BJB Sustainability Report 2022

Foreword by the Managing Directors

Dear Readers,

As sustainability grows in importance, public interest in the social and ecological impact of corporate activities is growing, as is the interest on the part of companies themselves in assuming social responsibility.

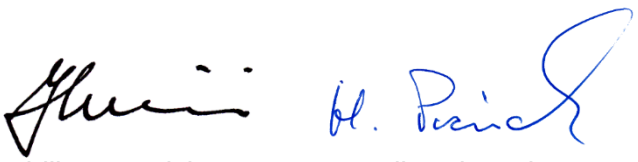
BJB is a family-run business with a history going back more than 150 years. Sustainability is firmly anchored in our values and actions and is enshrined in our strategy. As an example of this, we have been using water from the adjacent Möhne River for decades to cool the machines used for injection moulding production, thus saving a large part of the electrical energy that would otherwise be needed to cool the processes in these areas. Since 2013 we have been operating a combined heat and power plant at our main location in Arnsberg in order to generate electricity.

In the past, BJB has perhaps not very effectively communicated these and many other activities in place that are designed to support sustainability. We want to change this, and in future actively and regularly provide information about how BJB is contributing to a resource-saving and sustainable economic cycle.

The Sustainability Report for the 2022 financial year presented here underlines BJB's commitment to sustainable development and, as the company's first non-financial report, provides comprehensive information on BJB's activities relating to sustainability. As a medium-sized company, we first had to compile information on the fields of action relating to sustainability and we have also started to identify and collect key figures for sustainability. We have thus laid the foundations for a BJB sustainability strategy, which we plan to further specify.

BJB signed on to the UN Global Compact in October 2022. We have thus committed ourselves to the UN Sustainable Development Goals and we support the Ten Principles of the United Nations Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption. In this Sustainability Report, we also describe our measures to continuously improve the integration of the Global Compact and its Principles into our business strategy, corporate culture and daily operations.

The Managing Directors of BJB GmbH & Co. KG



Philipp Henrici Heiko Piossek

About this report

With this voluntary Sustainability Report, BJB is providing information on its sustainability strategy as well as the activities relating to sustainability undertaken in the 2022 financial year.

The report is based on the guidelines of the German Sustainability Code (GSC). The requirements of the GSC for the individual criteria are shown in blue in this report. The performance indicators of the Global Reporting Initiative (GRI Standards) defined by the GSC were also used: the GRI Standards defined by the GSC as performance indicators are shown in blue italics at the end of each criterion, with subsequent information. The original report reviewed by DNK is written in German and available in the DNK database. (https://datenbank2.deutscher-nachhaltigkeitskodex.de/Profile/CompanyProfile/14534/de/2022/dnk). The report is marked with the CSR-RUG seal indicating that the transparency requirements of DNK, including the legal requirements, have been reported. The statement can be used as a non-financial statement.

This report also serves as a progress report as part of BJB's commitment to the UN Global Compact. BJB's progress report, in line with the new reporting format from 2023, is published on the UN Global Compact website. https://unglobalcompact.org/what-is-gc/participants/154472-BJB-GmbH-Co-KG

This report also fulfils the reporting obligation analogous to Section 10 (2) of the Supply Chain Due Diligence Act (LkSG)).

The contents of the report relate to BJB GmbH & Co. KG and its fully consolidated subsidiaries.

This Sustainability Report relates to the 2022 financial year and covers the period from 1 January to 31 December 2022. This report is available in German and English. Both versions can be viewed on the BJB website at www.bjb.com.

BJB: Company and products

BJB's business activities have been linked to lighting ever since the company was founded in 1867. Light generation and light control have changed constantly in the more than 150 years since the family firm was established – from the oil lamp to the petroleum burner to electric and electronic light. BJB has consistently adapted to these changes and has served as a connection between light sources and light distribution.

BJB continues to focus on the transmission of electrical energy, from the feed-in to conversion into light. Over the last decade, the transition of light sources to LED has been accompanied by a fundamental change in technology. BJB has adapted to this with far-reaching changes. As a system supplier and development partner, BJB offers a broad range of products and services for different customer needs. Today, the business is operated in four divisions:

- "Bridge to Light" includes the classic business with lamp sockets for conventional lighting.
- "Technology for Light" includes LED PCB connection elements, SMD terminal blocks, connection elements for COBs, Push2Fix mounting elements, optics, reflectors and mains connection terminals and connection elements.
- "Light for Home Appliances" is the world market leader in lighting for ovens and also sells sockets and lighting for other household appliances.
- "Other" bundles all other activities such as tool-making and 3D measuring technology and also includes the investment in Jung Iberica.

BJB's main location is Arnsberg, which is where all corporate functions are based, including toolmaking and highly automated production departments for plastic injection moulding, metal processing and assembly. Another production site was built in 2005 at the BJB Electric Dongguan Ltd. subsidiary in China. That site mainly manufactures oven lights and connection elements in semi-automated processes and by hand. BJB also has cooperation agreements in place with service providers in Poland and Romania for contract manufacturing by hand.

Worldwide sales are organised through subsidiaries with their own staff in the USA, Italy, Spain, Japan, China and Hong Kong.

Through the development and continuous improvement of our LED-related products, BJB has supported the worldwide system change from the classic light bulb to energy-saving electronic light. This product area is now BJB's largest business segment. We provide our customers in the lighting industry all over the world with high-performance, high-quality and economical products that do what they're supposed to do for a long time.

BJB is also the global market leader for oven lights for the domestic appliance industry. As a first mover, BJB has been supplying patented LED assemblies for ovens since 2018 and offers energy-saving lighting in ovens with these solutions, which are increasingly being used.

1 BJB's strategy

The company discloses whether it is pursuing a sustainability strategy. It explains what specific measures it is taking to operate in accordance with important and recognised industry, national and international standards.

BJB's strategy was updated and documented in 2020 as part of a comprehensive process. The strategy vision expresses what BJB wants to stand for in future:

Technology for Light

BJB's core area of expertise is technology for light. This does not refer to the Technology for Light division but rather to the fact that BJB will continue in future to focus on technical matters related to light.

In order to specify the company's long-term vision, the company management team, in 2020, formulated the following mission for the coming years:

#85 #TOP @2025

1st in Technology
1st in Operations
1st in People

A simple, modern and catchy formulation was deliberately chosen so that every manager and everyone else can remember and memorise it.

Explained in words, the mission means: BJB has set itself the goal of

- achieving turnover of €85 million in 2025
- while being first-class in technology, processes and people.

This is a task for all of us at BJB – every manager and employee is called upon to play their part. Thanks to the great commitment of the management team and all employees, we expect to complete this mission before 2025 and then set ourselves a new goal.

1.1 Strategy and sustainability management

Sustainability is enshrined in BJB's strategy and has been firmly anchored in BJB's values and actions for many years. We apply the principles of our voluntary commitments within the framework of our management systems.

We strive to continuously optimise our products, technologies and processes in order to achieve better environmental performance. At the same time, the issue of sustainability has become much more important in the public eye over recent years. We therefore reviewed our approach to sustainability in the 2022 financial year and will formulate a sustainability strategy on the basis of this review by 2025. We have also introduced regular sustainability reporting. The first Sustainability Report at BJB presented in this document is intended to give you an idea of how we view sustainability and what our goals are.

1.2 Stakeholder participation and materiality

The company discloses how socially and economically relevant stakeholders are identified and integrated into the sustainability process. It discloses whether and how a continuous dialogue is maintained with them and how the results of such a dialogue are integrated into the sustainability process.

The company discloses which aspects of its own business activities have a material impact on aspects of sustainability, as well as the material impact that aspects of sustainability have on the company's business activities. It analyses the positive and negative effects and indicates how these findings are incorporated into the company's own processes.

In order to continuously develop our sustainability strategy, we want to learn as much as possible about the needs and expectations of internal and external stakeholders. We therefore seek a continuous dialogue with our stakeholders and involve them wherever possible.

The following stakeholder groups are directly relevant to BJB from the company management perspective:

- Partners in the company

BJB is a family-run business with a history going back more than 150 years and a strong set of values that shape its entrepreneurial actions and corporate culture. Economic success, a long-term focus and an awareness of the social and ecological aspects of its own business activities are traditionally closely linked at BJB.

- Employees

BJB employees know our company better than any other group. In order to make the best possible use of their expertise, we maintain a dialogue through regular meetings, notices, the staff magazine "BJB Highlights"

and staff discussions and surveys. Employees are actively involved in shaping company processes and procedures through the company suggestion scheme.

- Customers

Our sales staff stay in touch with our customers. In discussions with customers, but also during regular customer audits at our company locations, sustainability issues are always the subject of discussion, so we are well aware of the expectations of this stakeholder group.

- Suppliers

BJB is responsible for sustainability standards in the supply chain. Sustainability criteria have a high priority for purchasing staff when they select suppliers and materials. The topic of sustainability has been part of every annual supplier meeting since 2022. The standards set by the German Supply Chain Due Diligence Act (LkSG) for our customers are adhered to by BJB and also passed on in our value chain.

There are also other indirect stakeholders vis-à-vis BJB:

- Associations

BJB is active in the Association of the Electrical and Digital Industry (ZVEI), a member of the Westphalia-Mitte Business Association, the RuhrOst Industry Network and the Arnsberg Chamber of Industry and Commerce, as well as being a founding member of the Zhaga Consortium.

- Region and society

With 300 employees, BJB is an important company in the Arnsberg region. Safeguarding jobs, supporting education and training and active involvement in society in the region are therefore of great importance.

As part of a comprehensive materiality analysis, the following steps were carried out in 2022:

- Reassessment of the sustainability context: The BJB company management team identified key areas of action for BJB through its own assessments and analyses of CSR reports from other companies.

