

Sustainability Report 2021

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Foreword

Dear Readers,

We can look back on a positive first fiscal year as a combined company, during which time we achieved positive results in a challenging market environment.

In the fiscal year 2021, we were very successful with the integration of ams OSRAM. Our broadly based integration programs have continued to make excellent progress and have triggered positive momentum in our teams. This momentum has been reinforced by positive customer feedback on our expanded capabilities and the resulting opportunities.

2021 continued to be affected by the ongoing COVID-19 pandemic and the global supply chain challenges. We have successfully steered ams OSRAM through these challenges. Thanks to our effective operational management approach towards COVID, we have been able to protect our employees, keep our manufacturing up and running and supply our customers.

This report is an example of our successful integration: It is the first joint sustainability report produced by ams-OSRAM AG. It shows that sustainability has become embedded in the Company across all relevant functions. We have not only identified the most material topics for us but also achieved progress and significant milestones. And the report highlights where our journey is expected to lead: We understand sustainability not only as a basis for our “license to operate”, but more importantly – and that is our strong belief – as an essential precondition for longterm success.



We are pressing ahead with the development of a comprehensive sustainability strategy and setting ourselves specific targets: ams OSRAM is committed to the 1.5 degree target of the Paris Climate Agreement and wants to make its own operations carbon-neutral by 2030. We have also set ourselves the target of increasing the percentage of women in management roles to 25% by fiscal year 2026.

The integration of sustainability into our approach to run our business will open up new opportunities for us: We address global challenges, such as climate change, the scarcity of resources or urbanization with our portfolio. We also want to improve quality of life in various areas such as health, safety and mobility. This is what we understand by our company motto “Sensing is life.”

We are already helping our customers in the automotive or consumer (mobile) sector to become technology leaders with our innovations. We offer components for a low-carbon footprint and also make a positive contribution to society, such as through applications to protect people’s health. Our products are also helping overcome the COVID-19 pandemic, through the sterilization of air, surfaces and water, for example. It is part of our business model or our DNA to help reduce the amount of resources we use. For example, ams OSRAM experts are working at developing ever smaller and more efficient solutions.

Sustainability implies responsibility towards customers, employees, shareholders, society and the environment. We focus on dealing responsibly with resources, protecting the environment, attractive labor conditions, protecting health and safety at work as well as complying with human rights along our value chain.

With this report, we underline our commitment to sustainable development and document our sustainability activities as a recently established combined company. We are guided by the 17 Sustainable Development Goals (SDGs) of the United Nations. Both ams and OSRAM were

longstanding supporters of the UN Global Compact. ams OSRAM is continuing this commitment by aligning its business activity and our future sustainability strategy with these universally acknowledged principles.

The development of our comprehensive sustainability strategy is in full swing. The following focus topics were already established based on a materiality analysis: climate, labor conditions, human rights, integrity and circular economy. The past fiscal year was shaped by the harmonization of management approaches, including policies, and the consolidation of data. The progress achieved here also reflects the results of the first ESG ratings: For example, ams OSRAM improved significantly compared with the previous year in CDP, Sustainalytics, ISS QualityScore, EcoVadis and the Corporate Sustainability Assessment by S&P.

As a company and through our innovations, we want to make a contribution to a sustainable future. The best way to do this is with partners who share our aims in terms of sustainable development. This is why we are taking this opportunity to invite you for a dialog with us. We welcome your suggestions, which will support us in our efforts. I hope you find this report both informative and enlightening.



Ingo Bank
Chief Financial Officer (CFO)

April 11, 2022

1.0

Report Profile

About this Report

With this first sustainability report issued by ams-OSRAM AG, Premstaetten (Austria), the highest-level parent company of the ams OSRAM Group (ams OSRAM) for fiscal year 2021, we, as a recently established combined company, provide an outlook on our sustainability strategy and describe our achievements in terms of sustainability. In doing so, we illustrate the impact of our business activity with regard to social, environmental and economic aspects and describe the concepts we have developed and the action we have taken. With this report, we want to provide our stakeholders with information about how we wish to make our products and solutions but also our business processes and our supply chain sustainable.

ams OSRAM is not subject to the provisions of the Austrian Sustainability and Diversity Improvement Act (“Nachhaltigkeits- und Diversitätsverbesserungsgesetzes – NaDiVeG”) and is therefore currently not obliged to report. Rather, it reports voluntarily in the form of a sustainability report to inform stakeholders about sustainability activities – and to anticipate more stringent reporting requirements stipulated

under future regulations such as the Corporate Sustainability Reporting Directive (CSRD) or the EU Taxonomy Regulation.

The Sustainability Report 2021 follows the Sustainability Reporting Standards of the Global Reporting Initiative (GRI SRS) and the Ten Principles of the UN Global Compact (UNGC). It was prepared in compliance with the GRI Standards option “core” and also constitutes our progress report to the UNGC for this year. It also takes account of the framework of the Sustainability Accounting Standards Board (SASB). With the aid of the SASB industry standard of relevance to us, “Semiconductors”, we present the associated Sustainability Disclosure Topics & Accounting Metrics, if already available. The parts of the report of relevance for the UNGC Progress Report and for SASB are each shown separately in the GRI Content Index. The report also contains a subsection on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Report Parameters

The reporting period for this sustainability report is fiscal year 2021 (January 1 to December 31, 2021).

Unless indicated otherwise in this report, all Group companies fully consolidated in the consolidated financial statements are included in our sustainability reporting [ams OSRAM Annual Report, Corporate Structure and Shareholders, p. 37 f.](#), and [ams OSRAM Annual Report, Group Companies, p. 190 ff.](#) The sustainability report therefore follows the approach of financial reporting in principle.

To facilitate comparability, we depict OSRAM’s activities for the full calendar year 2020 in this sustainability report. We therefore differ from the financial reporting, which contains an integrated presentation of OSRAM’s business from July 9, 2020 (the date on which OSRAM companies were fully consolidated). Where we take a different approach, this is noted in the report.

Portfolio Changes

The following portfolio changes, which are assigned without exception to the newly added OSRAM activities, are taken into consideration in the sustainability report, as follows:

- Sale of Digital Systems' North American business, which has not been part of sustainability reporting since July 2021.
- Sale of an East European production facility, which has not been part of sustainability reporting since April 2021.
- Return of OSRAM Continental activities to the respective shareholders; activities assigned to Continental have not been part of sustainability reporting since October 2021.
- Sale of the "Digital Lumens" CBA business (Connected Building Applications), which has not been part of sustainability reporting since October 2021.

For further information on disposals of business units and property, plant and equipment, assets held for sale and liabilities held for sale, please refer to the [ams OSRAM Annual Report, Disposals of Business Activities and Property, Plant, and Equipment, Assets and Liabilities Classified as Held for Sale, p. 187 ff.](#)

General Information

This document is a convenience translation of the original German-language document.

The reported content has been chosen on the basis of the results of our [→ 3.2.3 Materiality Analysis](#) and the requirements of the GRI Standards.

The past fiscal year was shaped by the integration of the two companies and development of joint management concepts and consolidation and/or harmonization of data.

Financial data are taken from the ams OSRAM Annual Report for fiscal year 2021.

Macroeconomic and sector-specific developments are examined in the ams OSRAM Annual Report [ams OSRAM Annual Report, Overview of the Economic Environment and the Past Fiscal Year, p. 74 ff.](#), and [Outlook, p. 97.](#)

Financial data are reported in millions of EUR, rounded to the closest million, in the sustainability report. Rounding differences may occur when totaling rounded amounts and percentages as a result of using automated calculation aids. This is also true for other figures presented in tables.

The number of employees is – unless shown otherwise – stated in employees (headcount) on the reporting date.

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft carried out a limited assurance review of the German PDF version of the report for the period from January 1 to December 31, 2021 in compliance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised). It reviewed the disclosures for fiscal year 2021.

This report appears as a PDF version under www.ams-osram.com/about-us/sustainability.

2.0

Company Profile

As a leading provider of optical technologies, we offer our customers a broad product portfolio. With our innovations, we enable intelligent, secure and energy-efficient solutions that make a contribution to solving global challenges.



2.1

Our Company

ams-OSRAM AG, headquartered in Premstaetten (Austria), is a stock corporation under Austrian law, which is listed on the SIX Swiss Exchange. As the highest-level parent company, it owns active, unlisted, direct and indirect subsidiaries and investments [↗ ams OSRAM Annual Report, Subsidiaries and Investments, p. 87 f.](#), and [↗ ams OSRAM Annual Report, Group Companies, p. 190 ff.](#) Major shareholders in the Company, i.e., shareholders with more than 3% of the voting rights, are reported in the Annual Report [↗ ams OSRAM Annual Report, Significant Shareholders, p. 38](#), and can also be viewed on the [↗ Publication Platform](#) of the Disclosure Office.

ams OSRAM is a leading provider of light emitters and optical sensors in the global market for optical technologies → 2.2 Our Portfolio. In this connection, ams OSRAM researches technologies and develops innovative products and solutions based on these, which are marketed via the global sales network.

Operational implementation of our business largely takes place via the two segments Semiconductors and Lamps & Systems, which serve our end customers in the consumer, automotive, and industrial & medical technology markets. Geographically, our activities are split into three regions or regional markets: EMEA (Europe, Middle East and Africa), Americas and APAC (Asia/Pacific). The ams OSRAM Group manufactures its products at 23 locations in the three regions mentioned.

As parent company of the ams OSRAM Group, ams-OSRAM AG has 117 subsidiaries in 49 countries, in addition to holding direct or indirect interests in 33 companies [↗ ams OSRAM Annual Report, Subsidiaries and Investments, p. 87 f.](#)

As of December 31, 2021, ams OSRAM employed 24,499 employees (previous year: 29,753 employees), who generated revenue of EUR 5.038 million (previous year: EUR 3.504 million)¹ with a large number of products and solutions → 2.2 Our Portfolio. The Company’s total assets amounted to EUR 9,644 million (previous year: EUR 9,963 million) as at December 31, 2021, while the equity ratio was 33% (previous year 30%) [↗ ams OSRAM Annual Report, Business Results, p. 77 ff.](#)

The COVID-19 pandemic affected the course of business in fiscal year 2021 as well. Detailed information on the effects of the pandemic on business activity and the course of business is provided at various points in the Annual Report.

Revenue by Region

in millions of EUR	2020	2021	change
EMEA	765	1,413	+ 85%
Americas	521	962	+ 85%
Asia/Pacific	2,218	2,663	+ 20%
Total	3,504	5,038	+ 44%

Revenue by Segment

in millions of EUR	2020	2021	change
Semiconductors	2,605	3,279	+ 26%
Lamps and systems	900	1,760	+ 96%
Total	3,504	5,038	+ 44%

¹ The increase in revenue is due in particular to the fact that OSRAM was included for a full twelve months for the first time in fiscal 2021 and for only six months since the date of initial consolidation in the previous year.

2.2

Our Portfolio

The technology portfolio created through the combination of ams and OSRAM comprises light emitters, optical components and modules, light sensors and associated ICs (integrated circuits), algorithms and software as well as platforms for optical applications. We thus offer our customers in the consumer, automotive, industrial and medical technology end markets a broad, innovative product portfolio [ams OSRAM Annual Report, Our Business, p. 22.](#)

2.2.1 Innovations

The active management of our portfolio, which is focused on innovation and growth, is a core element of our strategic business model. Innovation as well as research and development therefore contribute significantly to the Company's economic success.

In the Management Board, research and development is the responsibility of the Chief Technology Officer (CTO), who directs innovation management in the Group in consultation with the operating units and in the Management Board and regularly reports to the Supervisory Board's Technology Committee. Operationally, technology and product development are promoted in the business units.

Our drive for innovation is focused on products and optical systems for the end markets consumer, automotive, industrial and medical technology [ams OSRAM Annual Report, Our Business, p. 22.](#)

We have placed a focus on the development of green tech products and solutions → [4.2.5 Development of Green Technologies](#). The following innovations should be highlighted with regard to sustainability:

Contribution to More Health Protection:

- Our solutions for disinfection and sterilization based on UV-C light can be used to combat the COVID-19 pandemic. Initial results from an efficacy trial carried out with the University of Padua (Italy) in fiscal year 2021 showed that UV-C-LEDs disable up to 99.99% of SARS-CoV-2 viruses. (End customer market: medical technology)
- What is currently the most compact, digital, disposable endoscopy camera module was added to our NanEye portfolio. The COVID-19 pandemic has made the trend towards disposable solutions more necessary and more attractive since they afford a high degree of sterility and reduce the likelihood of cross-contamination in the medical area of application. (End customer market: medical technology)
- ams OSRAM has added a 32-slice solution for computer tomographic machines (CT scanners) to its sensor chip portfolio. Compared with its predecessor, the innovation provides better image resolution with the same sensor area. Diagnostics are improved through the use of pattern recognition, machine learning and artificial intel-

ligence, while at the same time the radiation dose for patients is reduced. (End customer market: medical technology)

- In fiscal year 2021, ams OSRAM launched the sector's first ultra-small ambient light sensor with UV-A recognition for portable and mobile devices on the market. This allows users to be protected from excessive UV-A radiation. (End customer market: consumer)

Contribution to Energy-Efficient Lighting:

- The new high-performance LED Osconiq C 2424 for lighting city centers, parks or warehouses achieves high brightness and efficiency values, has a very long service life and covers a broad color temperature range. At the same time, the new LEDs cut the system costs for customers. (End customer market: industrial technology)
- The Osconiq S 5050 was also added to the portfolio. An innovative combination of light from red-white light spectra boosts the amount of light generated by reducing the proportion of phosphorus-converted red photons. This makes far more efficient use of the growth-stimulating plant lighting in the luminaire – and reduces the energy costs for indoor farmers considerably. (End customer market: industrial technology)

Contribution to More Safety:

- LiDAR (Light Detection and Ranging) is a key technology for the development of autonomous vehicles. Working with the radar and camera systems, it allows the car “to see”. LiDAR works with infrared light and prepares a precise, three-dimensional map of the car’s surroundings. The more precise the images are, the more easily downstream systems can utilize them. Previously, if temperatures in the component rose, this led to deviations in the steadiness of the wavelength, which is why the LiDAR system’s “vision” was somewhat blurred. A chip design introduced in fiscal year 2021 is now reducing the shift in the wavelengths and making the images of the car’s surroundings far clearer and sharper. (End customer market: automotive)
- Automated guided vehicles (AGV) are already being used today in factories and warehouses, in logistics and in agriculture as well as in private gardens and living rooms. In fiscal year 2021, ams OSRAM added a dot projector to its portfolio for 3D sensors, which allows AGVs to record their surroundings more precisely and more rapidly. The Belago 1.1 dot projector combines VCSEL chip, optics and a robust package and enables the creation of high-resolution, three-dimensional maps of the environment. This helps robots avoid collisions with people or objects. (End customer market: industrial technology)

2.2.2 Added Value and Our Products’ Contribution to the SDGs

ams OSRAM is guided by the Sustainable Development Goals of the United Nations (SDGs) and wants to make a contribution to achieving them with its product portfolio. We view the SDGs as a stimulus to add value to society. They also serve as guidance in deducing business opportunities.

With our portfolio, we address global challenges, such as climate change, the scarcity of resources or urbanization and want to improve quality of life in various areas, such as health, safety and mobility.

Our Focus for Sustainable Development



Our Products and Areas of Application Contribute to the Following of the 17 SDGs:



End customer market consumer: Our 3D authentication makes the use of mobile devices safer. This is of particular relevance for payment transactions. Our sensors also allow fitness-tracking, analysis and health-monitoring applications. Examples of this include the monitoring of vital data, such as the pulse, oxygen saturation in the blood or blood sugar levels via smartphones and smart watches.

End customer market industry & medical technology: Our UV-C technology allows disinfection and cleaning without using chemicals in health care, in industry and in medicine. The same technology can be used both in portable devices such as smart watches and in patches. UV radiation can also be used to diagnose and treat skin diseases and to disinfect wounds.

Our sensors allow patients to have any illnesses diagnosed in a more gentle manner and more precisely by generating sharper images in computer tomography and reducing the radiation dose in digital X-ray systems.



With the help of lighting that is dynamically adapted to people's needs (Human Centric Lighting), well-being in the workplace can be increased, for example, and attention boosted in learning or risk situations.

End customer market automotive: We offer components and solutions in the area of lighting and sensors for the automotive industry, which improve road safety among other things. Our portfolio covers the entire spectrum – from visible to invisible light as well as sensing applications in the automotive sector. In future, autonomous vehicles are expected to help ease increasing traffic congestion in major cities – a transformation that ams OSRAM supports with components for LED matrix headlights, for instance, and an extensive portfolio of sensors, such as LiDAR. By measuring the distance and speed of objects, new channels of communication are opened up between the vehicle, driver, other road users and traffic management systems.



End customer market industrial technology: Artificial lighting is responsible for about 15% of global electricity consumption and for just under 5% of greenhouse gas emissions. Our LED-based light systems linked to presence detectors help reduce the energy consumed by buildings and cities and, by doing so, counter climate change. Our products also generate economic added value for our customers and make public spaces safer, at night, for example.



End customer market industrial technology: Our horticulture LEDs and sensors are used in greenhouses. They help minimize the resources used in growing fruit and vegetables, as well as indirectly reducing CO₂ emissions. If food is produced closer to the location at which it is sold, less CO₂-intensive transportation is required.



Another promising field is the lighting of plants with spectrally adjusted lights containing near-infrared LEDs (NIRED), which enables new areas of plant growth to be monitored. This means that professional farmers can optimize their harvest times and consequently increase their profit.

3.0

Responsible Corporate Governance and Integrity

Our stakeholders' trust is a requirement for our long-term success. We strengthen this trust through responsible corporate governance, our core values, effective control systems and transparent reporting. Sustainability is therefore a mainstay of our corporate activity.

3.1

Corporate Governance

For ams OSRAM, good corporate governance is the basis for achieving corporate targets and increasing enterprise value.

ams-OSRAM AG is a stock corporation under Austrian law. Because it is listed on the SIX Swiss Exchange, it is also subject to corporate governance requirements for listed companies in Switzerland (Swiss Corporate Governance Directive). These requirements have been, are and will be complied with fully, and the Company also complies with the requirements of Austrian stock corporation law. ams-OSRAM AG also takes account of the recommendations of the Austrian Corporate Governance Code and developments in the respective regulations applicable to international investors and advisors on voting rights.

The Company's governance is shaped by the dual management system applicable under Austrian stock corporation law, consisting of a Management Board and a Supervisory Board. In fiscal year 2021, the four-member Management Board consisted of three German citizens and one Dutch citizen. The Management Board members are appointed by the Supervisory Board, which also specifies the allocation of responsibilities in the Management Board.

The Supervisory Board was expanded, by resolution of the Annual General Meeting on June 2, 2021, from nine members previously to twelve members, and now comprises eight shareholder representatives, who were elected individually by the Annual General Meeting, and four representatives who

were delegated to the Board by the Employees' Works Council of ams-OSRAM AG.

Further details of the members of the Supervisory Board and its Committees can be found in the Corporate Governance Report [ams OSRAM Annual Report, Supervisory Board, p. 42 ff.](#)

In terms of its membership, the Supervisory Board strives to include members with a range of different professional and international experience and to ensure appropriate participation by both men and women. As of December 31, 2021, five of the seats on the Supervisory Board were held by women. Different nationalities are represented in the Supervisory Board: seven members, including the four employee representatives, are from Austria, one member is from Germany, three further members are from the USA, Malaysia and Singapore and one member holds German and Austrian citizenship. The resumes of the members of the Management Board and the Supervisory Board can be viewed on the [Company's website](#).

3.1.1 Tasks and Responsibilities of the Executive Bodies

As the management body of ams-OSRAM AG, the Management Board is committed to the Company's interests and obliged to achieve a sustained increase in its enterprise value. The Management Board members are jointly responsible for corporate governance as a whole and decide on the fundamental issues of business policy and corporate strategy as well as annual and multi-year planning.

The Management Board is responsible for preparing the financial statements of ams-OSRAM AG and the ams OSRAM Group. It also ensures that legal provisions, official regulations and internal guidelines are complied with and works to ensure that all Group companies observe them. It is also responsible for the fact that an appropriate compliance management system tailored to the Company's risk situation (including data protection) has been established → [3.3 Combating Corruption and Anti-competitive Behavior](#).

When appointing people to management functions in the Company, the Management Board pays attention to diversity & inclusion and is striving, among other things, to increase the proportion of women in management functions to 25% by fiscal year 2026 → [6.3 Diversity and Equality of Opportunities](#).

The Management Board and Supervisory Board work together closely for the benefit of the Company. The Management Board informs the Supervisory Board about all questions of strategy, planning, business development, the financial position and results of operations and compliance as well as material corporate risks regularly, promptly and in full.

The Supervisory Board monitors and advises the Management Board in its management of the company. The Supervisory Board discusses business development and planning as well as strategy and implementation thereof at regular intervals. Significant Management Board decisions, such as major acquisitions, divestments and financial measures, must be confirmed by the Supervisory Board. The Supervisory Board regularly confers without members of the Management Board. Its working methods and tasks, relationship

with the Management Board, its members and the working methods of its Committees are described in the Annual Report [ams OSRAM Annual Report, Internal Organization](#), p. 45 ff. The Supervisory Board regularly assesses the effectiveness of the Board's work, as it did in fiscal year 2021, and incorporates its findings in its working methods. The next self-assessment is planned for fiscal year 2022.

3.1.2 Remuneration and Independence

In the year under review, the remuneration of the Management Board consisted of performance-unrelated and performance-related components and care was taken to ensure that the relationship between the two is appropriate. It was designed to set incentives for long-term corporate development and value creation. By basing the variable remuneration components on multi-year assessments, the Company aims to take account of both positive and negative developments and, by so doing, incentivize long-term behavior patterns. When setting short-term, variable remuneration, non-financial, strategic targets were also taken into consideration. Being convinced of the importance of sustainability for the success of the company, the Supervisory Board is determined to use ESG performance indicators as part of the annual targets for members of the Management Board. A comprehensive ESG strategy for the combined ams OSRAM Group will be determined during fiscal 2022. The Supervisory Board decided to support this process by including an initial ESG-related target in the remuneration system for fiscal 2022. Detailed information on the structure of the Management Board's remuneration system, the principles governing remuneration as well as explanations of the structure and amount of the remuneration of Management Board mem-

bers and members of the Supervisory Board is provided in the Remuneration Report [ams OSRAM Annual Report, Remuneration Report](#), p. 54 ff.

