Sustainability Report 2020 of OSRAM Licht AG

Light is OSRAM

OSRAM
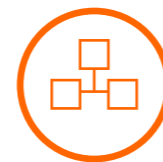
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About the cover picture:
UV-C wafers are effectively the basic material from which UV-C LEDs are made. These LEDs can be used for example for disinfection and sterilization to help in the fight against COVID-19.

About this Report

This Sustainability Report presents the sustainability performance of the OSRAM Licht Group (OSRAM) for the fiscal year 2020. It sheds light on the impact of our business from a social, environmental, and economic perspective, and describes the systems we have developed and the measures we have taken. The report is intended to inform our stakeholders—employees, customers, investors and analysts, suppliers, non-governmental organizations, politicians and government agencies, and anybody with an interest in the Company—about what we do in order to make our products, solutions, processes, and supply chain even more sustainable.

Like the reports for the prior fiscal years, the Sustainability Report we present here is based on the framework provided by the Global Reporting Initiative (GRI) and was drawn up in accordance with the GRI standard option 'Core.' The report also presents our Communication on Progress (COP) report for this fiscal year in relation to the UN Global Compact. The corresponding sections of the report have each been identified in the GRI Index. OSRAM signed up to the UN Global Compact in 2005 and has been publishing a COP since 2006. This year, for the first time, our report contains a subchapter on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and a SASB index. This forms part of the GRI Index, has been prepared on the basis of the SASB Electrical & Electronic Equipment Sustainability Accounting Standard and contains, where applicable, the related sustainability disclosure topics & accounting metrics.

As a company that is active in the capital markets, OSRAM is required to disclose its sustainability performance by the CSR-Richtlinie-Umsetzungsgesetz (CSR-RUG—German CSR Directive Implementation Act), which came into force at the beginning of 2017. As in the prior year, we have met these reporting requirements through a separate non-financial group report, which forms part of the ›› 2020 OSRAM Licht Group Annual Report published on December 2, 2020.

The reporting period for this Sustainability Report covers fiscal year 2020 (October 1, 2019, to September 30, 2020). Unless indicated otherwise, all figures for this fiscal year and, where applicable, the comparative figures for the prior fiscal year(s), refer to the continuing operations of the OSRAM Group* ›› 2020 OSRAM Licht Group Annual Report, A.2.2.3 Other Significant Events Responsible for the Course of Business, p. 13.

We report on certain key performance indicators over a multi-year period. Due to rounding, numbers presented in tables throughout this report may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The financial data is taken from the 2020 OSRAM Licht Group Annual Report. At the end of fiscal year 2020, it was announced that the business of OSRAM CONTINENTAL was to be restructured. The plan is for the areas of business originally brought into the joint venture by the respective shareholder companies to be separated and transferred back to them again.

In November 2020 the Supervisory Board of OSRAM Licht AG resolved to reduce the Managing Board to two members. Stefan Kampmann, Chief Technology Officer (CTO) resigned his office with effect from November 30, 2020. The Supervisory Board reallocated the responsibilities among the Managing Board members with effect from December 1, 2020, assigning to the Chairman of the Managing Board (CEO) the previous responsibilities of the CTO—including Quality Management & Operations and Environmental Protection, Health & Safety—with the exception of Procurement & Supply Chain (incl. Logistics) and Information Technology, which have been assigned to the Chief Financial Officer.

References in the text

›
Internal reference (within the document)

››
External reference (in another document or on the Internet)

* OSRAM Licht AG and its subsidiaries; associates are not included.

Fiscal year 2020 for the OSRAM Licht Group was dominated by the COVID-19 pandemic. The impact on the Company's business is described in the ›› 2020 OSRAM Licht Group Annual Report, A.2.2.3 Other Significant Events Responsible for the Course of Business—COVID-19 pandemic, p. 13. Non-financial aspects, for example employee health and safety, were also impacted. The pandemic caused demand in some areas to fall significantly, and production was scaled back accordingly. This affected levels of energy consumption and emissions. Information regarding the impact on the individual aspects can be found in the relevant subchapters.

Unless stated otherwise, the number of employees is given in full-time equivalents (FTEs) as of the reporting date.

Disclosures for the period from October 1, 2019, to September 30, 2020, that are marked in the German PDF version of the report with […] ⊘ were subject to a limited assurance engagement carried out by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft in accordance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised). Only disclosures for fiscal year 2020 were part of the assurance engagement. Most of the figures for the previous fiscal year were covered by the assurance engagement for the 2019 Sustainability Report and are identified as such there. This report is published in PDF format ›› www.osram.com/sustainability.

Foreword

Dear Readers,

2020 was a challenging fiscal year and was dominated by the COVID-19 pandemic.
As well as the direct economic consequences of the pandemic, there will be long-term and structural effects—for example, changes to how society operates—that are not yet foreseeable. We responded to the crisis rapidly and resolutely. Our top priority was the health and safety of our employees worldwide. We also took steps to ensure the continued operation of our business and to limit the effects of COVID-19 on our results of operations and financial position. While managing the crisis, we also prepared ourselves for business opportunities after the crisis. We aim to unlock these opportunities together with ams AG (ams) and to become a leading global supplier of sensor solutions and photonics. Following the successful acquisition of a majority stake in OSRAM Licht AG by ams, the Extraordinary General Meeting of OSRAM Licht AG held in November 2020 approved the control and profit transfer agreement with ams. We now intend to work with ams in order to forge ahead with our strategy of becoming a photonics champion.

Throughout these periods of change, our products have been making an important contribution to progress and the quality of life of our customers and society. Our mainly semiconductor-based products find wide-ranging use in our specialist fields of mobility, safety, connectivity, and health and well-being. We are fully exploiting the potential presented by the digital revolution. And we are extending our reach far beyond lighting to cater to fields of application such as visualization, sensors, and treatment with light. The last of these has played an important contribution in the battle against the COVID-19 pandemic, as our solutions help to kill germs in the air and on surfaces.

We want to help develop solutions to tackle global challenges while generating added value for society. Our intelligent, energy-efficient products and solutions are helping to combat climate change, for example with intelligent and connected lighting solutions in buildings. Furthermore, our lighting technologies are helping to enhance safety in road traffic and public spaces, protect personal data, and improve well-being in many areas of life.

Sustainability means responsibility, which for us includes not only the value that our products add for our customers but also the way that we treat our employees, suppliers, and customers. Throughout our value chain, we put the emphasis on careful use of resources, environmental protection, good working conditions, health and safety, and compliance with human rights—both in respect of our own employees and those of our partners.

This Sustainability Report highlights OSRAM's commitment to sustainable development. It documents the progress that we are making in our sustainability activities, which are based on the 17 Sustainable Development Goals (SDGs) of the United Nations. As a long-standing supporter of the UN Global Compact, we also align our business and our strategy to these universally acknowledged principles.

Our efforts are delivering results and we have already received several awards for our sustainability performance. In early 2020, we earned a place in the Corporate Knights Global 100 index once again. This index comprises the '100 most sustainable corporations in the world'. OSRAM came highest among the five German companies to have been included in the index in 2020 and was ranked 11th overall. OSRAM was also included in the Clean200 index, which lists the 200 'cleanest' companies in the world. RobecoSAM has recognized our sustainability efforts with a Bronze Class award and OSRAM was also listed in the 2020 Sustainability Yearbook. At the World Finance Sustainability Awards, OSRAM won the title of 'world's most sustainable light manufacturer'.

We also continue to be listed by ISS ESG in the Prime Status category and received the top quality score within our peer group in the Social category. In 2020, OSRAM was recognized by Sustainalytics as an "ESG Industry Top Rated Company". OSRAM shares are listed in various sustainability indices of MSCI and STOXX as well as in the FTSE4Good index. The Top Employers Institute also awarded us certificates as a top employer in Germany, Malaysia, China, and the U.S.A. again. We regard these accolades as both acknowledgement of our work so far and an incentive to do more.

We also want to continue making a contribution to sustainable development. The best way to do this is with partners who share our aims in terms of sustainable development. This is why we are issuing you with a very warm invitation to enter into a dialog with us. We welcome your suggestions, which will support us in our efforts. I hope you find this report both informative and enlightening.

Kathrin Dahnke
Chief Financial Officer (CFO)

Our Sustainability Performance at a Glance

Key performance indicators at a glance

Environment
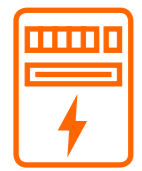
Primary energy:
156,900 MWh

Secondary energy
506,200 MWh

CO_2 emissions
Scope 1 **29,200 t**

Scope 2 **207,100 t**

Scope 3 upstream supply chain
794,200 t

Water withdrawal
2,745,700 m³

Waste water
2,236,000 m³

Waste for disposal
4,400 t

Waste for recycling
7,200 t

Employees/Society

Employees
21,400

Expenditure on professional training
€3.51 million

Expenditure on corporate citizenship projects
€1.9 million
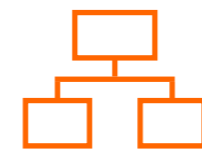
Internal recruitment (management)
78%

Lost time injury frequency rate
0.37

Severity Rate
6.62

Corporate Governance

R&D expenditure
€362 million

R&D intensity
11.9%

Newly signed codes of conduct for suppliers
339

Internal and external EHS audits
17

Employees trained in compliance
4,426

Employees trained in data protection
304

1.0

Our Company Profile

OSRAM is undergoing a transformation from a lighting manufacturer to a high-tech photonics company. Our mainly semiconductor-based products find wide-ranging use in our specialist fields of mobility, safety, connectivity, and health and well-being.

1.1

Our Company

The OSRAM Licht Group comprises the parent company OSRAM Licht AG, which is headquartered in Munich and is an Aktiengesellschaft (stock corporation) in accordance with German law, 93 subsidiaries and 20 investees ›› 2020 OSRAM Licht Group Annual Report, B.6 Notes to the Group Report, Note 38 I List of Equity Investments of the OSRAM Licht Group in Accordance with Section 313 of the HGB, p. 126.

The operating activities covered by our business model are essentially organized into three business units: Opto Semiconductors, Automotive, and Digital ›› 2020 OSRAM Licht Group Annual Report, A.1.1.1 Business Model, p. 3.

OSRAM's global business is structured on a regional basis. OSRAM's activities, which encompass more than 120 countries and over 23 production sites, are divided into three reporting regions/markets: EMEA (Europe, Russia, the Middle East, and Africa), APAC (Asia, Australia, and the Pacific region), and the Americas (U.S.A., Canada, Mexico, and South America). Key locations are listed in the ›› 2020 OSRAM Licht Group Annual Report, A.1.1.3 Organization and Reporting Structure, p. 6. OSRAM employed a total of around 21,400 people as of September 30, 2020 (previous year: 23,500) in FTE (full-time equivalents).

After the end of the first quarter, the biggest influence by far on the course of business in the OSRAM Licht Group during fiscal year 2020 was the COVID-19 pandemic. Overall, we largely succeeded in mitigating the financial impact of the coronavirus crisis in fiscal year 2020 ›› 2020 OSRAM Licht Group Annual Report, A.2.2.3 Other Significant Events Responsible for the Course of Business—Capital Expenditure, p. 13.

Revenue by segment
in € million

	2019	2020
Opto Semiconductors	1,464	1,338
Automotive	1,781	1,588
Digital	934	742
Reconciliation to consolidated financial statements	−715	−628
OSRAM (continuing operations)	**3,464**	**3,039**

Revenue by region (by location of customers)
in € million

	2019	2020
EMEA	1,194	1,016
of which Germany	447	365
APAC	1,237	1,127
of which China	693	675
Americas	1,032	896
of which U.S.A	849	759
OSRAM (continuing operations)	**3,464**	**3,039**

1.2

Our Portfolio

We are currently undergoing a transformation from a lighting manufacturer into a high-tech photonics company. In addition to lighting, we are increasing our focus on sensors, visualization, and light-based treatments. Our mainly semiconductor-based products find wide-ranging use in our specialist fields of mobility, safety, connectivity, and health and well-being. Applications range from virtual reality, autonomous driving, and high-tech smartphones to intelligent and connected lighting solutions in buildings and the indoor cultivation of plants ›› 2020 OSRAM Licht Group Annual Report, A.1.1.1 Business Model, p. 3.

1.2.1 Innovations

Strategic matters are closely coordinated between the business units and Managing Board at monthly board meetings and, at planning level, in an annual technology review. A network of experts from all business units has also been set up, ensuring that their specialist knowledge can be put to use across the Company. Within our business model, the business units have operational responsibility for innovations ›› 2020 OSRAM Licht Group Annual Report, A.1.1.2 Research and Development (R&D), p. 4.

In fiscal year 2020, OSRAM continued to push ahead with its transformation from a lighting manufacturer into a leading high-tech photonics company with a firm focus on fast-growing high-tech markets. Global trends and challenges, such as the progressive automation of personal transport, the growing demand for digital services in increasingly net-worked systems, and the combined demographic issues of a growing and, in western societies, aging population, are opening up opportunities for light-based applications that go far beyond lighting for people. Intelligent sensors and digital technologies are building blocks of the systems of the future that enable these social issues to be tackled. OSRAM is active in fields such as smart building services and the development of new optical sensors ›› 2020 OSRAM Licht Group Annual Report, A.1.1.2 Research and Development (R&D), p. 4.

The following activities in fiscal year 2020 are particularly notable with regard to sustainability.

Contribution to the fight against COVID-19:
— A solution that may prove useful during the epidemic is UV-C light for disinfection and sterilization. Solutions based on UV-C LEDs have now been added to the range in order to complement the solutions based on low-pressure discharge lamps that are already available. They are robust, vibration-resistant and, thanks to their small size, extremely versatile.

— In order to prevent COVID-19 infection at our factory in Plovdiv (Bulgaria) we have been using an intelligent occupancy sensor system made by OSRAM subsidiary Digital Lumens. Infrared array sensors detect heat differ-ences within a space and send the information via a cloud platform to a display next to the entrance doors. The display indicates when the maximum permitted number of people within the space—to enable com-pliance with social distancing requirements— has been reached.

Light for enhanced safety and a better quality of life:
— The OSLON Black Flat and OSLON Compact product families from OSRAM Opto Semiconductors (OS) improve road safety when used in low beam and high beam headlamps. Their compact size means that more and more compact and mid-range vehicles can be fitted with LEDs. The new generation of LEDs offer out-standing brightness which means that fewer of them have to be installed and energy efficiency is increased.

— The Automotive (AM) Business Unit launched the NIGHT BREAKER H7 LED, the first LED retrofit for low beam to be approved in Germany, which will replace the H7 halogen lamps still fitted in many vehicles. The retrofit lamp significantly improves driving safety thanks to increased brightness, colder color temperature, and greater longevity.

— The transmission of stimuli by means of light could revo-lutionize the quality of hearing implants—and improve the quality of life for many people with hearing prob-lems. In contrast to conventional electrical stimulus transmission, bundled light can stimulate the auditory nerve in a more targeted way. OSRAM's research teams are currently working with partners to significantly improve speech recognition and thus achieve a better quality of life for people with impaired hearing.

— OS has developed the world's smallest broadband infrared LED. Used in mobile spectroscopy applications, the near-infrared LED (NIRED) can help to determine the freshness of food and in the future will also be able to help identify counterfeit medicines and forged bank-notes, as well as determine the ideal time to harvest agricultural crops.

Helping to protect resources:
— OS is working on the use of algorithms, artificial intelli-gence, and automated image analysis to identify faulty chips on wafers or soldering defects. But this technology has the potential to be used far more widely. The ulti-mate vision is the 'golden route' that automatically determines the optimum route for a wafer through the production process. This increases efficiency and reduces the use of energy and materials, as well as minimizing waste and resulting in fewer units being rejected.

— Back in 2008, OS introduced a method for recovering and recycling the metals from germanium and gallium arsenide substrates that are filtered out in the production process. Working with a recycling partner, it has now developed a method for analyzing the dust from the laser cutting process. This is no longer disposed of in a special-waste incinerator, meaning that valuable natural resources can be recovered.

— OS expanded its horticultural LED product portfolio for professional top lighting, inter lighting, and vertical farming applications for the rapidly expanding market for plant cultivation. Horticultural LEDs enable more produce to be grown throughout the year, helping to resolve food problems. OS is setting a new standard

for professional plant cultivation applications with the new generation of OSLON Square Hyper Red 660 nm, which boasts efficiency of 74%.

— In its EKOLAS research project, OS has worked with partners to develop new infrared laser beams for metal-working, e.g., in the automotive industry. During a pro-duction cycle of approx. 30,000 hours, savings of 270 MWh/per laser can be achieved.

— The HubSense light management system developed by Digital (DI) enables offices to be retrofitted with LED lighting more easily. Based on qualified Bluetooth mesh wireless technology, it allows installations to be brought up to the latest standard without the need for rewiring or the use of a gateway or other IT.

Extensive up-to-date information on our R&D projects is available on our website ≫ www.osram.com/press and ≫ www.osram-group.com/innovation. For further R&D success stories, see ≫ 2020 OSRAM Licht Group Annual Report, A.1.1.2 Research and Development (R&D), p. 4.

1.2.2   Added value of our products

Our products are addressing global challenges such as climate change, resource scarcity, and urbanization, while also adding value to our customers' businesses. OSRAM's energy-efficient products and solutions are helping to miti-gate climate change. Lighting offers excellent opportunities

for reducing greenhouse gas emissions. This is because artificial lighting accounts for around 15% of global power consumption and nearly 5% of greenhouse gas emissions. According to the United Nation's ≫ United for Efficiency environmental initiative, if the whole world were to switch to energy-efficient lighting it would lower CO_2 emissions by 390 million metric tons a year and save around US$ 50 billion in annual energy costs.

However, the many new possibilities for LED lighting in com-bination with sensors and digital control are also paving the way for applications whose benefits extend well beyond energy savings. For example, OSRAM is offering innovative products and solutions in which the color and intensity of light can be dynamically adapted to the needs of people (human-centric lighting). This can be used to enhance well-being in the workplace or to raise levels of attention in learning envi-ronments or hazardous situations. Our lighting solutions are already making a contribution to safety in public spaces and on our roads—for example by means of intelligent dimming. We are also working closely with the automotive industry on lighting solutions and sensor systems for self-driving vehicles, which will be key to addressing the growing traffic problems in major urban centers. A further future-focused application is plant lighting in which the spectrum of light that illuminates the plants is dynamically adjusted to optimize yield. It is used in urban farming, which can help to keep expanding cities supplied with fresh plant-based products.

To enhance our service portfolio, IoT applications for facilities management and automated plant cultivation in green-houses were jointly developed and tested with pilot customers. These applications enable OSRAM to provide comprehen-sive analysis of lighting- and building-related data, creating added value for customers that goes far beyond that offered by intelligent light control. It has many possible applications, ranging from occupancy management for rooms and work-places to optimized use of space in office blocks and improved plant cultivation based on customized lighting and ambient conditions.

For our latest success stories see ❯ 1.2.1 Innovations.

1.2.3   Contribution to the SDGs

In the new section that follows, we explain how our products generate added value for society and contribute to the attainment of the Sustainable Development Goals (SDGs) of the United Nations. We plan to refine the way in which we present our contribution in the coming years, and to develop an SDG reporting system.

In 2015, the member states of the United Nations unanimously adopted Agenda 2030 for Sustainable Development, setting themselves 17 social, economic, and environmental goals designed to promote sustainable development. Companies will play a critical role in achieving these goals. The SDGs provide them with a common guideline to help them align their targets and activities with the objective of sustainable development. The goals also provide potential for unlocking business opportunities.

The description below of the contribution made by our products and applications is based on an analysis of risks and opportunities across the value chain in relation to the individual SDGs. We have looked at the potential positive and negative effects of our business activity on society and the environment, as well as possible risks and business opportunities for the Company. In accordance with the aims set by the SDGs for the year 2030, we have selected a medium to long-term perspective and analyzed future ambitions as well as the current portfolio. The analysis was carried out in 2017 with representatives of the business units and selected functions as well as our customers, who are a key stakeholder group. The Sustainability department carried out a new assessment in fiscal year 2020, but this did not reveal any notable changes.

On the basis of this analysis, we were able to define three levels that illustrate our potential and actual contribution to the SDGs (see chart). We are not yet able to quantify this impact, and in this first stage have confined ourselves to describing it.
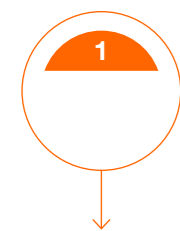
There are four SDGs on which our products and solutions have a particularly major impact. These are listed below:

SDG 12: Ensure sustainable consumption and production patterns
The ongoing refinement of our products with regard to their energy efficiency makes it possible for many of them to be miniaturized. This

Our contribution to the SDGs

Strong potential for positive impact with scale

Some/little potential for direct/indirect positive impact

Responsibility to mitigate potential negative impact

Elementary operating principles

Embedding (circle): The fundamental principles on which our contribution is based are respecting and complying with the rule of law, and the clear understanding that it is only possible to achieve these goals by working openly and in partnership with our stakeholders.

Level 1: Large parts of our portfolio have the potential to have a significant positive effect on a number of SDGs.

Level 2: We will potentially have a modest positive impact on these SDGs via smaller or new business segments or through responsible business practices.

Level 3: In respect of all other SDGs, we aim to prevent any negative impact by employing responsible business practices.

Based on the systematics of Maersk

substantially improves the relationship between desired output and the resources required to achieve it, meaning that less material has to be purchased and used in production. The primary focus here is on particularly scarce or valuable resources. We avoid waste by continuously improving our production and logistics processes. Any waste that is generated is, wherever possible, fed back into the production cycle. Efforts to make sure that our products can be recycled begin during the development process. In some parts of our portfolio the use of hazardous materials is unavoidable, for technical reasons, although we are working hard to reduce or find substitutes for these materials. Where we do have to use such materials, we apply the regulations from wherever in the world has the strictest regime as our global standard.

Within the supply chain, we adopt responsible procurement practices to enable us to meet our objectives.

Our products and solutions themselves can also help to conserve resources. Used in spectroscopy applications, near-infrared LEDs (NIRED) can determine the freshness of foods and thus reduce food waste. They also help farmers to choose the optimum time to bring in the harvest. Our solutions for horticulture also help to make sure that food is not wasted by allowing it to be produced closer to the time of sale. These solutions make it possible to cut down on the use of resources and reduce CO_2 emissions during transport.

As demanded by SDG 12, we provide transparency on these aspects with our reporting. Read about the progress we have achieved here: ❯ 3.4 Supply Chain Management, ❯ 4.5 Waste and ❯ 4.6 Raw Materials and Substances.

SDG 13: Take urgent action to combat climate change and its impacts

We contribute directly to mitigating climate change and its effects with our climate strategy. In November 2019, OSRAM announced its objective of reducing the carbon footprint (Scope 1 and 2) of its own operations to zero by 2030.

As demonstrated by comprehensive lifecycle analyses, we are able to exert even greater leverage through our energy-efficient products and intelligent light management solutions. These help our customers to reduce their emissions—whether in lighting or via intelligent light management or smart sensors. Reducing the energy consumption of our products when in use is one of the primary objectives for a large number of our researchers and developers.

We report on our climate strategy and the progress achieved in ❯ 4.3 Greenhouse Gases and Climate Change and ❯ 4.2.2 Impact within the Product Lifecycle.

SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable

More and more people around the world are living in cities. Our technologies can help to shape this development in a positive way. We provide solutions that improve road safety e.g., through better vision or sensors for (semi-) autonomous driving. Intelligent management makes it possible to optimize traffic flows. This avoids unnecessary congestion and keeps traffic moving more smoothly, thereby reducing harmful emissions.

People who live in cities benefit from the greater safety and convenience provided by smart lighting concepts. These concepts not only enhance the personal feeling of safety but also make sure that the right amount of light is provided precisely where it is needed. In other places, the intensity can be reduced. Light pollution is decreased and efforts to protect biodiversity are actively supported.

Automated management systems make buildings more energy efficient and biometric ID systems based on light technology help to protect information–which in cities is often interconnected in numerous ways–against hackers.

Finally, lighting can convey emotion and intensify the experience at a concert, exhibition, or movie theater, thereby making a huge contribution to the cultural life of urban communities.

SDG 3: Ensure healthy lives and promote well-being for all at all ages
OSRAM can make a difference during the current COVID-19 pandemic through the use of UV-C systems for sterilization and sensors to help people maintain safe social distancing.

Our products can also have a positive effect in dealing with issues such as demographic change and urbanization, for example with human-centric lighting concepts. Light can be tailored to the specific needs and requirements of groups such as employees, school pupils, teachers, students, doctors, nurses, and patients, or to specific working conditions.

We also provide components for wearables such as watches and fitness bands that use medical measurement methods such as pulse oximetry and heart rate monitors to allow users to track their fitness and monitor their health.

Another application area of near-infrared LEDs (NIRED) can also help to improve well-being. They can be used to identify counterfeit medicines and thus prevent dosage errors that could have dangerous side effects

For more information on the above SDGs and further progress see › 1.2.2 Added Value of Our Products and › 1.2.1 Innovations. We have included more examples in our ›› Sustainability Magazine.

2.0

Sustainability Management

Because we are an international business, our responsibilities extend around the world. Sustainability is a key pillar of our Company's positioning. Our sustainability strategy provides an overarching framework for our actions and activities.

2 . 1

Organization and Structures

Our business activities and the impact that they have on the economy, the environment, and society mean that our responsibilities extend around the world. We meet our responsibilities by aligning ourselves with the United Nation's Sustainable Development Goals and complying with international law, in line with the principles of the UN Global Compact. We have identified our key areas for action as part of our materiality analysis ❯ 2.2 Materiality Analysis. These include promoting climate protection and energy efficiency in our own business and further developing our product portfolio. Our objective is to keep pace with the competition and offer safe products that add value for our customers, while also contributing to society. Throughout the value chain, we put the emphasis on protecting the environment and resources and acting as a fair employer that looks after the health and safety of its employees and strives to fulfill its duty of care with regard to human rights. We want to develop the individual skills of our workforce and be an employer of choice for potential employees. We are committed to fair competition, to combating corruption and bribery, and to protecting the data of our customers, partners, and employees. In all of these areas, we take appropriate action

and use suitable guidelines and management systems in order to help to continually reduce negative impacts and strengthen positive effects. In the following chapters, we describe how we are fulfilling this responsibility.

The issue of sustainability touches on many aspects of the business, and responsibility for this area lies directly at Managing Board level in the form of the Chief Sustainability Officer. The Responsible Business & Sustainability department works with the relevant partners from functions throughout the Company to develop action plans and focal areas, which are then presented to the Sustainability Council. The latest trends and emerging economic, social, and environmental issues that could become relevant to OSRAM are discussed by the Council and embedded within the organization if appropriate. The Sustainability Council also approves the draft resolutions on sustainability to be submitted to the Managing Board.

The Sustainability Council is headed by the Chief Sustainability Officer and comprises the heads of the business units and the heads of those corporate functions that have sustainability-related issues. The council generally meets twice a year. Other experts are co-opted depending on the topics being dealt with, and other delegates from appropriate functions are also involved as necessary.

OSRAM's centralized sustainability management does not include OSRAM CONTINENTAL. However, the management approaches and outcomes at OSRAM CONTINENTAL are included in OSRAM's sustainability reporting.

Sustainability Governance-Structure

Managing Board ···· Supervisory Board

Chief Sustainability Officer ···· Responsible Business & Sustainability

Sustainability Council
- Corporate Communications & Brand Strategy
- Business Units
- Corporate Strategy
- Operations, Quality & EHS
- Human Resources
- Corporate Governance, Compliance
- Procurement
- Corporate Audit, Risk Management

Operative Implementation

2 . 2
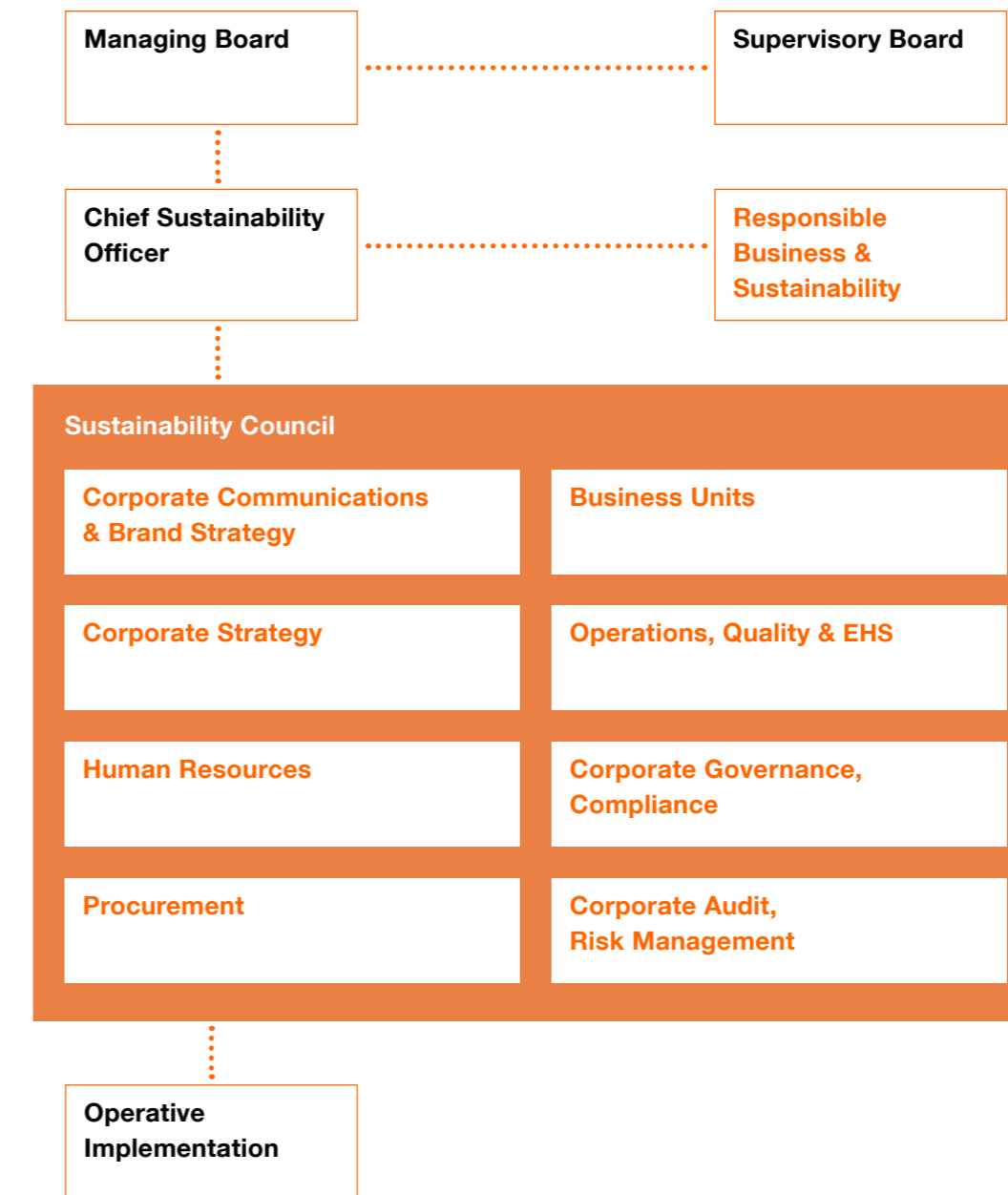
Materiality Analysis

The materiality analysis carried out in fiscal year 2018 provides the basis for our reporting. It meets the requirements of both GRI and CSR-RUG. The following criteria have been defined on this basis:

— High relevance for stakeholders (GRI)

— Required to understand the impacts of the business activities (GRI and CSR-RUG)

— Required to understand the company's business performance and financial position (CSR-RUG)

The materiality analysis process was divided into five phases:

1. The first step was to establish the materiality process in line with the requirements of GRI and of CSR-RUG.
2. The next step was to identify potential topics. A media analysis, internal sources, a peer review, stakeholder feedback, global standards, and supporting interviews provided the basis for this.
3. In the next step, these topics were divided into five categories: Environment, Employees, Social, Human Rights, and Compliance.

