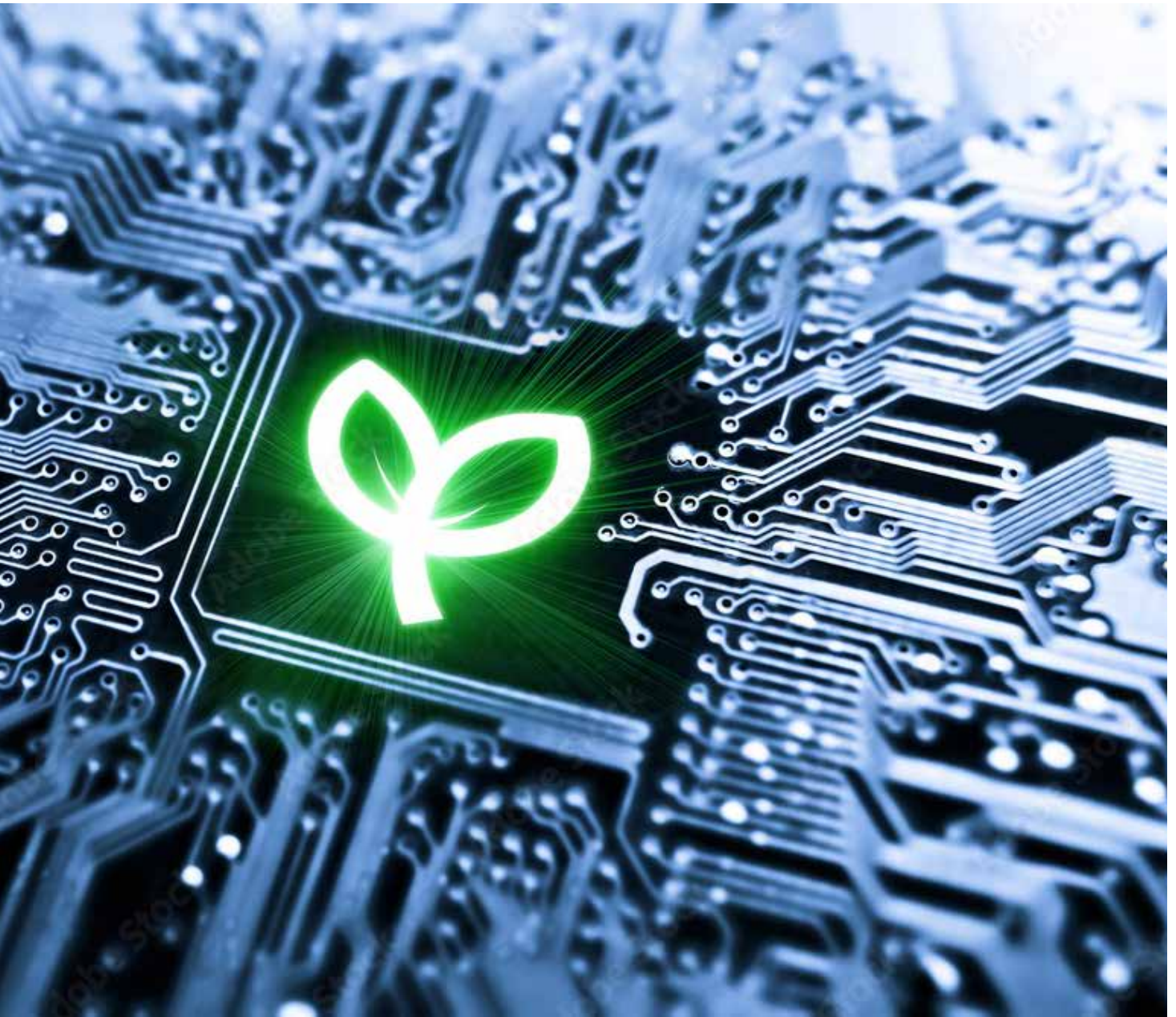




2022

SUSTAINABILITY REPORT



Sustainability Report 2022

Grow with us – sustainably.

About this report

Content and basic information

This section of the report relates to the 2022 financial year and, unless stated otherwise, to Viscom AG, the largest company of the Viscom Group in terms of revenue and number of employees. Additionally, Viscom's products are manufactured exclusively at the Hanover site, which is Viscom AG's home base. Although we do not currently apply an external framework (e. g. Global Reporting Initiative, German Sustainability Code), preparing this report, we have referred to these frameworks and the relevant provisions of section 289b and section 315b of the German Commercial Code (HGB) for orientation. At Viscom, issues relating to sustainability are the responsibility of the Integrated Management System and Sustainability Officer, who reports directly to the Executive Board in this capacity.