In the opinion of the Supervisory Board, all shareholder representatives are independent within the meaning of the Swiss Corporate Governance Directive. The employee representatives in the Supervisory Board have an employment relationship with ams-OSRAM AG, Premstaetten (Austria), but no further restrictions of their independence are known. No member of the Supervisory Board has performed tasks in the Company's Management Board in the last 15 years. Should conflicts of interest emerge, they must be disclosed to the Chairman of the Supervisory Board. If these are not temporary, the Supervisory Board member in question should resign their seat.

Further information can be found at [ams OSRAM Annual Report, Supervisory Board](#), p. 42 ff.

3.1.3 Geopolitical Risks

The ams OSRAM Group is exposed to a multiplicity of risks in the context of its global activities, which are inextricably linked to its corporate activity. Due, among other things, to advanced globalization and the increasing interlinking of social, economic and (financial) political interests, geopolitical risks but also opportunities are increasingly coming to the fore. This was also apparent through the effects of the COVID-19 pandemic.

Guidelines, Responsibilities, Structures and Processes

ams OSRAM has set up systematic risk management processes to identify, assess and manage risks that may jeop-

ardize the continued existence of the ams OSRAM Group or the achievement of its strategic, operational, financial and compliance-related targets at an early stage.

The corporate function for risk management is part of the Corporate Audit department and coordinates risk reporting and the risk management process. The head of the function reports directly to the Management Board, and also directly to the Audit Committee of the Supervisory Board.

The identification, assessment, reporting and management of material risks are the responsibility of the respective corporate departments and business units.

Reported risks are assessed on the basis of their effects on business activity and the probability of their occurring. Risks are reported to the Management Board every six months, and if required also on an ad hoc basis.

The Audit Committee of the Supervisory Board is responsible for monitoring the effectiveness of this system. Material risks are also reported in the Group Management Report 2021 [ams OSRAM Annual Report, Risk Management](#), p. 88 ff.

Objectives and Action Taken

The overarching objective of ams OSRAM's risk management is to recognize existing and potential risks at an early stage, to assess them and to manage them in such a way that risks do not occur, or negative impacts are as minimal as possible.

As part of the materiality analysis carried out in fiscal year 2021 → [3.2.3 Materiality Analysis](#) non-financial risks were reflected with respect to their impact on the Company, society and the environment. Non-financial risks are already

part of the enterprise risk management process in principle. In future, we shall also strive to record risks of this kind and their impact systematically in the risk inventory for the entire group. Currently, details of the potential impact of compliance and quality risks on the Company are provided in the Risk Report [↗ ams OSRAM Annual Report, Risk Management](#), p. 96 (compliance) and p. 94 (quality).

Geopolitical risks and conflicts were identified as a material issue within the materiality analysis for the Company and as a material risk in the risk management process. Geopolitical impact on our business became apparent in the last two years through the COVID-19 pandemic, in particular. Global economic development will be strongly impacted by the future occurrence of infection and, as a result, significant supply chain imbalances and the accompanying risk of high inflation.

Despite a worldwide economic recovery, the future trend in the global economy is still largely influenced by the risk of wide-spread infections. The rate of infection continues to be volatile, primarily due to the emergence of variants of the coronavirus. This may result in repeated interruptions of global value chains, with negative consequences for the further growth of the global economy.

These disruptions of supply chains caused by the pandemic are leading to goods shortages and thus significant price increases, primarily for energy and raw materials. Energy prices are also heating up due to the smoldering conflict between Russia and Ukraine. To stem the rising inflation

caused by these factors, central banks around the world could be forced to pursue a less expansive fiscal policy in future and to increase interest rates, which could in turn slow down global economic growth. In addition, trade and tariff disputes as well as trade restrictions, such as those between the US and China, which are aimed in part at key companies in the high-tech sector supported by the Chinese state, could impair global trade and thus global economic growth. Another economic downturn, above all in our relevant markets, may mean that we fail to achieve planned revenues and profitability.

To offset the aforementioned effects, we conduct regular reviews of our value chains, i.e., our global and regional presence and our processes. In this way, we strive to achieve cost savings and operational improvements that allow us to avoid tariffs as well as to compensate for market-driven reductions in selling prices for certain product groups, price increases for energy and raw materials, and higher wages. In order to develop and adapt effective response strategies, we continuously monitor early warning indicators. We also regularly negotiate selling prices with our customers and adjust them as needed.

3.1.4 Corporate Values

The basis for a trusting collaboration is mutual respect, honesty and integrity. These principles are anchored in our [↗ ams OSRAM Code of Conduct \(CoC\)](#), which all new employees must sign when their contract starts. The CoC

is based on legal provisions and international agreements on human rights, combating corruption and other areas of responsible corporate governance: We respect each individual's personal dignity, privacy and personal rights and do not tolerate any discrimination → [6.3 Diversity and Equality of Opportunities](#). The CoC specifies how we live up to our ethical and legal responsibility as a company. It applies both to collaboration within the Company and our conduct towards external partners.

Violations of our principles may be reported via the whistleblowing system "Tell ams OSRAM" → [3.3 Combating Corruption and Anti-Competitive Behavior](#).

We also oblige our suppliers to comply with the principles defined in our CoC via our Code of Conduct for Suppliers → [5.2 Supply Chain Management](#).

The CoC is underpinned by our core values and leadership principles, which we introduced jointly at the beginning of the integration process. We rely on strategic, ambitious thinking and actions, and encourage trust, integrity and diversity & inclusion. Since we aspire to a shared corporate culture, our core values and leadership principles are a recurring part of local and global webcasts with management. They were implemented across the Company with the help, among other things, of cultural workshops in all units in fiscal year 2021. They define the common basis for our activity, for our management style, for decisions that we take and how we behave towards our colleagues and business partners.

3.1.5 Political Engagement and Memberships

In line with our principles, we are committed not to give donations or other contributions, neither directly nor indirectly, to politicians, political parties or political organizations. Rules to this effect are fixed in our Code of Conduct. ams OSRAM does not maintain any lobbying offices and does not employ agencies of this kind either.

Sponsorship agreements, contributions to trade associations and membership fees for organizations that serve the Company's interests do not count as donations. Sponsorship agreements must be free of political contributions of any form, must meet transparency requirements, be recorded as a written agreement and be intended for a reputable business purpose and be appropriate to the quid pro quo offered by the organizer → [5.4 Social Engagement](#).

Our political engagement is limited to memberships of industrial associations. In terms of contributions, the following associations are most relevant: the German Electro and Digital Industry Association (ZVEI), LightingEurope and Lasar Alliance (USA) as well as compulsory memberships of employer and business associations.

ams OSRAM is also a voluntary member of organizations that are directly associated with our key topics from a sustainability angle. These include the UN Global Compact, the Responsible Business Alliance (RBA), the Responsible Minerals Initiative (RMI) and the "Charta der Vielfalt" (Diversity Charter) Association. As part of its association work, ams OSRAM works towards ensuring that, in addition to the overarching objectives of energy-efficient, resource-friendly, high-quality optical solutions, new requirements satisfy users' requirements and can also be implemented by the industry, through standardization or fair trading conditions, for example.

Our commitment in various associations and organizations also includes collaborating in various working groups on issues such as the circular economy, the European Commission's Green Deal and sustainability in the electronics industry. Besides exchanging our experiences, proposed solutions and plans for joint implementation are developed there.

We manage our memberships centrally in the interests of Group-wide transparency. We use a special online tool for this purpose. Use of the tool is compulsory for memberships with an annual membership fee of more than EUR 500,

but can be used voluntarily for smaller membership fees. The tool, which was originally initiated by OSRAM, has been available to all employees of ams OSRAM since the end of November 2021. The first entries have already been input. However, since a total overview is not possible for fiscal year 2021, we are only reporting the expenses of the former OSRAM units.

In fiscal year 2021, membership fees came to around EUR 2.0 million (previous year: EUR 2.3 million).

3.2 Sustainability Management

3.2.1 Sustainability Strategy

We bear responsibility throughout the world because of our business activity and its impact on the economy, the environment and society. We fulfill this in that we have committed, in accordance with the principles of the UN Global Compact, to be guided by the Sustainable Development Goals of the United Nations and to respect national laws and acts.

We have identified our most important areas for action as part of a materiality analysis → [3.2.3 Materiality Analysis](#), on the basis of which we are currently developing our sustainability strategy. This includes the entire value chain – from our supply chain via our own production and our portfolio to the value added for our customers.

Sustainability Strategy – Focus Areas



We have defined focus areas of action derived from the materiality analysis (see diagram). We view the issues of climate (own business activity) and diversity & inclusion (part of Labor) as the most urgent of these. To this end, specific targets were set with regard to climate protection and the proportion of women in management → [4.2.3 Greenhouse](#)

[Gas Emissions](#), → [6.3 Diversity and Equality of Opportunities](#). Other topics are to follow by the end of 2022.

Development of the sustainability strategy is being directed by the Management Board, which reports to the Supervisory Board → [3.2.2 Organization and Structures](#).

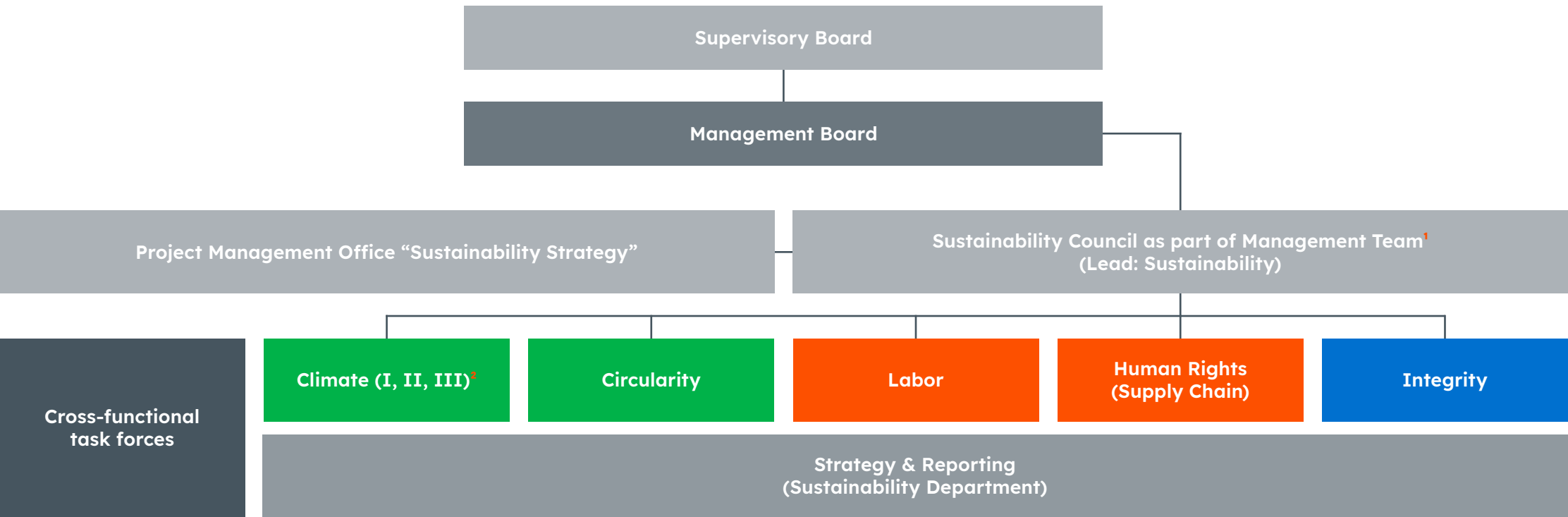
3.2.2 Organization and Structures

The Chief Financial Officer (CFO) is responsible for sustainability within the Management Board. The specialist department for sustainability is embedded in his reporting line. In the Supervisory Board, the Technology Committee deals with the development of green technologies and the EU Taxonomy, while the Audit Committee deals with sustainability reporting.

A sustainability governance framework, which involves all the relevant functions and business units, has been created to develop the sustainability strategy → 3.2.1 Sustainability Strategy. In this connection, the Sustainability department will take on the Project Management Office (PMO). Proposals for decisions are prepared by the individual working groups and are presented to the Sustainability Council, i.e., the Management Team at ams OSRAM, which addresses sustainability issues periodically or when appropriate, by the Sustainability department. The final decision rests with the Management Board.

The Sustainability department’s tasks include monitoring trends in sustainability, the annual review of key topics with regard to their impact, opportunities and risks as well as reporting. The Management Board and the Management Team are informed in case of significant changes.

Sustainability Governance Framework



¹ The ams OSRAM Management Team consists of four Management Board members, the business unit heads and the heads of certain corporate functions.
² The strategic focus topic of climate is divided into three working groups: Low Carbon Operations (prioritized), Low Carbon Supply Chain and Low Carbon Portfolio.

3.2.3 Materiality Analysis

As the basis of our reporting and the foundation for the development of a sustainability strategy, we carried out a materiality analysis in summer 2021, which comprised a survey of stakeholder relevance for the individual topics and an assessment of the impact on the environment, people and society. The significance of topics for the course of business was also assessed as a third dimension. As a result, the materiality analysis not only covers the requirements of the GRI Standards for sustainability reporting but also, looking forward, the future European reporting requirement. ams OSRAM therefore reports on topics that were rated highly through

- significant influence on stakeholders’ assessments and decisions (GRI) → 3.2.4 Dialog with Stakeholders or
- significant economic, environmental and social impact (GRI) or
- significant impact on the course of business, results of operations and position of the Company (EU reporting requirement).

The process of the materiality analysis was subdivided into four phases and was designed in such a way that it meets the requirements described above.

- **Phase 1:** Potential topics including their impact were identified within the context of ams OSRAM. The basis for this was provided by an analysis of competitors, customer and capital market requirements, relevant global standards, upcoming and potential legislation as well as sector-specific topics.

The Value of Our Material Topics



- **Phase 2:** These topics were classified into ESG-related topic areas in the next step.
- **Phase 3:** By means of a questionnaire, these topic areas were assessed by internal experts with regard to their positive and negative impact, both potential and actual. Various perspectives were included in the assessment: significance for stakeholders, the Company's impact on the environment and society (inside-out) and the impact on the Company (outside-in).
- **Phase 4:** Finally, the results of the questionnaire were discussed with the experts in two calibration workshops and prioritized.

The most highly rated topics from the stakeholders' perspective were climate (legislators, customers, investors), human rights (legislators, customers, investors) and labor conditions (legislators, investors, employees).

The result of the materiality analysis was presented to the Management Board and approved by it. Accordingly, the key topics for the ams OSRAM Group are:

- Climate change
- Energy
- Use of resources & the circular economy
- Water
- Labor conditions
- Human rights
- Product responsibility
- Integrity & responsibility
- Geopolitics

All the topics listed and defined as material are covered by this sustainability report. However, the topics have been combined in part.

We have also tackled other topics in this sustainability report that could be of relevance for our stakeholders or contribute to an overarching understanding of sustainability at ams OSRAM. For topics that are not included in the GRI Standards, we defined our own indicators or based them on other frameworks such as the SASB.

In all areas we work towards contributing to steadily reducing negative impact and reinforcing positive impact using suitable guidelines, some of which are already implemented, and management systems as well as appropriate action. We describe how we do this in detail in the following chapters.

3.2.4 Dialog with Stakeholders

Within the first materiality analysis → [3.2.3 Materiality Analysis](#), we checked which stakeholders are relevant for ams OSRAM.

We look to improve the sustainability of our activities by engaging in dialog with our stakeholders. The feedback received in this way is also included in the current strategy development. We also use it to continuously improve our sustainability activities. By engaging in dialog with our stakeholders, we also help to spread the word about sustainable practices.

We are engaged in regular dialog with our stakeholder groups throughout the world: employees, investors, customers and suppliers, analysts, journalists, scientists, neighbors, politicians, representatives of non-governmental organizations, authorities and associations. We talk to people at various management levels, in different locations and through various departments. The interests of key stakeholders, such as employees, customers and suppliers as well as investors are also taken into consideration through the Supervisory Board, whose members – half of whom are employee representatives – have expertise in various fields.

The relevance of topics for stakeholders is to be assessed once a year by the Sustainability department in future. The department also examines the composition of our stakeholders, identifies which channels exist for each group and

documents the action to be taken. The Management Board and the Management Team are informed of any significant changes.



The report and other communication activities by ams OSRAM also provide information on the dialog with our most important stakeholder groups:

- Employees → [6.5 Employee Satisfaction and Remuneration](#)
- Customers → [5.3.1 Customer Satisfaction](#)
- Owners and investors
🔗 <https://ams-osram.com/de/investor-relations>
- Suppliers → [5.2 Supply Chain Management](#)
- Journalists 🔗 <https://ams-osram.com/de/news>
- Neighbors → [5.4 Social Engagement](#)
- Associations/initiatives
→ [3.1.5 Political Engagement and Memberships](#)

3.3 Combating Corruption and Anti-Competitive Behavior

ams OSRAM is committed to avoiding corruption and bribery as well as to fair competition. We believe that functioning markets and sustained business success can only be achieved through lawful and responsible practices.

Guidelines, Responsibilities, Structures and Processes
To live up to our aspiration, we need an effective compliance management system that reflects the regulatory environment and depicts both the organizational framework and the business model of ams OSRAM appropriately. Our compliance management system is based on the elements prevent, detect and respond and comprises regulations, measures and processes to avoid breaches of the law relating to anti-corruption, competition and antitrust law, the prevention of money laundering, data protection and export controls.

Our 🔗 [Code of Conduct](#) (Group directive) contains mandatory requirements for employees to combat corruption, anti-competitive behavior and money laundering. Compliance-relevant processes and requirements are also defined in detail in the compliance guidelines, which have been applicable to the entire Group, since May 2021. The harmonized guidelines on data protection and export controls, which also apply to the entire Group, have also been added to the internal compliance rules.

The Compliance organization has the power to issue guidelines, specifies content and processes and regularly monitors compliance. It is responsible for designing and developing the compliance management system and ensures that the system is implemented in the operational units. From an organizational perspective, the compliance management system consists of experts at various locations throughout the world. The Head of Compliance reports directly to the Chief Technology Officer (CTO), who is responsible for compliance within the Management Board. Reports on compliance are presented to the Management Board every quarter and when appropriate. Reports are presented to the Supervisory Board, which must also monitor the effectiveness and appropriateness of the compliance management system as part of its monitoring of the Management Board, when appropriate.

Compliance risk assessments focusing on anti-corruption and antitrust law in particular are carried out regularly in selected units and operations in order to recognize compliance risks in good time.

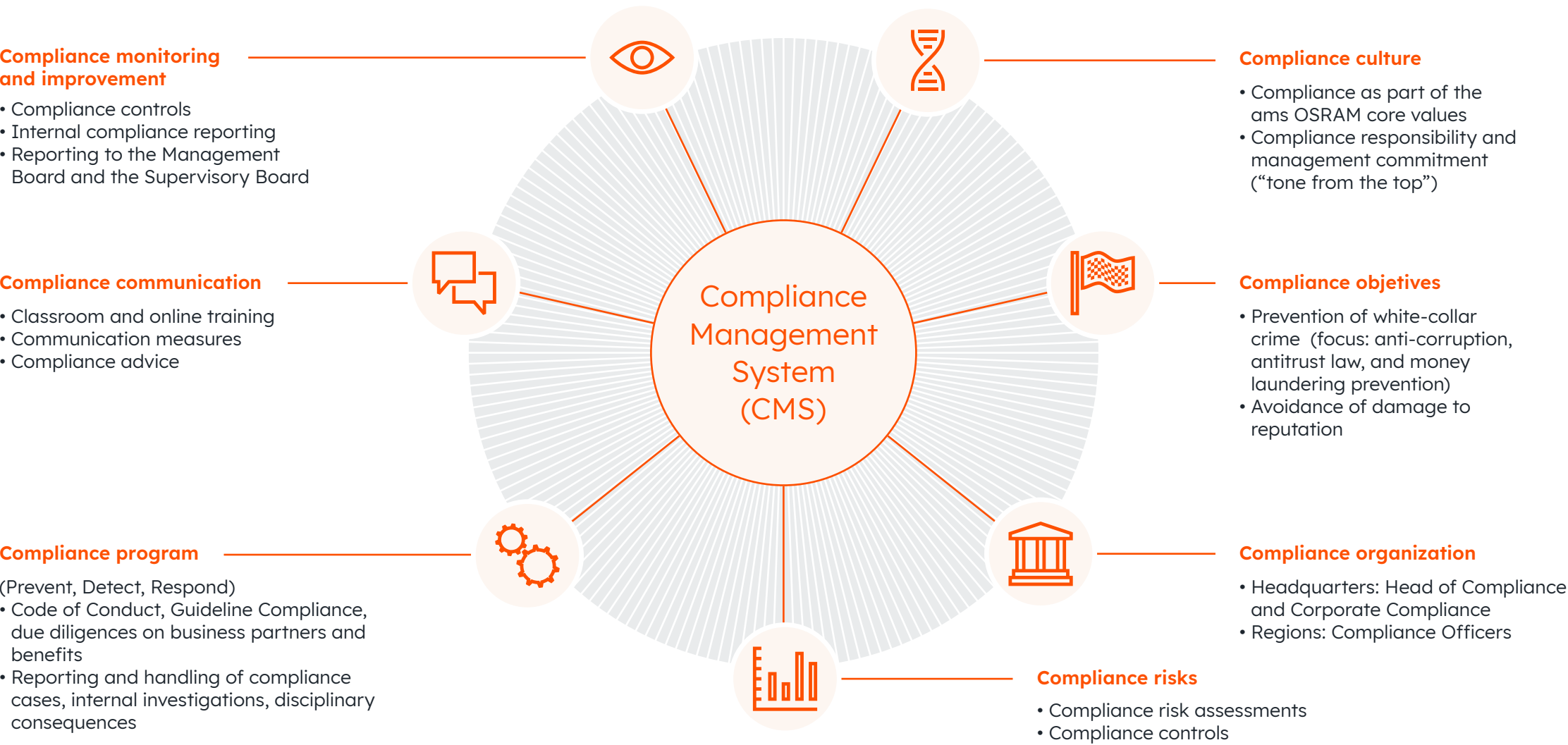
ams OSRAM has various tool-based processes for dealing with corruption-relevant conduct. The past fiscal year was marked by integration and harmonization of the various tools. Processes and tools used by both companies were analyzed, adapted and were largely applied throughout the Company as a whole during the course of fiscal year 2021.