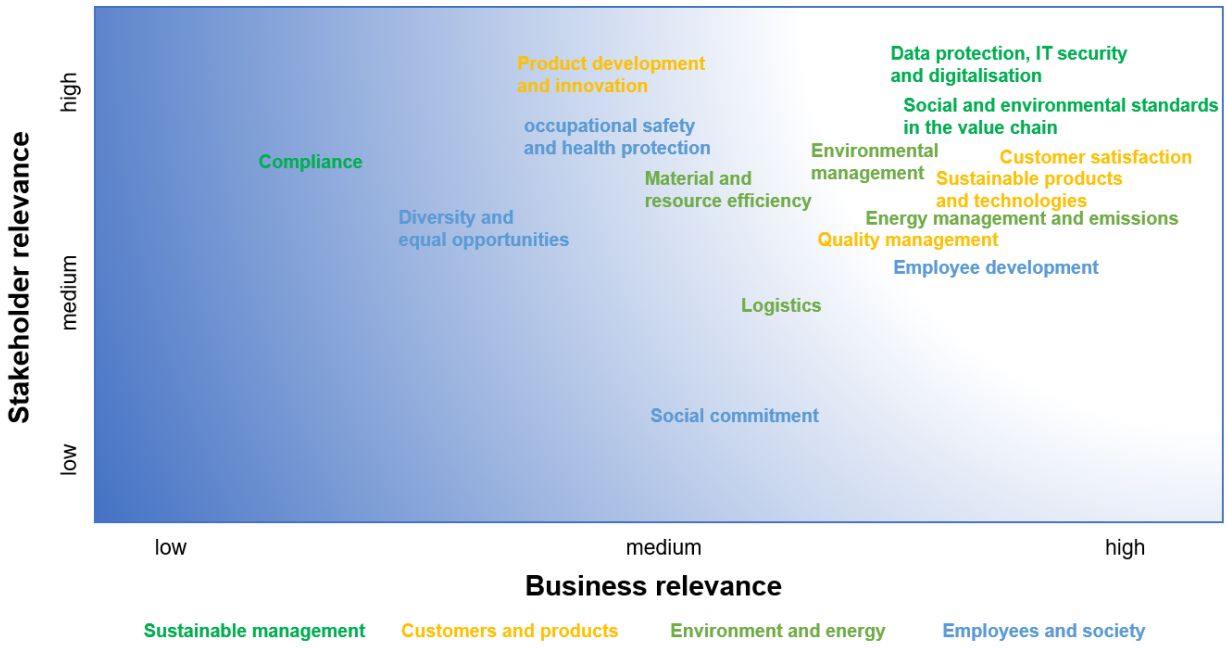
- Consolidation: Consolidation of the findings and creation of a list of 15 topics

- Stakeholder engagement: Assessment of directly relevant stakeholders with regard to the relevance and priority of the topics and BJB's impact on the environment, employees and society – through surveys and discussions with customers and suppliers

- Materiality workshop: Discussion of the results with relevant departments, taking into account the business perspective; preliminary determination of the essential topics

- Validation: Validation of final results by the executive management team

On the basis of this process, 15 key issues were identified for BJB. These are relevant for understanding the course of business, the business outcomes and the position of the company, as well as for understanding the effects on non-financial aspects.



Our key sustainability aspects are the health and satisfaction of our employees and a long-term and trusting relationship with our customers and business partners. We also strive to permanently optimise and reduce the climate-relevant impacts of all our activities.

There are two perspectives that need to be used when determining materiality:

- The inside-out perspective: Positive or negative effects associated with BJB's business activities or business relationships and its products and services

Essential aspects of this perspective are:

- Environment (production, energy consumption, packaging, transport)
- Human rights (supply chains, production)
- Workers' rights (anti-discrimination, diversity)
- Corruption (compliance)
- Social matters (transparency regarding financial contributions, social commitment).
- Outside-in perspective: Sustainability aspects which, as opportunities and risks, can have an influence on the course of BJB's business, its results or its situation.

Essential aspects of this perspective are:

- COVID-19 pandemic and the war in Ukraine (supply bottlenecks)
- Shortage of skilled workers (demographic change)
- Climate crisis

There are both opportunities and risks here for BJB. BJB's ability to consistently complete its deliveries has increased customer confidence in the company. The shortage of skilled workers is being countered by training and advanced training for employees. Possible effects of a future climate crisis are headed off at an early stage by relocating production closer to customers.

To promote a common understanding of sustainability, BJB participates in a wide range of initiatives and associations with the aim of contributing to effective sustainability management through standardised measures and processes. This includes involvement in relevant working groups, e.g. in the following organisations:

- ZVEI e.V. – Association of the Electrical and Digital Industry
- Westphalia-Mitte Business Association
- RuhrOst Industry Network
- Arnsberg Chamber of Industry and Commerce
- Zhaga Consortium

As part of our CSR strategy update, BJB joined the UN Global Compact in 2022 and we will in future publish regular reports in accordance with the criteria contained in the German Sustainability Code (GSC).

Performance indicator GRI SRS-102-44: Key topics and concerns raised
a. Key topics and concerns that have been raised through stakeholder engagement, including:
i. how the organisation has responded to those key topics and concerns, including through its reporting;
ii. the stakeholder groups that raised each of the key topics and concerns..
Information on this is contained in this section.

BJB supplies large well-known companies worldwide. We have received an increasing number of questions from this group of customers about environmental and social issues, and this was what prompted us to prepare and voluntarily publish this BJB Sustainability Report.

Governments and government organisations are increasingly influencing the household appliance and lighting industry (i.e. BJB's customer base) through programmes like the "Green Deal" and the European Commission's Circular Economy Action Plan. BJB responded to this years ago, among other ways by focusing all of its research and development projects on energy-saving LED technology.

Currently, BJB is accommodating the wishes of politicians, and increasingly also of customers, with regard to the interchangeability of lamps and components and has defined this as one of its key topics in product development.

BJB's household appliance customers are increasingly requesting energy-saving solutions for oven lights, and this is currently also the focus of product development for this customer group.

1.3 Goals

The company discloses which qualitative and/or quantitative as well as time-defined sustainability targets are set and operationalised, and how their degree of achievement is monitored.

At BJB, we have always been committed to a sustainable way of thinking and doing things. Although the concept of sustainability had already been extensively addressed and practised in recent years, BJB did not have a sustainability strategy up until now due to its size. The Corporate Social Responsibility (CSR) strategy and CSR management system are still being developed at BJB. Among

other things, basic data first needs to be collected in order to create a foundation for determining sustainability potential. The current Sustainability Report for the 2022 financial year is our starting point for developing a sustainability strategy. By the end of 2025, qualitative and/or quantitative as well as time-defined sustainability targets will be set and operationalised, and the degree of target achievement will be monitored on the basis of qualitative or quantitative benchmarks.

In order to strengthen the incorporation of sustainability topics at BJB, we have put various topics on our agenda that we would like to promote in future. For the time being, these topics are of a qualitative nature and provide an outlook on future developments.

Our certified integrated quality and energy management systems have provided a solid foundation here. These foundations were expanded in 2022 to include the occupational health and safety management system, which is to be certified in summer 2023. The environmental management system is also to be expanded in 2023 and subsequently certified, thus transforming the whole group of systems into a comprehensive integrated management system. Sustainability-relevant targets will then be added on a gradual basis.

The current focus areas of CSR management at BJB are:

- CSR strategy development and reporting

BJB will continue to formulate the CSR strategy and continuously expand CSR reporting and provide information on a regular basis in line with CSR reporting standards. The focus here will be on the development of suitable targets and indicators, orientated towards the German Sustainability Code with GRI indicators. We will also work on topics for which comprehensive data is not yet available, such as CO_2 emissions and the life cycle assessment.

- Responsibility within the supply chain

Another crucial focus lies in the promotion of corporate social responsibility (CSR) throughout all BJB locations and across our entire supply chain. We have diligently integrated the stipulations of the German Supply Chain Due Diligence Obligations Act (LkSG) into our global supply chain framework. To achieve this, we undertook necessary updates to existing internal processes and, in some cases, implemented new processes.

- Process optimisation and automation in order to reduce our carbon footprint

In the 2021 business year, significant projects were begun with regard to process optimisation in automated production processes as well as the automation of assembly activities that were previously carried out manually. The goals of these projects are to improve efficiency and quality and to relocate production closer to the regions where suppliers and customers are situated. This will enable us to achieve a significant reduction in delivery traffic between the BJB sites in Germany and China, which will also significantly reduce BJB's carbon footprint.

- Use of renewable energy

BJB has been using renewable energy in order to reduce the environmental burden for years now. Since 2013, a combined heat and power plant with a thermal capacity of 300 KW and an electrical capacity of 200 KW has been operating at the main location in Arnsberg in order to generate electricity.
Since 1999, water from the Möhne River running alongside the company's headquarters has been used to cool injection moulding machines and compressors as well as BJB's Data Centre 1. BJB therefore saves a large part of the electrical energy that would otherwise be needed to cool the processes in these areas. During the 2022 financial year, the construction of a photovoltaic system for the increased use of renewable energy was commissioned for the main location in Arnsberg.

2 Process management

2.1 Depth of the value chain

The company provides information on the importance of sustainability aspects for value creation and on how far down the value chain sustainability criteria are checked.

As a leading international system supplier for the lighting industry and a global market leader for oven lights with a high degree of product diversity, BJB manages a complex value chain around the globe. BJB takes on the role of a manufacturer of electrical components that are resold on a B2B basis and are only partially identifiable as BJB products by the end customer. We work with a large number of suppliers and customers.

Our direct value chain begins with the procurement of raw materials and supplies from external suppliers, as well as the purchase of parts and individual components. It continues through development, prototyping, manufacturing, distribution and the use of our products by customers and end users. Tools required for our series production operations are designed in our own production equipment design department and, in most cases, are manufactured by our own toolmaking department.

The material selection process leads mainly to the use of substances that are RoHS and REACH-compliant and do not contain any critical conflict materials. In addition to raw materials such as strip material made of iron and non-iron metals (especially copper alloys), as well as glass and plastics mainly made of PC, PMMA, PBT and PPA, ceramics, illuminants and cables in particular are used during production. As a system supplier, BJB delivers components to customers worldwide. BJB does not manufacture illuminants, ceramics, glass and cables itself, but instead procures them on the basis of specifications drawn up by BJB.

BJB's value creation comprises the production of mechanical and electromechanical components in our highly automated manufacturing areas for plastics and metal processing, as well as automatic assembly in Arnsberg. Manual and semi-automated production also takes place at our BJB Electric Dongguan Ltd subsidiary in China, as well as at service companies in Eastern Europe.

Energy consumption, CO_2 emissions from transport and the use of non-renewable raw materials are the main issues in almost all stages in our value chain. In this regard, we also seek to ensure the best possible compliance with sustainable practices among our suppliers.

In connection with the new German Supply Chain Due Diligence Obligations Act (LkSG) BJB screened nearly all suppliers in 2022. The suppliers were screened by means of a questionnaire that focused on environmental and social issues. A new supplier code was also introduced that requires all suppliers to comply with the sustainability obligations of the aforementioned act throughout the entire value chain. No social or environmental problems arose in connection with the screening of suppliers and the measures taken to require their compliance with relevant rules and regulations.

2.2 Responsibility for sustainability

Corporate governance responsibilities for sustainability are disclosed.

At BJB, as a medium-sized family business, the concept of sustainability is supported in particular by the Managing Directors and the company management team.

The central strategic responsibility for sustainability issues and target achievement lies with the Management Board. Due to the flat hierarchy in place, the Management Board also assumes the role of a sustainability officer. This means that sustainability issues can be taken into account in all processes for every corporate decision.

Operationally, CSR issues are managed by the company management team member responsible for Technical Management and coordinated by the OSE (Occupational Safety and Environment) department in close cooperation with other specialist departments such as Purchasing, Material Compliance, WPE and Logistics.

All managers and employees of BJB are responsible for addressing the issue of CSR, identifying potential for improvement, adhering to BJB's Code of Conduct and advocating it in their environment. We are very grateful to all our dedicated employees who take the initiative on social and environmental campaigns and actively participate in them.

2.3 Rules, processes and monitoring

The company discloses how the sustainability strategy is implemented by means of rules and processes in the operational business.

The company discloses how and which performance indicators for sustainability are used in periodic internal planning and monitoring processes. It sets out how appropriate processes ensure the reliability, comparability and consistency of data for internal management and external communication.