Our understanding of sustainability

Sustainability plays a central role for Viscom and its stakeholders

The topic of sustainability is playing an increasingly central role for Viscom and for its stakeholders – especially our customers, suppliers, employees, shareholders, financial institutions and the general public. Starting from the 2022 financial year, we have therefore decided to publish a dedicated report on environmental, labour and social aspects, our diversity concept, and the ways in which we act in accordance with internal policies and the law. This report is intended to give readers access to the topic of sustainability at Viscom for the first time. Our goal is to continuously enhance and expand our reporting and to define specific sustainability targets for Viscom in future.

Sustainability aspects of Viscom's business model

Viscom's state-of-the-art inspection systems are used wherever the inspection of electronic assemblies and mobile devices is essential. This makes Viscom's high-precision inspection solutions an important component of quality control and process optimisation in industrial electronics production. Our high-end products identify defects in customers' production as early as possible in order to minimise rejects and the number of faulty end products. This prevents electronic waste, protects resources and lowers energy consumption on our customers' production lines. Viscom's products are also designed for minimum space requirements in order to reduce packaging and weight during transport.

It goes without saying that we take care to preferably use environmentally friendly materials and environmentally compatible processing when developing and producing our inspection systems. We attach particular importance to high levels of energy efficiency, which we ensure through using efficient control and lighting technology as well as high performance computers.

Quality and durability are key elements of Viscom's products

Since 2005, Viscom's in-house quality management system has been comprehensively certified in accordance with DIN EN ISO 9001. This covers all aspects of value creation, from the development, production and sale of assembly groups, micro and X-ray inspection systems through to general industrial image processing. Viscom is committed to ensuring the consistently high quality of its products and solutions, as this represents an important purchase criterion for our customers. High-quality products and solutions also fulfil an important sustainability criterion thanks to their durability.

Sustainability is an integral element of our business activity

Sustainability – understood both as thinking financially in the long term as well as in its ecological dimension – is an integral part of the Viscom Group's entrepreneurial activities. The responsible treatment of people, resources and the environment, as well as corporate governance based on integrity and transparency, form the basis of our entrepreneurial success.

At Viscom, we also consider the lawful conduct of our employees and the management bodies of the Viscom Group being an important aspect of sustainability at all times.

Member of the VDMA sustainability initiative since 2014

Viscom has been a member of the Blue Competence sustainability initiative of the German Mechanical Engineering Industry Association (VDMA) since 2014. Blue Competence partners undertake to uphold the twelve sustainability principles for



mechanical and plant engineering as a means of expressing their commitment to sustainable activity in strategic, operational, cultural and communication contexts. Resource efficiency and cost efficiency have always been two sides of the same coin when it comes to mechanical engineering. By bringing together the participating companies, Blue Competence aims to demonstrate that acting sustainably is not only good but beneficial.

Environmental aspects

		2022	2021
CO ₂ emissions, Scope 1	in t	984	989
CO ₂ emissions, Scope 2	in t	270	289
	Total in t	1,254	1,277
Electricity consumption	in kWh	923,220	955,244
of which renewable electricity generated by in-house photovoltaic plant	in %	11.9	9.8
Consumed renewable energy generated by in-house photovoltaic plant	in kWh	110,604	93,857
Electricity generated by in-house photovoltaic plant and fed into the electricity grid	in kWh	73,944	69,171
Capacity of in-house photovoltaic plant	in kWp	180	180
Gas consumption	in kWh	974,040	1,112,648
Water consumption	in m ³	2,062	1,332
Procurement volume (Viscom Group)	in K€	42,953	39,321
of which in Germany	in %	80	83

Viscom's CO₂ emissions and resource consumption

An important aspect in connection with the environment is the quantity of CO₂ emissions originating from Viscom's economic activities. As a first step, the focus is on CO₂ emissions that we can influence directly, i.e. Scope 1 and 2 emissions according to the Greenhouse Gas Protocol.

