



**SEPARATE NON-FINANCIAL
CONSOLIDATED REPORT 2022**

of LPKF-Group and LPKF Laser & Electronics SE

AT A GLANCE

LPKF LASER & ELECTRONICS SE

Non-Financial Indicators 2022

	2022	2021
Proportion of women at first management level (in %) LPKF SE	27	18
Proportion of women at second management level (in %) LPKF SE	14	14
Sickness rate (production sites) (in %)	6,77	4,8
Turnover rate (in %)	9,82	5,02
LTIFR (in %)	0,4	0,9
Training days per employee	1,01	0,73
Proportion of recyclable materials in the total waste volume (in %)	68	56
Proportion of green electricity at the production locations (in %)	99,2	98,93
Water consumption (in m ³)	4,428	5,121
CO ₂ emissions in the Group (in t)	3.998*	3,877
CO ₂ /revenue	32	41
R&D (in %)	13,4	14,2
Error rate	27	48

Detailed information about our goals can be found in Section 1.6. ("Goals").

CONTENT

Foreword by the Management Board.....	2
Business model.....	4
1 Strategy	5
2 Environment.....	19
3 EU taxonomy	28
4 Employees	34
5 Society	44

FOREWORD BY THE MANAGEMENT BOARD

Garbsen, April 27, 2023

Ladies and Gentlemen,

We bear responsibility towards our employees, the environment and future generations. As a technology company, we harness our specific expertise to increase our enterprise value in a way that also serves the public good. We develop new and innovative solutions for our customers that also benefit society as a whole – while acting responsibly at all times. The aim of this non-financial Group report is to inform you in detail about our progress in this area.

Global megatrends including miniaturization, connectivity, carbon reduction and demographic change play an important role in our business performance and the continued development of ESG factors. In all these trends, high-precision, clean and energy-efficient production methods enable progress toward sustainability and digitalization. LPKF plays an active role in this process as a technology and market leader.

In our day-to-day business, we see how our products and solutions can make a tangible contribution to protecting the environment. Using our precise production processes enables our customers to save energy and raw materials, while our technologies help them to develop innovative and sustainable products. The high precision and cleanliness of our solutions makes them excellently suited to medical applications, for example.

Our ARRALYZE technology can make single cell analysis quicker and more efficient, thus making this technology accessible to a large number of people in the medium term. We are pleased that our Solar segment makes a direct contribution to climate protection by developing and manufacturing solutions for the more affordable production of even more efficient solar modules. We will continue to invest a double-digit percentage of our revenue in research and development every year as part of our commitment to innovation – the results of which will benefit our company and our stakeholders in the long term.

Needless to say, sustainability is important to us as it is to our customers. We have set ourselves the target of making our production carbon neutral by 2030. In our own value creation, we design processes to be environmentally friendly and take care to conserve resources. Our products already have a low carbon footprint, and we intend to reduce this even further. We also ensure that sustainability standards are complied with and established even more firmly throughout our supply chain.

We are happy to be measured by our progress. For example, sustainability in the supply chain and reducing carbon emissions have been components of Management Board remuneration since 2021, and these KPIs have also been included in the remuneration system for executives since 2022. After all, the only way to achieve our ambitious goals is by working together.

We are delighted that our continued efforts and initiatives are also reflected in our ESG ratings. Our key ratings have improved considerably compared with the previous year, and we intend to continue on the path we have taken.

We have been an official member of the UN Global Compact since November 2021. We support the principles of the UNGCs in the areas of human and employee rights, environmental aspects, and combating corruption. Our aim is to combine our strengths in order to actively advance the United Nations goals and continuously improve our own performance.

Responsible action is and remains one of the guiding principles of our company and the basis for the success we have enjoyed since our foundation in 1976. We are committed to continuing to develop advanced, cutting-edge technologies while acting responsibly. This will benefit society as well as our shareholders and employees. We would like to thank everyone who is helping to shape our path to a more sustainable future.

With kind regards,



Dr. Klaus Fiedler
Chief Executive Officer



Christian Witt
Chief Financial Officer

* The foreword is not a mandatory component of the non-financial consolidated report and hence has not been audited

BUSINESS MODEL

Object of the business, services and products:

LPKF Laser & Electronics SE (LPKF SE) is a leading provider of laser-based solutions for the technology industry. LPKF laser systems are of crucial importance to the production of printed circuit boards, microchips, automotive parts, solar modules, semiconductor elements, and a large number of other components. The LPKF Glass Foundry also supplies customers from a range of industries with high-precision glass components.

Our customers use our machinery to produce ever smaller and more precise components. At the same time, they can augment the functionality of these components and take advantage of new design opportunities to create products at the cutting edge of technological feasibility, both for industry and consumers. Our energy-efficient and intelligent solutions also actively contribute to the protection of the climate and the environment. We help our customers to become more resource-efficient, to reduce their levels of hazardous substances and waste, and to conserve energy.

Our employees are experts in the field of laser technology and understand how to integrate the laser as a tool into high-performance machinery. We therefore have a significant influence on progress in a number of high-tech fields. Overall, this results in smaller, more powerful and more energy-efficient products, which in turn means improvements in mobility, networking, power generation and digital entertainment.

The shares of LPKF SE are listed in the Prime Standard of the German Stock Exchange.

Supplementary comments:

The information in this report refers, in part, to the [2022 Annual Report](#) of the LPKF Group. Unless stated otherwise, the information relates to LPKF Laser & Electronics SE and all its subsidiaries.

