



**MORE LIGHT**

UN Global Compact  
Communication on Progress 2022  
JENOPTIK AG

# Management Foreword

Dear Madam, dear Sir,

I'm delighted to confirm that Jenoptik has joined the UN Global Compact and is committed to fully abiding by the ten principles of the United Nations in the fields of human rights, labor, environment, and anti-corruption. As a new member of the UN Global Compact, we support and respect the conditions of participation, including the obligation to submit an annual Communication on Progress (COP). We are committed to making the UN Global Compact and its principles part of our strategy, our corporate culture, and our daily operations.

In joining the UN Global Compact, we want to demonstrate once again that sustainability is at the core of our corporate responsibility. We believe that making a meaningful contribution to sustainability in cooperation with trusted partners is crucial to our long-term success.

As an international technology group, innovation is our driving force and the basis of our success in business. With our know-how and innovative products, Jenoptik, as an "enabler" is making an important contribution to overcoming social challenges and helping its customers to contribute more efficiently and sustainably to greater resource conservation and climate protection. In 2021, for example, we received the Sustainability Excellence Award from the Dutch company ASML for our sustainable actions, in particular for the reuse of electronic components through highly standardized repair processes. For Jenoptik, the award is both a confirmation and an incentive to continue along this path.

One of our prime concerns is to continue working to attain the goals of the United Nations Global Compact and to shape our corporate culture and our daily business in accordance with the above-mentioned principles. This progress report sets out in detail what we have already achieved within the company, as well as our plans for the future.

Kind regards  
Dr. Stefan Traeger  
President & CEO



“We are committed to making the UN Global Compact and its principles part of our strategy, our corporate culture, and our daily operations.”

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President & CEO

## About Jenoptik

Jenoptik is a globally operating technology group, and optical technologies are the core of our business: Our key target markets primarily include the semiconductor equipment industry, medical technology, automotive and mechanical engineering as well as traffic. Approximately 4,300 employees work for Jenoptik worldwide. The Group's headquarters and main production location are in Jena (Germany), followed by the US and China. JENOPTIK AG is listed on the German Stock Exchange in Frankfurt and is included in the SDax and TecDax. In the fiscal year 2021, Jenoptik generated revenue of 750.7 million euros with its continuing operations.

Jenoptik is active in the two photonics-based divisions: Advanced Photonic Solutions and Smart Mobility Solutions. The business activities, particularly for the automotive market are managed as independent brands within the Jenoptik Group.

## Sustainability at Jenoptik

Sustainability is an integral part of our corporate strategy and is already well anchored in our organizational structure. At Jenoptik, we act not only on the basis of financial indicators, but are also guided by non-financial KPIs (key performance indicators). Our sustainability targets are taken into account in Executive Board remuneration and are reflected in our group financing strategies as well.

Our products and solutions put us in the position of an enabler, helping our customers to protect the environment and conserve resources. This allows us to contribute to attaining the United Nations' Sustainable Development Goals. We boost health and well-being (SDG 3) through our biophotonics products, contribute to the creation of sustainable cities and communities (SDG 11) through our traffic safety products, strengthen industry, innovation, and infrastructure (SDG 9), and enable responsible consumption and production (SDG 12) through smart manufacturing. We promote more diversity and equality among our employees (SDG 5) and are stepping up our efforts to reduce greenhouse gases (SDG 13).

## Materiality Analysis

Jenoptik maintains ongoing dialog with all of its stakeholders. In 2020, we updated our materiality analysis through an online survey with an independent assessment of all non-financial aspects that are essential for sustainable business development – both from Jenoptik's perspective and from the perspective of our 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 and reviewed on a regular basis. 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.

## 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 ensure that our actions are in accordance with regulations, laws, our values, and environmental and social concerns.

As a high-tech company, we support our customers in order to be successful on international markets with excellent products and solutions. We strive for the highest level of quality, not only in our processes, but also in our conduct with our business partners and each other. At Jenoptik, economic success and responsible action are two inseparable goals.

We are fully committed to complying with national and international law. In addition to our group guidelines, the "Jenoptik Code of Conduct for Employees," which summarizes the most important principles of conduct, provides guidance for compliant conduct. It sets minimum standards, offers guidance on ethical and legal issues that may arise at work, creates transparency, and points the way forward in conflict situations. Our compliance and risk management systems are closely linked to ensure a uniform understanding of compliance standards throughout the Group. These systems complement each other, pool measures, and ensure that business activities comply with applicable law and internal requirements at all times. To this end, we train our employees in compliance issues and conduct screenings of our business partners in accordance with a risk-oriented approach (third party due diligence). The internal guidelines and control system provide our employees with the necessary framework for their daily business decisions.