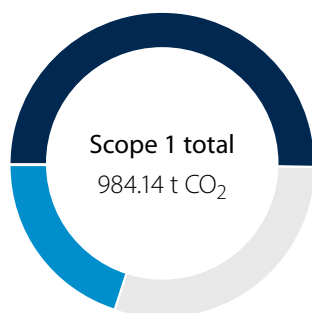
Scope 1 encompasses all direct CO₂ emissions caused by the Company, e. g. as a result of fuel consumption, while Scope 2 encompasses indirect CO₂ emissions in connection with energy purchased from a utility company and supplied via the grid. The relevant aspects for Viscom in this respect are gas and fuel requirements (Scope 1) and purchased electricity (Scope 2).

In 2022, Viscom recorded Scope 1 and 2 CO₂ emissions totalling 1,254 t, a slight reduction of 1.8 % compared with the previous year. By contrast, the Group's revenue volume increased substantially by around 32 %.

In Scope 1, 984 t or around 80 % of emissions related to petrol and diesel consumption for our vehicle fleet, while the remainder of around 20 % related to natural gas consumption. Viscom uses natural gas almost exclusively for heating Company buildings. A total of 974,040 kWh of natural gas was consumed in 2022, meaning that natural gas consumption was reduced by 12.5 % thanks to various savings measures. Scope 2 emissions of 270 t resulted from the purchase of electricity. Total electricity consumption in 2022 amounted to 923,220 kWh, of which 110,604 kWh or around 12 % was covered by the proprietary photovoltaic plant on the roof of our headquarters in Hanover.

Passenger car, Petrol

496.53 t CO₂



Passenger car, Diesel

291.82 t CO₂

Natural gas (EEW)

195.78 t CO₂

The global water shortage is intensifying as a result of climate change. In order to help minimise our Company's impact on the water cycle, we use rainwater in some of our sanitation facilities and take care to ensure that water is generally used sparingly. Viscom's water consumption in 2022 was 2,062 m³ (previous year: 1,332 m³).

The COVID-19 pandemic meant that a large number of our employees worked from home in 2021. The increase in electricity and water consumption compared with the previous year is largely due to the fact that our employees are returning to the Company's headquarters in growing numbers.

Local supply chains are a central element of Viscom's procurement policy

At 80 %, Germany accounts for a substantial proportion of Viscom's procurement volume, and we consider this to be an important aspect of sustainability when it comes to environmental impact and supply chain resilience alike. This safeguards local jobs and minimises resource consumption by ensuring short transportation routes. However, we are also reliant on international supply chains because not all specialist parts or applications can be procured in Germany.

With our purchasing terms, we strive to ensure that all Viscom suppliers, including those outside Germany, operate in a resource-efficient manner.

Supporting all steps to prevent the trade in conflict minerals

The term "conflict minerals" describes materials such as tin, tantalum, gold and tungsten and their derivatives whose mining in territories such as the Democratic Republic of Congo and neighbouring crisis regions can give rise to social and ecological harms.

Viscom is aware of the human rights violations usually involved in the mining of conflict minerals. It recognises its responsibility and expressly supports all legal steps preventing the illegal trade of conflict minerals. We refer to the Dodd-Frank Act in this respect. Viscom only purchases raw materials or minerals from companies that share its understanding of human rights, ethics, and environmental and social sustainability. Viscom expects its suppliers to comply with all of the provisions on conflict minerals and to submit all of the necessary declarations.

Recyclability of Viscom machines

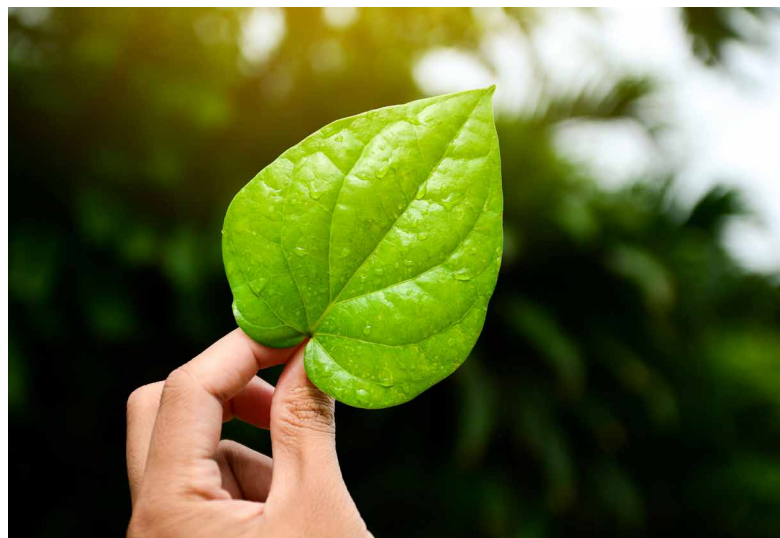
Viscom machines typically have an average useful life of 15 years. After this period, all customers have the option of having an installed system disposed of by Viscom AG. Doing this, Viscom AG meets the requirements of the German Electrical Devices Act (ElektroG) and ensures that the systems and their components are broken down in line with the relevant provisions and professionally disposed of by a certified waste disposal company. At least 70 % of a given machine can be recycled, allowing the materials to be returned to the resource cycle for other uses.