For example, the tool-based business partner process calls for compliance due diligence to be carried out for certain potentially risk-bearing business partners before any contract is concluded and for approvals to be obtained in the business partner compliance tool provided for this purpose. The business partner process is still being implemented in the ams units. Existing and potentially risk-bearing business partners are currently being identified and reviewed there. We also insist that our suppliers sign up to our Code of Conduct for Suppliers, which contains a ban on bribery and corruption, among other things → [5.2 Supply Chain Management](#). To strengthen our compliance responsibility on the supplier side too, we are a member of the Responsible Business Alliance (RBA), an industry organization that is committed to driving social responsibility among companies that are involved in global supply chains → [5.1 Respect for Human Rights](#).

There are also instruments that help our employees assess the legality of donations, such as gifts, hospitality and invitations to entertainment events or take them through the approval process.

The whistleblowing system “Tell ams OSRAM,” which was introduced throughout the Company in April 2021, is a key element of the compliance management system. Employees and third parties can report – anonymously, if they wish – indications of breaches of legislation governing anti-corruption, competition and antitrust law, the prevention of money laundering, data protection and export controls, but also human rights and labor conditions via “Tell ams OSRAM”

ams OSRAM Compliance Management System



→ [5.1 Respect for Human Rights](#). Reports can also be made via the usual internal company channels, such as the relevant Compliance Officer, the Compliance organization or the line manager. All indications are followed up; retaliatory measures against whistleblowers are not tolerated. If there is specific evidence, internal compliance investigations are conducted. Once the investigation is complete, the Compliance organization recommends measures to address the deficiencies identified and monitors their implementation. In the event of misconduct on the part of our employees, ams OSRAM may take disciplinary action in accordance with labor law.

Our training program is a further key component of the compliance management system. We conduct classroom-based and online training sessions focused on anticorruption, as well as competition and antitrust law. The training program is aimed at employees or indirect employees (“white collar” employees) at all management levels, including the Management Board. For the aforementioned employees these training courses are compulsory. The global HR system is used to determine who these employees are. A three-year cycle was set for all training sessions. To document and keep track of our classroom-based and online training sessions, all compulsory compliance training throughout the world is provided and managed via our learning management system (LMS)

→ [6.4 People Development](#).

Regular communication activities are carried out to raise awareness among employees and to strengthen the compliance culture. They highlight the relevance of compliance for ams OSRAM.

ams OSRAM’s compliance management system contains specific rules that formalize its commitment to upholding antitrust law. All forms of arrangement with business partners or competitors with the aim of restricting or preventing free competition between the companies are prohibited for all employees.

The fight against money laundering is also part of the compliance management system. The whistleblower system “Tell ams OSRAM” provides a channel for reporting suspected cases of money laundering or terrorist financing to the Compliance organization. Where appropriate, these reports are passed on to the relevant authorities.

Export control is a further integral component of the compliance management system. As an international company, ams OSRAM is obliged to comply with all regulatory requirements in this area. We implement this through organizational and substantive regulations, processes and instruments, as described in the Export Control Directive. All employees are obliged to comply with these regulations and processes, especially those who are responsible for the development or processing of products, services and technologies.

Objectives, Action Taken, Results and KPIs

Our objective is to promote a corporate culture that prevents breaches of criminal and civil laws to avoid sanctions, financial losses and reputational damage to the Company and its employees. In doing so, we pursue the objective of fighting corruption and bribery consistently, clarifying any suspected cases without exception and enforcing appropriate consequences if a suspected case is confirmed.

In the past fiscal year, our focus was concentrated on integrating and harmonizing the existing rules, processes and tools in the two companies. This process was accompanied by Company-wide training measures and communication activities. In addition, further communication activities were carried out to raise awareness among employees, such as topic-specific articles in the News Center on the Company’s internal Intranet and both introductory and more in-depth sessions for employees.

Our compliance training sessions were rolled out to the entire Group during the fiscal year, with classroom-based training sessions being rolled out to the regions in the fourth quarter of the financial year.

In total, 3,273 employees received training, the majority of which was classroom-based, on the compliance management system and the associated internal regulations (Compliance Basic Training). Web-based online training in anticorruption, antitrust law, export control and data protection was also rolled out throughout the world in fiscal year 2021.

Compliance and Data Privacy Training

Number of trained employees	2021
Compliance Basic Training (in person)	5,590
thereof EMEA	2,565
thereof Americas	404
thereof Asia/Pacific	2,621
Anti-Corruption Training (web-based)	9,625
thereof EMEA	4,766
thereof Americas	662
thereof Asia/Pacific	4,197
Antitrust Training (web-based)	9,592
thereof EMEA	4,749
thereof Americas	677
thereof Asia/Pacific	4,166
Export Control Training (web-based)	758
thereof EMEA	327
thereof Americas	90
thereof Asia/Pacific	341
Data Privacy Training (web-based)	9,781
thereof EMEA	4,744
thereof Americas	634
thereof Asia/Pacific	4,403

The table above contains more information about our training activities in fiscal year 2021.

Compliance Incidents¹

	2020	2021
Reports on possible compliance violations	25	39
Compliance investigations (substantial)	17	28
Disciplinary consequences	2	3
Closed incidents from previous reporting	18	24

¹ Compliance incidents encompass especially all plausible allegations of a violation of criminal or administrative law related to ams OSRAM’s business activities.

In total, there were 39 reports of breaches of compliance in fiscal year 2021. Three cases resulted in consequences in accordance with labor law. In fiscal year 2021, no legal actions were brought against ams OSRAM for anticompetitive behavior, breaches of antitrust law or monopolistic practices.

3.3.1 Data Protection

Guidelines, Responsibilities, Structures and Processes

For organizational purposes, data protection is embedded in the Compliance organization at ams OSRAM. The data protection management system used is a component of the

compliance management system and is used throughout the Company. Fundamental principles, regulations and processes to protect the personal data of our employees, customers, suppliers and business partners are enshrined in the Group-wide data protection guideline. This guideline, which also contains references to the rights and obligations incumbent upon our employees, was harmonized in the first half of the fiscal year and made applicable to the Company as a whole.

The Head of Data Privacy coordinates and supports the implementation and monitoring of data protection provisions in the Group companies. He was nominated as the Data Protection Officer of Sensors Germany GmbH and reported to the authorities responsible. He is a member of the Information Security Operation Board (ISOB) established at ams OSRAM, and also reports directly to the Management Board on current developments. Data Protection Officers or Data Protection Coordinators are nominated, as required by the relevant legislation, within the individual Group companies.

In the event of a personal data breach, ams OSRAM is obliged by law to notify the authority responsible of this within a short time. The usual Compliance reporting channels → [3.3 Combating Corruption and Anti-Competitive Behavior](#); Guidelines, Responsibilities, Structures and Processes can be used within the Company.

ams OSRAM also has an index in which all procedures affecting personal data are documented (index of procedures). These procedures and any possible changes to them must be reported to the data protection organization. The duty to report serves the purpose of assessing the risks inherent in the procedures and the risks to the rights and freedoms of natural persons.

Objectives, Action Taken, Results and KPIs

Our objective is to protect the personal data of our employees, customers, suppliers and business partners in all our products and processes and to avoid possible data protection breaches. Our employees are required to treat personal data confidentially.

As an integral component of the compliance management system, data protection has been included in the classroom-based compliance training sessions and the regular compliance risk assessments. Binding Corporate Rules (BCR) and Inter Company Agreements (ICA) have been signed between the individual Group companies. They provide the legal basis for transmitting personal data between ams OSRAM Group companies. The BCR and ICA are being rolled out across the Group as part of the current integration process. Implementation of this process was still ongoing at the end of fiscal year 2021.

Protection and Security of Personal Data

	2020	2021
Governmental data protection requests	-	2
Customer complaints	-	-
Requests for information ¹		
in time	9	15
not in time	-	-
Privacy incidents		
without sanctions	3	7
with sanctions	-	-

¹ Requests for information are based on data subjects' right to be informed (GDPR). This right allows natural persons (data subjects) to ask the entity responsible for data processing (here ams OSRAM) for information about which data has been collected about them and how it is used.

In fiscal year 2021, both classroom-based and online training sessions were offered to all “white collar” employees. They were selected via the global HR system. A current version of the online data protection training was introduced in the course of the fiscal year. The training sessions were adapted, in particular to reflect changes in the regulatory environment and the combination of ams OSRAM. The “Data Protection” online training session was also introduced in all ams entities from July 2021. Training was also carried out in

classrooms. These training sessions are included in the global learning management system (LMS) and must be repeated every three years. We also involve business partners that have access to sensitive personal data: They are required to ensure their staff receive appropriate training. The table of compliance-related training measures (see → 3.3 Objectives, Action Taken, Results and KPIs) also contains details of the data protection-relevant training that has been carried out.

In fiscal year 2021, we received two data protection-related inquiries from the responsible authorities. As in the previous year, we did not receive any data protection-related complaints from customers. More data protection-related KPIs can be found in the table “Indicators – Protection and Security of Personal Data”.

4.0

Environment and Climate Protection

As an industrial company, we consume natural resources and emit greenhouse gases. Climate protection and the establishment of a circular economy are therefore important issues for us, too. To this end, we are committed to energy-efficient, resource-friendly management practices and are developing innovative, environmentally friendly products.



4.1 Environmental Management

We aim to meet the expectations of employees, customers, the capital market and society with our environmental management, to comply with the legal requirements and to help maintain ams OSRAM's "license to operate". This also means taking account of the rising expectations of various stakeholders and more stringent regulatory environment.

Guidelines, Responsibilities, Structures and Processes

Overall responsibility for environmental protection, occupational health and safety within the ams OSRAM Group lies with the Chief Technology Officer (CTO), who has delegated tasks and managerial authority to the head of the corporate Environmental Protection, Health and Safety department (EHS). At regular intervals, the EHS department reports directly to the Management Board on significant developments within its area of responsibility.

Fiscal year 2021 was defined by the integration of the two parts of the Company. The environmental management system of ams OSRAM was harmonized into one system in the course of the year. Accordingly, all production facilities, the headquarters in Premstaetten (Austria) and the co-headquarters in Munich (Germany) maintain an environmental management system that is certified to the international standard ISO 14001. All former OSRAM locations in Europe also have an energy management system certified to ISO 50001.

EHS coordinates environmental protection requirements, monitors local results and is developing the environmental management system on an ongoing basis. For this purpose, the department issues the EHS Handbook, which is applicable across the Group, and defines supporting EHS processes for industrial and product-related environmental protection, occupational safety, the transportation of hazardous goods and fire safety. Reliable compliance with environmentally relevant provisions and laws at local and regional levels as well as internal requirements at a global level is clearly prescribed here. As set out in our [EHS Policy](#), this obligation also applies to mergers and acquisitions, and we comply with it through appropriate measures.

All ams OSRAM employees are to be trained upon joining the company on EHS-related issues and then be given further training at regular intervals. The aim is not just to raise awareness of such issues but also to point out the consequences for ams OSRAM of any regulatory breaches.

As part of its environmental reporting, ams OSRAM collects data on indicators such as energy consumption, greenhouse gas emissions, water withdrawal and waste generation. The data published in this report covers more than 99% of our environmental impact¹ and the locations at which a total of 86% of all our employees are based. These locations also calculate and report annual figures for their volatile organic compounds (VOC) emissions and wastewater volumes.

The corporate EHS department cooperates with government agencies and industrial associations on a variety of topics. It also regularly reviews the implementation of the regulations defined in the above-mentioned EHS Handbook and further

processes at the locations by carrying out site visits, inspections and internal audits.

Our processes also take into account the relevant legislation that regulates the use and declaration of specified hazardous substances in semiconductor components and in electrical and electronic equipment. Our requirements regulate the use and handling of raw materials and substances at all our locations and therefore protect people's health and the environment both inside and outside the Company.

Due to our business model, implementation of these key EHS requirements is the responsibility of Semiconductor Operations and our business units. The latter are also responsible for designing products to be environmentally compatible and to ensure that both their manufacture and use are energy-efficient.

In our supply chain we use contractual regulations and the Code of Conduct for Suppliers to convey our expectations in terms of environmental and climate protection, and demand that they are implemented → [5.2 Supply Chain Management](#).

Objectives, Action Taken, Results and KPIs

ams OSRAM sets specific targets for energy consumption, greenhouse gas emissions, water withdrawal and waste generation each year. Managers implement the actions specified in the individual manufacturing locations. We present the results in the respective section in chapter 4.

To meet its environmental goals, ams OSRAM strives for matrix certification to the standards ISO 14001 (environmental management) and ISO 50001 (energy management).

¹ Estimates are made on the basis of energy consumption, which in the context of ams OSRAM's environmental impact is seen as the most relevant metric.

During fiscal year 2021, ten locations were inspected as part of twelve external certification audits (nine for ISO 14001 and three for ISO 50001). The corporate EHS department carried out a further nine EHS audits to check that the EHS management system is used permanently worldwide. These combined audits are based on the ISO 14001 and ISO 45001 standards (occupational health and safety) and in Europe also on ISO 50001. Six of these audits had to be carried out virtually because of the COVID-19 pandemic and the associated restrictions.

No relevant penalties or fines over EUR 10,000 were imposed on ams OSRAM because of breaches of environmental protection rules in fiscal year 2021.

4.2 Climate Protection

4.2.1 Energy Efficiency at the Group's own Locations

With regard to climate change, ams OSRAM accepts its responsibility as a company to reduce greenhouse gas emissions generated by its activities. To do so, we are constantly optimizing the energy efficiency of our own business activity.

As an industrial company, ams OSRAM consumes primary and secondary energy, with electricity and natural gas playing a dominant role as energy sources. The production sites are particularly relevant here.

Our portfolio also consists largely of sensors and LED-based products and solutions, which reduce energy consumption and the resulting emissions generated by our customers and by their products. In addition to reducing energy costs, our products thus make a contribution to climate protection → [2.2.2 Added Value and Our Products' Contribution to the SDGs](#). Improving the energy efficiency of our products is therefore a key criterion in our customers' purchasing decisions and satisfaction, particularly in the area of light sources → [4.2.5 Green Tech Development](#).

Guidelines and Processes

All production and development locations, including the headquarters in Premstaetten (Austria) and the co-headquarters in Munich (Germany), that consume more than

1,400 megawatt-hours (MWh) a year are certified in accordance with ISO 14001 and also pursue programs and measures to optimize their environmental performance. Energy consumption is the key factor influencing the environment at all locations, which is why these activities always include measures to improve energy-efficiency. The assessment of regulatory requirements and of potential improvement measures is also compulsory for these locations. This has the benefit of, firstly, reducing the impact on the environment and, secondly, making our production costs more competitive.

Objectives, Action Taken, Results and KPIs

We set annual relative consumption targets at location level and aggregate these into a global absolute target for energy consumption using the budgeted figures for production. At Group level, ams OSRAM monitors and reviews progress toward the targets as part of the quarterly EHS reporting cycle. Since both anticipated economic development and any possible change in manufacturing capacity or the number of locations are a factor here, it is possible that the total target may increase year-on-year.

We also compare the energy we use to generated revenue (MWh per USD 1 million) with the corresponding figure from the previous year. We aim to improve this performance indicator each year but do not set a specific target for this. When considering this performance indicator, however, the fact that some revenue is earned from products that are manufactured under contract outside the ams OSRAM Group, and are therefore not included in our own energy consumption, must be taken into account.

The absolute energy consumption target set for fiscal year 2021 for the ams OSRAM Group was 972,700 megawatt-hours (MWh), which was therefore 8% up on the previous year's figure of 898,900 MWh. The pandemic situation prevailing in the previous year meant that the basis for setting targets for fiscal year 2021 was fraught with uncertainties at some locations. In fiscal year 2021, the actual amount of energy used by ams OSRAM was 892,400 MWh and thus matched the level of the previous year. This meant that far less energy was consumed than we had expected. The difference is largely attributable to reduction in the absolute energy consumption of our semiconductor plants. At 69%, these account for the majority of total energy used [ams OSRAM Annual Report, Developments in the Semiconductor Sector, p. 74 f.](#)

As described in the chapter on occupational health and safety → 6.2 Occupational Health and Safety, the COVID-19 pandemic only had a minor impact on our operational activities in fiscal year 2021. Locations such as Regensburg (Germany) and Wuxi (China) fulfilled their targets despite slightly higher utilization of their capacity in part or kept consumption below the anticipated figure. At other locations, such as Ang Mo Kio and Tampines (both in Singapore), however, capacity was under-utilized at times, which also helped reduce energy use.

Energy Consumption

in MWh	2020	2021
Primary energy	173,900	175,500
Natural gas	149,000	149,200
Liquefied petroleum gas, diesel for on-site use, heating oil, hydrogen	24,900	26,300
Secondary energy	725,400	716,900
Electricity	697,800	689,500
thereof share of renewable energy in %	30	32
District heating and steam	27,200	27,000
Renewable energy generated in-house (solar)	400	400
Total (primary and secondary energy)	899,300	892,400
Target for energy consumption		972,700
Specific energy consumption per USD 1 million revenue	153	154

The figure in relation to revenue for 2021 was 154 MWh per USD 1 million (previous year: 153 MWh per USD 1 million).

Energy savings were achieved in fiscal year 2021 by means of a large number of efficiency measures. The following section lists some examples and the scope of the savings achieved:

- Ang Mo Kio (Singapore): By optimizing the consumption of cold water for air conditioning and the compressed air supply, savings of 460 MWh and 1,800 MWh respectively were achieved. A further 440 MWh were saved by adjust-

ing the use of air conditioning units and by reducing the office lighting.

- Tampines (Singapore): Improvements to the cooling towers and changes to overhead lighting generated savings of 180 MWh in each case.
- Penang (Malaysia): The secondary cooling water system in the front end area (FE) was optimized once more in view of the reduction in consumption while shutting down production, which meant that a pump could be switched off earlier. This resulted in savings of 270 MWh. The nitrogen supply system was checked in a similar manner and unused sections were switched off using valves, which led to savings of 340 MWh. Savings of 770 MWh were achieved in the back end area (BE) by optimizing and reducing the manufacturing areas. The ventilation and air conditioning in another building were equilibrated so as to reduce consumption by 320 MWh.
- Kulim (Malaysia): By adjusting the ventilator on the cooling tower, consumption by refrigeration machines was cut by 1,700 MWh.
- Wuxi (China): The compressed air supply was combined for both production modules, which generated savings of 1,300 MWh.
- Herbrechtingen (Germany): Consumption was cut by 200 MWh by reducing the ventilation in the production hall at weekends.

- Schwabmuenchen (Germany): By purchasing a new compressor that relies on several small motors instead of one large frequency-controlled motor, savings of 105 MWh were achieved in fiscal year 2021.
- Calamba (Philippines): By optimizing the chiller's parameters and replacing the office lighting, 80 MWh and 410 MWh less energy respectively was required.
- Premstaetten (Austria): 130 MWh were saved by introducing LED lighting.
- Nové Zámky (Slovakia): A newly installed machine initially needed higher air pressure to connect. However, this was reduced by analyzing the pneumatic system, leading to savings of 60 MWh.
- Treviso (Italy): By installing replacement LED-based overhead lighting with a light control system, power consumption was reduced by 30 MWh.

4.2.2 Renewable Energies

To operate its production facilities, ams OSRAM utilizes an energy mix that is both economical and environmentally friendly. Our Austrian and German production facilities as well as the headquarters in Premstaetten (Austria) and the

co-headquarters in Munich (Germany) are already supplied with CO₂-neutral electricity, mainly from hydroelectric power. As part of our corporate responsibility to protect the climate, we have recognized the need to make greater use of renewable energies to cover our electricity needs in future.

Guidelines, Responsibilities and Objectives

Although we already use renewable energies as described above, there are no comprehensive guidelines available yet. The Management Board and Management Team have given more priority to climate protection, on the basis of the materiality analysis. A climate strategy for ams OSRAM is currently under development. A target has already been adopted for the company's own operations to become CO₂-neutral by 2030. Renewable energies will play a central role here in future. Possible options as well as targets are being evaluated by cross-functional teams from Procurement, Operations and EHS and submitted for a decision as part of the Group's evolving climate strategy.

Action Taken, Results and KPIs

In total, ams OSRAM purchased 217,500 MWh of electricity from renewable sources in fiscal year 2021. This equates to a 32% share of the entire electricity consumption. This breaks down as follows:

- The Premstaetten location has been supplied with CO₂-neutral electricity from hydroelectric power since 2011.

- In Germany, the locations in Regensburg, Berlin, Herbrechtingen, Schwabmuenchen and the co-headquarters in Munich were converted to purchasing their energy from renewable sources at the beginning of 2020. The Regensburg location has also adopted the policy of ensuring that electricity is generated with the lowest possible negative impact on the environment (low-impact hydro) through guarantees of origin since the beginning of 2021.
- The Exeter and Hillsboro facilities are located in the state of New Hampshire (USA), in which electricity suppliers are obliged under the "Electric Renewable Portfolio Standard" to provide a minimum share of 21.6% of the electricity mix from renewable energies.

We see further potential in the in-house generation of renewable energy. So far, the sites in Wuxi (China) and Premstaetten (Austria) together generate around 400 MWh per year. The extent to which this can be expanded and the time-frame for doing so are currently being evaluated as part of the development of the climate strategy.

