Management

» In short «

With our products and solutions
we contribute as

“enabler”

to increase the efficiency and precision of our customers' products and processes as well as to a better conservation of resources and more sustainability.

Jenoptik is thus making an important contribution to meet social and climatic challenges.

Interview with the Executive Board

The year 2021 has pointed the way for Jenoptik in many respects. For example, the company has taken significant steps in its transformation into a pure, globally leading photonics group through the acquisition of BG Medical and the SwissOptic Group, the signing of a contract for the sale of VINCORION and of further non-core activities. In future, the focus will be even more on the growth markets of semiconductor & electronics, life science & medical technology, and smart mobility. As part of the "More Value" strategic agenda communicated at the end of November 2021, new medium-term goals were defined for the period up to 2025, which envisage a revenue target of around 1.2 billion euros based on growth of around 8 percent per year including divestments and acquisitions. At the same time, profitability is to be raised to an EBITDA margin of around 20 percent. This development is accompanied by a clear commitment to sustainability. This is documented, among other things, by the target to reduce CO_2 emissions by 30 percent by 2025. The members of the Jenoptik Executive Board, Dr. Stefan Traeger and Hans-Dieter Schumacher, explain the details of these topics in this interview.

The EBITDA margin is to be improved to ~20% by 2025

2021 was a year of groundbreaking steps for Jenoptik, but it also continued to be influenced by the Covid-19 pandemic. Looking back, how do you sum it up?
Stefan Traeger: 2021 was both an eventful and very successful year for Jenoptik. In terms of revenue and profitability, it was another record year for Jenoptik. We have made decisive progress towards our goal of becoming a pure, globally leading photonics group. We have further strengthened our portfolio through acquisitions, disposed of non-core activities and concluded an agreement to sell our mechatronics business. More strongly than ever before, we have documented our social responsibility with respect to the defining issue of the coming decades – sustainability – through specific targets against which we can measure ourselves. And despite the continuing global burdens resulting from the Covid-19 pandemic, we have achieved a very good result. As can be seen from our "More Value" growth agenda communicated at the end of November 2021, this will by no means be the end of the road. For this outstanding result, I would first like to thank all our employees for their great dedication!

Before we go into the details of the future strategy, which key figures do you use as a basis for the success you mentioned?
Hans-Dieter Schumacher: We had already announced significant improvements in revenue and earnings in the last Annual Report. Our key figures then developed better than we had expected at the beginning of the year, and we were therefore able to raise our outlook during the year. At the end of the year, we reported an increase in group revenue, i.e. including VINCORION, from 767.2 million euros to 895.7 million euros and EBITDA growth from 111.6 million euros to 177.2 million

euros, as well as an EBITDA margin, including one-off effects, of 19.8 percent. Jenoptik is also very well positioned financially thanks to a free cash flow of 62.8 million euros and an equity ratio of 44.4 percent. We have sufficient financial firepower available for the future growth planned.

For the future, you have defined a new growth agenda up to 2025 with "More Value". What is this based on?

Stefan Traeger: "More Value" stands for value enhancement for all stakeholders in our company. The key aspect of the agenda is the company's focus on the three high-growth markets of semiconductor & electronics, life science & medical technology, and smart mobility. From this, the Group expects substantial revenue growth averaging around 8 percent per year to around 1.2 billion euros by 2025. This revenue increase is based on significant organic growth, which is complemented by targeted acquisitions. But possible divestments, such as VINCORION, also have to be taken into account. Focusing on a few highly attractive markets and an improved product mix should raise Jenoptik's profitability to an EBITDA margin of around 20 percent.

Step by step, what will Jenoptik look like in the future and will your reporting structure also change?

Hans-Dieter Schumacher: Our structure will simplify. Jenoptik is developing from a diversified group into a pure photonics player that will generate approximately three quarters of its revenue in the Advanced Photonic Solutions division in 2025. To do this, we are merging the two former Light & Optics and Light & Production divisions and separating the non-photonic activities – particularly in the automotive sector. In the Advanced Photonic Solutions division, we are bundling our activities in the areas of semiconductor & electronics, life science & medical technology as well as optical metrology. By then, we want to generate around one quarter of our revenue in the Smart Mobility Solutions division, which is responsible for the B2G business and corresponds to the former Light & Safety division. We see significant growth potential for revenue and earnings in both divisions. At the same time, this set-up will allow us to achieve a better balance between cyclical and less cyclical operations. We are combining our non-photonic activities, especially in the automotive sector, and managing them as independent brands under the Non-Photonic Portfolio Companies.

Does the Advanced Photonic Solutions division also include the 2021 acquisition of BG Medical and the SwissOptic Group?

Stefan Traeger: Correct. Following the very successful acquisition of TRIOPTICS in 2020, we announced further acquisitions in growth areas. Since December 1, 2021, BG Medical, now called Jenoptik Medical, and the SwissOptic Group have strengthened our activities in the areas of medical technology and metrology as well as in semiconductor equipment. For 2022, we expect additional revenue of around 130 million euros from the acquisition, and this with attractive margins. The companies are expanding our global production network, for example in China. For future revenue growth, we expect an annual increase in the low double-digit percentage range.

However, you did not just expand your portfolio in 2021, you also completed or announced divestments. Why?

Stefan Traeger: We are not concerned solely with revenue growth. In the future, we want Jenoptik to be known worldwide for its technological excellence in the photonics world, its strong growth and high profit levels. And we want to become a pure photonics group. Consequently, some divisions are simply no longer a fit for us and will be better off with other companies. Accordingly, in 2021 we divested smaller non-core activities such as non-optical metrology for grinding machines or the crystal growth business and also found a new owner for VINCORION, our mechatronics and defense technology business. In total, these three divestments generated revenue of around 150 million euros.

"Jenoptik is very well equipped financially to be able to finance its ambitious growth targets from its own resources."
Hans-Dieter Schumacher

"In 2021, Jenoptik took a big step closer to its goal of becoming a globally leading and high-growth pure player in the photonics sector."
Dr. Stefan Traeger

Much has also happened at Jenoptik in 2021 when it comes to sustainability...
Stefan Traeger: Definitely. Our previous ambitions are acknowledged, on the one hand by positive ESG ratings, and on the other hand by awards from customers. For example, at the end of 2021 we received a Sustainability Excellence Award from ASML, our customer in the semiconductor equipment sector. We were delighted by this and it encourages us to do more. Also in 2021, on the subject of what contribution Jenoptik can make to the goals of the Paris Climate Accord, we defined clear goals against which we can be measured. By 2025, we intend to cut our CO_2 emissions by 30 percent compared to the base year of 2019. The savings will come from direct emissions released by Jenoptik itself and indirect emissions from purchased energy. This will involve a large number of actions and investments, but they will be worth every euro. And we joined the UN Global Compact.

Are sustainability components also playing an increasingly important role when it comes to financing?

Hans-Dieter Schumacher: Yes. In March 2021, we successfully placed debenture bonds with sustainability components. At the end of the year, we also expanded our scope for further investment by refinancing and increasing our syndicated loan to 400 million euros at favorable market conditions, with an option to increase it by additional 200 million euros. We aligned the structure of the loan to verifiable goals with regard to sustainability in the supply chain, the group-wide share of green electricity and the diversity of management. At Jenoptik, economic success goes hand in hand with responsible environmental action.

Where is the road heading in the new 2022 fiscal year?

Stefan Traeger: 2021 has proven how successfully and robustly Jenoptik is positioned, even in times of an unprecedented global pandemic. As we have further optimized our portfolio, we also see good opportunities in 2022 for further growth in revenue and the EBITDA margin of the continuing operations, i.e. excluding VINCORION. We want to increase revenue by at least 20 percent and improve the EBITDA margin to around 18 percent. We have, of course, to keep an eye on the development of the pandemic and the effects of the war in Ukraine.

Why is Jenoptik still an attractive investment after the significant share price increase in 2021?

Hans-Dieter Schumacher: Naturally, we were pleased with the share price increase of almost 50 percent in 2021, as the capital market positively acknowledges our strategic development. We know that we have to deliver and we will do so. Then our shares also promise further potential. What our analysts like about us is that we are one of the market and technology leaders in growth sectors such as the semiconductor equipment industry, medical technology and smart mobility.

Dr. Traeger, Mr. Schumacher, thank you for talking to us!

Supervisory Board Report

Honored Shareholders,

One year ago, we reported that the Executive and Supervisory Boards were consequently implementing measures to counter the Covid-19 pandemic and that we were confident Jenoptik would emerge stronger from the crisis. We are pleased to announce that we were successful in our efforts: Jenoptik closed the 2021 year with very good revenue, order intake, and EBITDA figures. In acquiring together BG Medical Applications GmbH and the SwissOptic Group, the company again made a landmark acquisition for the Jenoptik Group. These, together with the contract to sell VINCORION signed in November 2021, are allowing Jenoptik to continue with its ongoing strategic focus on the high-growth industries of the future in the photonics sector.

Cooperation between the Executive and Supervisory Boards

In the year covered by the report, the Supervisory Board stringently fulfilled its duties as stipulated in law, the Articles of Association, the Rules of Procedure, and the German Corporate Governance Code (the “Code”) and both monitored and advised the Executive Board in its management of the company. We were fully involved in all decisions of fundamental importance to Jenoptik at an early stage. We were also regularly presented with comprehensive information by the Executive Board, both verbally and in written form, on issues pertaining to corporate planning, on business development and profitability trends, on matters involving risk position and risk management, on compliance issues, and on the general economic situation. We dealt intensively with the reports submitted, especially regarding transactions of significance to Jenoptik, and reviewed them for plausibility. Meetings of the Supervisory Board were in part prepared separately by shareholder representatives and employee representatives.

On occasions where, in accordance with the provisions of the German Stock Corporation Act (AktG), the Articles of Association, and the Rules of Procedure, the Executive Board required the agreement of the Supervisory Board before undertaking certain actions, we granted approval after thorough examination and consultation. During the past fiscal year, the Supervisory Board focused on a range of acquisition and divestment projects, as well as measures to further develop the corporate strategy. This, in particular, included the joint acquisition of BG Medical Applications GmbH and the SwissOptic Group, and the sale of VINCORION. In the event that the business development deviated from the established plans, the Executive Board notified us, explaining the reasons in detail. The Executive Board thus completely fulfilled its reporting obligations as stipulated in § 90 AktG and the Code.

Attendance at Meetings of the Supervisory Board and its Committees

The Supervisory Board convened five regular meetings and two extraordinary meetings during the reporting year. Even though the Code suggests that videoconferencing and conference calls should not predominate, the Supervisory Board still felt compelled to hold three of its meetings in virtual form due to the ongoing effects of the Covid-19 pandemic. One further in-person meeting took place; the other three were mixed, i. e., with some persons physically, some persons virtually present.

3 Management 24

In addition, resolutions were adopted by means of a written circular resolution four times. Agenda items relating to personnel matters on the Executive Board were in part addressed without the presence of the members of the Executive Board. Over the past fiscal year, the Supervisory Board saw a consistently high participation rate: No active members of the Supervisory Board or its committees attended half or fewer than half of the meetings in 2021. On average, attendance at Supervisory Board meetings was 98 percent. There were also five meetings of the Audit Committee, three meetings of the Personnel Committee, six meetings of the Investment Committee, and one meeting of the Nomination Committee. Only the Nomination Committee meeting was held in person. The other committee meetings were conducted either in virtual or mixed form. Attendance at Audit Committee and Nomination Committee meetings was 100 percent, at the Investment Committee meetings 97 percent, and at the Personnel Committee meetings 94 percent. In most cases, members who were unable to attend a meeting participated in the resolutions by means of voting in absentia. Detailed information on members' attendance at meetings can be found in tabe T01 on page 12.

The Executive Board and Supervisory Board always cooperated in an open and trusting atmosphere. The Chairman of the Supervisory Board and the Chairman of the Audit Committee also maintained regular contact with the Executive Board in between the meetings. The Chairman of the Supervisory Board consulted with the Executive Board on current business performance, in particular, but also on planning, the risk situation, risk management, and compliance measures within the company. In addition, the Executive Board promptly informed the Chairman of the Supervisory Board, either verbally or in writing, about important issues of key relevance to assessing the situation, development, and management of Jenoptik. It informed the Supervisory Board of these issues without delay and at the next meeting by the very latest.

Particular Subjects discussed by the Supervisory Board

At all its regular meetings, the Supervisory Board dealt with the detailed reports of the Executive Board on the progress of business, particularly with regard to the current development of revenue and earnings, the position of the company, and the financial and risk situations, in particular with regard to potential impacts arising from the Covid-19 pandemic. This included a comprehensive examination and discussion of the corresponding quarterly and monthly reports. Recurring issues at several meetings included explanations and discussions on a range of acquisition and divestment projects, in particular the joint acquisition of BG Medical Applications GmbH and the SwissOptic Group in October, and the sale of VINCORION in November 2021.

The members of the Supervisory Board adopted their report for the 2021 Annual General Meeting and approved the Corporate Governance Statement by separate **written circular resolutions in February 2021**. They also approved the start of negotiations with banks regarding new debenture bonds with ESG components. In addition, the CVs of Supervisory Board members were compared against the competency profile adopted by the Supervisory Board, updated, and published on the JENOPTIK AG website. By means of a written circular resolution, the shareholder representatives on the Supervisory Board objected in September to the overall fulfillment of the statutory gender quota with regard to the Supervisory Board elections due in June 2022. Following several detailed discussions, a further circular resolution in November concerned the sale of VINCORION.

The focus of the **balance sheet meeting on March 24, 2021** was the audit of JENOPTIK AG's Annual Financial Statements, the Consolidated Financial Statements, and both the Combined Management Report for JENOPTIK AG and the Group and the Non-Financial Report for the past 2020 fiscal year. Two representatives of the auditor reported on the results of the audit. After a thorough review, and on the recommendation of the Audit Committee, the Supervisory Board approved the Annual and

Consolidated Financial Statements. The Annual Financial Statements were thus adopted. Following in-depth discussions, the Supervisory Board also approved the Executive Board's proposal for the appropriation of profits, providing for a year-on-year increase of 12 cents in the dividend, to 0.25 euros per qualifying no-par value share. Another issue at this meeting was the approval of the agenda for the Annual General Meeting on June 9, 2021. The Supervisory Board approved the settlement of the 2020 target agreements for the members of the Executive Board, as well as the target-based payments of components of their long-term variable compensation, and adopted the new target agreements for 2021. The Supervisory Board also adopted the remuneration system for the members of the Executive Board presented to the Annual General Meeting in June 2021, and approved the conclusion of new debenture bonds, the acquisition of a site for the construction of a new factory in Dresden, and the issuance of a group guarantee for a project in the Light & Safety division. The Executive Board informed the Supervisory Board about various potential acquisition and divestment projects, as well as the progress made with the structural and portfolio measures approved in 2020.

At its **meeting on June 8, 2021**, the Supervisory Board, in addition to dealing with recurring topics, was given updated information relating to the Annual General Meeting to be held the following day, as well as on ongoing M&A projects. It again dealt with the progress made with the structural and portfolio measures and commissioned an external consultant to update its competence and requirements profile.

At the **meeting on September 14, 2021**, the Supervisory Board first discussed the regular submissions with the Executive Board. The Executive Board informed the Supervisory Board about a project to advance the Jenoptik strategy and provided detailed information about ongoing acquisition and divestment projects, in particular the project to acquire BG Medical Applications GmbH and the SwissOptic Group. In view of the Supervisory Board elections to be held in June 2022, the Supervisory Board discussed succession planning for the Supervisory Board. Prof. Dr. Tünnermann declared his intention to resign his seat on the Supervisory Board, after 13 years of service, with effect from December 31, 2021. Prof. Dr. Ursula Keller, Professor of Physics at ETH Zurich, introduced herself personally to the Supervisory Board as a candidate to succeed him. The Supervisory Board decided to propose Prof. Dr. Keller as a candidate to be appointed by court order in January 2022. Finally, the Supervisory Board approved the construction of a new cleanroom facility for JENOPTIK Optical Systems GmbH at the Dresden site.

T01 Participation of the individual Supervisory Board members in meetings

	Astrid Biesterfeldt	Evert Dudok	Elke Eckstein	Thomas Klippstein	Dörthe Knips	Dieter Kröhn
7 Supervisory Board Meetings	●●●●●●●	●●●●●●●	●●●●●●●	●●●●●●●	●●●●●●●	●●●●●●●
5 meetings of the Audit Committee	●●●●●	–	–	●●●●●	–	–
3 meetings of the Personnel Committee	–	–	–	●●●	–	–
6 meetings of the Investment Committee	–	–	●●●●●●	–	●●●●● ○	●●●●●●
1 meetings of the Nomination Committee	–	–	–	–	–	–

● Participation ○ No participation

At its **extraordinary meeting on October 7, 2021,** the Supervisory Board again discussed the acquisition projects and the current status of the project to potentially sell VINCORION. It approved the submission of a binding offer and, if accepted, the signing of a purchase agreement for the acquisition of BG Medical Applications GmbH and the SwissOptic Group. The meeting also dealt with a project for the further development of the Jenoptik strategy and the planning assumptions for 2022.

In a further **extraordinary meeting on November 9, 2021,** the Supervisory Board dealt in detail with the sale of VINCORION and, following separate consultation of the shareholder representatives, finally approved the conclusion of a purchase and share transfer agreement with a fund managed by STAR Capital Partnership, LLP by means of a circular resolution in late November 2021. A further topic at the meeting on November 9, 2021 was the conclusion of a new syndicated loan agreement with ESG components worth 400 million euros. During the two-day **strategy meeting on November 24/25, 2021,** the Supervisory Board was joined by the Executive Board to discuss in detail the new group strategy 2025, “More Value,” with a focus on the three high-growth semiconductors/electronics, life science/medical technology, and smart mobility markets.

At the final **meeting** in the year covered by the report, **on December 14, 2021,** the Supervisory Board approved the corporate planning for the 2022 fiscal year following in-depth discussion. After reviewing a corporate governance checklist, the Supervisory Board and the Executive Board approved the Declaration of Conformity in accordance with § 161(1) of the Stock Corporation Act (AktG) for the 2021 fiscal year. The Supervisory Board discussed the efficiency of its work over the past year, dealt with the outcomes of the updated competency and requirements profile, and initiated some preparatory action with regard to the departure of Professor Tünnermann on December 31, 2021 and the Supervisory Board election for shareholder representatives to be held in June 2022. The Executive Board also presented an update on Jenoptik’s sustainability management and the current Group Risk and Opportunity Report.

Doreen Nowotne	Heinrich Reimitz	Stefan Schaumburg	Frank-Dirk Steininger	Prof. Dr. Andreas Tünnermann (until 31.12.2021)	Matthias Wierlacher	Total attendence in percent
●●●●●● ○	●●●●●●●	●●●●●●●	●●●●●● ○	●●●●●●●	●●●●●●●	98 %
●●●●●	●●●●●	–	–	–	–	100 %
–	●●●	●●●	●●●	●● ○	●●●	94 %
●●●●●●	–	●●●●●●	–	–	●●●●●●	97 %
–	●	–	–	●	●	100 %

Work in the Committees

The Supervisory Board has established five committees to help perform its tasks with greater efficiency. To the extent permissible by law, these committees make decisions in individual cases in place of the Supervisory Board and prepare topics that are then addressed by the Supervisory Board. The chairmen on the committees provided in-depth information on the content and outcomes of each committee meeting at the following meetings of the Supervisory Board. With the exception of the Audit Committee, chaired by Heinrich Reimitz, the committees are led by the Chairman of the Supervisory Board. Information on the individual members of each committee can be found in the Group Notes appended to the Annual Report, from page 242 on, or in the Corporate Governance Statement, from page 26 on.

During the reporting period, the Audit Committee headed by Heinrich Reimitz convened five times. Both members of the Executive Board, the Executive Vice President Corporate Controlling & Accounting, and the Head of Group Accounting were present at all meetings; the heads of relevant departments attended as required for individual topics. The auditor’s representatives also attended the meeting in March 2021. The primary duties of the Audit Committee were in-depth audits of the Annual and Consolidated Financial Statements, the Consolidated Management Report for JENOPTIK AG and the Group, the Non-Financial Report, and detailed discussions of the quarterly statements and the half-yearly report prior to their publication. In addition, particular attention was paid to the effectiveness and further development of the risk management system, the internal control and compliance management system, and current topics and projects of relevance to Internal Audit and Compliance.

During a **conference call on February 9, 2021,** the Executive Board presented the committee members with the provisional figures in the 2020 Consolidated Financial Statements, which were published the day after.