Measures to improve environmental aspects

Environmental management system

The international standard ISO 14001 defines requirements for an environmental management system that enables an organisation to improve its environmental performance, fulfil statutory and other obligations and achieve environmental targets. Central elements are planning, execution, control and improvement with a view to the organisation's environmental targets and environmental guidelines.

Viscom continues to pursue the medium-term objective of implementing an environmental management system on the basis of ISO 14001 with an even more pronounced focus on ambitious and measurable targets by 2025.



Switch to renewable electricity

A substantial proportion of our Scope 2 emissions result from procuring the operationally necessary electricity. Although some of our electricity requirements are covered by our own photovoltaic system at the Hanover site, purchased electricity is not yet procured as renewable energy. A significant expansion of our photovoltaic system to just over twice its current generation capacity was resolved in the past financial year. This will put us in a position to generate a large proportion of the electricity required for our operations on our own in future. In addition to this ongoing project, we are currently analysing the possibilities for switching to 100 % renewable electricity and the potential timeframe for doing so.

Conversion of our vehicle fleet to electric cars

At present, Viscom's vehicle fleet mainly comprises petrol and diesel vehicles. Although some of the vehicles in the fleet are already hybrid or electric, we intend to gradually replace leasing returns with generally lower-consumption vehicles and additional hybrid and electric vehicles in order to reduce our Scope 1 emissions going forward.

Employee and social aspects and diversity concept

		2022	2021
Total employees, Viscom Group		571	468
of which women		89	83
of which trainees		20	17
Total employees, Viscom AG		388	361
Average absence rate p.a. ¹	in %	3.6	3.5
Average length of service ¹	in years	11.2	12.7
Employee turnover ¹	in %	2.0	4.9
Expenditure on training ¹	in K€	191	107

¹ Figures relate to Viscom AG

Employees are a key factor for success

Motivated employees with outstanding personal and professional qualities are essential to Viscom's long-term success. The prevailing labour shortage makes it even more important to retain good employees as well as encourage potential new employees to join Viscom.

At the end of the 2022 financial year, the Viscom Group had a total of 571 employees, 89 of whom were women. This represents a ratio of around 16 %. The Viscom Group currently has 20 apprentice positions in various commercial and technical professions. Viscom AG, as the leading company of the Viscom Group, had 388 employees at the end of the 2022 financial year, thereby accounting for 68 % of the Group's total workforce.

Viscom takes its social responsibility seriously

As an internationally active company, we take our responsibility to society extremely seriously and believe that our commitment in this area represents an important factor in our long-term business success. We are involved in a number of projects as donors and sponsors. We place a strategic focal point on initiatives

relating to the Company's business activities and give priority to projects and initiatives in the area of education and science.

We are particularly proud to be able to offer apprentice positions to two people in cooperation with SINA, Diakonisches Werk Hannover's program for social integration. A church welfare institution for youth employment assistance, SINA provides unemployed young women making the transition from school to work with individual support, social stabilisation and a wide range of qualification, employment and training opportunities in cooperation with companies so that they can take their first steps into the workplace.

Viscom AG is also a member of Wissensfabrik, which aims to better prepare Germany for the future and prepare the next generation for global competition by pooling the resources of over 130 companies and foundations set up by companies. Wissensfabrik is involved in educational projects around Germany and supports business start-ups and young entrepreneurs. In Hanover, we work with the Kind Wissen Zukunft association (KiWiZ e. V.) to deliver Wissensfabrik's educational projects. One key element of the initiative are specially designed construction kits that allow children at primary schools and kindergartens to have fun developing and realizing technical projects with the assistance of teaching staff. By providing practical, hands-on projects like these free of charge, we help children and young people to gain their first experience of technical applications through play, giving them access to science, technology, engineering and mathematics (STEM) and helping them to develop a love for these subjects.