The consolidated financial statements and the combined management report are audited annually by an independent auditor. Further regular audits are conducted as part of various certification processes for LPKF SE and its subsidiaries, for example quality management audits.

Note on the key performance indicators: The reported key performance indicators are the company's own indicators (see KPIs with *), but are based on the GRI (Global Reporting Initiative) standards.

This report is a Separate Non-Financial Consolidated Report in accordance with subsections 315b and 315c in conjunction with sections 289c to 289e of the German Commercial Code (HGB). All links in this report are for further information only and are not part of the Separate Non-Financial Consolidated Report.

1 STRATEGY

1.1 OUR SUSTAINABILITY CONCEPT

For LPKF, sustainability means acting responsibly to achieve lasting economic success, ecological and social progress and to secure the Company's future. LPKF accepts responsibility for the health and quality of life of its employees, customers and consumers and for the protection of the environment. With its energy-efficient and intelligent solutions, the company wants to make an active contribution to protecting the climate and environment and to advances in medicine. LPKF systems help customers to become more resource-efficient, to reduce their levels of hazardous substances and waste, and to conserve energy.

All sustainability considerations are firmly anchored at Management Board and Supervisory Board level at LPKF. Environmental issues can be found in the areas of responsibility of both Management Board members. In coordination with the Supervisory Board, the Management Board determines the Group strategy and decides on the statements contained therein regarding sustainability issues. The Remuneration and ESG Committee of the Supervisory Board also engages with sustainability issues at Supervisory Board level.

With a view to implementing the sustainability strategy as part of the Company's operating activities, rules and processes were set out in the following documents: the Strategy Paper, the LPKF mission statement, the Risk Management Handbook, the Management Handbook, process descriptions, (sustainability) guidelines, the [Compliance Code](#), the German Corporate Governance Code and the LPKF Executive Code of Conduct.

In addition, sustainability matters are also dealt with and reviewed in various departments within the company, such as Product Development, Quality Management, Human Resources, Procurement, Organization, Sales Assistance, Innovation and Communications. The cross-departmental sustainability team that was set up in 2017 collates information on sustainability issues and is also responsible for producing the CSR Report. The Investor Relations & Treasury department is responsible for reporting.

1.2 STRATEGIC ANALYSIS AND ACTION

The LPKF SE business model has been linked to ESG issues since the company was founded. This results not only from legal conditions but primarily from the technologies that make the processes more efficient and sustainable for customers. Driven by the aspiration of technological leadership, LPKF sees this as an opportunity to generate future value for its stakeholders. From the company's perspective, sustainable solutions will also influence the competitive position in the future.

At the start of 2021, LPKF launched the "Beaming Sustainability" project throughout the group. Consisting of a total of 17 sub-projects, its objective was the strategic evolution and evaluation of the processes and structures regarding the key sustainability aspects. The sub-projects can be broken down into the areas of Human Resources and Community, Supply

Chain, Products & Applications, Resources, and Communication & Governance. The project could be transferred to the processes in April 2022 and we are continuously and iteratively working on improving our ESG performance.

LPKF has established specific measures with a view to implementing its sustainability concept, such as:

- Refinement of Group strategy and long-term planning by the Management Board at least once every year, in conjunction with the heads of the business segments and the managing directors of the subsidiaries and following consultation with the Supervisory Board
- Regular checking of the results of the management system processes
- Regular internal audits
- Annual management review.

LPKF SE's quality management system, which complies with DIN EN ISO 9001, describes the interaction between company processes and the requirements placed on executives, products and services.

The LPKF Compliance Code requires all employees to observe applicable laws everywhere and at all times, to respect ethical principles and to adopt sustainable practices. With regard to corporate governance, LPKF obeys the German Corporate Governance Code (Deutscher Corporate Governance Kodex).

The [Mission Statement](#) of the LPKF Group, "Success is Teamwork", is also an integral part of the Group strategy and is accessible to all employees in German and English at all sites. It incorporates key action areas and principles related to sustainable development, particularly in the areas of value creation, employees, the environment and society that are relevant for LPKF. Executives and staff are encouraged to act in accordance with the values enshrined in the Mission Statement in their day-to-day dealings with one another and in their contact with customers or suppliers. The Mission Statement also has a role to play in personnel development measures and forms the basis for the Company's Executive Code of Conduct.

As a technology group, LPKF operates in a dynamic market environment. New opportunities constantly arise from a changing technology landscape and new market requirements. Components are becoming ever smaller, more complex and more precise. Advances in miniaturization and the growing use of nanoscale materials are increasing the complexity of components and demanding the adoption of innovative processing methods. Laser-based processes will contribute substantially to this development. Systematically identifying and leveraging these opportunities is a major factor in the sustainable growth of the LPKF Group. Opportunity management involves closely monitoring new markets and applications, regularly evaluating market analyses and reviewing the focus of the product portfolio.

We focus on both the development of sustainable solutions for our customers and the sustainable manufacturing of our products. Opportunities to promote sustainable development exist in particular in the environmentally-friendly applications of laser technology. It generally involves lower tool costs and more energy-efficient and clean operations. For certain applications, chemical processes are being displaced. We are thus

making an active contribution to reducing the volume of scrap and waste at our customers. In 2021, LPKF had its environmental management system certified to DIN EN ISO 14001 and underwent a monitoring audit in 2022. This is also intended to address the aspect of sustainable as well as resource-efficient development in the future.

The opportunities are offset by risks associated with the development of new laser-based technologies. Using laser sources as a tool involves risks for the user. We believe it is our responsibility to protect customers and employees from these risks. Our customers are comprehensively informed about and trained on the risks. Furthermore, the occupational safety management system, which is certified to DIN ISO 45001, is a top priority at LPKF (for more details, see Criterion 4.3 "Occupational Safety").