The main issue at the **balance sheet meeting on March 10, 2021,** with the auditor present, was an in-depth discussion of the Annual and Consolidated Financial Statements, the Consolidated Management Report, the Non-Financial Report, and the Executive Board’s proposal for the appropriation of profits. As a result of these discussions, the Audit Committee recommended to the Supervisory Board that the Annual Financial Statements be adopted. The Audit Committee also dealt with the quality of the audit. Another issue at the meeting was the recommendation by the Audit Committee to the Supervisory Board that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart (“EY”), be proposed to the Annual General Meeting as the auditor for the fiscal year 2021. EY had previously confirmed the absence of circumstances that could compromise its independence as auditor. The Audit Committee also looked at the current Group Risk and Opportunity Report and the performance of the Jenoptik share on the capital market.

The Financial Statements for the first quarter, the current forecast for the 2021 fiscal year, and an update on sustainability management and current topics in Internal Audit were the priorities at the Audit Committee’s **meeting on May 10, 2021**.

At its **meeting on August 10, 2021**, the Audit Committee discussed the Mid-Year Financial Statements with the Executive Board prior to their publication. The Audit Committee set out the main points for the audit of the Annual Financial Statements in the fiscal year 2021, reviewed the fee agreement with EY, and addressed the issue of monitoring the independence of the auditor. To this end, it reviewed the non-audit services provided in 2020, and updated the catalog of permissible non-audit services it approved to reflect the new regulatory requirements of the Financial Market Integrity

Strengthening Act (FISG). The Audit Committee then appointed EY to audit the Annual and Consolidated Financial Statements for the fiscal year 2021 and carry out a substantive audit of the 2021 Remuneration Report in accordance with the shareholder resolution at the Annual General Meeting. A further topic of the meeting was the current Group Risk and Opportunity Report.

At its last **meeting** of the year **on November 9, 2021**, the Audit Committee examined the Quarterly Statement as of September 30, 2021, and the current forecast. Other priorities at the meeting included a presentation of the Jenoptik cybersecurity strategy by the company's Chief Information Security Officer and an update on sustainability reporting, in particular with regard to EU taxonomy and the Supply Chain Due Diligence Act.

The Personnel Committee met three times in the past fiscal year. The purpose of the sessions in February and March was the settlement of the target agreements with the members of the Executive Board for 2020, in particular to define the multiplier for calculating the variable remuneration, and the settlement of LTIs. In addition, the performance criteria for variable remuneration for the target agreements for the fiscal year 2021 were proposed. The Personnel Committee also prepared the adoption of the remuneration system for the Executive Board members, which was updated to reflect the new legal requirements of the Act Implementing the Second Shareholder Rights Directive (ARUG II) and submitted to the Annual General Meeting in June for approval.

The Investment Committee met six times in the past fiscal year to deal with various acquisition and divestment projects, in particular the projects to sell VINCORION and acquire both BG Medical Applications GmbH and the SwissOptic Group.

The Nomination Committee met once and dealt with succession planning on the Supervisory Board in view of the Supervisory Board elections to be held in June 2022. To this end, it prepared a proposal by the Supervisory Board for the election of shareholder representatives to the Supervisory Board.

The Mediation Committee established on the basis of § 27 (3) of the Codetermination Act (MitbestG) did not meet in the year covered by the report as there was no reason for it to do so.

Corporate Governance

The Supervisory Board continued to focus on the principles of good corporate governance and regulatory changes in corporate governance over the past fiscal year. At its meeting in June, the Supervisory Board commissioned an external consultant to update and supplement its requirements and competency profile, also with regard to the independence of the shareholder representatives. The results of the review were discussed at the December meeting, when preparations were made with regard to the Supervisory Board election of shareholder representatives to be held in June 2022. The December meeting also saw the Supervisory Board review its checklist on the German Corporate Governance Code and, together with the Executive Board, adopt the Declaration of Conformity in accordance with § 161(1) AktG. This and prior declarations extending back to 2004 are permanently available to shareholders on the Jenoptik website.

The Supervisory Board regularly reviews the efficiency of its work in accordance with the Code's recommendations. Following the most recent efficiency review carried out with the assistance of an external expert in 2020, the Supervisory Board undertook an internal self-assessment in the past fiscal year. The review gave a positive picture of the work of the Supervisory Board and its committees. No efficiency shortcomings were identified. The next external efficiency review is scheduled to take place in 2023.

Individual members of the Supervisory Board exercise an executive role at other companies with which Jenoptik has a business relationship. All of these business transactions, which are not of significant relevance to Jenoptik, were conducted under the same conditions as would have been maintained with third-party companies. Neither the Executive Board nor the Supervisory Board effected any transactions that would have required approval or a duty to publish under the provisions of ARUG II ("related party transactions"). More information on business transactions by the Executive Board or Supervisory Board with related parties can be found in chapter 8.5 of the Group Notes on page 237. In the past fiscal year, there were no conflicts of interest that would have required reporting to the Annual General Meeting with this report.

Members of the Supervisory Board are independently responsible for undergoing the training and professional development measures necessary for their tasks. The company offers selected internal or external information events for targeted professional development, if required. All members are regularly notified of new regulatory requirements. New members are also supported by the company during their inductions. Professor Keller took the opportunity to personally acquaint herself with the Executive Board, the members of the Supervisory Board, and the way they work together prior to her appointment by court order.

Further detailed information on corporate governance can be found in the Corporate Governance Statement beginning from page 26 on of the Annual Report.

Annual Financial Statements and Consolidated Financial Statements

After an in-depth preliminary review and on the basis of the resolution by the Annual General Meeting on June 9, 2021, the Audit Committed appointed EY as auditor for the fiscal year 2021 in its meeting on August 10, 2021. EY has acted as the JENOPTIK AG and Group auditor of the Annual and Consolidated Financial Statements since 2016. The lead audit partner is Steffen Maurer, who is exercising this role for the third time. EY audited the Annual Financial Statements prepared by the Executive Board according to the provisions of the German Commercial Code (HGB), the Consolidated Financial Statements prepared according to § 315e HGB and on the basis of International Financial Reporting Standards (IFRS), and the Consolidated Management Report, and issued its unqualified approval. The audit of the Non-Financial Report in the form of a limited assurance engagement was also issued with unqualified approval by PWC. Within the scope of its duties, EY also checked whether the Executive Board had adopted suitable measures to ensure that developments that may endanger the continued existence of the company are identified in good time. The auditor undertook its audit according to § 317 HGB, giving consideration to the generally accepted German audit principles defined by the Institute of Public Auditors in Germany (IDW). In addition to the formal audit required by law, EY also carried out a substantive audit of the content of the Remuneration Report, as commissioned to do so by the Audit Committee at its meeting on August 10, 2021. You can find the Remuneration Report, including the audit opinion, from page 40 on.

On completion, the audit reports, the Annual Financial Statements, the Consolidated Financial Statements, the Executive Board's proposal for the appropriation of profits, the Combined Management Report, and the Non-Financial Report were dispatched to all members without delay and, together with the documents submitted by the Executive Board, discussed in great detail by the Audit Committee and the Supervisory Board at their March meetings. Both also dealt extensively with the key audit matters.

Representatives of auditor EY and of audit firm PWC, which was appointed by the Audit Committee to conduct an audit review of the Non-Financial Report, reported on the key outcomes of their audits at the two meetings, in the presence of the Executive Board during the relevant agenda items, and were also available to respond to any further queries. The Supervisory Board is of the opinion that the participation of the Executive Board is a valuable addition to Supervisory Board discussions and completion of auditing of the Annual and Consolidated Financial Statements, at which auditor EY is in attendance, and therefore considers it necessary that the Executive Board continues to participate in the future. If a member wishes to have a discussion with the auditor without the participation of the Executive Board, the Chairman of the Supervisory Board or the Committee will agree to this. EY also provided information on services rendered in addition to the financial statement audit services. Detailed information can be found in the Notes in chapter 10.3. According to EY, there were no circumstances that gave rise to a concern of impartiality. No major weaknesses in the risk early warning system or the accounting-related internal control system were reported. The Chairman of the Audit Committee also reported in detail to the Supervisory Board on the examination of the statements carried out by the Audit Committee.

Following its own comprehensive examination and discussion, the Supervisory Board concurred with the findings submitted by the auditor and the Audit Committee’s recommendation, and raised no reservations about the results of the audit. It approved the Annual Financial Statements and Consolidated Financial Statements submitted by the Executive Board, thus adopting the Annual Financial Statements in accordance with § 172 (1) AktG. The Supervisory Board discussed in detail with the Executive Board the proposal for the appropriation of accumulated profits, providing for payment of a dividend of 0.25 euros per qualifying no-par value share, and also agreed to this following its own review.

Changes on the Supervisory Board and Executive Board

Prof. Dr. Andreas Tünnermann stepped down from the Supervisory Board with effect from December 31, 2021. Prof. Dr. Tünnermann was the technology expert on the Supervisory Board and provided outstanding service in promoting the expertise of the entire board, particularly in the key areas for Jenoptik of optical technologies, digitization, strategy, and growth planning. We thank him for his valuable assistance and years of service on the Supervisory Board of JENOPTIK AG. To succeed Prof. Dr. Tünnermann, Prof. Dr. Ursula Keller, Professor of Physics at ETH Zurich, was appointed to the Supervisory Board by court order, with effect from January 21, 2022, for a limited period until the expiry of Prof. Dr. Tünnermann’s remaining term of office, i.e., until the end of the Annual General Meeting in 2022. Mr. Dudok was elected as a member of the Personnel, Mediation, and Nomination Committees.

There were no personnel changes on the Executive Board in 2021.

The Supervisory Board would like to thank the members of the Executive Board and all the employees for their exceptional performance and great commitment throughout the fiscal year, as well as our shareholders for the trust they have shown in us.

Jena, March 2022
On behalf of the Supervisory Board

Matthias Wierlacher
Chairman

Highlights 2021

Commitment to sustainability

By joining the UN Global Compact, the United Nations' network for corporate responsibility, Jenoptik commits to full compliance with the principles relating to human rights, labor standards, environmental protection, and universal anti-corruption. Jenoptik also defines a further ESG objective: By 2025, the Group intends to cut its CO_2 emissions by 30 percent compared to 2019.

Greater sustainability for speed cameras

Thanks to a cooperation agreement with SFC Energy, Jenoptik can supply speed measurement systems with green energy based on fuel cell technology. The TraffiPole housing system also promotes sustainability with its reduced power consumption, operation with autonomous batteries or solar panels, and fully recyclable materials. The new housing design wins two design awards.

Sustainability award from ASML

The Dutch semiconductor equipment manufacturer ASML presents Jenoptik with the ASML Sustainability Excellence Award for its sustainability strategy. The Light & Optics division impressed with its targets of reusing and recycling components and ensuring business continuity. The prize money is donated to the non-profit organization "Kindersprachbrücke Jena".

Group financing arrangements successfully renewed

Jenoptik places sustainability-linked debenture bondes worth 400 million euros on the capital market in the spring. More than 250 institutional investors thus demonstrate their confidence in the company. An ESG syndicated loan worth 400 million euros is also signed at the end of the year.

New Jenoptik canteen

Jenoptik starts construction of an 11.9-million-euro canteen on the Jenoptik campus in Jena-Göschwitz for catering, meetings, and work breaks. Groundbreaking for this investment in a pleasant working environment takes place in June.

Greater capacity for the micro-optics business

Jenoptik will invest around 70 million euros in a highly functional cleanroom facility in "Silicon Saxony". After acquiring the site in the spring, planning starts for the fab, where micro-optics and sensors for semiconductor equipment are due to be produced starting in 2025.

Mars rover with Jenoptik lens assemblies

As a partner on the "Mars 2020" mission, Jenoptik contributes to the first images of Mars transmitted by the "Perseverance" rover, which are taken by optical systems developed, assembled, and tested by Jenoptik in Florida.

Focus on core photonic business

In Summer 2021, Jenoptik sells its crystal growth business in Eisenach to Hellma Materials GmbH.
Jenoptik also sells its non-optical measuring technology business for grinding machines to Marposs Group.
In November, Jenoptik signs an agreement to sell VINCORION to STAR Capital Partnership LLC.

New growth strategy

With its new Agenda 2025, "More Value", which was announced in November, Jenoptik is accelerating its transformation into a pure and globally leading photonics group and is focusing on lasting profitable growth in the core photonic markets – semiconductors/electronics, life science/medical technology, and smart mobility.

Acquisition of BG Medical and SwissOptic

Jenoptik acquires all shares in BG Medical Applications GmbH and the SwissOptic Group. With that, the Group boosts its global photonics business and significantly expands the strong semiconductor equipment business as well as, in particular, the highly attractive medical technology business.

Traffic safety technology for North America

The Group receives orders for traffic safety systems in the US and Canada. The equipment will be used for speed and red light monitoring, license plate recognition, and section control.

New technology for tire production

In cooperation with 4JET Group, Jenoptik is revolutionizing prototype production of car tires: The new "JENscan Tire" laser technology makes the creation of tread patterns and designs significantly easier and more efficient.

Automation orders

In the spring, Jenoptik reports new automation orders from the US and Canada. Its automation solutions will be used to produce structural assemblies for major car manufacturers.

Rising star of the year in the Women's Career Index (FKi)

Actions to improve diversity, such as specific targets for the Group's diversity rate and the signing of the "Diversity Charter," are paying off: From all the audit participants, Jenoptik is named "Rising Star of the Year" by the FKi for the greatest improvement in diversity.

The Jenoptik Share

Stock Markets

The 2021 stock market year was again dominated by the coronavirus pandemic. Vaccination programs and the hope to overcome the coronavirus crisis and a return to normaety in economic activity saw prices rise in the first half-year 2021. In the second half of the year, however, this upward trend leveled off due to new virus variants, ongoing problems in global supply chains, shortages of key products such as semiconductors and electronic components, and fears of possible interest rate hikes. The economy was further burdened by significantly higher inflation.

The latest information on the Jenoptik share and the development of the Jenoptik Group can be found at www.jenoptik.com/investors

At the end of the year, Germany's benchmark index, the Dax, was at 15,884.86 points, an increase of 15.7 percent in 2021. The TecDax, Germany's technology index climbed to 3,920.17 points by the end of December, up 20.8 percent for the year. On the last day of trading in 2021, the SDax was up 10.5 percent, at 16,414.67 points.

Jenoptik Share Trends

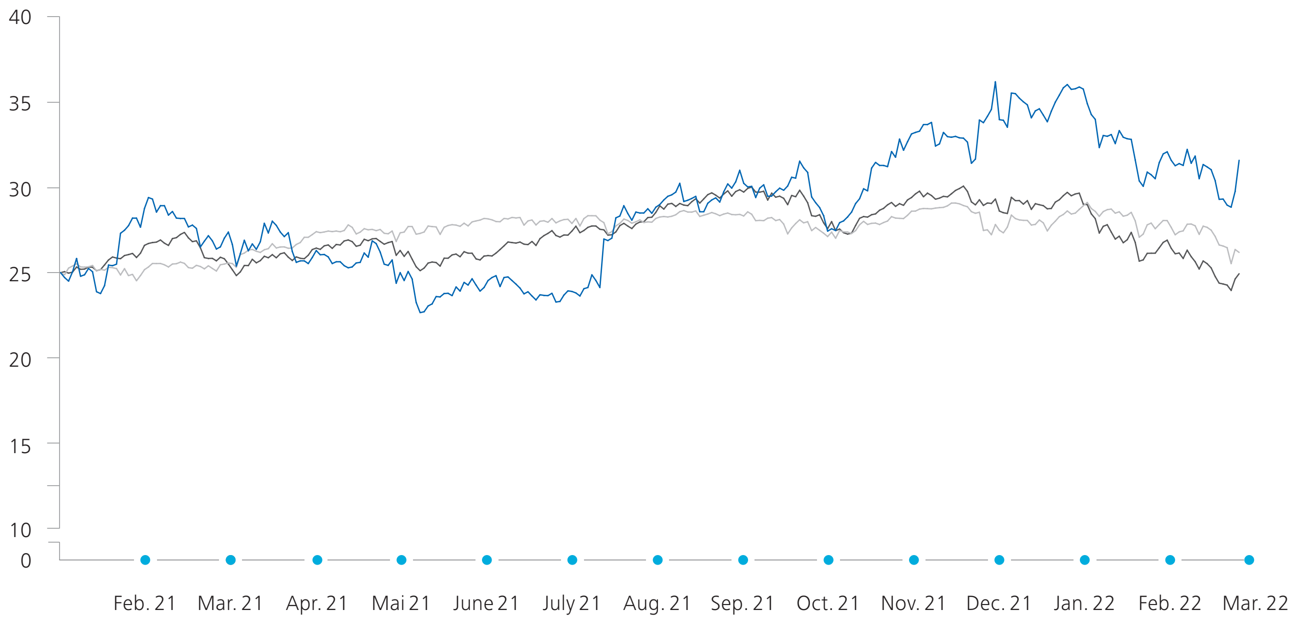
The Jenoptik share price rose more strongly than the indices in the period covered by the report. Starting the first day of trading in 2021 with a closing price of 25.00 euros, the price mostly moved sideways in the first few months of the year. The share closed at 22.36 euros on May 12, its lowest level in the past year. Until the beginning of July, the share underperformed the above-mentioned indices. It recovered on the announcement of a raised forecast for the fiscal year 2021 in mid-July, and then increased in price over the following weeks. Both the combined acquisition of BG Medical and the Swiss-Optic Group in early October, and the signing of an agreement to sell VINCORION in late November produced significant price gains. The strategic agenda, "More Value" and the new medium-term guidance were also received positively by the capital market. In early December, the share attained its highest closing price of 37.60 euros. The share ended trading on December 30 at 37.14 euros, a strong annual gain of 48.6 percent. Jenoptik's total shareholder return, i. e., share price development accounting for dividends paid in the fiscal year, came to 49.6 percent in 2021 (prior year: minus 3.1 percent). At 57,238,115 shares issued, market capitalization amounted to 2,125.8 million euros at the end of the year (prior year: 1,437.82 million euros).

In particular the Ukraine conflict but also fears of interest rate hikes weighed on the stock markets in January and February 2022. The Dax but also TecDax and SDax fell. The Jenoptik share was unable to escape this trend and exited trading on February 28 at 32.42 euros. This corresponded to a market capitalization of 1,855.66 million euros.

Compared to the prior year, investor trading saw a slight downturn. The average number of Jenoptik shares traded per day on Xetra, in floor trading, and on Tradegate was 179,374 in 2021, 6.0 percent less than in the prior year (prior year: average 190,855 shares).

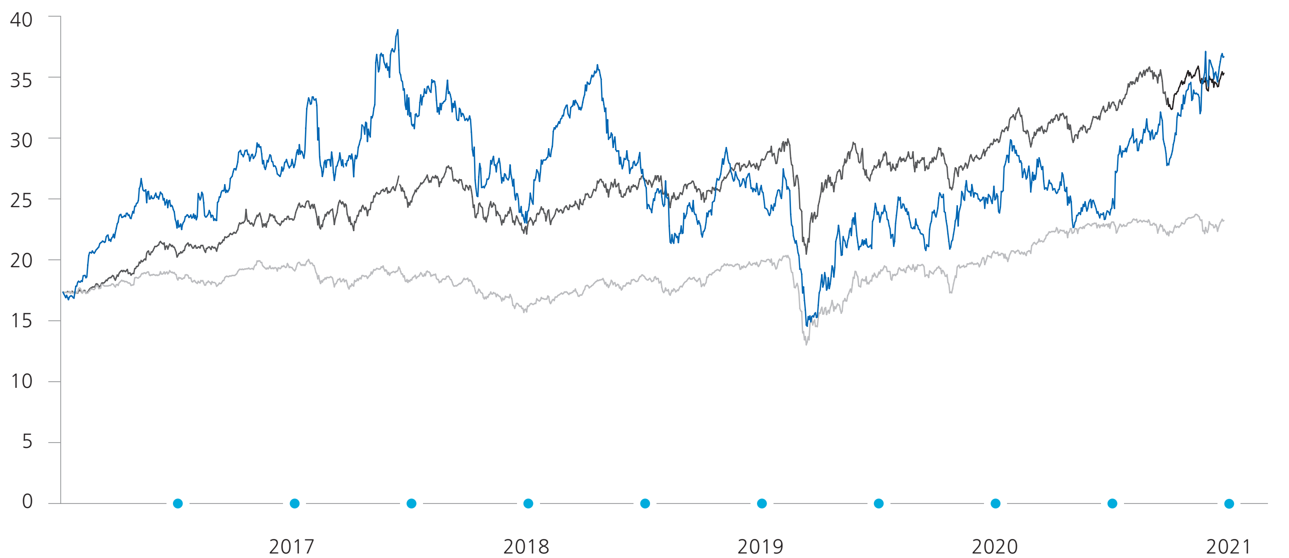
In the TecDax ranking compiled by Deutsche Börse Group, the Jenoptik share improved to 20th place in terms of free float market capitalization in December, up from 23rd in the prior year. Of the 70 stocks on the SDax, JENOPTIK AG was up to the 3rd place in free float market capitalization (prior year: 11th) at the end of the year.