Research partnership with the University of Hanover

The successful transfer of scientific findings into practical applications has been an important building block of Viscom's research and development work for several years now. Together with the Leibniz University of Hanover, Viscom is promoting

such a transfer process within the scope of research and development projects, in which scientific knowledge is applied in developing solutions to specific issues relevant to the market. In addition to these projects, the Company continued to intensify its cooperation with universities in 2022 by offering a number of internships and bachelor's and master's theses. This provides students with an insight into the practical world of work and gives Viscom the opportunity to win over talented individuals at an early stage and retain them for the Company.

Employee well-being and development

Viscom has an occupational health management system and offers its employees training courses, fitness cards, health days and weekly fruit and vegetable boxes to help them look after their health. These offers and the general satisfaction of our employees, along with other factors, have a positive effect on the average sick days per year, so that we were able to achieve a value of 3.6 % in 2022, this was a slight deterioration compared to the previous year. One of Germany's biggest statutory health insurers reported average sick days of 5.5 % for the full year 2022, meaning that Viscom performed extremely well by comparison.

Flexible working time models, mobile work and a company child care centre help employees to achieve a healthy work-life balance and are one of the main reasons for our workforce's average job tenure of 11 years. Employee turnover in 2022 was extremely low at 2.0 %, thereby declining further compared with the prior-year figure (4.9 %).

We also continuously invest in the skills and internal and external training of our employees. We spent a total of € 191 thousand in this area in the past year, up significantly on the prior-year figure of € 107 thousand.



Company child care centre for family-friendly working life

At Viscom, we have had our own child care centre – Vikis – since 2009. The aim is to enable our employees to return to work quickly following their parental leave and hence improve their work-life balance. The centre is located very close to Viscom AG's headquarters and provides care for 15 children up to three years of age. The team consists of five dedicated teaching professionals. A favourable staff-to-child ratio enables the team to address the needs of each child and encourage their development in a targeted manner.

Diversity concept strengthens equal opportunities at Viscom

With the expert guidance of the Chairwoman of the Supervisory Board, Prof. Morner, an overarching concept was established to further promote employees' management skills and opportunities for advancement. This concept is subject to ongoing further development. It includes a diversity concept that is intended to strengthen the principle of equal opportunity. The aim is for

women to have the same opportunities as men for advancement at Viscom AG and in the Group as a whole. This is partially encouraged by set quotas. In the interests of equal opportunities and the role model function this entails, the Executive Board and Supervisory Board welcome the fact that, in Prof. Michèle Morner, 33 % of the positions on the Supervisory Board are now held by women.

Supporting non-profit aims via the Viscom Foundation

Established by the Company founders, Volker Pape and Dr. Martin Heuser, the Viscom Foundation pursues scientific, cultural and regional non-profit aims. It seeks to promote scientific activities in industrial image processing and artificial intelligence. It also supports technical training initiatives, e. g. by awarding scholarships. Another material purpose of the foundation is to support social welfare institutions and associations in Lower Saxony and the state capital Hanover. Musical training, performances and concerts are also promoted. The foundation generates its income from dividends paid by Viscom AG, which are used to finance the purposes of the foundation.

Measures to improve employee and social aspects and the diversity concept

Attracting more women to Viscom

Our aim is to become even more attractive to female employees. As a first step towards achieving this, the Executive Board of Viscom AG passed a resolution on 30 June 2020 setting targets for the share of women in the two management levels below the Executive Board. The Executive Board set a target of a share of women of 25 % in both the top national management level and the management level below that. These targets are to be achieved by 30 June 2025.

Targeted employee development

The training and development of our employees is becoming even more important in light of the growing labour shortage. Accordingly, we intend to step up our activities in the area of training in future and offer our employees a wide range of opportunities for developing their existing skills and learning new things. To this end, Viscom will invest in a learning management system (LMS) with a view to intensifying its training in the form of a Viscom Academy.

Focus on employee health

In addition to our employees' skills and abilities, it goes without saying that we have a keen interest in their health. We will continue to focus on our employees' health in future and take active steps to further reduce the average sick days.