4.2.3 Greenhouse Gas Emissions

The direct and indirect greenhouse gas emissions that result largely from our use of energy contribute to climate change. Greenhouse gas emissions also occur in our upstream and downstream value chains.

Guidelines and Processes

ams OSRAM bases its documentation and reporting on the recognized standard of the Greenhouse Gas (GHG) Protocol and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) when recording its greenhouse gas emissions under

- **Scope 1:** direct emissions from the use of energy sources and of gases with climate-relevant characteristics that are used in production processes and cannot be completely broken down in the exhaust gas flow,
- **Scope 2:** indirect emissions resulting from the use of secondary energy sources such as electricity or district heating, and
- **Scope 3:** emissions that occur further up or down the value chain that are attributable to the Company.

That is why we adopt both market-based accounting (“market-based”), using the vendor-specific emission factor, and location-based accounting (“location-based”), using the regional and national grid average when reporting our Scope 2 emissions.

Scope 1 and Scope 2 emissions are recorded on the basis of energy consumption. Absolute figures are recorded at location level and converted using the corresponding conversion factors. Emissions resulting from residues of climate-relevant process gases are estimated from the quantities used, the operating period and the efficiency of the waste gas treatment facilities at our locations in Premstaetten (Austria) and Tampines (Singapore).

CO₂e Emissions

in metric tons	2020	2021
GHG Scope 1 emissions	51,700	46,600
Natural gas	29,900	29,600
Liquefied petroleum gas, diesel for on-site use, heating oil	2,800	2,600
Process gas emissions	19,000	14,400
GHG Scope 2 emissions (market-based)	264,100	261,700
Electricity	258,000	256,000
District heating and steam	6,100	5,700
GHG Scope 2 emissions (location-based)	332,300	321,400
Total GHG Scope 1 and 2 emissions (market-based)	315,800	308,300
Target for CO ₂ e emissions from own activities (Scope 1 and 2)		356,300
Target for metric tons of CO ₂ e emissions from own activities (Scope 1 and 2) per USD 1 million revenue	54	53
GHG Scope 3 emissions		
Purchased goods and services ¹	1,071,300	1,106,400
Capital goods ¹	54,100	76,800
Upstream transport and distribution	54,500	59,700
Business travel	4,000	2,600
VOC emissions	29	30

¹ The data is based on the status of harmonization as of January 21, 2022.

Objectives, Action Taken, Results and KPIs

ams OSRAM aims to achieve CO₂ neutrality for Scope 1 and 2 by 2030.

Our targets for CO₂ emissions and energy efficiency are closely linked. We therefore calculate the quantity of emissions expected at location level every year and aggregate them to produce a global total target (metric tons, t CO₂e greenhouse gas emissions).

We also compare our greenhouse gas emissions per USD revenue earned (t CO₂e per USD 1 million revenue) with the corresponding figure from the previous year. However, when

considering this performance indicator, similar comments to those mentioned under energy efficiency apply here.

The target set for fiscal year 2021 (Scope 1 and 2) for the ams OSRAM Group was 356,300 t CO₂e and was therefore 13% above the previous year’s target of 315,800 t CO₂e. In fiscal year 2021, the greenhouse gas emissions (Scope 1 and 2) generated by ams OSRAM amounted to 308,300 t CO₂e and therefore matched the level of the previous year, but were also well down on the anticipated figure. The same reasons apply here as mentioned under energy efficiency → 4.2.1 Energy Efficiency at the Group’s own Locations. The previously mentioned efficiency measures at the various

locations contributed to a reduction in emissions of 4,600 t CO₂e. The figure in relation to revenue for 2021 amounted to 53 t CO₂e per USD 1 million (previous year: 54 t CO₂e per USD 1 million).

The use of renewable energies → [4.2.2 Renewable Energies](#) also meant that 60,500 t CO₂e (previous year: 62,800 t CO₂e) could be avoided.

Since only a few locations emit volatile organic compounds (VOCs) and only in small amounts, we are striving to achieve a general reduction without any specific targets.

We report figures for Scope 3 for the entire ams OSRAM Group for fiscal year 2021. These include greenhouse gas emissions attributable to the upstream value chain. Goods and services purchased as well as capital goods were included here. An approximation model¹ recognized in the industry was used for this purpose. For emissions from upstream transport and distribution and business travel, we obtained the underlying data² from our business partners and service providers.

In fiscal year 2021, ams OSRAM participated for the first time as a joint company with combined data from both parts of the Company in the CDP questionnaire, the world's largest ranking platform for climate protection, and scored B- (management level).

4.2.4 TCFD Recommendations

ams OSRAM's reporting on "Greenhouse Gases and Climate Change" is based on the GRI Standards and the recommendations of the [Task Force on Climate-related Financial Disclosures \(TCFD\)](#), a committee of experts from G20 member states that has issued recommendations on standardized climate reporting for companies.

This sustainability report brings together for the first time ams OSRAM's reporting on the status of implementation in all four areas of the TCFD recommendations. Further information is available in connection with the Company's participation in the CDP Climate Change Rating [CDP](#) and under → [4.2.3 Greenhouse Gas Emissions](#).

1. Governance: Disclosure of the organization's governance around climate-related risks and opportunities

The Sustainability Council conducts strategic assessments of aspects relevant to climate change → [3.2.2 Organization and Structures](#). It examines the trends, risks, and opportunities and, where necessary, embeds appropriate measures within the organization. This takes place via the Sustainability department and in collaboration with the relevant specialist departments and business units. The Sustainability department is embedded in the reporting line of the Chief Financial Officer (CFO), who is responsible for sustainability within the Management Board and brings about any decisions required by the Management Board as a whole.

As part of the development of a sustainability strategy, climate-related matters are currently being examined by three

working groups: Low Carbon Operations, Low Carbon Supply Chain and Low Carbon Portfolio. In addition to the Sustainability department, the groups include staff from the EHS department, the business units, Semiconductor Operations, Procurement and Real Estate. Other focus topics that are being examined as part of the development of our sustainability strategy can be found under → [3.2.3 Materiality Analysis](#).

Decisions that affect a number of departments or business units are made at Management Board meetings or in the Sustainability Council → [3.2.2 Organization and Structures](#). Climate-related and other non-financial risks are already part of the enterprise risk management process (ERM) in principle. In future, we shall also strive to record risks of this kind and their impact, resulting from or impacting on our business activities, systematically in the risk inventory for the entire Group. Risks that are rated as material within the ERM process are included in the risk reporting and reported to the Management Board and Supervisory Board [ams OSRAM Annual Report, Risk Management, p. 88 ff.](#)

For more information, see also [CDP](#) (ams OSRAM Climate Change Rating, Chapter C1).

2. Strategy: Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

We are seeing increasing regulation in the area of climate protection and are expecting even more stringent measures to come. These bring transition risks, such as taxes on CO₂ or some products being banned, that could increase costs or

¹ estell 6, Systain

² The data are based in part on estimates

lead to a loss of sales. We are also seeing acute or chronic physical risks such as flooding due to severe weather events in some areas. We have not identified any climate-related risks currently or in coming years that are likely to have a severe negative impact on operations.

However, our scenario analysis indicates that these could become stronger in future and also lead to infrastructure being damaged and/or production being disrupted – even in other parts of the supply chain or at our customers. In fiscal year 2020, we carried out a qualitative and quantitative scenario analysis of the physical risks at former OSRAM locations. The results provided further details for managing climate-related risk. In both scenarios (+2 °C and +3-4 °C global warming by 2100) the upstream and downstream value chains (suppliers and customers) could be affected in particular. There is a moderate to very high physical climate risk across all operations, driven by flooding risks in Asia and the risk of tropical hurricanes in the USA. Our own production locations are exposed to low potential risk in the 2 °C scenario. In the 3-4 °C scenario, the operations of OSRAM Opto Semiconductors (now part of the Semiconductor segment) and the Digital business unit are still low risk, while Automotive could be increased to a moderate risk by 2050 because of the increased risk of tropical hurricanes, heat waves and convective storms.

In fall, work started on extending the analysis to the key ams production facilities.

To reduce our own share of emissions, CO₂ neutrality is to be achieved by 2030. As a company whose energy-efficient, intelligent products can make a contribution to tackling climate change, there are also business opportunities for ams OSRAM here → [2.0 Company Profile](#).

For more information see also [CDP](#) (ams OSRAM Climate Change Rating, Chapter C3).

3. Risk Management: Identifying, assessing and managing climate-related risks

Climate-related and other non-financial risks are already part of the ERM process in principle. In future, we shall also strive to record risks of this kind and their impact systematically in the risk inventory for the entire Group. The list of risks includes physical risks and transformation risks for the Company as well as risks relating to our business model that could have an impact on society and the environment. The Company-wide risk survey is conducted every six months. Significant risks are reported at meetings of the Management Board and of the Supervisory Board [ams OSRAM Annual Report, Risk Management, p. 88 ff.](#)

For more information see also [CDP](#) (ams OSRAM Climate Change Rating, Chapter C2).

4. Metrics and Targets: Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities

To reduce its CO₂ footprint, the ams OSRAM Management Board has tasked a working group (see 1. Governance) with the development of a climate strategy. The target for CO₂ neutrality has already been set → [4.2.3 Greenhouse Gas Emissions](#).

We report in detail on the metrics and targets used to manage relevant climate-related risks and opportunities in Chapter → [4.2 Climate Protection](#). ams OSRAM follows the Greenhouse Gas (GHG) Protocol when collecting Scope 1, 2 and 3 data. The metrics for Scope 1, 2 and Scope 3 (upstream value chain: purchased goods and services, capital goods transportation and distribution) for fiscal year 2021 were subjected to a limited assurance review in compliance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised) → [1.0 Report Profile](#).

4.2.5 Green Tech Development

At ams OSRAM we see green tech as the combination of sustainable technology and innovation supporting carbon reduction, clean water and a sustainable lifestyle. Our R&D experts develop products and solutions that contribute to solving these global challenges. At the same time, we seek

to use the business opportunities involved. Furthermore, we offer our customers energy-efficient products that reduce their own carbon footprint.

Guidelines, Responsibilities, Structures and Processes

Corporate Research and Development, Corporate Technology and the Innovation Office report to the Chief Technology Officer (CTO). Among the responsibility of these teams is the strategic technology alignment, portfolio and platform choices as well as disruptive technology innovation execution, but also the selection of strategic partners to support the Company's value creation. Responsible for the definition and execution of the corporate strategy is Corporate Development, which reports to the CBO (Chief Business Development Officer). The team prepares business portfolio scenarios for decision-making by the Management Board. Portfolio decisions are primarily based on market outlook, business profitability and the strength of ams OSRAM's competitive position. Sustainability aspects may come into consideration as secondary factors, in particular if they significantly influence any of those factors. Product development, and to some extent technology development, are within the responsibility of the business units.

Publicly available R&D funding is secured by means of globally coordinated subsidy management and a strong associated network of research and development organizations

and universities. Public investment projects exceeding the scope of pure R&D projects are secured by cooperation models via a strongly established, global network beyond the R&D organizations. This network consists of internal and external stakeholders, e.g., governmental affairs, academia and/or public authorities. In fiscal year 2021 major projects were initiated within the framework of international consortia. Mercury-free deep UV sources will enable a new generation of products within the illumination portfolio, with a positive environmental impact along the entire value chain and over the product lifetime. The European project Caviar brings together key partners to enhance current state-of-the-art system-level imaging technology for diverse applications such as medical diagnostics and sustainable agriculture. iREL.0 unites 79 European partners from 14 countries with the ambition to further invest in energy-saving and security-enhancing sensors and illumination in the automotive space.

With the EU Green Deal and its associated programs and regulation, the green tech development will become even more important in the future. Therefore, in November 2021 the ams OSRAM Management Team decided to place a strategic focus on this within the sustainability strategy currently being developed. This working group is called Low Carbon Portfolio and has started already → [3.2.2 Organization and Structures](#).

Objectives, Action Taken, Results and KPIs

In fiscal year 2021 the company overall spent EUR 642 million (previous year: EUR 423 million) on R&D.

Regarding the EU taxonomy for sustainable activities regulation, reporting for ams OSRAM will be mandatory starting from 2024. To be prepared for the upcoming regulation, we plan to develop an approach within the coming fiscal year where we assess activities and products with regard to their eligibility and alignment with foreseeable screening criteria. For green tech development that took place in fiscal year 2021, please refer to → [2.2 Our Portfolio](#).

While we have the biggest lever with our energy efficient products, an eco-friendly and resource-saving approach for products and their production is also key (→ [4.2.1 Energy Efficiency at the Group's own Locations](#), → [4.2.2 Renewable Energies](#), → [4.3.1 Resource Efficiency](#)).

4.3 Circular Economy

4.3.1 Resource Efficiency

When manufacturing our products, it is important for ams OSRAM to deal with materials and substances in a way that conserves resources, since this has a positive impact on the environmental balance and on the cost position of our products. This also boosts acceptance of our products by customers.

In particular, ams OSRAM concentrates on controlling and reducing hazardous and critical substances that are used in the manufacture of our products and, in part, also remain within them. The ams OSRAM product portfolio also requires the use of materials that could potentially be classified as conflict minerals because of their origin (Democratic Republic of Congo and neighboring countries or originate from conflict-affected and high-risk areas (CAHRAs) as defined in EU Regulation 2017/821) → [4.3.2 Conflict Minerals](#).

We wish to be able to market our products throughout the world. The raw materials used in production, and also those which remain in products, are subject to increasing regulation that is of relevance for ams OSRAM in the various operations. Above and beyond the existing legal requirements, this issue is so important for many of our customers that they impose additional requirements upon us.

We consider sustainability not just in production but as soon as we start developing new products. One example is the development and production of our highly efficient LED fluorescent materials, which are researched, developed and finally produced at the Schwabmuenchen plant (Germany) → [2.1.1 Innovations](#).

Guidelines, Responsibilities, Structures and Processes

The key EHS requirements → [4.1 Environmental Management](#) also include responsibility for ensuring that products are designed in an environmentally friendly way with regard to the materials used for manufacturing and use. The processes to develop new products ensure compliance with legal requirements and customer demands regarding environmental compliance, in particular the constituent substances. This also applies to the ongoing optimization of products. EHS advises the business units and Semiconductor Operations on legal requirements and monitors their compliance.

Our activities in various trade associations mean that we find out in good time about new and anticipated regulations and are able to make plans accordingly → [3.1.5 Political Engagement and Memberships](#). This regulation aims, among other things, to make it easier to recycle products, to avoid hazardous materials or provide a framework for declaring them, and to safeguard or improve the level of protection offered to customers and the people who use our products → [5.3.2 Product Safety and Quality](#).

It is therefore essential that we are able to reliably obtain and communicate relevant information and declarations within

the supply chain. In order to fulfill our responsibility along the entire supply chain, we also involve our suppliers. They are required to promptly provide the necessary declarations and information for the qualification of new materials and new parts as well as for changes in the relevant laws → [5.2 Supply Chain Management](#).

Here, operational implementation differs between the business units in the Semiconductors segment on the one hand and the Automotive (AM) and Digital (DI) business units on the other. In the case of the business units in the Semiconductors segment, we transmit our requirements to new and existing suppliers for direct materials and external production if there are significant changes, such as the prohibition of new substances. These are combined in the form of our environmental standard GEN125. The list of critical substances can be found in document GEN123. Receipt of this information must be confirmed by the suppliers and their compliance evidenced by submitting the results of analytical investigations on a regular basis. Monitoring is carried out by the Environmental Product Engineering groups in Calamba (Philippines) and in Penang (Malaysia). In the case of AM and DI, we monitor the use of critical substances at component level. Suppliers must confirm that products comply with our requirements before new components are used. Against a backdrop of ever stricter requirements, we use a special IT application to ensure that our electric and electronic devices are legally compliant. In these areas, the Index List Environment (ILE), which contains information on prohibited, restricted and declarable substances, applies. Our own developers and suppliers of materials employed in our products use this information to avoid,

reduce and declare the use of hazardous substances. Supplier Quality Engineering is particularly involved in tracking process → [4.3.2 Conflict Minerals](#).

Objectives, Action Taken, Results and KPIs

Our aim is to achieve 100% compliance with the legal requirements and the expectations of our customers. We achieved significant successes here in fiscal year 2021.

Attention focused on merging declarations in the business units of the Semiconductors segment. The aim was to set up a joint program for Environmental Product Stewardship and to complete it. To this end, the product portfolio of the former OSRAM Opto Semiconductor and the former ams units was checked for compliance with various environmental directives. The result is depicted in the form of declarations, such as the Certificate of REACH Compliance, Statement of Compliance to California Proposition 65, Semiconductor TSCA Declaration or the Statement of Non-Use of Substances that Deplete the Ozone Layer. Our Product Stewardship program is ongoing; the relevant declarations are published on our website.

A technical link to the European Chemicals Agency SCIP database has been established for DI and AM's electronic products. Every product containing substances of very high concern (SVHC) must be entered in this publicly accessible database. Information on the products in question is largely available there now.

4.3.2 Conflict Minerals

The ams OSRAM product portfolio also requires the use of materials that could potentially be classified as conflict minerals due to their origin (Democratic Republic of Congo and neighboring countries or conflict-affected and high-risk areas (CAHRAs) as defined in EU Regulation 2017/821). We are aware of the associated risks and are mitigating them as follows.

Guidelines, Responsibilities, Structures and Processes

In order to fulfill our human rights responsibilities in the area of conflict materials, we have put in place appropriate due diligence processes for procurement → [5.1 Respect for Human Rights](#) and → [5.2 Supply Chain Management](#).

For the former ams units, responsibility for conflict minerals lies with the Environmental Product Engineering Group in Calamba (Philippines) and for the former OSRAM units with Procurement. In the wake of the consolidation of the businesses assigned to the Semiconductors segment, the transfer of the activities of OSRAM Opto Semiconductor to Calamba has already started.

Conflict minerals were a key sub-process of supplier management at both ams and OSRAM in the past although the operational processes involved differed. Harmonization of the processes and the associated tools and systems is planned for fiscal year 2022.

ams OSRAM is a member of the Responsible Minerals Initiative (RMI). The sharing of information accessible via the RMI and insights within the RMI help us to continuously improve

our due diligence on conflict minerals. RMI training materials are available to our suppliers via an online training portal. When purchasing raw materials, ams OSRAM makes sure it uses qualified sources. For example, all our directly commissioned smelters for conflict minerals are RMI-certified.

Objectives, Action Taken and Results

We strive for full transparency with regard to conflict minerals, including cobalt, for our entire purchasing volume and have committed to the OECD Due Diligence Guidance for Responsible Mineral Supply Chains. We use automated testing tools to meet the requirements regarding conflict materials in our supply chain.

Our medium-term objective is to attain the status of a “conflict-free” product portfolio. We have already achieved this status for the Semiconductors segment and will strive to maintain it in the future.

There is virtually no cobalt in the ams OSRAM product portfolio. As a further step toward having a conflict-free supply chain, we use the standardized Cobalt Reporting Template provided by the RMI. It creates transparency in the supply chain by facilitating the sharing of information on the country from where the minerals originate and the smelters that are used. As a result of adopting the template, we have now achieved transparency in the majority of our products with regard to cobalt.

Overall, we have not yet been able to fully establish, together with our suppliers, the secured conflict-free status of our entire portfolio.

4.3.3 Waste

We follow the guiding principle at all our locations of avoiding waste in production or recycling the waste, or – if neither is possible – ensuring its professional disposal. Our aim is for valuable materials to be recycled and for negative effects on the environment to be minimized or avoided entirely.

ams OSRAM uses numerous substances in production that have an impact on people and the environment as a result of their procurement, transport, usage and disposal. In semiconductor production, various chemicals and gases are used in processes whose by-products then require special treatment. These include contaminated sludges and water that is mixed with various chemicals. In some of our traditional lamp manufacturing sites and at the Schwabmuenchen plant (Germany) we also use low-level radioactive materials. The associated waste is subject to special requirements.

Structures and Processes

We record locally the amounts of waste that are recycled¹ or sent away for disposal. A distinction is drawn in these categories between hazardous and non-hazardous waste. Reduction of waste requiring disposal is a priority. In most cases the quantities are calculated on the basis of quantified receipts from waste disposal providers.

Waste that is sent for recycling includes glass, metals, and paper/card as well as solutions containing gold and contaminated N-Methyl-2-pyrrolidone (NMP) that are used in

the semiconductor industry. They are mostly separated at the locations themselves but if this is too difficult technically, they are separated by the service provider. The recovery of these valuable resources is always carried out by specialists.

Waste sent for disposal is either incinerated or sent to landfill, depending on local regulations and what is technically and commercially possible. The overall picture is highly complex. For this reason, we do not record this information separately everywhere, but distinguish between hazardous and non-hazardous waste for disposal. The sites in Singapore already distinguish quantities of waste for incineration from those to be sent to landfill.

Employees who work with waste are trained in the locally applicable regulations.

Waste is also generated in the upstream supply chain. As we cannot influence this directly, we give preference to suppliers with an environmental management system that is ISO 14001-certified → [5.2 Supply Chain Management](#).

Objectives, Action Taken, Results and KPIs

Each year, we set relative or absolute targets for the generation of waste and for disposal at location level and aggregate these, if necessary, using the budgeted figures for production, into an overall global target (metric tons of waste for disposal). At Group level, ams OSRAM monitors and reviews progress toward the targets as part of the quarterly EHS reporting cycle. Since anticipated economic develop-

ment may lead to higher utilization of production capacity or a change in manufacturing capacity or the number of locations/plants, it is possible that the total target may increase year-on-year.

We also compare the quantity of waste generated with the revenue generated (tons per USD 1 million) with the corresponding figure from the previous year. We aim to improve this performance indicator each year but do not set a specific target for this. When considering this performance indicator, the fact that some revenue is earned from products that are manufactured under contract outside the ams OSRAM Group must be taken into account.