G01 Share performance January 4, 2021 through February 28, 2022 (indexed in euros)



Jenoptik (Xetra) TecDax Dax

G02 Share performance 2017 through 2021 (indexed in euros)



Jenoptik (Xetra) TecDax Dax

Shareholder Structure

At the end of the fiscal year, the company's free float was unchanged at 89 percent.

Throughout 2021, we received several voting right notifications from institutional investors on the purchase or sale of larger long stock positions; these were published by the company.

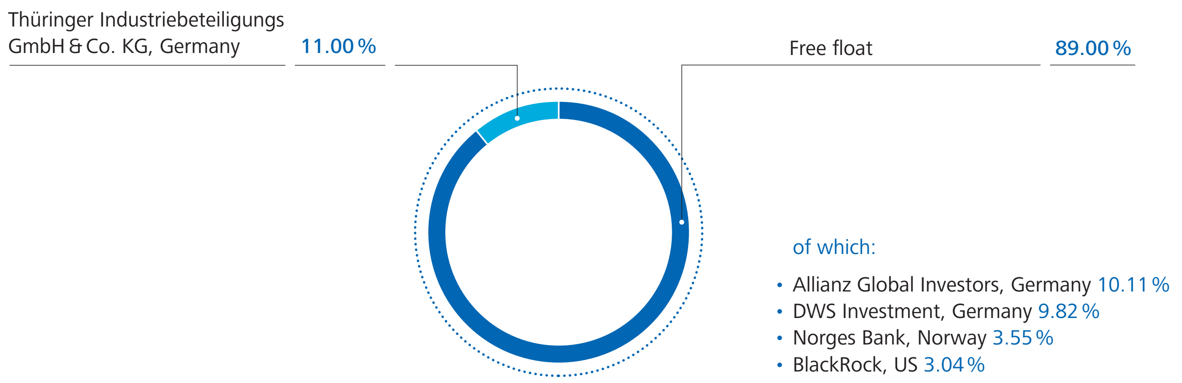
For more information, see the Notes in the Equity chapter and the Investors/Share/ Voting rights announcements section at www.jenoptik.com

Dividend

The Jenoptik management aims to pursue a policy of dividend reliability and continuity in which shareholders receive payment of a dividend in line with the company's success. At the same time, sufficient cash and cash equivalents are required to finance Jenoptik's operating business and strategic investment to assist its transformation into a globally leading, pure photonics group. This, together with the use of further acquisition opportunities, is key to the sustainable and successful growth of the company and thus also in the interests of shareholders. The Executive and Supervisory Boards of JENOPTIK AG therefore review their dividend recommendation with considerable prudence every year. In the past fiscal year, Jenoptik paid a dividend of 0.25 euros per share (prior year: 0.13 euros) to its shareholders for 2020.

Based on the very good results for fiscal year 2021 on the one hand, and recognizing the increasing uncertainty triggered among other things by the Ukraine-Russia conflict in conjunction with a possibly prolonged phase of rising inflation rates and associated cost increases for interests and future investments in further growth on the other hand, the Executive Board and Supervisory Board will propose to the 2022 Annual General Meeting, as in the previous year, to pay a dividend of 0.25 euros per share for fiscal year 2021. The management is thus pursuing the goal of offering shareholders an appropriate share in the company's success while at the same time enabling further investments in growth in a highly volatile market environment.

G03 Shareholder structure (as of February 28, 2022)*



* Based on received voting right notifications

Capital Market Communications

We are committed to making sure our communications with shareholders, analysts, and institutional investors are open, transparent, and reliable. We believe it is important to achieve a high level of transparency and boost trust in Jenoptik by engaging in ongoing dialog. For us, this includes reporting comprehensive and up-to-date information on the development of our business, while also seeking an active exchange with others.

At the end of 2021, a total of 49,995 shareholders (prior year: 45,173) were entered in the share register, of which 588 were institutional investors (prior year: 478) and 49,407 private investors (prior year: 44,695). Institutional investors held 78.23 percent of the company's share capital, virtually unchanged on the prior year (prior year: 78.99 percent), private investors 21.77 percent (prior year: 21.01 percent).

T02 Key fingures of the Jenoptik share

	2021	2020	2019	2018	2017
Closing price (Xetra end-year) in euros	37.14	25.12	25.48	22.78	27.55
Highest/lowest price (Xetra) in euros	37.60/22.36	27.44/13.82	36.45/21.00	39.48/22.78	29.68/16.11
Absolute performance in euros/relative in percent	12.60/50.40	−1.06/−4.05	1.74/7.33	−5.02/−18.1	10.78/64.28
Issued no-par value shares (31/12) in millions	57.24	57.24	57.24	57.24	57.24
Market capitalization (Xetra end-year) in million euros	2,125.8	1,437.8	1,458.4	1,303.9	1,576.9
Average daily trading volume [1] (shares)	179,374	190,855	152,355	167,748	152,928
P/E ratio (basis highest price)/P/E ratio (basis lowest price)	26.3/15.6	37.6/18.9	30.9/17.8	25.8/14.9	23.4/12.7
Free cash flow per share in euros	1.10	1.09	1.35	1.89	1.26
Group earnings per share in euros	1.43	0.73	1.18	1.53	1.27

[1] Source: Deutsche Börse; includes trading on the Xetra, in Frankfurt, Munich, Berlin, Düsseldorf, Hamburg, Hannover, Stuttgart and on Tradegate

T03 Dividend key figures

	2021	2020	2019	2018	2017
Dividend per share in euros	0.25	0.25	0.13	0.35	0.30
Payout amount in million euros	14.3	14.3	7.4	20.0	17.2
Dividend yield [1] in %	0.7	1.0	0.5	1.5	1.1
Payout ratio [2] in %	17.5	34.2	11.0	22.9	23.7
Total shareholder return in %	49.6	−3.1	7.9	−17.0	65.8

[1] based on year-end closing price
[2] based on earnings attributable to shareholders

Jenoptik took first place in the SDax in the "German Investor Relations Award 2021" and is thus one of the best communicators on the German capital market. The German investor relations association DIRK, the publishing house Institutional Investor, which specializes in finance, and the magazine WirtschaftsWoche have been awarding the prize since 2001 for outstanding achievements in the field of investor relations. The winners are determined on the basis of Institutional Investor's Developed Europe Executive Team Survey. Every year, the survey obtains an independent assessment of the IR work of listed companies from thousands of buy and sell experts worldwide.

The 23rd Annual General Meeting of JENOPTIK AG was for the second time held in purely virtual form due to the coronavirus pandemic on June 9, 2021. At around 65 percent, the proportion of capital represented was virtually unchanged. By a large majority, the shareholders formally approved the actions of the Executive Board and Supervisory Board, elected the auditor, and agreed to payment of the proposed dividend, to the remuneration system for the Executive and Supervisory Boards, to authorizing the issue of convertible bonds and/or warrants, and to the creation of conditional capital.

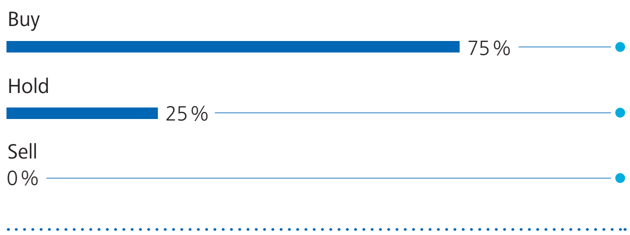
In November 2021 Jenoptik held a virtual Capital Markets Day. The Executive Board and management informed the capital market about the strategic Agenda 2025, "More Value" and the new medium-term targets for the fiscal year 2025. Focusing on the three high-growth markets semiconductors / electronics, life science/medical technology, and smart mobility – is the core of the agenda "More Value". As a result, the Group expects to generate substantial organic revenue growth, which will be supplemented with further acquisitions.

More information on the strategic Agenda "More Value" and the medium-term targets can be found in the Targets and Strategies chapter from page 93 on

Over the fiscal year 2021, Jenoptik was also represented at numerous investor conferences, roadshows, and sales force briefings, almost all of which were conducted virtually due to the pandemic. During conference calls on the publication of the annual and quarterly financial statements and in numerous individual conversations, the Executive Board and the investor relations team explained the development of business, key figures, and strategy to institutional investors, analysts, and journalists.

Over the course of 2021, 12 (prior year: 12) analysts published recommendations on the Jenoptik share: Baader Helvea, Bankhaus Metzler, Deutsche Bank, DZ Bank, Hauck & Aufhäuser, HSBC, Independent Research, Kepler Cheuvreux, LBBW, and Warburg Research; new analysts in 2021 were Berenberg and STIFEL; Commzerzbank and Bankhaus Lampe have discontinued its coverage. On December 31, 2021, the average target price of the Jenoptik share as assessed by our analysts was 38.32 euros (prior year: 26.88 euros). G04

G04 Analyst recommendations (as of December 31, 2021)



Corporate Governance

» In short «

The current declaration of conformity
in accordance with

§ 161

Stock Corporation Act was issued jointly
by the Executive Board and the Supervisory Board
in December 2021.

Information and Notes relating to Takeover Law
as well as the Corporate Governance Statement are part
of the Combined Management Report.

Corporate Governance Statement

The Corporate Governance Statement is in accordance with §§ 289 f, 315 d of the German Commercial Code (HGB). It is an unaudited part of the Combined Management Report. In the Corporate Governance Statement, the Executive Board and Supervisory Board also report on the company's corporate governance.

The JENOPTIK AG Executive Board and Supervisory Board affirm their commitment to responsible corporate governance and control, geared towards lasting value creation. They see good corporate governance as the foundation for sustained corporate success and, at the same time, an important contribution to strengthening the trust in Jenoptik on the part of shareholders, business partners, employees, and the general public.

Corporate Governance

In the reporting year, the Executive Board and Supervisory Board again dealt in detail with corporate governance issues The Executive and Supervisory Boards issued the current Declaration of Conformity in adherence with § 161 of the German Stock Corporation Act (AktG) in December 2021. It is permanently available to shareholders on the company's website. If, in the future, changes arise at Jenoptik which have an impact on conformity, the Declaration of Conformity will be updated during the year.

The Corporate Governance Statement as well as the current Declaration of Conformity, and those of previous years, are permanently accessible on our website at www.jenoptik.com under the category Investors/Corporate Governance

Declaration of Conformity by the Executive Board and Supervisory Board of JENOPTIK AG in the Fiscal Year 2021

According to § 161 (1) (1) of the German Stock Corporation Act, the Executive and Supervisory Boards of a listed company are required to issue an annual declaration that the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the Federal Gazette [Bundesanzeiger] have been and are complied with, or to indicate which recommendations have not been or are not applied and why not.

The Executive and Supervisory Boards of JENOPTIK AG support the recommendations of the "Government Commission on the German Corporate Governance Code," and state that, pursuant to § 161 (1) (1) of the German Stock Corporation Act:

Since the last declaration of conformity as of December 2020, the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated December 16, 2019 have been complied with and will be complied with in the future with the following exception:

In accordance with the recommendation C.4 of the Code, a Supervisory Board member who is not a member of the Executive Board of a listed company shall not accept more than five Supervisory Board mandates at non-group listed companies or comparable functions, with an appointment as Chair of the Supervisory Board being counted twice.

Our Supervisory Board member, Doreen Nowotne, is also Chairwoman of the Supervisory Boards of Franz Haniel & Cie. GmbH (not listed on the stock exchange) and Brenntag AG (listed company) and is a member of the Supervisory Board of Lufthansa Technik AG (not listed on a stock exchange). If the mandate at Jenoptik, which from Jenoptik's point of view is an internal mandate, is counted in addition to the mandates according to C.4 Ms. Nowotne has in total six Supervisory Board mandates. Therefore, a deviation has been declared purely as a precautionary measure. The Supervisory Board has made sure that Ms. Nowotne has sufficient time available to discharge her duties.

In the interest of transparent communication, we hereby inform you that the current remuneration system for the Executive Board members, which was adjusted by the Supervisory Board and was approved by the Annual General Meeting on June 9, 2021, fully complies with all the recommendations of Chapter G of the Code.

December 14, 2021 | JENOPTIK AG

For the Executive Board	For the Supervisory Board
Stefan Traeger	Matthias Wierlacher
Dr. Stefan Traeger President & CEO	Matthias Wierlacher Chairman of the Supervisory Board

Information on methods of Corporate Governance

Code of Conduct, Opportunity and Risk Management, Compliance

We see success in business and responsibility for our actions as being inseparable goals. Respect, fairness and openness as well as compliance with statutory provisions and internal group regulations are essential factors for responsible conduct with all stakeholders. In order to guarantee the high level of integrity as well as ethical and legal standards within the Jenoptik Group, the most important principles of conduct have been compiled in a Code of Conduct which is equally binding on all employees, managers and the Executive Board of the Jenoptik Group. It sets out minimum standards and general rules for our actions within the company as well as towards external partners and the public. In the event of questions regarding the Code of Conduct or suspected illegal or unlawful matters, all Jenoptik employees may speak in confidence to their respective manager or the contact persons named in the Code of Conduct. All employees may also use the whistleblowing system on the Jenoptik intranet, by telephone or via email to report significant violations that must be handled confidentially.

The Code of Conduct for Suppliers to the Jenoptik Group applies to all suppliers worldwide. Jenoptik has also signed the Diversity Charter and joined the UN Global Compact in the fall of 2021.

For Jenoptik, good corporate governance also includes comprehensive risk management based on an interactive and management-oriented approach. This enterprise risk management (ERM) takes into account both risks and opportunities and has been implemented throughout the organization with the aim of supporting the implementation of the group strategy and defining actions which create an optimal balance between growth and return targets on the one side and the associated risks on the other.

An integral part of our risk prevention and the processes of the Jenoptik Compliance Management System (CMS) is the observance of nationally and internationally recognized compliance requirements. The CMS is based on the Jenoptik values, the Code of Conduct, and various group guidelines and process descriptions from Jenoptik, compliance with which is a fundamental requirement for maintaining the trust of our business partners, shareholders, and the public in the performance and integrity of Jenoptik. The CMS is continuously developed and adapted in line with changing conditions. On the Executive Board, Dr. Stefan Traeger is responsible for the central Compliance & Risk Management department. Global compliance activities are coordinated by the center of excellence in Germany and supported by local colleagues in the North America and Asia/Pacific regions.

With group guidelines for key business processes, the Jenoptik Group has a globally uniform framework. Central departments, divisions, and regions can reinforce this set of rules with more detailed regulations in accordance with their respective requirements. The guidelines are regularly reviewed, and extended or updated as necessary. This system of processes and controls enables any possible deficits in the company to be identified at an early stage and appropriate actions to be taken to minimize or eliminate them.

In order to familiarize employees with these topics and to improve employee awareness, regular online training courses and classroom events on subjects relevant to compliance, such as anti-corruption, anti-trust law, export control, IT security as well as data protection, are regularly held at both the German and foreign business units. The aim of this is to create company-wide uniform understanding of our compliance standards. In addition to the main training courses offered as part of onboarding training for new employees, all employees are also required to participate in mandatory e-learning refresher courses. The aim is to provide them with the content of important compliance topics on a continuous basis, and to then verify this with a test. In addition, employees can contact the central Compliance & Risk Management department with any questions relating to compliance or risk issues at Jenoptik as well as use a help desk on the intranet or an app on their smartphones.

The Code of Conduct can be found at www.jenoptik.com, under the category Investors / Corporate Governance / Code of Conduct

Detailed information on enterprise risk management can be found in the Risk and Opportunity Report from page 141 on

Further information on compliance and supplier management can also be found in the chapter “Non-financial Report”

Sustainability

Jenoptik's understanding of sustainability is based on the conviction that the economic goals of the company and thus lasting profitable growth can only be achieved by behaving responsibly in line with the environment and society. Together with our customers, we create forward-looking trends in the fields of digitization, healthcare, mobility, and smart manufacturing. The separate Combined Non-financial Report from page 62 on of the Annual Report contains detailed information on Jenoptik sustainability management in the areas of employee and environmental matters, human rights, anti-corruption and the supply chain, quality as well as social commitment of the Group.

Composition and Mode of Operations of the Executive Board, Supervisory Board and its Committees

Further information on the members of the Executive Board as well as details on the allocation of responsibilities can be found in the section "Further Information" on page 248 of the 2021 Annual Report as well as on the Internet at www.jenoptik.com in the category About Jenoptik/Management

JENOPTIK AG is a stock corporation under German law with a dual management system, comprising the Executive Board and Supervisory Board. Their tasks and powers as well as structure and working methods are essentially determined by the German Stock Corporation Act, the Articles of Association of JENOPTIK AG and the Rules of Procedure. The Executive Board runs the company on its own responsibility and in the interests of the company and with the goal of sustainably increasing the value of the company. It takes into account the concerns of all stakeholders, in particular shareholders and the Group's employees. The Supervisory Board advises and monitors the Executive Board in its management of the company and is involved in decisions of fundamental importance to the company. The Executive Board agrees with the Supervisory Board on the strategic orientation of the company and discusses the status of strategy implementation with it at regular intervals. The Executive and Supervisory Boards work closely together for the good of the company.

Executive Board

Further information about the function and structure of the Executive Board can be found in the Executive Board's rules of procedure at www.jenoptik.com in the category About Jenoptik/Management

The members of the JENOPTIK AG Executive Board are appointed by the Supervisory Board. In accordance with the Articles of Association, the Executive Board shall comprise at least two persons. The Board currently has two members. They share common responsibility for the overall management of the Group, work cooperatively and confidently together, and decide on primary matters of group corporate policy, its management, corporate strategy (including the sustainability strategy) as well as planning. The Executive Board has not set up any committees. It is supported in the management of the company by the Executive Management Committee (EMC), which, as of December 31, 2021, comprised the members of the Executive Board, head of Personnel, the head of Group Controlling, the heads of the North America and Asia/Pacific regions as well as the heads of the divisions. At monthly meetings, this committee provides the Executive Board with information on all relevant events for the company and the economic situation of the divisions.

The Executive Board ensures compliance with statutory provisions and internal corporate guidelines and is responsible for the preparation of interim reports and statements, the Consolidated and Annual Financial Statements, and for establishing a control and risk management system and a compliance management system tailored to the company's risk situation. The specific allocation of responsibilities and tasks within the Executive Board (including the responsibility for sustainability topics (environment, social, governance)) is regulated in business allocation plan.

The members of the Executive Board continually update one another on important activities and events within their assigned areas. Executive Board meetings take place at least once a month. The Executive Board's rules of procedure regulate which actions are of major importance for the Jenoptik Group and thus require the approval of the entire Executive Board or the Supervisory Board. In addition, the rules of procedure also set out in greater detail the internal working procedures of the Executive Board and the methods of reporting to and coordinating with the Supervisory Board.

The Executive Board continually informs the Supervisory Board in a timely and comprehensive manner, and in both written and spoken communication, on all matters relevant to the current development of the Group's business and finances, corporate planning including financial, capital expenditure and human resource planning, the profitability of the company, essential strategic issues, the risk situation, risk management and compliance. The Chairman of the Executive Board coordinates the cooperation of the Executive Board with the Supervisory Board. The Supervisory Board is required to give its approval on decisions or actions which may involve considerable changes to the company's assets, finances or earnings. Members of the Executive Board are required to disclose conflicts of interest to the Supervisory Board without delay and to inform the other members of the Executive Board of this.

Supervisory Board

With equal representation in accordance with the German Codetermination Act, the Supervisory Board of JENOPTIK AG consists of twelve members, six of whom are elected by the shareholders at the Annual General Meeting and six of whom are nominated by employees in accordance with the Codetermination Act. The Supervisory Board is composed in such a way that, as a whole, it is endowed with the knowledge, abilities, and professional experience necessary to carry out its tasks in an orderly manner. Each member shall ensure that they have sufficient time available to perform their duties. Five of its twelve members, three shareholder and two employee representatives, are female, in line with the requirement of § 96 (2) (1) of the German Stock Corporation Act. With the exception of Prof. Dr. Ursula Keller, who was appointed by the court on January 21, 2022 to replace Prof. Dr. Andreas Tünnermann who retired on December 31, 2021, the remaining shareholder representatives were individually elected at the 2017 Annual General Meeting to serve until the conclusion of the 2022 Annual General Meeting. The diversity policy pursued with respect to the composition of the Supervisory Board is described in the "Diversity Policy" section of this declaration.