BJB's sustainability strategy builds on existing Group-wide standards (including standards of conduct) that ensure compliance with the law. This includes the BJB Code of Conduct as a Group-wide guideline that defines the rules for ethical, value-driven and law-abiding business activity.

The environment, occupational health and safety, and social responsibility are key principles in the BJB Code of Conduct, which has been integrated into our existing management system. In 2022, risk analyses were carried out to identify human rights and environmental risks in the company's own field of business and in the operations of direct suppliers. In this context, a BJB Supplier Code was also introduced and, in view of the new Supply Chain Act, a survey of suppliers on sustainability criteria was conducted and their commitment to comply with the regulations of the Supply Chain Act was demanded.

The development of measures to address sustainability-related issues is carried out directly by the company management team, as is the coordination of the implementation, management and monitoring of all processes and measures. To this end, key CSR figures are now included in reporting, guidelines have been established and communicated, employees have been trained, and ideas for improvements are being communicated to the departments and subsidiaries.

For many years now, the quality management system at BJB has been certified according to DIN EN ISO 9001 and the energy management system according to DIN EN ISO 50001. In 2022, the occupational safety management system was updated and is scheduled to be certified according to DIN

ISO 45001 in the summer of 2023. The updating and subsequent certification of the environmental management system is also planned for 2023.

The CSR-relevant indicators for monitoring sustainability goals and targets are still being developed at BJB and are not sufficiently advanced at all locations to enable us to report on all GRI indicators in the Declaration of Conformity. BJB began collecting data on key CSR-relevant figures in 2022. In future, this will enable a comparison spanning several years.

Performance indicator GRI SRS-102-16: Values
A description of the organisation's values, principles, standards and norms of behaviour.

BJB's values and principles are described in the Code of Conduct: https://www.bjb.com/en/help-service/code-of-conduct/

BJB uses the following performance indicators for sustainability in internal planning and monitoring procedures:

- GRI SRS-302-1 Energy consumption
- GRI SRS-306-3 (2020) Waste generated
- GRI SRS-305-5 Reduction of GHG emissions
- GRI SRS-403-9 Work-related injuries
- GRI SRS-405-1 Diversity
- GRI SRS-406-1 Discrimination incidents
- GRI SRS-414-1 New suppliers screened for social aspects
- GRI SRS-414-2 Social impacts in the supply chain

as well as the key figures for accident frequency (LTIR) and occupational accident rate.

2.4 Incentive systems

The company discloses how target agreements and remuneration for managers and employees are also geared towards the achievement of sustainability goals and targets and long-term value creation. The company discloses the extent to which the achievement of these goals and targets is part of the evaluation of the top management level (management board / managing directors) by the supervisory body (supervisory board / advisory board).

With the BJB Code of Conduct, we make our managers and employees aware of the need to act responsibly. At a kick-off workshop in March 2022, all managers at BJB were informed by the company management team about the increased importance of sustainability activities at BJB. In future, the topic will be even more strongly incorporated into staff meetings and the "BJB Highlights" staff magazine.

BJB remunerates its employees at its headquarters in Arnsberg in accordance with the collective bargaining regulations of the metal and electrical industry in the German state of North Rhine-Westphalia. BJB's managerial remuneration system includes bonuses on the basis of annually agreed targets. Currently, the remuneration system does not prescribe any explicit CSR targets. However, the structure of the target agreements for specialised and managerial staff allows CSR goals to be implemented in the target agreements. Managers and employees are becoming increasingly aware of these issues, but integrating CSR into the goal matrix for all specialists and managers is not feasible for BJB as a medium-sized company, and there are therefore no plans to

do this. The main driver behind CSR issues is the company management team. BJB does not disclose the remuneration model in any further detail. As a family-run company, remuneration is agreed upon individually and confidentially within the organisation.

As a medium-sized company, BJB has no supervisory board or administrative committee. BJB's Advisory Board is a voluntary body set up by the company to act solely in an advisory capacity to the company management team. Compliance with targets is ensured solely by the latter, and there is no monitoring by any other bodies.

Performance indicator GRI SRS-102-35: Remuneration policy

a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:

i. Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses and deferred or vested shares

ii. Sign-on bonuses or recruitment incentive payments

iii. Termination payments

iv. Clawbacks

v. Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives and all other employees

b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics

Information regarding the performance indicator: Both company management and employees not subject to a collective bargaining agreement receive a fixed salary, which is paid over 12 months. There is also a 13th salary, which is paid on a variable basis. The company management team receives variable remuneration that is calculated on the basis of the operating result. The variable remuneration of employees not subject to a collective bargaining agreement is based on the degree of achievement of agreed targets.

There were no recruitment bonuses, severance payments or clawbacks for managers in 2022. Under the company pension scheme that closed at the end of 2020, BJB paid out €1,514,287 in company pensions to former employees in the year under review

Currently, the remuneration system at BJB does not prescribe any explicit CSR targets. However, the structure of the target agreements for specialised and managerial staff allows CSR goals to be implemented in the target agreements. Managers and employees are being increasingly made aware of these issues. BJB does not disclose the remuneration model in any further detail. As a family-run company, remuneration is agreed upon individually and confidentially within the organisation.

Performance indicator GRI SRS-102-38: Annual total compensation ratio

a. Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country

Information regarding the performance indicator: BJB does not disclose the remuneration model in any further detail. As a family-run company, remuneration is agreed upon individually and confidentially within the organisation.

2.5 *Responsibility along the supply chain*

Making supply chains responsible with regard to social and environmental aspects such as working conditions, fair pay, freedom of association, occupational safety and environmental protection is part of many national laws and internationally recognised guidelines.

As a global family business, BJB supports such efforts and aims to ensure compliance with these aspects in its supply chain. The Management Board at BJB also issued a policy statement, dated 30/06/2022, on strengthening human rights along the value chain and preventing human rights violations.

In its Supplier Code of Conduct introduced in 2022, BJB formulated minimum requirements for suppliers, the content of which is based on the principles of the United Nations Global Compact and the core labour standards of the International Labour Organisation (ILO) and also includes the requirements of the German Supply Chain Due Diligence Obligations Act (LkSG) .

All new suppliers to BJB have been required to acknowledge the Supplier Code in writing and confirm compliance since July 2022. A supplier rating also provides the necessary emphasis here. Suppliers who have neither introduced a certified environmental or occupational safety management system nor recognise the BJB Supplier Code of Conduct will be downgraded by Purchasing in the supplier evaluation and – if possible – replaced. This statement applies to all direct suppliers of BJB.

During the year under review, BJB prepared for the new Supply Chain Act, which defines the responsibility of companies to respect human rights and address environmental issues in supply chains. Although BJB, as a medium-sized company, is not directly affected by this law, as a supplier to large customers we are indirectly affected and thus accept this responsibility. Among other things, we have carried out a risk analysis and developed a procedure to identify adverse impacts of business activities on human rights in the supply chain. Furthermore, the status of suppliers was determined with regard to obligations under the Supply Chain Act and a risk management system was established to prevent in a standardised manner negative impacts on human rights from the activities of companies in the supply chain. The measures introduced as a result of the Supply Chain Act are considered appropriate and effective.

No environmental or human rights-related risks or violations in the supply chain were identified in the year under review.

With regard to the materials and substances it uses (“material compliance”), BJB works closely with its suppliers of production materials. Purchasing takes defined criteria into account when selecting suppliers. These criteria include all materially relevant material requirements derived from legislation, public standards and customer requirements with regard to:

- Chemical substances
- Preparations
- Packaging and materials in manufacturing processes and products
- Product transport.

This also involves the responsible procurement of raw materials such as tin, tungsten, tantalum or gold, the extraction of which in some countries helps to finance armed conflicts and human rights violations. BJB uses the Reasonable Country of Origin Inquiries (RCOI) approach in order to track the regions from which its (upstream) suppliers source components containing critical raw materials and be able to initiate targeted measures in the supply chain if necessary.

3 Customers and products

3.1 *Sustainable products and technologies*

As a system supplier for the lighting industry, BJB has supported the technology shift from incandescent bulbs to electronic light (LED) with comprehensive restructuring measures and by 2020 had realigned its business model with this energy-saving light generation method

LEDs are efficient, long-lasting and low-maintenance and therefore the ideal sustainable lighting system. The efficiency of an incandescent bulb is about five per cent. This means only a fraction of the supplied energy is converted into light, while the remaining 95 per cent is lost as waste heat to the environment. The efficiency of LED lamps is 30 to 40 per cent, which is six to eight times higher. LEDs currently represent the most efficient system for generating light for general lighting purposes.

Due to their long service life, the replacement rate and the disposal rate are reduced, so fewer lights need to be produced. The disposal of LEDs is also particularly sustainable: they are free of harmful materials and over 90% of their raw materials can be reused. Due to their long service life, the replacement rate and the disposal rate are reduced, so fewer lights need to be produced. The disposal of LEDs is also particularly sustainable: they are free of harmful materials and over 90% of their raw materials can be reused. As a system provider, BJB continuously analyses how the needs of the lighting industry are changing and then develops innovative products for the demands of the future. At the same time, BJB exchanges ideas with its customers in a spirit of trust and bases its development work on their expectations.

In the 2021 financial year, the LED (“Technology for Light”) business became BJB’s largest business division and is now more than four times bigger than the traditional incandescent and fluorescent bulb business.
In 2019, the EU presented a concept (“Green Deal”) to make the EU the first greenhouse gas-neutral confederation of states by 2050, to significantly reduce pollutant emissions and to further promote the circular economy in Europe. BJB supports the circular economy through its activities in the Zhaga Consortium and also through a growing range of interchangeable system components for LED lights. As a result, more and more mechanical and electromechanical components with standardised interfaces for LED light sources, as well as communication and sensor units, are now being developed and established on the market.

The concept of recycling forms the basis for the selection of our packaging materials. All packaging used by BJB can be recycled in the economic cycle without any need for pre-treatment. In addition to the aspect of recycling, emphasis is placed above all on resource conservation. For this reason, our cardboard boxes are made of 80% recycled paper and are marked with the Resy symbol, which guarantees compliance with the Packaging Act for transport packaging. The marking is partly done by perforation. This process enables the ink-free printing of BJB cardboard, thus avoiding unnecessary environmental pollution.

Sustainable packaging solutions are offered to all customers. In the case of customised products, our customers are involved at a very early stage in order to jointly develop and implement sustainable packaging solutions. For BJB’s standard products, the most

suitable solution is favoured, taking into account the respective market requirements. All of these processes are firmly incorporated into our product development process.

BJB is also using a circulation system of tray packaging for COB connection elements with various customers. For these customers, the product-specific plastic tray packaging is reused several times in the system.

3.2 Innovation and product management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

BJB has existed as a family-run business for over 150 years. What began with components and accessories for oil and petroleum lamps led via the electrical revolution to light (bases and sockets for incandescent bulbs) and onwards to today's product portfolio centred around LEDs: "Technology for Light". BJB's success story has led to constant change and innovative products. The fundamental realignment towards LED technology and the adaptation of BJB's business model was successfully completed in the 2020 financial year.