The non-financial aspects are subject to regular controls and are reviewed as part of our management system. Management, planning as well as occupational safety and environmental protection form part of the Integrated Management System and are thus subject to regular review by officers appointed by the Management Board for quality, occupational safety, and the environment and external audits. Performance indicators are subject to annual review in the annual financial statements. Just like the current risk situation, they are determined and reported on a monthly basis. Various committees, in addition to the Management Board and the Supervisory Board, examine the indicators and risks each month.

Responsibility for reviewing key performance indicators for environmental aspects currently lies with various different areas and individuals such as Facility Management (energy, waste, emissions), Quality Management or the Hazardous Substances Officer.

A risk management system (RMS) has been set up to guarantee the continued existence of the LPKF Group as a going concern in the long term. The purpose of the RMS is to ensure that risks are detected early on and communicated to the competent decision-makers within the company. This is designed to ensure that appropriate action can be taken to deal with the risks identified and to prevent any loss or damage.

During the previous year, a project to integrate ESG risks into the company's internal risk management system was conducted. LPKF sees this as an important part of its comprehensive monitoring of possible risks that may have endogenous as well as exogenous causes. As part of the 2022 risk assessment, no risks with a very high likelihood of occurrence and serious negative consequences for non-financial aspects were identified for the 2022 reporting year.

1.3 MATERIALITY

LPKF SE is a highly specialized, international technology company that operates across a broad social landscape. On account of the various product segments, we are involved in a multitude of sectors, such as the electronics industry, medical technology sector, the automotive industry and the solar industry. In our view, compared with other industries, our operating activities have a lower impact on sustainability considerations. Nonetheless, the development of our management system has revealed various sustainability factors of

relevance to our company's operations. These are reviewed every two years and supplemented or amended as necessary. The most recent analysis of key non-financial aspects in accordance with HGB took place in February 2021. For the full year 2023 we will conduct a new materiality analysis based on the double materiality. The analysis will take place after the disclosure of this report.

The analysis produced the following topics:

Value creation/Quality – Impact on the sustainable development of the company and its customers

Employees – Impact on employee satisfaction and job security

Environment – Impact on nature and resources

Society – Impact on social development

The impacts of our operating activities on key sustainability considerations are described in Criterion 1.6 ("Goals"). Our laser systems contribute to the environmental aspect in different ways. This is explained in more detail in Criterion 2.2 ("Resource Management").

Information about the opportunities and risks arising from our operating activities can be found in Criterion 1.2 ("Strategic Analysis and Action"). We have set ourselves the strategic objectives stated in Criterion 1.6 ("Goals") for the four aforementioned doubly critical topics according to the HGB.

1.4 STAKEHOLDER ENGAGEMENT

As a listed company, LPKF maintains a dialog with a number of stakeholders who have different demands of the company. We firmly believe that regularly exchanging information with different stakeholder groups is vitally important for the internal and public perception of the company. Stakeholders were defined as part of the review of the key non-financial aspects.

Our key stakeholders who have a direct interest in the company's sustainability issues include

- Employees and Works Councils
- Customers
- Suppliers
- Shareholders and investors
- Local councils
- Neighbours
- Banks
- Insurance companies

In the 2022 reporting year, communication with stakeholders occurred through a wide variety of channels, for example via:

- Employee performance appraisals
- Virtual works and employee meetings
- Internal ESG blog
- “Digital Dessert” – Live tutorials for digital applications
- “LPKF Big Picture” – Lectures for employees on special topics from the company
- Regular COVID-19 task force conference calls
- Monthly executive conference calls
- Intranet and social media
- Meetings of the Economic Committee
- 2021 Annual Report, 2022 Quarterly and Half-yearly Financial Reports
- Ad-hoc and press releases
- Press articles and interviews
- lpkf.com website
- Virtual Annual General Meeting
- (Virtual) roadshows, (virtual) investor conferences and discussions
- Conference calls for investors and analysts
- Trade fairs
- Customer surveys
- Capital Markets Day

1.5 KEY PERFORMANCE INDICATOR FOR CRITERION 1.4

Key Performance Indicator GRI 2-29

The table below provides a summary of LPKF SE's key stakeholders, their interests and the actions taken to meet their expectations:

Stakeholder	Interests	Actions
Employees	<ul style="list-style-type: none"> • Secure job • Attractive job description • Fair pay • Opportunities for personal development • Appealing working environment 	Some examples: <ul style="list-style-type: none"> • Employee and executive development program • Employee participation as idea management • Informative presentations for employees • Getting-to-know-you events for new employees • Special performance-

Works Council	Involvement of the Works Council in decisions affecting employees	<p>based payments</p> <ul style="list-style-type: none"> • Employee stock program • Open dialog between the Management Board and employees <p>Open and regular communication with the Works Councils at all German sites and with the Group Works Council</p>
Customers	<p>Solutions that are</p> <ul style="list-style-type: none"> • powerful • reliable • precise • cost-effective • innovative • and sustainable <p>Furthermore:</p> <ul style="list-style-type: none"> • Speedy and punctual delivery • Reliable servicing <p>Sustainable and cooperative partnerships</p>	<ul style="list-style-type: none"> • Development of extensive customer solutions by means of complete production processes • New innovations • Improvement of product quality through systematic feedback on errors • Sale of service packages individually tailored to customers (support, maintenance and warranty extensions) <p>Continuous improvement of in the supply chain to guarantee speedy and punctual deliveries</p>
Suppliers	<ul style="list-style-type: none"> • Long-term sales • Growth 	<ul style="list-style-type: none"> • Process optimization • Security of supply • Market-based pricing
Shareholders, investors	<ul style="list-style-type: none"> • Sustainable growth • Profitability 	<ul style="list-style-type: none"> • Driving innovation forward • Optimizing costs • Boosting efficiency • Risk management • Open communication
Local councils, neighbors, politicians	<ul style="list-style-type: none"> • No pollution (emissions, noise, environmental impacts) by the company or its products • Jobs at the site 	<ul style="list-style-type: none"> • Observance of laws and requirements • Environmental management system • Boosting revenue and profitability
Banks	Liquidity	<ul style="list-style-type: none"> • Risk management assessment in relation to cash flow • Liquidity