The Chairman of the Supervisory Board is elected by its members. They coordinate the work of the Supervisory Board, preside over its meetings and represent the body externally. The Chairman maintains regular contact with the Executive Board, which provides the Supervisory Board Chairman with immediate information on important events which are of crucial importance to the position and development of the company. In the event of a tied vote by the Supervisory Board, a second round of voting is conducted in which the board chairman casts two votes, insofar as this is permitted by law. The Chairman of the Supervisory Board also chairs the Personnel, Mediation, Investment and Nomination Committees, but not the Audit Committee.

The Supervisory Board meets at least four times a year, but as a rule meets five times a year because of the Supervisory Board's strategy meeting which takes place in the fall. Extraordinary meetings are called for major events that cannot be delayed or a resolution is adopted by written consent. Taking into account the results of the audit and the recommendations of the Audit Committee, the Supervisory Board examines and approves the Financial Statements and Consolidated Financial Statements, the Non-financial Report, the Combined Management Report for JENOPTIK AG and the Group and adopts the Annual Financial Statements. Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, was appointed to audit the Annual and Consolidated Financial Statements for the 2021 fiscal year.

The Supervisory Board also resolves on the Executive Board's proposal for the appropriation of accumulated profits. It decides and regularly reviews the system for the remuneration of Executive Board members. Together with the Executive Board, the Supervisory Board is also responsible for preparing the Remuneration Report.

The Supervisory Board carries out a review of the efficiency of its activities at regular intervals. The Supervisory Board has decided to have the efficiency externally evaluated every three years. In the intervening period, it will be discussed and reviewed internally on an annual basis. Following the most recent external efficiency review in 2020, with the review producing a positive picture of the work of the Supervisory Board and its committees – also in benchmarking – an internal self-assessment was carried out in fiscal year 2021. The review did not reveal any fundamental need for change. The results confirm professional cooperation within the Supervisory Board and with the Executive Board.

The members of the Supervisory Board are independently responsible for completing the professional training necessary for their duties and are supported in doing so by the company.

Supervisory Board members are to disclose any conflicts of interest to the Supervisory Board without delay. No conflicts of interest arose for Supervisory Board members in the fiscal year 2021.

The Supervisory Board has adopted rules of procedure which govern important aspects of its internal cooperation and collaboration with the Executive Board. The rules also mandate the creation of committees as a means of improving efficiency of the Supervisory Board work when it comes to complex topics.

The Supervisory Board currently has five committees that, with the exception of the Nomination Committee, which is composed only of shareholder representatives, are made up of equal numbers of shareholder and employee representatives. The candidates' professional and personal expertise is taken into account in the formation of committees.

The committees prepare decisions for the Supervisory Board and may, in individual cases, make decisions in place of the Supervisory Board insofar as this is permitted by law. The respective committee chairmen report to the Board on the content discussed and the resolutions and recommendations approved no later than at the next Supervisory Board meeting.

Further details on the composition of the Supervisory Board and its committees can be found in § 11 of the Articles of Association of JENOPTIK AG, in the Report of the Supervisory Board from page 10 on and in the Group Notes of the 2021 Annual Report from page 242 on

The Rules of Procedure of the Supervisory Board can be found at www.jenoptik.com under the heading "About Jenoptik"

The Audit Committee meets at least four times each year. Its key tasks are monitoring accounting as well as the accounting process, and dealing with auditing of the financial statements, with particular reference to the independence of the auditor, the non-audit services provided by the auditor and the determination of the main points of the audit. After obtaining a declaration of independence, it prepares the Supervisory Board's recommendation to the Annual General Meeting for appointment of the auditor and grants the audit assignment. It also regularly assesses the quality of the auditing. On the basis of the auditor's reports, and following its own review, the Audit Committee submits proposals for the adoption of the Annual Financial Statements of JENOPTIK AG and for the approval of the Consolidated Financial Statements by the Supervisory Board. The Audit Committee's duties also include the monitoring of sustainability issues (ESG), so it also prepares the Supervisory Board's decision on the Combined Non-financial Report. It also reviews the effectiveness and further development of the compliance and risk management systems as well as the internal control system. Jenoptik's Internal Audit reports regularly to the Audit Committee.

As Chairman of the Audit Committee, Mr. Heinrich Reimitz, has expert knowledge and experience of accounting principles and internal control procedures and is, in the opinion of the Supervisory Board, an independent member (for further detailed information, please refer to the section "Diversity concept for the Supervisory Board"). He is not a former member of the Executive Board of JENOPTIK AG. In accordance with the requirements of the Financial Market Integrity Strengthening Act (FISG), Mr. Reimitz has expertise in both accounting and auditing. Ms. Doreen Nowotne, as Deputy Chair of the Audit Committee, also has expertise in the areas of accounting and auditing in accordance with the requirements of the FISG.

The Personnel Committee convenes at least once a year. It deals with the long-term succession planning for the members of the Executive Board and prepares their appointment by the Supervisory Board. The Personnel Committee regularly reviews the remuneration system for the members of the Executive Board, which is then approved by the Supervisory Board. The Personnel Committee has only a preparatory and advisory function. The remuneration system and the specific determination of remuneration must, in principle, be approved by the full Supervisory Board. The remuneration system is also submitted to the Annual General Meeting for approval in the event of any significant changes. The Personnel Committee also prepares the conclusion and settlement of the target agreements for the short-term and long-term variable remuneration for the Executive Board members. If necessary, the Personnel Committee is supported by external, independent consultants.

The Nomination Committee proposes to the Supervisory Board suitable candidates for election to the Supervisory Board at the Annual General Meeting and meets only when required. Proposals are developed taking into account the requirements and skills profile for the Supervisory Board as well as the Diversity Statement (see in detail under "Diversity concept for the Supervisory Board").

T04 Committee memberships of the Supervisory Board members

Member of the Supervisory Board	**Astrid Biesterfeldt** (since 2014)	**Evert Dudok** (since 2015)	**Elke Eckstein** (since 2017)	**Prof. Dr. Ursula Keller** (since 21/1/2022)	**Thomas Klippstein** (since 1996)	**Dörthe Knips** (since 2017)
Member of	• Audit Committee	• Personnel Committee (since 1/1/2022) • Mediation Committee (since 1/1/2022) • Nomination Committee (since 1/1/2022)	• Investment Committee		• Personnel Committee • Audit Committee	• Investment Committee

The Investment Committee supports the Supervisory Board in investment and divestment decisions requiring approval in accordance with the Executive Board's rules of procedure, in particular with the preparation and operational implementation of resolutions on the acquisition or sale of equity interests in companies or parts of companies.

The Mediation Committee, which deals with matters relating to § 31 (3) (1) of the Codetermination Act, only meets when necessary.

Further details on the activities of the Supervisory Board and its committees in the fiscal year 2021 (as well as the individual attendance at meetings) can be found in the Supervisory Board Report on pages 10 on.

Remuneration of the Executive Board and Supervisory Board

The remuneration for the members of the Executive and Supervisory Boards is described in the Remuneration Report from page 40 on. The last vote on the adjusted remuneration system for the members of the Executive Board was made by the Annual General Meeting on June 9, 2021, which approved the remuneration system with 75.96 percent. The resolution on the approval of the remuneration and on the remuneration system for the members of the Supervisory Board at the 2021 Annual General Meeting was approved by 99.58 percent.

The Remuneration Report of the Executive Board and Supervisory Board for the last fiscal year, the auditor's report on the audit of the Remuneration Report and the applicable remuneration system in accordance with § 87a (1) and (2) (1) of the German Stock Corporation Act (AktG) and the last remuneration resolution as per § 113 (3) AktG are also available on the Internet at www.jenoptik.com under the categories Investors / Corporate Governance and Annual General Meeting.

Specifications for Promoting the Participation of Women in Management Positions / Targets for the Proportion of Women

In accordance with § 111 (5) and § 96 (2) of the German Stock Corporation Act, the Supervisory Board at Jenoptik must be comprised of at least 30 percent women and 30 percent men. A total of five women sit on the Supervisory Board – Doreen Nowotne, Elke Eckstein, and Prof. Dr. Ursula Keller on the shareholder side, and Astrid Biesterfeldt and Dörthe Knips on the employee side. This equates to 42 percent.

According to § 76 (4) of the German Stock Corporation Act, Jenoptik is also required to determine targets for the proportion of women on the Executive Board as well as at both management levels below the Executive Board and to report on whether the targets have been achieved during the reporting

Dieter Kröhn (since 2010)	**Doreen Nowotne** (since 2015)	**Heinrich Reimitz** (since 2008)	**Stefan Schaumburg** (since 2012)	**Frank-Dirk Steininger** (since 2020)	**Prof. Dr. Andreas Tünnermann** (2007 until 31/12/2021)	**Matthias Wierlacher** (since 2012)
• Investment Committee • Mediation Committee	• Audit Committee (Vice Chairman) • Investment Committee	• Audit Committee (Chairman) • Personnel Committee • Nomination Committee	• Personnel Committee • Investment Committee • Mediation Committee	• Personnel Committee	• Personnel Committee (until 31/12/2021) • Mediation Committee (until 31/12/2021) • Nomination Committee (until 31/12/2021)	• Personnel Committee (Chairman) • Investment Committee (Chairman) • Nomination Committee (Chairman) • Mediation Committee (Chairman)

period. As the Jenoptik Executive Board consists of only two persons, the Supervisory Board resolved at its meeting on June 8, 2020, to maintain a quota of zero percent until June 30, 2023. The requirements of the German Stock Corporation Act as amended by the Second Management Positions Act do not apply to a two-member Executive Board. However, the Supervisory Board has reserved the right to decide anew on the quota as soon as the Executive Board is composed of more than two persons. Due to the extension of the appointment of Dr. Stefan Traeger until June 30, 2025, and the appointment of Hans-Dieter Schumacher until March 31, 2023, no short-term change in the composition of the Executive Board is to be expected. Therefore, the actual quota – as specified – is currently zero percent. In the case of Jenoptik's current two-member board consisting of Dr. Traeger and Mr. Schumacher, setting a higher quota would also necessarily mean that, in the event of a vacancy, a woman would always have to be appointed. The Supervisory Board would, however, like to be able to make appointments giving due consideration to the professional expertise and personal integrity of who is, in its opinion, the most suitable candidate, irrespective of their gender. This would no longer be possible if the Supervisory Board were to set a target of more than zero percent with a male two-person Executive Board.

For the first management level below the Executive Board, the JENOPTIK AG Executive Board has decided on a target of 16.7 percent with a deadline of June 30, 2022. This corresponds to a participation of at least 2 women in 12 positions at the first management level below the Executive Board. As of December 31, 2021, the proportion of women in the 1st management level below the Executive Board was 25 percent, therefore, the target is currently significantly exceeded. The Executive Board will decide on a new target by June 2022. A target for the second management level has not been set because JENOPTIK AG as a Corporate Center has flat management structures and therefore has no continuous second management level. At the end of 2021, women made up 55.3 percent of all employees in the Corporate Center. The diversity rate, which is calculated from the average percentage of managers with an international background and female managers, is to increase to 30 percent by 2022 and 33 percent by 2025. To further accelerate this change in corporate culture, numerous measures have been implemented in the Jenoptik Group. For example, there are internal and external recruitment campaigns, women's networks, and regular (online) events for the mutual exchange of ideas. In the fall of 2020, a "Jenoptik Diversity Council" was also established as an internal contact for questions relating to diversity within the company.

Description, Goals, and Implementation of Diversity Policy with Results Achieved

1. Diversity Policy for the Executive Board

The diversity policy for the Executive Board should facilitate an orderly selection process for the appointment of new Executive Board members. The aim is to fill the Executive Board in such a way that it has the knowledge, skills, and professional experience which, when taking into account the statutory framework, are necessary for the proper performance of the Executive Board's duties, and essential for the activities of the Jenoptik Group.

For this purpose, the Supervisory Board has developed a requirements and skills profile with the support of the Personnel Committee and an external, independent personnel consultant. This is an integral element of the diversity policy and defines various criteria which must be fulfilled, such as age, education, professional background, current position as well as the personality requirements of the candidate. It also takes into account the specifications of the Supervisory Board's rules of procedure with regard to the appointment of Executive Board members. For example, a maximum age limit for the appointment of Executive Board members is 65 years at the time of the appointment.

With the current composition of the Executive Board, the requirements and skills profile are met in full. There were no changes to the existing diversity policy in the fiscal year 2021. Information on the CVs of the members of the Executive Board can be found on our website at www.jenoptik.com/about-jenoptik/management.

The Personnel Committee of the Supervisory Board also deals with the long-term succession planning for the Executive Board, partially in conjunction with the Executive Board. When doing so, the Personnel Committee and the Supervisory Board are supported by independent, external experts as required. The Personnel Committee bases its long-term succession planning on the requirements and skills profile which has been developed and is continuously being refined. It ensures that the abilities, knowledge and experience of the members of the Executive Board are balanced.

2. Diversity Policy for the Supervisory Board

The diversity policy for the Supervisory Board should ensure an orderly selection process for the appointment of new Supervisory Board members for JENOPTIK AG. The aim here is also to fill the Supervisory Board in such a way that, as a whole, it has the necessary knowledge, skills and professional experience to perform its duties. This ensures qualified control by the Supervisory Board, in accordance with the German Stock Corporation Act, the German Corporate Governance Code, the Articles of Association and the Rules of Procedure of the Supervisory Board of JENOPTIK AG.

The diversity policy is implemented in the election of shareholder representatives. In its search for candidates, the Nomination Committee of the Supervisory Board takes into account the objectives for the composition of the Supervisory Board, which follow the Diversity Statement, the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code. In doing so, it also takes into account the existing skills and abilities of the elected employee representatives. The Nomination Committee then submits to the Supervisory Board suitable candidate proposals for the election of shareholder representatives to the Supervisory Board to the Annual General Meeting. The Supervisory Board ensures that the respective candidates have the necessary time to perform their duties.

In the past fiscal year, with the support of an external consultant, the requirements profile drawn up by the Supervisory Board detailing the necessary abilities and skills required for the Supervisory Board was updated and further developed with a view to the election of new Supervisory Board members representing the shareholders by the Annual General Meeting in June 2022. According to this profile, the essential skills considered necessary are specified in the three different categories in the table 05.

It is the opinion of the Supervisory Board that, with the current composition, the specified abilities, experience and skills are fulfilled for the most part. Due to the resignation of Prof. Dr. Andreas Tünnermann as of December 31, 2021, Prof. Dr. Ursula Keller was appointed to the Supervisory Board by the court with effect from January 21, 2022. Prof. Dr. Keller complements the expertise of the entire board, particularly in the key areas of expertise for Jenoptik of optical technologies, digitization, and markets & international expertise. Details can be found in the CVs of the individual Supervisory Board members.

In accordance with its Diversity Statement, the Supervisory Board includes at least four members with extensive international experience.

Furthermore, the Supervisory Board should include at least four women. With three women on the shareholder side and two women on the employee side, the quota of at least 30 percent required by the German Stock Corporation Act is exceeded with a current figure of 42 percent.

With regard to the length of service, the Supervisory Board has decided not to establish a regular limit applicable to all members because there is no compelling link between the length of service and the independence of the member concerned. It is the view of the Supervisory Board that an across-the-board limit does not take into account individual factors that may justify a longer length of service for individual Supervisory Board members with continued independence. The Supervisory Board can benefit significantly from individual members with a long

The CVs of the Supervisory Board members, including the allocation of the competencies to the individual members, can be found at www.jenoptik.com/about-jenoptik/management

T05 Requirements and skills profile in the Supervisory Board

Governance-specific skills	Functional/structural skills	Strategic and company-related skills
• Independence • Availability, number of positions held • Corporate governance experience • (Supervisory Board or CEO) experience in listed companies • CFO experience in comparable companies • Financial and business skills	• Personnel expertise, co-determination and social matters • Sales and marketing skills • Operational expertise	In the following areas: • Digitization, innovation, IT • Technology • Strategy and growth/M+A/portfolio management • Markets and internationality • Entrepreneurship/management • Capital markets • Specific industry/sector experience • ESG expertise

length of service, in particular from their experience and in-depth knowledge of the company, which promotes the quality of the work of the entire board.

No member of the Supervisory Board takes either an advisory or an executive role with customers, suppliers, creditors or other business partners of JENOPTIK AG, which leads to a significant and not merely temporary conflict of interest.

In accordance with the specifications of the rules of procedure, all members are under 70 years of age not only at the time of their respective election but also at the beginning of 2022. Four members are between 61 and 69 years of age, six members between 50 and 60 years of age and two members between 40 and 50 years of age, which means that different age groups are adequately represented on the Supervisory Board.

It is the view of the Supervisory Board that all shareholder representatives are independent. They are Matthias Wierlacher, Elke Eckstein, Prof. Dr. Ursula Keller, Doreen Nowotne, Evert Dudok, and Heinrich Reimitz. It is the opinion of the Supervisory Board that Mr. Reimitz, who has been a member of the Supervisory Board for 13 years, continues to be as independent as Mr. Dudok, despite the recommendation of Section C.7 of the Code.

Mr. Reimitz is the financial expert on the Audit Committee and has special knowledge, experience and expertise in the areas of accounting, auditing and internal control processes. As a result of his many years of service, he is particularly familiar with the processes of preparing and reviewing Jenoptik's financial information and monitoring the independence of the auditor. The quality of the work of the Audit Committee and the Supervisory Board as a whole is particularly enhanced by this expertise. This in no way detrimental to his independence from the company.

The Supervisory Board is also of the opinion that Mr. Dudok's activity as Executive Vice President of Connected Intelligence at Airbus Defense & Space is not detrimental to his independence, especially as a contract was concluded in November 2021 for the sale of Jenoptik's VINCORION division, which, in addition to Light & Optics has business relationships with the Airbus Group. Furthermore, none of the transactions between VINCORION, Light & Optics and Airbus concerned the business unit for which Mr. Dudok is responsible at Airbus. All transactions with the Airbus Group are not material for the Jenoptik Group as revenue in fiscal year 2021 amounted in total to 17.9 million euros (of which 16.5 million euros by VINCORION and 1.4 million euros by Light & Optics), and was therefore less than 2 percent of Jenoptik group revenue.

Further information on the Executive Board and Supervisory Board, in particular on their working methods, including work in the committees, participation in meetings, and other mandates held by members, can be found in the Supervisory Board Report from page 10 on and in the Notes from page 242 on.

Further Information on Corporate Governance

Annual General Meeting

JENOPTIK AG shareholders exercise their rights at the Annual General Meeting which takes place at least once a year. Each share is accorded one vote – there are no special voting rights. The shares of JENOPTIK AG are registered shares. The holders of the shares must be entered in the share register of JENOPTIK AG and disclose the information required by law and the Articles of Association. Only shareholders recorded in the share register are entitled to vote at the Annual General Meeting. They may either participate directly in the Annual General Meeting, or exercise their voting rights via a company-nominated proxy who is bound by the shareholder's instructions, via postal voting, or by authorizing a person of their choice. The shareholders are adequately supported by the company in this process. The use of electronic means of communication, in particular the Internet, makes it easier for shareholders to participate in the Annual General Meeting. The documents and information required by law for the Annual General Meeting are available on our website www.jenoptik.com in the category Investors / Annual General Meeting. The speech by a representative of the Executive Board and, after the Annual General Meeting, the attendance and voting results are also published there.

As a result of the coronavirus pandemic and the associated restrictions on meetings, the Executive Board, with the approval of the Supervisory Board, decided to hold the Annual General Meeting in the fiscal year 2021 as a virtual AGM, i.e. without the physical presence of shareholders or their proxies. Consequently, the shareholders were given the opportunity to cast their votes, in particular by means of electronic communication, e.g. via the Internet-based shareholder portal available on the Jenoptik website, and to follow (video and audio) the Annual General Meeting there. The speech by the Executive Board was published in advance on the website and broadcast live on the Internet.

Transparent information

As part of our investor relations work, we report comprehensively on the position and development of the company. In doing so, we follow the principle of providing the participants in the capital market as well as the general public with equal, continual, and current information in order to guarantee as much transparency as possible. We use the Internet in particular for this purpose and information is made available at www.jenoptik.com in the Investors category. Together with the Executive Board, the investor relations team maintains a regular and intensive exchange with participants in the capital market at roadshows, capital market conferences, and other events.

We use the financial reports and releases to provide extensive information about the Group's earnings, assets, and finances four times a year. In addition, important events and current developments are reported in press releases. In accordance with the statutory requirements of the Regulation on Market Abuse, insider information is published immediately and simultaneously worldwide in German and English, insofar as JENOPTIK AG is not, in individual cases, exempt from this publication. These documents, presentations, the financial calendar, the Articles of Association and further information are also available in German and English on the Jenoptik website at www.jenoptik.com.