4. For each of these categories, an assessment was carried out regarding OSRAM's impact. The significance of the individual topics for stakeholders and for the business was also assessed.
5. Finally, a review was carried out to determine in which stages of the value chain these impacts occur. The topics were also prioritized according to their importance for stakeholders and for the business performance and financial position.

The materiality analysis yielded the following list of topics, which was presented to and approved by the Managing Board.

The material topics for OSRAM in accordance with GRI are

Combating corruption and bribery
Protection and security of personal data
Customer relationships
Product safety
Energy efficiency
Greenhouse gases and climate change
Raw materials and substances
Occupational health and safety
Fair working conditions
People development
Employee satisfaction and employer attractiveness
Human rights

In fiscal year 2020, a review was conducted to determine whether the materiality analysis needed to be updated or modified due to any significant changes to key influencing factors both inside and outside the Company. The review showed that no significant changes had occurred that would be relevant to the business or have any significant negative impacts.

All topics that are considered to be material in accordance with CSR-RUG have already featured in the non-financial Group report for fiscal year 2020. It forms part of the ❯❯ 2020 OSRAM Licht Group Annual Report.

For a comprehensive list of the topics we have identified as material, and the GRI topics to which they relate, see the appendix ❯ 7.1 List of Material Topics. This Sustainability Report also covers topics that we consider relevant to our stakeholders or that help to paint a broader picture of sustainability at OSRAM. That also applies to topics that are not referenced in the GRI standards.
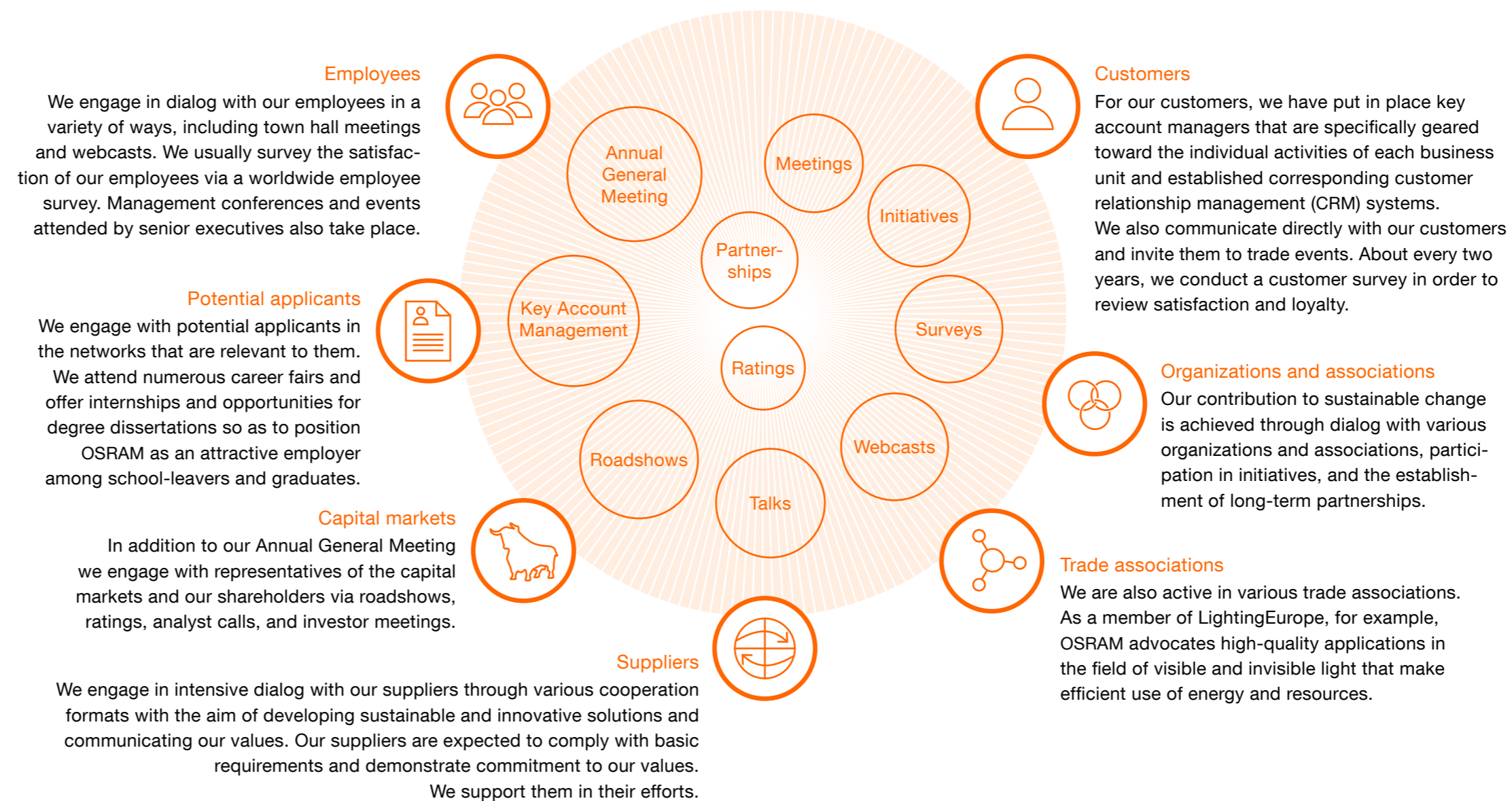
2.3

Dialog with Stakeholders

We look to improve the sustainability of our activities by engaging in dialog with our stakeholders. We use the feedback obtained in the process of communication to continuously improve our strategy and measures. In doing so, we also help to spread the word about sustainable practices.

We regularly engage in dialog with our stakeholders around the world: employees, customers, suppliers, analysts, investors, journalists, academics, neighbors, politicians, and representatives of non-governmental organizations, government agencies, and associations. We communicate at different management levels, at varying locations, and through a range of departments. The interests of key stakeholders such as employees, customers, suppliers, and investors are also taken into account by the Supervisory Board, whose members—half of whom are employee representatives—have expertise in various fields. The Responsible Business & Sustainability department assesses the relevance of various topics for stakeholders once a year. In summer 2020, the department undertook a review of the materiality analysis carried out in May 2018 ❯ 2.2 Materiality Analysis. It also examines the composition of our stakeholders, identifies which communication channels exist for each group, and documents the action taken. The results are reported to the Managing Board if there are any significant changes.

We communicate with our stakeholders in many different ways*

Employees
We engage in dialog with our employees in a variety of ways, including town hall meetings and webcasts. We usually survey the satisfaction of our employees via a worldwide employee survey. Management conferences and events attended by senior executives also take place.

Potential applicants
We engage with potential applicants in the networks that are relevant to them. We attend numerous career fairs and offer internships and opportunities for degree dissertations so as to position OSRAM as an attractive employer among school-leavers and graduates.

Capital markets
In addition to our Annual General Meeting we engage with representatives of the capital markets and our shareholders via roadshows, ratings, analyst calls, and investor meetings.

Suppliers
We engage in intensive dialog with our suppliers through various cooperation formats with the aim of developing sustainable and innovative solutions and communicating our values. Our suppliers are expected to comply with basic requirements and demonstrate commitment to our values. We support them in their efforts.

Customers
For our customers, we have put in place key account managers that are specifically geared toward the individual activities of each business unit and established corresponding customer relationship management (CRM) systems. We also communicate directly with our customers and invite them to trade events. About every two years, we conduct a customer survey in order to review satisfaction and loyalty.

Organizations and associations
Our contribution to sustainable change is achieved through dialog with various organizations and associations, participation in initiatives, and the establishment of long-term partnerships.

Trade associations
We are also active in various trade associations. As a member of LightingEurope, for example, OSRAM advocates high-quality applications in the field of visible and invisible light that make efficient use of energy and resources.

Annual General Meeting · Meetings · Initiatives · Partnerships · Surveys · Key Account Management · Ratings · Webcasts · Roadshows · Talks

* General process, excluding the effects of COVID-19.

3.0

Responsible corporate governance and integrity

OSRAM would not be able to achieve its sustainable business success without the trust of its stakeholders such as customers, employees, investors, and suppliers. We strengthen this trust by means of transparent and responsible corporate governance.

3.1

Corporate Governance

OSRAM Licht AG is an Aktiengesellschaft (stock corporation) in accordance with German law and has a two-tier management system consisting of a Managing Board and a Supervisory Board ›› 2020 OSRAM Licht Group Annual Report, C.4 Corporate Governance, p. 148. During the year under review, the Managing Board had two male members and one female member, all of whom are German nationals. At its meeting on November 5, 2020, the Supervisory Board of OSRAM Licht AG resolved to reduce the Managing Board from three members to two and to dissolve the post of Chief Technology Officer, which had previously been held by a male member of the Managing Board. Since December 1, 2020, the Managing Board has consisted of one male and one female member, both of whom are German nationals. The members of the Managing Board are appointed by the Supervisory Board, which also determines the assignment of responsibilities on the Managing Board.

The Supervisory Board is made up of twelve members: six representatives of the shareholders, who are appointed by the Annual General Meeting, and six representatives of the employees, who are elected on the basis of the Mitbestimmungsgesetz (MitbestG—German Codetermination Act). The members of the Supervisory Board and its committees are disclosed in the Company's Notes to the Consolidated Financial Statements in the Annual Report ›› 2020 OSRAM Licht Group Annual Report, B.6 Notes to the Consolidated

Financial Statements, Note 39 I Supervisory Board and Managing Board, p. 129. The objectives for the composition of the Supervisory Board are published on the Company's website ›› www.osram.com/governance. The Supervisory Board strives to include a wide range of professional and international experience in its composition and in particular to have reasonable representation of both genders. On September 30, 2020, a total of five members of the Supervisory Board were women and three members were of a nationality other than German. The career profiles of the members of the Managing Board and the Supervisory Board are published on the Company's website ›› www.osram.com/management.

OSRAM Licht AG currently complies with all the recommendations of the German Corporate Governance Code included in the version dated February 16, 2019, with the exception of the recommendations under G.3, G.4, and G.11 sentence 1. The code contains key provisions governing the management and supervision of publicly listed German companies, and internationally and nationally acknowledged standards for good and responsible corporate governance. The Corporate Governance Declaration is updated annually and is published on the website of our Company ›› www.osram.com/governance.

3.1.1   Functions and Responsibilities of the Governance Bodies

As the management body of OSRAM Licht AG, the Managing Board is obliged to act in the Company's interests and increase shareholder value on a sustainable basis. The members of the Managing Board are jointly responsible for the overall management of the business and decide on fundamental issues regarding business policy and corporate strategy, as well as on the Company's annual and multi-year planning.

The Managing Board is responsible for preparing the financial statements of OSRAM Licht AG and the OSRAM Group. It must also ensure that all legal and regulatory requirements and internal guidelines are complied with, and must work to ensure that all Group companies comply with them as well. In order to fulfill its duty in this regard, the Managing Board must make sure that an appropriate compliance management system (including data privacy) is in place that takes into account the risk situation of the Company ›› 2020 OSRAM Licht Group Annual Report, C.4.1.3 Disclosures on Corporate Governance Practices—Company Values, Business Conduct Guidelines, and Compliance Management System, p. 150.

The Managing Board and Supervisory Board work closely together for the benefit of the Company. The Managing Board provides the Supervisory Board with regular, timely, and comprehensive information on all issues of importance to the Company in relation to strategy, planning, business performance, financial position, results of operations, and compliance, as well as on material business risks. The Managing Board considers diversity when filling managerial positions within the Company and, among other things, strives to increase the number of women in these roles (for detailed information on the relevant targets, see ›› 2020 OSRAM Licht Group Annual Report, C.4.1.5 Targets for the Proportion of Women on the Managing Board, Supervisory Board, and in Senior Management, p. 155). The Supervisory Board has set the target for the proportion of women on the Company's Managing Board to be achieved by June 30, 2022, at 25%. With a current proportion of 33.3%, this target has been exceeded.

The Supervisory Board oversees the Managing Board and advises it on the management of the business. It regularly discusses business performance, planning, strategy, and the implementation of strategy. Important decisions by the Managing Board on issues such as major acquisitions, divestments, and financial actions require its approval. The Supervisory Board regularly assesses the effectiveness of its work, involving external experts where required. This process entails identifying and acting on potential areas for improvement ›› 2020 OSRAM Licht Group Annual Report, C.3 Report of the Supervisory Board, p. 140. The Annual Report provides a comprehensive description of the working practices and functions of the Supervisory Board, its relationship with the Managing Board, and the composition and working practices of its committees ›› 2020 OSRAM Licht Group Annual Report, C.4 Corporate Governance, p. 148.

3.1.2   Remuneration and Independence

In the year under review, the remuneration of the Managing Board was made up of performance-based and non-performance-based components, with care being taken to achieve an appropriate balance between the two. The remuneration system is designed to provide incentives for the long-term success of the Company and the multi-year basis of calculation is intended to take account of both positive and negative developments, encouraging the Managing Board to take a long-term approach. When setting short-term variable remuneration, non-financial targets have been taken into consideration. Responsibility for performance management passed from OSRAM to ams during the year under review by virtue of the control and profit transfer agreement. At its meeting in November 2020, the Supervisory Board therefore agreed

that adjustments would need to be made to the remuneration system for the Managing Board for fiscal year 2021. Accordingly, as a transitional arrangement, the members of the Managing Board are to be paid only a fixed salary for fiscal year 2021. It had already been agreed with Ms. Dahnke that on her appointment to the Managing Board in April 2020 she would be paid a fixed salary only, instead of the variable remuneration components. The appropriateness of the Managing Board remuneration is regularly reviewed by the Supervisory Board, whose own remuneration is defined in the Company's Articles of Association. The remuneration report describes in detail the features of the remuneration system for the Managing Board and the remuneration principles, and it provides explanations of the structure and the level of remuneration for the members of the Managing Board and the members of the Supervisory Board ›› 2020 OSRAM Licht Group Annual Report, C.4.2 Remuneration Report, p. 157.

The Supervisory Board believes that all shareholder representatives are independent within the meaning of the German Corporate Governance Code with the exception of Dr. Thomas Stockmeier. Furthermore, the Supervisory Board assumes that the employee representatives are also independent because it believes that the circumstance of being an employee representative or having an employment contract with the OSRAM Group in itself does not call into doubt the independence of the employee representatives. No former members of the Managing Board are members of the Supervisory Board. At least four of the shareholder representatives on the Supervisory Board are people with no potential conflicts of interest. Some members of the Supervisory Board work in senior positions at other companies with which OSRAM has business relationships or have done so in the

past year. Transactions that OSRAM conducted with these companies were on an arm's-length basis. The Supervisory Board does not believe that these transactions compromise the independence of the members concerned. Special circumstances apply in the case of the relationships with ams AG, Premstätten (Austria), and its affiliated companies ('ams Group'). If any conflicts of interest arise in the course of routine business, they must be disclosed to the Chairman of the Supervisory Board. If the conflicts of interest are significant and not simply of a temporary nature, the affected member of the Supervisory Board must step down from his or her position. The Supervisory Board also made sure that none of its members had any conflicts of interest in connection with the ongoing takeover of OSRAM Licht AG by ams Offer GmbH during the reporting year or that any potential conflicts of interest were addressed by appropriate measures (e.g., voluntary abstention from discussions or votes).

You will find additional information in the Annual Report ›› 2020 OSRAM Licht Group Annual Report, C.4 Corporate Governance, p. 148.

3.1.3   Corporate Values

Mutual respect, honesty, and integrity create the trust that is needed to build strong relationships. These principles are set out in our Business Conduct Guidelines (BCG) which every new employee must sign at the start of their contract ›› www.osram.com/bcg. Legal regulations and international treaties on human rights, the fight against corruption, and other areas of responsible corporate governance form the basis of the Business Conduct Guidelines ›› 2020 OSRAM Licht Group Annual Report, C.4.1.3 Disclosures on Corporate

Governance Practices, p. 149: We respect the personal dignity, privacy, and personal rights of every individual, and we reject all forms of discrimination ❯ 5.5 Diversity and Inclusion. The Business Conduct Guidelines set out how we meet our ethical and legal responsibilities as a Company. They apply both to internal working relationships and to conduct toward external partners such as suppliers. In Germany, our Group-wide agreement on partnership in the workplace expressly states that all employees should be valued and treated with respect—regardless of their gender, ethnic origin, religion or beliefs, physical limitations, or sexual identity ❯ 5.3 Fair Working Conditions. Any violations of our principles can be reported via the whistleblowing system 'Tell OSRAM' ❯ 3.2 Combating Corruption and Bribery.

The corporate values of OSRAM CONTINENTAL are defined in its Code of Ethics. They shape the company's actions as a corporate citizen and help it to act lawfully and ethically. The Code of Ethics also provides guidance on aspects such as how to interact responsibly and fairly with one another in the workplace and sets out what is expected of suppliers with regard to fair working conditions and respect for human rights.

3.1.4   Memberships and Political Engagement

Overall responsibility for our political engagement lies with the Managing Board, supported by the Public Affairs department. In line with our values, we are committed to not making any direct or indirect donations—or any other contributions—to politicians, political parties, or political organizations. Our Business Conduct Guidelines contain rules to this effect. OSRAM does not operate lobbying offices, nor does it employ lobbying agencies.

Sponsorships are not considered donations, nor are contributions to industry associations or fees for memberships in organizations that serve business interests. Sponsorships must be free of any political contributions, meet certain transparency requirements, be documented in the form of a written agreement, be intended for legitimate business purposes, and be proportionate to the value offered by the event being sponsored ❯ 6.2 Social Engagement.

OSRAM is a member of LightingEurope, the association that represents Europe's leading lighting manufacturers, and is also represented in other national industry associations. As a key member of the association, OSRAM is pushing for new requirements to not only cater to the overarching objective of low-energy, resource-efficient, and high-quality lighting but also to take account of users' needs, as well as to be feasible for implementation by the industry. Within this framework, we make a contribution to the further development of the circular economy through topics such as the repairability of products ❯ 4.6.3 Take-back and Circular Economy.

Our involvement in various trade associations and organizations also includes collaborating in working groups on subjects such as the Circular Economy Action Plan and the Green Deal of the European Commission, the sustainable development goals of the United Nations in the electronics industry, climate change and action steps ❯ 4.3 Greenhouse Gases and Climate Change and digitalization and sustainability. As well as providing an opportunity to meet and talk with industry peers, these task forces are also a forum for exploring solutions together and devising plans that can be jointly implemented.

We advise governments and authorities, for example on solutions for sustainable urban development. In addition, we are actively championing the introduction of globally harmonized substance restrictions, for example in connection with the implementation of the United Nations' Minamata Convention, which requires the signatory countries to refrain from using mercury. Other important topics include the European regulations on restricting the use of certain hazardous substances (RoHS and REACH), which often serve as a global benchmark ❯❯ 2020 OSRAM Licht Group Annual Report, A.1.1.4 Legal and Sector-specific Conditions, p. 6.

Objectives and Results

We manage memberships centrally to create transparency across the Group. Our political engagement remained limited to membership of industry associations in fiscal year 2020. This included the three most important associations for our industry: the German Electrical and Electronic Manufacturers' Association (ZVEI), LightingEurope, and the North American Electrical Manufacturers Association (NEMA), as well as employer and business associations. In addition to the associations mentioned above, OSRAM is also a member of other organizations whose work is directly related to topics that are important to us, such as the UN Global Compact, the Responsible Business Alliance (RBA), the Responsible Minerals Initiative (RMI), and the German Diversity Charter.

In fiscal year 2020, we paid membership fees totaling €2.8 million (previous year: €3 million).

3 . 2

Combating Corruption and Anti-Competitive Behavior

[OSRAM is committed to preventing corruption and bribery as well as to fair competition. We believe that sustainable business success can be achieved only through lawful and responsible practices. Bribery and corruption are an impediment to functioning markets and hold back economic growth and the development of the affected society. Our open corporate culture and the established and effective compliance management system are of key importance in our efforts to combat corruption and bribery.

Guidelines, Responsibilities & Structures, and Processes
OSRAM's compliance management system is designed to prevent possible violations of the applicable anticorruption and antitrust laws. The Business Conduct Guidelines set out mandatory rules for employees that are aimed at tackling corruption and ensuring appropriate competitive behavior ›› www.osram.com/bcg. They are supplemented, and defined in more detail, by the compliance guideline. The compliance management system follows the management system methodology described in the IDW AsS 980 assurance standard.

From an organizational perspective, the compliance management system consists of employees at the headquarters and in the regions. The Compliance department has the power to issue guidelines, specifies content and processes, and regularly monitors compliance. The Chief Compliance Officer reports directly to the Chairman of the Managing Board (CEO), who is the member of the Managing Board responsible for compliance. As part of its remit to supervise management functions, the Supervisory Board monitors the effectiveness and appropriateness of the compliance management system. At OSRAM, this task is assigned to the Supervisory Board's Audit Committee, to which the Chief Compliance Officer reports on current developments and potential risks on a quarterly and ad hoc basis.

Compliance risk assessments focused on anticorruption and antitrust law are regularly carried out in selected entities and areas of the business in order to identify compliance risks at an early stage and make continuous improvements to the Group-wide compliance management system. An in-depth compliance check also forms part of the decision-making process for mergers and acquisitions. In addition, the management teams of each entity and the compliance organization conduct regular controls, for example of tool-based processes for dealing with business partners and hospitality. These controls form part of our internal control system ›› 2020 OSRAM Licht Group Annual Report, A.4.2.5 Key Features of the Accounting-related Internal Control and Risk Management System, p. 45.

OSRAM has several tools at its disposal for dealing with corruption-related risks. For example, we use the Corruption Perceptions Index to review and classify our business partners according to the prevalence of corruption in the country in which they operate. We use an external provider's database to check whether there are any indications that the partner is involved in corruption, fraud, or other criminal acts. We also require our partners to adhere to rules aimed at preventing corruption. OSRAM has a code of conduct based on international standards and conventions. It includes a ban on corruption and bribery and all of OSRAM's suppliers around the world are required to sign up to it › 3.4 Supply Chain Management.

Another element of OSRAM's compliance management system is the whistleblowing system 'Tell OSRAM', which employees and third parties can use to report breaches of compliance rules, anonymously if they so wish. Possible breaches can also be reported through the usual internal company channels, such as the relevant Compliance Officer, Corporate Compliance, or the line manager. All reports are followed up. Retaliation against whistleblowers will not be tolerated. If there is specific evidence, internal compliance investigations are conducted. Once the investigation is complete, the Compliance department recommends measures to address any identified deficiencies and monitors their implementation. In the event of misconduct on the part of our employees, OSRAM may take disciplinary action in accordance with labor law.

A further key component of our compliance management system is our employee training program, as part of which we conduct classroom-based and online training sessions focused on anticorruption and antitrust law. The training is mandatory for employees with specific job descriptions. The global HR system is used to determine who these people are (essentially 'white collar' employees).

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

OSRAM's compliance management system contains specific rules that formalize its commitment to upholding antitrust law. Any form of arrangement with business partners or competitors with the aim or effect of restricting or preventing free competition between the companies is prohibited for all employees.

In July 2018, the compliance management system was extended to cover the fight against money laundering. Our whistleblowing system 'Tell OSRAM' provides a channel for reporting suspected cases of money laundering or terrorist financing to the Compliance organization. Where appropriate, these reports are passed on to the relevant authorities.
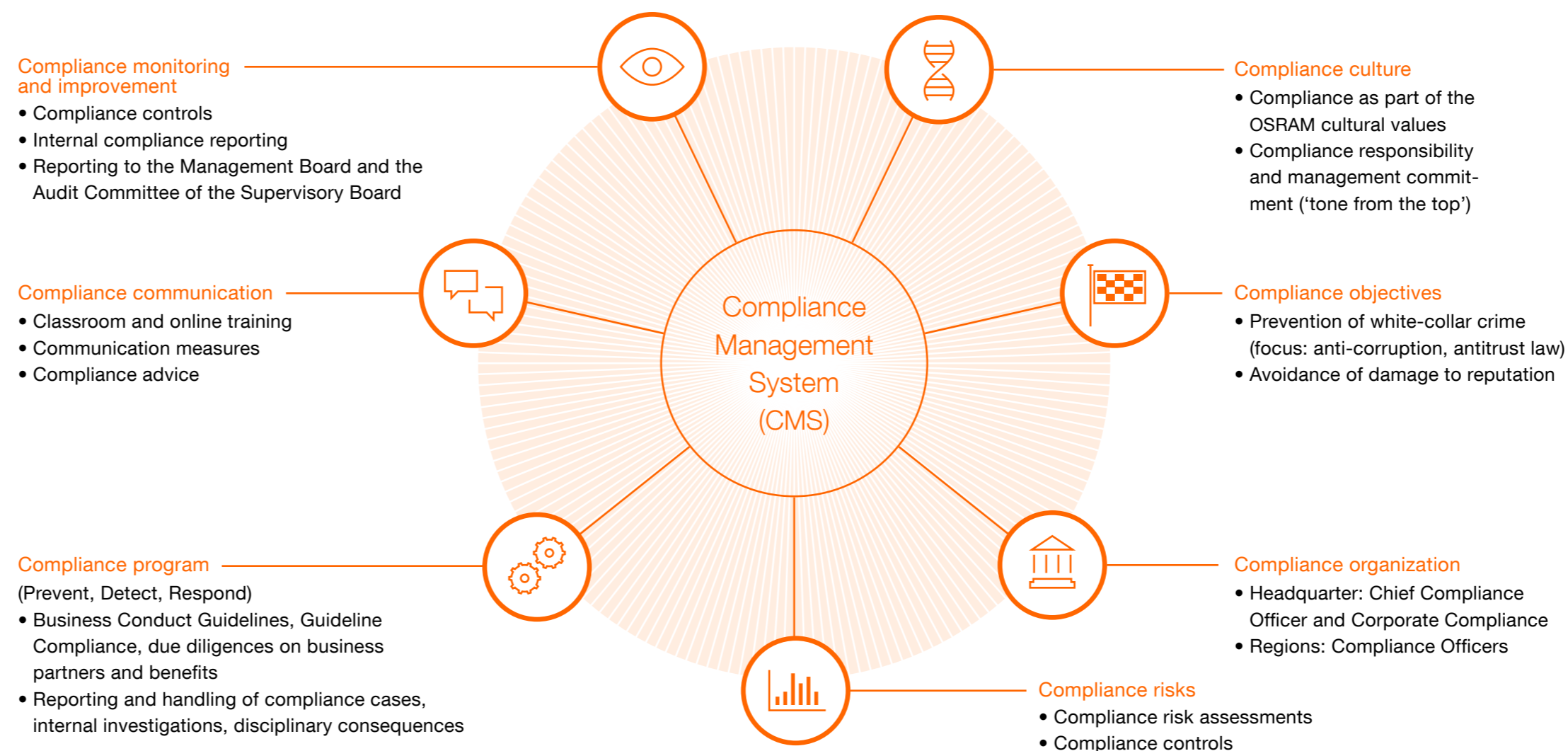
Objectives

Our overarching objective is to systematically combat corruption and bribery, to follow up on all suspected breaches, and to enforce consequences if a breach is confirmed.

In order to meet this objective, we need an effective compliance management system that reflects the organizational structure and business model of the OSRAM Licht Group as well as the relevant regulatory environment.

A modern training program is a key component of our compliance management system. That is why we want to reflect the current regulatory environment in our classroom-based and online training sessions, and provide our employees

with the most comprehensive training possible. However, our compliance organization always ensures the focus is on the organizational structure and business model of our Group.] ⊘

OSRAM Compliance Management System according to IDW AsS 980

Compliance monitoring and improvement
• Compliance controls
• Internal compliance reporting
• Reporting to the Management Board and the Audit Committee of the Supervisory Board

Compliance communication
• Classroom and online training
• Communication measures
• Compliance advice

Compliance program
(Prevent, Detect, Respond)
• Business Conduct Guidelines, Guideline Compliance, due diligences on business partners and benefits
• Reporting and handling of compliance cases, internal investigations, disciplinary consequences

Compliance Management System (CMS)

Compliance culture
• Compliance as part of the OSRAM cultural values
• Compliance responsibility and management commitment ('tone from the top')

Compliance objectives
• Prevention of white-collar crime (focus: anti-corruption, antitrust law)
• Avoidance of damage to reputation

Compliance organization
• Headquarter: Chief Compliance Officer and Corporate Compliance
• Regions: Compliance Officers

Compliance risks
• Compliance risk assessments
• Compliance controls

[To comply with the statutory requirements relating to money laundering, a risk analysis is carried out every three years. The aim of the analysis is to identify or reassess the money laundering risks at group level so that appropriate action can be taken. Our training program is designed to reflect the latest developments in the regulatory environment, and we aim to provide regular training sessions for our employees.