### T1 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				
Recruiting and employer attractiveness	Water management		Sustainable supplier management	Integrity and compliance	Innovation-friendly environment
Fair working conditions	Protection of resources			Data protection	
Occupational safety				Data security	Customer satisfaction

## Human rights

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

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

## Labor

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

**Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labor.

**Principle 5:** Businesses should uphold the effective abolition of child labor.

**Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

# The 10 Principles of the UN Global Compact

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

**Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.

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

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

## Environment

## Anti-corruption

# Human Rights

» In short «

Equal opportunities and respect for human rights are a matter of course for us. We promote a culture of responsible interaction with one another.

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

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

## Assessment, Principles, and Goals

Respect for **human rights** is an essential element of our sustainability management and is a high priority for Jenoptik, especially in the **supply chain**. Jenoptik supports and respects internationally proclaimed human rights, is committed to complying with internationally recognized standards, and does not tolerate any forms of slavery, forced labor, child labor, human trafficking, or exploitation in its own business activities or supply chain. Our overriding goal is not to commit human rights violations or take advantage of them at any stage in the manufacture of our products. We also expect our suppliers to respect and comply with 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. A violation of these principles may justify the termination of work with suppliers and partners.

Jenoptik encourages its employees to report suspected or actual incidents of inappropriate, unethical, or unlawful events in connection with human rights. For this purpose, a complaints mechanism is available to both our internal and external stakeholders. Specific whistleblowing guidelines set out the organizational procedures for dealing with submitted tip-offs.

**Due diligence on conflict minerals:** The procurement of minerals, especially in unstable regions of the world, can result in the financing of conflicts and thus to the violation of human rights. Our purchasing processes therefore include mandatory requirements for suppliers to procure minerals and products responsibly. This helps us to ensure that conflict minerals are procured with due regard for human rights, the need to avoid conflict, and the desire to support development through supply chain practices.

Our **employees** are also committed to compliance with human rights through their pledge to adhere to our Code of Conduct, which can be accessed on the intranet at any time. Jenoptik Group employees are required to participate in online training courses. The Code of Conduct and the group guidelines form part of their employment contracts and thus oblige employees to respect human rights, among other things. A violation of these principles can justify disciplinary action against employees. Last but not least, the quality management officers are also the contact persons for queries and for reporting incidents of possible human rights violations.



## Implementation

In order to further increase transparency in the **supply chain** and identify violations and high-risk business partners in good time, Jenoptik implemented a central platform for group-wide supplier screening with regard to compliance with a range of sustainability criteria in 2021. Cooperation only takes place with those business partners who accept Jenoptik's compliance declaration – or one recognized as being equivalent.

A new indicator, the Corporate Social Responsibility ratio (CSR-rate), was introduced in 2021, and 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, anti-corruption, and sustainability in the supply chain. The survey is managed via the sustainability and compliance platform. If self-assessments are not completed in full or reveal a poor assessment, the cause is identified in dialog with the suppliers and joint steps are taken to improve the assessment. In the worst case, a supply relationship may ultimately be terminated. In 2021, the CSR ratio was 38.0 percent. It is expected to be 40 percent by 2022 and 50 percent by 2025. Jenoptik is currently actively working to fulfill the requirements of the German Supply Chain Due Diligence Act (LkSG) and will comply with them.

**Occupational health and safety** is essential to preventing work-related health risks and ensuring that work is always humane. It is integrated into the Group's operating processes to help identify at an early stage and minimize risks that could endanger employees. We see it as our responsibility to continuously improve our employees' basic need for safety and satisfaction in the workplace.

Organizing occupational health and safety for our employees is a corporate responsibility within the Group and its companies. The Occupational Safety, Health, and Environmental Protection (EHS) department is part of Corporate Real Estate Management, falling within the responsibility 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 quarterly in the Group and its companies. Employees are briefed on health and safety issues once a year. At all the German locations, around ten percent of the workforce are trained as first-aiders.

**Corporate health management** is centrally managed by the HR department with external specialist support and implemented in all companies. The cooperation agreement with the Techniker Krankenkasse health insurance fund and the establishment of local "health steering groups" support the implementation of measures and on-site employee offers, which were continued despite the pandemic.

In 2021, the ratio of reportable workplace and commuting accidents in Germany per 1,000 employees was 9.1 (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.

# Labor

» In short «

We see the know-how and experience of our employees, their willingness to perform and respect for diversity and equal opportunities as important value contributions to an attractive and dialog-oriented corporate culture.