The target set for fiscal year 2021 for the ams OSRAM Group was 7,700 tons, which was therefore 13% up on the previous year's figure of 6,800 tons. The pandemic situation prevailing in the previous year meant that the basis for setting targets for fiscal year 2021 was fraught with uncertainties at some locations. In fiscal year 2021, the actual volume of waste for disposal produced by ams OSRAM was 7,200 tons and thus almost 6% up on the level of the previous year. However, in total 7% less waste was generated than expected. The difference was noted in all operating parts of the Company, whereby the semiconductor plants accounted for the largest share of the relative volume of waste for disposal (84%). [↗ ams OSRAM Annual Report, Developments in the Semiconductor Sector](#).

¹ ams OSRAM does not re-use such waste, but sends it directly and exclusively for recycling.

As described in the chapter on occupational health and safety → [6.2 Occupational Health and Safety](#), the COVID-19 pandemic only had a minor impact on our operational activities in fiscal year 2021. As explained in Chapter → [4.2.1 Energy Efficiency at the Group's own Locations](#), we had to report underutilization of capacity at times in some locations because of the order situation for products manufactured there. Here, the volume of waste for disposal fell considerably. At the Hendersonville automotive location (USA), measurements during the year showed that the anticipated volume of waste had been overestimated when the target was set. The two well-utilized semiconductor front end plants in Regensburg (Germany) and Premstaetten (Austria) generated more waste than expected.

The figure in relation to revenue for 2021 was 1.24 tons per USD 1 million (previous year: 1.16 tons per USD 1 million¹).

Waste

in metric tons	2020	2021
Waste for disposal	6,800	7,200
hazardous	4,600	4,400
non-hazardous	2,200	2,800
Target for waste for disposal		7,700
Waste for disposal per USD 1 million revenue	1.16	1.24
Waste for recycling	8,600	8,500
hazardous	2,900	2,300
non-hazardous	5,700	6,200

Waste management at the sites is supported by the local EHS programs. The following are some examples from fiscal year 2021:

- Premstaetten: Dimethyl sulfoxide (DMSO) is used as a processing chemical. Recycling prevented 35,100 liters being sent for disposal.
- Woodlands (Singapore): The use of isopropanol in production was reduced by 8,600 tons.
- Ang Mo Kio (Singapore): The decision to dispense with printed product information (Lot Traveler) in paper form in production saved 2.4 tons of paper.
- Attempts to find cost-effective solutions to ensure that empty chemical containers do not have to be sent to landfill but can be recycled or sent to thermal recovery were intensified at the sites in Singapore and in the Philippines.

Hazardous waste is recycled and disposed of carefully by specialists in compliance with local regulations. We are not aware of any breaches of the relevant legal provisions and requirements in fiscal year 2021.

4.3.4 Water

Water is an important resource for ams OSRAM that is used as a process medium in the manufacture of semiconductors, for cooling in production and for sanitary purposes. Rationing water at our locations would compromise our productivity.

In order to minimize our impact, we manage water use at all locations with the aim of conserving water resources and keeping water withdrawal as low as possible. ams OSRAM uses only fresh water with less than 1,000 mg/l total dissolved solids and takes the majority of it from public drinking water supplies (third-party water) and from groundwater. We are aware of sensitive sources and reservoirs that are close to our production sites and these are protected accordingly.

Structures and Processes

In order to proactively identify potential issues with the availability of water, we review the water requirements at our locations every year using the [World Resources Institute's Aqueduct Water Risk Atlas](#). The analysis looks at the levels of water withdrawal as well as the type and amount of wastewater discharges at the locations. Data on the amount of wastewater produced at the individual locations is collected every year. Most of this is discharged as industrial or sanitary wastewater into the sewage system or into surface water.

¹ Due to the change of ownership of the Plovdiv (Bulgaria) and Monterrey (Mexico) sites, data from January to the end of March 2021 and until mid-November 2021, respectively, were taken into account for these plants.

Where the quality of the withdrawn water has been compromised by our production processes, we purify the water before it is discharged. This process is in compliance with the relevant legislation in the countries concerned. Such legislation is in force in all countries where ams OSRAM has production facilities and it provides the basis upon which government authorities grant environmental permits. All our sites have permits to discharge wastewater or, where applicable, to operate neutralization plants. These generally contain very specific requirements concerning permitted quantities, temperature and chemical composition of the wastewater and the tests to be carried out. Part of the groundwater we use for cooling purposes is returned in chemically unchanged form, although periodic checks are also required. In all cases, the water is returned as fresh water in accordance with the above definition. Some of the wastewater is hazardous and so has to be professionally treated by external companies. The rest is released into the atmosphere via evaporative coolers.

Objectives, Action Taken, Results and KPIs

Each year, we set relative or absolute targets for the withdrawal of water at location level and aggregate them, if necessary, using the budgeted figures for production, into an overall global target (cubic meters water withdrawal). At Group level, ams OSRAM monitors and reviews progress toward the targets as part of the quarterly EHS reporting cycle. Since both anticipated economic development and any possible change in manufacturing capacity or the number of locations are a factor here, it is possible that the total target may increase year-on-year.

We also compare the water we withdraw per revenue generated (cubic meter per USD 1 million revenue) with the corresponding figure from the previous year. When considering this performance indicator, the fact that some revenue is earned from products that are manufactured under contract outside the ams OSRAM Group must be taken into account.

The target set for fiscal year 2021 for the ams OSRAM Group was 4,729,000 cubic meters, which was therefore 12% up on the previous year’s figure of 4,205,000 cubic meters. The pandemic situation prevailing in the previous year meant that the basis for setting targets for fiscal year 2021 was fraught with uncertainties at some locations. In fiscal year 2021, the actual amount of water withdrawn was 4,110,000 cubic meters, which is just below the level of the previous year. In total, however, far less water was withdrawn than expected for fiscal year 2021. The difference was noted in all operating parts of the Company. Virtually the entire amount of water we withdrew (90%) was accounted for by the semiconductor plants [↗ ams OSRAM Annual Report, Developments in the Semiconductor Sector, p. 74 f.](#)

As described in the chapter on occupational health and safety [→ 6.2 Occupational Health and Safety](#), the COVID-19 pandemic only had a minor impact on our operational activities in the fiscal year. As previously mentioned in the chapter on energy efficiency (4.2.1), we had to report under-utilization of capacity at times in some locations because of the order situation for products manufactured there. Here, water withdrawal fell considerably. The amount withdrawn at the Calamba (Philippines) and Wuxi (China) locations was also

less than the quantity expected because the targets were excessive. Although more groundwater was used for cooling purposes at the Treviso site (Italy) than in the previous year, the increased demand that had originally been expected did not materialize. Italy was particularly affected by the pandemic in 2020 and plants were closed for longer periods. This made the estimate for 2021 particularly difficult.

The figure in relation to revenue for 2021 was 711 cubic meters per USD 1 million (previous year: 717 cubic meters per USD 1 million).

Water Withdrawal		
in cubic meters	2020	2021
Municipal water supply	3,497,000	3,407,000
Groundwater from own supply	706,000	701,000
Other water	2,000	2,000
Total	4,205,000	4,110,000
Target water withdrawal		4,729,000
Specific water withdrawal per USD 1 million revenue	717	711
Ultrapure water (UPW) consumption	877,000	1,053,000

There are no specific targets for the discharge of wastewater. Nevertheless, key figures are recorded and monitored within the framework of EHS management. Around 15% of total water withdrawal in fiscal year 2021 was attributable to losses in waste value streams or evaporation into the atmosphere.

In order to comply with official regulations, monitoring of chemically unchanged cooling water is carried out as described above. The data quality is very high thanks to the input measurement and the precisely defined path for cooling water. For other types of wastewater, however, some of the figures have to be estimated. During the reporting year, water quality checks carried out for the local authorities did not identify any breaches of officially prescribed thresholds.

Wastewater by Destination

in cubic meters	2020	2021
Into public sewers as industrial wastewater	2,507,000	2,282,000
Into public sewers as sanitary wastewater	564,000	595,000
Into saline surface water as industrial wastewater	389,000	391,000
Into non-saline surface water as industrial wastewater	30,000	30,000
Into the groundwater as chemically unchanged wastewater from cooling processes	100,000	113,000
Total	3,590,000	3,411,000
Consumption – through evaporation, disposal as waste, other losses	615,000	699,000

ams OSRAM does not currently regard the availability of water at any of its locations as critical. However, the regions in China, Singapore and Malaysia where our semiconductor operations are located are expected to see high and continually growing demand for water from 2030 onward. We will continue to monitor developments.

During fiscal year 2021, a large number of measures were implemented to reduce water withdrawal and to comply with the conditions attached to the environmental permits. The following section lists some examples:

- Tampines (Singapore): By optimizing operation of the cooling towers and the recycling of the proportion rejected from ultra-filtration, withdrawals of 7,300 and 3,500 cubic meters of fresh water respectively were avoided.
- Premstaetten (Austria): 19,200 cubic meters were saved by reusing the water in the exhaust gas decomposition systems.
- Berlin (Germany): The wastewater neutralization plant was expanded to treat acidic wastewater so that the fluoride limit was maintained. This was necessitated by relocating production of XBO cinema lamps from Eichstaett to Berlin (both in Germany).

In fiscal year 2021, ams OSRAM participated for the first time as a combined company in the CDP questionnaire with reporting relevant data and was rated B- (management level).

5.0

Society

As a globally active industrial company, we are part of society. We therefore live up to our responsibility beyond the confines of our Company. Commitment to sustainable development is an important issue for us, and respect for human rights is self-evident. We are committed to this – in our supply chains too.

5.1 Respect for Human Rights

As an international company with diverse products and complex global value chains → [5.2 Supply Chain Management](#) we know that our business relationships present the risk of human rights violations, especially for more potentially vulnerable groups, such as migrant and temporary workers.

Furthermore, the ams OSRAM product portfolio requires the use of materials that could be classified as potential conflict minerals due to their origin (Democratic Republic of Congo and neighboring countries or conflict-affected and high-risk areas (CAHRAs) as defined in EU Regulation 2017/821). To a very small extent, for example in a traditional automotive product line, cobalt is also used → [4.3.2 Conflict Minerals](#).

We do not tolerate any form of modern slavery, child labor, forced labor or human trafficking, whether within our own business or at our suppliers and business partners. We have also put processes and policies in place to ensure that standards for social accountability and respect for human rights are met → [5.2 Supply Chain Management](#) (see the chart Code of Conduct for Suppliers).

Companies are increasingly expected to do more to protect human rights. This is reflected in legislation such as the UK

Modern Slavery Act or the German Act on Corporate Due Diligence Obligations in Supply Chains (“Lieferkettensorgfaltspflichtengesetz”), which will come into effect in 2023, and the debate about a possible EU directive regarding corporate duties of care. We are also increasingly being called upon by investors and customers to identify and prevent any adverse impact that our business activities and business relationships may have on human rights.

Guidelines, Responsibilities, Structures and Processes

We outline our approach to respecting human rights in our ams OSRAM Code of Conduct → [3.1.4 Corporate Values](#). We recognize and support internationally recognized human rights at all of our locations and are committed to the principles of the United Nations Human Rights Charter, which we actively support as a member of the UN Global Compact. In the past, there were specific regulations for this purpose both at ams (Ethics and Labor Policy) and at OSRAM (Declaration of Principles for Respect of Human Rights). A Group-wide human rights guideline is currently being developed and will be published in 2022. This will be based on the Universal Declaration of Human Rights and the United Nations’ Guiding Principles for Business and Human Rights, the fundamental conventions of the International Labour Organization (ILO) and the principles of the UN Global Compact. We place an obligation on all ams OSRAM employees to apply the Code of Conduct in their area of responsibility.

The Human Resources (HR) department coordinates our due duty of care with regard to human rights → [6.1 Our Human Resources Work](#). HR issues human rights policies and coordi-

nates how compliance with these policies is monitored. There was already a process for continually monitoring human rights risks, which included an annual risk assessment, at the former OSRAM units. An equivalent process is to be introduced for the recently combined Group in fiscal year 2022.

Should there be a breach of human rights or the principle of fair labor conditions, this can be reported via the “Tell ams OSRAM” whistleblowing system → [3.3 Combating Corruption and Anti-Competitive Behavior](#). Indications may also be reported via the usual internal company channels, such as the relevant Compliance Officer, Corporate Compliance or the line manager. All indications are systematically analyzed to derive the measures that should be taken.

So that we fulfill our responsibility along the entire supply chain, we also involve our suppliers in the process. We require them to comply with the rules and obligations enshrined in the ams OSRAM Code of Conduct for Suppliers, which also include compliance with human rights → [5.2 Supply Chain Management](#).

Objectives, Action Taken, Results and KPIs

The avoidance of human rights abuses and the provision of fair labor conditions for our employees are key objectives for us. We would also like to raise awareness of this key topic within the organization and prevent breaches of human rights. We used various prevention methods to raise awareness. As part of our activities to promote respect for human rights, we also pursue region- and country-specific topics.

In fiscal year 2021, we received 25 indications of breaches of human rights and fair labor conditions via the “Tell ams OSRAM” whistleblowing system. They were systematically recorded and analyzed. A breach of human rights or fair labor conditions was not identified in any of these cases.

Our specialist departments also continuously monitored the relevant national and international frameworks governing human rights in fiscal year 2021. In the course of this we are also preparing for the German Act on Corporate Due Diligence Obligations in Supply Chains. We also plan to publish statements on Modern Slavery Acts in the UK and Australia, which will be applicable Group-wide, in fiscal year 2022.

5.2

Supply Chain Management

Our external procurement volume currently stands at EUR 2.9 billion and our global supplier network comprises just under 14,700 suppliers. As a global Group, we therefore have an equally significant responsibility for the environment and society all along our supply chain. We take this responsibility seriously by using standardized risk analyses, tools and processes to select our international partners and determine how we work with them. We also have internal and external control mechanisms in place. In particular, these enable us to fulfill our duty of care with regard to human rights in the context of conflict minerals → [4.3.2 Conflict Minerals](#) and → [5.1 Respect for Human Rights](#).

We strive for long-term relationships with reliable and flexible partners.

Guidelines, Responsibilities, Structures and Processes

In fiscal year 2021, Corporate Procurement was responsible for purchasing with regard to indirect materials, services and electronics components. The department head reported directly to the Chief Financial Officer (CFO). Procurement Semiconductors – whose head reports to Operations Semiconductors, an area under the purview of the CEO – is responsible for purchasing of direct materials. As part of the integration process, it was decided in the first quarter of 2022 to

allocate Corporate Procurement to Procurement Semiconductors. The Group-wide procurement guideline and the procurement policy form the basis for our work with our partners. At ams OSRAM, procurement is a global function. However, procurement is implemented at either a global or regional level, depending on the material- and service-specific procurement market.

We source most of our materials from Germany, Austria, China, Singapore, Malaysia and the USA. The largest material fields by volume are contract manufacturing, production and test equipment for semiconductors and pre-materials for opto semiconductors. For all material and service fields, we have formulated specific requirements for suppliers. For example, suppliers of production materials must demonstrate that they are certified in accordance with environmental management norm ISO 14001 and comply with the EU RoHS Directive (Restriction of Hazardous Substances in electrical and electronic equipment) and the EU REACH Regulation (Registration, Evaluation, Authorization and Restriction of Chemicals).

Depending on the home country of the supplier, additional requirements may be imposed such as a self-assessment in respect of social and environmental aspects, called Corporate Responsibility Self-Assessment (CRSA). A summary of the key requirements is published in our [Procurement Portal](#).

Sourcing teams are responsible for the procurement strategy in all fields of material. For matters relating to sustainability, for example the coordination of audits or conflict minerals,

the sourcing teams are supported by the Environmental Protection, Health & Safety (EHS), Corporate Procurement and Sustainability departments.

Embedded within the supplier development and supplier qualification processes are various requirements that help us to fulfill our duty of care with regard to human rights. It is the responsibility of strategic buyers to implement these with local procurement representatives. Corporate Procurement is responsible for compliance and for providing training on the individual steps involved in supplier management.

As part of the combination, the Group-wide procurement guideline, the procurement policy and the supplier management process, among others, have already been standardized. The necessary adjustments and extensions to systems are still ongoing. Complete implementation of the supplier management process is planned for fiscal year 2022.

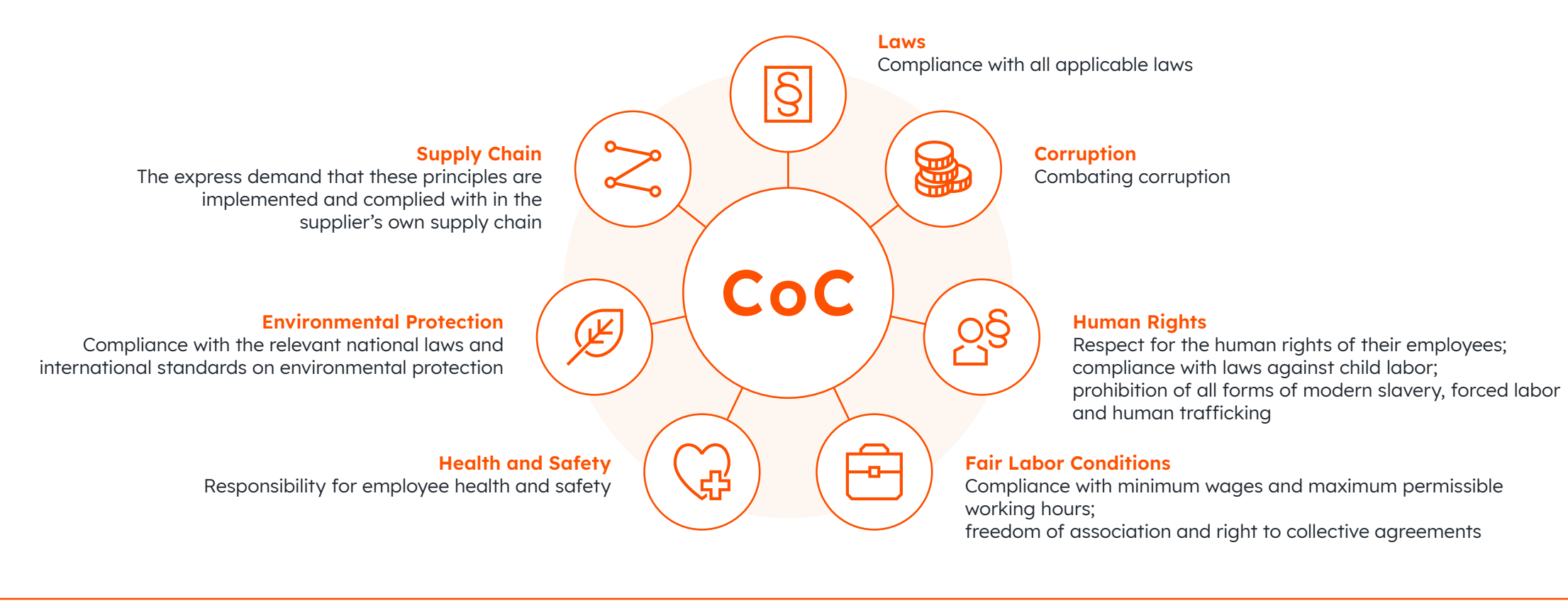
For example, planned changes include being able to automatically check whether suppliers have signed the Code of Conduct for Suppliers, are ISO 14001-certified, have completed a CRSA and the CMRT (Conflict Mineral Reporting Template). At present, this is only possible for former OSRAM units. This process is expected to be available Group-wide in the course of fiscal year 2022.

We have already achieved transparency regarding the procurement volume and the number of all ams OSRAM suppliers across the Group.

The expertise of our employees is an important cornerstone of our supplier management. We regularly provide information and training to our global procurement teams on overarching topics, such as human rights and responsible sourcing or specific changes relevant to sustainability in our supply chains.

We expect our suppliers to comply with all laws and regulations and with the principles set out in our ams OSRAM Code of Conduct. We have produced our own Code of Conduct for Suppliers (CoC), which incorporates our basic principles and international standards such as the UN Global Compact, the Code of Conduct of the Responsible Business Alliance (RBA) and the Conventions of the International Labor Organization (ILO).

Our Code of Conduct for Suppliers (CoC) contains topics such as:



Suppliers must prevent internal and external employees being affected by unethical practices in the recruitment of new workers. The CoC is mandatory for all suppliers with a procurement volume of EUR 50,000 or higher. It also forms part of the qualification process that new suppliers to ams OSRAM must go through. Irrespective of the procurement volume, each supplier receives notification of ams OSRAM's General Terms and Conditions and the CoC when purchase orders are placed. By signing the CoC, suppliers join ams OSRAM in making a commitment to continuously improving their contribution to protecting the environment and to establishing a functioning environmental management system. As mentioned above, certification in accordance with ISO 14001 is a requirement for suppliers of direct materials.

We use a variety of tools and processes to fulfill our duty of care with respect to human rights and to check compliance with the CoC in our supply chains.

When being added to the supplier system, all suppliers – irrespective of what materials or services they supply to ams OSRAM – are checked against international sanctions lists. Updated lists are automatically uploaded to ams OSRAM's export monitoring systems so that appropriate checks are also carried out on existing suppliers every time an order is submitted and before every payment run.

Suppliers from countries where social risks are more acute must also submit a self-assessment (CRSA) on relevant aspects of corporate responsibility. The selection is based on the country assessment of Transparency International (Transparency International Corruption Perceptions Index ≤ 50).

ams OSRAM performs a continuous risk assessment of direct suppliers, i.e., those that supply production materials or finished goods, which takes into account country risks and procurement market risks. Strategic suppliers, which include those suppliers as well as innovation and integration partners classified by us as “preferred”, undergo a sustainability assessment.

We use the risk assessment platform of the Responsible Business Alliance (RBA) to analyze our procurement volume with respect to social risks. The RBA is a coalition of leading electronics companies that have committed to comply with a Code of Conduct for Sustainable Procurement.

The risk assessment is based on a geographical and a product-related risk classification. The geographical risk classification reflects the supply chain risk in the five areas labor, health, safety, the environment and business ethics, and also includes the management systems. The product-related risk

classification provides an indication of human rights risks based on the labor conditions and production processes in the respective countries.