Action Taken, Results, and Performance Indicators

The adequacy, implementation, and effectiveness of the OSRAM Licht Group's compliance management system (anticorruption and antitrust modules) was certified without qualification in accordance with the IDW AsS 980 assurance standard in October 2019.

We reconfigured our compliance organization in April 2020, incorporating insights from the successful review of the compliance management system. This organizational change also allowed the Compliance Officer to focus more on the business units and their business models.

To strengthen our compliance responsibility on the supplier side too, we joined the Responsible Business Alliance (RBA), an industry organization that is committed to driving social responsibility among companies that are involved in global supply chains ❯6.1 Respect for Human Rights.

Targeted communication measures were taken in fiscal year 2020 to raise awareness among our employees. For example, a newsletter featuring relevant compliance content was published on the intranet and sent to all managing directors of Group companies as well as other management personnel. However, the COVID-19 pandemic and associated restrictions meant it was not possible to implement all the planned measures. For example, the compliance and data privacy day in September 2020 featuring external and internal guests did not take place.

To improve the documentation and traceability of our classroom-based and online courses, all mandatory compliance training courses were made available worldwide via our learning management system (LMS) in the middle of fiscal year 2020 ❯5.4 People Development. The process for running the training was also automated. A three-year cycle was set for all training courses and the target group was extended to all 'white collar' employees.

The following table provides information on our anticorruption training activities.

In addition to the anticorruption training mentioned above, the online training courses on the subject of antitrust law were revised in fiscal year 2020 which meant we were unable to provide any training in this period. As a result, only 19 employees have successfully completed this training.

Compliance Training focusing on Anti-Corruption

	2019	2020
Employees (FTE)	23,500	21,400
"Number of employees trained (in-person and online)"	6,686	4,426
thereof in EMEA	2,722	1,729
thereof in APAC	2,588	2,377
thereof in Americas	1,376	320

There were 26 reports of possible compliance violations in fiscal year 2020 (previous year: 27). In total, two cases had disciplinary consequences in fiscal year 2020 (previous year: six).

Compliance Incidents[1]

	2019	2020
Employees (FTE)	23,500	21,400
Reports on possible compliance violations	27	26
Compliance investigations (substantial)	14	17
Disciplinary consequences	6	2
Closed incidents from previous reportings	31	23

[1) Compliance incidents encompass especially all plausible allegations of a violation of criminal or administrative law related to OSRAM's business activities.]

In fiscal year 2020, no legal actions were brought against OSRAM for anticompetitive behavior, breaches of antitrust law, or monopolistic practices.]

3.3

Protection and security of personal data

[The shift in the lighting market toward semiconductor-based technologies and photonics solutions is opening up new business opportunities that OSRAM would like to take full advantage of ❯❯ 2020 OSRAM Licht Group Annual Report, A.1.1.1 Business Model, p. 3. This changing market is also characterized by ever greater digitalization, which presents opportunities, but also risks. The scope of personal data being processed is growing all the time as more and more web-based apps and products become available. At the same time, more and more regulatory requirements have been introduced concerning the protection, integrity, and availability of this data and information. We aim to protect any personal data that we collect and to ensure that the way it is used is in compliance with the law.

Guidelines, Responsibilities & Structures, and Processes
OSRAM has embedded data privacy in its business principles and internal policies. The data privacy management system (DPMS) forms part of the compliance management system. At OSRAM, the head of Group Data Privacy has the power to issue Group-wide data privacy guidelines, formulates guidelines that apply across the Group, and regularly checks that these are adhered to in the OSRAM group companies where data privacy coordinators have been named or, if necessary,

data privacy officers have been appointed. As part of the compliance organization, data privacy is a global function.

The head of Group Data Privacy reports to the Managing Board on all developments. Data privacy is also routinely covered in the Chief Compliance Officer's reports to the Managing Board and the Audit Committee of the Supervisory Board.

Data protection encompasses the privacy of personal data pertaining to employees and customers, but also to our business partners and their customers. Our actions in this regard are guided by the requirements of national and international data privacy laws. Our data privacy guideline reflects these legal requirements and covers the entire Group. Applicable to all employees, it contains mandatory core principles and practical guidance for the handling of personal data and defines in more detail the general principles of data privacy set out in our Business Conduct Guidelines.

We require our employees to treat personal data and information confidentially. We also provide classroom-based and online data privacy training. The training is mandatory for employees with specific job descriptions. The global HR system is used to determine who these people are (essentially 'white collar' employees). All our business partners that handle sensitive data are required to train their employees accordingly. This applies in particular to our service providers and suppliers.

Despite the high technical and organizational security standards that we have in place, data breaches cannot be completely ruled out. OSRAM is required by law to promptly notify the relevant regulatory authorities if it is believed that

a personal data breach has occurred. Suspected data breaches can be reported using the whistleblowing system 'Tell OSRAM' ❯ 3.2 Combating Corruption and Bribery. Reports can also be made through the usual internal company channels, such as the relevant Compliance Officer, Corporate Compliance, or the line manager.
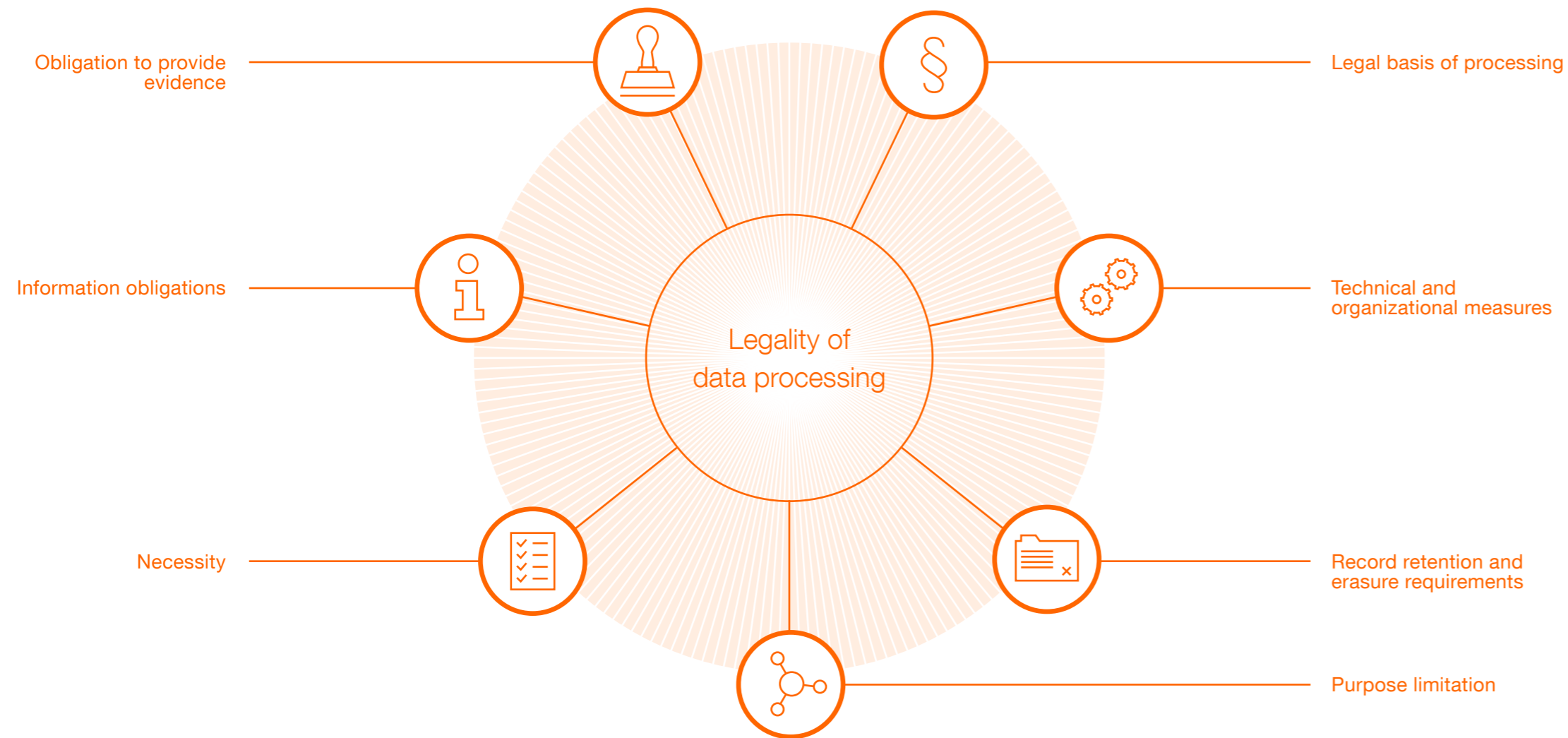
Objectives
Our objective is to protect the personal data of our employees and customers, as well as that of business partners and their customers, in all our products and processes and to avoid breaches of data privacy. Numerous technical and organizational mechanisms are in place to help us achieve this.

To help us meet this challenging objective in an international and heavily regulated environment, we have defined supporting objectives. As well as looking to ensure that our policies and training materials comply with the applicable laws and regulations, we want to reach a point where any OSRAM employee who comes into contact with personal data in the course of their work undergoes regular basic training.

Action Taken, Results, and Performance Indicators
In fiscal year 2020, the existing DPMS was updated and integrated into the compliance management system. Existing compliance system processes were supplemented with relevant data privacy modules. For example, data privacy is now an integral component of the compliance risk assessments and the classroom-based compliance training ❯ 3.2 Combating Corruption and Bribery. Data privacy management, meanwhile, has become more effective and more efficient through the use of the established structures of the compliance management system.

Elements of data privacy at OSRAM

Obligation to provide evidence

Information obligations

Necessity

Legal basis of processing

Technical and organizational measures

Record retention and erasure requirements

Purpose limitation

Legality of data processing

In fiscal year 2020, the Group-wide binding corporate rules (BCRs) were updated and their language was brought into line with the General Data Protection Regulation. Since 2013, the BCRs have provided the legal basis for the transfer of personal data between all OSRAM Group companies and are to be agreed by all Group companies with OSRAM GmbH.

The online training on data privacy, which was most recently provided in fiscal year 2018, was updated in line with the current regulatory environment in fiscal year 2020 with a view to it being carried out again worldwide at the beginning of fiscal year 2021. This is consistent with the new three-year cycle for compliance training.

At OSRAM CONTINENTAL, data privacy training was provided to 208 employees online and 19 employees face to face in fiscal year 2020.

Various means of communication were used at OSRAM to raise awareness of data privacy. The COVID-19 pandemic and associated restrictions meant it was not possible to implement all the planned measures. For example, the compliance and data privacy day in September 2020 featuring external and internal guests did not take place. Web-based internal and external communication activities such as web chats and data privacy advisory sessions were provided instead.

During fiscal year 2020, we did not receive any inquiries related to data privacy from the competent supervisory authorities. No complaints were made by customers either. We received five requests for information/erasure, which were responded to adequately and within the period of time prescribed by law. During the fiscal year under review, we did not need to report any data breaches to the competent supervisory authorities.]

Protection and Security of Personal Data

	2019	2020
Employees (FTE)	23,500	21,400
Number of employees trained (in-person and online)	11,304	304
Governmental data protection requests	–	–
Customer complaints	–	–
Requests for information		
in time	5	5
not in time	–	–
Privacy incidents		
without sanctions	2	–
with sanctions	–	–

3 . 4

Supply Chain Management

[As a global company with an extensive network of suppliers, OSRAM has a responsibility for the environment and society all along its supply chain. We take this responsibility seriously, and provide standardized risk analyses, tools, and processes that determine how we select our international partners and how we work with them. We also have internal and external control mechanisms in place. In particular, these enable us to fulfill our duty of care with regard to human rights in the context of conflict minerals
❯ 6.1.1 Conflict Minerals.

Generally speaking, we strive for long-term relationships with reliable and flexible partners.

Guidelines, Responsibilities & Structures, and Processes
Overall responsibility for global purchasing rests with the Procurement department, whose head reports directly to the Chief Technology Officer (CTO). The groupwide procurement guideline and the procurement policy form the basis for our work with our partners. At OSRAM, procurement is a global function but is organized regionally in respect of certain materials and services.

We source most of our materials from Germany, China, the U.S.A., Taiwan, and Malaysia (in descending order). The

largest material fields by volume are contract manufacturing, pre-materials for opto semiconductors, and electronic components. For each raw material group, we have formulated specific requirements for suppliers. For example, they must provide evidence of certification such as ISO 14001 and be compliant with RoHS/REACH ❯ 4.6.1 Critical Substances. Depending on the home country of the supplier, additional requirements may be imposed such as a self-assessment in respect of social and environmental aspects. A summary of the key requirements is published in our ❯❯ Procurement Portal. Strategic buyers check compliance and manage the suppliers in conjunction with representatives from the Quality Management, Logistics, and Research & Development departments. These sourcing teams are responsible for the procurement strategy in all fields of material. For matters relevant to sustainability, for example training courses, conflict minerals, and the coordination of audits, the sourcing teams are supported by the Environmental Protection, Health and Safety (EHS), Corporate Procurement, and Responsible Business & Sustainability departments.

Embedded within the supplier development and supplier qualification processes are various requirements that help us to fulfill our duty of care with regard to human rights ❯ 6.1 Respect for Human Rights. The strategic buyers and the local procurement representatives are responsible for implementing these requirements. Corporate Procurement is responsible for compliance and for providing training on the individual steps involved in supplier management.

The expertise of our employees is an important cornerstone of our supplier management process. We regularly provide information and training to our global procurement teams and we offer guidance on matters relevant to human rights,

for example at the town hall meetings that take place every two months for employees of the procurement organization. The training courses cover overarching topics such as human rights and responsible sourcing, and specific changes relevant to sustainability in our supply chains. We have summarized the objectives and results at the end of this chapter ❯ Objectives, Action Taken, and Results.

3.4.1   Code of Conduct for Suppliers

We expect our suppliers to comply with all laws and regulations and with the values set out in our Business Conduct Guidelines. We have produced our own Code of Conduct (CoC) ❯❯ www.osram.com/coc which incorporates our basic principles and international standards such as the UN Global Compact and the Conventions of the International Labour Organization ❯❯ International Labour Organization (ILO). The Code of Conduct for Suppliers contains topics such as:

— compliance with all applicable laws,
— combating corruption,
— observance of human rights of employees,
— compliance with laws prohibiting child labor,
— ban on all forms of modern slavery, forced labor, and human trafficking,
— responsibility for employee health and safety,
— compliance with the relevant national laws and international standards on environmental protection, and
— the express demand that these values are implemented and complied with in the supplier's own supply chain.

Suppliers must prevent internal and external employees being affected by unethical practices in the recruitment of new workers. The CoC is mandatory for all suppliers with

a procurement volume of €50,000 or higher. It also forms part of the qualification process that new suppliers to OSRAM must go through. Irrespective of the procurement volume, each supplier receives notification of OSRAM's General Terms and Conditions and Code of Conduct when purchase orders are placed. By signing the CoC, suppliers join OSRAM in making a commitment to continuously improving their environmental measures and establishing an appropriate environmental management system. We give preference to ISO 14001-certified suppliers, particularly if their materials are incorporated directly into our products.

Our Code of Conduct (CoC) covers topics such as

Laws
Compliance with all applicable laws

Corruption
Avoidance of corruption

Human Rights
Observance of human rights of employees

Child Labor
Compliance with laws prohibiting child labor

Health and Safety
Responsibility for employee health and safety

Environmental Protection
Compliance with the relevant national laws and international standards on environmental protection

Supply Chain
The express demand that these values are implemented and complied with in the supplier's own supply chain

3.4.2   Review of Suppliers

When being added to the supplier system, all suppliers—irrespective of what materials or services they supply to OSRAM—are checked against restricted party lists (German, European, and U.S. sanctions lists). Updated lists are automatically uploaded into OSRAM's export monitoring systems so that appropriate checks are also carried out on existing suppliers every time an order is submitted and before every payment run. Suppliers from countries where social risks are more acute must also submit a self-assessment on relevant aspects of corporate responsibility. The selection is based on the country assessment of ›› Transparency International (Transparency International Corruption Perceptions Index ≤ 50).

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

In fiscal year 2018, we analyzed our entire procurement volume with regard to social risks › 6.1 Respect for Human Rights—Action Taken and Results. The next review is planned for the coming fiscal year. This will be carried out using the RBA risk assessment platform to which we now have access, having joined the RBA in August 2020. The risk mitigation measures described below are linked to the risk assessment system currently in use. Most of the suppliers invited to undertake an external corporate responsibility (CR) audit are among the high-risk group.

We use a variety of tools and processes to fulfill our duty of care with respect to human rights › 6.1 Respect for Human Rights and to check compliance with our Code of Conduct for suppliers in our supply chains. Based on the analysis of our procurement volume with regard to social risks, each year a selection of suppliers are requested either to submit an up-to-date CR audit or to have it carried out, or to prove compliance with corporate responsibility requirements by means of equivalent certifications (ISO 14001 in combination with ISO 45001). The suppliers are assessed according to the following criteria:
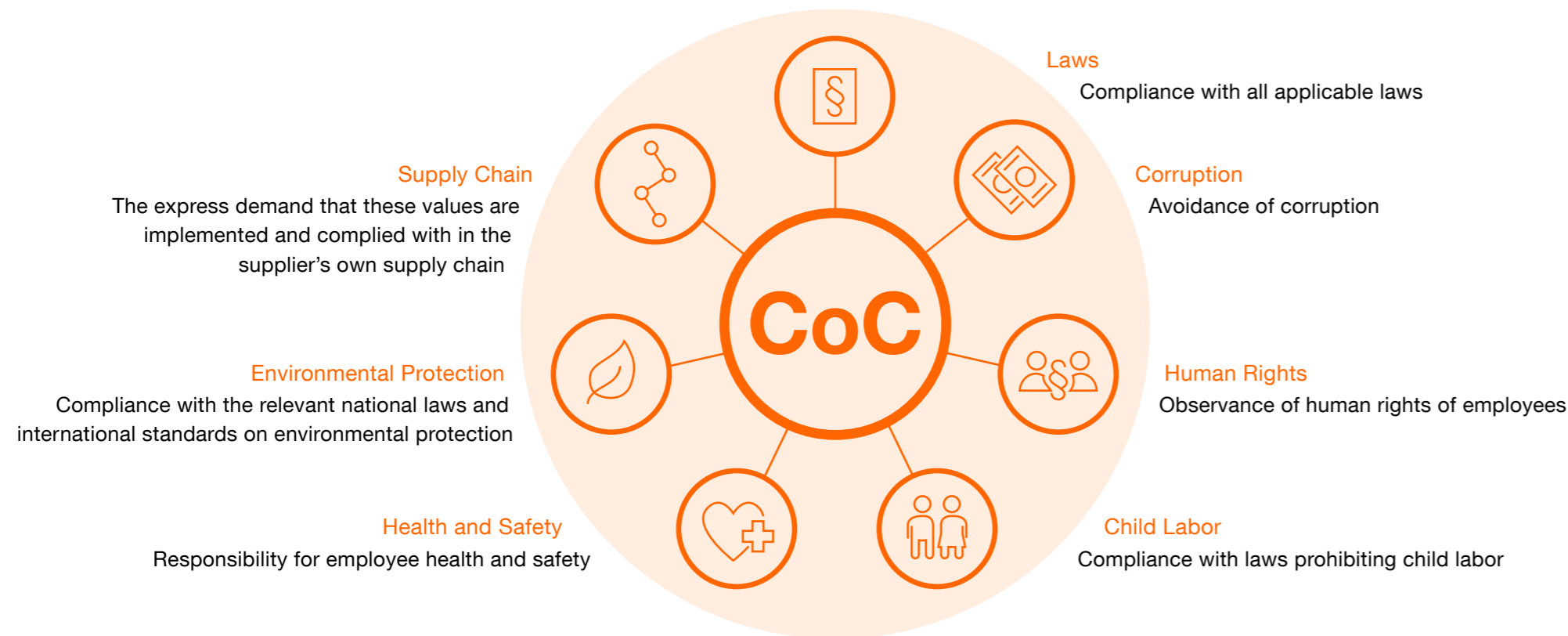
— High country risk: all suppliers from countries that score 50 points or fewer in Transparency International's Corruption Perceptions Index

— Social risk of the material group: categorized as low, medium, or high based on the Company-wide materiality analysis; highest risk: construction services, contract manufacturing, and electronic components

— Procurement volume:
  · Up to €50,000: low risk
  · Up to €500,000: medium risk
  · > €500,000: high risk

— Extent to which the supplier operates internationally. The risk associated with a small, local supplier combined with the country risk can be higher than that of a global company that is committed to international standards

— Results of previous self-assessments and/or on-site audits.

The suppliers are assigned to one of five risk groups based on this risk assessment. The suppliers in the highest two risk groups are asked to undergo a CR audit. If the outcome is positive, the supplier is then eligible for selection again. The audits are valid for three years and cover health and safety, wages and salaries, working hours, environmental protection, and management systems.] ⊘

Responsible supply chain management at OSRAM

Demands
- Business Conduct Guidelines
- General Purchasing Conditions
- Code of Conduct
- Requirements relating to environmental protection, quality, materials

Evaluation
- Sanctioned party list
- Supplier classification
- Risk analysis
- Self-assessment
- CR audit (risk-based)

Development
- Individual measures
- Whistleblowing system
- Re-assessments
- Training courses
- Supplier workshops

[ISO 14001 certificates are stored in our global procurement system to verify environmental compliance and their validity is regularly checked. As part of the qualification process, new suppliers from which materials are to be purchased directly must undergo a process audit in accordance with VDA 6.3 (German Association of the Automotive Industry). The audit assesses the supplier's manufacturing processes and service processes. The results of the process audit are published in our global purchasing system and, as such, are integrated into the overall procurement process.

Objectives, Action Taken, Results and Performance Indicators
In fiscal year 2020. the topic of sustainability was integrated even more closely into the global procurement strategy. Responsibility for sustainable procurement is one of four core elements that Procurement has put at the heart of its departmental strategy in the context of its targets for 2025. Specific measures are currently being defined with the business units and will be rolled out over the coming fiscal year. Activities range from reducing the carbon footprint of the energy-intensive product groups to tightening the requirements relating to health and safety and human rights in particularly high-risk service areas such as contract manufacturing.

As part of the OSRAM climate strategy ❯4.3 Greenhouse Gases and Climate Change—Objectives, we intensified our focus on the carbon footprint of our procurement decisions in fiscal year 2020. When purchasing equipment (CAPEX) with a value greater than €50,000, the expected energy consumption and related CO_2 emissions are included in the total cost of ownership calculation (TCO). This makes energy-efficient solutions more attractive. Since January 2020, our German sites have been powered with hydroelectricity and in fiscal year 2020 we began to explore possibilities for switching to renewable energies for our facilities in other parts of the world, too. The implementation is planned for fiscal year 2021 ❯4.3 Greenhouse Gases and Climate Change—Action Taken, Results, and Performance Indicators.

In fiscal year 2020, town hall meetings for employees of the procurement organization were again used for training on the subject of 'Responsible Procurement—Sustainability in the Supply Chain'.

In fiscal year 2020, as part of the relationship with our existing suppliers, we evaluated the results of the CR audits and/or other certifications that had been requested. Due to the COVID-19 restrictions, only a small number of audits were carried out in fiscal year 2020. The review focused on suppliers with current RBA audits. The process of working through the development measures is still ongoing. The regular audits, carried out by independent auditors, of our duty of care regarding human rights and of compliance with our Code of Conduct for Suppliers identified non-compliance in the areas of working hours and health and safety as the most common failures in fiscal year 2020.

We strive to achieve a coverage rate for the Code of Conduct of 100% for our entire purchasing volume. Increasing the proportion of our direct materials suppliers that hold ISO 14001 certification is a further aim. Training documents are regularly published in our ❯❯ Procurement Portal to make it easier for our buyers to share them with suppliers. We use the resources to which we have access via our membership of relevant organizations to share our knowledge of sustainable procurement with our supplier network. These include webinars on conflict minerals from the RMI and training materials relating to the UN Global Compact or the sustainable development goals (SDGs) of the United Nations.] ⊘

Procurement performance indicators

⊘

	2019	2020
Number of suppliers	13,614	12,349
Procurement volume	€ €1.9 billion	€1.7 billion
(goods and services purchased from third parties)	(of which 63% is accounted for by local suppliers[1])	(of which 61% is accounted for by local suppliers[1])
Supplier Codes of Conduct signed	270 new CoCs	339 new CoCs
	(which covers 96% of our procurement volume)	(which covers 96% of our procurement volume)
Proportion of direct procurement volume covered by ISO 14001[2]	77%	86%
Conflict Minerals Reporting Template (CMRT) coverage	98%	98%

[1) Local suppliers are defined as those that are based in the same country as the purchasing OSRAM location.
2) Excluding capital spending on long-term capital assets, CAPEX.] ⊘

Product Safety and Quality

[OSRAM strives to offer a high level of quality, safety, and reliability in its products and solutions. To ensure that we keep this promise to our customers, these principles are firmly anchored within the Company and make an important contribution to the long-term success of the business. Our customers in the automotive industry set particularly high standards that must be upheld in order to retain their business.

The lighting market is undergoing constant technological change and is not globally homogeneous. Regulations regarding product safety are often specific to individual countries. In order to bring our products to market quickly while also complying with all rules and regulations, we need to coordinate these requirements at global level and take them into account at an early stage.

Guidelines, Responsibilities & Structures, and Processes
We are committed to complying with all legal requirements, standards, and norms relating to products and their safety, including labeling, that apply in the individual regions and countries in which we operate, and to implementing changes in good time. We endeavor to identify new legal requirements, standards, and norms that are relevant to our business in a timely and routine manner and apply them to our internal product safety specifications.

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

At Managing Board level, responsibility for product safety and quality lies with the Chief Technology Officer (CTO), who has assigned the relevant tasks and managerial authority to the head of the corporate Quality Management department. The corporate Quality Management department is responsible for setting up and maintaining a quality management system, for issuing rules that apply across the Group, and for routinely monitoring compliance with these rules. Our core practices are described in the quality policy, which is publicly available. The guidelines and processes cover, for example, product safety and how this is taken into account in product development, and how we deal with defective products and any necessary escalation measures. Operational responsibility for implementing legislation and internal rules regarding product safety and quality lies with the CEOs of the individual business units. At regular intervals, the Quality Management department reports directly to the CTO on significant developments. The CTO is also informed immediately of any incident that has been classified as a critical quality issue by the responsible business unit.

Significant developments and critical issues at OSRAM CONTINENTAL are reported to the CEO, who reports to the shareholders via the Advisory Board.

Methods designed to safeguard quality are rigorously applied during the product design stage to meet the development milestones. We follow standardized checklists when approving products and take remedial action if relevant risks are identified. In addition, we regularly check our products regarding their impact on health and safety.

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

Customers can return defective products at any time and will find the relevant information online. Employees can also report potential incidents.

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

Our processes and management systems are regularly certified to ISO 9001 and, for automotive customers, also to IATF 16949. In addition, OSRAM conducts regular internal audits of its factories, processes, and suppliers so that deficiencies can be identified and corrected at an early stage, before customers are affected. Most new suppliers from whom products are purchased directly are audited as part of the preparations for entering into a business relationship as prescribed by VDA 6.3.

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

Objectives

OSRAM markets its products worldwide. One of our most important objectives is to ensure that our products do not cause anyone harm.] ⊘

Furthermore, we want to ingrain the key principles of our quality culture—'Learn from mistakes. Be proactive. Never stop improving.'—throughout the organization and in the mindset of our employees. So it is important that we follow defined processes in a structured manner and that we consistently adhere to these processes and work to improve them.

The quality of our products is a key criterion in our customers' satisfaction and therefore plays a key role in securing their loyalty, which at OSRAM is measured using the Customer Loyalty Index (CLI) ❯ 3.6 Customer Relationships.

Action Taken, Results, and Performance Indicators

[We had our processes and management systems recertified to ISO 9001 in fiscal year 2020. All locations supplying automotive customers were additionally certified to IATF 16949. Due to travel restrictions imposed by governments and local authorities to contain COVID-19, some audits were postponed to a later date. This was done in consultation with our certification body TÜV Süd.

Individual measures were taken at business unit level as well in order to further improve product quality and customer satisfaction.] ⊘

OSRAM achieved single and even double-digit reductions in the defect rates experienced by our customers in various sectors in fiscal year 2020.

The introduction of end-to-end processes in quality management was completed in fiscal year 2020. The processes are now optimized and sub-processes that need to be carried out in a particular chronological or logical order to meet specific customer needs are transparent for all departments and/or functions involved.

[In fiscal year 2020, the Quality Management department received no indications of potential violations concerning the impact of our products on the health or safety of our customers and therefore achieved the aforementioned objective of delivering safe products to our customers.] ⊘

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3 . 6

Customer Relationships

[Our customers' requirements are changing significantly as technology shifts toward LED-based lighting systems. This transition is also resulting in a shift from a purely product-driven business to a modular and project-based business that is very different in character.

Digitalization is also becoming increasingly important within the sales and procurement channels, although we still have to contend with large differences in the degree of digitalization in specific industries and with specific customers.

Particularly in light of current changes in the industry, OSRAM strongly focuses on managing customer relationships in an efficient and targeted manner and in a way that takes advantage of the structures of the Group.

Guidelines, Responsibilities & Structures, and Processes
The operating activities covered by our business model are essentially organized into three business units: Opto Semiconductors (OS), Automotive (AM), and Digital (DI) ›› 2020 OSRAM Licht Group Annual Report, A.1.1.1 Business Model, p. 3. Each business unit's sales function is specifically geared to the requirements of its customers and markets and, as the direct interface to our customers, has operational responsibility for sales. This business model enables us to operate in the relevant markets in a targeted and market-oriented manner.

The Global Sales Excellence function organizes measures aimed at further improving the efficiency of sales processes and structures across all business units. It also coordinates and implements Company-wide initiatives and projects. The head of Global Sales Excellence reports directly to the Chairman of the Managing Board (CEO).

OSRAM attaches great importance to obtaining regular and structured customer feedback on matters such as the satisfaction and loyalty of the customers involved. We continuously incorporate this feedback into the improvement of our processes and structures. Approximately every two years, a worldwide customer survey on the relevant customer touchpoints with OSRAM is carried out for all business units. Once the results of the survey have been analyzed, the business units define and implement appropriate measures.