BJB's organisation, including product development, has been consistently focused on innovation for the new electronic lighting technology. This innovation management approach also made a big impression in the TOP 100 Innovators scientific selection procedure, which has been used to honour the most innovative medium-sized companies in Germany since 1993. BJB was inducted into the Club of Excellence® in 2021 and 2022, placing it among the elite of world-class innovators.

Product-related environmental protection is an important part of sustainable environmental management at BJB. Ensuring compliance with substance bans/restrictions worldwide, e.g. REACH and RoHS, is a high priority here.

The EU directive "RoHS – Restriction of the Use of Certain Hazardous Substances" regulates the use of certain hazardous substances in electrical and electronic equipment. In addition to reducing harmful effects on humans and the environment, the legislation aims to improve recycling options. BJB is closely observing developments relating to RoHS and responding promptly to changes in requirements.

BJB confirms to its customers that its products for lights and household appliances comply with the maximum permissible concentrations in the homogeneous materials in per cent by weight in accordance with the EU Directive 2011/65/EU (RoHS recast) of 8 June 2011 and the Delegated Directive (EU) 2015/863 applicable from 22 July 2019. We also ask our suppliers to comply with the above-mentioned guidelines for the products they supply and to declare this in writing.

In 2007, Regulation (EC) No 1907/2006 (REACH Regulation) came into force and has since formed a valid legal basis for all EU member states. To protect human health and the environment, this EU Chemicals Regulation aims to classify and identify all chemicals and their effects.

The REACH Regulation imposes certain obligations on each entity in the supply chain. BJB is not a manufacturer or importer of chemical substances, but rather a processor of preparations and products. Our products are exclusively non-chemical products, consisting of one or more constituent products. No substance should be intentionally released from the products under normal and reasonably foreseeable conditions of use.

As the constituent products are not subject to registration, BJB usually plays the role of a downstream user in the supply chain. Thus, according to REACH Article 33, BJB has an information obligation along the supply chain. BJB is of course aware of this duty and fulfils it to a high degree.

Sustainability issues are an integral part of BJB's innovation processes. Within this framework, there are different ways in which customers and employees can participate with regard to sustainability issues. In the continuous improvement process (CIP) especially, many suggestions are submitted by the workforce with regard to conserving materials, recycling and efficiency in logistics. Ideas from the market and from customers come through direct requests for new products that support the concept of sustainability – e.g. relating to the interchangeability of components in the lighting industry or more efficient lighting solutions for the household appliance sector.

BJB itself is an active member of the Network for Industry in the Ruhr East Region (NIRO), which has its own working group for this topic, whereby the current focus is on production, procurement and social aspects.

Last year, we carried out a resource efficiency consulting project in close cooperation with the Lüdenscheid Plastics Institute and developed potential for optimisation here, especially for production. Some of this optimisation potential has already been transferred to current processes.

Over the course of the coming year, the topic of sustainability will be focused on for future product developments and elaborated upon in the business line management innovation process.

BJB is the global market leader for oven lights. Until now, customers in the household appliance industry have mainly used mains-voltage halogen bulbs for this purpose. As a first mover, BJB has also been supplying patented LED assemblies for ovens to the household appliance industry since 2018. LED lights for ovens reduce energy consumption by 80% compared to conventional oven lights: for every one million LED oven lights, 6.6 million KWh can be saved.

Performance indicator G4-FS11

Percentage of assets subject to positive and negative environmental or social screening.

Information regarding the performance indicator: BJB is a manufacturing company that owns only property, plant and equipment – but no financial assets.

3.3 Quality management

BJB is synonymous with top quality. From this derives the strategic principle of guaranteeing outstanding quality standards consistently and universally across all products and services. With a view to freedom from defects both in the product and in processes, the following focal points were defined for quality aspects:

- Continuous improvement of products and services
- Continuous improvement of the quality management system and manufacturing and business processes
- Preventive measures in product development, e.g. FMEAs, FEM and Moldflow analyses

In 2022, BJB was again able to reduce its already low number of complaints by 17%. The use of resources in the form of raw materials and energy for our production facilities is optimised and kept low through continuous monitoring and a reduction of reject costs.

BJB ensures and improves the quality of its products and processes with the help of a wide range of instruments: BJB has a certified quality management system in accordance with the globally recognised quality norms, standards and regulations of ISO 9001:2015. The conformity of products and processes with this standard is periodically checked and confirmed by internal and external audits. Many of our customers also conduct their own audits at all of our manufacturing sites; these were completed without any significant complaints in the year under review.

3.4 Customer satisfaction

Customer satisfaction with BJB's products and services is a crucial cornerstone of our value framework and the basis for long-term and sustainable success. BJB products stand for high product safety, quality and durability.

At BJB, consistent customer focus forms the basis for product development, service and quality assurance. BJB uses a global key account management (KAM) system to manage customer relationships with major clients worldwide in accordance with uniform principles. The KAM team works closely with the regional sales organisations.

Key accounts and major customers each have a contact who takes care of their concerns in accordance with the "one face to the customer" principle.

As a further control instrument for shaping customer relations, BJB uses customer relationship management software that maps a system architecture encompassing all business areas.

For customer communication, BJB uses social media, newsletters, international trade fairs and, in particular, personal discussions with customers, in the course of which new products are also jointly developed. Sustainability and increased efficiency are always among the evaluation criteria.

BJB receives numerous awards for customer satisfaction and product quality from its customers every year. BJB sees this as an indicator of its positive reputation on markets worldwide, and it has also formed the basis for an expansion of market share and growth in recent years.

4 Environment

4.1 Use of natural resources

The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

The responsible use of resources is enshrined in the BJB Code of Conduct, which is binding for all employees. Product-related environmental protection is an important part of sustainable environmental management at BJB. Ensuring compliance with substance bans/restrictions worldwide, e.g. REACH and RoHS, is a high priority here.

BJB mainly uses the resources listed below:

- Electrical energy (primarily for manufacturing)
- E Natural gas (only for heating)
- Raw materials are procured in the form of semi-finished products
- Paper/cardboard (packaging)
- Foils (packaging)
- Water
- Automotive fuels
- Land (manufacturing, administration, storage and logistics, parking spaces, access roads and green areas)

- Waste is separated as follows:
  - Scrap metal
  - Mixed packaging
  - Paper / cardboard / shredded paper
  - Waste wood
  - Operating equipment and fluids containing oil
  - Various types of steel scrap
  - Various types of copper-based scrap
  - Cables and wiring
  - Residual waste
  - Construction scrap
  - Green waste
  - Plastic

In terms of energy, the biggest portion of consumption relates to electricity for lighting and to run machines in production, followed by natural gas to heat production halls, and fuel for company vehicles and employees' journeys to and from work. In recent years, 60% of the electricity mix purchased for the main location in Arnsberg consisted of wind power and biomass.

The packaging materials we use consist primarily of corrugated and solid cardboard boxes, steel strapping, stretch foils and films, PE foils and films, and plastic trays. These comply with the material requirements of Directive 94/62/EC. We have opted to use recyclable cardboard boxes that are made from 80% waste paper. Within the scope of packaging management, we continuously scrutinise the quality of our packaging with regard to thickness, in some cases size, and the possible uses for regenerated materials. If it is possible to switch to a more sustainable film or foil product, we will begin testing accordingly.

"Residual material is valuable material" and "The best waste is that which is not created in the first place" are two guiding principles of our waste management approach. In addition to complying with legal requirements and monitoring material flows and disposal costs, we continuously explore potential for improvement and exploit possible material cycles. The type-specific collection of leftover materials facilitates resource-saving reprocessing at the supplier.

BJB made valuable contributions to the environment in 2022 through its collaboration with a recycling company. The following contributions from BJB were named in a sustainability certificate from the recycling company:

- Primary raw material savings amounting to 292.97 tonnes
- Energy generation and energy savings amounting to 2,427.6 MWh
- CO_2 reductions amounting to 648.20 tonnes of CO_2 equivalent
- Savings of ores amounting to 1,938.5 tonnes

The data was determined using a calculation model created by the Fraunhofer Institute for Environmental, Safety and Energy Technology (UMSICHT), Sulzbach-Rosenberg branch.

The implementation of resource conservation measures begins as early as the purchasing phase with the procurement of low-hazard operating equipment and auxiliary materials that undergo an approval process. Employees in every department are also made aware of the importance of the economical use of resources and receive training in our waste and recyclables separation system as well.

Environmental protection is also a matter for the workplace, however: the achievement of goals such as waste identification and labelling, waste avoidance and separation, and energy conservation is highly dependent on our employees doing their part. We are aware of this and support the relevant processes with internal training measures.

The use of recycled materials is to be expanded over the long term wherever possible, without compromising quality and where product characteristics permit.

We manufacture our products from various primary materials (mainly plastics and metals). We also source components such as LEDs, other illuminants, cables, etc.

BJB primarily manufactures and supplies products to the processing industry. However, there are also individual products that are supplied to end consumers and thus fall under the Electrical and Electronic Equipment Act.

The Electrical and Electronic Equipment Act (ElektroG) implemented the European WEEE Directive into German law in 2005. The act regulates the introduction to the market of electrical and electronic equipment, as well as its recovery and environmentally sound disposal. It is primarily aimed at preventing waste from electrical and electronic equipment and promoting its reuse and recycling. The act also includes provisions designed to reduce the use of harmful substances in appliances. It thus makes a significant contribution to the conservation of natural resources and the reduction of pollutant emissions.

BJB has been a member of the Lightcycle collection system for used light bulbs and lamps since 2018. The system ensures that old bulbs and lamps are taken back and recycled properly. The environment is thus protected from harmful substances, a large proportion of the recycled materials are used as secondary raw materials and natural resources are conserved.

Performance indicator GRI SRS-301-1: Materials used

a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by:

i. Non-renewable materials used

ii. Renewable materials used

Information regarding the performance indicator: It is not possible to divide the total weight into non-renewable and renewable materials, as the associated data cannot be reliably collected at present. On average, BJB's products contain industry-typical proportions of secondary raw materials that cannot be quantified in precise terms.

Performance indicator GRI SRS-302-1: Energy consumption

a. Total fuel consumption within the organisation from non-renewable sources, in joules or multiples thereof, including the fuel types used

b. Total fuel consumption within the organisation from renewable sources, in joules or multiples thereof, including the fuel types used

c. In joules, watt-hours or their multiples, the total:

i. Electricity consumption

ii. Heating energy consumption

iii. Cooling energy consumption

iv. Steam consumption

d. In joules, watt-hours or their multiples, the total:

i. Electricity sold

ii. Heating energy sold

iii. Cooling energy sold

iv. Steam sold

e. e. Total energy consumption within the organisation, in joules or multiples thereof

f. Standards, methodologies, assumptions and/or calculation tools used

g. Source for the conversion factors used

Information regarding the performance indicator: To enable a better understanding here, BJB provides the information on fuel consumption in litres and energy consumption in megawatt hours (MWh) and not in joules (J).

	2022
Total fuel consumption within the organisation from non-renewable sources	33,071 litres
Total energy consumption within BJB	9,748 MWh
of which from renewable energy sources:	
Electricity consumption	3,120 MWh
Heating energy consumption	---
Cooling energy consumption	---
Steam consumption	---

The sale of energy is not part of BJB's business model.