Insurance companies	Prevention of loss/damage	<ul style="list-style-type: none"> • Monitoring of occupational safety measures • Comprehensive risk management
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1.6 OBJECTIVES

The LPKF SE Management Board is actively committed to greater sustainability and has set out a series of long-term and medium-term non-financial goals for the Group. Selected non-financial goals are also taken into account in the Management Board remuneration.

The non-financial goals are reported to the Management Board and the Supervisory Board. Regular exchanges of information and monitoring of progress aims to guarantee the achievement and ongoing development of the defined goals.

The action areas were defined for each of the sustainability aspects of relevance to LPKF and incorporate the Sustainable Development Goals of the United Nations.

Value creation/quality:

We want to increase customer benefit, drive innovation and boost efficiency. To do so, we have defined the following action areas for value creation:

- Growth
- Innovation
- Cost discipline
- Working capital & capital employed

In order to achieve our objectives in this area, in 2021 we invested 14.2% of our revenue in research and development. R&D investment in the 2022 financial year amounted to 13.4%. Our objective for the years ahead is to continue our long-term investments in research and development with an R&D budget of at least 10% of revenue.

Stronger sales and the expansion of after-sales and service business are contributing to the positive development of the business as well as to greater sustainability among our customers. We also focus in all areas on the efficient use of non-financial resources and on cost discipline.

Quality is a key indicator as it plays a significant role in increasing customer satisfaction. However, it also plays a major role internally because it helps us implement sustainability aspects. We have defined the following action areas to achieve our goals in this area:

- Improving product quality
- Improving idea management

Product quality

Product quality is measured by the error rate, which is one of LPKF's key performance indicators.

It is calculated as the ratio of error costs to revenue. Error costs include expenditure associated with the fulfillment of warranty obligations. The aim is not to exceed an error rate of 50 on a continuous basis.

The error rate is based on the warranty rate from 2013. To determine the warranty rate, the error costs are divided by rolling revenue (twelve months). To calculate the error rate, the average warranty rate over the last three years is divided by the warranty rate for 2013 and multiplied by 100%.

The error rate has developed as follows in the past three years:

2020: 34

2021: 48

2022: 27

The error rate has improved compared to 2021. This decrease is due to lower costs in some areas with simultaneously higher turnover.

We assume that the error rate will continue to remain stable below 50.

Idea management

In 2019, we established works idea management at the Garbsen site. We were particularly pleased that most of the proposals received during the reporting year related to environmental issues, which is indicative a greater environmental awareness among the workforce.

Employees:

We want to be an attractive and responsible employer. Our employees are the basis for the future of the LPKF Group. The experience and specialist knowledge of the people who work for LPKF worldwide mean that we can succeed in offering innovative technologies in markets on which there is sometimes hard-fought competition. The retention and development of personnel are essential for the Company's success in the long term. Occupational health and safety plays a central role throughout the process chain. We also attach great importance to the involvement of our employees in the various sustainability issues.

There are the following action areas:

- Employee retention
- Employee involvement
- Promoting young professionals
- Occupational health and safety
- Diversity
- Qualifications

LPKF had its occupational safety management system certified to ISO 45001 in 2021 and underwent a monitoring audit in 2022.

For the sustainability issue “Employees”, we have set ourselves the following specific goals:

<u>Target</u>	<u>Target status 2027</u>	<u>Actual status 2022</u>
Female executives at management level 1 (in%)	≥ 30%	27
Female executives at management level 2 (in %)	≥ 20%	14

<u>Target</u>	<u>Industry average</u>	<u>Actual status 2022</u>
Sickness rate at the production sites below the industry average (metal-processing and electronics industry)	5,4% (current available average from 2021)	6.77%

<u>Target</u>	<u>Continuous target</u>	<u>Actual status 2022</u>
LTIFR	< 5	0,4

<u>Target</u>	<u>By 2025</u>	<u>Actual status 2022</u>
Training days per employee Group-wide	1,5	1,01

Society:

We are actively involved through donations and support for a range of projects at the company's various locations. Our goal is to act and be perceived as a dedicated member of society and a responsible neighbor. The review of perceptions of LPKF is based, for example, on a multitude of discussions and regular monitoring of articles in the press. The effectiveness of the compliance system is also regularly reviewed.

There are the following action areas:

- Compliance
- Community commitment

For the sustainability issue “Society”, we have set ourselves the following specific goals:

Target	Per year	Actual status 2022
Charitable community projects (German sites)	At least one project per site	3 projects
Participation rate of employees in community & social projects	30%	30.1%

We have currently established three community projects throughout Germany.

Environment:

We strive to protect nature and conserve resources in all our business activities. On the one hand, we are using our products to drive forward the replacement of chemical production processes with laser technology. We are also using them to promote the economical use of renewable energy in the solar sector.