Because of its customer and production structure, OSRAM CONTINENTAL does not participate in the OSRAM customer survey. The customers of OSRAM CONTINENTAL are individually served by a dedicated key account management system.

Objectives
One of our primary sales goals, in addition to winning new customers by breaking into new markets, is to further expand business with existing customers and to strengthen existing customer relationships so that together we can develop new business opportunities. We measure quality in this area using the Customer Loyalty Index (CLI). The CLI is calculated on the basis of responses to questions posed in the biannual customer survey regarding overall satisfaction and likelihood of recommendation and can lie within a range of 0 to 100.

Once the customer survey in fiscal year 2019 had been completed and the results analyzed, the business units defined measures specific both to particular customers and customers generally, and are now monitoring their implementation. The objective for fiscal year 2020 was to implement improvement measures derived from the 2019 customer survey.

The Next Generation Sales corporate program was initiated in fiscal year 2019 so that we can continue to serve our customers in ever-changing sales channels while at the same time reaping efficiencies in the sales process. The objective is to expand on the level of digital interaction with customers. In part through the introduction of the new B2B sales portal (online ordering system for corporate customers), we would like to further increase the proportion of revenue that is generated online beyond that achieved in fiscal year 2020; the target is 80%.

The modules that had already been launched to set up a new online ordering system for corporate customers and a customer relationship management (CRM) system were supplemented with further modules in fiscal year 2020—with the aim of being able to offer customers the full range of digital services.

Action Taken, Results, and Performance Indicators

The improvement measures derived from the 2019 customer survey will continue to be implemented within the business units until the next survey begins in fiscal year 2021.

In fiscal year 2020, the activities of the Global Sales Excellence function focused on optimizing existing structures and establishing sales management criteria and KPIs to be applied across the Company.

The customer segments and service catalogs defined in the previous fiscal year are in the process of being introduced in the Automotive and Digital Business Units.

We made particularly good progress with the projects related to the introduction of the B2B sales portal and CRM, with roll-out of the new sales support software having already commenced at the end of September 2019. This was implemented for the relevant business units in Europe in fiscal year 2020. A further roll-out for APAC, NAFTA, and LATAM is planned for fiscal year 2021. Various functionalities are also being worked on during this period. Additional modules (digital services management and digital marketing) were added to the scope of the project in order to provide customers with the full range of

digital services and interaction options. This will also help with the COVID-19-related restrictions on direct customer contact.

Implementation was delayed on the whole, partly because of COVID-19 and partly because of the aforementioned expansion of the project scope. The approximate timeframe for implementation was therefore extended by approximately six to eight months. The overall implementation and refining of the system—as well as of the related processes—is scheduled to last around three years and is being carried out on a flexible basis.

In fiscal year 2020, we fell just short of the target defined in the Next Generation Sales program of increasing the proportion of revenue generated from orders made using digital media to 80%.] ⊘

Customer Relationships

	2018	2019	2020
Sales employees (in thousands FTEs)	2.1	2.0	2. 0
Share of revenue of top 50 customers	64.9%	60.2%	61.0%

4.0

Environment and Climate Protection

As an industrial company, we consume natural resources and emit greenhouse gases during production. In order to fulfill our responsibility, we are committed to environmental management practices that conserve resources and to developing innovative, energy-efficient products.

4 . 1

Environmental Management

[Our environmental management activities are intended to meet the requirements of the law and the expectations of our customers and employees. They are also for the benefit of society and for the capital markets, and are contributing to the success of OSRAM's business. As regulation increases, so do the demands made of our environmental management system by a range of stakeholders

›› 2020 OSRAM Licht Group Annual Report, A.1.1.4 Legal and Sector-specific Conditions, p. 6.

Guidelines, Responsibilities & Structures, and Processes
Overall responsibility for environmental protection and occupational health and safety within the OSRAM Group lies with the Chief Technology Officer (CTO), who delegates tasks and managerial authority to the head of the corporate Environmental Protection, Health, and Safety department (EHS). At regular intervals, the EHS department reports directly to the Managing Board on significant developments.

The management team of OSRAM CONTINENTAL does not formally delegate responsibility for environmental protection and occupational health and safety to a department. The

operational implementation is the responsibility of EHS management at OSRAM CONTINENTAL.

EHS coordinates environmental rules and guidelines, monitors performance, and continuously improves the environmental management system. In addition to the Group's overarching EHS policy, the department issues guidelines that apply across the Company and cover industrial and product-related environmental protection, occupational health and safety, the transportation of hazardous goods, and fire safety. These guidelines clearly state that compliance with environmental laws and regulations at local, regional, and global level is mandatory. As set out in our EHS Policy, which is published online, this obligation also applies to mergers and acquisitions and to related reviews.

For example, all production facilities and the Group headquarters maintain environmental and energy management systems that are certified to the international standard ISO 14001, while all European locations are also certified to ISO 50001.

Our guidelines require all new OSRAM employees to receive an induction on EHS-related issues and then be given further training at regular intervals. The aim is not just to raise awareness of such matters but also to point out the consequences for OSRAM of any regulatory breaches.

As part of its environmental reporting, OSRAM collects data on indicators such as energy consumption, CO_2 emissions, water withdrawal, and waste generation. The data covers more than 99% of our environmental impacts[*] and the loca-

tions at which a total of 86% of all our employees are based. These locations also calculate and report annual figures for their volatile organic compounds (VOC) emissions and waste water volumes.

Every year, OSRAM sets specific annual targets for energy consumption, CO_2 emissions, water consumption, and waste generation. Senior managers implement the defined measures at the individual manufacturing facilities. The results are presented in the relevant sections within this chapter 4.

The corporate EHS department cooperates with government agencies and industrial associations on a variety of topics. It also regularly reviews implementation of the aforementioned guidelines at the locations by carrying out site visits, inspections, and internal audits.

The EHS guidelines also take into account the relevant chemicals legislation that regulates the use of specified hazardous substances in electrical and electronic equipment. They regulate the use and handling of substances and preparations at all our locations and thereby improve the level of protection afforded to people's health and the environment both inside and outside the Company.

In our supply chain, we use the OSRAM Index List Environment (ILE) and the Code of Conduct for Suppliers to communicate our expectations relating to the environment and climate protection and to request that these are met

› 3.4.1 Code of Conduct for Suppliers.

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

Action Taken and Results

To meet its environmental goals, OSRAM strives for matrix certification to the standards ISO 14001 (environmental management) and ISO 50001 (energy management). During the 2020 calendar year, six locations were inspected as part of nine external certification audits (five for ISO 14001 and four for ISO 50001). The corporate EHS department carried out a further eight corporate EHS audits to check that the EHS management system is used permanently worldwide. These combined audits are based on the ISO 14001 and ISO 45001 standards (occupational health and safety) and in Europe also on ISO 50001. Due to the COVID-19 pandemic and the related restrictions, six of these audits had to be conducted virtually and others had to be postponed.

In addition, OSRAM CONTINENTAL's manufacturing facilities in Treviso (Italy), Kunshan (China), and Hendersonville (U.S.A.) received ISO 14001 certification in calendar year 2020.

During the reporting period, a fine of over €10,000 was imposed once on OSRAM for a breach of waste water law at the Wuxi (China) facility.] ⊘

4 . 2

Energy Efficiency

[In the face of climate change, a key aspect of OSRAM's corporate responsibility is to optimize the energy efficiency of its business. Our largely LED-based portfolio means that we can also help to reduce emissions through the sale of energy-efficient products and solutions.

As an industrial company, OSRAM uses both primary and secondary energy, with electricity and natural gas being the most important sources of energy. Of particular relevance are the production facilities, followed by the Group headquarters and larger development centers. Increasing the energy efficiency of our business also helps to reduce costs.

In addition to these optimization efforts in our manufacturing operations, OSRAM products and solutions can also help to reduce our customers' energy consumption, the resulting emissions, and energy costs. At the same time, they can make a contribution to protecting the climate. Improving the energy efficiency of our products is therefore a key criterion in our customers' purchasing decisions and satisfaction.

4.2.1   Energy Consumption

OSRAM's Environmental Protection, Health, and Safety (EHS) department has the power to issue environmental protection guidelines, formulates policies that apply across the Group, and regularly checks that these are adhered to ❯ 4.1 Environmental Management. Our business model dictates that responsibility for implementation of these central EHS guidelines lies with the business units themselves. Each business unit is also responsible for ensuring that its products are designed in an environmentally sustainable way and that energy is used efficiently both in production and when products are being used.

To operate our production facilities, we generally utilize an energy mix that is both economical and environmentally friendly. OSRAM does not yet distinguish between renewable and non-renewable energy for measurement and reporting purposes. In Germany, however, we can report the amount of electricity that we obtain from renewable energy sources. Relative consumption targets are set annually at location level and aggregated into a specific global target (MWh electricity used per €1 million in revenue) for energy consumption using the budgeted figures for production and revenue. At Group level, OSRAM monitors and reviews progress toward the targets as part of the quarterly reporting cycle and the energy efficiency reviews conducted with the operational heads of the business units.

Group headquarters as well as all production and development locations that consume more than 1,400 megawatt-hours (MWh) per year are pursuing energy efficiency programs in order to not only reduce their impact on the environment

but also keep production costs competitive. The worldwide EHS management system controls energy use in our production processes. An energy management system is mandatory for the aforementioned OSRAM locations. This includes assessment of regulatory requirements and of potential improvement measures.

Objectives

Through its energy efficiency initiatives in production, OSRAM is striving for continual improvement at its locations.

We do not report on absolute targets due to our ambitions for long-term growth and the potential expansion of manufacturing capacity connected to this and due to our portfolio's shift toward products with greater vertical integration. Instead, we set our targets according to the ratio of total energy used in MWh to revenue earned. The specific metric used—MWh electricity used per €1 million in revenue—is therefore comparable over time.

The OSRAM Licht Group's target for fiscal year 2020 was 199 MWh per €1 million in revenue, slightly lower than the previous year's level of 203 MWh per €1 million in revenue. At the time the target was set, our assumption was that market conditions would stabilize compared with 2019. The plan for fiscal year 2020 also envisaged stable capacity utilization driven by high volumes.

In the medium term, our aim remains to continually reduce the aforementioned energy consumption per €1 million in revenue across the Group ❯ 4.3 Greenhouse Gases and Climate Change—Objectives.

Action Taken, Results, and Performance Indicators

At 663,100 MWh, OSRAM's energy consumption in fiscal year 2020 was significantly lower than the prior year (703,600 MWh).

Consumption in the first two quarters was still fairly similar to the level of the prior year, but we registered a sharp fall in the third quarter in particular. The impact of the COVID-19 pandemic is clear to see here: We were affected not only by measures imposed by the authorities such as temporary factory closures in China (extension of the public holiday for the Chinese New Year) and Italy (nationwide lockdown) but also by restrictions on the numbers of employees permitted to work in Malaysia. This affected the operations in Wuxi, Kunshan, Foshan (all China), Treviso, Bergamo (both Italy), Kulim and, to some extent, Penang (both Malaysia). Moreover, the pandemic led to a significant fall in demand, particularly in lines of business such as automotive and entertainment. As a result, OSRAM was forced to scale back production at a number of locations and introduce supplementary measures such as short-time working and periods of compulsory leave ❯ 5.3 Fair Working Conditions. Factories closed for a number of weeks, including those in Berlin, Herbrechtingen, and Schwabmünchen (all Germany), and in the U.S.A. in Hillsboro, Warren, and Exeter.

A further measurable reduction in energy consumption— albeit one that had little impact on the overall assessment— resulted from the shift to remote working where this was possible. Of course, this measure was primarily aimed at reducing the risk of infection.

Energy savings were again achieved in the fiscal year under review by means of a large number of efficiency measures at our locations. The following section lists some examples and the scope of the savings achieved:

— In Penang (Malaysia), we reduced electricity consumption by 1,520 MWh by increasing the density of the back-end production areas and achieved a further 1,020 MWh saving by optimizing the ventilation systems. In the front end at the same facility, electricity consumption was reduced by 70 MWh through improved chemical and production exhaust air flows. A greater spread of temperatures in the supply and return flow of process cooling water and cold water meant that lower pumping capacities were required, which led to a saving of 540 MWh.

— In Kulim (Malaysia), a number of measures were implemented, and power consumption was reduced by 890 MWh. Among the actions that had the greatest impact were the optimization of the compressed air consumers and the optimization of the running times of the frequency controlled refrigeration machines compared with the conventionally controlled machines.

— In Foshan (China), further technical optimization of the machinery reduced compressed air use by 15%. This translated into an energy saving of 70 MWh. In the offices, fluorescent tubes were replaced with LED retrofit lamps, saving an additional 126 MWh of electricity.

— In Regensburg (Germany), the system used to cool the machines in the two production buildings was optimized by adjusting the control software. This led to a saving of 310 MWh.

— In Exeter (U.S.A.), the fluorescent tubes in 3,600 square meters of manufacturing and laboratory space were replaced with LED lighting, bringing about a 240 MWh reduction in energy use.

— In Nové Zámky (Slovakia), the very energy-intensive lifespan tests for high-intensity discharge lamps were significantly reduced following a Hoshin Kanri workshop, resulting in a 190 MWh energy saving. Replacing the fluorescent tubes with LED lighting in the office areas lowered electricity consumption by 90 MWh.

— In Bruntál (Czech Republic), a consolidation of operational areas and improved monitoring of the compressed air lines produced a 30 MWh saving.

While absolute consumption fell slightly, as described above, a figure of 218 MWh per €1 million in revenue in fiscal year 2020 means we missed our target for energy usage in relation to revenue by nearly 10%. The impact of the COVID-19 pandemic is also evident in this indicator. Capacity utilization at our production sites decreased once again from the third quarter or even earlier, as had also been the case in the previous year. This underutilization of capacity does not correlate linearly with either the reduction in energy consumption or the decline in revenue. This is particularly the case at our semiconductor locations with high infrastructure requirements (air conditioning), which have to be maintained irrespective of the production volume.]⊘

Examples of how our products' energy efficiency has been improved can be found under ❯ 1.2.1 Innovations.

Energy consumption
in MWh

	2016	2017	2018	2019	2020
Primary energy	**160,600**	**166,800**	**171,000**	**163,600**	**156,900**
Natural gas	132,600	137,100	138,000	133,500	131,800
Liquefied petroleum gas, diesel for on-site use, heating oil, hydrogen	28,000	29,700	33,000	30,100	25,100
Secondary energy	**442,100**	**473,200**	**549,700**	**540,000**	**506,200**
Electricity	420,400	445,100	521,800	508,900	476,800
thereof share of renewable energy in %				25	27
District heating and steam	21,700	28,100	27,600	30,800	29,100
Renewable energy generated inhouse			300	300	300
Total (primary and secondary energy)	**602,700**	**640,000**	**720,700**	**703,600**	**663,100**
Target for specific energy consumption per €1 million revenue		181	187	194	199
Specific energy consumption per €1 million revenue	**179**	**166**	**191**	**203**	**218**

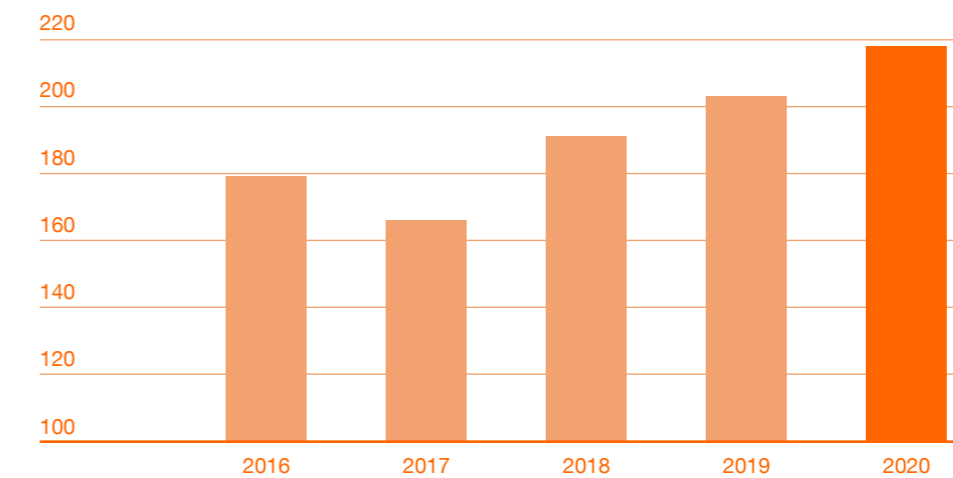## Absolute energy use
in MWh

■ Primary energy   ■ Secondary energy
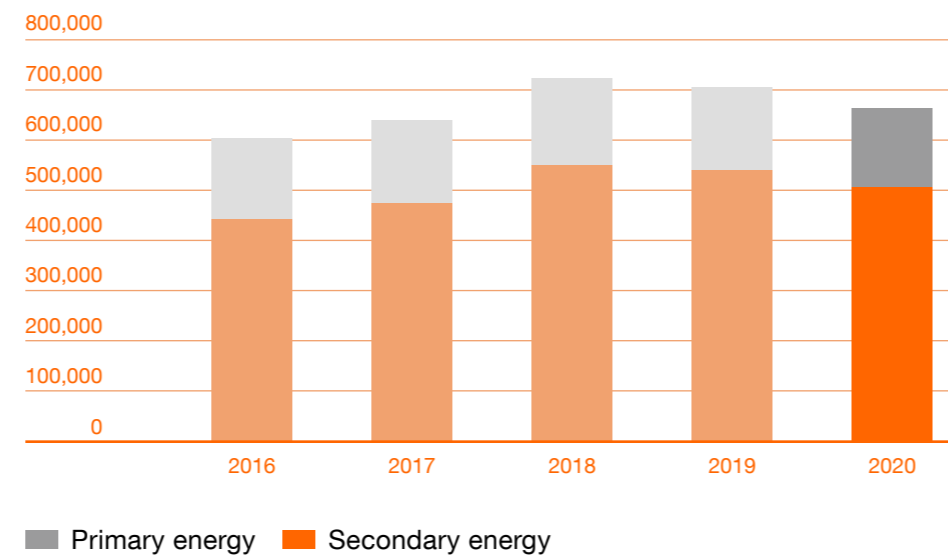
Specific energy use
in MWh/M€ revenue

Ⓟ Page <9>

4.2.2   Impacts in the Product Lifecycle

[We want to offer our customers transparency when it comes to improvements to the energy efficiency of OSRAM products. OSRAM conducts lifecycle assessments (LCAs) on selected products that are representative of product families and makes the results of these assessments, which are based on the ISO 14040 and 14044 environmental management standards, available to our customers and the public on the Company's website ≫ www.osram.com/lca.

These activities cover the majority of OSRAM's product portfolio. Across all product families, it is evident that the phase of the lifecycle in which the product is being used by the customer has the greatest impact on the environment.

Less than 4% of energy consumption in main product groups is attributable to manufacturing, distribution, and disposal. Around 96% is accounted for by the usage phase. Reducing the amount of energy that is consumed when the product is being used therefore represents the most effective means of reducing the overall environmental impact ≫ 1.2.2 Added Value of Our Products.] ⊘

4 . 3

Greenhouse Gases and Climate Change

[Climate change is a global challenge that also affects OSRAM. The direct and indirect greenhouse gas emissions that result from our use of energy contribute to climate change and mainly take the form of CO_2. Greenhouse gas emissions also occur in our upstream and downstream value chain. OSRAM accepts this responsibility and has set itself the target of ensuring that its own operations (Scope 1 and 2) are climate neutral by 2030.

OSRAM's Environmental Protection, Health, and Safety (EHS) department has the power to issue environmental protection guidelines, formulates policies that apply across the Group, and regularly checks that these are adhered to ≫ 4.1 Environmental Management.

OSRAM bases its documentation and reporting on the recognized standard of the Greenhouse Gas Protocol (GHG) and the Task Force on Climate-related Financial Disclosure (TCFD) when recording CO_2 emissions under

— **Scope 1** direct emissions from the use of energy sources,

— **Scope 2** indirect emissions resulting from the use of secondary energy sources such as electricity or district heating, and

— **Scope 3** emissions that occur further up or down the value chain that are attributable to the Company, as well as upstream and downstream in our products' lifecycle, for example emissions resulting from the use of our products.

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

Measurements of energy consumption are used to manage efforts to reduce the above-mentioned Scope 1 and Scope 2 emissions. Absolute figures are documented at location level and, using the corresponding conversion factors, scaled in relation to revenue at global level.

Objectives

In November 2019, OSRAM announced a Company-wide climate objective of reducing the carbon footprint (Scope 1 and 2) of its own operations to zero by 2030. This is to be achieved through energy efficiency measures, the use of renewable energies, and, as a last resort, by compensating for any remaining emissions with certificates and associated climate protection projects. In the medium term, the plan is also to cover emissions from the upstream and downstream supply
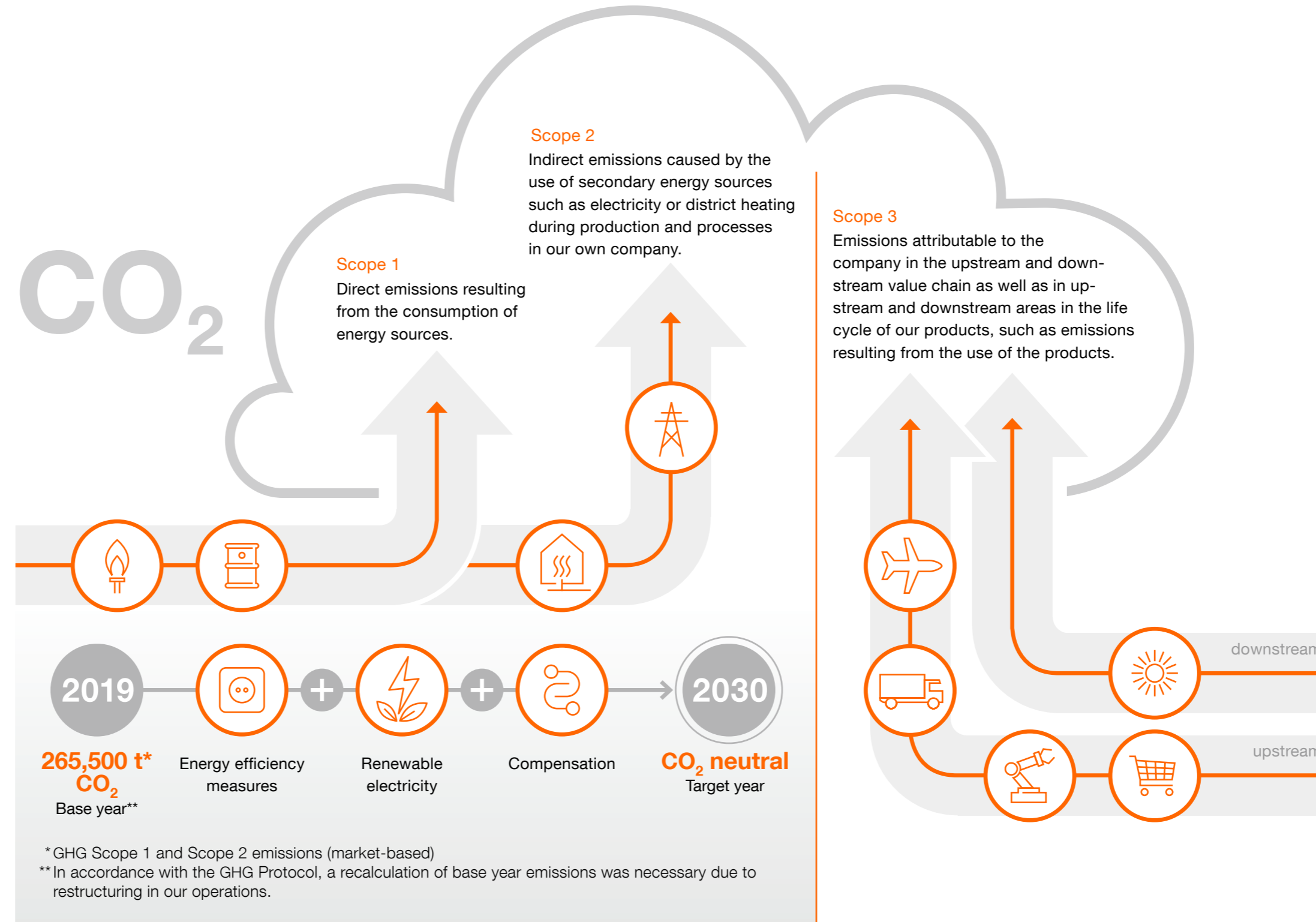
chain. OSRAM will continue to set itself annual targets for reducing its Scope 1 and Scope 2 (market-based) emissions. Consistent with our energy efficiency targets ❯ 4.2 Energy Efficiency—Objectives we have also defined a relative target for reducing CO_2 emissions in relation to revenue. This reflects the Scope 1 and Scope 2 emissions (market-based) that are attributable to OSRAM in relation to revenue.

As our targets for CO_2 emissions and energy efficiency are linked, the changes mirror each other. The OSRAM Licht Group's target for fiscal year 2020 for combined Scope 1 and Scope 2 emissions was 76 metric tons per €1 million in revenue. It does not yet have any targets for Scope 3 emissions.

To implement our climate strategy, we will introduce a climate roadmap featuring specific emission values not to be exceeded. This roadmap has not yet been definitively adopted. However, we have already introduced a new KPI entitled 'Deviation from the roadmap'. For fiscal year 2020, we set ourselves the target of not emitting, in absolute terms, more greenhouses gases than we did in the previous year (265,500 metric tons of CO_2). When calculating this figure, we excluded the Chennai (India), Manila (Philippines), Augsburg, and Regensburg-West (both Germany) locations, which are no longer included in our reporting. These facilities were either sold or closed or fell below the threshold of our criteria with regard to their environmental relevance.

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

OSRAM's Climate Strategy

CO₂

Scope 1
Direct emissions resulting from the consumption of energy sources.

Scope 2
Indirect emissions caused by the use of secondary energy sources such as electricity or district heating during production and processes in our own company.

Scope 3
Emissions attributable to the company in the upstream and down-stream value chain as well as in up-stream and downstream areas in the life cycle of our products, such as emissions resulting from the use of the products.

2019   **2030**

265,500 t*
CO₂
Base year**

Energy efficiency measures

Renewable electricity

Compensation

CO₂ neutral
Target year

downstream

upstream

* GHG Scope 1 and Scope 2 emissions (market-based)
** In accordance with the GHG Protocol, a recalculation of base year emissions was necessary due to restructuring in our operations.

Action Taken, Results, and Performance Indicators

[At 236,300 metric tons, CO_2 emissions (Scope 1 and 2, market-based) in fiscal year 2020 were significantly below the level of the previous year in absolute terms (268,900 metric tons) and also 11% below our first targeted step toward being climate-neutral (265,500 metric tons).

In order to achieve the new objective, we decided in Germany that we will now only purchase electricity obtained from renewable sources (where it is possible for us to purchase this directly). Since the start of calendar year 2020, the Regensburg, Berlin, Herbrechtingen, and Schwabmünchen locations and the Group headquarters in Munich (all Germany) have been supplied with carbon-neutral electricity.

In fiscal year 2020, around 130,100 MWh (previous year: 127,900 MWh) of all the electricity used at OSRAM in Germany came from renewable energy sources. This avoided 52,400 metric tons of CO_2 emissions (previous year: 54,300 metric tons). The share of renewable energies within overall electricity consumption rose to 27% (previous year: 25%) ❯ 4.2 Energy Efficiency, Table of Key Performance Indicators "Energy Efficiency", Share of Renewable Energies.

The year-on-year reduction described above, adjusted for the former locations that are no longer reported on, is the net result of several contributions: Approximately 50%, or 14,600 metric tons of CO_2, is attributable to the purchasing of electricity obtained from renewable sources in Germany. The impact of the COVID-19 pandemic and the associated decline in energy consumption also had a substantial impact, which is described in ❯ 4.2 Energy Efficiency. The aforementioned efficiency measures at the locations also

helped to lower emissions, by 2,900 metric tons of CO_2 ❯ 4.2 Energy Efficiency as did local decarbonization of the electricity grids, for example in the East China region.

Due to the issues relating to energy consumption and the achievement of the specific energy KPI outlined in ❯ 4.2 Energy Efficiency the specific CO_2 target was missed by 3%, with the final figure reaching 78 metric tons per €1 million in revenue. However, this shortfall was smaller than in the previous year, primarily because of the purchase of electricity obtained from renewable sources in Germany.

We reported figures for Scope 3 again in fiscal year 2020. These include greenhouse gas emissions attributable to the upstream and downstream value chain. For the upstream value creation process, a model that is recognized within the industry is used to estimate the greenhouse gases associated with purchased goods and services and capital goods. For emissions from upstream transport and distribution and from business travel, we obtained the underlying data from our business partners and service providers.

In fiscal year 2020, we recorded a clear reduction in emissions from upstream transport and emissions from business travel. A key factor in lowering emissions from upstream transport was the switch from air to sea freight within the Automotive business unit. In addition, the COVID-19 pandemic meant that fewer goods were leaving our plants. The reduction in the number of business trips is due to a stricter policy implemented by OSRAM during the pandemic for financial reasons and because of general restrictions on international travel.] ⊘

In the downstream value chain, we consider the use of products sold to be relevant. The amount of emissions produced during operation is heavily dependent on the type of electricity used (i.e. how it was generated), and we have only limited influence over this. The figures are based on an internal model that helps us to estimate, in absolute terms, how many metric tons of CO_2 were saved by our low-carbon products and our emission avoidance solutions.

As part of our climate strategy, a number of departments are working on reducing our Scope 3 emissions. In fiscal year 2020, Human Resources (HR) updated the company car policy and added electric and hybrid models to the available range. In Procurement, carbon emissions are now included for CAPEX for the first time in the total cost of ownership calculation ❯ 3.4 Supply Chain Management—Objectives, Action Taken, Results, and Performance Indicators.

OSRAM also engaged with these issues in the dialog forum 'Wirtschaft macht Klimaschutz' (Business and Climate Protection), an initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety that ended in fiscal year 2020. It is also working, for the second year, on a project with the city of Munich and other Munich-based companies as part of the 'Klimapakt[2] München' (Munich Climate Pact)'. OSRAM also joined the 'Allianz für Entwicklung und Klima' (Development and Climate Alliance) in summer 2020.