Jenoptik immediately publishes major changes to its shareholder structure when it is informed that reportable voting rights targets have been achieved, missed or exceeded. All publications are available on the JENOPTIK AG website under www.jenoptik.com in the category Investors/Share/Voting rights announcements. Further information can also be found in the Notes in the section on Equity.

Directors' dealings

In the 2021 fiscal year, none of the members of the Executive Board or the Supervisory Board or persons closely related to them disclosed any reportable securities transactions pursuant to Article 19 of the EU Market Abuse Regulation.

Accounting and auditing

Jenoptik prepares the Consolidated Financial Statements as well as Consolidated Interim Financial Statements in accordance with the International Financial Reporting Standards (IFRS) and the additional requirements of commercial law according to § 315e (1) of the German Commercial Code (HGB), as they are to be used in the European Union. JENOPTIK AG's Financial Statements, which are decisive for the dividend payment, are compiled in accordance with the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act. The Consolidated Financial Statements and the Annual Financial Statements, including the Combined Management Report, are examined by the auditor. On June 9, 2021, the Annual General Meeting selected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart ("EY") as the auditor for fiscal year 2021 on the recommendation of the Supervisory Board. EY was initially appointed in the 2016 fiscal year following an external tender. The position of responsible auditor for the auditing of the Consolidated Financial Statements and the Financial Statements as well as the Combined Management Report was taken on for the third time by Steffen Maurer. In 2021, the auditor's report is signed by Steffen Maurer and Uwe Pester. In 2019 and 2020 it was signed by Michael Blesch and Steffen Maurer, and from 2016 to 2018 by Michael Blesch and Uwe Pester. The statutory provisions and rotation obligations have been fulfilled.

The Supervisory Board has agreed with the auditor that he shall inform the Supervisory Board Chairman of all important events and findings that emerge during the audit. This includes occasions when inaccuracies are detected during the audit in the Declaration of Conformity submitted by the Executive Board and Supervisory Board in accordance with § 161 of the German Stock Corporation Act.

Before submitting the proposal for the election of the firm to the Annual General Meeting, the Supervisory Board received a declaration of independence from the auditing firm, stating that there were no employment, financial, personal or other links between EY, its board members and audit managers on the one side and the company and its board members on the other, that could give rise to doubts about the independence of the auditor. EY also reported in its declaration on the scope of the non-audit services have been provided for Jenoptik over the past fiscal year or which have been contractually agreed for the current year. In the summer of 2021, the Audit Committee reviewed EY's non-audit services provided in the past year and adapted the catalog of approved, predefined non-audit services to the new regulatory requirements of the Financial Market Integrity Strengthening Act (FISG).

For further information on investor relations activities, please refer to the section "The Jenoptik share"

Directors' Dealings reports from prior years can be found at www.jenoptik.com under the category Investors/Corporate Governance/ Directors' Dealings

Information and Notes Relating to Takeover Law

Explanatory Report in accordance with § 176 (1) (1) of the German Stock Corporation Act (AktG) and Reporting on § 289 a and § 315 a of the German Commercial Code (HGB) in accordance with the German Takeover Directive Implementation Act

This information is part of the Combined Management Report.

1. Composition of the share capital

As of the balance sheet date on December 31, 2021, the subscribed capital totaled 148,819 thousand euros (prior year: 148,819 thousand euros). It is divided into 57,238,115 no-par value registered shares (prior year: 57,238,115). Each share is therefore worth 2.60 euros of the nominal capital.

The same rights and obligations apply to all the shares of the company. Each share represents one vote at the Annual General Meeting and is the determining factor for the shareholders' proportion of company profits (§ 58 (4), § 60 of the German Stock Corporation Act (AktG)). The shareholders' rights also include the subscription right to shares in the event of increases in capital (§ 186 of the German Stock Corporation Act). In addition, the shareholders are entitled to administrative rights, e.g. the right to participate in the Annual General Meeting and the authority to put forward questions and motions and to exercise their right to vote. The shareholders' additional rights and duties are defined in the German Stock Corporation Act, in particular in § 12, 53 a ff., § 118 ff., and § 186. Under § 4 (3) of the Articles of Association, any claim by a shareholder to the securitization of their shares is excluded.

2. Restrictions relating to voting rights or the transfer of shares

In accordance with § 136 (1) of the German Stock Corporation Act, legal restrictions affecting voting rights exist with respect to votes for annual approval of the actions regarding shares which are held directly or indirectly by members of the Executive and/or Supervisory Boards. Violations of reporting obligations as specified in § 33 (1) or (2) and § 38 (1) or § 39 (1) of the German Securities Trading Act may nullify voting rights, at least temporarily, in accordance with § 44 of this Act.

Pursuant to § 67 (2) of the German Stock Corporation Act, rights and obligations arising from shares shall exist in relation to JENOPTIK AG only for and against those persons entered in the share register. To be recorded in the share register, shareholders must provide JENOPTIK AG with the information required by law (name or company name, address, registered office if applicable, email address, date of birth and number of shares they hold). Also to be disclosed in accordance with the Articles of Association is the extent to which the shares are owned by the person who is recorded as the holder in the share register. Shareholders who do not comply with these disclosure obligations may not exercise their voting rights pursuant to § 67 (2) (2) and (3) of the German Stock Corporation Act.

In connection with Article 19 (11) of the EU Market Abuse Regulation (EU 596/2014) and due to internal group requirements, certain restraints of trade shall apply to members of the Executive and Supervisory Boards and to certain employees in connection with the publication of quarterly statements and reports, preliminary figures as well as the Annual and Consolidated Financial Statements.

3. Direct or indirect participations in the capital exceeding 10 percent of the voting rights

Information on direct or indirect investments in capital which exceed 10 percent of the voting rights can be found in the Group Notes under item 5.16, "Equity", from page 211 on.

4. Holders of shares with special rights conferring controlling powers

There are no shares of JENOPTIK AG that entail special rights.

5. Form of controlling voting rights if employees own shares and do not directly exercise their control rights

There are no employee shareholdings and therefore no resultant control of voting rights.

6. Statutory regulations and provisions of the Articles of Association relating to the appointment and dismissal of Executive Board members and changes to the Articles of Association

The appointment and dismissal of Executive Board members is carried out exclusively in accordance with the statutory regulations of § 84 and § 85 of the Stock Corporation Act and § 31 of the Codetermination Act. In accordance with this, the Articles of Association stipulate in § 6 (2) that the appointment of members to the Executive Board, the revocation of their appointment and the conclusion, modification and termination of contracts for services with members of the Executive Board shall be carried out by the Supervisory Board. In accordance with § 31 (2) of the Codetermination Act, a majority of at least two thirds of the members of the Supervisory Board is required for the appointment of Executive Board members. Revocation of appointment as a member of the Executive Board is only possible for serious due cause (§ 84 (3) of the Stock Corporation Act).

§ 6 (1) (1) of the Articles of Association stipulates that the Executive Board of JENOPTIK AG must comprise at least two members. In the absence of a required Executive Board member, in urgent cases the court must appoint the member on the application of a stakeholder (§ 85 (1) (1) of the Stock Corporation Act). The Supervisory Board can appoint a Chairman of or Spokesperson for the Executive Board (§ 84 (2) of the Stock Corporation Act, § 6 (2) (2) of the Articles of Association).

In accordance with § 119 (1) (5), § 179 (1) (1) of the Stock Corporation Act, changes to the content of the Articles of Association are passed by the Annual General Meeting. However, changes relating purely to the wording of the Articles of Association may be passed by the Supervisory Board in accordance with § 179 (1) (2) of the Stock Corporation Act in conjunction with § 13 (3) of the Articles of Association. This also includes the corresponding adaptation to the Articles of Association following the utilization of the Authorized Capital 2019 and of the Conditional Capital 2021. According to § 24 (1) of the Articles of Association, resolutions by the Annual General Meeting require a simple majority of the votes cast unless stipulated otherwise by law. In those cases in which the law requires a majority of the nominal capital represented for a resolution to be passed, a simple majority of the nominal capital represented is sufficient, unless specified otherwise by the law.

7. Authority of the Executive Board to issue and buy back shares

In accordance with § 4 (5) of the Articles of Association, the Executive Board is authorized until June 11, 2024, with the consent of the Supervisory Board, to increase the nominal capital of the company by up to 44.0 million euros through one or multiple issues of new, no-par value registered shares against cash and/or contribution in kind (“Authorized Capital 2019”). With the consent of the Supervisory Board, the Executive Board is authorized to preclude subscription rights for shareholders in certain cases: a) fractional amounts; b) capital increases against contributions in-kind in particular also within the framework of business combinations or the acquisition of companies, units of companies or investments in companies (including increasing existing investments) or other contributable assets in conjunction with such an intended acquisition as well as claims against the entity; c) capital increases against cash contributions, under the condition that the percentage of any new shares in the share capital does not in total exceed 10 percent of the share capital at the time the authorized capital is registered or in total 10 percent of the share capital at the time the new shares are issued, taking into consideration resolutions of the AGM or the use of other authorizations to preclude subscription rights in a direct or corresponding application of § 186 (3) (4) of the German Stock Corporation Act since the effective date of this authorization and the issuance price of the new shares is not to be significantly lower than the stock market price; d) issuances of new shares to employees of the entity and to associates in which the entity holds a majority interest.

All aforementioned authorizations to exclude subscription rights are limited to a total of 10 percent of the share capital available at the time this authorization becomes effective – or, if this value is lower – to 10 percent of the share capital at the time this authorization is exercised. This limit of 10 percent includes shares that (i) are issued for the purpose of servicing warrants and / or convertibles that were or could still be issued during the period of validity of the authorized capital to the exclusion of subscription rights or (ii) are sold by the entity as treasury shares during the period of validity of the authorized capital to the exclusion of subscription rights. Decisions on the details of the issuance of new shares, in particular their conditions and the content of rights of the new shares, are taken by the Executive Board, with the consent of the Supervisory Board. The Authorized Capital 2019 has not yet been utilized.

A shareholder resolution passed at the Annual General Meeting on June 9, 2021, empowered the Executive Board, with the consent of the Supervisory Board, to issue warrants and / or convertible bonds with a maximum total nominal value of 300 million euros. In order to grant shares to the holders / creditors of such option and/or convertible bonds, the company's nominal capital is conditionally increased by up to 14.95 million euros through the issue of up to 5,750,000 million no-par value registered shares ("Conditional Capital 2021") in accordance with § 4 (6) of the Articles of Association. The conditional capital increase will be implemented only to the extent that

- creditors or holders of option and / or conversion rights arising from option and / or convertible bonds issued by the entity, or by a domestic and / or foreign corporation in which the entity either directly or indirectly holds a majority interest, make use of their option or conversion rights by June 8, 2026 as resolved by the shareholders in their Annual General Meeting resolution dated June 9, 2021, and / or
- the creditors of the issued convertible bonds obliged to exercise their conversion rights issued by the company or a domestic or foreign company in which the company has a direct or indirect majority stake, on the basis of the resolution of the Annual General Meeting on June 9, 2021, fulfill their conversion rights by June 8, 2026 and / or the shares are tendered

and neither treasury shares are used nor payment is made in cash. The new shares participate in profits from the start of the fiscal year for which, on the date of their issue, no resolution has yet been passed by the Annual General Meeting in respect of the appropriation of profits. To the extent legally permissible, the Executive Board may, with the consent of the Supervisory Board, determine the profit participation in deviation from this and also from Section 60 (2) AktG, including for a fiscal year that has already passed.

The Executive Board is authorized, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders to the bonds under certain circumstances. Authorization to exclude subscription rights is limited in the sense that the pro rata amount of share capital corresponding to those shares that must be issued after exercising warrant and / or conversion rights/obligations may not account for more than 10 percent of the share capital existing at the time this authorization takes effect or – if the figure is lower – at the time use is made of the authorization. This 10 percent limit also applies to the sale of treasury shares that are excluded from subscription rights during the period of this authorization, and to shares issued during the period of this authorization under authorized capital and for which subscription rights are excluded.

The Executive Board is authorized to set out the further details relating to the conditional capital increase (e. g. terms of the bonds, interest rate, form of interest, specific period, denomination, issue price, option / conversion price, option / conversion period) in the bond terms and conditions.

Further details regarding the resolved authorization can be found in agenda item 8 in the invitation to the 2021 Annual General Meeting, accessible on our website at www.jenoptik.com in the category Investors / Annual General Meeting. The authorization to issue option and/or convertible bonds has not yet been utilized.

According to a resolution passed by the Annual General Meeting on June 5, 2018, the Executive Board is authorized up to June 4, 2023 to purchase treasury no-par value shares not exceeding a proportion of 10 percent of the nominal capital existing at the time the resolution is adopted or – if this amount is lower – at the time of excercising the resolution for purposes other than trading in its own shares. The purchased treasury shares together with treasury shares that the entity had already purchased and still holds (including the attributable shares in accordance with §§ 71a ff. AktG) may not exceed 10 percent of the share capital of the entity. The authorization may be exercised in whole or in part, on a one-off or repeat basis and for one or more authorized purposes. The purchase and sales of treasury shares may be exercised by the entity or, for specific authorized purposes, also by dependent companies, by companies in which the entity holds a majority interest, or by third parties for its or their account. At the decision of the Executive Board, acquisition is, subject to compliance with the principle of equal treatment (§ 53a of the Stock Corporation Act), by purchase via the stock exchange or by means of a public offering or a public invitation to the shareholders to submit an offer for sale. For the purpose of protecting shareholders against a dilution of their shares, the proposed resolution expressly provides for a restriction of the use of acquired treasury shares in such a way that the total of the acquired shares together with shares issued or sold by the Company during the term of this authorization under another authorization to the exclusion of shareholders' subscription rights or which enable or oblige the subscription of shares is limited to a total of 20 percent of the nominal capital at the time the authorization becomes effective or – if the following value is lower – at the time this authorization is exercised. Further details regarding the buyback of shares are described in agenda item 9 in the invitation to the 2018 Annual General Meeting, accessible on our website at www.jenoptik.com in the category Investors / Annual General Meeting. As of December 31, 2021, the company had no treasury shares.

8. Key agreements in the event of a change of control resulting from a takeover bid

Clauses in contracts concluded by JENOPTIK AG, which apply in the event of a change in control within the ownership structure of JENOPTIK AG following a change of control, exist for the financing agreements described below with a total utilized volume as of December 31, 2021 of approximately 549.6 million euros (prior year: 190.5 million euros).

The conditions for accepting a change in control are formulated differently in each of the loan agreements. For the debenture bond with a total utilized volume of 456.8 million euros (prior year: 69 million euros), a change in control gives the lenders the right to demand the immediate repayment of the loan amount plus the interest accumulated until repayment. For a part of the debenture bond with a total utilized volume of 55 million euros, a change of control applies if one or more persons acting in concert, with the exception of the existing main shareholders on the date the contract is concluded, acquire more than 50 percent of the outstanding nominal capital or more than 50 percent of the voting rights, directly or indirectly at any time. This shall also apply for the new debenture bonds with a utilized volume of 401.8 million euros, whereby voting rights are attributed in accordance with the provisions of § 30 of the Securities Acquisition and Takeover Act (WpÜG).

Under the revolving syndicated loan, every change in the current shareholder base of JENOPTIK AG, under which at least 50 percent of the shares or voting rights are held by one or several persons acting in concert as described in § 2 (5) of the Securities Acquisition and Takeover Act, results in the possibility that lenders (i) may refuse to participate in further disbursements and (ii) terminate loan commitments, in full or in part, and declare due and payable any disbursements executed, in full or in part, including accrued interest. The syndicated loan has a total volume of 400 million euros, of which 92.9 million euros had been utilized by December 31, 2021 (prior year: 121.5 million euros).

9. Compensation agreements by the company with Executive Board members or employees in the event of a change of control

No right to give notice of termination in the event of a change of control, i. e. the acquisition of at least 30 percent of voting rights by a third party, has been agreed with the members of the Executive Board. In such cases, they also have no claim to any severance payment. If the premature termination of an Executive Board role is agreed with an Executive Board member due to a change of control, the amount of a severance payment is limited to a maximum of two years' annual compensation in accordance with the respective recommendations of the German Corporate Governance Code as amended on December 16, 2019. Under no circumstances, however, may the severance payment be greater than the compensation due for the remaining term of the service contract.

Remuneration Report

Contents

With this report, the Executive Board and Supervisory Board are reporting for the first time, according to the new requirements of the Second Shareholder Rights Directive Implementation Act (ARUG II) in accordance with § 162 AktG, on the remuneration granted and owed to the current and former members of the Executive Board and Supervisory Board of JENOPTIK AG and companies of the Jenoptik Group for the fiscal year 2021, including a comparative presentation of the annual change in remuneration for the members of the Executive Board, the development of the company's earnings and the average remuneration of the employees. The Executive Board and Supervisory Board have decided to subject this remuneration report not only to the formal completeness check required by law but also to a substantive review. The Audit Committee commissioned Ernst & Young Wirtschaftsprüfungsgesellschaft GmbH, Stuttgart, to carry out this audit at its meeting on August 10, 2021.

In terms of revenue and profitability, the fiscal year 2021 was another record year for Jenoptik. Even with the inclusion of VINCORION, the Group performed excellently, with revenue growth of 16.8 percent compared with the prior year and an EBITDA margin of 19.8 percent. Compared to the prior year, revenue from the continuing operations even grew by 22.0 percent. At the same time, these segments achieved an EBITDA margin of 20.7 percent. Even excluding one-off effects in connection with the acquisitions of Trioptics and Interob, the EBITDA margin for the continuing operations was, at 16.7 percent, higher than that of the prior year (15.1 percent). In line with the "Pay for Performance" principle, this performance by Jenoptik is also reflected in the variable remuneration for the Executive Board.

A Remuneration for the Executive Board

I. Executive Board remuneration system

Following preparation by the Personnel Committee, the Supervisory Board is responsible for specifying the remuneration system and determining the total remuneration for the individual Executive Board members. The criteria for defining the appropriateness of the individual total remuneration are primarily the respective tasks and areas of responsibility of the members of the Executive Board, their personal performance, as well as the economic situation, the success of the company and its future prospects. Standard practice within the comparative environment and in relation to established comparative groups within the company is another factor in the remuneration.

Jenoptik's corporate strategy focuses on its core expertise in photonics and optics, combined with increased investment in research and development and an active portfolio management. At the same time, Jenoptik wants to grow globally. It is the aim of the remuneration system for members of the Executive Board to provide incentives for implementing this corporate strategy by setting ambitious targets in line with the strategic objectives. In a similar way to the control system, the remuneration system is geared toward the long-term corporate strategy and is also aligned with the Group's short to medium-term objectives. The company control system's performance criteria are used to assess the performance of the Executive Board. The long-term targets are in line with envisaged business performance and shall enable a clear assessment of its attainment. A multi-year variable remuneration component and a consideration of sustainability criteria (environmental, social, governance – ESG criteria) in the one-year variable remuneration shall promote Jenoptik's long-term and sustainable development.

G05 An overview of the remuneration system

Relative share of total target remuneration	Remuneration components	Description
35 % – 40 %	Basic salary	
< 2 %	Fringe benefits	
12 % – 15 %	Company pension plan	
17 % – 23 %	One-year variable remuneration	- **Scheme type:** Target bonus model - **Limit:** max. 200 % of target amount - **Performance criteria:** • 40 % revenue growth • 40 % EBITDA margin • 20 % cash conversion rate • Multiplier (0.8 to 1.2) to assess individual and collective performance of the Executive Board and ESG targets
25 % – 30 %	Multi-year variable remuneration	- **Scheme type:** Virtual performance share plan - **Performance period:** Four years - **Limit:** • Target attainment: max. 150 % per target • Payout: max. 200 % of target amount - **Performance criteria:** • 30 % return on capital employed (ROCE) • 70 % relative total shareholder return (TSR) compared to TecDax
	Malus & clawback	- Opportunity to reduce one-year variable via the multiplier in the sense of a malus - Right of the company to repayment of the multi-year variable (clawback)
	Maximum remuneration pursuant to § 87a(1)(2) AktG	- Chairman of the Executive Board: 2,550,000 euros p.a. - Ordinary member of the Executive Board: 1,800,000 euros p.a.

If the targets set are not met, the variable remuneration may be reduced to zero. At the same time, if the targets are exceeded, it can only increase up to a clearly defined upper limit ("cap") in terms of amount, thereby avoiding an incentive to take excessive risks.

