American sites and by VINCORION. The direct emissions from gas, heating oil, diesel and gasoline (Scope 1) amounted to 3,072 tons (prior year: 3,261 tons), while indirect emissions from electricity and district heating totaled 4,642 tons in 2021 (prior year: 5,935 tons).

**Water:** Jenoptik does not require large volumes of water for its manufacturing processes. Water is only used as a coolant, as a process medium and for sanitary purposes and comes primarily from the public drinking water supply and from groundwater. Nevertheless, as part of our water management, we take care to keep water consumption as low as possible at all our sites. For the current reporting year 2021, reporting on water consumption and waste quantities is based as far as possible on available invoices throughout the year and valid estimates of the remaining consumption. In 2021, 72,009 m<sup>3</sup> of water were consumed at our main sites (prior year: 69,758 m<sup>3</sup>). The increase resulted mainly from increased water consumption at the Jupiter, Florida site and at VINCORION.

Due to low volumes of water required for production processes, we do not see ourselves encountering any key risks in this area. Conservation regulations are also of only very minor significance to the Group, in view of its business purpose and the location of its sites outside of conservation areas.

## T21 Water consumption (in m<sup>3</sup>)

|              | 2021          | 2020          | 2019          |
|--------------|---------------|---------------|---------------|
| <b>Total</b> | <b>72,009</b> | <b>69,758</b> | <b>72,117</b> |

## T20 Energy consumption and CO<sub>2</sub> emissions at major Jenoptik sites (in MWh and t)

|                  | Energy consumption |               | CO <sub>2</sub> emissions |              |
|------------------|--------------------|---------------|---------------------------|--------------|
|                  | 2021               | 2020*         | 2021                      | 2020*        |
| Germany          | 48,769             | 50,672        | 3,504                     | 4,742        |
| Europe           | 948                | 1,211         | 57                        | 106          |
| Americas         | 12,154             | 12,487        | 3,916                     | 4,040        |
| Asia/Pacific     | 349                | 448           | 237                       | 306          |
| <b>Total</b>     | <b>62,221</b>      | <b>64,817</b> | <b>7,713</b>              | <b>9,194</b> |
| of which Scope 1 |                    |               | 3,072                     | 3,261        |
| of which Scope 2 |                    |               | 4,642                     | 5,935        |

\* Values not comparable with prior year due to higher number of Jenoptik sites included

**Waste:** Increasing the reusability or recycling of electronic components, for example, plays an important role in product development at Jenoptik, contributing to a reduction in avoidable waste. In December 2021, Jenoptik received the ASML Sustainability Excellence Award for this achievement (see section Environmental Management).

Within the scope of our business activities, however, hazardous waste is also generated to a small extent in a few production processes, for example, adhesive residues or solvents. Our goal is to avoid producing such waste as is generated during production as far as possible or to recycle it and, if this is not possible, to dispose of it properly in order to minimize negative effects on the environment. In the production of semiconductor lasers in Berlin-Adlershof, for example, a new process has reduced the solvents used. Volumes sent for recovery or recycling are recorded locally and we distinguish between hazardous and non-hazardous waste within these categories.

In Germany, waste types in all divisions are systematically recorded, categorized and their quantities calculated. The waste volumes are reported group-wide for all main sites. The volume of hazardous waste disposed of at treatment and disposal facilities amounted to 114 tons in 2021 (prior year: 122 tons\*\*). The quantity of non-hazardous waste fell slightly to 1,240 tons (prior year: 1,439 tons). In general, Jenoptik recycles its waste through certified waste management companies. Through continuous waste separation and training of the employees on waste prevention, the amount of residual waste was again further reduced. At the Triptis site, for example, more plastic materials are being channeled back into the recycling process, thereby conserving resources, avoiding expenditure on waste disposal and even generating income.