* estell, developed by Systain Consulting, is an input-output analysis tool that includes environmental impacts ❯❯ www.systain.com. This year the Company switched to estell version 6.

CO$_2$ emissions
in metric tons

	2016	2017	2018	2019	2020
GHG Scope 1 emissions	**31,600**	**30,500**	**31,000**	**30,200**	**29,200** ✓
Natural gas	28,300	27,600	27,800	26,800	26,500 ✓
Liquefied petroleum gas, diesel for on-site use, heating oil	3,300	2,900	3,200	3,400	2,700 ✓
GHG Scope 2 emissions (market-based)	**225,600**	**205,700**	**237,200**	**238,700**	**207,100** ✓
Electricity	219,800	199,400	230,900	231,000	200,000 ✓
District heating and steam	5,800	6,300	6,300	7,700	7,100 ✓
GHG Scope 2 emissions (location-based)		265,400	286,200	279,600	260,500 ✓
Total GHG Scope 1 and 2 emissions (market-based)	257,200	236,200	268,200	268,900	236,300 ✓
Target for metric tons of CO$_2$ emissions from own activities per €1 million revenue		71	72	72	76 ✓
Metric tons of specific CO$_2$ emissions from own activities (Scope 1 and 2) per €1 million revenue	**76**	**61**	**71**	**78**	**78** ✓
GHG Scope 3 emissions[1]					
Purchased goods and services	1,098,600	1,099,000	1,065,700	795,300	702,000 ✓
Capital goods	86,500	174,900	153,500	55,300	32,200 ✓
Upstream transport and distribution[2]		81,000	104,600	81,000	55,300 ✓
Business travel[3]		18,400	15,900	11,100	4,700 ✓
Use of sold products		22,000,000	19,100,000	16,100,000	15,000,000
Absolute savings in metric tons of CO$_2$, resulting from the use of OSRAM products[4]					
Low-carbon products		1,490,000	1,327,000	937,000	1,006,000
Emissions avoided		4,940,000	4,495,000	4,284,000	4,489,000
VOC emissions[5] in metric tones	**31**	**28**	**30**	**24**	**16** ✓

[1) Upstream Scope 3 data has not included discontinued operations since 2018.
2) Data on CO$_2$ emissions generated from transport paid for by OSRAM is based, wherever possible, on information from our forwarding agents. In the Opto Semiconductors Business Unit, no reliable information is available for land-based transport in Malaysia and China and so this is not included in the reporting. In the other business units, estimates for all tranport options in the Latin America region as well as for road transport in Asia are made using average figures for comparable regions. In the EMEA region, we only record data for transport that is paid for by OSRAM GmbH. Smaller units such as Clay Paky are excluded from the reporting. Overall, based on an estimate of freight costs, we judge that, despite the aforementioned limitations, more than 90% of the greenhouse gas emissions resulting from our transport activities are included in the calculation.
3) Emissions generated by business travel encompass worldwide flights, rail travel in Germany, and trips made with rental and leased vehicles. We apply the information from our car rental partners about the rentals and make a qualified estimate for use outside the system. OSRAM mostly leases vehicles in Germany. An estimate for vehicles leased outside Germany was added to create a worldwide figure, which we then extrapolated over the fiscal year as a whole.
4) Downstream Scope 3 data and the savings for products have not included discontinued operations since 2019.
5) OSRAM locations are only included in VOC reporting if they are required by local laws or regulations to register as an emitter of VOCs.] ✓
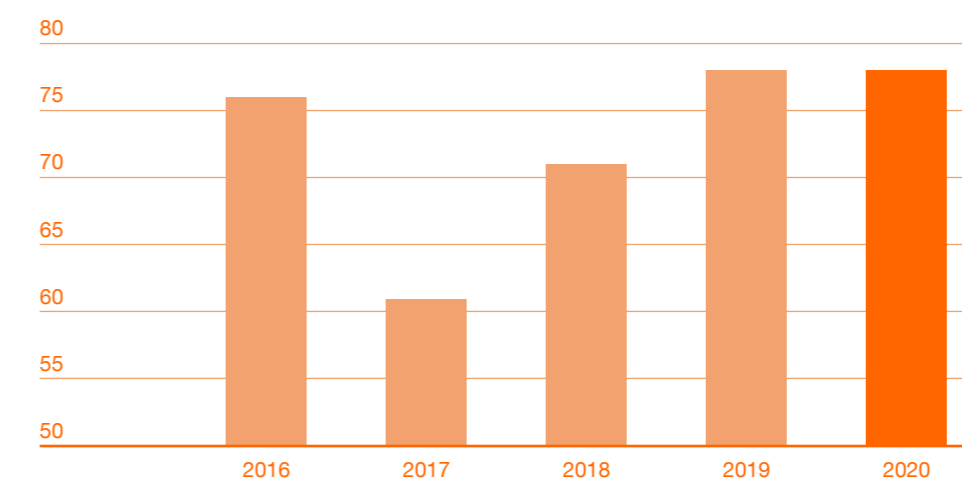
Absolute CO$_2$ emissions
in metric tons

■ GHG Scope 1 emissions   ■ GHG Scope 2 emissions
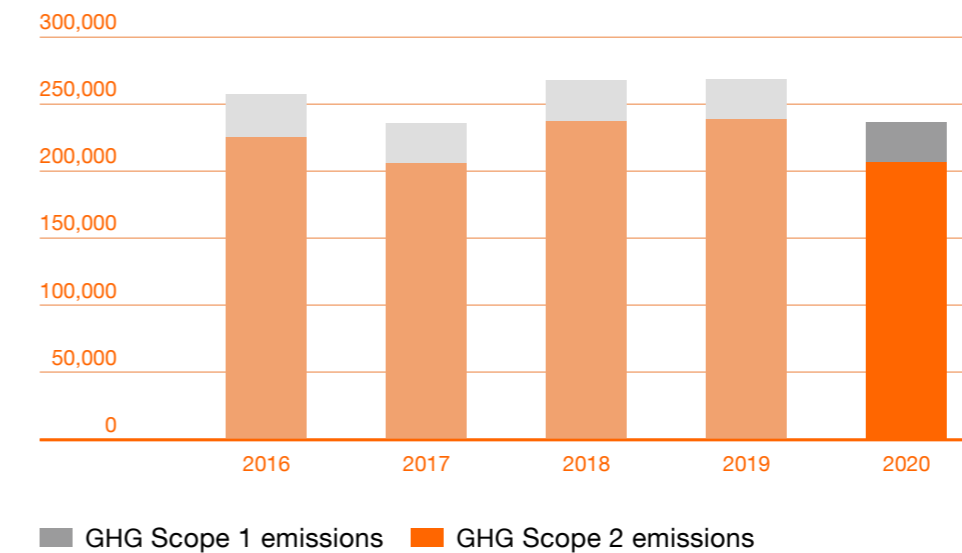
Specific CO$_2$ emissions
in metric tons/M€ revenue

[In fiscal year 2020, OSRAM once again took part in the environmental disclosure system run by CDP, the world's leading ranking platform for climate change, and was rated B ('management').] ⊘

CDP Climate Change

	Fiscal year		
	2018	2019	2020
Score	C	B–	B

4.3.1   TCFD recommendations

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

This sustainability report brings together for the first time OSRAM's reporting on the status of implementation in all four areas of the TCFD recommendations. Further information is available in connection with the Company's participation in the CDP Climate Change Rating ›› CDP and under › 4.3 Greenhouse Gases and Climate Change.

1.   **Governance:** Disclose the organization's governance around climate-related risks and opportunities. The Sustainability Council conducts strategic assessments of aspects relevant to climate change › 2.1 Organization and Structure. It examines the trends, risks, and opportunities and, where necessary, embeds appropriate measures within the organi-

zation. The Chief Sustainability Officer reports on progress to the Managing Board and, if necessary, brings about its decision (see description of Managing Board decisions below).

Climate-related matters are mostly dealt with by EHS, Procurement, Strategy, and Innovation. Climate-related action plans are implemented in conjunction with the business units. Responsibility rests with the Managing Board, which delegates to the departments or business units that report to it.

Decisions that affect a number of departments or business units are made at Managing Board meetings or Executive Board meetings (EBM). As part of OSRAM's enterprise risk management (ERM) system, the Managing Board and Supervisory Board are informed of potential climate risks and any developments, and of the progress of measures implemented to counter such risks. Since spring 2020, the analysis of climate-related opportunities has been part of the formal strategy review process carried out jointly by the Managing Board and the business units ›› 2020 OSRAM Licht Group Annual Report, A.4.2 Report on Risks and Opportunities, p. 35.

For more information see also ›› CDP (OSRAM Climate Change Rating, Chapter C1).

2.   **Strategy:** Describe the actual and potential impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. We are seeing increasing regulation in the area of climate protection and are expecting even more stringent measures to come. These bring transition risks, such as taxes on CO_2 emissions, that could increase costs or lead to some products being

banned, which would lead to loss of sales. We are also seeing acute or chronic physical risks such as flooding due to severe weather events in some areas. These could worsen in future as a result of climate change and could disrupt production at our sites and in other parts of the supply chain. In fiscal year 2020 we began a new project on climate-related scenario analysis and plan to include the results in our future reporting.

We have not currently identified any climate-related risks that are likely to have a severe negative impact on operations ›› 2020 OSRAM Licht Group Annual Report, A.4.2 Report on Risks and Opportunities, p. 35 and ›› 2020 OSRAM Licht Group Annual Report, C.5.3 Non-financial Risks, p. 170. To prepare the Company for the medium and long-term climate-related risks and opportunities, the Managing Board agreed in November 2019 that OSRAM should be carbon neutral (Scope 1 and 2) by 2030. It adopted the OSRAM climate strategy in order to achieve this goal. As a company whose energy-efficient, intelligent products can make a contribution to tackling climate change, there are also business opportunities here for OSRAM › 1.2.2 Added Value of Our Products.

For more information see also ›› CDP (OSRAM Climate Change Rating, Chapter C3).

3.   **Risk Management:** Identify, assess and manage climate-related risks. Climate-related risks are already part of OSRAM's enterprise risk management. They are recorded, assessed, tracked if necessary, and integrated into the risk reporting using our ERM tool. The list of risks includes physical risks and transformation risks for the Company, as well
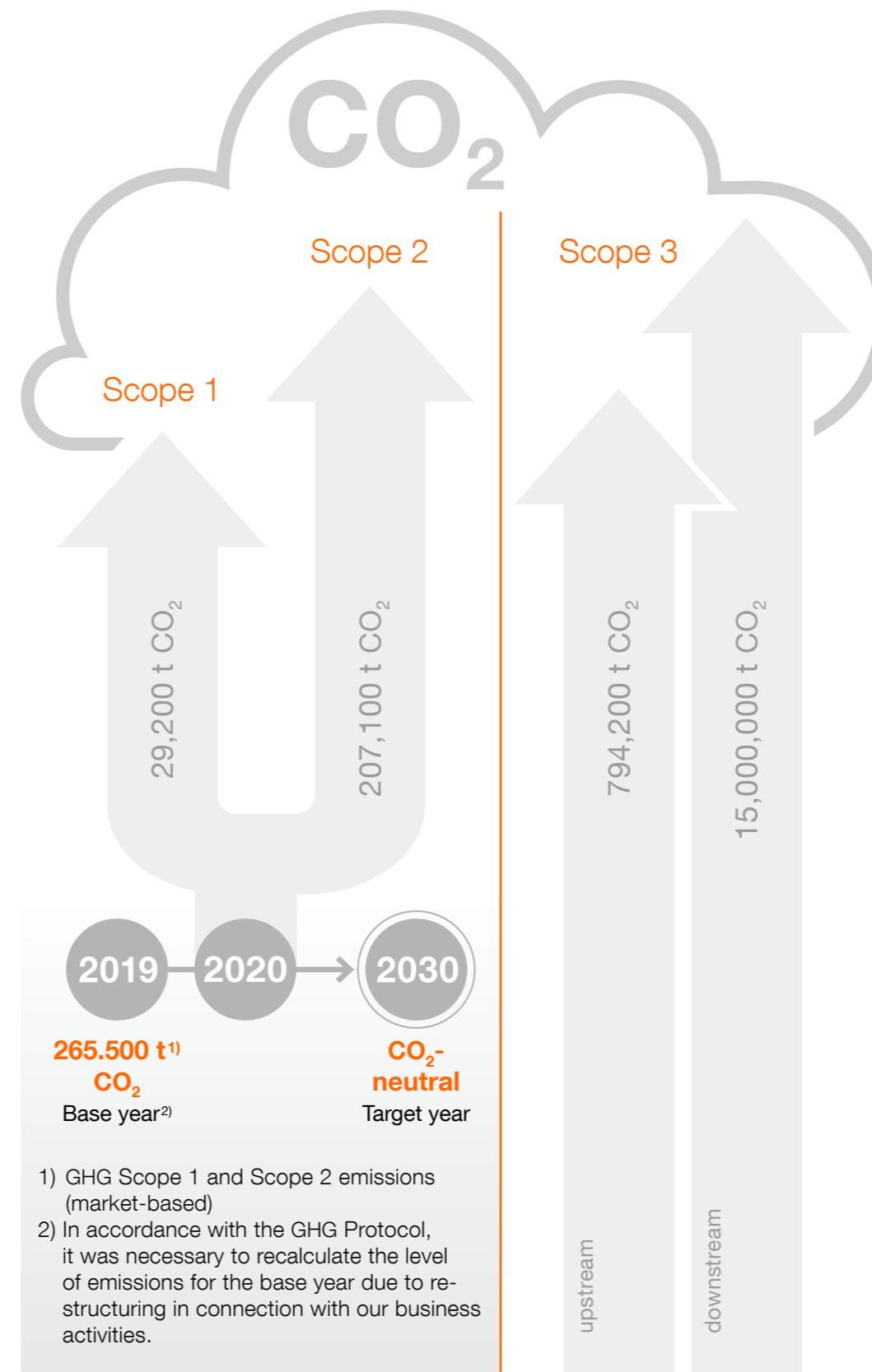
as risks relating to our business model that could have an impact on society and the environment. The Company-wide risk survey is conducted once a quarter. Significant risks are reported at meetings of the Managing Board and meetings of the Supervisory Board ❯❯ 2020 OSRAM Licht Group Annual Report, A.4.2 Report on Risks and Opportunities, p. 35 and ❯❯ 2020 OSRAM Licht Group Annual Report, C.5.3 Non-financial Risks, p. 170.

For more information see also ❯❯ CDP (OSRAM Climate Change Rating, Chapter C2).

4. Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities. In a concerted effort to reduce the Company's own carbon footprint (Scope 1 and 2), OSRAM's Managing Board has set a target to be carbon neutral by 2030.

We report in detail on the metrics and targets used to manage relevant climate-related risks and opportunities in Chapter ❯ 4.3 Greenhouse Gases and Climate Change. OSRAM follows the Greenhouse Gas (GHG) Protocol when collecting Scope 1, 2, and 3 data. In order to show trends, the reporting covers a period of five years. In fiscal year 2020, the metrics for Scope 1 and 2, and some of those for Scope 3, were subjected to a review with limited assurance* in compliance with the International Standard on Assurance Engagement (ISAE) 3000 (Revised) ❯ About this Report.

Climate targets at OSRAM

CO_2

Scope 2   Scope 3

Scope 1

29,200 t CO_2

207,100 t CO_2

794,200 t CO_2

15,000,000 t CO_2

2019 → 2020 → 2030

265.500 t[1)] CO_2
Base year[2)]

CO_2- neutral
Target year

upstream   downstream

1) GHG Scope 1 and Scope 2 emissions (market-based)
2) In accordance with the GHG Protocol, it was necessary to recalculate the level of emissions for the base year due to restructuring in connection with our business activities.

4 . 4

Water

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

In order to minimize our impact, we manage water use at all locations with the aim of conserving water resources and keeping water withdrawal as low as possible. OSRAM uses only freshwater with less than 1,000 mg/l total dissolved solids, and takes the majority of it from public drinking water supplies (third-party water) and from groundwater. Third-party water also includes drinking water for the cafeteria and for water coolers at the Monterrey site in Mexico. It is supplied in tanks but only accounts for a small proportion of the total withdrawal. We are aware of sensitive sources and reservoirs that are close to our production sites and these are protected accordingly.

In order to proactively identify potential issues with the availability of water, we review the water requirements at our locations every year using the World Resources Institute's Aqueduct Water Risk Atlas ❯❯ www.wri.org/aqueduct. The analysis looks at the levels of water withdrawal as well as the type and amount of waste water discharges at the locations.

* Scope 3 indicators excluded from the review are shown as unaudited under ❯ 4.3 Greenhouse Gases and Climate Change — Action Taken, Results and Key Indicators. Disclosures from the previous year — in so far as they were included in the review — are covered by the assurance engagement for the 2019 Sustainability Report and were identified as such there.

Data on the amount of waste water produced at the individual locations is collected every year. Most of this is discharged as industrial or sanitary waste water into the sewage system or into surface water.] ⊘

Where the quality of the withdrawn water has been compromised by our production processes, we purify the water before it is discharged. This process is in compliance with the relevant legislation in the country concerned. Such legislation is in force in all countries where OSRAM has production facilities and it provides the basis upon which government authorities grant environmental permits. All our sites have permits to discharge waste water or, where applicable, to operate neutralization plants. These generally contain very specific requirements concerning permitted quantities, temperature, and chemical composition of the waste water and the tests to

be carried out. Most of the groundwater we use is returned in a chemically unchanged form, although periodic checks are also required. In all cases, the water is returned as freshwater in accordance with the above definition. Some of the waste water is hazardous and so has to be professionally treated by external companies. The rest is released into the atmosphere by evaporative coolers.

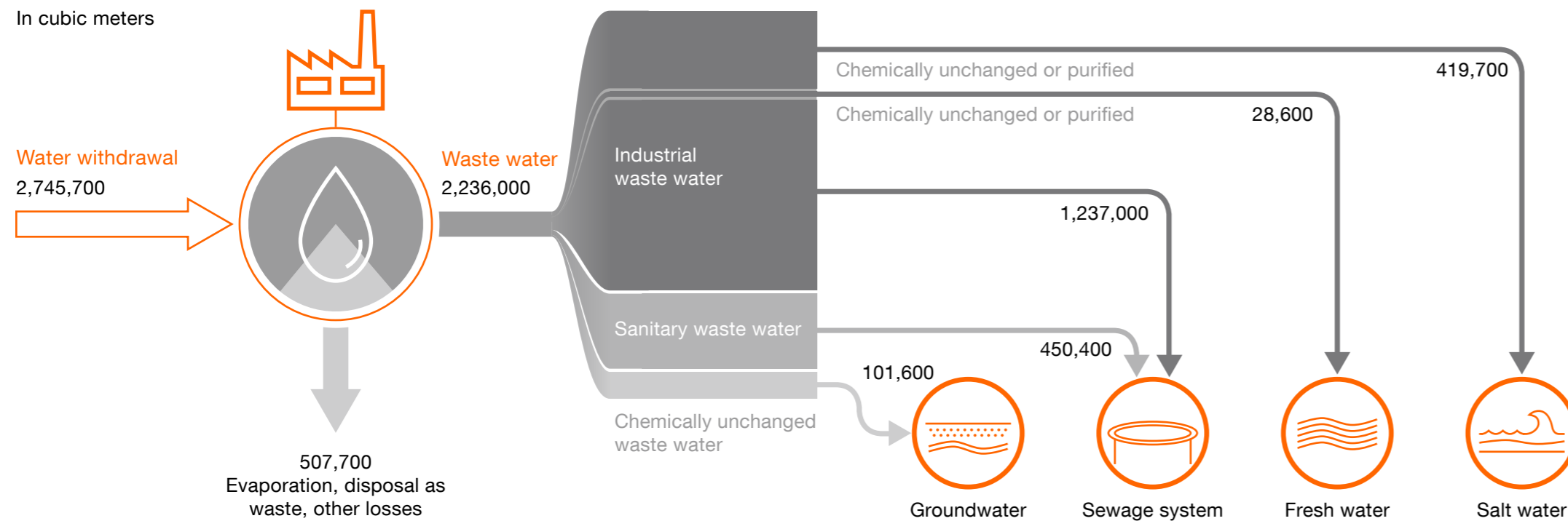**Objectives, Action Taken, Results, and Performance Indicators** [As in the case of energy consumption, the withdrawal of water is recorded locally as an absolute figure and then scaled to revenue to generate regional and global figures. Location-specific targets for the reduction of water use in production are based on action plans set out in the environmental protection programs and in some cases are aligned to production output. Locations that use water only for

sanitary purposes have absolute reduction targets that take into account increases or decreases in headcount.

The global target for water withdrawal per unit for the reporting period of 851 cubic meters per €1 million in revenue was higher than the target figure for the previous fiscal year (828 cubic meters per €1 million in revenue) but lower than the figure that was actually achieved for that year (868 cubic meters per €1 million in revenue). In fact, the water consumption per unit was 903 cubic meters per €1 million revenue in fiscal year 2020. The global target was thus missed by 6%, even though the absolute figure for water withdrawal fell from 3.01 to 2.75 million cubic meters. As with other environmental metrics, the impact of the COVID-19 pandemic is also evident here. As was the case for energy consumption, capacity utilization at our production sites decreased once again, particularly in the third quarter. However, the air conditioning, for which water is used for cooling, had to remain in operation irrespective of the production volumes—particularly at the semiconductor plants, ❯4.2 Energy Efficiency and ❯4.3 Greenhouse Gases and Climate Change.

There are no specific targets for the discharge of waste water. Nevertheless, key figures are recorded and monitored within the framework of EHS management.] ⊘ Around 18% of total water withdrawal in fiscal year 2020 was attributable to losses in waste value streams or evaporation into the atmosphere.

Waste water flows and inflow channels

In cubic meters

Water withdrawal
2,745,700

Waste water
2,236,000

Industrial waste water

Chemically unchanged or purified   419,700

Chemically unchanged or purified   28,600

1,237,000

Sanitary waste water

450,400

101,600

Chemically unchanged waste water

507,700
Evaporation, disposal as waste, other losses

Groundwater   Sewage system   Fresh water   Salt water

Water withdrawal

in cubic meters

	2016	2017	2018	2019	2020
Municipal water supply	1,993,300	2,088,900	2,568,500	2,726,200	2,584,900
Groundwater from own supply	355,000	366,800	305,000	269,600	158,800
Other water	15,400	18,400	18,200	11,700	2,000
Total	**2,363,700**	**2,474,100**	**2,891,700**	**3,007,500**	**2,745,700**
Target for water withdrawal in cubic meters per €1 million revenue		697	743	828	851
Water withdrawal in cubic meters per €1 million revenue	**701**	**642**	**767**	**868**	**903**

Waste water by destination

in cubic meters

|	2016	2017	2018	2019	2020
Into public sewers as industrial waste water			1,035,600	1,194,400	1,237,000
Into public sewers as sanitary waste water			516,900	470,000	450,400
Into saline surface water as industrial waste water			642,800	486,800	419,700
Into non-saline surface water as industrial waste water			35,100	32,500	28,600
Into the groundwater as chemically unchanged waste water from cooling processes	286,300	266,700	194,400	168,500	101,600
Total			**2,424,800**	**2,352,200**	**2,236,000**
Consumption—through evaporation, disposal as waste, other losses			**446,900**	**655,300**	**507,700**

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

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

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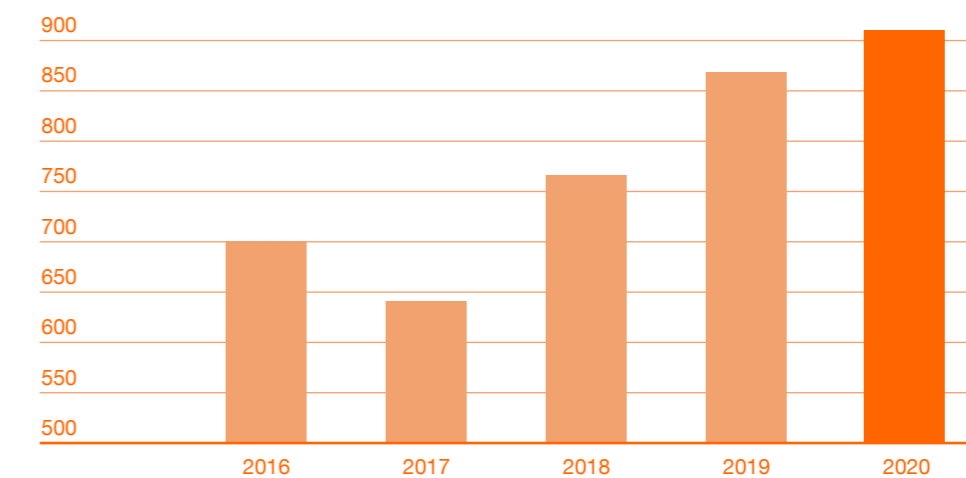
Absolute water consumption

in cubic meters

■ Town water   ■ Own water   ■ Other water
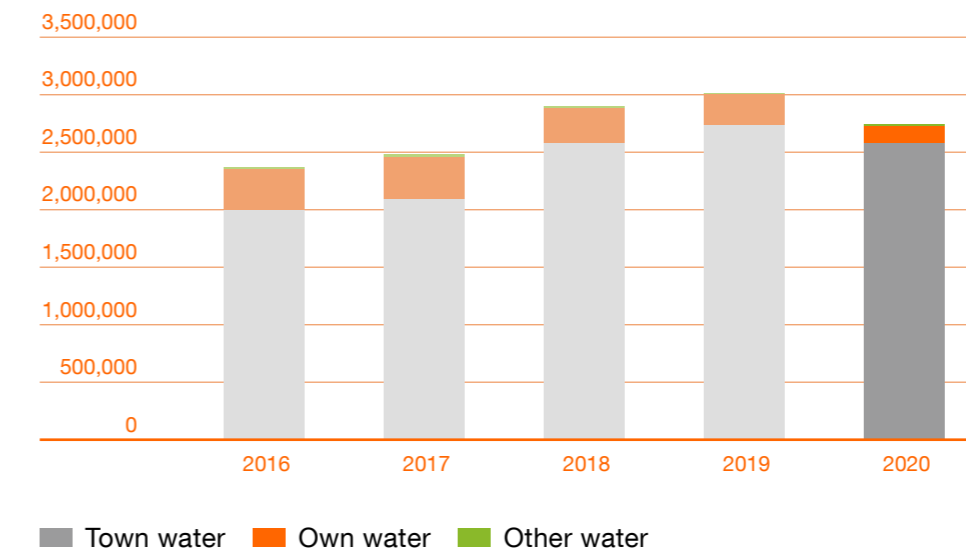
Specific water consumption

in cubic meters/M€ revenue

— In Penang (Malaysia), the waste water from reverse osmosis systems in cooling towers was reused, leading to a reduction in excess of 75% in the withdrawal of water from the local authority water supply. OSRAM saved 4,300 cubic meters of water in this way in fiscal year 2020. The reduction for a full fiscal year could potentially be in the order of 74,500 cubic meters.

— This idea has also been in use in Wuxi (China) since July 2020. Here, the waste water from the reverse osmosis is used under vacuum for cooling during the sawing process. OSRAM achieved a saving of 12,000 cubic meters in this way. The reduction for a full fiscal year could potentially be in the order of 48,000 cubic meters.

— In Berlin, an old reverse osmosis system was replaced with a more modern version. This has the benefit of conserving resources as a result of the longer component service life, and of improving plant safety due to the use of the latest technological developments.

In fiscal year 2020, OSRAM once again reported relevant data to the CDP Water Security Initiative and was rated B- ('management'.] ⊘

CDP Water Security

	Fiscal year		
	2018	2019	2020
Score	C	B−	B−

4.5

Waste

[We follow the guiding principle at all our locations of avoiding waste in production or recycling the waste, or—if neither is possible—arranging for its professional disposal. Our aim is for valuable raw materials to be recycled ❯ 4.6 Raw Materials and Substances and ❯ 4.6.3 Take-back and Circular Economy and for negative impacts on the environment to be minimized or avoided entirely.

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

We record locally the amounts of material that are recycled or sent away for disposal. A distinction is drawn in these categories between hazardous and non-hazardous waste. Reduction of the waste requiring disposal is a priority.

Waste that is sent for recycling is mostly separated at the sites themselves. It includes glass, metals, and paper/card, as well as the solutions containing gold and contaminated N-Methyl-2-pyrrolidone (NMP) that are used in the semiconductor industry. The recovery of the valuable resources is carried out by specialists.

Waste sent for disposal is either incinerated or dumped at landfill sites, depending on local regulations and what is technically and commercially possible. The overall picture is highly complex. For this reason, we do not record this data separately, but distinguish between hazardous and non-hazardous waste for disposal.

Employees who work with waste are trained in the locally applicable regulations. The locations are set targets that are based either on the output of the factory or on the annual production forecast. Revenue-related targets are defined at global level.

Waste is also generated in the upstream supply chain. As we cannot influence this directly, we give preference to suppliers with an environmental management system that is ISO 14001 certified ❯ 3.4 Supply Chain Management. We report on the impacts in the downstream supply chain in Chapter ❯ 4.6.3 Take-back and Circular Economy.

* OSRAM does not reuse this type of waste, but sends it directly and exclusively for recycling. Depending on local legislation, a distinction is made between hazardous and non-hazardous waste

Objectives, Action Taken, Results, and Performance Indicators

Our overarching objective is to use the resources in our value chain efficiently so that we can minimize the volume of waste that is produced at our locations. We had set ourselves a specific target for fiscal year 2020 of 1.55 metric tons of waste for disposal per €1 million in revenue, which is below the level that was achieved in the prior year.

The actual result of 1.44 metric tons of waste for disposal per €1 million in revenue not only met this target but exceeded it by 7%. The absolute quantities have also fallen, due to the decrease in production output caused by the COVID-19 pandemic. In contrast with the energy and water environmental criteria, for example, there is no decline in output efficiency for waste when capacity at our production sites is underutilized.

Waste management at the sites is supported by the local EHS programs. The following section lists some examples from fiscal year 2020:

— At Regensburg (Germany), activities to recycle germanium from the filters were continued. During the reporting period, just under one metric ton was recovered in this way and reused in the form of more than 15,000 germanium substrates.