The system of remuneration applicable for the Executive Board in fiscal year 2021 was decided by the Supervisory Board with the assistance of an independent external remuneration advisor and approved at the Annual General Meeting on June 9, 2021 with a majority of 75.96 percent of the votes. The remuneration system is published on the Jenoptik website at www.jenoptik.com/about-jenoptik/management/executive-board-and-executive-management-committee-emc. Chapter A. III. 4 of this remuneration report makes reference to the planned renewed revision of the remuneration system.

Moreover, for Hans-Dieter Schumacher, the remuneration system applicable until 2017 will continue to have consequences, as the virtual shares allocated to him from 2015 to 2017 will be paid out in the years 2020 to 2022. Further details can be found on page 46 of the 2017 Annual Report.

II. Fixing of total target remuneration, appropriateness of Executive Board remuneration

The Supervisory Board has determined the amount of the total target remuneration for the members of the Executive Board in accordance with the remuneration system for Executive Board members. The remuneration for the Executive Board members for 2021 is in line with the remuneration system approved by the 2021 Annual General Meeting. The total target remuneration for Dr. Stefan Traeger increased by 75,000 euros in fiscal year 2021, of which 50,000 euros are for the fixed remuneration, 10,000 euros for the bonus and 15,000 euros for the multi-year variable remuneration. The total target remuneration of Hans-Dieter Schumacher remained unchanged.

T06 Target remuneration for the 2021 fiscal year in euros

	Dr. Stefan Traeger President & CEO			Hans-Dieter Schumacher Executive Board member		
	Target remuneration	Min.	Max.	Target remuneration	Min.	Max.
Non-performance-related remuneration						
Fixed remuneration	650,000	650,000	650,000	450,000	450,000	450,000
Fringe benefits	18,250	18,250	18,250	21,532	21,532	21,532
Pension contribution	200,000	200,000	200,000	160,000	160,000	160,000
Total	**868,250**	**868,250**	**868,250**	**631,532**	**631,532**	**631,532**
Performance-related remuneration						
One-year variable remuneration (bonus for fiscal year 2021)	320,000	0	640,000	200,000	0	400,000
Multi-year variable remuneration						
of which performance shares 2021	430,000	0	860,000	300,000	0	600,000
Total	**750,000**	**0**	**1,500,000**	**500,000**	**0**	**1,000,000**
Total remuneration	**1,618,250**	**868,250**	**2,368,250**	**1,131,532**	**631,532**	**1,631,532**

Maximum remuneration. The maximum remuneration (including pension contributions and fringe benefits) set by the 2021 Annual General Meeting for members of the Executive Board is 2,550,000 euros per fiscal year for the Chairman of the Executive Board and 1,800,000 euros for ordinary members of the Executive Board. The basic remuneration is a fixed value. The upper limits for the one-year and multi-year variable remuneration granted and owed in 2021 – as shown in table T12 – were not reached. Although achievement of the performance targets for the 2021 installment of performance shares will not be measured until the first quarter of 2025, it is already certain that, even if the maximum target is achieved in 2025, the fixed maximum remuneration for the fiscal year 2021 will be met.

Customary level of the specific total remuneration in comparison with other companies and within the company. The review of the appropriateness of the remuneration was conducted by comparing the customary level of remuneration with companies listed on the TecDax and SDax that are comparable in terms of country, size, and sector with Jenoptik. In addition, a vertical review was also undertaken with the remuneration of managers and the workforce as a whole.

III. Specific configuraion of the remuneration system

The remuneration for the Executive Board of Jenoptik consists of non performance-related and performance-related components.

1. Non-performance-related remuneration components

Fixed remuneration. The non-performance-related basic salary is paid on a pro rata basis each month. In 2021, it totaled 650,000 euros for Dr. Stefan Traeger (prior year: 600,000 euros) and 450,000 euros for Hans-Dieter Schumacher (prior year: 450,000 euros).

Retirement benefits. Agreements relating to occupational retirement benefits were concluded with the members of the Executive Board. The pension commitment is based on a pension fund reinsured by a life insurance policy. This is a defined contribution scheme within the framework of a provident fund. The annual and the long-term costs for Jenoptik are clearly defined. On reaching retirement age, the payouts will no longer affect Jenoptik – with the exception of a possible subsidiary liability. In 2021, the contributions for the provident fund totaled 200,000 euros for Dr. Stefan Traeger and 160,000 euros for Hans-Dieter Schumacher. They have remained unchanged for Dr. Stefan Traeger since he joined in 2017 and for Hans-Dieter Schumacher since he joined in 2015. The surrender value of the pension commitment in accordance with § 169 of the German Insurance Contract Act (VVG) amounted to 895,746 euros for Dr. Stefan Traeger and 1,072,198 euros for Hans-Dieter Schumacher as of December 31, 2021.

Fringe benefits. There is accident insurance and directors' and officers' liability insurance for the members of the Executive Board. The latter comprises the contractual obligation to pay a deductible amounting to 10 percent of the loss per claim, however up to a maximum sum of 150 percent of the fixed remuneration of the respective Executive Board member. Executive Board members are also entitled to the private use of a company vehicle.

2. Performance-related remuneration components

The variable remuneration of the Executive Board is based on target agreements concluded with the respective member of the Executive Board in the first quarter of each calendar year. Jenoptik's long-term and sustainable development is thereby promoted by a multi-year variable remuneration component and a consideration of sustainability criteria (environmental, social, governance – ESG criteria) in the one-year variable remuneration. The same targets are agreed upon with both members of the Executive Board, as the Executive Board functions as a team and implements the targets together.

The variable remuneration comprises two components:

The (one-year) bonus (approx. 40 percent of the variable remuneration) is based on the achievement of certain targets within a fiscal year and is paid in the subsequent year.

The second part of the variable remuneration (approx. 60 percent of the variable remuneration) is granted in the form of so-called performance shares. To this end, virtual shares are allocated to the members of the Executive Board on an annual basis. For each installment of performance shares granted, the target attainment is determined at the end of a four-year performance period and the amount resulting from a predefined calculation method is paid out.

The total variable remuneration for 2021 may fall between 0 euros and a maximum of 1,500,000 euros for Dr. Stefan Traeger and between 0 euros and a maximum of 1,000,000 euros for Hans-Dieter Schumacher. The value of 0 euros results when less than 50 percent of all targets are achieved. For the respective maximum amount, 200 percent of the targets for one-year variable remuneration and 150 percent of the targets for multi-year variable remuneration must be achieved.

a) Bonus.

(i) System of bonuses. 40 percent of the bonus is dependent on the Group’s revenue growth: 75 percent of this target (i.e. 30 percent of the bonus) is reached at 100 percent if the revenue growth from the annual plan adopted by the Supervisory Board for the Jenoptik Group is achieved for the corresponding year without taking into account companies or parts of companies acquired or sold. 25 percent of the revenue growth target (i.e. 10 percent of the bonus) is reached at 100 percent if a certain level of revenue attributable to new acquisitions is achieved (regardless of the acquisition date in relation to the entire fiscal year). 40 percent of the bonus is calculated on the basis of the EBITDA margin contained in the annual plan. The third sub-target, with a 20 percent share of the bonus, is reached at 100 percent if the ratio of free cash flow to EBITDA for the year in question (the so-called “cash conversion rate”) reaches the value from the annual plan approved by the Supervisory Board, adjusted for cash effects from special projects not included in the plan.

The yardstick for determining the degree of target attainment does not need to be linear. This means that a target attainment of 200 percent does not necessarily require a doubling of the initial value of the financial key indicator, in the same way as a 50 percent target attainment does not necessarily have to be achieved at half of the originally defined financial baseline for 100 percent. The precise calibration of the targets is based on historical experience and future expectations, as well as the adopted budget of the respective year.

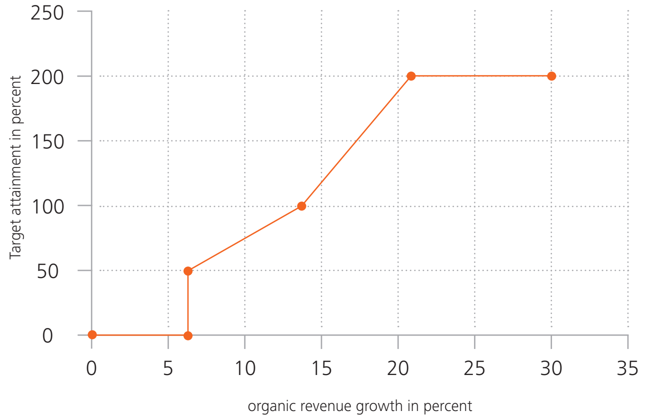
(ii) Targets for 2021. The financial targets agreed with the members of the Executive Board for 2021 were:

T07 Financial targets agreed for 2021

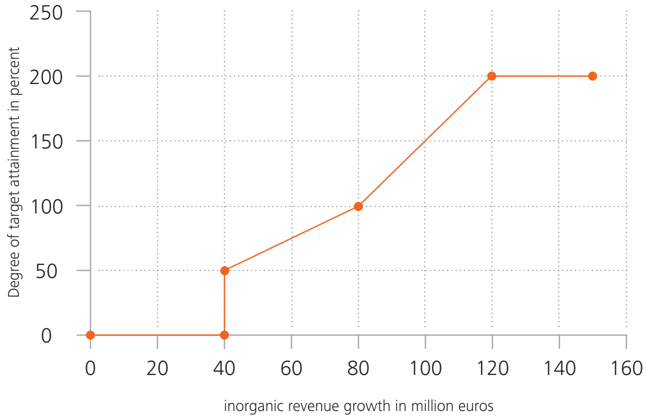
Target	Weighting with target attainment of 100 %	Targets for 2021 in %		
		100	50 (lower Cap)	200 (upper Cap)
Organic revenue growth in % (acquisitions and divestments are deducted in 2020 and 2021)	30 %	13.7	6.9	20.6
Inorganic revenue growth in million euros (with regard to the complete calendar year)	10 %	80.0	40.0	120.0
EBITDA margin in %	40 %	16.4	11.0	21.0
Cash conversion rate (excluding cash effects from special projects not included in planning)	20 %	55.7	25.0	80.0

The following charts illustrate the target attainment curves for the 2021 bonuses:

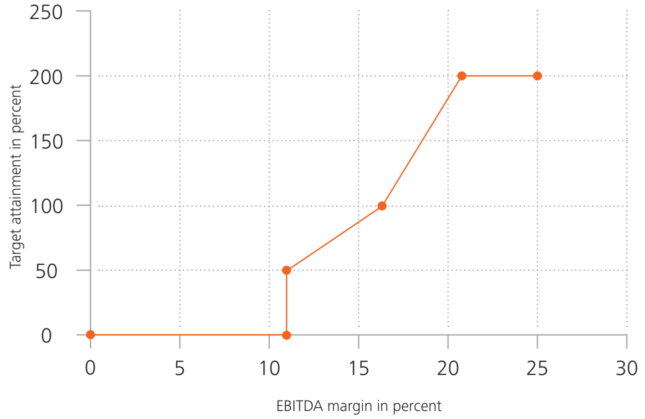
G06 Organic revenue growth



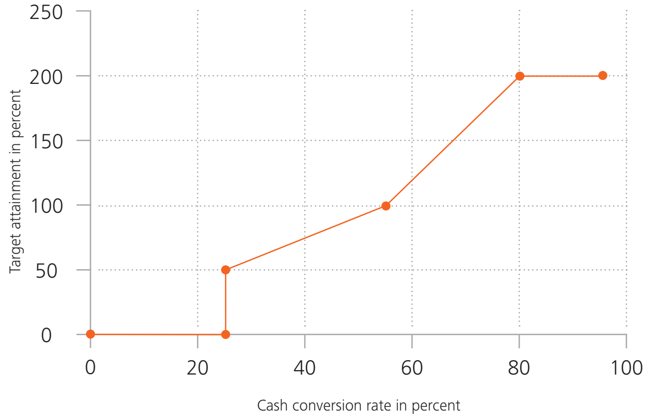
G07 Inorganic revenue growth



G08 EBITDA margin



G09 Cash conversion rate



To take account of non-financial aspects, the bonus amount for the respective Executive Board member resulting from the target attainment is then multiplied by a performance factor, the so-called multiplier. Its value can be between 0.8 and 1.2. The multiplier is determined on the basis of the individual performance of the Executive Board member, the collective performance of the Executive Board as a whole and the non-financial targets. These targets are derived from the Jenoptik Group's ESG road map described in the Sustainability Report and published on our website at www.jenoptik.com/sustainability/sustainability-targets. They correspond with the ESG targets agreed as part of group financing. The non-financial targets agreed for 2021 and their attainment are shown in table T09.

The Supervisory Board can use the multiplier to reduce the variable bonus in the sense of a malus arrangement by up to 20 percent even if the financial targets are met or exceeded, if, for example, the behavior of the Executive Board member strongly warrants it, but is not serious enough to justify termination or liability due to breach of duty or a reduction in remuneration in accordance with § 87 (2) of the German Stock Corporation Act (AktG) is not possible.

With 100 percent target attainment and a multiplier of 1.0 for the fiscal year, Dr. Stefan Traeger receives a bonus of 320,000 euros and Hans-Dieter Schumacher of 200,000 euros. In each case, the bonus for 2021 for Dr. Stefan Traeger is limited to a maximum of 640,000 euros, and for Hans-Dieter Schumacher to 400,000 euros. The bonus is paid in cash with the payroll after the target settlement and adoption of the annual financial statements.

G10 One-year variable remuneration (bonus)

12 months

	Target attainment (0 % – 200 %)		
Target	Financial targets	Multiplier (0.8 – 1.2)	Payout (cap 200 % of the target)
	30 % organic revenue growth	Individual performance	
	10 % revenue of newly acquired companies	Collective performance of the Executive Board	
	40 % EBITDA margin	ESG targets	
	20 % cash conversion rate		

(iii) Target attainment 2021. On the basis of its assessment, and taking into account all relevant aspects for the fiscal year 2021, the Personnel Committee of the Supervisory Board has decided to propose to the Supervisory Board that a multiplier of 1.15 be used for both members of the Executive Board. When doing so, particular account was also taken of the fulfillment of the non-financial targets shown in table T09, but also of the individual contributions to the strategic further development of Jenoptik. These include the conclusion of new group financing with ESG components with a volume of up to 1 billion euros, the acquisition of BG Medical Applications GmbH and the SwissOptic Group, as well as the signing of a contract to sell VINCORION. Added to this is the further development and adoption of the Group's new "More Value" strategy.

The actual target attainment of the one-year variable remuneration for 2021 and the resulting payments for the fiscal year 2021 are as follows:

T08 Target attainment of the one-year variable remuneration for 2021 and payment in euros

Indicator	Fiscal year 2021 Actually attained	Target attainment in %	Payment to Dr. Stefan Traeger	Payment to Hans-Dieter Schumacher
Organic revenue growth in % (acquisitions and divestments are deducted in 2021)	16.6	142.35	136,659	85,412
Inorganic revenue growth in million euros (with regard to the complete calendar year)	123.8	200.00	64,000	40,000
EBITDA margin in %*	16.7	106.91	136,843	85,527
Cash conversion rate (excluding cash effects from special projects not included in planning)	42.9	79.21	50,696	31,685
Subtotal			388,198	242,624
Multiplier			1.15	1.15
Total			**446,428**	**279,017**

* Total Group including VINCORION and without one-off effects in connection with the acquisition of TRIOPTICS and INTEROB

T09 Target attainment of non-financial objectives

		2021 target	Target attainment
Diversity rate	**Increase in diversity:** Number of managers with an international background and female managers Calculation: ~ Ø (proportion of international managers + proportion of female managers)	29 %	29 %
Vitality Index	**Increase in innovative strength:** percentage of revenue generated by products and services developed within the last 3 years	18.5 %	19 %
CSR rate	**Increased transparency in the supply chain** to protect human rights and the environment: CSR rate: the percentage of suppliers of production materials with an annual purchase volume in excess of 200,000 euros for which full CSR self-assessments are available.	Switch to platform solution “Integrity Next”, where all suppliers with a purchase volume of more than 200,000 euros are taken into account	achieved
Green electricity rate	**Active reduction of the CO_2 emissions:** Green electricity share as a proportion of the total electricity demand used by the main production sites	66.5 %	76 %
Employee satisfaction	**Global Engagement Score:** Commitment of our employees, i.e. 76 % of our employees identify positively with their duties at Jenoptik in 2021 and are active participants.*	>76 %	72 %

* The main reason for the Global Engagement Score falling short of the target value are the personnel adjustments in the Light & Production division in Germany and the US

b) Performance shares.

(i) System of the performance shares. Based on a value of 430,000 euros for Dr. Stefan Traeger and 300,000 euros for Hans-Dieter Schumacher ("initial value" for 2021), performance shares are to be provisionally allocated to the member of the Executive Board in the first quarter of each fiscal year, usually at the balance sheet meeting of the Supervisory Board in the second half of March.

In order to calculate the provisional number of performance shares to be allocated, the initial value with effect from the 2021 installment is divided by the volume-weighted average price ("VWAP") of the Jenoptik share on the last 60 trading days of the fiscal year preceding the provisional allocation (up to and including the 2020 installment on the 20 trading days following the announcement of the preliminary annual figures for the fiscal year preceding the provisional allocation). The VWAP for the specified 2021 period was 24.114 euros. Consequently, Dr. Stefan Traeger was provisionally allocated a total of 17,832 performance shares and Hans-Dieter Schumacher 12,441 for the 2021 installment. Long-term performance targets are agreed for each installment, the achievement of which is measured at the end of each four-year "performance period". For the performance shares provisionally allocated in 2021, the measurement will take place at the beginning of 2025.

The performance shares not yet paid out are:

T10 Performance shares

	Number of provisionally allocated performance shares		
Installment	Dr. Stefan Traeger	Hans-Dieter Schumacher	Payout year
2018	14,202	10,652	2022
2019	12,512	9,384	2023
2020	18,933	13,687	2024
2021	17,832	12,441	2025

(ii) Targets for the 2021 installment. The performance targets to be attained over the performance period are the return on capital employed (ROCE) with a weighting of 30 percent and the total shareholder return (TSR) of Jenoptik compared with the TecDax with a weighting of 70 percent.

An average ROCE of 14 percent (16 percent up to and including the 2020 installment) is currently set as the target value for the ROCE target. A target attainment of 50 percent is achieved for the ROCE target if the average ROCE achieved over the performance period is 5 percentage points below the target ("lower cap"). If the average ROCE achieved is more than 5 percentage points below the target value, target attainment is 0 percent. The target attainment for the ROCE target can be a maximum of 150 percent. This is achieved if the average ROCE over the performance period is 5 percentage points or more above the target value ("upper cap"). Exceeding the ROCE target value by more than 5 percentage points does not result in a higher target attainment

The ROCE is calculated by dividing EBIT by the average capital employed. The average capital employed comprises non-current non-interest-bearing assets (e.g., intangible assets including goodwill, property, plant, and equipment, and investment properties) and current non-interest-bearing assets (essentially made up of inventories, receivables from the operating business, and other current receivables), less non-interest bearing borrowings (e.g., provisions – excluding pensions and taxes –, liabilities from the operating business, and other current liabilities). The calculation of averages uses the twelve month-end balances in the period under review and the opening balance at the start of the year.