The calorific values for fossil fuels are taken from energy suppliers' bills.

Performance indicator GRI SRS-302-4: Reduction in energy consumption

a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples thereof

b. Types of energy included in the reductions: fuel, electricity, heating, cooling, steam or all

c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it

d. Standards, methodologies, assumptions and/or calculation tools used

Information regarding the performance indicator: BJB's CSR management is still under development and the data was collected for the first time. Therefore, no information on

the reduction in energy consumption is possible.

Energy savings and energy efficiency are essential criteria for investment decisions at BJB.

Performance indicator GRI SRS-303-3: Water withdrawal
a. Total water withdrawal from all areas in mega-litres, and a breakdown of this total by the following sources, if applicable:
i. Surface water
ii. Groundwater
iii. Seawater
iv. Produced water
v. Third-party water
b. Total water withdrawal from all areas with water stress in mega-litres, and a breakdown of this total by the following sources, if applicable:
i. Surface water
ii. Groundwater
iii. Seawater
iv. Produced water
v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv
c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in mega-litres by the following categories:
i. Fresh water (≤1000 mg/l total dissolved solids (TDS)
ii. Other water (>1000 mg/l total dissolved solids (TDS)
d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies and assumptions used

Information regarding the performance indicator:

	2022
Water withdrawal (in mega-litres)	373
of which surface water	372
of which groundwater	0
of which seawater	0
of which produced water	0
of which third-party water	1

Areas with water stress are designated in publications of the World Resource Institute. The water use index for Germany is collected by the German Environment Agency; it is far below the critical limit of 20%. BJB's production facilities are not located in areas with water stress, so there is no withdrawal of water from such areas by BJB.

The withdrawals are recorded via meters. Only fresh water is withdrawn.

Performance indicator GRI SRS-306-3 (2020): Waste generated
a. Total weight of waste generated in metric tonnes, and a breakdown of this total by composition of the waste
b. Contextual information necessary to understand the data and how the data have been compiled.

Information regarding the performance indicator:

	2022
Waste generation	604 t
of which plastics	39 t
Material efficiency – plastics	87%
Regranulation rate – plastics	13%
of which metals	439 t
Material efficiency – metals	81%
Return delivery of metals to suppliers	82%
Recycling rate	98%

4.2 Ressourcenmanagement

The company discloses which qualitative and quantitative targets it has set for its resource efficiency, in particular with regard to the use of renewable energy, achieving an increase in raw material productivity and reducing the use of ecosystem services. It further discloses which measures and strategies it is pursuing to this end, how these have been implemented or will be implemented in future, and where it has identified risks.

BJB has been using renewable energy in order to reduce the environmental burden for years now.

Since 1999, water from the Möhne River running alongside the company's headquarters has been used to cool injection moulding machines and compressors as well as the IT Data Centre. BJB therefore saves a large part of the electrical energy that would otherwise be needed to cool the processes in these areas.

This eliminates the need for complex plant technology such as cooling towers, storage tanks, etc.

Since 2013, a combined heat and power plant with a thermal capacity of 300 KW and an electrical capacity of 200 KW has been operating at the main location in Arnsberg in order to generate electricity.

As CSR management at BJB is only in the process of being established, no quantified targets or planned time frames have been defined for the achievement of targets relating to resource efficiency, in particular with regard to the use of renewable energy, achieving an increase in raw material productivity and reducing the use of ecosystem services. This Sustainability Report for the 2022 financial year describes the start of the development of our environmental management system. A CSR strategy with objectives, targets and measures will be developed by the end of 2025. Because targets have not yet been defined, no targets have been achieved.

We have identified the following environmental risks associated with our business activities:

- Raw material consumption for our products
- Energy consumption for the manufacture of our products
- GHG emissions from transporting our products between manufacturing sites in Germany, Eastern Europe and China
- Hazardous substances and their use
- Energy consumption of the products during their use throughout their life cycle
- GHG emissions from business travel and staff commuting

The following measures to improve resource and energy efficiency are currently being implemented:

- At the main location in Arnsberg, the construction of a photovoltaic power plant on the roofs of the production facilities was commissioned in October 2022 in order to increase the use of renewable energy.
- Process optimisation and automation to reduce our carbon footprint:

As early as the 2021 business year, significant projects were begun with regard to process optimisation in automated production as well as the automation of assembly activities that were previously carried out manually. The goals of these projects are to improve energy and resource efficiency as well as quality in conjunction with the relocation of production operations closer to the regions where suppliers and customers are situated. This will enable us to achieve a significant reduction in delivery traffic between the BJB sites in Germany and China, which will also significantly reduce BJB's carbon footprint.

- Reduction in the use of raw materials

Particularly in the case of series production products, care is taken to ensure that as little waste as possible is created through the manufacture of individual parts. In addition to the general reduction of rejects, care is taken to ensure that, for example, as little waste as possible is produced in the form of sprues when manufacturing plastic parts. This is usually possible through the use of valve gate systems. If sprues cannot be avoided, BJB always endeavours to recycle them and then return them as recyclate in the internal process without any functional loss to the product and in compliance with the statutory regulations. If this is not possible, the materials are not simply disposed of there and then, but are instead fed into external recycling processes wherever possible.

BJB introduced a new comprehensive risk management process in 2020. Systematic controls, processes and procedures have been implemented for the main risks to reduce each of these risks in order to minimise the probability of occurrence and / or the impact of any occurrence. BJB's sustainability strategy is still under development and is expected to be completed by 2025. Based on the CSR data collected for the first time in 2022, BJB plans to analyse the sustainability risks in 2023 and integrate them into the business and risk strategy.

In the past business year, BJB participated in the JobRad e-bike leasing system for employees in Germany, thus contributing to the promotion of health and exercise, but also saving energy compared to the use of a conventional vehicle.

In the 2022 financial year, work began on the installation of charging stations for electric vehicles for employees, customers and suppliers at the main Arnsberg location in order to support electric mobility.

4.3 Climate-relevant emissions

The company discloses greenhouse gas (GHG) emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the targets it has set to reduce emissions.

As a medium-sized company, BJB did not previously have data that allowed quantification of the company's CO_2 and greenhouse gas emissions. With a view to determining our sustainability potential, we are interested in drawing up a carbon footprint for our sites and, in the long term, for our products as well. We are working to make progress in this area, but we need to point out that this task cannot be implemented in the short term.

In the 2021 business year, significant projects were begun with regard to process optimisation in automated production processes as well as the automation of assembly activities that were previously carried out manually. The goals of these projects are to improve efficiency and quality and to relocate production closer to the regions where suppliers and customers are situated. This will enable BJB to achieve a significant reduction in delivery traffic between the BJB sites in Germany, Eastern Europe and China, which will also significantly reduce BJB's footprint.

The year under review, 2022, marks the beginning of BJB's sustainability reporting and thus also the reporting of CO_2 emissions. In 2022, the BJB carbon footprint (Scope 1 and Scope 2) was calculated for the first time (for 2021), which represents a starting point for further calculations. The calculations of CO_2 emissions were made using the eco-cockpit from the Effizienz-Agentur NRW. The eco-cockpit is closely based on the GHG protocol. Determining values for Scope 3 and thus for a corporate carbon footprint (CCF) is our goal for the coming years.

Due to the lack of basic data so far, it has not yet been possible to define targets with

regard to the reduction of climate-relevant emissions and the use of renewable energy. However, measures to increase energy efficiency have already been taken in recent years, even without setting a target. For example, all of the company's frequently used rooms have been equipped with LED lighting that is electronically controlled and automatically adjusts to the respective lighting conditions. The lighting in many production halls has also been comprehensively refurbished in recent years and the strip lighting with fluorescent lamps has been replaced with LED solutions. The investments pay for themselves after a few years. Another important aspect here is the improvement of working conditions through much better illumination of workplaces and workstations.

In future, we will introduce further measures to increase efficiency and reduce emissions in addition to the measures described in the previous section. The specific measures that will come into play here are to be determined in various analyses that we will carry out step by step in the coming years. BJB will define a quantified target here, including a date, as part of the development of the sustainability strategy by 2025.

BJB emitted a total of 3,034 tonnes of CO_2 equivalent (Scope 1 and Scope 2) in 2022. The largest emitter was electricity (70%), followed by natural gas for heating (25%).

The reduction in BJB's GHG emissions in 2022 by 343 tonnes of CO_2 equivalent (reduction of 10.2%) as compared to the previous year is largely the result of the direct effects of emission reduction initiatives. Thus, in addition to more energy-efficient production, 252 tonnes of CO_2 equivalent were also cut through reduction measures for conserving heating energy.

Performance indicator GRI SRS-305-1 (see GH-EN15): Direct (Scope 1) GHG emissions
a. Gross direct (Scope 1) GHG emissions in metric tonnes of CO_2 equivalent
b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3 or all
c. Biogenic CO_2 emissions in metric tonnes of CO_2 equivalent
d. Base year for the calculation, if applicable, including:
i. The rationale for choosing it
ii. Emissions in the base year
iii. The context for any significant changes in emissions that triggered recalculations of base year emissions
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source
f. Consolidation approach for emissions; whether equity share, financial control or operational control
g. Standards, methodologies, assumptions and/or calculation tools used.

	2022
a. Gross direct (Scope 1) GHG emissions	897 tonnes of CO2 equivalent
b. Gases included in the calculation; whether CO2, C2CH4, N2O, HFC, PFC, SF6, NF3 or all	CO2, C2CH4
c. Biogenic CO2 emissions in metric tonnes of CO2 equivalent	N/A
d. Base year for the calculation, if applicable, including:	2021
i. The rationale for choosing it	Initial data collection
ii. Emissions in the base year	1,142 tonnes of CO2 equivalent
iii. The context for any significant changes in emissions that triggered recalculations of base year emissions	N/A
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source	EEW 2022, Gemis 5.0 database
f. Consolidation approach for emissions	Operational control
g. Standards, methodologies, assumptions and/or calculation tools used	EFA NRW eco-cockpit, (balancing of CO2 emissions on the basis of the recognised GEMIS and ProBas databases)

Performance indicator GRI SRS-305-2: Energy indirect (Scope 2) GHG emissions
a. Gross energy indirect (Scope 2) GHG emissions in metric tonnes of CO_2 equivalent
b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tonnes of CO_2 equivalent
c. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3 or all
d. Base year for the calculation, if applicable, including:
i. The rationale for choosing it
ii. Emissions in the base year
iii. The context for any significant changes in emissions that triggered recalculations of base year emissions
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source
f. Consolidation approach for emissions; whether equity share, financial control or operational control
g. Standards, methodologies, assumptions and/or calculation tools used

Information regarding the performance indicator:

	2022
a. Gross energy indirect (Scope 2) GHG emissions	2,137 tonnes of CO2 equivalent
b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tonnes of CO2 equivalent	N/A
c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFC, PFC, SF6, NF3 or all	CO2, C2CH4
d. Base year for the calculation, if applicable, including:	2021
i. The rationale for choosing it	Initial data collection
ii. Emissions in the base year	2,236 tonnes of CO2 equivalent
iii. The context for any significant changes in emissions that triggered recalculations of base year emissions	N/A
e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source	EEW 2022, Gemis 5.0 database
f. Consolidation approach for emissions	Operational control
g. Standards, methodologies, assumptions and/or calculation tools used	EFA NRW eco-cockpit, (balancing of CO2 emissions on the basis of the recognised GEMIS and ProBas databases)

Performance indicator GRI SRS-305-3: Other indirect (Scope 3) GHG emissions
a. Gross other indirect (Scope 3) GHG emissions in metric tonnes of CO_2 equivalent
b. If available, the gases included in the calculation; whether CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3 or all
c. Biogenic CO_2 emissions in tonnes of CO_2 equivalent
d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation
e. Base year for the calculation, if applicable, including:
i. The rationale for choosing it
ii. Emissions in the base year
iii. The context for any significant changes in emissions that triggered recalculations of base year emissions
f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source
g. Standards, methodologies, assumptions and/or calculation tools used
g. Verwendete Standards, Methodiken, Annahmen und/oder verwendete Rechenprogramme

Information regarding the performance indicator: GHG emissions have so far only been determined for Scope 1 and Scope 2. The determination of GHG emissions in upstream and downstream activities (Scope 3) for BJB's diverse product range requires the extensive collection and processing of relevant emission data for each emission source. Due to limited capacities, BJB as a medium-sized company will only be able to determine the volume of Scope 3 GHG emissions for the first time in 2024.