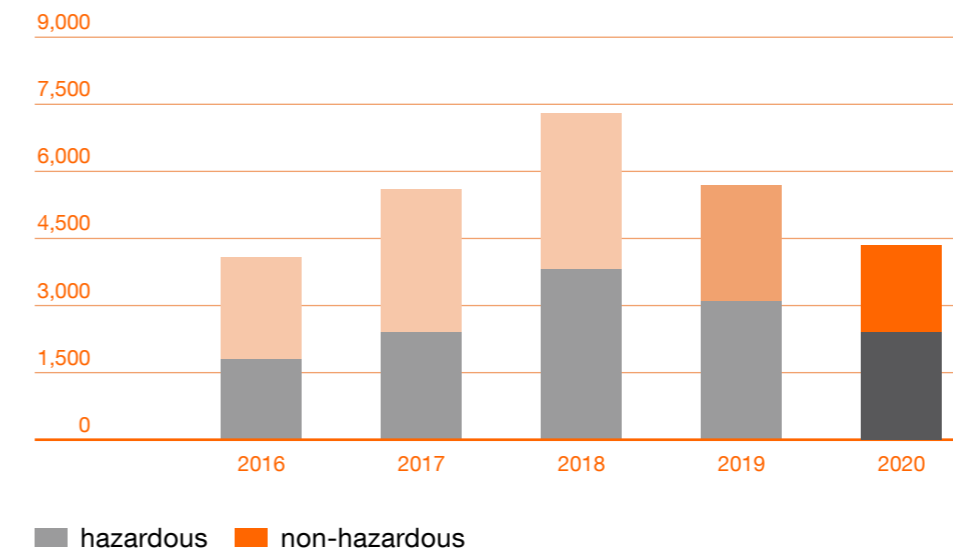— At the site in Penang (Malaysia), the replacement intervals for the resins used in the ion exchangers for the ultrapure water systems were changed, so that in future around 1,600 liters (just under 30%) less hazardous waste will have to be disposed of each year.

— In Foshan (China), the conversion of a machine eliminated a machining step involving molybdenum, which means 0.5 metric tons less emulsion waste will now have to be disposed of over a fiscal year.

— Other activities also resulted in the implementation of awareness-raising measures. For example, an EHS-5S audit in Nové Zámky (Slovakia) resulted in an even stricter separation of hazardous and non-hazardous waste in the disposal of contaminated personal protective equipment.
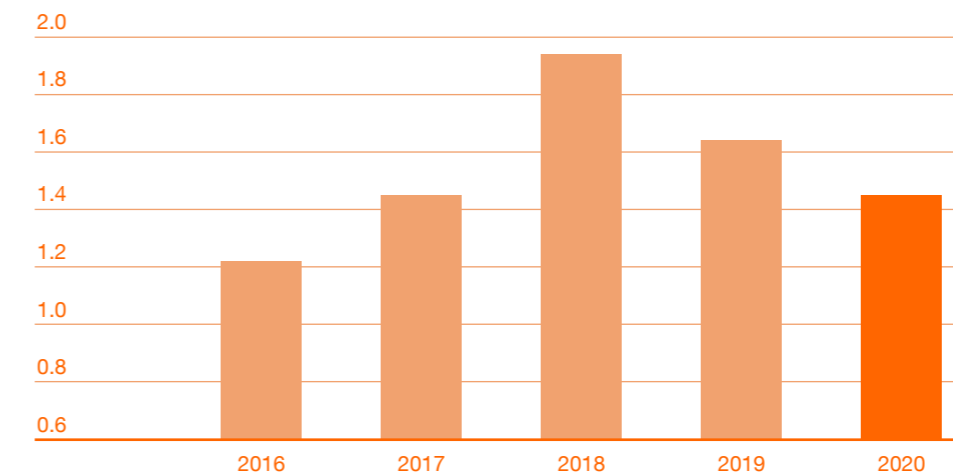
Waste
in metric tons

	2016	2017	2018	2019	2020
Waste for disposal					
hazardous	1,800	2,400	3,800	3,100	2,400
non-hazardous	2,300	3,200	3,500	2,600	2,000
Total	**4,100**	**5,600**	**7,300**	**5,700**	**4,400**
Target for waste for disposal in metric tons per €1 million revenue		1.31	1.75	1.95	1.55
Waste for disposal in metric tons per €1 million revenue	**1.22**	**1.45**	**1.94**	**1.64**	**1.44**
Waste for recycling					
hazardous	1,200	1,400	1,400	1,700	1,800
non-hazardous	7,700	7,100	7,900	6,700	5,400
Total	**8,900**	**8,500**	**9,300**	**8,400**	**7,200**

Waste for disposal
in metric tons

■ hazardous ■ non-hazardous

Specific waste for disposal
in metric tons/€M revenue

Professional service providers recycle and dispose of our hazardous waste with the necessary care and in accordance with local regulations. We have established an internal monitoring system for the transport of hazardous goods, whether waste or products. In the reporting year, we received no notification of any failure to comply with relevant laws and requirements.] ⊘

Waste and Recycling

in tons

Waste for disposal
4,400

Waste for Recycling
7,200

2,400

1,800

Hazardous Waste

4.6
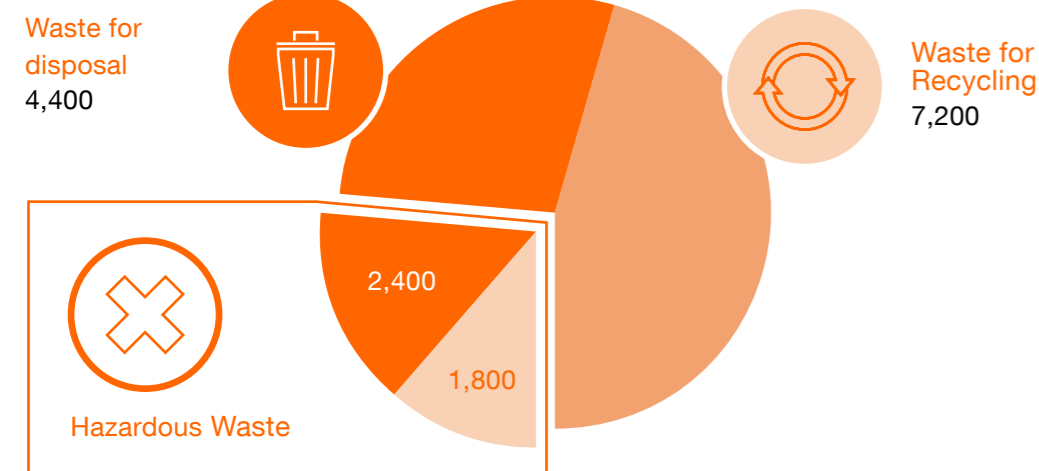
Raw Materials and Substances

[A wide range of raw materials and substances are used in the manufacture of our products, some of which remain in the products. Furthermore, the OSRAM portfolio of products requires the use of materials that could be classified as conflict minerals due to their origin, for example from the Democratic Republic of Congo and neighboring countries or originate from conflict-affected and high-risk areas (CAHRAs) as defined in Regulation (EU) 2017/821 ❯6.1 Respect for Human Rights.

OSRAM focuses on monitoring and reducing the use of hazardous and critical substances ❯4.6.1 Critical Substances, and generally we believe that resource-efficient use of materials is important, as this has a positive impact on the environment, reduces the cost of our products, and makes them more acceptable to customers.

We work on the basis that it should be possible to market our products anywhere in the world. The raw materials and substances used in the manufacture of our products—and remaining in them—are subject to ever-increasing regulation, which is an important factor for OSRAM in its various areas of business] ⊘ ❯❯2020 OSRAM Licht Group Annual Report, A.1.1.4 Legal and Sector-specific Conditions, p. 6.

We anticipate this regulation by keeping a close eye on the market and by participating in trade associations ❯3.1.4 Memberships and Political Engagement.

Our activities in various trade associations mean that we find out in good time about new and anticipated regulations and are able to make plans accordingly. This regulation aims, among other things, to make it easier to recycle products, to avoid hazardous materials or to provide a framework for declaring them, and to safeguard and improve the level of protection offered to customers and the people who use our products ❯3.5 Product Safety and Quality. It is therefore essential that we are able to reliably obtain and communicate relevant information and declarations within the supply chain.

Action Taken and Results

[In accordance with our business model, responsibility for initiatives aimed at improving the use of materials lies mainly with the individual business units. The Digital Business Unit, for example, has since 2017 gradually transitioned away from printed circuit boards (PCBs) with coatings containing heavy metal (such as silver and nickel) and now mainly uses more eco-friendly alternatives, despite the constraints that these present such as limited storage ability. For other examples see ❯4.6.3 Take-back and Circular Economy and ❯1.2.1 Innovations.

We have also put appropriate due diligence processes for procurement in place in order to properly discharge our responsibilities with regard to the protection of human rights in the context of potential conflict minerals ❯6.1.1 Conflict Minerals.

4.6.1 Critical Substances

In order to fulfill our ambition of selling our products globally, OSRAM applies the world's strictest regulations as a global standard when it comes to the substances used in its products and the associated declarations. We deviate from this approach in local markets only to a very limited extent but always comply with local law. The status of the availability of the necessary information and declarations can be included in the quarterly reporting and the management review.

Guidelines, Responsibilities and Structures
In line with the OSRAM Environmental Protection, Health, and Safety policy and our Group guideline on product-related environmental protection, we are committed to responsible environmental management and the efficient use of resources, and to the development of eco-friendly processes and advanced products. The relevant rules and guidelines are issued by EHS; our business model dictates that responsibility for operational implementation lies with the business units themselves. Each business unit is responsible for ensuring that its products are designed in an environmentally compatible way and that resources are used efficiently both in production and when products are being used. At the product development stage, mechanisms are built into the processes to improve products continuously and meet legal requirements and customer specifications. EHS advises the units on legal requirements and monitors compliance.

Against a backdrop of ever stricter requirements, we use a special IT application that allows us to monitor the use of critical substances at component level and to ensure that our electrical and electronic devices are legally compliant. We refine the application continually.

The OSRAM Index List Environment (ILE) contains information on prohibited, restricted, and declarable substances. Our own developers and the suppliers of materials employed in our products use this information to help avoid, reduce, and declare the use of hazardous substances.

In order to fulfill our responsibility along the entire supply chain, we also involve our suppliers. They are required to promptly provide the necessary declarations and information for the qualification of new parts as well as for changes in relevant laws.

Responsibility for the aforementioned conflict minerals lies with Procurement, which at Managing Board level falls under the remit of the Chief Technology Officer (CTO). Because of the close association with risks of human rights abuses, this area is explained in detail in ❯ 6.1 Respect for Human Rights.

Objectives, Action Taken, and Results
We have made it our goal to monitor the use of critical substances at component level to ensure that, in the face of increasingly strict regulatory requirements, we can sell our electrical and electronic devices around the world without further development.

We also aim to continually reduce the amount of critical raw materials and substances we use, particularly conflict minerals, and replace them with alternative materials where technically possible and commercially feasible. OSRAM strives for full transparency with regard to classic conflict minerals (and since fiscal year 2020 also cobalt) for its entire purchasing volume and is committed to dealing with the issue in accordance with OECD guidelines ❯ 6.1 Respect for Human Rights.

In fiscal year 2020, we refined and improved our special IT application that allows us to continually monitor the use of critical substances and components in accordance with our global requirements. These improvements mainly concern the simplification of communications from the supply chain, in particular.

A key development was the introduction of new evaluation functions used for preparing the reports that are required by the amended European Waste Framework Directive and its implementation in the respective national laws from January 2021. In this context, the European Chemicals Agency (ECHA) developed a database called SCIP in which every product containing substances of very high concern (SVHC) must be entered. This rule puts a considerable and challenging burden on the electrical engineering industry because of the requirement to report lead, which is contained in almost all electronic equipment, and to do so as early as component level. With the exception of the retailers that actually sell the products to consumers, all companies along a supply chain that manufacture, import, or trade products are legally required to make declarations in the SCIP database.

At OSRAM, the Digital Business Unit is the most significantly affected as almost all its products are subject to the disclosure requirements. In the Automotive Business Unit, products are disclosable if they contain electronics. Traditional lamps are therefore excluded.

We were again able to significantly reduce the gaps in the information, data, and declarations provided electronically by our suppliers. This enables us to assess risks and product conformity more quickly and to react promptly and appropriately. Changes in the regulatory environment were incorporated.

Our suppliers are required to comply and keep up to date with the regulations that are relevant to our markets. We carry out regular supplier audits to ensure that they meet this obligation, among other things. All measures and results relating to conflict minerals are described in ❯6.1 Respect for Human Rights.] ⊘

4.6.2 Packaging and Labeling

OSRAM has clear guidelines for the design and procurement of packaging. It should be made from environmentally sustainable materials that can be easily recycled or disposed of. Its volume and weight should be limited to that required to protect the product. In the European Union (EU), Directive 94/62/EC on packaging and packaging waste aims to minimize the complexity of packaging and the amount of material used in packaging.

Packaging is even incorporated into the design process, which makes a significant contribution to waste prevention. To avoid waste, we use folding boxes as the primary packaging medium for the majority of our products and corrugated cardboard boxes for transit packaging.

OSRAM has set itself the target of increasing the proportion of its packaging that uses paper-based and reusable materials (returnable packaging). Relevant quantitative data is available only on a project-by-project basis. In fiscal year 2020, approximately 6,000 metric tons (previous year: 6,500 metric tons) of paper-based packaging materials (e.g., folding boxes, blister cards, and corrugated cardboard) and around 5,000 metric tons (previous year: 5,500 metric tons) of plastic packaging (e.g., thermoformed shells, injection-molded components, foam, and corrugated plastic) were used.

OSRAM is committed to responsible practices in relation to both the packaging material used and the information that is provided on the packaging ❯3.5 Product Safety and Quality. Our product labeling complies with the relevant legislation. We provide additional information on energy consumption and product lifespan either on the packaging itself or on a separate data sheet.

4.6.3 Take-back and Circular Economy

As part of its contribution to the circular economy, OSRAM strives to continuously return used raw materials ›4.6 Raw Materials and Substances to the production process. Our focus on recycling and consistently improving recyclability starts right at the initial development stage. The aim of recycling is to recover as many unmixed materials as possible in order to conserve limited and valuable resources.

In the EU, we are required by law to take back our products and recycle them. Since 2005, we have been working together with other manufacturers in the lighting industry to establish recycling service organizations. Specialist service providers collect and recover products so that waste from electrical and electronic equipment can be efficiently recycled when the products have reached the end of their operating life. Since the program is implemented by third parties and on a cross-brand basis—for example in Germany by the company Lightcycle Retourlogistik und Service GmbH—we are unable to provide any specific figures for the reuse, reprocessing, or recycling of OSRAM products and components. Outside the EU, statutory take-back obligations are very limited in extent.

OSRAM CONTINENTAL does not participate in the take-back practice described here. OSRAM CONTINENTAL manufactures components for end products and only after they are built into these end products are they potentially subject to a legal take-back requirement.

In accordance with our business model, initiatives for conserving resources take place at the level of the business units:

— In the Opto Semiconductors (OS) business unit, artificial intelligence helps to reduce the quantity of materials used in wafer production and to minimize rejects and waste.

— Also in OS, metals from germanium and gallium arsenide substrates that are filtered out in the production process are recovered and recycled.

— The HubSense light management system developed by the Digital (DI) business unit enables offices to be retro-fitted with LED lighting easily and without the need for rewiring.

— In Automotive, OSRAM has paved the way for the market launch of the first LED-based retrofit dipped headlight lamps for cars. LED technology means the bulbs have to be replaced less frequently and less energy is used.

For a detailed description of the projects see
›1.2.1 Innovations.

As part of our work in the LightingEurope trade association's Focus Area Sustainability, we contribute to the position adopted by the lighting industry on the circular economy and ecodesign and to white papers on the subject of luminaires that are able to be serviced and maintained. In 'Wirtschaft macht Klimaschutz' (Business and Climate Protection), an initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, OSRAM worked on industry-wide solutions as a member of the circular economy working group.

5.0

Employees

Our employees are the key to our long-term success as a business. They add the value that we want to offer our customers.

5 . 1

Responsibility to Employees

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

HR work at OSRAM is currently facing two major challenges. Firstly, the lighting industry has been in transition for a number of years now and OSRAM is becoming a high-tech player in the photonics sector ›› 2020 OSRAM Licht Group Annual Report, A.1.1.1 Business Model, p. 3. Secondly, we are faced with an increasing shortage of skilled workers in many of the regions in which we operate. OSRAM's HR work is therefore hugely important to the continued success of the business, which is why the Chairman of the Managing Board (CEO) also serves as the Company's Labor Relations Director.

Guidelines and Responsibilities

Human Resources (HR) is responsible for the key topics identified above, with the exception of occupational health and safety. HR at OSRAM is organized on a global basis, and overall responsibility for HR matters and HR organization lies with the Chief Human Resources Officer, who reports directly to the Chairman of the Managing Board. Occupational health and safety at OSRAM falls under the remit of the Chief Technology Officer (CTO), who has delegated this area of responsibility to the head of Environmental Protection, Health, and Safety (EHS) › 5.2 Occupational Health and Safety.

OSRAM's global HR guideline aims to establish worldwide standards in the area of HR. It contains firm rules for employees and managers on the hiring process, diversity, talent acquisition, people development, training, remuneration, and benefits.] ⊘

You will find additional information in the ›› 2020 OSRAM Licht Group Annual Report, B.6 Notes to the Consolidated Financial Statements, Note 31 I Personnel Costs, p. 117.

Employees by region
in thousand FTEs

	September 2019	September 2020
EMEA	9,400	8,600
of which Germany	5,800	5,200
APAC	11,200	10,000
of which China	3,800	3,400
of which Malaysia	6,900	6,200
Americas	2,900	2,800
of which NAFTA	2,700	2,700
OSRAM (total)	**23,500**	**21,400**

Employees by function
in FTEs

	September 2019	September 2020
Production and service	17,600	15,900
Research and Development	2,700	2,400
Selling	2,000	2,000
Administration and general services	1,200	1,100
Employees	**23,500**	**21,400**

5 . 2

Occupational Health and Safety

[OSRAM is committed to offering its employees a safe and healthy working environment. Minimizing the risk of occupational illnesses and accidents at work forms part of this. In this way, we not only fulfill our responsibility to society as a whole but also reduce economic losses.

Guidelines, Responsibilities & Structures, and Processes
OSRAM's Environmental Protection, Health, and Safety (EHS) department has the power to issue guidelines related to occupational health and safety and formulates relevant policies that apply across the Group. The occupational health and safety guideline applies across the Company, and appropriate training and monitoring processes have been implemented for its compliance. As set out in our ›› EHS policy, which is published online, this obligation to comply with relevant laws and regulations concerning occupational health and safety also applies to mergers and acquisitions and to related reviews.

Overall responsibility for occupational health and safety lies with the Chief Technology Officer (CTO), who has delegated tasks and managerial authority to the head of the corporate EHS department › 4.1 Environmental Management.

The Wuxi, Kunshan DO, Kunshan OSRAM CONTINENTAL, and Foshan locations (all China), the locations in Penang and Kulim (both Malaysia), Bergamo and, for the first time, Treviso OSRAM CONTINENTAL (both Italy), as well as the headquarters in Munich (Germany) are externally certified according to the ISO 45001 standard for occupational health and safety management. As part of the process to obtain matrix certification, external audits were carried out at three locations in the 2020 calendar year. Separate certification audits were carried out during the same period at Kunshan and Treviso OSRAM CONTINENTAL. Our internal guidelines require the other production facilities to also maintain a management system for occupational health and safety in accordance with the ISO 45001 standard. The plant in Foshan was additionally certified to BSCI, an internationally recognized standard for social accountability, for the first time. Compliance is monitored by internal audits › 4.1 Environmental Management. Development and sales locations with more than 50 employees operate a reduced management system and contribute data to the health and safety indicators. The EHS department includes in its reporting a selection of locations that do not quite reach this threshold but might do so in the future, and our reporting therefore covers 96% of our employees. Our responsibility for occupational health and safety also encompasses employees of external companies who are working at our locations. However, because we do not specifically record how many of them there are or how many hours they work, the aforementioned figure only covers our own permanent employees.

At the aforementioned locations, the responsible managers must carry out a risk assessment for each area of activity in accordance with internal guidelines and with the support of trained safety officers and the company doctors. Managers are also provided with regular training on these matters. The quality and completeness of the risk assessments are audited internally and externally as described above. Risks at OSRAM can be of an ergonomic, mechanical, radiation-related, or chemical nature, for example.

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

In addition, we have formed occupational health and safety committees in line with local legal requirements or on a voluntary basis and these committees meet regularly and in accordance with local requirements. The committees consist of representatives of local management, employee representatives, and members of the medical team. Their resolutions are recorded in corresponding minutes and adopted measures are followed up.

Furthermore, all OSRAM employees have an obligation and responsibility to be mindful of safety at their place of work. Because we have an occupational health and safety management system certified to ISO 45001, our employees are instructed to report hazardous situations (and can do so without fear of reprisals) and know they can put themselves out of harm's way without needing to ask permission. The employees are also included in the process of creating and updating the risk assessments and of conducting a review into the incidents using 5-Why-analysis.

OSRAM employees are informed of hazards in their workplace when they join the Company and then regularly thereafter. If they change jobs internally, they can only commence their new activities once they have been retrained.

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

Our suppliers are required to adopt and sign our Code of Conduct. New suppliers must also fill out an online questionnaire on aspects of sustainability, including occupational health and safety, that is evaluated by Procurement, if necessary with the involvement of EHS. In addition, randomly selected suppliers are requested to undergo external corporate social responsibility audits ❯6.1 Respect for Human

Rights. We have placed greater focus on outsourced processes and their impact on environmental protection and occupational health and safety since the introduction of the corresponding ISO 14001 and ISO 45001 standards. To this end, the central EHS department worked with Procurement to develop and distribute a specific annex to the procurement policy.

Objectives

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

OSRAM records work-related injury data at its locations as a basis for calculating the internationally recognized key metrics Lost Time Injury Frequency Rate (LTIFR) and Severity Rate (SR).

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

For fiscal year 2020, we set ourselves a global LTIFR target of 0.28 (LTIFR reported in previous year: 0.29). The SR target for fiscal year 2020 was 6.82 (SR reported in previous year: 6.04). We already expect a zero-injury rate at non-production locations.

Action Taken, Results, and Performance Indicators

Occupational health and safety measures were again carried out at local and global level in fiscal year 2020. They included special work safety days and newsletters that were distributed centrally and locally with the aim of improving the sharing of best practice on raising safety awareness and optimizing personal safety equipment. Unfortunately, these activities had to be heavily curtailed due to the COVID-19 pandemic. This was mainly because the pandemic led to an increase in the workload of EHS employees at the locations.

OSRAM faced up to the challenges of the COVID-19 pandemic with a war room team at Group headquarters and local crisis management teams at the locations. The team at headquarters comprised the operational heads of the business units and representatives of the Communications, HR, EHS, Travel Safety, and Procurement functions. This team reported regularly to the team leader (who reports directly to the CEO) on all matters pertaining to the crisis.

In the context of health and safety in the workplace, the focus was on preventing clusters of infection at OSRAM. Local rules and regulations were observed and implemented to this end. There were general rules for the Company as a whole. However, location-specific instructions were also issued that took into account local conditions. These measures included rules on social distancing and hygiene as well as steps to restrict contact by implementing special shift patterns and reconfiguring workstations in production areas, prohibiting travel (including trips to other OSRAM locations),

asking essential external visitors to complete a self-declaration, and asking office workers to work from home. The implementation of the measures was supported by regular communications to keep employees informed.

The success of these efforts is reflected in the fact that although there were cases of positive tests among OSRAM employees, these did not result in any clusters of infection within the workforce. This also meant that no facilities had to close for long periods for quarantine reasons or due to a public order specific to that location, but only had to close in individual cases for commercial reasons or because of a national lockdown.

For reasons of consistency, we did not adjust our KPIs for occupational health and safety, the LTIFR, or the SR because of the pandemic. They are instead scaled in line with the contractually agreed working hours. These hours were not adjusted despite the imposition of short-time working, compulsory leave, and factory shutdowns, making it more likely that the figures would be on the low side.

However, we still failed to achieve the targets set for fiscal year 2020. The LTIFR of 0.37, for example, was clearly higher than the target figure. At 84, the number of occupational accidents significantly exceeded the 75 recorded in the previous year. The biggest factor here was an incident involving an ammonia leak in Kulim (Malaysia) that led to 28 employees having to be admitted to a local hospital for monitoring. Of the accidents reported, one was so serious that the employee in question has not recovered, or is not expected to recover, within six months.

The SR of 6.62, however, was below the target. Although we registered unusually high numbers of lost days in the Americas region, this KPI improved in the EMEA and APAC regions despite the incident in Kulim.

No fatal workplace accidents occurred in the fiscal year under review.

During the reporting period, there were no recognized cases of occupational illness (previous year: two cases).

In the reporting period, no relevant penalties or fines amounting to more than €10,000 were imposed on OSRAM for breaches of occupational safety regulations.] ⊘

## Performance indicators for occupational health and safety

	2016	2017	2018	2019	2020 ⊘	Goal 2020
Global LTIFR[1]	**0.37**	**0.34**	**0.28**	**0.29**	**0.37**	**0.28**
LTIFR EMEA	0.63	0.73	0.59	0.55	0.33	
LTIFR APAC	0.27	0.15	0.10	0.10	0.37	
LTIFR AME	0.07	0.18	0.17	0.34	0.47	
Global Severity rate (SR)[1]	**5.51**	**5.42**	**9.45**	**6.04**	**6.62**	**6.82**
SR EMEA	11.42	13.64	18.46	11.40	10.41	
SR APAC	2.64	1.52	3.90	2.12	1.90	
SR AME	2.23	2.21	9.15	7.45	15.37	
Number of accidents resulting in absence from work	94	85	75	75	84	
Number of high-consequence accidents[2]				0	1	
Number of cases of recognized occupational illness[3]				5	2	0

[1] The LTIFR represents the number of accidents at work resulting in at least one day lost in relation to the total number of working hours during the fiscal year. The SR represents the total number of days lost in relation to the total number of working hours during the fiscal year. Both KPIs are scaled to 200,000 working hours, excluding commuting accidents.
2) Accidents that results in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.
3) Occupational diseases are illnesses suffered by employees as a result of their professional activity and which are recognized as such by authorities or insurance carriers. OSRAM adheres to local legislation with regard to the responsible authorities and procedures to follow.] ⊘

Lost Time Injury Frequency Rate (LTIFR)
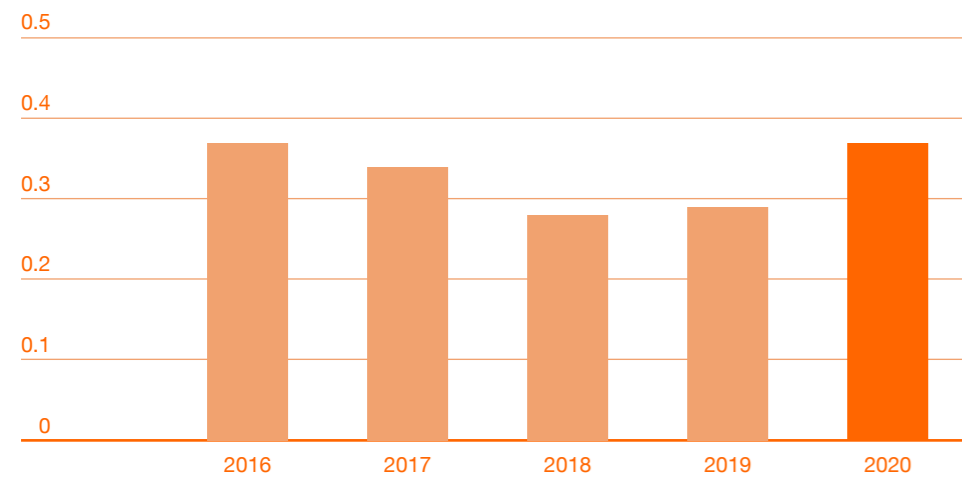
Severity Rate (SR)

5 . 3
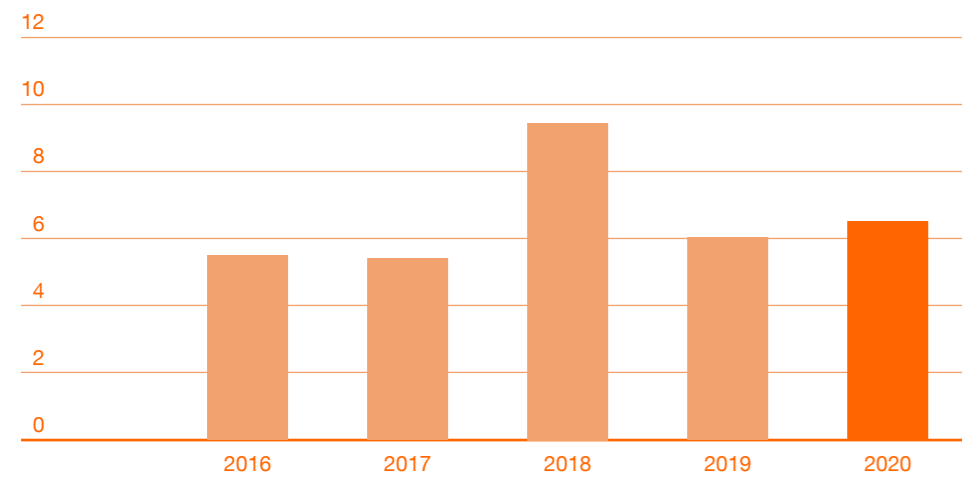
Fair Working Conditions

[Fair working conditions are a cornerstone of how we conduct our business and the basis of good and fair collaboration. We aim to offer every employee a working environment that is free from violence and discrimination, and in which each person is respected as an individual. Priorities in our efforts to create fair working conditions include, in particular, promoting diversity, fair pay and company benefits, and open and fair collaboration between employers and employees.