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

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

Principle 5: the effective abolition of child labor; and

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

## Assessment, Principles, and Goals

**Freedom of association and the right to collective bargaining:** Our employees have the right to organize – regardless of whether freedom of association is protected by law. We work constructively with employee representatives and trade unions. The works councils at our sites are important partners. Across the Group, collective bargaining agreements exist for the majority of our employees. In group companies not covered by collective bargaining agreements, co-determination is explicitly desired in accordance with local law, and we work constructively with these stakeholders. In jointly constituted committees, we regularly inform the employee representatives about the economic situation and all important changes in the Group. In the event that our business decisions have an impact on employees, we reach agreements with the relevant employee representatives. In Germany, extensive regulations are set out in the Works Constitution Act. We inform our employees at an early stage of any significant changes. Furthermore, representatives of the workforce, the trade union, and parties representing the interests of senior executives hold a total of half of all seats on the Supervisory Board of JENOPTIK AG.

The “Code of Conduct for Jenoptik Employees” prohibits any form of exploitation or **human rights** abuses, in particular **forced and child labor**, and enshrines guarantees of fair working conditions and statutory minimum wages. We are committed to compliance with relevant legislation relating to working hours and occupational health and safety, and we respect the dignity of every individual. Jenoptik has a zero tolerance policy toward unequal treatment and discrimination against individuals based on factors such as ethnic origin, skin color, gender, religion or belief, disability, age, marital status, and sexual identity. Managers assume particular responsibility in this regard. Group guidelines are created and reviewed on the basis of a standardized process. All group guidelines are approved by the Executive Board.

**Diversity and eliminating discrimination:** With their experience and knowledge our employees’ are absolutely essential to Jenoptik’s business success. As an employer, we focus on our corporate values – **open, driving, confident** – and a dialog-oriented corporate culture characterized by initiative and respect for diversity and equal opportunities. Innovation and an open, agile corporate culture need diversity. As a company, we want to use difference and diversity across the board to promote creativity and generate innovation.

Among other things, we have committed to ensuring equal opportunities and equal treatment, compliance with internationally recognized human rights standards, and assurance of fair working conditions. We can only fulfill this commitment if all our employees contribute to it. Each and every employee therefore has a particular obligation to

- respect the personal dignity of each individual;
- refrain from any actions or statements that discriminate against, unfairly disadvantage, or unequally treat others based on their race, ethnic or national origin, skin color, gender, religion or belief, political affiliation, disability, age, marital status, sexual identity, or other personal traits;
- comply with internationally recognized human rights standards;
- comply with laws and internal regulations on minimum wages, working hours and occupational health and safety.

Jenoptik is also committed to taking steps to prevent discrimination in general. We promote cultural diversity and individual skills. The management therefore takes a clear and recognizable stance on the issue of anti-discrimination and requires employees to behave respectfully and fairly towards customers, colleagues, and suppliers – as set out in the Code of Conduct for Employees. Jenoptik employees at German locations are protected against discrimination and harassment by the General Equal Treatment Act. Every employee must commit to compliance with the regulations of this act upon joining the company.

## Implementation

We take various steps to ensure respect for human rights both internally and in our external sphere of influence. Jenoptik enforces a strict ban on child and forced labor in accordance with the core labor standards of the International Labor Organization (ILO). This ban is set out in our Code of Conduct and is binding throughout the world.

A number of human rights issues are also included in the Code of Conduct for our suppliers. All employees may use the whistleblowing system on the Jenoptik intranet, by telephone, or by email to report significant violations that must be handled confidentially. From 2022, external stakeholders will also be able to use this whistleblowing system on the internet for reporting purposes.

Jenoptik organizes regular compliance training to inform and refresh its employees on the principles of the Code of Conduct. Our approach is to offer specific training targeted to employee groups. Each employee is obliged to take part in this training.

In HR work, initiatives to increase the diversity of our workforce and the attractiveness of Jenoptik as an employer are a key issue. As a matter of high priority and with the support of the Executive Board, Jenoptik is pursuing many initiatives to promote more diversity and the careers of women, and with it a modern corporate culture. A global and diverse Diversity Council manages the topic internally. As one example, we aim to fill more management positions in the Group with international employees and women – measured by the diversity ratio, which we aim to increase to 30 percent by 2022 and 33 percent by 2025. In 2021, the diversity ratio was 28.6 percent (prior year: 27.8 percent). As the rising star of the year in the Women's Career Index (FKi) in 2020 and a signatory to the Diversity Charter, Jenoptik promotes diversity within the company and drives cultural change. We offer our employees attractive framework conditions such as numerous discounts in the areas of shopping, family, health and leisure, e.g. company bike leasing offers, job tickets, cooperation with gym's, mobile working or, depending on the travel activity, the Bahn-card, and a wide range of individual development opportunities. We encourage employees who drive things forward and who have the will to succeed, as only committed and curious people with new ideas can achieve outstanding results.