For suppliers whose risk is rated high or very high because of the country of origin, the group of materials and the procurement volume, the responsible purchaser will decide each year whether they must present a Corporate Responsibility (CR) audit. Alternatively, they can also demonstrate compliance with the relevant requirements through equivalent certifications (ISO 14001 in combination with ISO 45001). We use the RBA's online platform, among other tools, to keep track of audits.

As part of the qualification process, new suppliers from whom materials are to be purchased directly must undergo a process audit in accordance with VDA 6.3 (German Association of the Automotive Industry). The audit assesses the supplier's production and service processes. The results of the process audit are included in our global purchasing system and, as such, are integrated into the overall procurement process.

Objectives, Action Taken, Results and KPIs

The topic of sustainability has been a component of the OSRAM procurement strategy since 2020. In fiscal year 2021, the roadmap for responsible sourcing was added to the procurement strategy. The roll-out of the strategy and Group-wide implementation of the operating processes are planned for fiscal year 2022.

The activities included in the roadmap were defined jointly with the business units and have already been implemented in part. Group-wide implementation of the outstanding activities is also a target for fiscal year 2022.

We aspire to have our entire procurement volume covered by the Code of Conduct for Suppliers. We also want to increase the coverage ratio for direct materials through ISO 14001 certificates.

Procurement activities cover a series of key sustainability topics. These include the purchasers responsible taking account of the CO₂ footprint of suppliers of certain groups of materials, increasing the weighting of sustainability issues within the performance ratings of suppliers to the Semiconductors segment, an additional check of occupational health and safety and human rights requirements in especially vulnerable service areas such as contract manufacturing or waste disposal, and more transparency in terms of sustainability as well as CO₂ emissions in the supply chain.

In the process of selecting suppliers for energy-intensive equipment, anticipated energy consumption and the asso-

Procurement Key Figures

	2020	2021
Number of suppliers	12,349	14,654
Procurement volume (goods and services purchased from third parties)	EUR 1.7 billion (of which 63% is accounted for by local suppliers ¹)	EUR 2.9 billion (of which 51% is accounted for by local suppliers ¹)
Code of Conduct for Suppliers (CoCs) signed ²	339 new CoCs (which covers 96% of our procurement volume)	266 new CoCs (which covers 97% of our procurement volume)
Proportion of direct procurement volume covered by ISO 14001 ²	86%	89%
Conflict Minerals Reporting Template (CMRT) coverage ²	98%	97%

¹ Local suppliers are defined as those that are based in the same country as the purchasing ams OSRAM location.
² Only data on OSRAM activities are considered here. The harmonization of systems and thus the integration of the ams data is planned for the 2022 fiscal year. The information on OSRAM represents around two-thirds of the Group-wide procurement volume. The coverage rate of the relevant procurement volumes with regard to the respective criteria is shown.

ciated CO₂ emissions are already taken into consideration in the total cost of ownership calculation (TCO) at the former OSRAM units. Cost savings over the entire period of use, such as energy savings, are therefore factored into the decision to buy. This means that energy-efficient solutions become cost-effective sooner. This system is currently being rolled out to the entire company.

In 2021, we analyzed the results from the CR audits or equivalent certifications that had been requested as part of our collaboration with existing suppliers. Due to the COVID-19 related restrictions, only a small number of audits took place in fiscal year 2021. The review focused on suppliers

with current RBA audits. The process of working through the development measures is still ongoing. The regular audits, carried out by independent auditors, of our duty of care regarding human rights and of compliance with our Code of Conduct for Suppliers identified non-compliance in the areas of working hours and health and safety as the most common failures in fiscal year 2021. In fiscal year 2022, all ams OSRAM suppliers will be given a risk score using the RBA tool and consequently taken into consideration for the execution of a CR audit.

Training documents are regularly published in our [Procurement Portal](#) to make it easier for our buyers to

share them with suppliers. We use the resources to which we have access via our membership of relevant organizations. These include webinars on conflict materials from the Responsible Minerals Initiative (RMI) and training materials relating to the UN Global Compact or the Sustainable Development Goals (SDGs) of the United Nations.

In response to the impact of the COVID-19 pandemic on the global market, we focused on the resilience of our global supplier network as well as avoiding supply chain imbalances and extended delivery times in fiscal year 2021. This required a great deal of coordination with our suppliers. In 2021, we also started to prepare for the upcoming German Act on Corporate Due Diligence Obligations in Supply Chains (“Lieferkettensorgfaltspflichtengesetz”) → [5.1 Respect for Human Rights](#).

5.3

Product Responsibility

5.3.1 Customer Satisfaction

Our customers’ satisfaction is critical to our commercial success and constitutes an essential component of our customer-focused approach.

Guidelines, Responsibilities, Structures and Processes

As part of the integration process, ams OSRAM has embedded customer focus even more strongly in the organization. Customer relationships are developed via a key account management system using processes applicable worldwide. These were defined in accordance with our business model → [2.1 Our Company](#) for the segments Semiconductors and Lamps & Systems as part of our market to business strategy. A global sales and marketing team is responsible for the entire semiconductors business, whose management reports to the CEO. The regional positioning of this team along key markets was prepared in fiscal year 2021 and implementation started at the beginning of 2022. The sales organization has been working on a new joint online customer platform since summer 2021. In line with the “one face to the customer” principle, major customers each have one point of contact to deal with their concerns.

ams OSRAM believes in the importance of regular, structured feedback on perceptions of our brand, the reception of our

communication and marketing activities and the satisfaction and loyalty of our customers. This feedback is used to continually improve our processes and structures. ams and OSRAM each had different approaches here. In the future, a global customer survey is to be carried out across all business units every two years or so. Once the results are assessed and analyzed, measures are to be defined and implemented within the business units and corporate functions.

Defined processes are initiated in response to customer feedback of any kind. For instance, the product or process manager within the business units/organization is involved to work on a solution when relevant feedback is received. This is also the case if general communication with customers is required, in the form of a customer letter, for example.

Objectives, Action Taken and Results

When the combined ams OSRAM Group was created, the objective was, firstly, to ensure high levels of customer satisfaction and business continuity without any disruptions and, secondly, to guarantee a coordinated, common approach to customers and the organization by the global customer service team. This was achieved by having prepared a joint structure in great detail when the Group started operating as one.

To prepare for this point, we carried out two market studies to allow a “zero measurement” as a reference. They analyzed how our customers rate the OSRAM and ams brands individually, in comparison with each other and compared with our main competitors. We also measured brand awareness,

familiarity and relevance as well as customer satisfaction and loyalty. A second section focused on how our customers rate the combination of ams and OSRAM and what expectations they associated with it.

Our surveys have shown that both brands are firmly embedded in their target groups. The results indicate clearly how important it is to utilize the strength of both brands and build on their core elements. With regard to customer satisfaction, feedback was positive for both parts of the Company. Both brands achieved very good results in the core target group of engineers. The result was also positive as far as our customers and non-customers were concerned. This positive result provided a good launchpad for generating market acceptance of the new combined company.

Following a phase of brand testing, we are planning the next large-scale customer survey. In doing so, we would like to see how the positioning of our new combined company ams OSRAM is developing and the extent to which we have met our goals in terms of customer perception and customer satisfaction.

We support our customers throughout the purchase decision-making process with various digital and non-digital contact points. However, attention is focused on digital platforms in the current phase of the COVID-19 pandemic. Here, the Company's websites play a crucial role, as do social media channels, newsletters, blogs and digital communication together with our distribution partners.

Since trade fairs are only taking place to a very limited extent at the moment, we have also developed digital platforms and formats here – including a digital event platform and a showroom – which allow us to interact with customers directly.

5.3.2 Product Safety and Quality

ams OSRAM strives to offer a high level of quality, safety and reliability in its products and solutions. To ensure that we keep this promise to our customers, we have enshrined appropriate principles within the Company and thereby make an important contribution to the long-term success of the business. Our customers in the automotive industry set particularly high standards that must be maintained to retain their business.

There are a large number of regulations regarding product safety that are specific to individual countries. In order, nevertheless, to bring our products to market quickly while still complying with all rules and regulations, we need to coordinate these requirements at global level and take them into account at an early stage.

Guidelines, Responsibilities, Structures and Processes

We are committed to complying with all legal requirements, standards, and norms relating to products and their safety, including labeling, that apply in the individual regions and markets in which we operate, and to implementing changes

in good time. We are vigilant in identifying new legal requirements, standards and norms that are relevant to our business in a timely and routine manner and in applying them to our internal product safety specifications.

Product safety at ams OSRAM starts with product development; it plays a role in the procurement and production process and is a key aspect for customers over the entire product lifecycle.

At Management Board level, responsibility for product safety and quality lies with the Chief Technology Officer (CTO), who has assigned the relevant tasks and managerial authority to the head of Quality. In addition to being responsible for technical and product-related quality, he is also responsible for ensuring the proper functioning of the quality management system (QMS).

This corporate Quality Management department, run by the head of Corporate QMS, issues rules that apply across the Group and for routinely monitoring their observance. Our core practices are described in the Quality policy, which is available publicly. The guidelines and processes cover, for example, product safety and how this is taken into account in product development, and how we deal with any defective products and any necessary escalation measures. Operational responsibility for implementing legislation and internal rules regarding product safety lies with the General Managers of the business units and the head of Operations. At regular intervals, the Quality Management department reports directly to the CTO

on significant developments. The CTO is also informed immediately of any incident classified as a critical quality issue by the business unit responsible.

Quality and product safety play a key role at the product design stage. Certain methods designed to safeguard quality must therefore be applied to meet the development milestones. Product approval is subject to standardized checklists that are used to identify risks. In addition, we check the current product portfolio regularly regarding its impact on health and safety.

All products for the automotive sector are tested in accordance with defined schedules in our environmental simulation laboratories, which are accredited to DIN EN ISO/IEC 17025. Accreditation of the laboratories allows us to achieve compliance with global standards.

Customers can return defective products at any time and will find the relevant information online. Employees can also report potential incidents, such as regarding easily accessible structures that are established in production. By involving employees, potential quality issues can be identified in good time and, if necessary, escalated.

When a matter relevant to product safety is reported, we immediately check and assess the risks using a risk assessment matrix. The EU General Product Safety Directive (GPSD) 2001/95/EC, which sets out a structured framework for risk assessment, provides the global basis for our evaluation of potential product safety violations and of action plans to remedy such violations. As soon as any product safety risks are identified, appropriate processes are triggered to contain and eliminate these risks as quickly as possible. Relevant internal and customer-oriented measures have been specified and may result in information being provided to customers or even a product recall. Extensive training in these processes was provided in fiscal year 2021.

Our processes and management systems are regularly certified to quality management norm ISO 9001 and, for automotive customers, also to norm IATF 16949 of the International Automotive Task Force (IATF). In addition, ams OSRAM regularly conducts internal audits of its factories, processes and suppliers so that deficiencies can be identified and corrected at an early stage, before customers are affected. Most new suppliers from whom products are purchased directly are audited as part of the preparations for entering into a business relationship as prescribed by VDA 6.3 → [5.2 Supply Chain Management](#).

External environmental influences can have an impact on the characteristics and functions of our products. By testing product performance through accelerated aging and environmental stimulations, we can identify how long the products should last as well as shortcomings in their design or components, and then initiate improvements before failures occur in actual use. We believe that high-quality products can only be realized if the early stages of their development include an analysis of safety requirements and an evaluation of expected product quality based on environmental simulations. Avoiding defects before they occur is essential for ams OSRAM.

Objectives, Action Taken, Results and KPIs

ams OSRAM markets its products worldwide. Our key objectives are, firstly, compliance with official requirements and, secondly, the safety of users of our products.

We have established a zero defects strategy in line with our quality policy. Accordingly, the effectiveness and efficiency of our processes are checked and improved continuously to reduce costs and to conserve resources.

All certification-related checks went well and support our zero defects strategy. Due to the ongoing COVID-19

pandemic, these audits were largely carried out online. Joint certification audits are planned for fiscal year 2022.

According to reports from business customers, ams OSRAM achieved reductions in the defect rates for products under warranty in various sectors in fiscal year 2021. Quality costs (Non-Conformance Costs) were thus cut by just under 10% in relation to revenue in fiscal year 2021. The end-to-end processes in quality management were harmonized in fiscal year 2021. These processes are now optimized Group-wide and sub-processes that need to be carried out in a particular chronological or logical order to meet specific customer needs are transparent for all departments and/or functions involved.

In fiscal year 2021, the Quality Management department received no indications of possible violations concerning the impact of our products on the health or safety of our customers, and therefore achieved the aforementioned objective of delivering safe products to our customers.

5.4

Social Engagement

Wherever ams OSRAM is active, we want to assume responsibility outside our business. We want to make a positive impact and be seen in a positive light. We therefore engage at local level across the globe in initiatives that foster sustainable development and a prosperous society. Our social engagement activities follow a clear strategy and are aligned with our corporate principles. The ams OSRAM Group is committed to many different forms of social engagement. As well as making cash donations and donations in kind, we sponsor or otherwise provide support for events in the fields of culture, society, education and sports, and we are members of associations, organizations and clubs. We have appointed one individual to take responsibility for each of the categories referred to. Rules relating to corporate citizenship are integrated into our Code of Conduct and are supported by guidelines covering specific topics → [3.1.5 Political Engagement and Memberships](#), → [3.3 Combating Corruption and Anti-Competitive Behavior](#). Volunteering activities qualify as a citizenship activity if they contribute to an improved social environment and if society as well as employees, customers and suppliers and the Company itself benefit from them. The criteria of “Business for Societal Impact” (B4SI) define the framework for this. We also support our employ-

ees in their fundraising activities and their personal involvement in projects. We use an online tool to measure the costs and success of our projects. This tool is also used to approve projects, which may in some cases require clarification of the intended social impact or other such changes prior to approval.

Action Taken and Results

In fiscal year 2021, as part of its social engagement activities, ams OSRAM provided a total of around EUR 2.4 million (previous year: EUR 1.9 million) in donations, sponsorships and membership fees to corporate citizenship projects, initiatives, organizations and events.

The COVID-19 pandemic also had an impact on our social engagement activities. A number of events and projects that ams OSRAM had committed to support, mainly in the area of arts and culture, were held under restricted conditions, postponed or canceled. The reduction in arts and cultural events caused by the pandemic is therefore also reflected in a reduction in the number of products supported by ams OSRAM in 2021. However, more activities were carried out that supported the efforts of local communities, organizations and groups to mitigate the effects of the pandemic. For example, disinfectants were manufactured in our production facilities at times which we were able to use for our own needs and to supply third parties.

Examples of Our Social Engagement



Education Category

- For many years, the support of ams AG has allowed the charitable association “Laufteam run2gether Austria” (Running Team run2getherAustria) to complete a large number of social projects in Kenya. These projects have focused on education in particular. ams OSRAM continued this work in fiscal year 2021 by helping five schools with over 320 children.
- The first online hackathon organized by the German Sustainability Award under the motto “Transformathon” was supported by ams OSRAM as co-host. It gave participants the opportunity to develop ideas, initial concepts or even business models for potential start-ups from challenges in the areas of climate, biodiversity, resources, supply chains and society.
- For the 43rd year, OSRAM sponsored the international Welker Award at the International Symposium on Compound Semiconductors (ISCS). In May 2021, Professor Alfred Forchel from the Julius Maximilian University of Wuerzburg (Germany) won the award for his outstanding work in advancing the understanding of light-matter interaction in semiconductor microcavities and the development of semiconductor lasers, including their successful transfer to commercialization.



Arts, Culture and Sport Category

- At the “Homeless World Cup” (HWC), an alternative soccer world cup, homeless people and those who live on the edges of society for a variety of reasons participate in a week-long street soccer tournament. ams AG has supported this event for years. In fiscal year 2021, ams OSRAM supported the Austrian women’s team participating in the HWC.
- This year, the ARRI/OSRAM Prize for Best Newcoming Director, which was started in 2008, was awarded once again. OSRAM had co-sponsored this award since 2013 and ams OSRAM continued this tradition in fiscal year 2021.
- We again gave the Munich creative space IMAL materials for teaching and installation projects this year. These included LED modules, LED strips and the associated ballasts and control units.



Social Engagement Category

- ams AG had supported the SOS Children’s Village in Stuebing, near Graz (Austria), for several years. ams OSRAM is continuing this commitment and supported projects focusing on education and training as well as reducing injustice, in particular in 2021. The aim is to prepare children to stand on their own two feet and lead independent lives. Our employees in Premstaetten (Austria) voluntarily give up their time to give children and young people an insight into business and technology.
- As an official global corporate partner of the German Red Cross, OSRAM has been supporting an innovative approach to anticipatory aid in natural catastrophes since 2016: Forecast-based financing (FBF) uses weather forecasts in order to provide targeted financial and humanitarian aid to regions particularly at risk before a disaster occurs. Measures were taken under the program to evade immediate threats and, for instance, to maintain people’s livelihoods by evacuating them from areas at risk of flooding or distributing drought-resistant seeds. The project received continuing support from ams OSRAM in fiscal year 2021.
- As a sponsor of the Building Homes for Heroes organization, ams OSRAM helps injured veterans in the USA to live independently and free of debt by offering them homes and support services.

6.0

Responsibility to Employees

Our employees are the basis of our success. They create added value for our customers throughout the world. We want to offer them a healthy working environment and introduce new perspectives. We develop our employees and pay them fairly.



6.1 Our Human Resources Work

Our Human Resources (HR) work plays a key role in our efforts to drive sustainability. We believe that employees who are satisfied, successful, and healthy provide the necessary foundation for achieving long-term business success.

Currently, we see two important challenges as a company: Internally, the integration process is leading to extensive changes to working processes, which is why the harmonization of management concepts, processes, systems and performance indicators was playing a key role in fiscal year 2021. Externally, it is the persistent shortage of qualified staff, which was even exacerbated in some cases by the COVID-19 pandemic.

Guidelines and Responsibilities

Human Resources (HR) is responsible for human resources work in principle. HR is positioned globally but has local teams on site. Overall responsibility for HR matters lies with the Head of Global HR, who reports directly to the CEO and, as a member of the Management Board, is able to influence strategic decisions.

Responsibility for occupational health and safety lies with the CTO (Chief Technology Officer), who has delegated the relevant tasks and managerial authority to the head of the corporate Environmental Protection, Health and Safety (EHS) department → [6.2 Occupational Health and Safety](#).

Our human resources work is based on longstanding, tried-and-tested rules and processes for employees and managers, covering such topics as the hiring process, diversity & inclusion, talent acquisition, development, training, remuneration and benefits. Mandatory requirements are to be agreed in a Group-wide HR guideline, to define and communicate standards for human resources work worldwide as part of the integration process in fiscal year 2022. The sub-guidelines on which this will be based are being reviewed in stages and revised in the context of the company as a whole.

Information on expenses in connection with remuneration and benefits can be found at [ams OSRAM Annual Report, Expenses, p. 127 ff.](#)

Combination & Integration and Activities

With regard to the combination and integration of ams and OSRAM, Group works agreements were concluded with the employee representatives of the OSRAM companies in Germany in February 2021 and in June 2021. These also included arrangements for a socially responsible reduction in personnel in cases of duplicated functions, by the end of 2024.

A significant portion of the planned measures was already implemented in fiscal year 2021. Compulsory redundancies could be waived where job cuts were necessary. It was possible to implement the measures on a voluntary, socially responsible basis. Early retirement played a particularly important role alongside termination agreements. Employee turnover (see table, p. 55) was not significantly higher in fiscal year 2021 compared to the previous year, if the non-recurring effects from the disposal of parts of the company in Bulgaria and Mexico are disregarded → [1.0 Report Profile, Portfolio Changes](#). However, it is not possible at present to forecast how the pandemic situation and its consequences will affect our employees' willingness to change jobs.

Corona task forces were set up at a global and national level against the backdrop of the ongoing global COVID-19 pandemic → [6.2 Occupational Health and Safety](#). Our objective here is to protect the health of all our employees while, at the same time, taking account of the economic conditions for the Company. Employer representatives and works councils are in constant communication to be able to react rapidly to the constantly evolving situation and, in doing so, to take sufficient account of employees' concerns. In Germany, for example, we concluded several works agreements with the employee representatives of OSRAM companies to address specific issues linked to the pandemic.

Employees by Age Category, Gender, and Region

	EMEA				Americas				Asia/Pacific				Total			
absolute figure and proportion of workforce	2020		2021		2020		2021		2020		2021		2020		2021	
Male	6,979	65%	6,329	67%	1,633	55%	1,031	70%	7,310	45%	6,356	47%	15,922	53%	13,716	56%
<30	637	6%	499	5%	251	8%	134	9%	1,419	9%	984	7%	2,307	8%	1,617	7%
30-49	4,123	38%	3,534	38%	828	28%	413	28%	5,317	33%	4,646	34%	10,268	34%	8,593	35%
>49	2,219	21%	2,296	24%	554	19%	484	33%	574	4%	726	5%	3,347	11%	3,506	14%
Female	3,767	35%	3,055	33%	1,346	45%	447	30%	8,806	55%	7,281	53%	13,919	47%	10,783	44%
<30	356	3%	237	3%	288	10%	54	4%	2,652	16%	1,815	13%	3,296	11%	2,106	9%
30-49	2,136	20%	1,712	18%	659	22%	184	12%	5,601	35%	4,832	35%	8,396	28%	6,728	27%
>49	1,275	12%	1,106	12%	399	13%	209	14%	553	3%	634	5%	2,227	7%	1,949	8%
Total	10,746	100%	9,384	100%	2,979	100%	1,478	100%	16,116	100%	13,637	100%	29,753 ¹	100%	24,499	100%

¹ The total number deviates slightly from the detailed information above due to system harmonization and integration.