Having a diverse workforce is of great importance to us as a global company ❯5.5 Diversity and Inclusion. We firmly believe that diversity has a positive effect on our business. Not only do relationships with international customers and suppliers require cultural awareness but diverse teams also have a strong ability to innovate. Moreover, in times where skilled workers are increasingly scarce, being able to offer an open working environment and fair pay with suitable company benefits is very important. We conduct an open and fair dialog and find an appropriate balance between the interests of employees and employers, particularly during OSRAM's current transformation phase ❯5.1 Responsibility

to Employees, which involves restructuring of the workforce ❯❯2020 OSRAM Licht Group Annual Report, B.6 Notes to the Consolidated Financial Statements, Note 5 | Personnel-related Restructuring Expenses, p. 82.

Guidelines, Structures, and Processes

In order to offer fair working conditions to our employees around the world, we make use of, and commit ourselves to, international frameworks such as those provided by the International Labour Organization (ILO) and the UN Global Compact. We are committed to giving our employees the right to freedom of association and the possibility of concluding collective agreements.

These and other principles, such as respect for the personal dignity, privacy, and personal rights of each individual and a zero-tolerance approach to discrimination, sexual harassment, and other personal attacks are set out in our Business Conduct Guidelines (BCG) and apply to all employees and board members. The guidelines govern our dealings with each other and with our customers, shareholders, business partners, and the public. Potential violations of the behavioral requirements set out in the BCG can be reported via the whistleblowing system 'Tell OSRAM'. All reports are followed up ❯3.2 Combating Corruption and Anti-Competitive Behavior. Reports can also be made through the usual internal company channels, such as the relevant Compliance Officer, Corporate Compliance, or the line manager.

OSRAM's cultural values have been in place since 2018 and focus on how employees work together and how leadership should be organized at OSRAM.

In order to fulfill our responsibilities along the entire supply chain, we require our suppliers to comply with the rules and obligations enshrined in the OSRAM Code of Conduct for Suppliers, and in doing so to provide their employees with fair working conditions ❯3.4 Supply Chain Management and ❯6.1 Respect for Human Rights.

Our corporate diversity activities are embedded in the HR organization. We place great value on developing our culture of diversity and on meeting the needs of the local workforce. Increasing the number of women in managerial roles is a key aspect of this ❯❯2020 OSRAM Licht Group Annual Report, C.4.1.5 Targets for the Proportion of Women on the Managing Board, Supervisory Board, and in Senior Management, p. 155 and ❯5.5 Diversity and Inclusion.

Collective agreements are in place at our largest European companies in terms of number of employees.* We work closely with these companies' employee representatives (whether works councils or trade unions). In Germany, for example, this has resulted in a large number of works agreements.

Objectives

Our objective is to avoid incidents that represent a breach of fair working conditions. Since fiscal year 2019, it has been possible to report breaches of our principles of fair working conditions via the existing whistleblowing system 'Tell OSRAM'. The reported incidents are then analyzed so that appropriate preventive measures can be put in place.

Restructuring remains an essential step in OSRAM's transformation outlined above. Where job cuts are unavoidable, OSRAM strives to minimize the social impact and to consult its employees at the earliest stage possible.

In consultation with employee representatives and works councils, we responded swiftly to developments related to the global COVID-19 pandemic and endeavor to take appropriate account of employees' interests as well. Our objective is to protect the health of our employees in the workplace while also factoring in the economic climate for the Company. We are therefore looking to secure the financial situation of the Company and safeguard jobs.

Action Taken, Results, and Performance Indicators

A total of two indications of possible violations of the principle of fair working conditions were reported via 'Tell OSRAM' in fiscal year 2020. They were recorded and analyzed systematically, and no violations of the principle of fair working conditions were identified. We are currently continuing to work on specific prevention measures, including training and flyers, to ensure that fair working conditions can be achieved in all sectors and regions.] ⊘

In fiscal year 2020, 90% of our employees within the main European companies were covered by collective bargaining agreements. In Germany, 100% of employees are covered by collective bargaining agreements.

Employees (headcount) by contract type

Male and female

	Fiscal year ⊘	
	September 30, 2019	September 30, 2020
Temporary employees	Approx. 19%	Approx. 19%
of which female	62%	61%
Permanent employees	81%	81%
of which female	43%	44%

Full- and part-time employees (headcount)

in Germany (figure for previous year in brackets)   ⊘

9% (9%) Part-time employees

91% (91%) Full-time employees

* These are Germany, Italy, Slovakia, and the Czech Republic; Bulgaria is excluded.
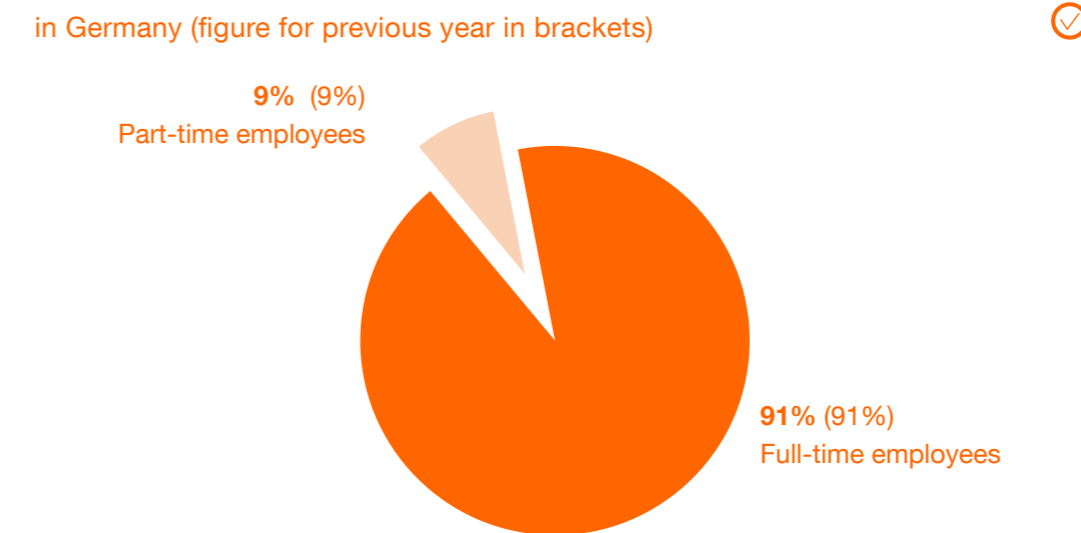
5.3.1 Pay and Participation

[We value our employees and treat them with respect, and part of this includes offering them fair pay. Our remuneration system is designed so that pay is commensurate with performance and does not discriminate on the basis of gender or other characteristics. It is our responsibility to comply with local legal requirements in relation to pay. In Germany, the collectively agreed remuneration system forms the basis for equal pay among workers covered by this scheme. Roles that are above the pay scale are also treated equally, with non-discriminatory criteria used to determine the level of remuneration. In addition, OSRAM uses a clearly defined incentive system to boost employee performance. Depending on the national rules and regulations, OSRAM offers discretionary benefits over and above the legal requirements in areas such as health and accident insurance, occupational pension provision, and forms of deferred compensation.

We also offer our employees various means of providing feedback and engaging in dialog with us ❯5.6 Employee Satisfaction and Employer Attractiveness.

5.3.2 Reorganization of the Company and Restructuring Measures

With regard to the transformation of the Company, an agreement on a socially responsible restructuring program was reached with the employee representatives in Germany in March 2020 and again in July 2020. The agreement covered the Group-wide program "Fit for the Future 2" and also the consolidation of locations by moving cinema lamp production from Eichstätt to Berlin (both Germany). The talks were held not only in the committees required by the Betriebsverfassungsgesetz (BetrVG—German Works Constitution Act), such as the Economic Committee and the General Works Council, but also in a steering committee set up for this purpose. As well as members of the Managing Board, the head of Strategy, and the head of HR, the steering committee comprises representatives of the Group Works Council and of the labor union. The committee discusses developments resulting from the transformation at a very early stage and highlights the consequences for employment.

The bulk of the measures were implemented in fiscal year 2020 in line with the plan, which runs until the end of fiscal year 2021. The implementation of the program involves not only job cuts but also employee training. As such, it provides employees with the training they need to meet the new job requirements and so to be assigned to other tasks. OSRAM has made a central training budget available for this purpose. Compulsory redundancies were not required where job cuts were necessary. It was possible to implement the measures on a voluntary basis and with the minimum possible social impact. Early retirement played a particularly important role alongside termination agreements and the creation of interim employment companies ❯❯2020 OSRAM Licht Group Annual Report, B.6 Notes to the Consolidated Financial Statements, Note 5 | Personnel-related Restructuring Expenses, p. 82.

Although OSRAM CONTINENTAL is not part of the transformation processes at OSRAM that are described in this chapter, the changes to the market conditions did prompt it to implement its own restructuring programs in fiscal year 2020.

As early as March, OSRAM reached a Group-wide agreement relating to the COVID-19 pandemic with the employee representatives in Germany. Agreements with local works councils on provisions for remote working, short-time working, factory shutdowns, and the using up of working hours credits and vacation entitlement were reached in parallel to this. Representatives on both the employee and employer side are engaged in constant dialog so that they are able to respond to new developments in the global pandemic while also taking appropriate account of employees' interests.

Short-time working was imposed at all locations in Germany. Furthermore, employees whose pay has been collectively agreed and are contracted to work 40 hours a week had their weekly hours reduced to 35.

At many international locations, steps were taken that successfully safeguarded jobs in spite of the collapse in revenue caused by the COVID-19 pandemic. Short-time working was also imposed at our international production facilities and particularly in the factories that supply the automotive industry. A handful of sales units also imposed short-time working. These units did, however, put in place special measures such as reduced working hours, allowances in lieu of leave, reductions in working time accounts, compulsory

leave, and cost savings (e.g. on operating costs). In the context of health and safety, special mention should also be made of the efforts to avoid a negative financial impact on employees as a result of potential site closures due to public orders ❯5.2 Occupational Health and Safety.

A number of initiatives were launched in fiscal year 2020 with the aim of fostering dialog between employees. These included the piloting of Lunch Roulette, the staging of Murphy Meetings, and the introduction of the peer-learning format known as Working Out Loud. Lunch Roulette, trialed in Munich, involves randomly pairing participants who then meet up for lunch and the opportunity to network. Murphy meetings aim to provide a confidential forum where people can speak openly about mistakes and specific measures can be developed to improve day-to-day operations. Both formats were initiated with the intention of encouraging individual dialog and have been continued in virtual form since the outbreak of the COVID-19 pandemic.

The Working Out Loud initiative is a peer learning format where small groups of participants support one another as they work on their personal development. Sessions are held virtually in order to facilitate dialog between locations and across borders.] ⊘

5 . 4

People Development

[Employee training and continuing professional development are key factors in the future success of our business. OSRAM and the labor market are undergoing a transition ❯5.1 Responsibility to Employees. We want to keep our employees' skills up to speed with ongoing changes in industry and the workplace by providing opportunities for professional development, and thus improve their long-term engagement.

We also believe it is part of our role as a corporate citizen to provide training for young people in many of the countries in which we operate and in doing so give them access to the world of work at an international company.

Guidelines, Structures, Processes and Objectives
People development at OSRAM is an essential strategic approach to maintaining and improving our competitiveness over the long term. Our objective, based on the business-specific requirements, is to fill positions with the right people and make the best use of each employee's individual talents and skills.

People development at OSRAM includes educational and training opportunities, a range of career paths, and programs for high-potential employees.

Employees have many opportunities for professional and personal development throughout their career at OSRAM, from vocational training and the management trainee program to subject-specific training and management and specialist programs.

Human Resources (HR) is responsible for people development at OSRAM ❯5.1 Responsibility to Employees.

Our apprenticeships play a major role in securing the next generation of employees. We currently provide training in nine recognized technical trades, one commercial occupation, and six degree apprenticeships. In fiscal year 2020, 136 (previous year: 134) young people were employed at OSRAM as part of their training or degree apprenticeship, 125 (previous year: 128) of them in Germany.

In addition to providing training, OSRAM continually and systematically works on employee development. This involves a regular and structured dialog between employee and line manager. For non-pay-scale employees and selected employee groups, this forms part of the established GROW process. The process encourages close dialog between line manager and employee, and also involves senior management.

We offer our entire workforce a comprehensive general training program with numerous opportunities for professional development and skills upgrading.
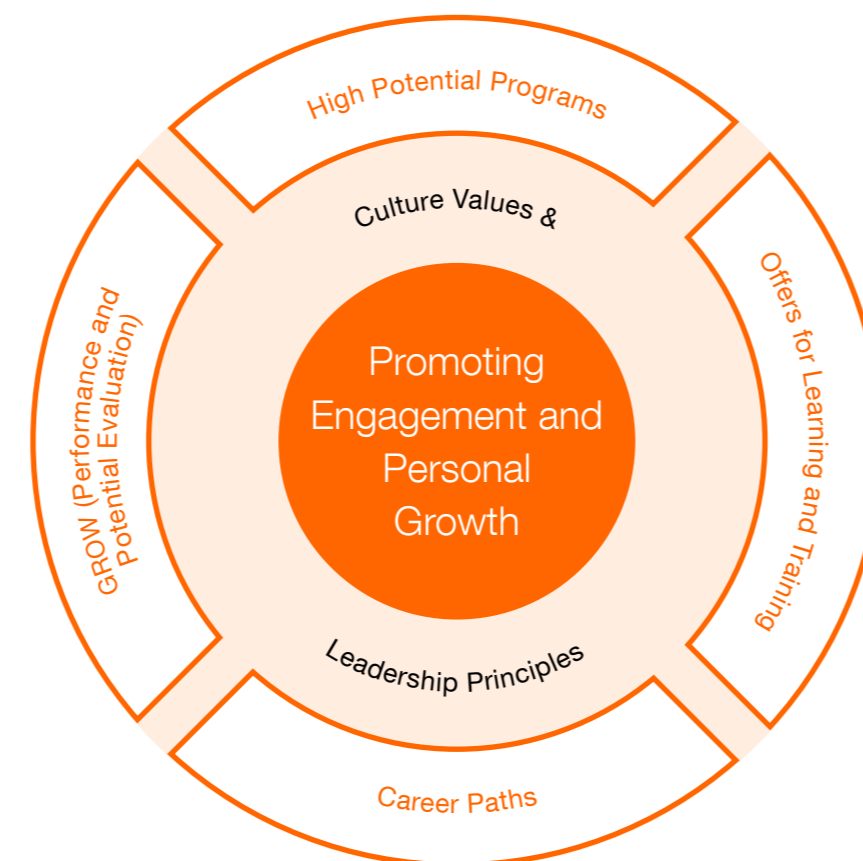
A range of development opportunities are available to our employees to match their individual skills profile under the Leadership, Key Expert, and Project Management global career paths:] ⊘

— **Leadership:** The Leadership career path helps our managers to more effectively overcome the challenges that they will face in their work. The focus is on change management, entrepreneurship, innovation, strategic decision making, performance management, and nurturing of talent. In fiscal year 2020, there were 1,194 employees on this career path.

— **Key-Expert:** This career path gets the best out of employees with outstanding technical expertise so that they can drive innovation and technology trends within the Company. In fiscal year 2020, there were 74 employees on this career path.

— **Project-Management:** The Project Management career path enables employees whose role is 100% focused on project management and who have the necessary expertise to develop in a similar direction to those on the Leadership career path. The Project Leader Development Programs (PLDP) contribute to the professionalization of our project manager skill profiles, are tailored to the various levels within the Company, and strengthen the project management community at OSRAM. In fiscal year 2020, there were 99 employees on this career path.

[Employees are nominated for our high-potential programs, the aforementioned career paths, and the accompanying development programs as part of the established GROW process. The high-potential programs are used to develop our most talented individuals at global and local level.

A total of 183 employees worldwide (previous year: 209) are currently enrolled in the high-potential programs; 167 (previous year: 356) are enrolled in the career path development programs.] ⊘

Personnel management

High Potential Programs

Culture Values &

Offers for Learning and Training

GROW (Performance and Potential Evaluation)

Promoting Engagement and Personal Growth

Leadership Principles

Career Paths

Action Taken, Results and Performance Indicators
[To remain competitive in a changing industry and employment landscape, we need to identify at an early stage the skills that the Company will need in the future so that wherever possible we are able to fill vacancies, including senior roles, internally. We established structures and processes in fiscal year 2019 to ensure that we can adequately fill our management positions, and we regularly review and adapt these as required. The global talent management strategy that was developed as a result was successfully introduced throughout the Company in fiscal year 2020. A new recruitment tool was also launched and extensively implemented in fiscal year 2020.

In fiscal year 2020, OSRAM invested €3.51 million (previous year: €7.53 million) in its employees' continuing professional development. The expenditure for fiscal year 2020 was below the level of the previous year because the COVID-19 pandemic prevented many of the activities from being carried out.

The COVID-19 pandemic also meant that some of the planned classroom-based seminars had to be switched to virtual sessions at short notice, while others had to be cancelled or postponed to the new calendar year. The existing program of virtual training courses will be further expanded. Particularly in light of our Company's current transformation, it is important to provide our employees with the opportunity to learn new skills in areas such as digitalization and agile working.

The COVID-19 pandemic also had an impact on the career paths, with the related development programs having to be postponed to fiscal year 2021 because of the restrictions. This affected all dates in the respective programs from March 2020.

Development review meetings encompassing different levels of management were affected too. They were suspended in fiscal year 2020. The nominations were made as a result of individual discussions or meetings between management and HR, involving only a small number of people.

The local program for high-potential employees, GoFurther!, the global program for high-potential employees, and the recently launched Executives program were all successfully implemented in fiscal year 2020.

The general deterioration of the markets, driven in part by the COVID-19 pandemic, was also reflected in the number of appointments to management positions. The number of new appointments fell from a total of 291 in fiscal year 2019 to 264 in fiscal year 2020. The proportion of these appointments that were made from within the Company edged up from 75.6% in fiscal year 2019 to 78.0% in fiscal year 2020.

Since early 2019, the Leadership Quality Gate has been used in selecting candidates for promotion to senior management. This process is carried out by an external partner and was used in twelve cases in fiscal year 2020. Seven of the candidates received a recommendation and were promoted to senior management positions following the adoption of a resolution by the Managing Board.

Our global trainee program LightUp! is designed to produce internationally networked managers of the future and to make us even more appealing to graduates as a prospective employer. In March 2020, ten trainees successfully completed the 18-month course. The participants benefited from a comprehensive range of career development opportunities and were supported and encouraged in their personal and professional development by experienced mentors.] ⊘

Recruitments to management positions

	2019	2020
Number of recruitments— senior management positions[1]	37	22
thereof internal recruitments	31	16
Number of recruitments— management positions[2]	254	242
thereof internal recruitments	189	190
Number of recruitments— total managements positions	**291**	**264**
thereof total internal recruitments	**220**	**206**

[1) Senior managers who belong to the executive level of the organization.
2) Managers above pay scale.)] ⊘

Diversity and Inclusion

[As a global company that operates in over 120 countries, having a diverse workforce is of great importance to us. In fiscal year 2020, OSRAM employed 21,170 people of 74* different nationalities. We firmly believe that diversity has a positive effect on our business in the various markets. Not only do relationships with international customers and suppliers require cultural awareness and flexibility, but diverse teams also have a strong ability to innovate. We define diversity not only with regard to employees' cultural background, age, sexual identity, gender, physical limitations, religion, and beliefs, but also in terms of the skills that they possess. To put our beliefs into practice, OSRAM signed the Charter of Diversity in 2013, a voluntary commitment by German companies under the patronage of the Federal Chancellor. It also signed up to other voluntary initiatives aimed at reinforcing the importance of the issue within the Company.

Guidelines, Structures, and Processes

The Business Conduct Guidelines, which apply across the Group, are intended to exclude the possibility of any individual being discriminated against because of one of the aforementioned characteristics ❯❯ www.osram.com/bcg. Furthermore, diversity is anchored in the HR policy as an

* Figures for nationalities do not include OSRAM CONTINENTAL.

integral part of the HR strategy ❯5.1 Responsibility to Employees and ❯5.3 Fair Working Conditions. We also developed a new HR diversity & inclusion strategy in fiscal year 2020.

Objectives

On July 13, 2017, the Managing Board set the target for OSRAM Licht AG for the proportion of women in the first level (senior managers) and second level (employees above the pay scale) of management in Germany at 34% and 30% respectively. Both targets are to be reached by June 30, 2022. For the Group as a whole, the Managing Board set the target for both levels in Germany to be achieved by June 30, 2022, at 17.5% ❯❯2020 OSRAM Licht Group Annual Report, C.4.1.5 Targets for the Proportion of Women on the Managing Board, Supervisory Board, and in Senior Management, p. 155.

Twice a year, we record the gender ratio in countries where the Group has more than 400 employees in order to increase the proportion of women in managerial roles internationally as well. Our objective is to further increase the number of women in managerial roles while taking regional circumstances into account. To achieve this objective, OSRAM exploits its cachet as a technology company in Germany to initiate and participate in activities—such as dedicated job fairs and events—that aim to make technology careers more attractive to women and girls.

Action Taken, Results and Performance Indicators

Globally, the share of women in first level management roles was 17% as of September 30, 2020, while the figure for the second management level was 21%. As of September 30, 2020, the proportion of women across the Group in the first and second levels of management in Germany stood at 13.9% and 17.3% respectively.

Diversity is one of a number of factors that are used at OSRAM in recruitment and making internal appointments. In fiscal year 2020, we revised the careers pages of our website using gender-neutral language for the first time and in Germany added a 'gender asterisk' to job titles.

In the past fiscal year, there were numerous activities to make technical roles at OSRAM more attractive, particularly to women and girls. The Company participated in the herCAREER job fair in Germany, for example. Events and job fairs had to be cancelled in the second half of fiscal year 2020 due to the global COVID-19 pandemic.

OSRAM also participates in Komm mach MINT, a German networking initiative for women working in STEM professions*.

OSRAM runs the Frauen in Führung (women in leadership) and Frauenkompass (women's compass) programs, and provides management training specifically for female employees, in particular in Germany. Frauenkompass offers a structured development process for individual career paths. Globally, the Women Leadership Forum offers women in senior positions the opportunity to hone their management skills and establish a network within OSRAM. A working group in HR is also developing further measures and initiatives to support women in the Company ❯5.4 People Development and ❯3.1.1 Functions and Responsibilities of the Governance Bodies. To mark International Women's Day, we ran an intranet competition on the subject of female role models.

OSRAM also makes it easier to combine work and family life, for example by offering flexible working models such as

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Share of female and male employees at OSRAM

	First management level [1]		Second management level [2]		Total workforce	
	2019	2020 ⊘	2019	2020 ⊘	2019	2020 ⊘
Female	15%	17%	22%	21%	46%	47%
Male	85%	83%	78%	79%	54%	53%

[1) Senior managers who belong to the executive level of the organization.
2) Managers above pay scale.] ⊘

* STEM stands for science, technology, engineering, and mathematics.

the option of working part-time or from home. In Germany, support is also provided with childcare.

Our Diversity Program is designed to firmly establish diversity in the corporate culture and encompasses various initiatives. The Employee Groups, for example, give all OSRAM employees a forum for discussing specific topics and aspects of diversity. They include the Flexwork Community, which advocates flexible working time models at OSRAM, our Women Network, which provides a forum for women working in senior positions who wish to pass on their experience to make contact with younger up-and-coming female employees, and #TheYoung-OSRAM, which gives a voice to the younger generation of OSRAM employees. In Munich (Germany), the Lunch Roulette initiative was piloted, promoting information-sharing between employees ❯5.3 Fair Working Conditions. In fiscal year 2020, we held another successful Diversity Day. Other events were cancelled due to the COVID-19 pandemic. Further examples of how we promote diversity can be found on the OSRAM website ❯❯www.osram-group.com/careers.] ⊘

5 . 6

Employee Satisfaction and Employer Attractiveness

[Our employer attractiveness, i.e., how we are perceived internally and externally as an employer, is a key determinant of the long-term success of the organization, particularly in light of our transformation and the increasing shortage of skilled workers ❯5.1 Responsibility to Employees. We believe that employee satisfaction and our attractiveness as an employer are indicators of how we treat our employees, and are heavily influenced by ❯5.2 Occupational Health and Safety, ❯5.3 Fair Working Conditions and ❯5.4 People Development.

Guidelines, Structures and Processes
We have defined an employer positioning that is aligned with our corporate goals and that provides a strategic framework for our HR work. This is set out and described in an employer branding guide* in order to provide uniform standards across the Group.

The main way in which we gauge employee satisfaction and engagement is by carrying out a global survey. To obtain

further feedback from employees, we hold regular events such as town hall meetings with OSRAM's management and run webcasts with the Managing Board and other members of management. We incorporate the feedback received into our HR work, which we strive to continually improve based on what our employees tell us.

OSRAM also regularly takes part in or supports training days, graduate fairs at universities, and other relevant events in order to communicate our employer positioning and present OSRAM as an employer of choice.

Objectives
During the Company's current transformation, our objective is to match the employee satisfaction levels of other companies that are undergoing change, with a view to maintaining our already strong appeal as an employer in the labor market.

In terms of employer attractiveness, our objective for fiscal year 2020 was to continue to hold Top Employer certification from external institutes and to remain highly popular with the target group of potential employees. We also set ourselves the goal of revising our global careers website in order to maintain our appeal and target prospective applicants even more effectively. Although our recruitment activities were scaled back due to the significant decline in demand and the economic consequences, we continue to compete for talent in the STEM disciplines.

* The guide is not applicable to OSRAM CONTINENTAL

Action Taken, Results and Performance Indicators

The employee survey originally planned for fiscal year 2019, and delayed to fiscal year 2020, was not carried out due to various developments. The COVID-19 pandemic, in particular, had a significant impact on the day-to-day work of our employees. A regular survey would therefore not have provided any comparable results. The takeover by ams was, and still is, a prominent topic. To provide optimum support for the necessary changes, global 'pulse checks' are carried out with a random selection of employees instead of a worldwide survey of the entire workforce. Every six weeks or so, these are used to gauge the current mood and identify employees' information requirements.

The pandemic-related restrictions meant that the physical dialog formats that had previously been used, such as town hall meetings, became much more digital in nature and were carried out virtually.

The target of retaining our ❯❯Top Employer certification was achieved in fiscal year 2020, with certificates awarded in Germany, China, Malaysia, and the U.S.A. In addition, we received an award for our new careers website from market research company Potentialpark, which named it the third-best careers website in Germany. This ranking represented an improvement of 45 places compared with the previous year. The mobile version of the site was ranked sixth. In the overall rankings for global recruitment communications, we came in 13th place worldwide.

The COVID-19 pandemic led to a number of job fairs either being cancelled or postponed to 2021] ⊘

New hires in 2020 by age category, gender, and region
(absolute figure and proportion of workforce)

	EMEA		Americas		APAC		OSRAM (total)	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%
Male								
<30	40	7	82	30	137	11	259	13
30–49	84	2	105	14	178	5	367	5
>49	25	1	15	3	8	3	48	2
Total	**149**	**2**	**202**	**13**	**323**	**6**	**674**	**5**
Female								
<30	35	10	182	73	129	6	346	13
30–49	66	3	135	21	135	4	336	5
>49	18	2	18	5	2	1	38	2
Total	**119**	**3**	**335**	**26**	**266**	**4**	**720**	**7**

Employee turnover in 2020 by age category, gender, and region
(absolute figure and proportion of workforce)

	EMEA		Americas		APAC		OSRAM (total)	
	Headcount	%	Headcount	%	Headcount	%	Headcount	%
Male								
<30	85	15	49	18	368	30	502	25
30–49	352	10	125	16	524	14	1,001	13
>49	193	10	91	19	43	19	327	13
Total	**630**	**11**	**265**	**17**	**935**	**18**	**1,830**	**15**
Female								
<30	50	15	102	41	401	19	553	20
30–49	191	9	125	19	405	11	721	11
>49	113	10	62	16	35	13	210	12
Total	**354**	**10**	**289**	**22**	**841**	**14**	**1,484**	**14**

6.0

Society

OSRAM sees itself as being part of society, which means that our responsibility also extends beyond the confines of the Company. We are committed to helping the communities in which we operate to develop in such a way that they are well equipped for the future and we support the embedding of sustainability principles in society.

6 . 1

Respect for Human Rights

[As an international company with diverse products and complex global value chains ❯3.4 Supply Chain Management we know that our business relationships present the risk of human rights violations, especially for potentially more vulnerable groups such as migrant and temporary workers. Furthermore, the OSRAM portfolio of products requires the use of materials that could potentially be classified as conflict minerals due to their origin, for example from the Democratic Republic of Congo and neighboring countries or originate from conflict-affected and high-risk areas (CAHRAs) as defined in Regulation (EU) 2017/821. To a very small extent, for example in a traditional automotive product line, cobalt is used in OSRAM products ❯6.1.1 Conflict Minerals and ❯4.6 Raw Materials and Substances.

We do not tolerate any form of modern slavery, child labor, forced labor, or human trafficking, whether within our own business or at our suppliers and business partners. We have also put processes and policies in place to ensure that standards for environmental and social accountability are met by our own locations and by our suppliers ❯3.4.1 Code of Conduct for Suppliers.

Companies are increasingly expected to do more to protect human rights. This is reflected in legislation such as the UK Modern Slavery Act and policy initiatives such as the German government's National Action Plan for Business and Human Rights (NAP) and the planned law on fair supply chains. We are also increasingly being called upon by investors and customers to identify and mitigate any adverse impacts that our business activities and business relationships might have on human rights.

Guidelines, Responsibilities & Structures, and Processes

We outline our approach to respecting human rights in the OSRAM human rights policy. We respect and support internationally recognized human rights at all of our locations and are committed to the principles of the United Nations Human Rights Charter, which we actively support as a member of the UN Global Compact.

The human rights of OSRAM employees are enshrined in the Business Conduct Guidelines ❯❯www.osram.com/bcg and the human rights guideline ❯❯www.osram.com/human-rights-policy. The latter is based on the Universal Declaration of Human Rights, the United Nations' Guiding Principles for Business and Human Rights, the fundamental conventions of the International Labour Organization, and the principles of the UN Global Compact. We place an obligation on all OSRAM employees to implement the guideline in an appropriate way in their area of responsibility.

HR coordinates our due duty of care with regard to human rights and our employees. The head of HR (Chief Human Resources Officer) reports directly to the Chairman of the Managing Board (CEO), who also serves as the Labor Relations Director. The HR department has the power to issue human rights policies and coordinates how compliance with these policies is monitored.