Performance indicator GRI SRS-305-5: Reduction of GHG emissions
a. GHG emissions reduced as a direct result of reduction initiatives, in metric tonnes of CO_2 equivalent
b. Gases included in the calculation; whether CO_2, CH_4, N_2O, HFC, PFC, SF_6, NF_3 or all
c. Base year or baseline, including the rationale for choosing it
d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3)
e. Standards, methodologies, assumptions and/or calculation tools used

	2022
Reduction of GHG emissions	343 tonnes of CO2 equivalent
Gases included in the calculation:	CO2, C2CH4
Base year	2021
Reduction in Scope 1	244 tonnes of CO2 equivalent
Reduction in Scope 2	99 tonnes of CO2 equivalent
Calculation tool used	EFA NRW eco-cockpit, (balancing of CO2 emissions on the basis of the recognised GEMIS and ProBas databases)

5 Employees

5.1 Employee rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it has identified risks.

BJB must comply with nationally and internationally recognised standards on employee rights. We follow the standards of the international central association of the electronics industry – the EICC – in this regard. The core labour standards of the International Labour Organisation (ILO) are integrated into these standards and thus also into the BJB Code of Conduct. Four basic principles underlie the ILO's understanding of itself and its actions:

- Freedom of association and the effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labour
- The effective abolition of child labour
- The elimination of discrimination in respect of employment and occupation

BJB has also been a member of the UN Global Compact since October 2022 and promotes the Compact's Ten Principles:

1. Protection of and respect for international human rights

2. No complicity in human rights violations

3. Upholding freedom of association and recognising the right to collective bargaining

4. Elimination of all forms of forced labour

5. Abolition of child labour

6. Elimination of discrimination in employment and occupation

7. Precautionary approach when dealing with environmental problems

8. Promoting environmental responsibility through targeted initiatives

9. Development and diffusion of environmentally friendly technologies

10. Promoting the prevention of corruption, including extortion and bribery

There are also "quantitative social standards" that regulate working hours, for example. We score highly in relation to these standards due to our collective agreement commitment in Germany. Legal requirements are also complied with at our subsidiaries abroad.

BJB's management concept regarding employee rights, equal opportunities and qualification and training is described in the BJB Code of Conduct, which is binding for all employees. Our aim is to completely avoid violations in all the key areas. Any violations that do occur must be reported to the Management Board. No violations were identified in 2022.

The health and safety of employees is a top priority for BJB. National and international regulations on occupational health and safety are therefore complied with and all necessary measures are taken to ensure a safe working environment – and to avoid risks for employees by optimising work processes. In 2022, BJB had its manufacturing site in China certified for occupational health and safety in accordance with ISO 45001. BJB's manufacturing site in Germany began

the relevant preparations for this in 2022, and ISO 45001 certification is scheduled for 2023.

All employees can make suggestions for the improvement of products and working and production conditions etc. via the BJB World of Ideas, company suggestion schemes, supervisors and the works council. Explicit funding and support specifically for sustainability management proposals does not exist at the moment. However, we do report via internal channels (the staff magazine "BJB Highlights" and in meetings with managers, who then report to the individual employees) on measures implemented, successes achieved with sustainability efforts and the results of resource and energy efficiency measures.

BJB is active in Germany and, through subsidiaries, also abroad. We comply with applicable laws and maintain a direct and extensive dialogue with our employees. We also maintain very close contact with our business partners with regard to the use of our products.

We are not aware of any negative impacts or risks relating to employee rights that have arisen from the aforementioned behaviour or as a result of our business activities, our business relationships or our products and services.

We work in close cooperation with our works council, the youth and trainee representatives and our representatives for the severely disabled.

5.2 Equal opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation (co-determination) rights, the integration of migrants and people with disabilities, and fair pay and the work-life balance, and how it plans to achieve these goals.

At BJB, the personality and qualifications of our employees are what count – not gender, age, etc. We strongly reject all forms of discrimination. At the end of 2022, BJB employed people from 11 nations.

BJB cultivates a corporate culture that is characterised by open and friendly interaction. Consequently, fairness towards employees and all other groups of people is an important principle in the BJB Code of Conduct, which applies to all employees. The matter of remuneration is also regulated in the Code of Conduct. Accordingly, BJB is committed to the fair remuneration of its employees in accordance with applicable laws and regulations.

BJB stands for high quality and safety with regard to its products. We also seek to make the workplace as safe as possible for our employees. Our managers at our sites make sure that legal provisions for occupational health and safety are complied with.

In order to make our employees more aware of safety issues, we rely on risk assessment processes and the training courses derived from them. We have also implemented a management system for occupational health and safety that was certified in accordance with ISO 45001 in 2022 for the BJB manufacturing site in China. Preparations are now under way for certification of the BJB manufacturing site in Germany, which is scheduled to take place in 2023.

The Safety and Health at Work Policy (SHW Policy) is not just a general guideline for BJB but also a significant part of the company's policy to strengthen the culture of safety and health at work. In addition, the SHW Policy is a driver for the continuous improvement of the integrated management system. BJB is committed to corporate development based on safe and healthy working conditions. With ISO 45001 certification of BJB's SHW management system, which is planned for 2023, we expect to receive confirmation of the professional implementation of occupational health and safety management system requirements.

As a company, we want to provide safe and healthy working conditions and prevent accidents and injuries among our employees as well as among staff at other companies that work with BJB on the provision of services. Occupational health and safety takes priority over other corporate objectives, is an integral part of all operational procedures or processes, and is included in technical, economic and social considerations from the very beginning – as early as the planning phase.

BJB strives to ensure and improve the safety, health and satisfaction of employees and also ensure the safety and health of other persons who spend time at the company. Appropriate resources and the necessary means are provided for the prevention of accidents, occupational diseases and work-related health hazards, as well as for the avoidance and minimisation of SHW risks and hazards and for the safe and healthy design of all work carried out.

BJB undertakes to comply with all relevant legal obligations (laws, regulations, etc.) and guidelines and rules and also makes use of state-of-the-art technology and the latest findings from the field of occupational medicine.

Safety and health at work (SHW for short) is an essential part of BJB managers' responsibilities. Managers act as role models at BJB and perform their assigned duties responsibly.

The current version of the SHW Policy is documented and regularly reviewed and forms the framework for further corporate development and the definition and assessment of SHW objectives. The effectiveness of the SHW management system and the achievement of occupational health and safety objectives are also regularly evaluated by the Management Board.

BJB supports appropriate internal and external communication to ensure that all persons working within our sphere of influence are aware of their respective SHW obligations. Special emphasis is placed on the immediate reporting of incidents, hazards, risks and opportunities to the respective supervisor, which then allows corrective or preventive actions to be defined. Every employee at BJB is obliged to contribute to and support the continuous improvement of occupational health and safety.

We maintain close contact with our occupational physician at our main location in Arnsberg, with whom we discuss occupational health and safety issues and make improvements, thereby offering our employees real added value. The topic of health also plays a major role at our international locations and we support our employees here in the best possible way. Together with the health insurance company located in our building at headquarters, we have been able to promote various health protection measures in the past. Specific topics have included, for example, addiction prevention, stress management for trainees and special measures for employees working multiple shifts. With the support of the health insurance company and physicians, we have also already been able to hold several "BJB

Health Days", during which we informed employees about various key issues such as cardiovascular health, back training and sleep hygiene. We also offer our employees bicycle leasing in order to support a healthy lifestyle.

During the COVID-19 pandemic, BJB implemented comprehensive measures to protect the health of its employees: all employees at the main location in Arnsberg were provided with FFP2 masks, free rapid tests were offered there twice a week and COVID-19 vaccinations, including booster vaccinations, were administered there by the company physician. Similarly, the working from home option was used extensively and meetings were organised exclusively via video conferences for quite some time. Comprehensive preventive measures for dealing with the COVID-19 pandemic were also implemented at BJB's other locations abroad, which allowed the company to achieve the best possible health protection everywhere.

The use of shift work is essential in production operations at our main location in Germany. The shift models at BJB are always developed in close cooperation with the works council and correspond to forward-rotating shift planning, which minimises negative effects on health as much as possible. There is also a high degree of flexibility in terms of working hours – for our employees working multiple shifts as well.

The satisfaction of our employees is reflected in low staff turnover (2022: 6.2%) and long lengths of service (2022: 18.4 years average length of service). Each year, we and all of our employees celebrate the anniversaries of employees who have been with us for 25, 40 and 50 years in appreciation of the work they have done.

5.3 Qualification and training

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees (i.e. the ability of all employees to participate in the working and professional world) and to adapt to demographic change, and also discloses where it has identified risks.

The success of companies is based on the knowledge of their employees and good cooperation. Only by providing our staff with appropriate training and development opportunities can we ensure that BJB can continue to develop and "learn" as an organisation. In order to support organisational learning, we work with different instruments for human resources development.

We have also been operating our own training workshop at our main location for decades in order to counteract risks from demographic change in society, such as the shortage of skilled workers. Here, we provide training for various professions such as tool mechanic, process mechanic, electronics technician or mechatronics technician. In the commercial sector, training is provided for the professions of industrial management assistant and IT specialist. BJB also offers dual study programmes (work and study) and facilitates internships for school students and college students in different areas of the company. During their training, our trainees benefit from the support of competent and experienced trainers. Many of our current employees completed their training or dual study programmes at BJB or are second or third-generation employees at the company.

The health management system at BJB was updated in 2022 and is to be certified in accordance with DIN ISO 45001 in 2023. Promoting the employability of all employees, especially with regard to (further) training, is an essential part of BJB's manage-

ment system, which is certified in accordance with DIN ISO 9001. The conformity of the system has been confirmed in regular monitoring audits.