As a high-tech company, Jenoptik is dependent on different **raw materials**. In the face of an increasing scarcity of resources,

Jenoptik is committed to making sparing use of the materials it requires. Supply bottlenecks in connection with the coronavirus pandemic were offset by targeted supplier management measures such as weekly coordination and planning meetings with critical suppliers as well as supporting suppliers in the procurement of critical components. We comply with the applicable regulations, for example the requirements of the European chemicals regulation REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and the European RoHS directive (Restriction of certain Hazardous Substances), and are involved on associated committees. In order to implement efficient processes for collecting relevant data, the Product Compliance project was also continued in 2021. In the future, declarations from suppliers, raw material and chemical data can be systematically and automatically evaluated and the respective declarations issued. The objective of our purchasing processes is to meet all regulations relating to conflict minerals in compliance with the Dodd-Frank Act and the EU Conflict Minerals Regulation. Our Code of Conduct requires that our suppliers do not supply products that violate these requirements. To minimize risks, we have been using a central digital platform to query the relevant suppliers since 2021. This platform is used to obtain the standardized form (CMRT) of the Responsible Minerals Initiative. The information provided by the suppliers is checked for possible risks and measures to minimize them are derived.

#### Resource Management

Many innovative Jenoptik products and solutions contribute to the efficient and responsible use of resources and support the UN's Sustainable Development Goals (SDGs). As an "enabler", we enable our customers to design production processes and products more efficiently, thereby saving energy and resources. The table T23 provides an overview of the contribution selected Jenoptik products make to resource conservation.

## T22 Hazardous and non-hazardous waste (in t)

|                     | 2021  | 2020  | 2019   |
|---------------------|-------|-------|--------|
| Non-hazardous waste | 1,240 | 1,439 | 1,327* |
| Hazardous waste     | 114   | 122** | 160*   |

\* Values in the 2019 Annual Report are only for Germany: 1,100 t of non-hazardous waste and 179 t of hazardous waste (deviation due to change in fractionation made by the changeover to group-wide recording)

\*\* Deviation from the value published in the 2020 Annual Report in the amount of 106 t results from actual settlements now available

## T23 Contribution of our products to resource conservation

### Jenoptik Products/Solutions

#### Jenoptik diode lasers and laser systems

for a wide range of applications, e.g. in the automotive industry

or in medical technology for the treatment of glaucoma in ophthalmology

#### Optical systems and components

for semiconductor equipment or information and data transfer

... for medical diagnostics

... sensor solutions for the automotive industry in the field of autonomous driving or traffic monitoring

#### Metrology-systems and equipment

for checking shape and roughness, particularly in the automotive industry, stabilize production processes and reduce failure rates

#### Traffic monitoring systems

check the compliance with current road traffic regulations and improve traffic flow

Cooperation agreement with SFC-Energy to increase traffic safety with environmentally friendly technologies

#### Green cameras

improve the air quality

#### Toll payment monitoring systems

on federal highways

### Contribution to resource conservation, environmental and health protection

- Most efficient available light sources with an efficiency of up to 70 percent conserve resources and enable efficient production, especially in comparison with conventional processing methods, when machining high-strength steels with a lower weight
- Increasing health and well-being through minimally invasive surgical methods, e.g. in ophthalmology
- Ongoing development toward ever-smaller crystalline structures in semiconductor production opens up a growing number of new uses
- Customized measurement solutions from TRIOPTICS check the image quality of smartphone camera lenses, for example, helping to reduce waste
- Improving communication options and extending Internet access to remote regions
- Efficient and time-saving production processes conserve resources and improve, for example, the data volumes while simultaneously reducing production costs, waste and power consumption
- Thermography solutions facilitate the monitoring and optimization of solar power panels
- Optical systems improve imaging and diagnostics in real-time disease detection, enhancing health and well-being
- Imaging technology is enabling advances in autonomous driving, for example, improving traffic flow and reducing emissions
- The results are more precise surfaces and tighter tolerances in engine components (downsizing) and thus vehicles requiring less fuel and generating fewer emissions
- More complex transmissions for hybrid vehicles in the field of electromobility demand the increased use of metrology
- Flexible design and long service life, often in excess of 10 years, allow upgrades and overhauls for a long time, thus conserving resources
- Increased safety on the roads and in public squares through reduction of accidents and resilient infrastructures
- Improvement of living conditions through reduced noise pollution and environmental pollution
- Traffic monitoring with TraffiPole as a sustainable and environmentally conscious solution with reduced power consumption and elimination of cooling due to special design, housing made entirely of recyclable materials, with option for self-sufficient operation using solar panels
- SFC fuel cell technology reliably supplies Jenoptik speed monitoring systems with green energy
- Average speed cameras not only improve compliance with speed limits and traffic flow, but also deliberately reduce emissions in so-called "clean air zones"
- Installation at the side of the road limits interference in the environment (no installation of monitoring gantries)