We try to design our processes to use resources as sparingly as possible. To this end, we have determined the most important environmental aspects, from which we have derived actions to improve our environmental balance. To continuously improve our environmental contribution, we have defined the following action areas at our production locations:

- Energy efficiency
- CO₂ reduction
- Reduction of non-recyclable materials and hazardous waste
- Product lifecycle

We are targeting carbon-neutral production by 2030 through more efficient processes and the use of renewable energy (self-generated and purchased externally). We calculate our waste and energy data as well as our carbon footprint each year to monitor these action areas. We have expanded the calculation of data in 2021 to include the entire Group and have further improved the calculation basis. This allows causes of high CO₂ consumption to be identified more quickly. Further progress has also been made in the areas of sustainable CO₂ reduction and the avoidance of waste (for details, see Criterion 2 “Environment”).

LPKF had its environmental management system certified to DIN EN ISO 14001 in 2021 and underwent a monitoring audit in 2022.

For the sustainability issue “Environment”, we have set ourselves the following specific goals:

Recycling

Target	Target status 2025	Actual status 2021	Actual status 2022
Proportion of recyclable materials	≥ 80	56%	68%

Target	Time of target achievement	Target	Actual status 2022
Reducing carbon footprint per output*	2023	10 % reduction	22%
	2025	30 % reduction	
Carbon-neutral production (energy and industrial emissions)	2030	0 t emissions	93,3 t
Reducing CO ₂ emissions from traveling	2030	70 % reduction	60.9%
Reducing CO ₂ emissions from traveling**	2022	100 % production locations	99.2%
Expansion of electric mobility in company cars	2025	25 % in the company fleet	4%
	2030	100 % in the company fleet	

* 2021 is the base year; travel, freight and energy are included; see also Criterion 2.4 (“Climate-Relevant Emissions”)

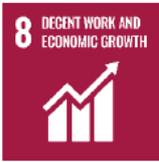
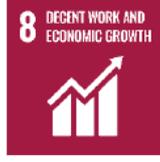
** Compared to the values from 2019

UN Global Compact and Sustainable Development Goals

In September 2021, LPKF signed the UN Global Compact, thereby aligning itself with the global initiative for sustainable and responsible corporate governance. Consequently, LPKF supports the goal of implementing the Sustainable Development Goals (SDGs). These 17 goals for sustainable development were adopted in 2015 by the member states of the United Nations with the aim of promoting sustainable development worldwide at economic, social, and ecological level.

We firmly believe that the SDGs will accelerate sustainable progress and will contribute to compliance with our corporate goals and policies in many areas. By reviewing our goals and significant topics on a regular basis, we want to ensure that our company develops in harmony with the SDGs.

To sharpen the focus, we prioritized the goals. Our materiality analysis has identified the following SDGs as the key action areas for LPKF that have the greatest potential influence:

Value creation/quality	Employees	Environment	Society
			
			
			

Our minimum target in all these areas is a best-practice approach. With regard to the goals of responsible consumption and production, affordable and clean energy, decent work and economic growth and industry, innovation and infrastructure, we feel that we are performing well since our corporate strategy and our products already contribute significantly to their achievement.

This does not necessarily imply that none of the other SDGs are relevant to LPKF. We believe that we are already well set up to support these in many respects. However, some of the goals are not actively pursued due to their low potential influence.

1.7 DEPTH OF VALUE CHAIN

Value chain

The value chain at LPKF begins with research and development and continues through procurement, production, sales and marketing, production, order processing, logistics, service and commissioning all the way to the customer.

To manufacture LPKF products, we purchase components, assemblies and services, which we then pass through the final assembly stage with its qualified quality controls and corresponding acceptance protocols to create the final product.

Greenhouse gas emissions in the value chain

If the market and supply situation allows, suppliers with a short distance to the production site are used so that long transport routes and the resulting long delivery times can be avoided. This approach also supports the goal of reducing greenhouse gas emissions caused by transport.

In addition, ESG criteria are taken into account during the supplier selection process, the subsequent qualification process and the annual supplier evaluation. This includes the enquiry of greenhouse gas reduction programs, guidelines for the improvement of environmental performance and responsible persons at the supplier.

The main environmental issues that arise at almost all stages of the value chain are the consumption of non-renewable raw materials (metals, plastics) and CO₂ emissions from energy consumption and transport. We report on our targets for reducing CO₂ emissions under criterion 1.6 ("Targets").

Measures to protect workers' rights and improve working conditions in the value chain

Long-term and sustainable cooperation forms the basis for high product quality, constant innovations, but also the basis for continuous improvement in the ESG area. More than 80 % of the direct purchasing volume is transacted with suppliers who have already been working with LPKF for more than 5 years. Annual forecast planning, framework supply agreements and regular reviews with suppliers are important measures to support the capacity planning of tier 1 suppliers and other tier levels. These measures also serve to optimize delivery times.

The consolidation of requirements and thus the reduction of complexity is promoted across all sites and supports improved ESG monitoring.

Suppliers are categorized annually, with preference given to suppliers categorized as preferred and key for future business. This is done to achieve volume bundling and leverage effects. The categorization is updated as part of the annual supplier evaluation and thus supports the strategic development of LPKF's supplier base.

We expect our suppliers to act responsibly regarding occupational health and safety, environmental protection, employee rights and the avoidance of corruption.

Our purchasing conditions oblige them to outlaw forced and child labor, to comply with internationally recognized human and labor rights as well as environmental standards and anti-corruption regulations. In response to the US Dodd-Frank Act, we expect our suppliers to exclude the use of so-called "conflict minerals" in a self-disclosure. These requirements are additionally reviewed as part of ESG monitoring and supplier assessment.