With regard to digitalisation and dealing with the challenges of demographic change, BJB, as a medium-sized company with limited capacities in its HR department, has not yet formulated specific targets or defined target achievement dates; this is to be worked out in 2023.

At the end of 2022, BJB had 25 employees either working as trainees or studying. Learning does not end after training, however, which is why we use our instrument for potential analysis and subsequent employee performance reviews to draw up an individual development and qualification plan for all employees. Our training approach distinguishes between technical topics, legally required training, the

establishment of expertise and the optimisation of soft skills to support the development of our top performers.

Performance indicator GRI SRS-403-9: Work-related injuries

a. For all employees:

i. The number and rate of fatalities as a result of work-related injury

ii. The number and rate of high-consequence work-related injuries (excluding fatalities)

iii. The number and rate of recordable work-related injuries

iv. The main types of work-related injury

v. The number of hours worked

b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation:

i. The number and rate of fatalities as a result of work-related injury

ii. The number and rate of high-consequence work-related injuries (excluding fatalities)

iii. The number and rate of recordable work-related injuries

iv. The main types of work-related injury

v. The number of hours worked

Information regarding the performance indicator:

	2022
For all employees:	
The number of fatalities as a result of work-related injury	0
The number of high-consequence work-related injuries (excluding fatalities)	0
The number of recordable work-related injuries	8
The main types of work-related injury	Due to the low number of work-related injuries, no specific types of injuries can be defined.
The number of hours worked	686,351

For all workers who are not employees but whose work and/or workplace is controlled by the organisation: this data can currently only be collected for temporary workers. As is the case with employees of external companies, BJB does not receive any data on the extent of injuries etc. after incidents occur. This is also particularly protected personal data that is not made available to BJB.

Further key figures for BJB Germany:
The number of reportable work-related injuries in relation to the total number of hours worked by employees in 2022 was: 0.000019.

The total number of days lost due to occupational accidents in the form of the number of hours in relation to the total number of hours worked by employees in 2022 was: 0.006.

The accident frequency LTIR (Loss Time Injury Rate) in 2022 was: 3.8 – a figure that is far below the industry figure for reportable occupational accidents as compiled by the German Social Accident Insurance organisation.

Performance indicator GRI SRS-403-10: Work-related ill health
a. For all employees:
i. The number and rate of fatalities as a result of work-related ill health
ii. The number of cases of recordable work-related ill health
iii. The main types of work-related ill health
b. For all workers who are not employees but whose work and/or workplace is controlled by the organisation:
i. The number of fatalities as a result of work-related ill health
ii. The number of cases of recordable work-related ill health
iii. The main types of work-related ill health

Information regarding the performance indicator:

	2022
For all employees:	
The number of fatalities as a result of work-related ill health	0
The number of cases of recordable work-related ill health	0
The main types of work-related ill health	-

Performance indicator GRI SRS-403-4: Worker participation, consultation, and communication on occupational health and safety
The reporting organisation shall report the following information for employees and for workers who are not employees but whose work and/or workplace is controlled by the organisation:

a. A description of the processes for worker participation and consultation in the development, implementation and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.
b. Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.

Information regarding the performance indicator:

	2022
A description of the processes for worker participation and consultation in the development, implementation and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers	BJB Germany: A management system in accordance with DIN ISO 45001 is currently being set up. Certification is planned for 2023. The works council is consulted on questions and on the definition/implementation of health and safety measures. The works council represents employees' interests. Relevant information is communicated to employees via notice boards, the BJB Wiki or by written instructions from the responsible managers. BJB China: The management system for occupational health and safety was certified in accordance with DIN ISO45001 at the end of 2022. The system ensures both procedures for employee participation and consultation and procedures for communicating safety information. It also ensures that all employees can participate in, be consulted on and be informed about occupational health and safety management. BJB China has established a system of employee representation in which employees are free to elect employee representatives who are empowered to - Participate in and consult on the company's occupational health and safety management system. - Participate in the investigation of incidents and the rectification of non-conformities. - Jointly define remedial measures. - Reach and sign off on agreements for public statements to be made. BJB USA: All employees receive annual safety training. Selected staff also complete an annual CPR / first aid course. BJB Spain has an external company that advises on health and safety. Medical examinations are also carried out for employees at regular intervals.
Where formal joint management–worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees	BJB Germany: An occupational health and safety committee has been established. It consists of the following members: a company representative, two members of the works council, the company physician, an occupational safety specialist and a safety officer. The committee meets every three months. The committee acts in an advisory capacity (Section 11 of the Act on Occupational Physicians, Safety Engineers and Other Occupational Safety Specialists – ASiG). Employees are represented on the committee by the works council; decisions are made by the company and the responsible managers. BJB China has established a health and safety committee with the following main responsibilities: • Organisation of all health and safety measures at the company.

	• Implementation of policies and regulations to protect health and safety in the workplace. • Formulation and review of all health and safety processes and procedures at the company. • Review of various health and safety plans, training of staff accordingly. • Supervision and inspection of all departments; review, analysis and processing of accident reports. • Issuing of instructions to the departments involved to solve problems within a certain period of time; promotion of continuous improvement measures in order to establish an environment that focuses on health and safety. As part of the committee, production and warehouse employees are required to participate in the aforementioned occupational safety management activities, consult on them and communicate them. The health and safety committee holds a meeting every quarter. BJB USA and BJB Spain, as sales companies, are not large enough to require committees.

Performance indicator GRI SRS-404-1 (see G4-LA9): Average hours of training per year per employee
a. Average hours of training that the organisation's employees have undertaken during the reporting period, by:

i. Gender
ii. Employee category

Information regarding the performance indicator:

	2022
Average hours of training that the organisation's employees have undertaken during the reporting period, by:	
Gender	Daten nicht verfügbar
Employee category:	
Office/administrative employee	2,7
Industrial employee	1,1

Performance indicator GRI SRS-405-1: Diversity of governance bodies and employees
a. Percentage of individuals within the organisation's governance bodies in each of the following diversity categories:

i. Gender
ii. Age group: under 30 years old, 30-50 years old, over 50 years old
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups)

b. Percentage of employees per employee category in each of the following diversity categories:
i. Gender
ii. Age group: under 30 years old, 30-50 years old, over 50 years old
iii. Other indicators of diversity where relevant (such as minority or vulnerable groups)

Information regarding the performance indicator:

	31.12.2022
Percentage of individuals within the organisation's governance bodies in different diversity categories.	As a family business, BJB has a voluntary advisory board. This is not a governance body.
Percentage of employees per employee category in each of the following diversity categories:	Data is not available per employee category, as such information is not recorded in the personnel system. A system changeover is planned for 2023.
i. Gender	Male 74% Female: 26%
ii. Age group:	Under 30 years old: 14% 30 to 50 years old: 43% Over 50 years old: 43%
Other indicators of diversity where relevant	Severely disabled persons: 6%

Performance indicator GRI SRS-406-1: Incidents of discrimination
a. Total number of incidents of discrimination during the reporting period
b. Status of the incidents and actions taken with reference to the following:
i. Incident reviewed by the organisation
ii. Remediation plans implemented
iii. Remediation plans have been implemented, with results reviewed through routine internal management review processes
iv. Incident no longer subject to action or complaint

Information regarding the performance indicator:

	2022
Total number of incidents of discrimination during the reporting period	0
Status of incidents and actions taken with reference to the following:	N/A
• Incident reviewed by the organisation	N/A
• Remediation plans implemented	N/A
• Remediation plans have been implemented, with results reviewed through routine internal management review processes	N/A
• Incident no longer subject to action or complaint	N/A

6 Commitment to society

6.1 Human rights

The company discloses which measures, strategies and targets have been defined for the company and its supply chain in order to ensure that human rights are respected worldwide and that forced and child labour as well as any form of exploitation are prevented. The results of the measures taken, as well as any risks identified, must also be disclosed.

For BJB as a globally active family business with a strong value base, respect for human rights is an indispensable part of corporate responsibility. BJB rejects any form of human rights violations such as child and forced labour or discrimination based on ethnic origin, skin colour or gender. This applies to all of our own sites as well as to all of our business partners and does not end with compliance with respective local legal requirements, but instead goes beyond these.

On 30 June 2022, the Management Board documented in writing a policy statement on respect for human rights. With this policy statement, the Management Board commits itself to strengthening respect for human rights along our value chain and to preventing human rights violations. As part of this policy, the Management Board also commits itself to the UN Guiding Principles on Business and Human Rights and the Ten Principles of the United Nations Global Compact. The requirement to respect and uphold human rights is part of the BJB Group-wide Code of Conduct as well as the BJB Supplier Code of Conduct. It is aimed at all employees in the company and at business partners for production materials. The department responsible for human rights issues is the Human Resources department (and its managers). As part of the BJB's internal risk reporting system, reports on the topic of human rights are also submitted to this department as required

The objective with regard to human rights compliance as it relates to BJB is to avoid violations; no violations were identified in 2022. The objective with regard to human rights compliance as it relates to suppliers is also to avoid violations. In connection with the new Supply Chain Act, BJB introduced risk management for possible human rights violations in the supply chain in 2022.

BJB's risk management is based on risk analyses of known human rights risk areas, as well as country risks.

All suppliers were asked about their compliance with the Supply Chain Act in a questionnaire and, with the newly introduced Supplier Code, were also required to comply with the Supply Chain Act in their supply chain. No human rights violations in the supply chain became known in the year under review in 2022.

Violations can also be reported via BJB's global compliance whistle-blowing system. No indications of human rights violations were reported in 2022.

BJB managers and employees receive training on the BJB Code of Conduct, which calls for respect for human rights.

Performance indicator GRI SRS-412-3: Investment agreements screened for human rights aspects

a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

b. The definition used for "significant investment agreements"

Information regarding the performance indicator: None (zero). All significant investments (> €500,000) were made in Germany.

Performance indicator GRI SRS-412-1: Operations that have been subject to human rights reviews

a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country

Information regarding the performance indicator: None (zero). The foreign subsidiaries are managed by managing directors who

work closely with the BJB company management team and are committed to upholding the BJB Code of Conduct.

Performance indicator GRI SRS-414-1: New suppliers that were screened using social criteria

a. *Percentage of new suppliers that were screened using social criteria.*

Information regarding the performance indicator:
Since 1 July 2022, all suppliers have been obliged to sign and comply with the BJB Supplier Code.

Performance indicator GRI SRS-414-2: Negative social impacts in the supply chain and actions taken

a. Number of suppliers assessed for social impacts
b. Number of suppliers identified as having significant actual and potential negative social impacts
c. Significant actual and potential negative social impacts identified in the supply chain
d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment
e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.

Information regarding the performance indicator:

	2022
Number of suppliers assessed for social impacts	67. Since 1 July 2022, all suppliers have been obliged to sign and comply with the BJB Supplier Code of Conduct.
Number of suppliers identified as having significant actual and potential negative social impacts	0
Significant actual and potential negative social impacts identified in the supply chain	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why	0

Since 1 July 2022, all suppliers have been obliged to sign and comply with the BJB Supplier Code of Conduct and ensure that their own suppliers also comply with the same. Potential negative effects did not occur in the year under review.