## Social Commitment/Corporate Citizenship

Supporting young people in their education and scientific activities, as well as in social projects, is at the heart of our social commitment. Jenoptik supports a whole range of non-profit projects, organizations and initiatives and is chiefly involved in the following three funding areas:

- A commitment to the younger generation with projects in **science, education, and in the social arena**.
- **Art and cultural projects** to lend an attractive design to our company locations.
- Creation of conditions to improve our employees' work/life balance.
- A commitment to **integration and internationality** to strengthen the foundations of business and society in the future.

As a responsible and socially committed company, we want to play an active role in shaping our own environment, relying here on close and long-term partnerships that go beyond purely financial aspects. With our commitment to society, we

want to strengthen the confidence placed in Jenoptik and boost the employees' sense of identification with the company. We also expect this to have a positive effect on our brand image, reputation and our attractiveness as an employer.

The duties of Corporate Citizenship are the responsibility of Investor Relations & Communication. Group-wide guidelines govern the principles of a structured and standardized approach to defining "Jenoptik as a Corporate Citizen" and ensure a standardized method of handling donations and sponsorship queries, as well as carrying out sponsorship projects.

Our commitment to our region is of particular relevance. Since 1996, the Group has supported the Adult Initiative for Children with Cancer Jena e. V. Donations both made by Jenoptik and collected from partners as well as the organization of diverse events help to support children with cancer and their parents. In 2021, the group-wide program "Mitarbeiter\*innen im Ehrenamt" (Employees and Volunteering) entered its third round as a further pillar of social commitment. Volunteering is an important link in society. Many Jenoptik employees around the world are committed to this and are supported by Jenoptik in doing so.

### T24 Social commitment – exemplary projects 2021

|                     |   |  |
|---------------------|---|--|
| Social              | Jenoptik supports                                 | <ul style="list-style-type: none"> <li>• Summer camps for children of Jenoptik employees and children of recognized refugee families</li> <li>• Promotion of "Mitarbeiter im Ehrenamt"</li> <li>• Thanksgiving food collections for the needy in Jupiter and Rochester Hills</li> <li>• Blood donation campaigns for One Blood in Jupiter</li> </ul>   |
| Science & Education | Jenoptik is a partner for                         | <ul style="list-style-type: none"> <li>• Experimentarium Imaginata Jena e.V.</li> <li>• The Thuringian young researchers competition "Jugend forscht" and "Schüler experimentieren"</li> <li>• Applied Photonics Award</li> <li>• Improving the conditions for home schooling for needy families</li> <li>• Lothar Späth Award for Outstanding Innovations in Science and Business</li> <li>• Global competition "SPIE Startup Challenge"</li> </ul>   |
| Art & Culture       | Jenoptik supports cultural projects with partners | <ul style="list-style-type: none"> <li>• Light art on the facade of the Ernst Abbe high-rise</li> <li>• Own series of "tangente" art exhibitions</li> <li>• Summer concert series at the Thalbürgel monastery church</li> <li>• Open-air Cultural Festival "Kulturarena" organized by the city of Jena</li> <li>• Easter charity concert by the International Young Orchestra Academy on behalf of the Elterninitiative für krebskranke Kinder Jena e.V. (did not take place in 2021 due to corona)</li> </ul> |