Acting in accordance with our policies and the law

Viscom takes its compliance obligations extremely seriously

Viscom aims to succeed through innovation, quality, reliability and fairness. Compliance with company-specific policies as well as statutory provisions forms an integral element of how all Viscom employees think and act. We are committed to acting in accordance with the law and the applicable regulations and we take the resulting obligations extremely seriously. The corresponding principles are set out in our Corporate Compliance Policy, including compliance with data security guidelines, equal opportunity, and adherence to product safety and occupational health regulations. All managers are required to organise their area of responsibility in such a way as to ensure compliance with the Corporate Compliance Policy, company-specific regulations and statutory provisions. The principles are available to Group

employees on the intranet, where they can be accessed at all times in German and English. Viscom also provides its employees with advice on identifying legal infringements and possible breaches of applicable regulations at an early stage and preventing them from occurring.

Corporate governance is an important cornerstone for management and supervision at Viscom

Corporate governance is defined as the legal and de facto regulatory framework for managing and monitoring a company. The German Corporate Governance Code sets out principles, recommendations and suggestions for the Executive Board and the Supervisory Board that are intended to help ensure that the Company is managed in the company's best interests. The Executive Board and Supervisory Board of Viscom AG are committed to the principles of good corporate governance and refer to the disclosures in the Corporate Governance Statement in accordance with sections 289f and 315d HGB, which can be found on the Company's website under Company/Investor Relations/Corporate Governance.

Action against corruption and bribery

The aforementioned Corporate Compliance Policy also stipulates how to deal with business partners and government institutions, how to maintain secrecy, independence and objectivity and how to act in cases of conflict of interest. These principles include the avoidance of corruption and cartel agreements.

Whistle-blower system implemented

A whistle-blower system enables our employees to report potential legal infringements to Viscom AG. This allows the Compliance Officer and where applicable the Executive Board to work towards containing damage and preventing further damage.



General purchasing terms establish key cornerstones for cooperation

In addition to important parameters such as general contractual conditions, quality requirements and payment terms, Viscom's general purchasing terms require the Company's suppliers to operate in a resource-efficient manner, meaning that sustainability aspects should be taken into account in their business activities.

Executive Board remuneration expanded to include sustainability criteria

Following a detailed discussion, the Supervisory Board decided in 2021 to largely retain the previous remuneration system while expanding it to include sustainability criteria. In addition to financial indicators, the performance criteria for the determination of variable remuneration for all future Executive Board contracts will include sustainability criteria such as employee turnover and energy consumption. Further information can be

found in the remuneration report for the 2022 financial year in accordance with section 162 of the German Stock Corporation Act (AktG), which can be found on the Company's website under Company/Investor Relations/Corporate Governance/Remuneration System.

Diversity targeted for the Executive Board and achieved for the Supervisory Board

The Supervisory Board pays attention to diversity when it comes to the composition of the Executive Board. At the same time, the Supervisory Board has great confidence in the members of the Executive Board currently in office, and does not feel that changes in Executive Board personnel are necessary at this time. However, stipulating a target for the number of women within the maximum period of five years would signal such a personnel change, and could therefore negatively affect the confidence and motivation of the members of the Executive Board in office.

Furthermore, increasing the size of the Executive Board with no operational motivation would entail additional costs and would not be in the Company's interests at this time. If a member of the Executive Board ends his term prematurely or in the event of other personnel changes to the Executive Board, the Supervisory Board will give preference to an equally qualified female candidate when appointing a new member. The long-term objective of the Supervisory Board is for at least 20 % of the Executive Board to be women, but this is not currently formally defined as a target within the meaning of section 111(5) sentence 1 AktG.

The Supervisory Board resolved by circulation procedure dated 30 June 2020 to set a target of one-third for the share of women

on the Supervisory Board. This target – which has already been achieved following the appointment of Prof. Michèle Morner as Chairwoman – is to be maintained until 30 June 2024.

Risk management as a central element of good corporate governance

A responsible approach to business risk is one of the principles of good corporate governance. The Executive Board of Viscom AG and the management of the Viscom Group have access to comprehensive Group and Company reporting and control systems which facilitate the detection, assessment and controlling of risks. These systems are continuously enhanced in order to adapt them to changing conditions and are additionally monitored by auditors. The Executive Board regularly informs the Supervisory Board of existing risks and their development.