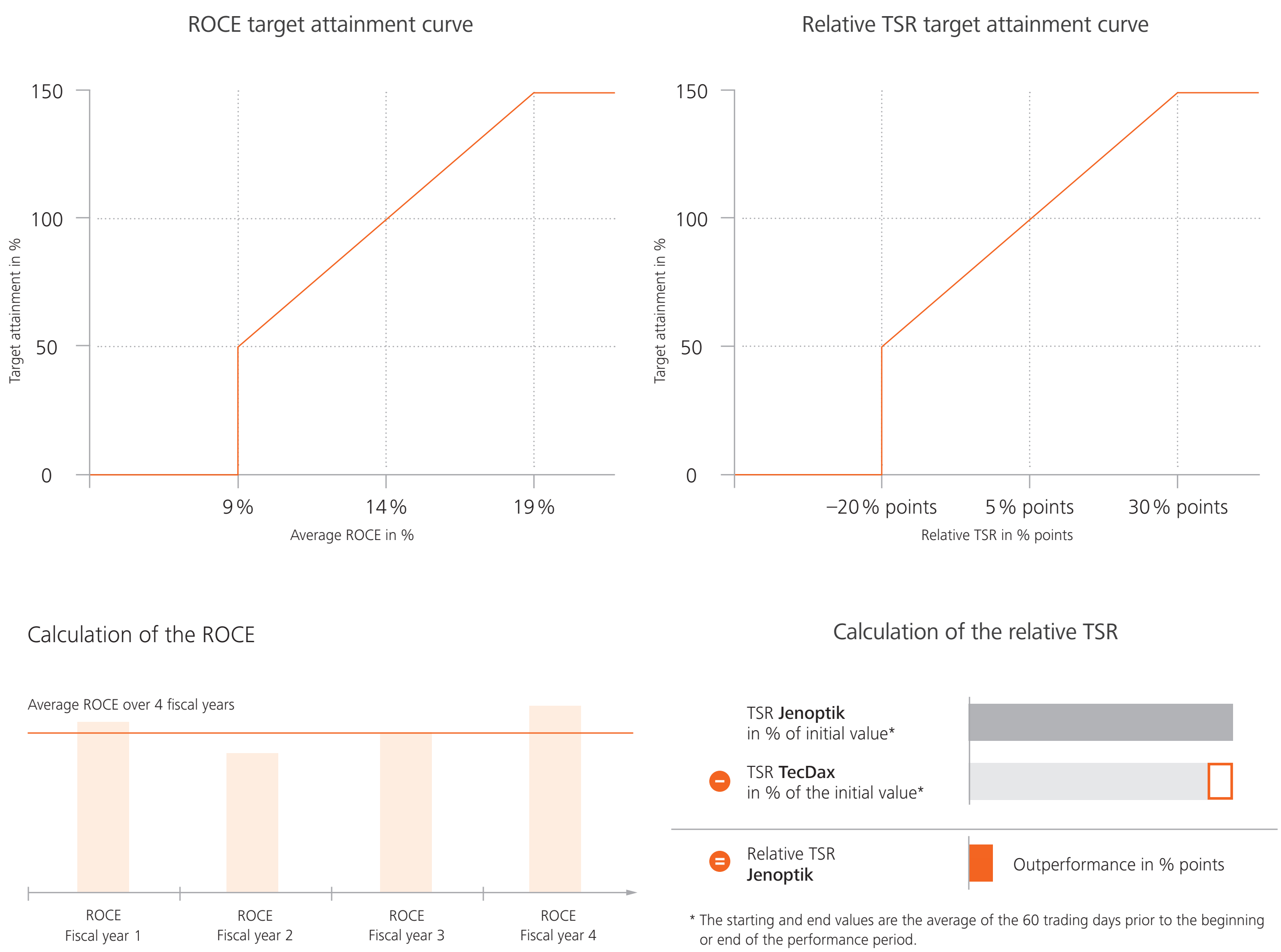
A relative TSR of plus 5 percentage points is set as the target value for 100 percent target attainment of the TSR target, i.e., the performance of the Jenoptik share price, including dividend, over the performance period exceeds the performance of the TecDax by 5 percentage points. A relative TSR of minus 20 percentage points equates to a target attainment of 50 percent ("lower cap").

If the relative TSR is lower than minus 20 percentage points, target attainment falls to 0 percent. Similarly, target attainment is capped at an upper limit of 150 percent, and is achieved with a relative TSR of plus 30 percentage points or more ("upper cap").

The relative TSR is determined as the difference in percentage points between the change in the Jenoptik share price including reinvested dividends and the change in the TecDax performance index.

Again, the yardstick for determining the degree of target attainment does not need to be linear here.

G11 The multi-year variable remuneration – target attainment curves



* The starting and end values are the average of the 60 trading days prior to the beginning or end of the performance period.

(iii) Calculation of the payout amount for the 2021 performance share installment in 2025. Depending on the level of target achievement, the number of performance shares to be finally allocated is determined at the end of the four-year performance period. It is limited to one and a half times the number of provisionally allocated performance shares ("allocation cap"). If the level of target attainment is less than 50 percent, the entitlement to final allocation of performance shares shall no longer apply.

The number of finally allocated performance shares is multiplied by the VWAP of the Jenoptik share on the last 60 trading days of the last fiscal year of the performance period ("payout rate"). The resulting amount shall be paid after the adoption of the annual financial statements. The payout amount is limited to a maximum of 200 percent of the initial value, i.e. 860,000 euros for Dr. Stefan Traeger for the 2021 installment and 600,000 euros for Hans-Dieter Schumacher ("payout cap").

In the event of termination of the Executive Board mandate, performance shares which have not yet been allocated finally, but only provisionally, shall not be prematurely finally allocated and paid out, but evaluated, allocated and then paid out in accordance with the regular procedure at the end of the respective performance period. Should JENOPTIK AG terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, all provisionally allocated performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation.

The Executive Board service contracts contain provisions for capital and conversion measures and the event of a delisting, which are aimed at ensuring that the performance shares are financially equivalent to real shares.

(iv) Calculation of the payout amount for the 2018 performance share installment and the 2017 LTI installment (for Hans-Dieter Schumacher): The fiscal year 2021 was the last year of the performance period of the performance shares provisionally allocated to the members of the Executive Board in 2018 (2018 installment). The long-term variable remuneration is deemed to be granted and owed in the final year of the performance period. The relevant share price for determining the number of performance shares to be provisionally allocated in 2018 was 28.165 euros, so Dr. Stefan Traeger and Hans-Dieter Schumacher were provisionally allocated 14,202 and 10,652 performance shares respectively for the 2018 installment. Of these, 4,261 shares in the case of Dr. Stefan Traeger and 3,196 shares in the case of Hans-Dieter Schumacher related to the ROCE target (30 percent) and 9,941 shares or 7,456 shares respectively to the TSR target (70 percent).

The arithmetic mean of the ROCE achieved for the 2018 to 2021 performance period was 14.9 percent, which, using the target achievement curve (linearly interpolated), corresponded to a target attainment of 89 percent, as the ROCE target for the 2018 installment was 16 percent and the lower cap was 11 percent. Thus, a total of 3,792 performance shares were finally allocated to Dr. Stefan Traeger and 2,844 to Hans-Dieter Schumacher for the performance shares allocated to the ROCE target. The amount to be paid out thereafter was then calculated by multiplying the number of performance shares finally allocated by the volume-weighted average price on the last 60 trading days of the last fiscal year of the performance period ("payout rate"), i.e. 2021. The payout price calculated in this way was 33.906 euros. In 2022, Dr. Stefan Traeger will therefore be paid 128,571.62 euros (equivalent to 3,792 shares * 33.906 euros) and Hans-Dieter Schumacher 96,428.71 euros (equivalent to 2,844 shares * 33.906 euros) for the ROCE sub-target.

As the relative TSR target attainment level in the relevant measurement period was minus 25.4 percentage points (and therefore less than minus 20 percentage points), target attainment was 0 percent. Therefore, no payout was made for the performance shares provisionally allocated in 2018 for the relative TSR target.

T11 Performance share installment 2018

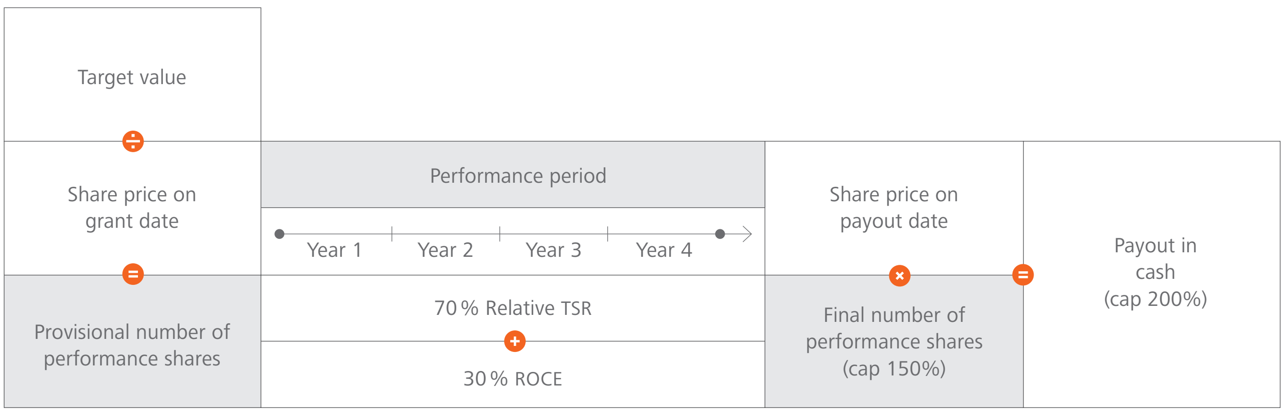
	Number of performance shares provisionally allocated for the 2018 installment (allocation price: 28.165 euros).	ROCE target value for 100 percent target attainment	TSR target value for 100 percent target attainment	ROCE value achieved in % = target attainment	TSR value achieved in % = target attainment	Number of finally allocated performance shares	Payout amount in euros with payout price of 33.906 euros
Dr. Stefan Traeger	14,202, of which 4,261 for ROCE target and 9,941 for TSR target	16 percent	+5 percent	14.9 = 89 percent	−25.4 = 0 percent	3,792	128,571.62
Hans-Dieter Schumacher	10,652, of which 3,196 for ROCE target and 7,456 for TSR target	16 percent	+5 percent	14.9 = 89 percent	−25.4 = 0 percent	2,844	96,428.71

For Hans-Dieter Schumacher, the remuneration system applicable until 2017 will continue to apply, as the virtual shares allocated to him in 2017 will be paid out at the end of the fourth subsequent year after allocation in fiscal year 2022. Hans-Dieter Schumacher was allocated 14,819 virtual shares for 2017 (see Annual Report 2017, p. 50). In the years 2018 to 2021, 563 so-called “dividend shares” were allocated, so a total of 15,382 virtual shares were paid out in 2022. The payout rate corresponds to the volume-weighted average closing price of the Jenoptik share in XETRA trading on the Frankfurt Stock Exchange for the full 2021 year and amounts to 28.151 euros. This resulted in a payout amount of 433,018.68 euros (corresponds to 15,382 shares * 28.151 euros).

(v) Summary. The system of remuneration with performance shares is summarized as follows:

Year 1: Agreement of a performance target for the year 1 installment (“installment 1”) with the member of the Executive Board; provisional allocation of performance shares for installment 1; calculation of the provisional number by dividing the initial value by a VWAP of the last 60 trading days of the prior year.
Years 1–4: Performance period for installment 1.
Year 5: Measurement of target attainment, from which determination of the number of final performance shares to be allocated for installment 1, taking into account the allocation cap; multiplication of this final number by a VWAP of the last 60 trading days of year 4. Payout of this amount to the member of the Executive Board, taking into account the payout cap.

G12 Multi-year variable remuneration



3. Other agreements.

Clawback. The company has a right to repayment of the multi-year variable remuneration (so-called clawback) if, within three years after payout of the multiple variable remuneration, it becomes apparent that one of the audited and approved consolidated financial statements during the four-year performance period was objectively incorrect, and therefore had to be subsequently corrected in accordance with the relevant accounting standards. In addition, the Supervisory Board has the option to reduce the one-year variable remuneration by selecting a low multiplier if there are significant reasons relating to the behavior of a member of the Executive Board in addition to any statutory claims for damages under § 93 (2) of the AktG or a reduction in remuneration under § 87 (2) of the AktG. Should JENOPTIK AG terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, all provisionally allocated performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation. There was no reason to exercise this option in the fiscal year 2021, i.e. no variable remuneration components were clawed back.

Third-party benefit commitments. In the past fiscal year, no benefit commitments were promised or granted to any Executive Board member by a third party with regard to his activity as a member of the Executive Board.

Benefit commitments in the event of regular termination of employment. Dr. Stefan Traeger and Hans-Dieter Schumacher are not entitled to payment of bridging payments following their regular departure from the company. Nor was any right of termination agreed with them in the event of a change of control.

Benefits in the event of the premature termination of employment. In the event of a member of the Executive Board being dismissed in accordance with § 84 (3) AktG in conjunction with the relevant provisions of the German Codetermination Act, the rights under the employment contract shall remain unaffected. In this case, however, the member of the Executive Board is entitled to terminate the employment relationship extraordinarily and with immediate effect. At the same time, Jenoptik is entitled to release the Executive Board member from his obligation to render services.

In the event that the appointment as member of the Executive Board and the employment contract end prematurely without good cause within the meaning of § 626 BGB, a severance payment may be agreed. This amounts to a maximum of two years' remuneration (plus fringe benefits) or the remuneration due for the remaining term of the service contract, whichever is lower ("severance payment cap"). The annual remuneration comprises the basic remuneration, the variable remuneration components, and the annual pension contribution. For the one-year variable remuneration, a target attainment of 100 percent and a neutral multiplier of 1.0 are assumed. Virtual performance shares that have already been provisionally allocated but whose performance period has not yet expired are not forfeit in the event of premature termination. They are valued in accordance with the normal procedure at the end of the performance period depending on the attainment of the performance criteria, allocated, and paid out.

However, should, the company terminate the employment relationship for a good reason for which the member of the Executive Board is responsible, as per § 626 BGB, all provisionally allocated virtual performance shares for which the performance period has not yet expired shall be forfeited without substitution or compensation.

Non-competition clause. A post-contractual non-competition clause was agreed with Dr. Stefan Traeger for a period of one year following the end of his contract of employment. An amount of 50 percent of the annual remuneration including variable remuneration (with a target attainment level of 100 percent) and pension contributions has been agreed as compensation for the non-competition clause. Any severance payment shall be offset against the compensation. Prior to termination of the employment relationship, Jenoptik may also waive the post-contractual non-competition clause by means of a written declaration.

Ancillary activities. The acceptance of seats on a supervisory board, advisory board or comparable supervisory bodies of companies outside the Group requires the approval of the Supervisory Board.

Rejection of the remuneration system. Should the Annual General Meeting reject the remuneration system and / or the remuneration report, the members of the Executive Board have committed themselves to enter into discussions on an adaptation of the remuneration system.

4. Proposed renewed revision of the remuneration system

As described in the chapters A. III. 2 a) (ii) and (iii), the one-year variable remuneration already provides for a clear reference to ESG targets via the multiplier. Against the background of recent developments with respect to Executive Board remuneration, the Supervisory Board is conscious that the ESG reference of the remuneration should be further expanded and, in future, also become a component of the multi-year variable remuneration.

The multi-year variable remuneration in the current remuneration system is already very strongly linked to the development of the Jenoptik share price via the (virtual) performance share system. However, the remuneration system does not currently allow for any obligation on the part of the members of the Executive Board to hold Jenoptik shares. Here, too, the increasing implementation of share ownership guidelines has resulted in new developments in the area of Executive Board remuneration systems, which the Supervisory Board would like to address within the context of a revision of the remuneration system.

The planned revision of the remuneration system is to be carried out by the newly constituted Supervisory Board following the 2022 Annual General Meeting. Waiting until the Annual General Meeting in 2023 also offers the opportunity to take account of current developments in the area of Executive Board remuneration by the end of 2022 following the last revision in 2020/2021.

IV. Detailed presentation of the total remuneration for the members of the Executive Board.

Table T12 below contains a list of the remuneration components granted and owed to Dr. Stefan Traeger and Hans-Dieter Schumacher for the past fiscal year. In this context, remuneration granted and owed is understood to mean remuneration paid for professional activities performed in the fiscal year 2021, irrespective of whether payout takes place in 2021 or later. The multi-year variable remuneration is deemed to be granted and owed in the last year of the performance period, even if payout is made in the following year, because only then can it be determined that all performance criteria were fulfilled.

T12 Remuneration granted and owed in the 2020 and 2021 fiscal years

	Dr. Stefan Traeger President & CEO				Hans-Dieter Schumacher Executive Board member			
	2021		2020		2021		2020	
	in euros	in %	in euros	in %	in euros	in %	in euros	in %
Non-performance-related remuneration								
Fixed remuneration	650,000	45.0	600,000	49.7	450,000	31.3	450,000	36.5
Fringe benefits	18,250	1.3	18,517	1.5	21,532	1.5	21,008	1.7
Pension contribution	200,000	13.9	200,000	16.6	160,000	11.1	160,000	13.0
Total	**868,250**	**60.2**	**818,517**	**67.8**	**631,532**	**43.9**	**631,008**	**51.1**
Performance-related remuneration								
One-year variable remuneration (bonus for 2021 fiscal year)	446,428	30.9	n. a.		279,017	19.4	n. a.	
One-year variable remuneration (bonus for 2020 fiscal year)	n. a.		301,600	25.0	n. a.		194,580	15.8
Multi-year variable remuneration (performance shares 2018 and LTI 2017*)	128,572	8.9	n. a.		529,447	36.7	n. a.	
Multi-year variable remuneration (performance shares 2017 and LTI 2016*)	n. a.		86,624	7.2	n. a.		408,484	33.1
Total	**574,999**	**39.8**	**388,224**	**32.2**	**808,465**	**56.1**	**603,064**	48.9
Total remuneration	**1,443,249**	**100**	**1,206,741**	**100**	**1,439,997**	**100**	**1,234,072**	100

*Payout of 2017 and 2016 installments of the LTI model applicable for Hans-Dieter Schumacher until 2017

V. Comparative presentation of the annual change in remuneration, the company's development of earnings as well as the average remuneration for employees considered over the last five fiscal years

The table T13 below presents the total remuneration granted and owed to the members of the Executive Board and the Supervisory Board in the years 2017 to 2021.

The totel remuneration of the Executive Board comprises the fixed remuneration, the one-year and multi-year variable remuneration, fringe benefits and pension contributions. Should a member not have worked for Jenoptik for the full calendar year, the amount is extrapolated to a full 12 months. The former Executive Board member Dr. Michael Mertin left the company in 2017 and, in this context, received his virtual shares, which had not yet been paid out, and parts of a contractually agreed transitional allowance. The payments received by him in 2017 are shown as a total amount.

The total compensation of the Supervisory Board comprises the fixed compensation paid for 2021 for membership of the Supervisory Board and its committees as well as the attendance fees for meetings held in 2021.

Also presented is the average remuneration for the total workforce and of employees paid in accordance with collective agreements in Germany over the last five fiscal years. The total workforce includes all employees below Executive Board level (including non pay-scale employees and senior executives) with the exception of employees of VINCORION which is shown as discontinued operation in the Consolidated Financial Statements 2021. The table also shows the average remuneration for all pay-scale employees in Germany. Pay-scale employees are salaried employees covered by collective bargaining agreements and employees on a par with the collective bargaining agreement but not bound by it. In addition to the basic salary, the average remuneration for the total workforce and pay-scale employees include bonuses, special payments, variable remuneration for the year in question (for the year 2021 the provision amount) and the employer's share of social security contributions, but not any severance pay or sign-on bonuses. Should an employee not have worked for Jenoptik for the full calendar year, the amount is extrapolated to a full 12 months. Due to differing salary levels worldwide, the presentation is restricted to employees working in Germany, particularly as both members of the Executive Board are also employed and based in Germany.

The company's development of earnings is presented on the basis of the Jenoptik' performance indicators of revenue, EBITDA and free cash flow of the Jenoptik Group. The overview was supplemented by a comparative presentation of the development of the annual net profit of JENOPTIK AG as per the HGB.