As a member of the “Familienfreundliches Jena e.V.” Förderkreis, the Group works with numerous partners to support projects conducted by the “Jenaer Bündnis für Familie” (Jena family alliance) and models of family-friendly childcare: the “Saaleknirpse” in Jena, the “Wasserstrolche” in Wedel and the “Talentschuppen” in Monheim. Once again there was a joint summer camp for the children of Jenoptik employees and children from refugee families.

2021 too was shaped by the global coronavirus pandemic, which was once again reflected in our social commitment. Some projects that Jenoptik traditionally supports could not take place in the usual way due to the pandemic. Consequently, Jenoptik redirected some of its commitment to the promotion of pandemic-related and environmental projects. For example, Jenoptik followed up on the 2020 fundraising campaign to finance mobile devices for students of needy families for home schooling, supported the purchase of an air filter for an elementary school, and initiated a group-wide fundraising campaign to help people affected by the flood disaster in the Ahr Valley. In the USA, Jenoptik employees supported the “One Blood” organization with blood donation drives as well as people in need with various initiatives.

Since 2021, Jenoptik has been the main sponsor of Imaginata Jena, an experimentarium for the senses and an extraordinary learning and events venue. The aims of Imaginata, to increase young people’s awareness of science and technology at an early age, fit in very well with one of the central issues of Jenoptik’s social commitment – encouraging young people socially and in education.

In 2021, Jenoptik created the technical prerequisites for a contemporary video mapping projection on the Ernst-Abbe high-rise building in Jena, enriching the cultural offerings of Jena, the City of Light.

## Responsible Corporate Governance

In a globalized market environment, Jenoptik is fully committed to responsible corporate governance and law-abiding, compliant conduct. We make our business decisions with this in mind and always work to ensure that our actions are in accordance with regulations, laws and our values. Compliance & Risk Management therefore lies within the remit of the Chairman of the Executive Board and reports directly and regularly to him. The Director of Compliance & Risk Management is in close contact with all employees throughout the organization and controls the Group’s enterprise risk management system in close cooperation with the central divisions and the divisions’ risk officers. Our compliance organization comprises a central Compliance Competence Center with specialist responsibility for compliance, risk management, data protection as well as customs and export control. In the North America and Asia/Pacific regions, the team is strengthened by regional compliance officers.

Respect for human rights is a high priority for Jenoptik, especially in the supply chain. Jenoptik is committed to internationally recognized standards of human rights and does not tolerate any form of slavery, forced labor, child labor, human trafficking or exploitation in its own business operations or those of its supply chain. We also expect our suppliers to comply with and respect internationally recognized human rights standards, e.g. the Slavery and Human Trafficking Statement. Separate codes of conduct for both sales partners and for suppliers define the Jenoptik Group’s requirements for our business partners and require them to comply with nationally and internationally applicable statutes, regulations and standards. In order to identify violations and high-risk business partners in good time, a platform for group-wide supplier screening regarding compliance with all sustainability criteria was launched. Cooperation only takes place with those business partners who accept Jenoptik’s compliance declaration. Jenoptik is currently actively working to fulfill the requirements of the German Supply Chain Due Diligence Act (LkSG).

**Anti-corruption:** Jenoptik fights all forms of active and passive corruption and expects all its business partners to do the same. For detailed information on Jenoptik’s compliance management system, the company guidelines and codes of conduct for employees, suppliers and sales partners, our online training, and our whistleblower system, we refer you to the Corporate Governance Statement from page 26 on and the Risk and Opportunity Report from page 141 on.