New Hires by Age Category, Gender, and Region

	EMEA				Americas				Asia/Pacific				Total			
absolute figure and proportion of workforce	2020		2021		2020		2021		2020		2021		2020		2021	
Male	400	70%	365	61%	251	48%	295	56%	1,465	49%	670	47%	2,116	52%	1,330	52%
<30	90	16%	124	21%	84	16%	119	23%	789	26%	316	22%	963	23%	559	22%
30-49	254	44%	202	34%	129	24%	125	24%	632	21%	325	23%	1,015	25%	652	26%
>49	56	10%	39	7%	38	7%	51	10%	44	1%	29	2%	138	3%	119	5%
Female	175	30%	231	39%	276	52%	228	44%	1,536	51%	759	53%	1,987	48%	1,218	48%
<30	55	10%	72	12%	140	27%	98	19%	817	27%	393	28%	1,012	25%	563	22%
30-49	106	18%	129	22%	114	22%	92	18%	659	22%	351	25%	879	21%	572	22%
>49	14	2%	30	5%	22	4%	38	7%	60	2%	15	1%	96	2%	83	3%
Total	575	100%	596	100%	527	100%	523	100%	3,001	100%	1,429	100%	4,103	100%	2,548	100%

Employee Turnover by Age Category, Gender, and Region

	EMEA				Americas				Asia/Pacific				Total			
absolute figure and proportion of workforce	2020		2021		2020		2021		2020		2021		2020		2021	
Male	639	9%	1,047	17%	249	15%	583	57%	1,295	18%	1,764	28%	2,183	14%	3,394	25%
<30	88	14%	161	32%	54	22%	121	90%	550	39%	567	58%	692	30%	849	53%
30-49	345	8%	580	16%	120	14%	294	71%	668	13%	1,050	23%	1,133	11%	1,924	22%
>49	206	9%	306	13%	75	14%	168	35%	77	13%	147	20%	358	11%	621	18%
Female	361	10%	965	32%	257	19%	270	60%	2,036	23%	2,277	31%	2,654	19%	3,512	33%
<30	55	15%	129	54%	83	29%	74	137%	989	37%	944	52%	1,127	34%	1,147	54%
30-49	195	9%	423	25%	110	17%	103	56%	965	17%	1,235	26%	1,270	15%	1,761	26%
>49	111	9%	413	37%	64	16%	93	44%	82	15%	98	15%	257	12%	604	31%
Total	1,000	9%	2,012	21%	506	17%	853	58%	3,331	21%	4,041	30%	4,837	16%	6,906	28%

Employees 2021 by Contract Type

	EMEA	Americas	Asia/Pacific	Total
Employees with permanent contracts	9,183	1,478	9,974	20,635
thereof female	2,963	447	5,113	8,523
Employees with temporary contracts	201	0	3,663	3,864
thereof female	92	0	2,168	2,260
Total	9,384	1,478	13,637	24,499
thereof female	3,055	447	7,281	10,783

6.2 Occupational Health and Safety

ams OSRAM is committed as part of its EHS policy to offering its employees a safe and healthy working environment. Minimizing the risk of occupational illnesses and accidents at work is part of this. In this way, we fulfill our responsibility to society as a whole and reduce economic losses.

Guidelines, Responsibilities, Structures and Processes

Overall responsibility for environmental protection, occupational health and safety within the ams OSRAM Group lies with the Chief Technology Officer (CTO), who has delegated tasks and managerial authority to the head of the corporate Environmental Protection, Health and Safety department (EHS). The corporate EHS head reports directly to the Management Board on significant developments.

The corporate EHS department has the power at ams OSRAM to issue guidelines in the area of occupational health and safety, issues the EHS Manual, which is applicable throughout the Group, as well as supporting EHS processes

and routinely monitoring compliance with these guidelines. For example, suitable training programs and monitoring processes must be implemented in all locations. As set out in our [EHS Policy](#), which is published online, this obligation to comply with relevant laws and regulations concerning occupational health and safety also applies to mergers and acquisitions and to related reviews.

The Ang Mo Kio, Woodlands and Tampines locations (all Singapore), the locations in Wuxi, Kunshan DO, Kunshan AMLS and Foshan (all China), Penang and Kulim (both Malaysia), Bergamo and Treviso AMLS (both Italy) as well as the co-headquarters in Munich are externally certified according to the ISO 45001 standard for occupational health and safety management. In fiscal year 2021, this certification still took place separately for the former ams and OSRAM parts of the Company. From 2022, the Group as a whole will be converted to a matrix certification. As part of the process to obtain two matrix certifications, external audits were carried out at seven locations in 2021. Our internal requirements oblige the other production facilities also to maintain a management system for occupational health and safety in accordance with ISO 45001 standards. The plant in Foshan was again additionally certified to amfori BSCI, an internationally recognized standard for social accountability (formerly Business Social Compliance Initiative).

Development and sales locations with more than 50 employees operate a reduced management system but also contribute data to the health and safety indicators. The EHS department includes in its reporting a selection of locations that do not quite reach this threshold but might do so in future, and our reporting therefore covers 96% of employees. Our responsibility for occupational health and safety also encompasses employees of external companies who are working at our locations. However, because we do not specifically record how many of them there are or how many hours they work, the aforementioned figure only includes our own permanent employees.

At the locations just mentioned, the responsible managers must carry out a risk assessment for each area of activity in accordance with internal requirements and with the support of trained safety officers and the company doctors. Managers are also provided with regular training on these matters. The quality and completeness of the risk assessments are audited internally and externally as described above. Risks at ams OSRAM can be of an ergonomic, mechanical, radiation-related or chemical nature. Specific measures are then adopted in line with the risk assessment. These may include the use of safety barriers and rails, floor markings or extraction and ventilation systems. Where necessary, individual protective equipment is provided.

The local medical staff (company doctors and nurses) and, to some extent, employee representatives, participate in this risk assessment by helping identify potential hazards for employees. The quality assurance of the medical services starts with the procurement of the same or, at larger locations where we have our own medical personnel, with the recruitment process. Company doctors provide all reports required by law, always subject to doctor-patient confidentiality. Access to medical services for employees is regulated at location level and the consulting hours are communicated to staff.

In addition, we have formed local occupational health and safety committees, which usually deal with environmental questions as well, in line with local legal requirements or on a voluntary basis. These committees meet regularly and in accordance with local requirements. Besides accident prevention experts (such as safety officers, safety representatives), these committees also consist of local managers, employees and medical staff. Their resolutions are recorded in corresponding minutes and adopted measures are followed up.

Furthermore, each and every ams OSRAM employee has an obligation and a responsibility to be mindful of safety at their place of work. Because we have an occupational health and safety management system certified to ISO 45001, our employees are instructed to report hazardous situations (and can do so without fear of reprisals) and know that they can put themselves out of harm's way without having to ask for

permission. They are also included in the process of creating or updating risk assessments and determining the causes of incidents.

ams OSRAM employees are informed of hazards when they join the Company and then regularly thereafter. If they change jobs internally, they can only commence their new activities once they have been retrained with regard to the new hazards they may be exposed to. This also applies increasingly to employees who have been working from home because of the current pandemic situation. Managers are asked to draw attention to the possible ergonomic risks of working from home and/or provide recommendations for mitigating these risks.

ams OSRAM also attaches importance to the health and medical care of its employees outside work. We therefore offer health insurance for our employees where such insurance is not legally mandated. Comprehensive insurance is in place for business trips. The locations also offer various local programs aimed at promoting good health in general.

Our suppliers are required to adopt our Code of Conduct for Suppliers, which contains requirements for occupational health and safety. Depending on their country of origin, new suppliers must also fill out an online questionnaire on aspects of sustainability, including occupational health and safety, which is evaluated by Procurement, if necessary with

the involvement of EHS. Selected suppliers are also asked to undergo CR audits → [5.2 Supply Chain Management](#). We have placed greater focus on outsourced processes and their impact on environmental protection and occupational health and safety since the introduction of the corresponding ISO 14001:2015 and ISO 45001:2018 standards. A specific annex to the procurement policy has been implemented for this purpose.

Objectives, Action Taken, Results and KPIs

Our goal is to offer our employees a safe and healthy workplace. In order to meet this goal, we aim to continually improve the parameters that impact on health and safety.

ams OSRAM records work-related injury data at its locations as a basis for calculating the internationally recognized key metrics Lost Time Injury Frequency Rate (LTIFR) and Severity Rate (SR). Each accident involving lost time is analyzed, using the 5-Why method at least, to determine the causes. Corrective and preventive action is then taken on the basis of this analysis, and the risk assessment is updated.

Targets are set for each individual location. For LTIFR, the target is based on achieving a reduction relative to the average figure for the past three years. The SR target factors in the regional average duration of absence per injury. The regional and global targets are then aggregated from the individual values. Given that ams and OSRAM have only

been operating as a Group since the beginning of March 2021, targets were only set for the LTIFR for the former ams locations in Asia this year. However, both metrics were recorded.

For fiscal year 2021, we set ourselves a global LTIFR target of 0.28 (previous year: 0.31). The SR target for fiscal year 2021 was 8.2 (previous year: 5.0). We already expect a zero injury rate at non-production locations.

Occupational health and safety measures were again carried out at a local and global level in fiscal year 2021. Local examples of these measures include:

- The Calamba location (Philippines) started preparations for certification to ISO 45001 in 2022.
- During the pandemic, the Schwabmuenchen location (Germany) carried out an online survey of those of its employees working from home, established that there were three significant areas where action was required and took action accordingly. The location also implemented a smartphone-based protection system for those working alone at the plant.

- The Bruntál location (Czech Republic) organized a campaign with a local company doctor to assess and prevent ergonomic risks that may lead to carpal tunnel syndrome.
- The Munich location (Germany) carried out a pilot campaign to assess psychosocial risks for some of its employees and specified measures to deal with these and follow up on them in various workshops.
- Fire protection evacuation drills continued at the Ang Mo Kio, Woodlands and Tampines locations (all Singapore) although the legal obligation to do so had been suspended by the authorities due to the pandemic.

The ongoing COVID-19 pandemic meant that other activities regarding occupational health and safety in the locations were given less priority.

Since March 2021, ams OSRAM has faced up to the challenges of the COVID-19 pandemic with a joint global task force team at headquarters and local crisis management teams or task forces at the locations. The global task force team consists of representatives of the business units, of Operations, the General Managers of the major loca-

tions and representatives of corporate functions. External resources, such as company doctors, were consulted if required. The task force is led by a specifically designated person from HR and reports regularly to the Management Board on all aspects of the crisis.

In the context of health and safety in the workplace, the focus was on preventing clusters of infection at ams OSRAM. Local rules and regulations were observed and implemented to this end. There were general rules and/or guidelines for the Company as a whole, covering prevention and protection measures, business trips, increased working from home and also in-person meetings. However, location-specific instructions were also issued that took into account local conditions. These measures included rules on social distancing and hygiene as well as steps to restrict contact by implementing special shift patterns and reconfiguring workstations in production areas, asking essential external visitors to complete a self-declaration and asking office workers to work from home. The implementation of the measures was supported by regular communications to keep employees informed.

Employees were offered vaccinations against coronavirus at the locations in Austria, Germany, Malaysia and China in 2021. Depending on national requirements, these were car-

ried out by company doctors employed by ams OSRAM or doctors from national health services. For other locations, we participated in various vaccination programs offered by local governments and/or obtained early access to vaccines for our employees.

In connection with the COVID-19 pandemic, no facilities at ams OSRAM had to shut down entirely because of an occurrence of infection or because of a national lockdown in 2021. Only the Penang production site (Malaysia) had to suspend part of its operations for ten days because large numbers of its employees were infected. The figures reflected the general increase in infections in Malaysia.

Despite all our efforts, ams OSRAM reported more than 2,400 cases of employees who tested positive worldwide in 2021, although the infections had taken place almost exclusively outside our facilities. In terms of absolute numbers, cases were concentrated in Malaysia, the Philippines, Germany and Mexico.

Globally, we achieved the targets set for fiscal year 2021. At 0.23, the LTIFR was well down on the target figure and the previous year’s result. The number of occupational accidents, at 63, was also well down on the previous year’s figure of 87; we did not have any cases where several employees were

affected at the same time in this reporting period either. Of the accidents reported, three were so serious that the employees affected had not recovered, or were not expected to recover, within six months.

The SR of 7.4 was also below the target. However, we reported an increase compared with the previous year, which was largely due to accidents where more days were lost at the locations in Bruntál (Czech Republic), Exeter, Hillsboro (both USA), Kulim and Penang (both Malaysia) and Kunshan AMLS (China).

As in the previous year, there were no deaths resulting from an accident at work or an occupational illness in the past fiscal year.

Three recognized cases of an occupational illness (previous year: 0) were reported in the course of the period under review. These were COVID-19 diseases at the Hillsboro and Warren locations (both USA), which were classified as such by the local authority because of the infection in the plant.

In fiscal year 2021, no relevant penalties or fines amounting to more than EUR 10,000 were imposed on ams OSRAM for breaches of occupational safety regulations.

Occupational Health and Safety

	2020	2021	Target 2021
Global LTIFR ¹	0.31	0.23	0.28
LTIFR EMEA	0.34	0.39	0.48
LTIFR Americas	0.47	0.30	0.33
LTIFR Asia/Pacific	0.28	0.13	0.13
Global SR ¹	5.0	7.4	8.2
SR EMEA	9.6	13.2	14.9
SR Americas	15.4	14.6	10.7
SR Asia/Pacific	1.4	3.0	2.8
Number of accidents resulting in absence from work	87	63	
Number of high-consequence accidents ²	2	3	
Number of cases of recognized occupational illness ³	0	3	

¹ The LTIFR represents the number of accidents at work resulting in at least one day lost in relation to the total number of working hours during the fiscal year. The SR represents the total number of days lost in relation to the total number of working hours during the fiscal year. Both KPIs are scaled to 200,000 working hours, excluding commuting accidents.

² Accidents that result in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

³ Occupational diseases are illnesses suffered by employees as a result of their professional activity and which are recognized as such by authorities or insurance carriers. ams OSRAM adheres to local legislation with regard to the responsible authorities and the procedures to be followed.

6.3

Diversity and Equality of Opportunities

As a global company with subsidiaries in 49 countries, having a diverse workforce is of great importance to us. At the end of fiscal year 2021, ams OSRAM employed 24,499 people of 79 different nationalities. We firmly believe that diversity & inclusion has a positive effect on our business in the various markets. Not only do relationships with international customers and suppliers require cultural awareness and flexibility, but we also find that diverse teams have a strong ability to innovate. We define diversity & inclusion not only with regard to the employees’ cultural background, age, sexual identity, gender, physical limitations, religion, and beliefs, but also in terms of the skills they possess.

Guidelines, Responsibilities, Structures and Processes
To put these beliefs into practice, OSRAM signed the “Charta der Vielfalt” (Diversity Charter) in 2013, a voluntary commitment by German companies which ams OSRAM is now continuing. ams OSRAM also signs up to other voluntary initiatives aimed at reinforcing the importance of this issue within the Company.

We respect the human and personal rights of every individual and, in particular, respect the personal dignity and privacy of our employees, business partners and customers. In accordance with our corporate principles and the employment laws of the countries in which we operate, we do not tolerate discrimination of any kind, sexual harassment, workplace bullying or other personal attacks on individuals. These principles are defined in our ams OSRAM Code of Conduct → 3.1.4 Corporate Values, which is intended to exclude the possibility of any employee being discriminated against because of one of the aforementioned characteristics and to promote equality of opportunity. An initial Group-wide HR Diversity & Inclusion strategy was prepared in fiscal year 2021. This is to be expanded to include a roadmap for achieving these targets by spring 2022.

The principle of equality of opportunity is also reflected in our human relations work → 6.1 Our Human Resources Work: For the recruitment process, the performance management process (PMP) → 6.5 Employee Satisfaction and Remuneration, selection for talent programs → 6.4 People Development or the classification of applicants, the principle of dual control applies at least to avoid any possible unequal treatment.

Diversity & inclusion is one of a number of factors that are used at ams OSRAM in recruitment and in making internal appointments. Special programs are also a key element of

our management approach to promote women and develop female managers.

Objectives, Action Taken, Results and KPIs
We are endeavoring to further increase the proportion of women in managerial roles. To highlight the importance of diversity & inclusion for the Company and to achieve further progress, the Management Board set a target for the proportion of women in the first two management levels of the Group as a whole at 25% in fiscal year 2021. This target is to be achieved by the end of 2026.

At a global level, the proportion of women in the first two management levels stood at 21% in fiscal year 2021.

Share of Female Employees

	First management level ¹		Second management level ²		Total	
	2020 ³	2021	2020 ³	2021 ³	2020 ³	2021
Total	352	347	2,173	2,217	28,406	24,499
thereof female	50	47	439	482	13,446	10,783

¹ Senior managers who belong to the executive level of the organization.
² Managers above pay scale.
³ The employee figures for fiscal year 2020 do not include the employees of the Automotive Lighting business.

ams OSRAM specifically encourages female staff with programs such as “Frauen in Fuehrung” (women in leadership) in Germany in particular. Globally, the Women Leadership Forum offers women in senior positions the opportunity to hone their management skills and establish a network within ams OSRAM → [6.4 People Development](#). These programs were already running in fiscal year 2021.

To attract young female staff, ams OSRAM exploits its cachet as a technology company in Germany to participate in activities – such as dedicated job fairs and events – that aim to make technology careers more attractive to women

Full-Time and Part-Time Employees

Total number	2020	2021
Full-time employees	28,731	23,394
thereof female	13,191	10,089
Part-time employees	1,110	1,105
thereof female	728	694
Total	29,753¹	24,499
thereof female	13,919	10,783

¹ The total number deviates slightly from the detailed information above due to system harmonization and integration.

and girls. Some of these took place virtually because of the COVID-19 pandemic. ams OSRAM also participates in “Komm mach MINT” (Come along to STEM¹), a German networking initiative for women working in STEM professions.

ams OSRAM makes it easier to combine work and family life by offering flexible working models, such as the option of working part-time or from home.

In line with our Diversity & Inclusion strategy, additional special programs and initiatives aim to establish diversity & inclusion firmly in our corporate culture. The Employee Groups, for example, give all employees a forum for discussing specific topics or aspects of diversity & inclusion. They include the flexwork Community, which advocates flexible working time models, our Women Network, which provides a forum for women working in senior positions who wish to pass on their experience to make contact with younger up-and-coming female employees, or the Generation Tomorrow group, which gives a voice to the younger generation of employees. The Lunch Roulette initiative piloted in Munich was converted into the Virtual Coffee Roulette, allowing employees to share information throughout the world. We also held another successful Diversity Day (or Month) in fiscal year 2021.

6.4 People Development

¹ STEM: Science, Technology, Engineering, Mathematics

Employee development is vitally important for us. Starting with recruitment, we focus on providing our employees with support that is consistent with their individual abilities and their respective potential. We start with our people development programs here and have developed policies and programs for different phases of people’s careers.

Our aim is to prepare our staff for current and future challenges and the requirements of a rapidly evolving working environment and business practices and offer them attractive prospects for development. At ams OSRAM, we are firmly convinced that our motivated and highly skilled employees are the key to our Company’s long-term success.

Guidelines, Responsibilities, Structures and Processes
Responsibility for people development lies with the Talent Management team in HR. In the wake of the combination of the two companies and as part of the integration and harmonization projects, a comprehensive range of people development measures was established for the combined company in fiscal year 2021.

From professional development via a degree apprenticeship, assorted career paths right up those designed for talent and management development, our employees have the opportunity to develop, both professionally and personally, throughout their entire career at ams OSRAM. We also provide an extensive range of learning and training programs for all employees under the umbrella of the ams OSRAM University (aOU), which was introduced in 2021.

Objectives, Action Taken, Results and KPIs

Apprenticeships:

Our apprenticeships play a major role in securing the next generation of employees. We currently provide training in 14 recognized technical trades, two commercial occupations and seven degree apprenticeships. In fiscal year 2021, 192 (previous year: 180) young people were employed at ams OSRAM as part of their training or degree apprenticeship.

Career Paths:

As part of the reorientation of the combined company, the two companies’ different career paths were standardized. The new career path model contains the following five equivalent development paths: Engineering, Leadership, Project Management, Sales and Specialist. Our employees are offered individual training and development programs tailored to where they are in their careers and their skills profile.

For example, a vast range of management training, starting with the New to Manager Program through to the Senior Leadership Program, is available within the Leadership career path.

As of November 30, 2021, 12,390 employees were assigned to the new career path model.

Share of Employees by Career Path

in % (rounded)	2021
Leadership	15.1
Sales	5.5
Engineering	58.3
Specialist	19.5
Project Management	1.6

Management Development:

There are various development programs within the Leadership career path. Implementation of our leadership principles and core values plays a key role here.

Starting with the New to Manager Program through to the Senior Leadership Program, we offer both new and long-standing managers the opportunity, depending on their

experience, to overcome the challenges facing them in their management role and to hone the management skills needed for this purpose with the help of the different programs. These are designed to help them learn quickly and retain the skills they have acquired. In addition to individual coaching, the focus is on entrepreneurship, innovation, strategic decision-making, performance management, nurturing of talent and change management. The opportunities to communicate on a one-to-one basis with others on the programs and for tandem learning promote the development and expansion of a global managerial network.

The COVID-19 pandemic meant that the programs were switched from classroom-based learning to being available online. The first virtual management development programs started successfully in fiscal year 2021 with 339 participants in total.

Talent Programs (Cross-Career Path):

We encourage employees with the potential for significant responsibilities within the Group – irrespective of their particular career path – through local or global talent programs. In addition to professional and personal development, these programs focus on preparing staff for future roles at local or global level and give them the opportunity to gain cross-functional and cross-cultural experiences. Participants benefit from targeted development measures, such as technical

and personality-related training and coaching to identify their own strengths and the opportunity to expand their network. In addition to Germany, China and Malaysia, local talent programs will be launched in Austria, the USA and Singapore in the course of fiscal year 2022.

In fiscal year 2021, a total of 136 employees participated in the local and global talent programs, which equates to just below 1% of the workforce.