Social problems can possibly be inadequate working conditions at suppliers, but we check these in accordance with our purchasing conditions and confirmation of a Code of Conduct before entering into business relationships. The further development of the social aspects of the ESG requirements is considered in the annual supplier assessment. Among other things, this also serves as motivation and incentive for suppliers to give greater priority to ESG requirements regarding social responsibility and sustainable action.

The upstream part of the supply chain and the associated process steps cannot be monitored or controlled on a large scale at present. Since there is no contractual relationship between LPKF and its subcontractors, direct intervention is not legally possible. However, by signing the LPKF Code of Conduct, direct suppliers are obliged to respect and ensure compliance with the ten principles of the UN Global Compact throughout their entire supply chain. The existence of a signed Code of Conduct is verified as part of the

annual supplier assessment. This code has been signed by all our preferred suppliers and moreover we are in contact with all our other suppliers.

The ESG risk management and monitoring measures implemented in the LPKF supply chain in 2021 increase transparency regarding compliance with LPKF ESG requirements. Country risks were assessed based on the OECD classification. As part of the detailed ESG assessments carried out in the reporting year, more than 65% of the direct purchasing volume was assessed and spot-checked through audits.

In the reporting year, 100% of the preferred and key suppliers had signed a Code of Conduct and 80% of these suppliers were assessed in detail using the LPKF ESG questionnaire.

Supplier evaluation

LPKF carries out an annual supplier evaluation for series suppliers representing at least 80% of the direct, annual purchasing volume. Other service providers or suppliers are included in the evaluation as required.

Various criteria are evaluated according to a predefined weighting, both system-based and including so-called soft facts. The classification is divided into A, B, C and D suppliers. For C and D suppliers, action plans are requested and implementation is monitored accordingly.

This form of supplier evaluation has been carried out since 2016 and has been successively developed further since then. Since 2021, ESG criteria have been included in the supplier evaluation to monitor and reward these requirements and their implementation at our suppliers accordingly.

LPKF exports around 90 % of its goods abroad. To exclude the possibility of supplying customers from so-called "embargo countries", a person responsible for exports has been appointed to monitor and take responsibility for internal export control. This function can only be assumed by a person from the Management Board. The Export Control Officer transfers these tasks to the Export Control Division and is informed by it of any changes. The Export Control Officer is responsible for passing on all relevant information to the departments. In addition, LPKF regularly screens sales and purchasing contacts against relevant sanctions lists using special software.

1.8 INNOVATION AND PRODUCT MANAGEMENT

Research and development are of considerable significance to LPKF: innovations have a decisive influence on future capabilities and thus on economic success. The primary strategic goal of R&D activities is to attain, secure or develop the company's role as an innovation leader within the sectors in question. We realize this through innovative products with unique selling points that are protected by patents. In addition to our own R&D activities, new procedures and products are being developed both in partnerships with universities and research institutes and in joint projects with industry partners.

The LPKF product portfolio is continually being reworked and overhauled on this basis: we want to improve performance and efficiency, reduce costs, avoid substances of concern and regulated substances and analyze the contribution of all individual components. This is where

changing customer requirements play a major role, especially with regard to sustainability and resource use. Our ability to provide customers with long-term and future-proof products is a primary goal. At the same time, we strive to improve energy efficiency with each new generation of our systems. Closely networking the company's development departments with sales and service, and providing an annual R&D budget of at least 10% of revenue make significant contributions in this regard. A detailed development process aims to ensure that those requirements are known and fulfilled in every project.

In addition to cost-efficiency, quality is also a central value of LPKF products and a significant factor in terms of sustainability. In order to offer our customers stable machines suitable for volume production quickly given the often short development cycles, we continuously hone our ability to avoid, detect and rectify errors and to learn from them. The reliability of our systems reduces downtimes with our customers, thus improving their use of resources. The majority of LPKF products and technologies is based on the efficient use of laser technology, which enables the replacement, for example, of conventional chemical and mechanical processes (for more information, see Criterion 2.2 "Resource Management").

2 ENVIRONMENT

LPKF is aware of the major challenges involved in slowing the pace of climate change. We also take on responsibility and want to play our part in achieving the goal of keeping the increase in global temperatures significantly below 2 degrees. On the one hand, we have set ourselves ambitious goals to reduce our carbon footprint but also want our products themselves as well as responsible acting to make an active contribution to achieving this goal.

2.1 USE OF NATURAL RESOURCES

LPKF strives to use natural resources as carefully as possible and to minimize the impact of its operations on the environment.

In our view, only a very low proportion of hazardous waste is generated by the production of our high-tech systems. However, service activities in the LIDE foundry generate hazardous waste. The quantity of this hazardous waste is evaluated annually so that actions to reduce it can be initiated if necessary. The hazardous waste is recycled for several times and used within the process before it is disposed.

Our expertise lies in research and development. The system components required are therefore mainly procured from external suppliers and assembled as part of our manufacturing processes. Water and energy consumption throughout the Group are tracked and compared. LPKF constantly strives at all stages of the internal value chain to optimize its use of energy and resources.

Precise details about the use of resources in the reporting period as part of our business activities are provided in Criterion 2.3 (energy consumption, water consumption, waste).

Those figures relate both to the usage necessary in order to maintain operations at the sites and the consumption required to manufacture our products.