**Supplier management:** As one of our most important resources, our supplier base has a significant influence on the value contribution of our products, but also on sustainability and environmental protection. We partner with our suppliers all along the value chain on a long-term basis. When selecting our business partners and when working together, we take into account their performance in terms of safety, health, the environment, social standards and fair business practices in order to further develop an integrated supplier management system.

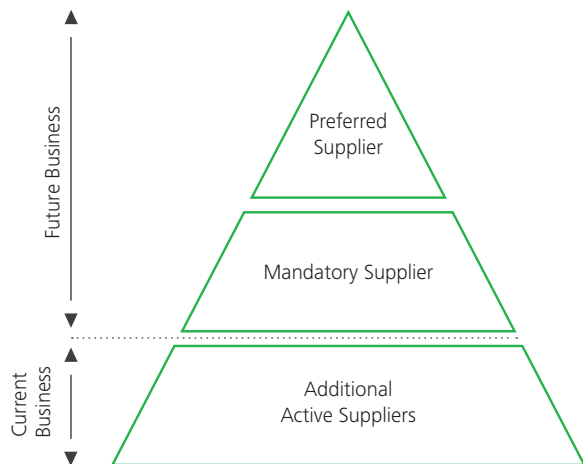
Our business partners are classified and assigned to the different phases of the supplier life cycle. Our Preferred Suppliers are of strategic importance for our future business. They are qualified according to uniform criteria applying group-wide. We hold a strategic meeting with our Preferred Suppliers at least once a

year at which we discuss supplier assessment and their development. We use a scorecard to help set targets and measures relating to quality, logistics, technology, costs, and sustainability.

Irrespective of procurement volume, our Code of Conduct for Suppliers or the mutual recognition of equivalent codes serves as the basis for contractual relationships. Our Code of Conduct – or what is recognized as its equivalent – contains as a minimum topics such as compliance with laws and regulations, respect for human rights, the prohibition of forced and child labor, the responsible handling of conflict materials and the obligation to protect the environment. In order to further increase transparency in the supply chain, Jenoptik implemented a central platform for the global monitoring of suppliers with respect to compliance and sustainability. In this context, a new indicator, the so-called Corporate Social Responsibility rate (CSR), was introduced in 2021, which indicates the percentage of suppliers of production materials with an annual purchasing volume in excess of 200,000 euros for which complete CSR self-assessments assessed as non-critical exist. In the form of questionnaires, these cover the topics of environmental protection, compliance management, human rights and the prohibition of child labor, ensuring health and safety, as well as anti-corruption and sustainability in the supply chain. The survey will be managed via the sustainability and compliance platform implemented in 2021. If self-assessments are not completed in full or are rated as deficient, the cause is determined in dialog with the supplier and joint measures are initiated to improve the assessment. Ultimately, a termination of the supplier relationship cannot be ruled out. In 2021, the CSR rate was 38.0 percent. The CSR rate is to be 40 percent by 2022 and 50 percent by 2025.

Purchasing in the Jenoptik Group is globally positioned and responsible for all procurement activities and the supply chain management. The various purchasing categories and product groups are controlled and managed by commodity managers worldwide. The Vice President for Corporate Supply Chain Management & Procurement reports directly to the CFO of JENOPTIK AG, Hans-Dieter Schumacher.

## G15 Classification of suppliers



## Quality Management

### Quality Management

The key to Jenoptik’s success as a technology company primarily lies in the quality of its components, products and solutions. Longstanding collaborations with key customers, sometimes

in the form of development partnerships, and the confidence placed in us by our partners are proof that our products and solutions are convincing in their quality worldwide. As a quality leader, we are proactively committed to ensuring that the quality of our products and services is above average in many of our product areas. For more than 30 years, Jenoptik has been a member of the German Association for Quality (DGQ e.V.).

Quality management at Jenoptik is managed locally in the business units and falls within the responsibility of the division managers. Each division applies individual customer and market-related quality indicators. The following overview summarizes essential Key Performance Indicators (KPIs) for quality management in the Jenoptik Group.