6.2 Community

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

BJB is strongly rooted in society at its main location in Arnsberg. On the one hand, this is due to the tradition of our family business, and on the other, it is strongly related to the personal commitment of our shareholders and managing directors. BJB is therefore committed to local social and environmental causes beyond its core business and financially supports local cultural and sporting events.

In terms of a community, there are always risks that companies might have to cut jobs due to changing framework conditions or that they might experience economic losses that affect wages and salaries, social security contributions and taxes. From our point of view, a dedicated analysis of risks or a specific management concept is not expedient here; rather, we want to ensure that BJB develops positively and that possible risks do not arise in the first place.

In its capacity as managers of a medium-sized company, the company management team decides directly on all contributions to sustainable development that go beyond the core business of the company, such as the commitment to local projects or support measures within the framework of which BJB assumes responsibility for society.

Since 2022, BJB has annually supported the Waldlokal initiative with monthly contributions, thus helping with the reforestation of wooded areas in the Arnsberg region.

BJB is also a benefactor of the Bürgerstiftung Arnsberg, which promotes charitable activities at the local level.

BJB encourages and supports voluntary work by employees and releases them for voluntary activities. For example, our employees are active in the volunteer fire brigade and the THW disaster relief organisation and they also help manage youth leisure activities. Employees serve as honorary judges and as members of the examination and further education committees of the Chamber of Industry and Commerce and are also involved with other professional or private associations.

BJB is also one of the sponsors of Witten-Herdecke University. In addition, events are regularly organised in cooperation with regional schools and universities in order to promote young technical talent or provide guidance with choosing a career. For example, we hold an annual training day where we provide insights into our company and its training and study profiles.

BJB also cooperates with the South Westphalia University of Applied Sciences and RWTH Aachen University on research and development topics.

Performance indicator GRI SRS-201-1: Direct economic value generated and distributed

a. Direct economic value generated and distributed on an accruals basis, including the basic components for the organisation's global operations as listed below If data is used as a revenue-expenditure calculation, in addition to disclosing the following basic components, the rationale for this decision must be disclosed:

i. Direct economic value generated: Revenue

ii. Economic value distributed: Operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments

iii. Economic value retained: "Direct economic value generated" less "economic value distributed"

b. The economic value generated and distributed must be stated separately

at the national, regional or market level where significant, and the criteria used to determine significance must also be stated.

Information regarding the performance indicator: As a family business with unlimited personal liability, BJB does not publish annual financial statements. Accordingly, no data is disclosed in this report either.

6.3 Political influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

BJB's political influence is exercised exclusively through association activities, such as participation in association meetings of the following organisations:

- Association of the Electrical and Digital Industry of the State of North Rhine-Westphalia
- Westphalia-Mitte Business Association
- Arnsberg Chamber of Industry and Commerce

BJB is also a founding member of Zhaga, a global consortium of companies from the international lighting industry, and is represented on its steering committee. Zhaga's main goal is standardisation, which allows LED illuminants from different manufacturers to be interchangeable without having to change the light design. In turn, this should accelerate the use of LED illuminants in general lighting.

In the lighting industry, it used to be common practice to use standardised illuminants. This has changed with the advent of LEDs. LED technology offers many advantages, but a lack of standardised interfaces makes it difficult to exchange one LED illuminant for another.

Zhaga develops the specification books for the interfaces between LED modules / light engines and LED lights. BJB is driving this standardisation through active participation in the Zhaga industry consortium to define interface specifications for LED illuminants. This simultaneously supports the global sustainability goal of a circular economy.

BJB is also represented in the IEC - International Electrotechnical Commission (international standardisation body) on the "TC34 - Lighting" Technical Committee and its subcommittees and working groups.

Performance indicator GRI SRS-415-1: Political contributions
a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation by country and recipient/beneficiary
b. If applicable, how the monetary value of in-kind contributions was estimated.

Information regarding the performance indicator: In accordance with the BJB Code of Conduct, BJB does not make political donations.

6.4 Conduct in compliance with laws and regulations

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, as well as how they are verified, which results have been achieved to date and where the company has identified risks. It describes how corruption and other violations of the law are prevented, detected and sanctioned in the company.

BJB's business success is based on trust, integrity, fair competition and lawful conduct both internally and towards customers and business partners. These principles are anchored in the Code of Conduct, compliance with which is ensured through appropriate measures and the clear definition of responsibilities within the company.

Unlawful conduct and corruption is not only punishable by law, but also damages BJB's corporate culture, reputation and business relationships. Compliance with laws and guidelines as well as the prevention of corruption are defined and monitored by the Management Board as a core value and are firmly anchored in the BJB management concept. The goal is zero tolerance of violations. BJB's Management Board communicates regularly with all managers in the company, who were made aware of the issue when they started working at BJB and then again repeatedly in discussions thereafter.

BJB introduced a new comprehensive risk management process in 2020. The starting point was a systematic formal inventory of all risks, which were then assessed by defined risk observers in terms of probability of occurrence and damage potential. Risks are reassessed annually and the risk analysis is updated to determine whether new risks have been added or whether risks have been eliminated.

In our view, there are no material risks arising from BJB's business activities, BJB's business relationships and BJB's products and services that are likely to have a negative impact on the fight against corruption and bribery.

BJB is subject to general corruption risks in business. Country risks are monitored. BJB has no subsidiaries in countries with a high risk of corruption. The Management Board regularly monitors business development. The existing concept at BJB to prevent unlawful conduct and corruption has proven its worth over decades; in 2022 as well, no cases of corruption or violation of the law were identified. BJB closely monitors regulatory developments and proactively responds to legislative initiatives. For each area of compliance, guidelines are reviewed annually to ensure they are up to date with any changes in the law and are also updated after four years at the latest

Data protection and IT security have the highest priority at BJB. In the year under review, considerable investments were made in IT security and this was comprehensively expanded to the highest level. The function of the data protection officer is located outside the IT department, as they have a control function vis-à-vis the IT department and accountability to Compliance (within the framework of the functional delegation of the Management Board).

No cases of corruption have been reported up until now. Accordingly, a corresponding systematisation is neither possible nor indicated. Nevertheless, we are considering appropriate preventive measures and training programmes for our employees in future.

Performance indicator GRI SRS-205-1: Operations assessed for risks related to corruption
a. Total number and percentage of operations assessed for risks related to corruption
b. Significant risks related to corruption identified through the risk assessment.

Information regarding the performance indicator: None (zero). The foreign subsidiaries are managed by managing directors who work closely with the BJB company management team and are committed to upholding the BJB Code of Conduct.

Performance indicator GRI SRS-205-3: Confirmed incidents of corruption and actions taken
a. Total number and nature of confirmed incidents of corruption
b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption
c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption
d. Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases

Information regarding the performance indicator: None (zero).

Performance indicator GRI SRS-419-1: Non-compliance with laws and regulations
a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:
i. Total value of significant fines
ii. Total number of non-monetary sanctions
iii. Cases brought through dispute resolution mechanisms
b. If the organisation has not identified any non-compliance with laws and/or regulations, a brief statement of this fact is sufficient
c. The context against which significant fines and non-monetary sanctions were incurred.

Information regarding the performance indicator: None (zero).

German Sustainability Code Index

The report was prepared in accordance with the criteria of the German Sustainability Code (GSC). The GRI SRS indicators were used as a guideline. In the table you will find an overview and the respective references to the GSC.

No	GSC criterion	Description	BJB Sustainability Report	Page
0	General	Information on the company and business model	Foreword by the Managing Directors BJB: Company and products	1-3
1	Strategy	Corporate strategy, sustainability strategy, goals	1. BJB's strategy 1.1. Strategy and sustainability management	3-4
2	Materiality	Impact of business activity, relevance and priority of the fields of action	1.2. Stakeholder participation and materiality	4-7
3	Goals	Goals for sustainability, current focus areas	1.3. Goals	7-8
4	Depth of the value chain	Value chain of the company, importance of sustainability aspects, social and ecological challenges, communication with suppliers and business partners	2.1. Depth of the value chain	9
5	Responsibility	Responsibility for sustainability issues	2.2. Responsibility for sustainability	10
6	Rules and processes	Management of the sustainability strategy	2.3. Rules, processes and monitoring	10-11
7	Monitoring	Performance indicators for review; reliability, comparability, consistency	2.3. Rules, processes and monitoring	10-11
8	Incentive systems	Remuneration systems with integrated sustainability criteria	2.4. Incentive systems	11-12

No	GSC criterion	Description	BJB Sustainability Report	Page
9	Stakeholder participation	Identification and participation of important stakeholders	1.2. Stakeholder participation and materiality	4-7
10	Innovation and product management	Identification of social and environmental impacts of key products and services	3.2. Innovation and product management	15-16
11	Use of natural resources	Materials used as well as the input and output of water, soil, waste, energy, land, biodiversity and emissions for the life cycle of products and services.	4.1. Use of natural resources	18-21
12	Resource management	Targets for environmental aspects of the company's activities and the measures introduced	4.2. Resource management	22-23
13	Climate-relevant emissions	Greenhouse gas emissions and self-imposed reduction targets	4.3. Climate-relevant emissions	23-27
14	Employee rights	Compliance with labour standards, participation of employees, promotion of sustainability management, goals and results	5.1. Employee rights	28-29
15	Equal opportunities	Processes and goals related to equal opportunities, diversity, occupational safety, health protection, etc.	5.2. Equal opportunities	29-31
16	Qualification	Measures to maintain and promote employability	5.3. Qualification	31-36
17	Human rights	Measures, strategies and targets for human rights compliance in the company's supply chain.	6.1 Human rights	37-38
18	Community	Contribution to the common good in the region	6.2 Community	39-40

No	GSC criterion	Description	BJB Sustainability Report	Page
19	Political influence	Political influence	6.3 Political influence	40
20	Conduct in compliance with laws and regulations	Disclosure of measures, standards, systems and processes to prevent unlawful conduct	6.4 Conduct in compliance with laws and regulations	41-42

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UN Global Compact Index

This CSR report also serves as the company's progress report within the framework of the UN Global Compact. The table refers to the text passages where the company provides information about its commitment to implementing the Ten Principles of the Global Compact.

BJB's progress report according to the new reporting format from 2023 is published on the UN Global Compact website: https://unglobalcompact.org/what-is-gc/participants/154472-BJB-GmbH-Co-KG.

Principle		Section
Human rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	6.2.
Principle 2	Businesses should make sure that they are not complicit in human rights abuses.	2.5.
Labour standards		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.1.
Principle 4	Businesses should uphold the elimination of all forms of forced and compulsory labour.	5.1.
Principle 5	Businesses should uphold the effective abolition of child labour.	5.1.
Principle 6	Business should uphold the elimination of discrimination in respect of employment and occupation.	5.1.
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	4.1., 4.2.
Principle 8	Businesses should undertake initiatives to promote greater environmental responsibility.	4.1., 4.2.
Principle 9	Businesses should encourage the development and diffusion of environmentally friendly technologies.	3.1., 3.2.
Prevention of corruption		
Principle 10	Businesses should work against corruption in all forms, including extortion and bribery.	6.4.