# Environment

» In short «

Jenoptik's understanding of sustainability is based on the conviction that the company's economic goals and thus sustainable profitable growth can only be achieved through responsible behavior in harmony with the environment and society.

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

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

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

## Assessment, Principles, and Goals

**Protecting the environment** is one of our top priorities, and we consider it our corporate responsibility to grow sustainably in harmony with the environment and society and to use resources and energy efficiently. As an enabler, we ensure our products allow our customers to act in a resource-conserving, efficient, and sustainable manner. In our Code of Conduct, we also require our suppliers and contractual partners to comply with relevant laws to minimize environmental risks.

Environmental management is a key part of our business practices. As a manufacturing company, we set our focus on

- efficient resource management so as to reduce energy consumption and greenhouse gas emissions to the best of our ability,
- using materials in a safe and resource-saving manner,
- largely avoiding waste,
- ensuring good eco-design thinking and the economical use of resources as early as the development stage, and
- minimizing the impact on people, the environment, and nature through regulated recycling and disposal.

We comply with and some cases exceed statutory nature conservation and environmental protection requirements in all new buildings, extensions, and the modernization of production facilities. For example, the new Building Energy Act (GEG) and the Building Electric Mobility Infrastructure Act (GEIG) regulate topics such as heat recovery, insulation, and charging infrastructure and require companies to implement them.

Occupational health, safety, and environmental protection issues lie within the remit of the Chief Financial Officer. Here group-wide targets and framework conditions are defined and management systems integrated into business processes. Operational implementation takes place in the divisions. The central environmental officer coordinates, supports, and advises as required; waste officers take care of all matters relating to the prevention, accrual, recycling, and disposal of hazardous and non-hazardous waste. Continuous monitoring, regular internal audits, and external certification ensure that the systems meet the requirements. In line with their environmental relevance, selected Jenoptik companies are certified in accordance with the ISO 14001 environmental management standard. Matrix certification was carried out for the German locations of the divisions.

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 I) as well as the indirect emissions from purchased energy (Scope II). Specific measures include further 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 drive systems, and an appropriate infrastructure for charging all battery-powered vehicles is to be provided at the sites.

**Initiatives:** In order to promote environmental awareness within the company, employees throughout the Group can take part in a sustainability competition focusing on “environmental protection” and make a personal contribution to greater sustainability at Jenoptik. Projects may be implemented in the categories of

- waste/recycling/circular economy,
- resource conservation,
- energy or CO<sub>2</sub> savings, and
- biodiversity.

The management’s clear commitment to greater sustainability is evident in the wide range of **sustainability objectives, some of which are also reflected in Executive Board remuneration and group financing**. Both the debenture bond of 400 million euros placed in March 2021 and the syndicated loan of 400 million euros that followed in December 2021 are aligned with the ESG targets of the diversity ratio, green electricity ratio, and the Group’s CSR ratio. On the subject of Executive Board remuneration, long-term and sustainable development is to be promoted by granting a multi-year variable remuneration component and by considering sustainability criteria in the one-year variable remuneration.

**Training on environmental and sustainability issues** in relevant areas takes place regularly, and raises awareness of our employees to environmental and sustainability issues. This leads to process improvements in the working environment. At the Triptis site, for example, more plastic materials are now channeled back into the recycling process, thereby conserving resources, avoiding expenditure on waste disposal, and even generating income.

At product level, Jenoptik acts as an **“enabler”** and, as a sustainability partner to our customers, plays a crucial role in moving toward CO<sub>2</sub> neutrality. With our expertise and products, we are able to help our customers act more efficiently and sustainably and to contribute to greater resource conservation and climate protection – in line with the United Nations Sustainable Development Goals (SDGs). Selected examples illustrate this:

- Jenoptik’s traffic technology increases traffic safety on roads and public spaces, and creates resilient infrastructures and more sustainable cities by reducing accidents, pollution, and noise (SDG 9 + 11).
- Our biophotonics products enhance the health and well-being of society (SDG 3). Jenoptik lasers are used in ophthalmology, for example to treat glaucoma, and optical systems improve imaging and diagnostics in real-time disease detection.
- Our optical systems for semiconductor equipment or information and data transmission enable efficient and time-saving production processes and help to conserve resources (SDG 12).