One measure to ensure and further improve our quality are our process optimizations (Plan-Do-Check-Act (PDCA) and lean cycles), which have an impact on all areas of the business – from the development of new products via quality planning to the quality of the finished product (safe launch). Topics such as international quality and occupational health and safety as well as environmental protection programs were developed on the basis of the Jenoptik and divisional strategies. In 2021, further

modules of the Computer Aided Quality System (CAQ system) were implemented for more efficient planning, execution and evaluation of business processes and a module for the risk assessment of products and processes (FMEA) was successfully started. For example, in 2021, the Light & Safety division set up a “Supplier Quality Development Area” to establish an independent quality check for incoming goods inspections and the qualification of suppliers.

In addition to certifications, further issues in quality management at Jenoptik include standardization, process improvements, tests as well as continuous dialog with customers, e.g. analyses of customer satisfaction. Our group companies comply with the requirements of the ISO 9001 quality management standard. All manufacturing facilities are certified to ISO 9001 worldwide. Selected companies also meet the requirements of the ISO 14001 environmental management system.

The table T26 shows a selection of group certifications and the actions undertaken in 2021. The Light & Optics division has successfully passed the multi-site certification in accordance with the ISO 9001 and ISO 14001 international standards for quality and environmental management for several sites. Successfully audited were the implementation of the environmental management standard ISO 14001:2015 (in Wedel and Essen), the ISO TS 22163 (in Altenstadt) and compliance with the industry-specific standard EN 9100:2018 (in Wedel and Essen). In all audits, the auditors from the DQS (Deutschen Gesellschaft zur Zertifizierung von Managementsystemen) and TÜV Rheinland positively highlighted the further development of the quality and environmental management system, the high degree of integration of environmental topics into company processes, and the large number of improvement measures planned and implemented in particular. In addition, they certified that the employees receive a very high level of qualification. In the fall, the Automotive division’s production area at the Shanghai site successfully passed an ISO 9001 audit by the DQS.

In the fiscal year 2021, VINCORION successfully completed the ISO 27001 certification. This is the first matrix certification for VINCORION valid for the two companies with their three sites Wedel, Essen and Altenstadt. VINCORION also received the first certification for the environmental management system in 2021. In 2022, the company will continue to integrate its management systems and merge the previously separate ISO 14001 certifications. VINCORION is also expanding its information security management system towards CMMC certification, as required by the US market.

## T25 Examples of the divisions` KPIs

| Criterion                                 | Examples for KPIs of the divisions   |
|---|--|
| Quality from a customer perspective       | <ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Complaints costs ratio</li> <li>• Warranty and guarantee costs</li> </ul>  |
| Quality as an internal operations partner | <ul style="list-style-type: none"> <li>• Internal audits (number of improvements)</li> <li>• Measures in the process of continual improvement (number)</li> <li>• Process and product quality                             <ul style="list-style-type: none"> <li>- Production yield/quality level</li> <li>- Reworking costs</li> <li>- Scrap costs</li> </ul> </li> <li>• Policy Deployment Matrix (PDM)</li> </ul> |
| Quality from the supplier’s perspective   | <ul style="list-style-type: none"> <li>• External supplier audits (number of improvements)</li> <li>• Suitable suppliers (number)</li> <li>• Complaints ratio</li> <li>• Complaints costs</li> <li>• Guarantee and warranty costs</li> </ul>   |