2.2 RESOURCE MANAGEMENT

LPKF strives to continuously optimize energy and resource consumption and to this end has set itself the goals listed in Criterion 1.6 (“Goals”).

Due to the, in our view, relatively low direct environmental impact of the development and assembly of laser systems compared with conventional production systems, the purely environmental risks in this area are deemed not to be significant. Nevertheless, the consumption of energy and resources is regularly recorded, monitored and evaluated. We strive to make our systems even more efficient while keeping energy requirements at the same level. Our motivation in doing so is to achieve positive effects for the environment as well as a competitive advantage.

As well as implementing the requirements of the RoHS and REACH regulations in our own company, we also include our suppliers by evaluating relevant criteria at the qualification stage.

Hazardous substances

We make every effort to minimize the proportion of hazardous substances used in the development of our technologies. An annual substitution survey is conducted for all hazardous substances to determine whether liquids, gases and solid materials that are harmful to the environment can be replaced by less harmful alternatives. We adhere to strict guidelines regarding the use and storage of chemical substances (see Criterion 4.3. “Occupational Safety”). All actions are monitored and evaluated by a Hazardous Substance Officer.

When using our LIDE technology (Laser Induced Deep Etching), the use of hazardous substances cannot be completely avoided. Highly concentrated acids are purchased in small quantities and diluted for use in our technical applications. The rinsing water is used multiple times before being professionally disposed of.

As a company committed to sustainability and environmental protection, LPKF always strives to handle its business activities and products as responsible as possible. The identification and notification of products containing SVHCs and the early identification of purchased parts containing SVHCs during the development of new products play a central role. LPKF takes these tasks very seriously and relies on close communication within the supply chain to ensure the best possible transparency and avoidance of harmful substances.

To ensure that our products meet the highest sustainability standards, we at LPKF attach great importance to sustainable product development. Documentation of identified SVHC-containing purchased parts plays an important role in this. In close cooperation with our suppliers, we work continuously to identify and report components containing harmful

substances and to replace them with non-toxic alternatives. Through continuous documentation in the product development process, we create the basis for developing products that are free of SVHC purchased parts in the long term.

We see the implementation of REACH not only as an obligation, but also as an opportunity to position ourselves as a responsible company. We will continue to work closely with our suppliers and evolve to make our products and processes as sustainable as possible. Moreover, we have included Glimmer and Kobalt in our guideline.

In the previous year, the topic of hazardous substances was examined as part of a project conducted across all sites to integrate ESG risks into the company's internal risk management system. Following a risk analysis, it was incorporated as a risk of "hazardous substance leakage into the environment" with a low probability of occurrence. Despite all measures taken, the general occurrence of a hazardous substance leakage cannot be ruled out completely. As a measure to prevent leaks of hazardous substances, waste and transport concepts as well as instructions and policies were also defined in addition to the occupational safety measures listed in Criterion 4.3 ("Occupational Safety"). As part of our annual risk inventory, the risk has been reviewed again with the same result.

Recycling

68% of waste were recycled in the reported year. We are continuously working to improve our recycling rate and, to this end, have set ourselves a goal listed in Criterion 1.6 ("Goals"). In comparison to the previous year (56%), we were able to improve our ratio. We also attach great importance on ensuring the environmentally compatible disposal of any waste that is not recycled. For this reason, we have entrusted the disposal of such waste to partners that have professional sustainability management systems in place.

More information about the waste volume can be found in Criterion 2.3.

With our service packages and upgrades, we keep our systems up to date and extend their service life. We have also introduced an "Equal to New Concept". This involves replacing all wear parts, repairing defective components and reselling them at a discounted price. This will keep the waste generated by our products at a low level.

We use recyclable wood that meets the IPPC standard as packaging for our systems.

Our contribution to the sustainable use of resources

Many of our products are designed to contribute to the efficient and responsible use of resources. Our laser technologies are also designed to help our customers make their production processes more productive and efficient. In many sectors, these technologies can replace chemical and mechanical processes, which can lead to substantial savings of hazardous substances and waste (especially contaminated wastewater).

Technology	Contribution to conserving resources
CleanCut technology for processing printed circuit boards	With laser depaneling, printed circuit boards are quickly and reliably cut out from the panel. A minimal heat-affected zone and minimal mechanical stress enables a higher yield in printed circuit board production and therefore lower material consumption than with conventional technologies. Accumulations of cutting residues are safely and efficiently filtered from the air.
Stencillaser	Stencillaser technology is used primarily in electronics production for laser cutting of stencils for solder paste printing. Thanks to high energy efficiency, the systems consume less energy in operation and require no cooling water. Accumulations of cutting residues are safely and efficiently filtered from the air. With an average service life of ten years, the systems are extremely durable.
LIDE technology (Laser Induced Deep Etching)	LIDE technology enables resource-efficient use of glass in microsystems technology, which allows the silicon material that is normally used to be replaced with glass. The switch to glass can save a great deal of energy during raw material processing.
Chemical-free semiconductor prototyping	Using products from the Development segment, circuit board prototypes can be manufactured by milling and/or laser technology without the use of etching technology and the associated chemicals. The in-house process at our customers eliminates many of the long transport routes that would otherwise be required to create individual prototypes. The systems are generally in use for more than 15 years and are therefore extremely durable.
Highly efficient thin-film photovoltaics	Our systems for manufacturing thin-film solar modules can produce large modules within a short time, which helps make production more efficient. In addition, the use of LPKF technology makes the individual solar modules more efficient because they generate energy more effectively. Our systems thereby make a positive contribution to improving the carbon footprint of the manufacture of thin-film modules in the solar industry. The solar modules produced in this way can also be used economically even without receiving subsidies.
High-throughput screening of cells	With the new ARRALYZE business area, LPKF is addressing the strong demand for miniaturization and automation to enable the parallelization of biological experiments and to drastically reduce the quantities of expensive reagents required for these types of experiments. The long-term goal is to address issues relating to personalized medicine designed to enable treatments tailored to each individual patient.
Laser welding of plastics	The use of laser radiation to join plastics helps eliminate adhesives, which usually contain hazardous substances. What is more, the technology enables an efficient, sustainable and particle-free production of critical sensors and components used in the automotive industry and in medical technology. With a service life of around ten years, the systems are extremely durable.