Improvements in the area of action in compliance with our policies and the law

Compliance awareness training for employees

In future, we want to ensure that our employees are even more aware of compliance issues such as corruption and bribery, insider training, occupational health and safety, as well as informing them about potential legal risks and their avoidance.

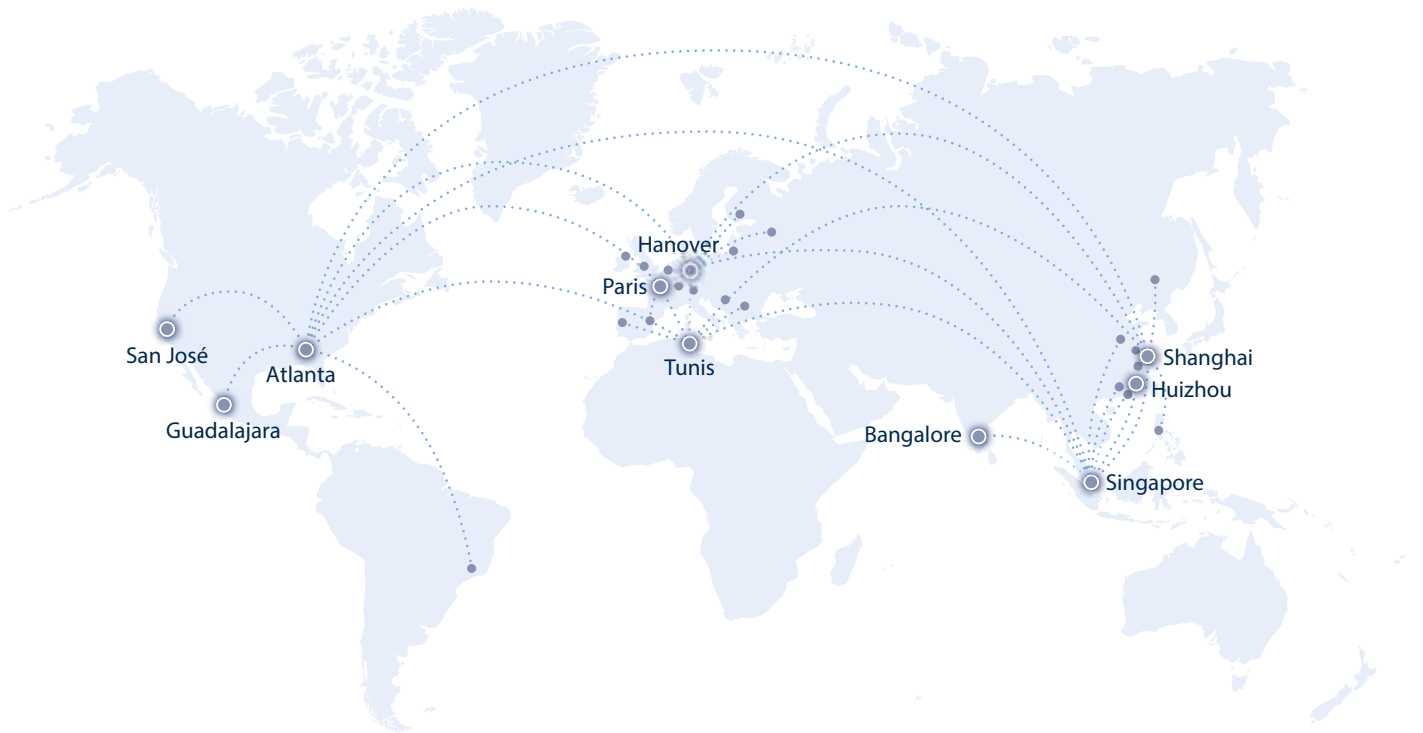
Focus on sustainability aspects in supply chains

Supply chains play an important role for Viscom when it comes to sustainability. Our suppliers consume resources, emit CO₂, employ people, and have their own statutory obligations to fulfil. At Viscom, our aim is to further improve our understanding of sustainability aspects in our supply chains and ensure that they are taken into account to a greater extent in future orders.

Integration of sustainability factors into the risk management system

In the past financial year, Viscom was not yet subject to the provisions on mandatory sustainability reporting. With the help of an external consultant, it is currently in the process of systematically identifying the impact of its business activities on environmental and social factors and the associated risks and developing a concept for comprehensively integrating sustainability into its business management, including the control and risk management system. It therefore intends to further intensify sustainability-related risk identification and avoidance in future.





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