T13 Comparative presentation of the change in remuneration for the Executive Board, the employees, the company's development of earnings and the Supervisory Board

	2021		2020		2019		2018		2017
Remuneration in euros	2021 Amount	Change in %	2020 Amount	Change in %	2019 Amount	Change in %	2018 Amount	Change in %	2017 Amount
Development of earnings (in million euros) [1]									
Revenue	895.7	16.7	767.2	−10.3	855.2	2.5	834.6	11.6	747.9
EBITDA	177.2	58.8	111.6	−16.7	134.0	5.1	127.5	19.3	106.9
Free cash flow (before income taxes)	62.8	0.8	62.3	−19.3	77.2	−28.7	108.3	50.0	72.2
JENOPTIK AG annual net profit as per German Commercial Code	16.0	−56.9	37.2	−33.2	55.6	−29.6	79.0	12.2	70.4
Average remuneration for employees [2]									
Combined workforce in Germany (excluding the Executive Board)	80,000	5.3	76,000	4.1	73,000	1.4	72,000	2.9	70,000
Pay-scale employees in Germany	71,000	1.4	70,000	7.7	65,000	3.2	63,000	1.6	62,000
Remuneration granted and owed to the Executive Board									
Dr. Stefan Traeger [3]	1,443,249	19.6	1,206,741	20.2	1,003,786	−24.9	1,336,620	19.9	1,114,676
Dr. Michael Mertin [4]									8,234,320
Hans-Dieter Schumacher [5]	1,439,997	16.7	1,234,072	−9.5	1,363,020	41.4	963,613	19.1	809,161
Remuneration granted and owed to the Supervisory Board [6]									
Matthias Wierlacher	121,000	19.2	101,500	−8.6	111,000	4.4	106,308	−3.8	110,500
Stefan Schaumburg	79,500	57.5	50,470	−6.5	54,000	8.0	50,000	−6.5	53,500
Astrid Biesterfeldt	58,000	11.5	52,000	−14.1	60,500	1.7	59,500	9.8	54,171
Evert Dudok	44,000	14.3	38,500	−15.4	45,500	0	45,500	1.1	45,000
Michael Ebenau (until October 15, 2020)	/	/	57,536	−28.5	80,500	4.7	76,904	7.6	71,500
Elke Eckstein (since June 8, 2017)	52,500	11.7	47,000	−9.6	52,000	3.2	50,404	88.9	26,685
Brigitte Ederer (until June 7, 2017)	/	/	/	/	/	/	/	/	19,315
Thomas Klippstein	64,500	5.7	61,000	−11.6	69,000	3.0	67,000	−2.9	69,000
Dörthe Knips (since June 8, 2017)	53,000	10.4	48,000	−10.3	53,500	5.1	50,904	90.8	26,685
Dieter Kröhn	53,500	12.6	47,500	−10.4	53,000	4.1	50,904	−4.6	53,329
Sabine Lötzsch (until June 7, 2017)	/	/	/	/	/	/	/	/	19,815
Doreen Nowotne	69,500	8.6	64,000	−11.1	72,000	3.0	69,904	5.9	66,000
Heinrich Reimitz	79,000	14.5	69,000	−11.5	78,000	2.6	76,000	−8.4	83,000
Frank-Dirk Steininger (since October 16, 2020)	50,500	517.6	9,757	/	/	/	/	/	/
Prof. Dr. Andreas Tünnermann	57,000	21.3	47,000	−11.3	53,000	2.9	51,500	−13.4	59,500

[1] Key figures for revenue, EBITDA and free cash flow on a group-wide basis (including VINCORION)
[2] Personnel expenses including employer share of social security contributions without severance pay and sign-on bonuses
[3] 2017 normalized to 12 months
[4] Payout of all outstanding virtual shares and a transitional allowance – see Annual Report 2017, pages 49f
[5] In the case of Hans-Dieter Schumacher, from 2019 including LTI payouts under the LTI model applicable until 2017 (for the last time in 2021)
[6] In the Corona year 2020, the members of the Supervisory Board waived 10 percent of their fixed compensation

B Supervisory Board Remuneration

Current remuneration for the members of the Supervisory Board is governed by § 19 of the Articles of Association of JENOPTIK AG and was approved by the Annual General Meeting on June 7, 2017.

G13 Supervisory Board Remuneration

Basic remuneration for the Supervisory Board

Chairman of the Supervisory Board	Deputy	Member
80,000 €	60,000 €	40,000 €

Additional remuneration for committee work

in euros	Audit Committee	Personnel Committee	Investment Committee	Nominations Committee
Chairman	20,000	10,000	10,000	10,000
Deputy	15,000			
Member	10,000	5,000	5,000	5,000

Each member of the Supervisory Board receives a fixed annual remuneration of 40,000 euros for their services. No variable remuneration is provided. This way, an independent control of the Executive Board by the Supervisory Board can be ensured. The Chairman of the Supervisory Board receives double and his deputy one-and-a-half times this amount.

In addition, each member of a committee receives an annual remuneration in the sum of 5,000 euros per year. The Chairman of the committee receives double this amount. The annual remuneration for members of the Audit Committee, whose duties are particularly labor- and time-intensive, is 10,000 euros. The Chairman of the Audit Committee receives double and their deputy one-and-a-half times this amount. These allowances are intended to take account of the particular responsibility and greater time commitment associated with individual roles on the Supervisory Board. This also implements the recommendation of Point G.17 of the German Corporate Governance Code.

Members of committees that have not met during the fiscal year receive no remuneration. Members of the Supervisory Board who have only served on the Supervisory Board or a committee for part of the fiscal year receive a pro rata temporis payment. All the aforementioned remuneration is payable on expiry of the fiscal year.

The members of the Supervisory Board are paid a meeting allowance of 1,000 euros for attending a meeting. Half of this amount is paid for participation in conference calls. The same applies from the second meeting on any day on which several meetings are convened. Verified expenses incurred in connection with a meeting are reimbursed in addition to the meeting allowance, but limited to an amount of 1,000 euros for meetings held in Germany. JENOPTIK AG also reimburses the members of the Supervisory Board for any value added tax applicable to the payment of their expenses.

The members of the Supervisory Board are covered by directors' and officers' liability insurance.

There are no further remuneration-related agreements between the company and the members of the Supervisory Board which go beyond the provisions of § 19 of the Articles of Association. In particular, in the event of a member leaving the Supervisory Board, there is no provision granting remuneration to the members of the Supervisory Board after the end of their term of office.

Jenoptik did not pay any other remuneration or benefits to the members of the Supervisory Board for services rendered personally by them, in particular consulting and intermediary services.

The following table T14 shows the remuneration granted and owed to the members of the Supervisory Board of JENOPTIK AG for the fiscal year 2021 in accordance with § 162 (1) (1) AktG:

T14 Supervisory Board Remuneration

	Total remuneration in euros	in %	Fixed remuneration 2021 in euros	in %	Renumeration for committee work in euros	in %	Meeting allowances in euros	in %
Matthias Wierlacher (Chairman)	121,000	100	80,000	66.1	30,000	24.8	11,000	9.1
Stefan Schaumburg	79,500	100	60,000	75.5	10,000	12.6	9,500	11.9
Astrid Biesterfeldt	58,000	100	40,000	69.0	10,000	17.2	8,000	13.8
Evert Dudok	44,000	100	40,000	90.9			4,000	9.1
Elke Eckstein	52,500	100	40,000	76.2	5,000	9.5	7,500	14.3
Thomas Klippstein	64,500	100	40,000	62.0	15,000	23.3	9,500	14.7
Dörthe Knips	53,000	100	40,000	75.5	5,000	9.4	8,000	15.1
Dieter Kröhn	53,500	100	40,000	74.8	5,000	9.3	8,500	15.9
Doreen Nowotne	69,500	100	40,000	57.6	20,000	28.8	9,500	13.7
Heinrich Reimitz	79,000	100	40,000	50.6	30,000	38.0	9,000	11.4
Frank-Dirk Steininger (since October 16, 2020)	50,500	100	40,000	79.2	5,000	9.9	5,500	10.9
Prof. Dr. rer. nat. habil. Andreas Tünnermann	57,000	100	40,000	70.2	10,000	17.5	7,000	12.3
Total	**782,000**		**540,000**		**145,000**		**97,000**	

At regular intervals and at the latest every four years, the Supervisory Board reviews whether the remuneration received by its members is appropriate in view of their duties and the company situation. Due to the special nature of the Supervisory Board's work, a vertical comparison with the remuneration paid to company employees is not generally used when reviewing Supervisory Board remuneration. The Executive Board and Supervisory Board submitted the remuneration system, unchanged since 2017, to the Annual General Meeting on June 9, 2021 for approval, where it was confirmed by a majority of 99.58 percent. The remuneration system for the Supervisory Board can be found on our website at www.jenoptik.com/investors/corporate-governance under the heading Supervisory Board.

The intention is to propose an increase in the fixed remuneration and an adjustment to the meeting allowance for meetings held in person and remotely to a uniform level for resolution at the 2022 Annual General Meeting.

March 25, 2022

Dr. Stefan Traeger
President & CEO

Hans-Dieter Schumacher
Chief Financial Officer

Matthias Wierlacher
Chairman of the Supervisory Board

Independent auditor's report

To JENOPTIK AG

We have audited the attached remuneration report of JENOPTIK AG, Jena, prepared to comply with Sec. 162 AktG ["Aktiengesetz": German Stock Corporation Act] for the fiscal year from 1 January to 31 December 2021 and the related disclosures.

Responsibilities of the executive directors and the supervisory board

The executive directors and supervisory board of JENOPTIK AG are responsible for the preparation of the remuneration report and the related disclosures in compliance with the requirements of Sec. 162 AktG. In addition, the executive directors and supervisory board are responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report and the related disclosures that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on this remuneration report and the related disclosures based on our audit. We conducted our audit in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report and the related disclosures are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the remuneration report and the related disclosures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the remuneration report and the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report and the related disclosures in order to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the accounting policies used and the reasonableness of accounting estimates made by the executive directors and supervisory board, as well as evaluating the overall presentation of the remuneration report and the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the fiscal year from 1 January to 31 December 2021 and the related disclosures comply, in all material respects, with the financial reporting provisions of Sec. 162 AktG.

Other matter – formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report comprises the formal audit of the remuneration report required by Sec. 162 (3) AktG and the issue of a report on this audit. As we are issuing an unqualified opinion on the audit of the content of the remuneration report, this also includes the opinion that the disclosures pursuant to Sec. 162 (1) and (2) AktG are made in the remuneration report in all material respects.

Limitation of liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the IDW on 1 January 2017 are applicable to this engagement and also govern our responsibility and liability to third parties in the context of this engagement (www.de.ey.com/general-engagement-terms).

Stuttgart, 25 March 2022

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Maurer	Bartsch
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

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).

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

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

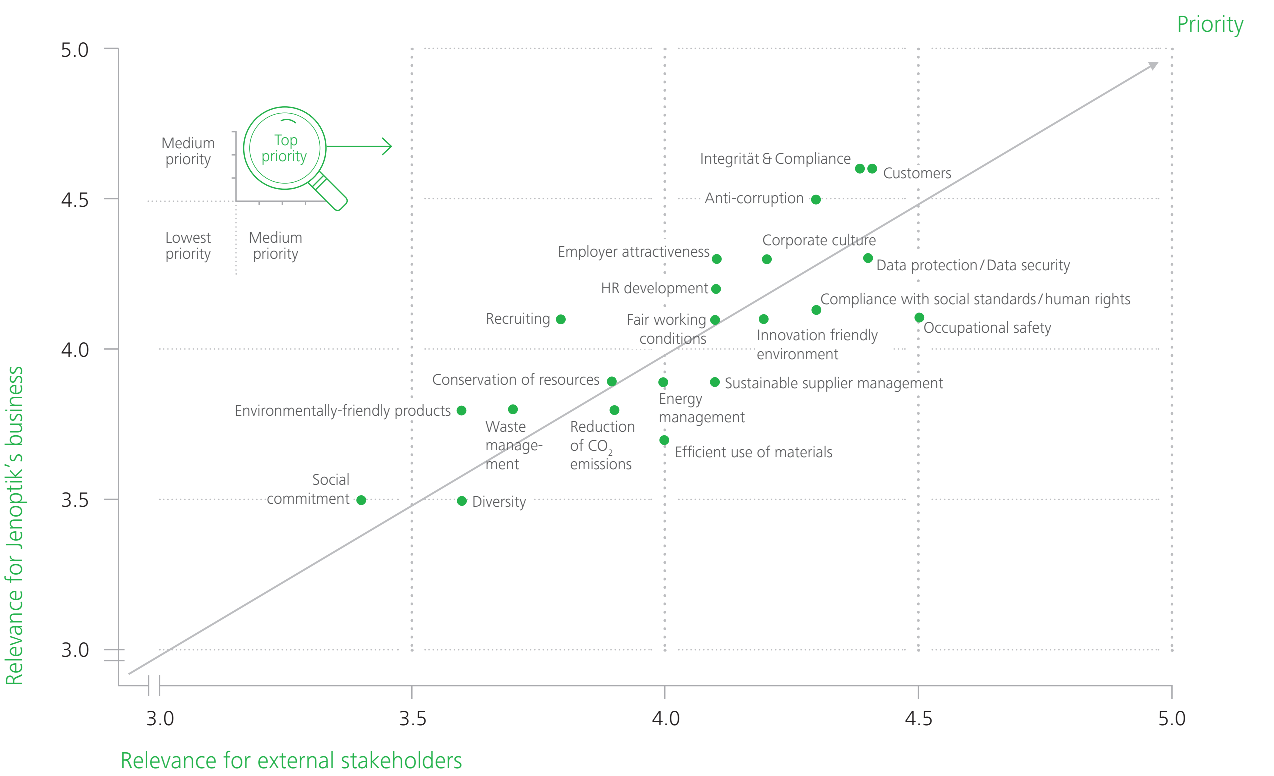
* Revenue 2021 incl. VINCORION see Consolidated Statement of Income and Notes 4.13
** Capital expenditure 2021 see Additions in Group Notes, points 5.1 and 5.2

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_2 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_2 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_2 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

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T16 Jenoptik's key topics

Employees	Evironment	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_2 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	• Fluctuation (attributable to employees) • Engagement Score • Sick leave	3.1 % 76 % 5.2%	5.4 % 72 % 4.7 %	<5 % 72 % <5 %
	We want to increase our diversity and and employ more women and employees of international origin in management positions	• Diversity rate *	27.8 %	28.6 %	30 % by 2022 33 % by 2025
	We want to fill more internal vacancies with by Jenoptik	• Training ratio • Number of trainees taken on (hiring ratio)	4.2 % 79 %	4.0 % 97 %	>4 % 100 %
Innovation	Securing and boosting competitiveness, revenue and earnings through successful innovations				
	• We want to increase our R+D output including customer-specific developments	• R+D output	9 %	9 %	10 % by 2022
	• We want to increase the share of revenue generated with products and platforms which have been developed in the last three years	• Vitality Index	17.1 %	19.1 %	20% by 2022 22% by 2025
Environment	Reduction in CO_2 emissions:				
	• We want to increase the proportion of green electricity used at our main production sites	• Proportion of green electricity at the main production sites	70.7 %	76.4 %	70% by 2022 75 % by 2025
	• We want to reduce our CO_2 emissions	• CO_2 reduction (Scope 1+2) compared to base year 2019 (10.161 t)	9.5 %	24.1 %	30 % by 2025
	• We want to expand our fleet of vehicles with alternative drive technologies and create an appropriate infrastructure	• Number of vehicles with alternative drive technologies in the fleet • Number of charging stations / points	6 *** 17 *** stations	16 27 points	Increase Increase
Suppliers	We want to increase transparency in our supply chain in order to guarantee the protection of human rights and the environment	• CSR rate **	–	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

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.

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

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_2-free economic structures. They are divided, for example, into political/regulatory risks (e.g. rising prices for CO_2 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.

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. Futureoriented 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. Flextime, 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.

Further information on our social commitment can be found from page 76 on

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_2 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.

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

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.

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_2 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 efficienc y 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
Total	**41,166**	**9,844**	**500**	**8,620**	**625**	**1,465**	**62,220**

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_2 emissions. The group-wide CO_2 emissions were reduced by 16.1 percent to 7,713 tons (2020: 9,194 tons). Relative to the base year 2019, CO_2 emissions in 2021 have thus already been reduced by 24.1 percent (2020: reduction by 9.5 percent). This was mainly attributable to are 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 m³ of water were consumed at our main sites (prior year: 69,758 m³). 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 m³)

	2021	2020	2019
Total	**72,009**	**69,758**	**72,117**

T20 Energy consumption and CO_2 emissions at major Jenoptik sites (in MWh and t)

	Energy consumption		CO_2 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
Total	**62,221**	**64,817**	**7,713**	**9,194**
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	Contribution to resource conservation, environmental and health protection
Jenoptik diode lasers and laser systems for a wide range of applications, e.g. in the automotive industry	• 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
or in medical technology for the treatment of glaucoma in ophthalmology	• Increasing health and well-being through minimally invasive surgical methods, e.g. in ophthalmology
Optical systems and components for semiconductor equipment or information and data transfer	• 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
... for medical diagnostics	• Optical systems improve imaging and diagnostics in real-time disease detection, enhancing health and well-being
... sensor solutions for the automotive industry in the field of autonomous driving or traffic monitoring	• Imaging technology is enabling advances in autonomous driving, for example, improving traffic flow and reducing emissions
Metrology-systems and equipment for checking shape and roughness, particularly in the automotive industry, stabilize production processes and reduce failure rates	• 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
Traffic monitoring systems check the compliance with current road traffic regulations and improve traffic flow	• 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
Cooperation agreement with SFC-Energy to increase traffic safety with environmentally friendly technologies	• SFC fuel cell technology reliably supplies Jenoptik speed monitoring systems with green energy
Green cameras improve the air quality	• Average speed cameras not only improve compliance with speed limits and traffic flow, but also deliberately reduce emissions in so-called “clean air zones”
Toll payment monitoring systems on federal highways	• 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 – examplary projects 2021

Social	Jenoptik supports	• Summer camps for children of Jenoptik employees and children of recognized refugee families • Promotion of "Mitarbeiter im Ehrenamt" • Thanksgiving food collections for the needy in Jupiter and Rochester Hills • Blood donation campaigns for One Blood in Jupiter
Science & Education	Jenoptik is a partner for	• Experimentarium Imaginata Jena e.V. • The Thuringian young researchers competition "Jugend forscht" and "Schüler experimentieren" • Applied Photonics Award • Improving the conditions for home schooling for needy families • Lothar Späth Award for Outstanding Innovations in Science and Business • Global competition "SPIE Startup Challenge"
Art & Culture	Jenoptik supports cultural projects with partners	• Light art on the facade of the Ernst Abbe high-rise • Own series of "tangente" art exhibitions • Summer concert series at the Thalbürgel monastery church • Open-air Cultural Festival "Kulturarena" organized by the city of Jena • 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)

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.

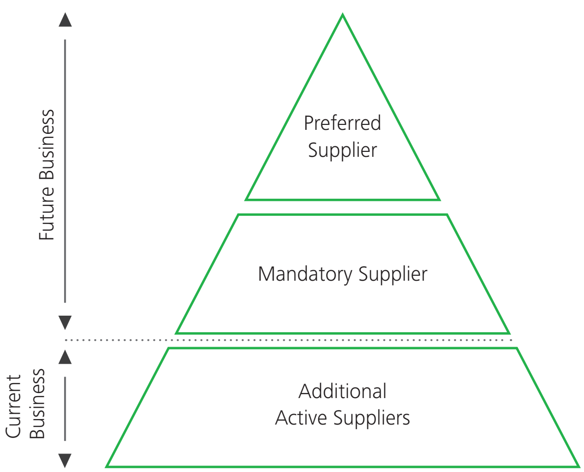
Respect for human rights is a high priority for Jenoptik, especially in the supply chain. Jenoptik is committed to internationally recognized standards of human rights and does not tolerate any form of slavery, forced labor, child labor, human trafficking or exploitation in its own business operations 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.

G15 Classification of suppliers



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.

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.

T25 Examples of the divisions` KPIs

Criterion	Examples for KPIs of the divisions
Quality from a customer perspective	• Customer satisfaction • Complaints costs ratio • Warranty and guarantee costs
Quality as an internal operations partner	• Internal audits (number of improvements) • Measures in the process of continual improvement (number) • Process and product quality - Production yield / quality level - Reworking costs - Scrap costs • Policy Deployment Matrix (PDM)
Quality from the supplier's perspective	• External supplier audits (number of improvements) • Suitable suppliers (number) • Complaints ratio • Complaints costs • Guarantee and warranty costs

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.

T26 Certification within the Group (selection)

Certification	Description	2021 actions
ISO 9001	Certification of quality management processes	• Matrix certification of all German Light & Optics sites incl. TRIOPTICS • Successful surveillance audit at the Shanghai site • Matrix certification of all Light & Production sites except for Spain • Matrix certification of Light & Safety sites in German and Austria • VINCORION certifications: Successful surveillance audit at JENOPTIK Power Systems GmbH
EN 9100	Certification of quality management processes specific to the aerospace and defense industries	• Re-certification / surveillance audit at VINCORION • Re-certification / surveillance audit of the Light & Safety sites in Germany, Switzerland, Austria and the Nether-lands
ISO 13485	Certification for the medical market with respect to the design, development and manufacture of medical products	• Certification in the Light & Optics division: Expansion audit for the biophotonics production and development area
ISO 14001	Certification of the environmental management system	• Matrix certification of German Light & Optics sites: Expansion of the scope for the Berlin-Adlershof site within the framework of the existing multi-site certification • Re-certification in the Light & Production division: Successful certification of the Bayeux site (France) • Re-certification at VINCORION
ISO 27001	IT security and compliance certification	• Initial certification as matrix certification at VINCORION
ISO 45001	Certification of the occupational health and safety management system	• Successful certification of the Light & Production site in Bayeux (France)
IATF 16949	Certification for the automotive industry	• Surveillance audit and special audit at the Triptis site
ISO / TS 22163	Quality management system for the rail industry	• VINCORION: Successful re-certification audit
IRIS	International Railway Industry Standard	• Certification at VINCORION
ILO-OSH-2001 / OHSAS 18001 bzw. DIN ISO 45001	Certification of occupational safety and health management	• Re-certification in Light & Production • Re-certification at VINCORION
AQAO 2110/2210	NATO quality assurance system	• Renewal of certification at VINCORION

Independent Practitioner’s Report on a Limited Assurance Engagement on Non-financial Reporting [1]

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.

[1] 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 immanent 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]	