In the past fiscal year, a process for continually monitoring human rights risks and appropriate management processes was implemented in order to produce an annual risk assessment ❯❯Chart: Human Rights Due Diligence Process. It incorporates not only macroeconomic factors but also internal risk factors. The process is also integrated with enterprise risk management, meaning that human rights risks can be reported within the enterprise risk management process. Questions regarding human rights risks are also included in the company level control questionnaire, which is used in the annual evaluation of the local control system of all consolidated entities by the relevant CEOs and CFOs.

Once a year, an internal stakeholder workshop usually takes place at which various functions analyze the results of the risk assessment together with HR in order to identify measures and initiatives for the organization and workforce. The specified risk areas are also reviewed to check they are up to date. Unfortunately, the COVID-19 pandemic prevented the workshop from being held in fiscal year 2020.] ⊘

Human rights risk areas

| Working conditions of employees | Environmental protection, occupational health, safety | Working conditions and livelihoods in the supply chain | Product impacts |

| Privacy and data protection | Impacts related to strategic business decisions, mergers and acquisition and divestitures | Impacts related to integrity and anti-corruption |

[Details on how we deal with the risks of modern slavery in our business activities and our supply chain are set out in the 2019 OSRAM Modern Slavery Statement ≫ www.osram.com/modern-slavery-statement.

If violations occur, they can be reported using the whistle-blowing system 'Tell OSRAM' ❯3.2 Combating Corruption and Anti-Competitive Behavior. Reports can also be made through the usual internal company channels, such as the relevant Compliance Officer, Corporate Compliance, or the line manager. All indications are systematically analyzed and any necessary measures are initiated.

In order to fulfill our responsibility along the entire supply chain, we also involve our suppliers in the process. We place a duty on them to comply with the rules and obligations of the OSRAM Code of Conduct for Suppliers, which includes respect for human rights and ensuring that compliant working conditions are in place ❯3.4.2 Review of Suppliers.

Measured by the volume of orders, the commissioning of contract manufacturing work in Malaysia and China and the electronic components material field are areas in which there is a heightened risk of human rights violations. We are mitigating this risk by focusing our corporate responsibility (CR)

audits on the regions concerned. Suppliers in high-risk countries are also required to provide a self-assessment. By choosing to work only with quality-focused partners and suppliers, especially in the field of optoelectronic components, we attempt to mitigate potential negative effects from the outset.

In summer 2020, we joined the ≫ Responsible Business Alliance (RBA), an industry coalition of leading electronics companies that have committed to abiding by a code of conduct focused on sustainability and to improving aspects of corporate social responsibility. Since becoming a member, we have been using the RBA's online platform to track audits and are gradually updating our existing process. As a first step, we linked up with the suppliers that are already registered on the RBA's online platform and in doing so were given access to their RBA audits, which all apply the RBA VAR (validated audit report) standard. Measures derived from the RBA audits that have been carried out are sent directly to the supplier via RBA Online. The supplier can make updates on the platform and customers such as OSRAM can monitor progress in implementing the measures.

Objectives

Our aim is to regularly review the Group-wide guideline regarding respect for human rights against developments in the regulatory environment and adapt it as required.

The avoidance of human rights abuses is a key objective for us. As well as investigating each notification of a potential breach of human rights, for example those that are submitted to OSRAM via the whistleblower system 'Tell OSRAM' or any of the other aforementioned channels, our goal is to

systematically analyze notifications of suspected cases and derive appropriate measures from them. This is how we aim to raise awareness of this important topic within the organization and prevent human rights violations.

Our work with suppliers was significantly affected by the COVID-19 pandemic. Together with our suppliers, we sought to minimize the economic and the resulting social impact of the pandemic on all stakeholders. During the pandemic, we largely dispensed with external audits in order to protect the health of all concerned, to take account of travel restrictions, and to avoid burdening suppliers with the additional workload required by the audits. This is why fewer corporate responsibility audits than normal were carried out in fiscal year 2020 ❯3.4.2 Review of Suppliers.

Action Taken and Results

Our departments continued to monitor the relevant national and international legal frameworks on human rights in fiscal year 2020. This resulted in us reformulating our statement on the Modern Slavery Act so that it also covers the future requirements of other countries.

In fiscal year 2020, human rights were the subject of an internal audit for the first time. The audit focused on the degree of awareness of the human rights guideline among the workforce.

A global human rights training program was also developed. Implementation of the program is scheduled to commence in fiscal year 2021.

As part of our activities to promote respect for human rights, we also pursue region-specific topics that are identified by our risk analysis. For example, we hosted a virtual event for our HR colleagues in China in order to provide information on the subject of human rights. We also organized a session aimed at sharing best practice between Germany and China. Other activities were cancelled due to the COVID-19 pandemic.

Employees of OSRAM CONTINENTAL worldwide were trained on their duty of care with regard to human rights on the basis of the Code of Ethics.

In fiscal year 2020, we did not receive any indications of human rights breaches via the whistleblowing system 'Tell OSRAM'.

The COVID-19 pandemic prompted us to focus on the resilience of our global supplier network in fiscal year 2020. An intensive consultation process took place with the aim of minimizing the economic fallout in our supply chain and working with our suppliers to come up with sustainable solutions. With only a few exceptions, we managed to keep the supply

chain running and therefore ensured the continuation of the business relationships, albeit with lower volumes.

We largely dispensed with external corporate responsibility audits because of the COVID-19 pandemic. The geographical focus of the audits and self-assessments that were carried out in spite of this remained on China and Malaysia in fiscal year 2020 ❯3.4 Supply Chain Management, Objectives, Action Taken, Results and Performance Indicators.

6.1.1   Conflict Minerals

The OSRAM portfolio of products also requires the use of materials that are classified as conflict minerals due to their potential origin ❯6.1 Respect for Human Rights and ❯4.6 Raw Materials and Substances. We are aware of the associated risks and are mitigating them as follows.

Guidelines, Responsibilities & Structures, and Processes

In order to fulfill our human rights responsibilities ❯6.1 Respect for Human Rights in the area of conflict minerals, we have put in place appropriate due diligence processes for procurement. Since fiscal year 2020, we have also been reviewing our supply chains to establish the status of cobalt smelters used and have been asking relevant suppliers of ours for this information.

Responsibility for the issue of conflict minerals lies with the Procurement department, which is assigned to the Chief Technology Officer (CTO) and reports directly to him. OSRAM has been a member of the Responsible Minerals Initiative (RMI) since 2017. The sharing of information and insights within the RMI is helping us to continuously improve our due diligence on conflict minerals. RMI training materials are available to our suppliers via an online training portal **»Procurement Portal**. When purchasing raw materials, OSRAM makes sure that it uses qualified sources. For example, all our directly commissioned smelters for conflict minerals are RMI certified.

Objectives, Action Taken, and Results
We strive for full transparency with regard to conflict minerals, including cobalt, for our entire purchasing volume and are committed to dealing with the issue in accordance with the OECD Due Diligence Guidance for Responsible Mineral Supply Chains. For a number of years, we have been working on investigations into country of origin and on due diligence checks of the smelters in our supply chains **›3.4 Supply Chain Management**.

Our long-term objective is to establish the conflict-free status of all products in the portfolio. We have already achieved this status for the product portfolio of the Opto Semiconductors Business Unit, and will strive to maintain it in the future.

The vast majority of our products do not contain cobalt. In fiscal year 2020, as a further step toward having a conflict-free supply chain for this substance, a cobalt reporting template was drawn up for the few products of ours that do contain cobalt (see due diligence description above). The template creates transparency in the supply chain by facilitating the sharing of information on the country from where the minerals originate and the smelters that are used. As a result of adopting the template, we have now achieved transparency in the majority of our products with regard to the use of cobalt.

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

6 . 2

Social Engagement

Wherever OSRAM is active, we want to assume responsibility for the world outside our business. We want to make a positive impact, and to be seen in a positive light. We therefore engage at local level across the globe in initiatives that foster sustainable development and a prosperous society. Our social engagement activities follow a clear strategy and are aligned with our corporate values.

The OSRAM Group is committed to many different forms of social engagement. As well as making cash donations and donations in kind, we sponsor or otherwise provide support for events in the field of culture, society, education, and sports, and we are members of associations, organizations, and clubs. We have appointed one individual to take responsibility for each of the categories referred to. Rules relating to corporate citizenship are integrated in our Business Conduct Guidelines and are supported by guidelines covering specific topics **›3.1.4 Memberships and Political Engagement**. Volunteering activities qualify as a citizenship activity if they contribute to an improved social environment and if society as well as employees, customers, suppliers, and the Company itself benefit from them. The criteria of the London Benchmarking Group (LBG) define the framework for this. We also support our employees in their fundraising activities and their personal involvement in projects.

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

OSRAM CONTINENTAL is not part of the strategy outlined in this chapter, but has initiated its own projects that are included when calculating the total costs.

Action Taken and Results

In fiscal year 2020, as part of its social engagement activities, OSRAM provided a total of around €1.9 million (previous year: €3.3 million) in donations, sponsorship, and membership fees to corporate citizenship projects, initiatives, organizations, and events.

The COVID-19 pandemic also had an impact on our social engagement activities. A number of events and projects that OSRAM had committed to support, mainly in the area of arts and culture, were postponed or cancelled. The Eurovision Song Contest was just one example. However, many activities were carried out as part of the Unite with Light initiative that supported the efforts of local communities, organizations, and groups to mitigate the effects of the pandemic. UV-C disinfection equipment was donated to hospitals, schools, and kindergartens, sanitizer was manufactured, and personal protective equipment was distributed to local hospitals, schools, and crisis response centers.

Below is a selection of projects illustrating the breadth and geographical scope of OSRAM's social engagement:

Examples of our social engagement

Education category

— OSRAM has been supporting the Hillsboro-Deering School District near its Hillsboro (U.S.A.) facility for a number of years. In fiscal year 2020, we awarded scholarships to enable six students to further their education and also helped to fund some of the new equipment for a playground.

— For the 42nd year, OSRAM sponsored the international Welker Award at the International Symposium on Compound Semiconductors (ISCS). In May 2020, Professor Henning Riechert from the Paul Drude Institute for Solid State Electronics in Berlin (Germany) won the award for his outstanding research in the field of compound semiconductors.

— OSRAM also jointly sponsors the Walter Schottky Prize awarded by the German Physical Society (DPG) for research in the field of solid-state physics. The prize is awarded to young physicists who have published outstanding work. This year it went to Dr. Zhe Wang from the University of Cologne (Germany).

— In February 2020, OSRAM installed better lighting and UV-C disinfecting lamps in schools in Shanghai (China). The UV-C lamps help to provide a safer learning environment by killing air-borne viruses and bacteria.
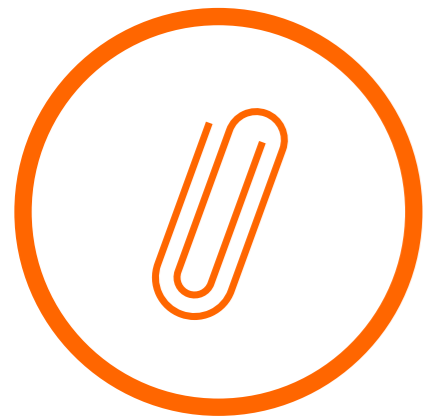
Arts, culture, and sports category

— The field of arts, culture, and sport was particularly hard hit by the restrictions imposed as a result of the COVID-19 pandemic. A large number of events supported by OSRAM had to be cancelled. Artists and performers all over the world were forced to drastically curtail their activities. OSRAM and subsidiaries such as Clay Paky help to fund organizations in the creative arts and related fields such as stage lighting.

— OSRAM's #UniteWithLight initiative has created a symbol of the solidarity and cohesion among many countries in Europe, Asia, and America with light installations around the world. These projects are also an expression of our thanks to and appreciation of all those who have been on the front line during the COVID-19 pandemic.

Social engagement category

— As an official global corporate partner of the German Red Cross, OSRAM has been supporting an innovative approach to anticipatory aid in natural catastrophes since 2016: Forecast-based Financing (FBF) uses weather forecasts in order to provide targeted financial and humanitarian aid to regions particularly at risk before a disaster occurs. This year, the focus was on continuing to provide support where it is most needed, e.g. distributing aid, in spite of the restrictions resulting from the COVID-19 pandemic.

— By providing financial support and donating products such as protective clothing, facemasks, and sanitizer produced by OSRAM itself, OSRAM has helped local hospitals and aid organizations at many different locations in Europe, Asia, and America in their extraordinary efforts to cope with the COVID-19 pandemic.

— OSRAM has been working with Boston Children's Hospital for a number of years, supporting young patients and their families. There are activities in aid of this charity in Boston and at our other locations in the U.S.A. throughout the year.

7.0

Appendix

7 . 1   List of Material Topics

Material Topics	GRI-Topics	Potential Impact by OSRAM on the GRI Topics	Location of Impacts in the Value Chain
Greenhouse gases and climate change	Emissions	Direct and indirect	Within OSRAM and downstream
Energy efficiency	Energy	Direct	Within OSRAM and downstream
Raw materials and substances.	Materials; Environmental Compliance	Direct and indirect	Within OSRAM
Human rights	Child Labor; Forced or Compulsory Labor; Human Rights Assessment; Procurement Practices; Supplier Social Assessment	Direct	Upstream and within OSRAM
Fair working conditions	Employment; Diversity and Equal Opportunities; Freedom of Association and Collective Bargaining	Direct	Upstream and within OSRAM
Occupational health and safety	Occupational Health and Safety	Direct	Upstream and within OSRAM
Employee satisfaction and employer attractiveness	Employment; Training and Education	Direct	Within OSRAM
People development	Training and Education	Direct	Within OSRAM
Product safety	Customer Health and Safety; Marketing and Labeling	Direct and indirect	Upstream, within OSRAM, and downstream
Protection and security of personal data	Customer Privacy	Direct	Downstream
Customer relationships.		Direct	Downstream
Combating corruption and bribery	Anti-corruption; Anti-competitive Behavior; Procurement Practices; Socioeconomic Compliance	Direct and indirect	Upstream and within OSRAM

Details and further information are available on our website ❯❯ www.osram.com/sustainability.

7 . 2

Independent Auditor's Limited Assurance Report regarding Sustainability Information

The assurance engagement performed by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft (EY) relates exclusively to the German PDF version of the Sustainability Report 2020 of OSRAM Licht AG. The following text is a translation of the original German Independent Assurance Report.

To the Management Board of OSRAM Licht AG, Munich

We have been engaged to perform a limited assurance engagement on information marked with the symbol " […] ⊘ " in the Sustainability Report of OSRAM Licht AG for the reporting period from 1 October 2019 to 30 September 2020 (hereafter "the report").

Our engagement is exclusively limited to the information marked with the symbol " […] ⊘ " in the German PDF version of the report. Our engagement did not include any pro-

spective statements, information for previous years or graphics. The report is published as a PDF version at ›› www.osram.com/sustainability.

Management's responsibility

The legal representatives of OSRAM Licht AG are responsible for the preparation of the report in accordance with the criteria as set out in the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter "GRI criteria") and for the selection of the information to be assessed.

This responsibility includes the selection and application of appropriate methods to prepare the report and the use of assumptions and estimates for individual sustainability disclosures that are reasonable under the circumstances. Furthermore, the legal representatives are responsible for internal controls that they deem necessary for the preparation of a report that is free from — intended or unintended — material misstatements.

Auditor's statement regarding independence and quality

We are independent from the entity in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Beruf-

ssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control: Requirements for Quality Control in audit firms [IDW Qualitätssicherungs-standard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor's responsibility

Our responsibility is to express a conclusion on information marked with the symbol " […] ⊘ " in the report based on our work performed.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and perform the assurance engagement to obtain a limited level of assurance to preclude that the information marked with the symbol " […] ⊘ " in the report for the reporting period from 1 October 2019 to 30 September 2020 has been prepared, in all material respects, in accordance with the relevant GRI criteria.

We do not, however, issue a separate conclusion for each sustainability disclosure which is marked with the symbol " […] ⊘ " In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the auditor's professional judgment.

Within the scope of our assurance engagement, which has been conducted between September and December 2020, we performed amongst others the following assurance and other procedures:

— Inquiries of employees concerning the sustainability strategy, sustainability principles and sustainability management of OSRAM Licht AG,

— Inquiries of employees responsible for the preparation of information marked with the symbol " […] ⊘ " in the report in order to assess the sustainability reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement,

— Identification of likely risks of material misstatement in the sustainability report,

— Inspection of relevant documentation of the systems and processes for compiling, aggregating and validating data in the relevant areas, e.g. Environmental Protection, Health and Safety in the reporting period and testing such documentation on a sample basis,

— Analytical evaluation of disclosures in the sustainability report at Group level,

— Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data,

— Critical review of the draft report to assess plausibility and consistency with the information marked with the symbol " […] ⊘ ".

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the information marked with the symbol " […] ⊘ " in the Sustainability Report of OSRAM Licht AG for the reporting period from 1 October 2019 to 30 September 2020 has not been prepared, in all material respects, in accordance with the GRI criteria.

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with OSRAM Licht AG. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (» www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibility, liability or other obligations towards third

parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 20. January 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Nicole Richter   Hans-Georg Welz
Wirtschaftsprüferin   Wirtschaftsprüfer
(German Public Auditor)   (German Public Auditor)

7 . 3

GRI, UN Global Compact, and SASB Index[1]

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
GRI 101	**Foundation 2016**				
GRI 102	**General Disclosures 2016**				
	Organizational Profile				
GRI 102-1	Name of the organization		OSRAM Licht AG		
GRI 102-2	Activities, brands, products, and services	9/10			
GRI 102-3	Location of headquarters	9			
GRI 102-4	Location of operations	9			
GRI 102-5	Ownership and legal form	9, 20/21	Ownership: We publish any changes on our website: ›› https://www.osram-group.com/en/investors/regulatory-news		
GRI 102-6	Markets served	9/10	›› Annual Report 2020, p. 3 et seq.		
GRI 102-7	Scale of the organization	9	›› Annual Report 2020, p. 58 Not fully applicable: We are not publishing this indicator (permanent/temporary employees by region and numbers of part-time/full-time workers by gender) in full as the required level of detail is not relevant to OSRAM's management of this topic.		
GRI 102-8	Information on employees and other workers	55, 60			RT-EE-000.B
GRI 102-9	Supply chain	28/29			
GRI 102-10	Significant changes to the organization and its supply chain	3, 21	›› Annual Report 2020, p. 13		
GRI 102-11	Precautionary Principle or approach		›› Annual Report 2020, p. 35		
GRI 102-12	External initiatives	3, 11, 22			
GRI 102-13	Membership of associations	22			
	Strategy				
GRI 102-14	Statement from senior decision-maker	5/6			
GRI 102-15	Key impacts, risks, and opportunities	16/17			

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
	Ethics and Integrity				
GRI 102-16	Values, principles, standards, and norms of behavior	21/22		10	
GRI 102-17	Mechanisms for advice and concerns about ethics	22		10	
	Management Approach				
GRI 102-18	Governance structure	20			
GRI 102-19	Delegating authority	16			
GRI 102-20	Executive-level responsibility for economic, environmental, and social topics	16, 23			
GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	17/18			
GRI 102-22	Composition of the highest governance body and its committees		» Annual Report 2020, p. 129 et seq.		
GRI 102-23	Chair of the highest governance body		» Annual Report 2020, p. 129		
GRI 102-24	Nominating and selecting the highest governance body	20	» Annual Report 2020, p. 152 et seq., 156		
GRI 102-25	Conflicts of interest	21	» Annual Report 2020, p. 145		
GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	20			
GRI 102-27	Collective knowledge of highest governance body	16	» Annual Report 2020, p. 141		
GRI 102-28	Evaluating the highest governance body's performance	21	» Annual Report 2020, p. 141		
GRI 102-29	Identifying and managing economic, environmental, and social impacts	16/17, 20			
GRI 102-30	Effectiveness of risk management processes		» Annual Report 2020, p. 35		
GRI 102-31	Review of economic, environmental, and social topics		» Annual Report 2020, p. 35		
GRI 102-32	Highest governance body's role in sustainability reporting		This report was checked and approved by the Managing Board.		
GRI 102-33	Communicating critical concerns	18, 23	» Annual Report 2020, p. 157		
GRI 102-34	Nature and total number of critical concerns	26			
GRI 102-35	Remuneration policies	21	» Annual Report 2020, p. 157 et seq.		
GRI 102-36	Process for determining remuneration	21			
GRI 102-37	Stakeholders' involvement in remuneration	21	» Annual Report 2020, p. 58		
GRI 102-38	Annual total compensation ratio		Not applicable: We are not publishing this information because it is not relevant to OSRAM's management of this topic.		
GRI 102-39	Percentage increase in annual total compensation ratio		Not applicable: We are not publishing this information because it is not relevant to OSRAM's management of this topic.		
	Stakeholder Management				
GRI 102-40	List of stakeholder groups	18			
GRI 102-41	Collective bargaining agreements	60/61			
GRI 102-42	Identifying and selecting stakeholders	18			
GRI 102-43	Approach to stakeholder engagement	17/18, 33/34, 66			
GRI 102-44	Key topics and concerns raised	17/18			

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
	Reporting Approach				
GRI 102-45	Entities included in the consolidated financial statements	3, 9	›› Annual Report 2020, p. 126 et seq.		
GRI 102-46	Defining report content and topic boundaries	17			
GRI 102-47	List of material topics	17, 75			
GRI 102-48	Restatements of information	41, 45			
GRI 102-49	Changes in reporting		None		
GRI 102-50	Reporting period		October 1, 2019 – September 30, 2020		
GRI 102-51	Date of most recent report		January 23, 2020		
GRI 102-52	Reporting cycle		Annually		
GRI 102-53	Contact point for questions regarding the report	85			
GRI 102-54	Claims of reporting in accordance with the GRI standards	3	The report was not subject to a GRI Materiality Disclosure Service this year.		
GRI 102-55	GRI content index	78 – 84			
GRI 102-56	External assurance	76/77			
Material Topics					
GRI 201	Economic Performance 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	10/11, 16		1 – 6/10	
GRI 201-1	Direct economic value generated and distributed	9, 73	›› Annual Report 2020, p. 58	1 – 6/10	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	11, 13, 44/45		7	
GRI 201-3	Defined benefit plan obligations and other retirement plans		›› Annual Report 2020, p. 98 et seq.		
GRI 201-4	Financial assistance received from government		›› Annual Report 2020, p. 82/83		
GRI 203	Indirect Economic Impacts 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	11/12		6	
GRI 203-1	Infrastructure investments and services supported	72/73			
GRI 203-2	Significant indirect economic impacts	12 – 14, 69/70			
GRI 204	Procurement Practices 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	28/29, 75			
GRI 204-1	Proportion of spending on local suppliers	31			
GRI 205	Anti-corruption 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	23 – 25, 75		10	RT-EE-510a.1
GRI 205-1	Operations assessed for risks related to corruption		All Group companies are subject to regular reviews of corruption risk as part of compliance risk assessments. Objective criteria are used to assign the Group companies to risk categories that determine whether they will be selected for review in a particular year.	10	

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
GRI 205-2	Communication and training about anti-corruption policies and procedures	25			
GRI 205-3	Confirmed incidents of corruption and actions taken	25/26	We are not publishing this indicator in full as the required level of detail (total number and percentage of governance body members that have received training on combating corruption, broken down by region and with a breakdown of employee numbers by category) is not relevant to OSRAM's management of this topic.	10	
GRI 206	Anti-competitive Behavior 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	23–25, 75			RT-EE-510a.1
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	26			
GRI 301	Materials 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	36/37, 50–52, 75			RT-EE-440a.1
GRI 301-1	Materials used by weight or volume	29, 52	Not applicable: More far-reaching information that goes beyond that provided in this report is not relevant to OSRAM in this level of detail and so is not recorded.	7/8	
GRI 301-3	Reclaimed products and their packaging materials	53	Not applicable: Because of the high number and diversity of materials groups, the information required under 301-3 is not relevant for OSRAM.	8/9	
GRI 302	Energy 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	36–39, 75			
GRI 302-1	Energy consumption within the organization	39		7/8	RT-EE-130a.1
GRI 302-3	Energy intensity	39		8	
GRI 302-4	Reduction of energy consumption	38/39			
GRI 302-5	Reductions in energy requirements of products and services	40			
GRI 303	Water 2018				
GRI 103	Management Approach 2018 (including GRI 103-1, 103-2, 103-3)	36/37, 45–48			
GRI 303-1	Water as a shared resource	45–47			
GRI 303-2	Dealing with the effects of water discharge	46/47			
GRI 303-3	Water withdrawal	47		8	
GRI 303-4	Water discharge	37, 46/47		8	RT-EE-150a.2
GRI 303-5	Water consumption	46/47		8	
GRI 305	Emissions 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	36/37, 40–42, 44/45, 75			
GRI 305-1	Direct (Scope 1) GHG emissions	40, 43		7/8	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	40, 43		7/8	
GRI 305-3	Other indirect (Scope 3) GHG emissions	40, 43			
GRI 305-4	GHG emissions intensity	43		8	
GRI 305-5	Reduction of GHG emissions	41–43, 45		8/9	

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
GRI 305-6	Emissions of ozone-depleting substances (ODS)		OSRAM does not emit any ozone-depleting substances.	8	
GRI 305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	43	OSRAM does not generally emit nitrogen oxides and sulfur oxides, but where it does the amounts are so negligible that we do not need to collect data on them.	8	
GRI 306	Waste 2020				
GRI 103	Management Approach 2020 (including GRI 103-1, 103-2, 103-3)	36/37, 48−50			
GRI 306-1	Waste generation and significant waste-related impacts	48			
GRI 306-2	Management of significant waste-related impacts	48−50, 52/53			
GRI 306-3	Waste generated	49		8	RT-EE-150a.1
GRI 306-4	Waste diverted from disposal	49		8	RT-EE-150a.1
GRI 306-5	Waste directed to disposal	49		8	
GRI 307	Environmental Compliance 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	36/37, 75		8	
GRI 307-1	Non-compliance with environmental laws and regulations	37		8	
GRI 308	Supplier Environmental Assessment 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	26−30, 44			
GRI 308-1	New suppliers that were screened using environmental criteria	28−30		7−9	
GRI 401	Employment 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	55, 66, 75			
GRI 401-1	New employee hires and employee turnover	67			
GRI 403	Occupational Health and Safety 2018				
GRI 103	Management Approach 2018 (including GRI 103-1, 103-2, 103-3)	56−58			
GRI 403-1	Occupational health and safety management system	56			
GRI 403-2	Hazard identification, risk assessment, and incident investigation	56/57			
GRI 403-3	Occupational health services	56			
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	56/57			
GRI 403-5	Worker training on occupational health and safety	56/57			
GRI 403-6	Promotion of worker health	57			
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	30−32, 57/58			
GRI 403-8	Workers covered by an occupational health and safety management system	56			
GRI 403-9	Work-related injuries	56, 58			
GRI 403-10	Work-related ill health	56, 58			

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
GRI 404	Training and Education 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	55, 62–64, 75			
GRI 404-1	Average hours of training per year per employee		This performance indicator is not sufficiently well developed to enable global evaluation and reporting.	6	
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	61–64			
GRI 405	Diversity and Equal Opportunity 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	55, 59–61, 64–66			
GRI 405-1	Diversity of governance bodies and employees	65	Information on the age and gender of the members of the governance bodies can be found at ❯❯ www.osram.com/management.	6	
GRI 405-2	Ratio of basic salary and remuneration of women to men		There were no cases of people being treated unequally because of their gender in fiscal year 2020.	6	
GRI 406	Non-discrimination 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	59/60, 64			
GRI 406-1	Incidents of discrimination and corrective actions taken	60			
GRI 407	Freedom of Association and Collective Bargaining 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	28–62, 59/60, 69–71, 75			
GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	60, 71	The COVID-19 pandemic meant that the process was suspended and the figures could not be collected.	1/3	
GRI 408	Child Labor 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	28–32, 59/60, 69–71, 75			
GRI 408-1	Operations and suppliers at significant risk for incidents of child labor	71	The COVID-19 pandemic meant that the process was suspended and the figures could not be collected.	1/5	
GRI 409	Forced or Compulsory Labor 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	28–32, 59/60, 69–71, 75			
GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	71	The COVID-19 pandemic meant that the process was suspended and the figures could not be collected.	1/4	
GRI 412	Human Rights Assessment 2016				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	59/60, 69–72, 75			
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	71		1/2	
GRI 412-2	Employee training on human rights policies or procedures		Not applicable: The figure is not recorded systematically. Employees receive training on this topic at various events, such as the town hall meeting of the Procurement department.		

DISCLOSURES		PAGE	COMMENTS	UNGC	SASB
GRI 413	**Local Communities 2016**				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	72/73			
GRI 413-1	Operations with local community engagement, impact assessments, and development programs	72/73			
GRI 413-2	Operations with significant actual and potential negative impacts on local communities		There are no OSRAM facilities that have or could have significant negative impacts on local communities.		
GRI 414	**Supplier Social Assessment 2016**			2	
GRI 103	Management Approach 2016 (including GRI RT-EE-1, 103-2, 103-3)	28−32, 71, 75		2	RT-EE-440a.1
GRI 414-1	New suppliers that were screened using social criteria	30−32, 71			
GRI 414-2	Negative social impacts in the supply chain and actions taken	30−32, 71			
GRI 415	**Public Policy 2016**				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	22			
GRI 415-1	Political contributions	22		10	
GRI 416	**Customer Health and Safety 2016**				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	10/11, 31−34, 75			
GRI 416-1	Assessment of the health and safety impacts of product and service categories	10/11, 31−34		1	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	33			RT-EE-250a.1
GRI 417	**Marketing and Labeling 2016**				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	31/32, 50−52, 75			
GRI 417-1	Requirements for product and service information and labeling	31/32, 51/52			
GRI 418	**Customer Privacy 2016**				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	26/27, 75			
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	27			
GRI 419	**Socioeconomic Compliance 2016**				
GRI 103	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	20−25, 75			
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	25	≫Annual Report 2020, p. 104 et seq.		

7 . 4

Acknowledgments and Contact

7.4.1 Editorial Notes

This report is published online in German and English. The editorial deadline was January 15, 2021.

The Annual Report and the Sustainability Report are available in German and English and can be downloaded at » www.osram-group.com.

7.4.2 Forward-looking Statements

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

7.4.3 Publisher and Contact Details

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