Talents are identified and may be nominated for the talent programs in the annual performance management process (PMP) → [6.5 Employee Satisfaction and Remuneration](#).

ams OSRAM University (aOU):
We launched the ams OSRAM University in fiscal year 2021. It offers a company-wide modern training program, containing over 16,000 learning modules. These offer a wide range of educational and training opportunities, which can be flexibly compiled. The aim is to make training content easily accessible against the backdrop of new forms of working and the current pandemic. It allows employees to acquire new skills through formal and informal learning processes, such as blended learning¹, online courses, mobile learning, webinars and learning-on-demand solutions.

In fiscal year 2021, ams OSRAM spent a total of EUR 6.2 million (previous year: EUR 3.7 million) on training its employees. Each employee received 7.1 hours of training per year (previous year: 5.0 hours). The increase in training expenses is attributable to the expansion in the range of online training opportunities.

Recruitments to Management Positions

Total number	2020 ³	2021
Number of recruitments – senior management positions¹	65	33
thereof internal recruitments	41	18
Number of recruitments – management positions²	259	213
thereof internal recruitments	187	146
Number of recruitments – total management positions	324	246
thereof total internal recruitments	228	164

¹ Senior managers who belong to the executive level of the organization.
² Managers above pay scale.
³ The employee figures for the 2020 financial year do not include the employees of the Automotive Lighting business.

6.5 Employee Satisfaction and Remuneration

The fact that we are perceived as an attractive employer internally and externally is one of the determinants for the long-term success of the organization. This is particularly the case given the changes we have gone through and the increasing shortage of skilled workers → [6.1 Our Human Resources Work](#). We are convinced that the satisfaction of our employees and our attractiveness as an employer are an indicator of how we deal with each other within the Company and how we value our employees. Here, topics such as → [6.2 Occupational Health and Safety](#) and → [6.4 People Development](#) play a key role.

We value our employees and treat them with respect, and this includes offering them fair pay. Our remuneration system is designed to ensure that pay is commensurate with performance and does not discriminate on the basis of gender or other characteristics.

¹ Combination of different learning methods, such as face-to-face teaching and e-learning

Guidelines, Responsibilities, Structures and Processes

We are currently working on our new employer positioning that is aligned with our corporate goals and provides a strategic framework for our HR work. We intend to describe our employer promise in an Employer Branding Guide in fiscal year 2022 to establish uniform standards throughout the Group.

Surveys or pulse surveys are the most common tools for acquiring feedback from employees on organizational topics. To obtain further feedback from our employees, we hold regular town hall meetings with our management and run webcasts where questions can be asked with the Management Board and other management representatives.

ams OSRAM also regularly takes part in or supports training days, graduate fairs and other relevant events to present ams OSRAM as an employer of choice. Because of the current COVID-19 pandemic, some of these events were held online, and others face-to-face in compliance with the applicable safety measures.

ams OSRAM continually and systematically works on employee development. This involves a regular and structured dialog between employees and line managers. A joint performance management process (PMP) is to be introduced for fiscal year 2022 to rate employees individually in terms of their performance and potential as well as their personal development. The aim of this process is to identify talented staff within

the Company throughout the world. Through close dialog between line managers and employees we will ensure that development targets are implemented with the help of development plans.

With regard to fair pay, we view it as self-evident that we will comply with the local legal requirements. We encourage our employees' performance with a clear system of incentives. At OSRAM in Germany¹, the collectively agreed remuneration system forms the basis for equal pay for workers covered by this scheme. Roles that are above the pay scale are also treated equally thanks to the non-discriminatory criteria used. The previous processes for assessing roles were revised and harmonized in the course of fiscal year 2021. The new approach has been applied in the Group as a whole since January 2022. Depending on the national rules and regulations, ams OSRAM offers discretionary benefits over and above the legal requirements in areas such as health and accident insurance → [6.2 Occupational Health and Safety](#), an occupational pension and forms of deferred compensation.

To offer fair labor conditions to our employees, the right to freedom of association and the possibility of concluding collective agreements are self-evident for us.

Objectives, Action Taken, Results and KPIs

With regard to our attractiveness as an employer, we set ourselves the target of harmonizing our global recruitment process and setting up a new career website and jobs fair to

appeal to potential applicants more effectively for fiscal year 2021.

We also merged our social media channels and carried out a successful campaign with (as at October 2021) more than 462,000 followers and around 20 million hits (March-October 2021) to appeal to talented individuals in STEM² subjects.

We used pulse surveys to obtain feedback from employees on the integration process in fiscal year 2021. Nine anonymous surveys of this kind were carried out in total. A global employee survey is planned for fiscal year 2022.

Collective bargaining agreements are in place at our largest European companies³ in terms of number of employees. At the end of fiscal year 2021, 99% of the workforce was covered by these agreements within these companies. We also work closely with employee representatives (both works councils and trade unions). In Germany and Austria, for example, this has resulted in a large number of works agreements.

In Germany, 100% of employees at OSRAM companies were covered by collective bargaining agreements. 55% of employees at German ams subsidiaries were covered by such agreements. In Austria, 100% of the employees of ams OSRAM subsidiaries were covered.

¹ at OSRAM subsidiaries

² STEM: Science, Technology, Engineering, Mathematics

³ in Germany, Austria, Slovakia, Italy, Czech Republic

7.0

Appendix

Assurance Report
GRI, UN Global Compact and SASB Index
Acknowledgements and Contact

7.1 Assurance Report

To
the Management Board
ams-OSRAM AG,
Premstätten

This English language independent assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation nor for any errors or misunderstandings that may derive from the translation.

Independent Assurance Report on the Non-financial Reporting according to GRI Standards

We have performed an independent limited assurance engagement on the non-financial report (“NFI report”) for the financial year 2021, which has been published as Sus-

tainability Report 2021 of **ams-OSRAM AG, Premstätten**, (referred to as “ams OSRAM” or “the Company”).

Conclusion

Based on the procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NFI report of the Company is not in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” in all material respects.

Management’s Responsibility

The Company’s management is responsible for the proper preparation of the NFI report in accordance with the reporting criteria. The Company applies the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” as reporting criteria.

The Company’s management is responsible for the selection and application of appropriate methods for non-financial reporting (especially the selection of significant matters) as well as the use of appropriate assumptions and estimates for individual non-financial disclosures, given the circumstances. Furthermore, their responsibilities include the design, implementation and maintenance of systems, processes and internal controls that are relevant for the preparation of the sustainability report in a way that is free of material misstatements – whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to state whether, based on our procedures performed and the evidence we have obtained, anything has come to our attention that causes us to believe that the Company’s NFI report is not in accordance with the sustainability reporting guidelines of the Global Reporting Initiative (GRI Standards) Option “Core” in all material respects.

Our engagement was conducted in conformity with the International Standard on Assurance Engagements (ISAE 3000) applicable to such engagements. These standards require us to comply with our professional requirements including independence requirements, and to plan and perform the engagement to enable us to express a conclusion with limited assurance, taking into account materiality.

An independent assurance engagement with the purpose of expressing a conclusion with limited assurance (“limited assurance engagement”) is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance (“reasonable assurance engagement”), and thus providing reduced assurance. Despite diligent engagement planning and execution, it cannot be ruled out that material misstatements, illegal acts or irregularities within the non-financial report will remain undetected.

The procedures selected depend on the auditor’s judgment and included the following procedures in particular:

- Inquiries of personnel at the group level who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting thresholds of the Company;
- A risk assessment, including a media analysis, on relevant information on the Company’s sustainability performance in the reporting period;
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of disclosures on environmental, social and employee matters, respect for human rights, anti-corruption as well as bribery, including the consolidation of data;
- Inquiries of personnel at the group level, who are responsible for providing, consolidating and implementing internal control procedures relating to the disclosure of concepts, risks, due diligence processes, results and performance indicators;
- Inspection of selected internal and external documents, in order to determine whether qualitative and quantitative

information is supported by sufficient evidence and presented in an accurate and balanced manner;

- Assessment of the processes for local data collection, validation and reporting, as well as the reliability of the reported data through a (remotely conducted) survey performed on a sample basis at Regensburg (Germany).
- Analytical evaluation of the data and trend of quantitative disclosures regarding the GRI Standards listed in the GRI Index, submitted by all locations for consolidation at the group level;
- Evaluation of the consistency of the GRI Standards, Option “Core”, to disclosures and indicators of the NFI report, which apply to the Company;
- Evaluation of the overall presentation of the disclosures by critically reading the NFI report.

The procedures that we performed do not constitute an audit or a review. Our engagement did not focus on revealing and clarifying of illegal acts (such as fraud), nor did it focus on assessing the efficiency of management. Furthermore, it is not part of our engagement to audit future-related disclosures, prior-year figures, statements from external sources of information, expert opinions or references to more extensive external reporting formats of the Company.

Restriction on use

Because our report will be prepared solely on behalf of and for the benefit of the principal, its contents may not be relied upon by any third party, and consequently, we shall not be liable for any third-party claims. We agree to the publication of our assurance certificate and NFI report. However, publication may only be performed in its entirety and as a version that has been certified by us.

General Conditions of Contract

Our responsibility and liability towards the Company and any third party is subject to paragraph 7 of the General Conditions of Contract for the Public Accounting Professions.

Vienna, April 11, 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

qualified electronic signature

Mag. Peter Ertl
Wirtschaftsprüfer
(Austrian Chartered Accountant)

7.2
GRI, UN Global Compact and SASB Index¹

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
GRI 101: Foundation 2016					
GRI 102: General Disclosures 2016					
	GRI 102-1 Name of the organization	5, 8			
	GRI 102-2 Activities, brands, products, and services	8 – 10			
	GRI 102-3 Location of headquarters	8			
	GRI 102-4 Location of operations	8			
	GRI 102-5 Ownership and legal form	8			
	GRI 102-6 Markets served	8			
	GRI 102-7 Scale of the organization	8			
	GRI 102-8 Information on employees and other workers	54	Due to the merger of ams and OSRAM, the key figures could not be harmonized retroactively for 2020. SASB Proportion of employees outside Austria: in fiscal year (FY) 2021: 94% (PY: 95%) of headcount (HC); proportion of employees with non-Austrian nationality in HC in FY 2021: 95% (PY 96%).		TC-SC-330a.1 (1)
	GRI 102-9 Supply chain	43	Only data for activities of the former OSRAM units are considered. The unification of the systems and the associated inclusion of the data for the former ams activities are planned for fiscal year 2022. SASB See pages 35/36, 43 to 47		TC-SC-440a.1

¹ Sustainability Accounting Standards Board (SASB)-Industriestandard “Semiconductors”

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
	GRI 102-10 Significant changes to the organization and its supply chain	5/6, 8, 10, 46			
	GRI 102-11 Precautionary Principle or approach	14/15			
	GRI 102-12 External initiatives	16			
	GRI 102-13 Membership of associations	16			
	GRI 102-14 Statement from senior decision-maker	3/4			
	GRI 102-15 Key impacts, risks, and opportunities	10 f., 14/15, 17, 33			
	GRI 102-16 Values, principles, standards, and norms of behavior	15		10	
	GRI 102-17 Mechanisms for advice and concerns about ethics	15, 22		10	
	GRI 102-18 Governance structure	13, 18			
	GRI 102-19 Delegating authority	13/14			
	GRI 102-20 Executive-level responsibility for economic, environmental, and social topics	18			
	GRI 102-21 Consulting stakeholders on economic, environmental, and social topics	20 f.			
	GRI 102-22 Composition of the highest governance body and its committees	13			
	GRI 102-23 Chair of the highest governance body	13			
	GRI 102-24 Nominating and selecting the highest governance body	13/14			
	GRI 102-25 Conflicts of interest	13/14			
	GRI 102-26 Role of highest governance body in setting purpose, values, and strategy	18			
	GRI 102-27 Collective knowledge of highest governance body		The regular self-evaluation of the Supervisory Board will be carried out again in the current year, and all Supervisory Board members also took part in a special compliance workshop in the reporting year.		
	GRI 102-28 Evaluating the highest governance body's performance	14, 18			
	GRI 102-29 Identifying and managing economic, environmental, and social impacts	18 – 20			
	GRI 102-30 Effectiveness of risk management processes	14/15			
	GRI 102-31 Review of economic, environmental, and social topics	14, 18			

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
	GRI 102-32 Highest governance body's role in sustainability reporting	18			
	GRI 102-33 Communicating critical concerns	13 f., 18			
	GRI 102-34 Nature and total number of critical concerns	22 – 24			
	GRI 102-35 Remuneration policies	14 f.			
	GRI 102-36 Process for determining remuneration	14 f.			
	GRI 102-37 Stakeholders' involvement in remuneration	14 f.			
	GRI 102-38 Annual total compensation ratio	14 f.			
	GRI 102-39 Percentage increase in annual total compensation ratio	14 f.			
	GRI 102-40 List of stakeholder groups	21			
	GRI 102-41 Collective bargaining agreements	64			
	GRI 102-42 Identifying and selecting stakeholders	20 f.			
	GRI 102-43 Approach to stakeholder engagement	20 f.			
	GRI 102-44 Key topics and concerns raised	20 ff.			
	GRI 102-45 Entities included in the consolidated financial statements	5			
	GRI 102-46 Defining report content and topic boundaries	19/20			
	GRI 102-47 List of material topics	19			
	GRI 102-48 Restatements of information		This is ams OSRAM's first sustainability report.		
	GRI 102-49 Changes in reporting		This is ams OSRAM's first sustainability report.		
	GRI 102-50 Reporting period	5			
	GRI 102-51 Date of most recent report		This is ams OSRAM's first sustainability report.		
	GRI 102-52 Reporting cycle		This is ams OSRAM's first sustainability report. In the future, such a report is planned to be published annually.		
	GRI 102-53 Contact point for questions regarding the report	76			

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
	GRI 102-54 Claims of reporting in accordance with the GRI standards	5			
	GRI 102-55 GRI content index	68 – 75			
	GRI 102-56 External assurance	66/67			
Material Topics					
Integrity & Responsibility					
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	13 – 16, 21 – 23			
	GRI 103-2 The management approach and its components	13 – 16, 21 – 23			
	GRI 103-3 Evaluation of the management approach	13 – 16, 21 – 23			
GRI 203: Indirect Economic Impacts 2016	GRI 203-1 Infrastructure investments and services supported	34, 50/51			
	GRI 203-2 Significant indirect economic impacts	10			
GRI 205: Anti-corruption 2016	GRI 205-2 Communication and training about anti-corruption policies and procedures	21 – 24		10	
GRI 206: Anti-competitive Behavior 2016	GRI 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	24			
GRI 415: Public Policy 2016	GRI 415-1 Political contributions	16	Expenses for political campaigns, political organizations and political lobbying: EUR 0.	10	
GRI 418: Customer Privacy 2016	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	25			
GRI 419: Socioeconomic Compliance 2016	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	24			
Geopolitics					
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	14/15			
	GRI 103-2 The management approach and its components	14/15			

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
	GRI 103-3Evaluation of the management approach	14/15			
GRI 201: Economic Performance 2016	GRI 201-2Financial implications and other risks and opportunities due to climate change	32/33	ams OSRAM is preparing for reporting with regard to the EU taxonomy. In the medium term, CAPEX and OPEX and thus the costs required here will be included in ams OSRAM reporting as part of this reporting format.	1-7/10	
Climate Change					
GRI 103: Management Approach 2016	GRI 103-1Explanation of the material topic and its Boundary	27 – 30			TC-SC-110a
	GRI 103-2The management approach and its components	27 – 30			TC-SC-110a
	GRI 103-3Evaluation of the management approach	27 – 30			TC-SC-110a
GRI 305: Emissions 2016	GRI 305-1Direct (Scope 1) GHG emissions	31	Emission factors of the Intergovernmental Panel on Climate Change (IPCC) SASB PFC emissions are not reported separately, but are included in Scope 1 emissions.	7/8	TC-SC-110a.1
	GRI 305-2Energy indirect (Scope 2) GHG emissions	31	Location-based approach: emission factors from the International Energy Agency (IEA); market-based approach: emission factors from the respective electricity suppliers.	7/8	
	GRI 305-3Other indirect (Scope 3) GHG emissions	31			
	GRI 305-4GHG emissions intensity	31/32		8	
	GRI 305-7Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	31/32		8	
Energy					
GRI 103: Management Approach 2016	GRI 103-1Explanation of the material topic and its Boundary	27 – 30			
	GRI 103-2The management approach and its components	27 – 30			
	GRI 103-3Evaluation of the management approach	27 – 30			
GRI 302: Energy 2016	GRI 302-1Energy consumption within the organization	29		7/8	TC-SC-130a.1
	GRI 302-3Energy intensity	29		8	

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
Use of Ressource & Circular Economy					
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	27, 35/36		
	GRI 103-2	The management approach and its components	27, 35/36		
	GRI 103-3	Evaluation of the management approach	27, 35/36		
GRI 306: Waste 2020	GRI 306-1	Waste generation and significant waste-related impacts	27, 37/38		
	GRI 306-2	Management of significant waste-related impacts	27, 37/38		
	GRI 306-3	Waste generated	38	8	TC-SC-150a.
	GRI 306-4	Waste diverted from disposal	38	8	TC-SC-150a.
	GRI 306-5	Waste directed to disposal	38	8	
GRI 307: Environmental Compliance 2016	GRI 307-1	Non-compliance with environmental laws and regulations	38	8	
Water					
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundary	27, 38 – 40		
	GRI 103-2	The management approach and its components	27, 38 – 40		
	GRI 103-3	Evaluation of the management approach	27, 38 – 40		
GRI 303: Water 2018	GRI 303-1	Water as a shared resource	38/39		
	GRI 303-2	Dealing with the effects of water discharge	38/39		
	GRI 303-3	Water withdrawal	39	8	TC-SC-140a.1
	GRI 303-4	Water discharge	40	8	TC-SC-140a.1
	GRI 303-5	Water consumption	40	8	TC-SC-140a.1

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
Human Rights					
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	42/43			
	GRI 103-2 The management approach and its components	42/43			
	GRI 103-3 Evaluation of the management approach	42/43			
GRI 419: Socioeconomic Compliance 2016	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	43			
GRI 204: Procurement Practices 2016	GRI 204-1 Proportion of spending on local suppliers	46			
Product stewardship					
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	47 – 50			
	GRI 103-2 The management approach and its components	47 – 50			
	GRI 103-3 Evaluation of the management approach	47 – 50			
GRI 416: Customer Health and Safety 2016	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	50			TC-SC-320a.2
Working Conditions					
GRI 103: Management Approach 2016	GRI 103-1 Explanation of the material topic and its Boundary	53, 56 – 59			
	GRI 103-2 The management approach and its components	53, 56 – 59			
	GRI 103-3 Evaluation of the management approach	53, 56 – 59			
GRI 401: Employment 2016	GRI 401-1 New employee hires and employee turnover	54/55			
GRI 403: Occupational Health and Safety 2018	GRI 403-1 Occupational health and safety management system 2018 (including GRI 103-1, 103-2, 103-3)	56 – 59			
	GRI 403-2 Hazard identification, risk assessment, and incident investigation	56 – 59			TC-SC-320a.1

GRI STANDARDS	DISCLOSURES	PAGE	COMMENTS	UNGC	SASB
	GRI 403-3 Occupational health services	56 – 59			
	GRI 403-4 Worker participation, consultation, and communication on occupational health and safety	56 – 59			TC-SC-320a.1
	GRI 403-5 Worker training on occupational health and safety	56 – 59			
	GRI 403-6 Promotion of worker health	56 – 59			
	GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56 – 59			
	GRI 403-8 Workers covered by an occupational health and safety management system	56			
	GRI 403-9 Work-related injuries	59	ams OSRAM uses the internationally recognized KPIs Lost Time Injury Frequency Rate (LTIFR) and Severity Rate (SR) and is considering a medium-term conversion to the metrics required here. Data only includes our own permanent employees. The data was calculated on the basis of approximately 54,809,416 productive working hours.		
	GRI 403-10 Work-related ill health	59	Data only includes our own permanent employees.		
GRI 404: Training and Education 2016	GRI 404-1 Average hours of training per year per employee	63	Following the merger of ams and OSRAM, the data is not yet fully harmonized, such as the breakdown by gender and function here. In the medium term, this information is to be reported in full.	6	
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	63			
GRI 405: Diversity and Equal Opportunity 2016	GRI 405-1 Diversity of governance bodies and employees	13, 60	The Supervisory Board of ams OSRAM AG is international. Of twelve members, seven are Austrian citizens, one member has both Austrian and German citizenship, and one member each is a citizen of the United States, Malaysia, Singapore and Germany. The Supervisory Board is composed of seven male and five female members, two members are aged between 30 and 50, and the other ten members are older than 50. Four members represent the employee side. The Managing Board of ams OSRAM AG consists of four male members aged over 50. Three of the four members are German citizens, and one member is a citizen of the Netherlands. Following the merger of ams and OSRAM, the data has not yet been fully harmonized, such as the breakdown by employee category and age shown here. In the medium term, this information will be reported in full.		
GRI 406: Non-discrimination 2016	GRI 406-1 Incidents of discrimination and corrective actions taken	24			
GRI 419: Socioeconomic Compliance 2016	GRI 419-1 Non-compliance with laws and regulations in the social and economic area	24			

7.3 Acknowledgments and Contact

Editorial Notes

This report is published online in German and English.
The editorial deadline was April 4, 2022.

The ams OSRAM Annual Report and the ams OSRAM Sustainability Report are available in German and English and can be downloaded at [🔗 https://ams-osram.com](https://ams-osram.com).

Forward-looking Statements

In addition to a retrospective analysis, this report contains forward-looking statements and information, i.e. statements about events that lie in the future rather than the past. These are based on information available today and on assumptions based on current forecasts, which means they are subject to various risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

Publisher

ams-OSRAM AG
Tobelbader Strasse 30
8141 Premstätten
Austria

Contact

Group Sustainability (CA SU)
Marcel-Breuer-Strasse 6
80807 Munich
Germany

E-Mail: sustainability@ams-osram.com
[🔗 https://ams-osram.com/sustainability](https://ams-osram.com/sustainability)

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[🔗 www.akzente.com](http://www.akzente.com)