## T26 Certification within the Group (selection)

| Certification                                 | Description  | 2021 actions   |
|---|--|--|
| ISO 9001                                      | Certification of quality management processes  | <ul style="list-style-type: none"> <li>Matrix certification of all German Light &amp; Optics sites incl. TRIOPTICS</li> <li>Successful surveillance audit at the Shanghai site</li> <li>Matrix certification of all Light &amp; Production sites except for Spain</li> <li>Matrix certification of Light &amp; Safety sites in German and Austria</li> <li>VINCORION certifications: Successful surveillance audit at JENOPTIK Power Systems GmbH</li> </ul> |
| EN 9100                                       | Certification of quality management processes specific to the aerospace and defense industries                   | <ul style="list-style-type: none"> <li>Re-certification/surveillance audit at VINCORION</li> <li>Re-certification/surveillance audit of the Light &amp; Safety sites in Germany, Switzerland, Austria and the Netherlands</li> </ul>   |
| ISO 13485                                     | Certification for the medical market with respect to the design, development and manufacture of medical products | <ul style="list-style-type: none"> <li>Certification in the Light &amp; Optics division: Expansion audit for the biophotonics production and development area</li> </ul>   |
| ISO 14001                                     | Certification of the environmental management system   | <ul style="list-style-type: none"> <li>Matrix certification of German Light &amp; Optics sites: Expansion of the scope for the Berlin-Adlershof site within the framework of the existing multi-site certification</li> <li>Re-certification in the Light &amp; Production division: Successful certification of the Bayeux site (France)</li> <li>Re-certification at VINCORION</li> </ul>  |
| ISO 27001                                     | IT security and compliance certification   | <ul style="list-style-type: none"> <li>Initial certification as matrix certification at VINCORION</li> </ul>   |
| ISO 45001                                     | Certification of the occupational health and safety management system  | <ul style="list-style-type: none"> <li>Successful certification of the Light &amp; Production site in Bayeux (France)</li> </ul>   |
| IATF 16949                                    | Certification for the automotive industry  | <ul style="list-style-type: none"> <li>Surveillance audit and special audit at the Triptis site</li> </ul>   |
| ISO/TS 22163                                  | Quality management system for the rail industry  | <ul style="list-style-type: none"> <li>VINCORION: Successful re-certification audit</li> </ul>   |
| IRIS  | International Railway Industry Standard  | <ul style="list-style-type: none"> <li>Certification at VINCORION</li> </ul>   |
| ILO-OSH-2001 / OHSAS 18001 bzw. DIN ISO 45001 | Certification of occupational safety and health management   | <ul style="list-style-type: none"> <li>Re-certification in Light &amp; Production</li> <li>Re-certification at VINCORION</li> </ul>  |
| AQAO 2110/2210                                | NATO quality assurance system  | <ul style="list-style-type: none"> <li>Renewal of certification at VINCORION</li> </ul>  |

## Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting<sup>1</sup>

To JENOPTIK AG, Jena

We have performed a limited assurance engagement on the Combined Separate Non-financial Report of JENOPTIK AG, Jena, (hereinafter the "Company") for the period from 1 January to 31 December 2021 (hereinafter the "Combined Separate Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

### Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Combined Separate Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section "Information on the EU Taxonomy Regulation" of the Combined Separate Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Separate Non-financial Report that is free from material misstatement whether due to fraud or error.

<sup>1</sup> PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the Combined Separate Non-financial Report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section “Information on the EU Taxonomy Regulation” of the Combined Separate Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the imminent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

### Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”: “BS WP/vBP”) as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-financial Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company’s Combined Separate Non-financial Report, other than the external sources of documentation or expert opinions mentioned

in the Combined Separate Non-financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section “Information on the EU Taxonomy Regulation” of the Combined Separate Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gaining an understanding of the Company’s sustainability organization and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about the internal control system relating to this process and selected disclosures in the Combined Separate Non-financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-eligible economic activities and the corresponding disclosures in the Combined Separate Non-financial Report

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

## Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-financial Report of the Company for the period from 1 January to 31 December 2021 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in section “Information on the EU Taxonomy Regulation” of the Combined Separate Non-financial Report.

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

## Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement. The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

München, 16 March 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Hendrik Fink                      ppa. Thomas Groth  
Wirtschaftsprüfer  
[German public auditor]