## Implementation

Throughout Germany, Jenoptik has used the targeted purchase of renewable energies to source almost exclusively green electricity from European hydropower, backed by certificates of origin. 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 2021, 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 energy in total electricity requirements increased to 76.4 percent due to the conversion of further sites to green electricity (2020: 70.7 percent). The consumption of the various media (electricity, district heating, gas, heating oil, wood pellets) at all main sites was used to determine the CO<sub>2</sub> emissions. Group-wide CO<sub>2</sub> emissions were reduced by 16.1 percent to 7,713 tons in 2021 (2020: 9,194 tons). Relative to the base year 2019, CO<sub>2</sub> emissions in 2021 thus already fell by 24.1 percent (2020: reduction of 9.5 percent).

The conversion of existing lighting to LED lighting is being reviewed and successively implemented at several sites worldwide in ongoing conversion 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. 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.

The **second group-wide sustainability competition** was held in 2021. The numerous contributions from our employees clearly indicate the level of commitment to contributing to greater sustainability at Jenoptik. An independent jury evaluated the contributions, 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 1000 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 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 Applied Photonics Solutions 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.

Strengthening the innovation culture is essential to accelerating **the development and dissemination of environmentally friendly technologies**. Communication, networking, and the sharing of knowledge are key tools we use to exploit the full potential of our company. Examples include best practice communities, creative co-working, and employee podcasts for technology and innovation. The Innovation Workshop which was organized in cooperation with Optonet e.V., the local optics trade association, the Kombinat01 co-working space, and the Leipzig Graduate School of Management (HHL) was one such highlight in the fall of 2021. In a creative thinking and sharing process, startup concepts and exciting ideas for solutions to concrete challenges were developed in the three subject areas of “quantum technology,” “sustainability,” and “digitization”.



# Anti-Corruption

» In short «

We do not accept any form of improper influence and expect the same from our business partners.

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

## Assessment, Principles, and Goals

Jenoptik fights all forms of active and passive corruption, and expects all its business partners to do the same. Training and guidelines on specific topics are designed to ensure extensive awareness and a legally compliant approach to this issue within the Group. A Code of Conduct, which is equally binding on all employees of the Jenoptik Group, sets minimum standards and serves as a reference framework to establish maximum integrity as well as ethical and legal standards at Jenoptik. In order to further increase transparency in the supply chain, the Code of Conduct for Suppliers is an integral part of all supplier contracts. The supplier undertakes not to tolerate bribery, corruption, or other corrupt conduct. In connection with the provision of services for Jenoptik, it complies with all relevant national and international anti-corruption legislation (e.g., UK Bribery Act, Foreign Corrupt Practices Act).

## Implementation

In order to familiarize employees with compliance-related topics, regular, recurring online training courses and classroom events on subjects relevant to compliance, such as anti-corruption, anti-trust law, export control, IT security, and data protection, are regularly held at both the German and foreign business units. This allows us to create a uniform understanding of our compliance standards and the principles of our Code of Conduct throughout the company.

In addition to the training courses offered as part of our onboarding program for new employees, all Jenoptik employees are also required to participate in personalized mandatory training. Our approach is to offer specific training targeted to employee groups. Jenoptik provides comprehensive and high-quality e-learning for this purpose. Our aim is to provide continuous training on important and current compliance topics, and to communicate our compliance culture. In addition, every employee has the opportunity to contact the central Compliance & Risk department through a range of channels if they have any specialist questions.

Jenoptik encourages its employees to report cases of inappropriate, unethical, or illegal events related to corruption. A legally compliant procedure has been implemented through which violations of legal regulations and internal guidelines can be reported in a structured whistleblowing process. External tip-offs from customers, suppliers, consultants, and other business partners can be made in the same way starting this year.

## T2 Selected Compliance Trainings

Course title	Group of participants
Unconscious bias	all employees
Compliance basics	all employees
Protection against corruption	all employees
Information security	all employees
Handling of informations: data protection	all employees
Fair competition	Participants from certain areas in certain functions
Export responsibility	Participants from certain areas in certain functions

### T3 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 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 % 79 %	4.0 % 97 %	>4 % 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 % 17.1 %	9 % 19.1 %	10 % by 2022 20 % by 2022 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 % 9.5 % 6 *** 17 ***	76.4 % 24.1 % 16 27 points	70 % by 2022 75 % by 2025 30 % by 2025 Increase Increase
	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 %	40 % by 2022 50 % by 2025

\* 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

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The contents of this publication address all genders equally. For better readability, the masculine forms are used normally.

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