2.3 KEY PERFORMANCE INDICATORS FOR CRITERION 3.1 – 3.2

Key Performance Indicator GRI SRS-302-1*

Energy consumption

Energy consumption throughout the Group amounted to 5,661,338 kWh in the reporting year.

Following the integration of the sales companies in Asia into our data acquisition processes in 2020, our sales company from the USA was also included during the reporting year. As a result, we are recording data from the entire Group since 2021.

Production sites

kWh	2022	2021	2020
Electricity	3,394,382	3,398,116	2,829,417
Gas + Pellets	1,906,846	2,033,649	1,641,225

Sales Companies

kWh	2022	2021
Electricity	209,302	193,146
Gas	150,807	126,791

Electricity consumption at the sales companies has slightly increased to the previous year based on higher economic activity during the reporting year after lowering COVID restrictions.

The energy consumption at the production sites is on a similar level in comparison to the previous year. In the case of gas, it proves that savings measures are effective.

Energy sources

Overall, the proportion of green electricity used across the Group is 96.1%. Both the USA and Naklo sites switched to green electricity in 2021. It will not be possible to switch to green electricity at all locations in the near future due to the lack of availability in some countries. We have no impact on the availability of renewable energy sources in these countries. The share of climate-neutral gas at our production sites is 78% and overall for the Group 71%.

Production sites

Source	2022	2021	2020
Green electricity	99.2%	98.9%	86.2%
Green gas	77.8%	67.0%	59.2%

We also plan to conduct an energy audit in 2023. Identified potential for improvement will then be translated into measures to achieve further improvement through their implementation.

Key Performance Indicator GRI SRS-303-5*

Water consumption

Water consumption in the Group amounted to 4,428 m³ in the reporting year.

m ³	2022	2021	2020
Production Sites	3,490	4,352	3,758
Sales Companies*	938	769	

**The key figures for water consumption per employee are reported for the first time in 2021. For this reason, the previous year's key figures are not included in the scope of the audit.*

The share of the sales companies in overall water consumption increased due to a rise in the US. Overall, there is a decreasing trend in water consumption. Due to the LIDE foundry in Garbsen, there is a higher need for water than at the other sites. The determination of water consumption at the sales companies is partially based on estimates since some of the facilities are on shared supplies.

LPKF does not produce at locations subject to increased water stress. Our water consumption is limited to the LIDE foundry and to sanitary facilities. Within our ESG project “Beaming Sustainability” we have already intensively addressed the topic of water management at our sites in 2021. An analysis of the sites showed that water is not a significant topic for LPKF because we only need water in the process of LIDE and for operating the sanitary facilities. That is also the reason, why we haven’t set targets regarding water consumption, but we will continue to manage our water management responsible.

Key Performance Indicator GRI SRS-303-4*

Water discharge

None of our locations release contaminated water into the water cycle.

Key Performance Indicator GRI SRS-306-2*

Waste volume

The volume of waste generated throughout the Group amounted to 211.7 tons in the reporting period.

Production sites

In metric tons	2022	2021	2020
Total waste volume	184,7	98,4	79,2
Waste volume per employee*	0,28	0,15	0,12
Hazardous waste/ substances**	40,8	6,5	4,2
Recycled materials	126,25	63,4	43,4

*The key figures for waste generation per employee were reported for the first time in 2021. For this reason, the previous year's key figures are not included in the scope of the audit.

**Key figures for hazardous waste were reported for the first time in 2020. For this reason, the 2019 figures are not included in the scope of the audit.

In % of total volume*	2022	2021
Proportion of hazardous waste/substances	22.1%	6.7%
Proportion of recycled materials	68.0%	65.0%

*These key figures were reported for the first time in 2021. For this reason, the prior-year key figures are not included in the scope of the audit.

Sales Companies

In metric tons	2022	2021
Total waste volume	27	16,9

These figures were reported for the first time in 2021. For this reason, the prior-year figures are not included in the scope.

Since waste volumes are related to production capacities, our focus is on recycling as well as on prevention.

The proportion of recyclable materials in the Group increased from 56% to 68%.

The waste volumes from the sales company are based partially on estimates because they related mainly to residual waste measured in cubic meters.

The increase in hazardous waste can be attributed to the expansion of production in the area of the LIDE foundry in Garbsen. We expect to see further increases corresponding to capacity increases. To counter these increases as effectively as possible, we installed a water processing plant in the LIDE foundry to desalinate the rinsing water. This plant uses ion exchangers and UV disinfection to recycle 99% of the rinsing water and keep it in circulation.

2.4 CLIMATE-RELEVANT EMISSIONS

In 2022, LPKF SE generated total CO₂ emissions of 4,498 metric tons (previous year: 3,877 metric tons). This is based on a calculation methodology for determining selected CO₂ emissions, which is explained on the following pages. The increase results mainly from higher freights and travel (sales & services) during the reporting year.

We are aware that we are part of the global strategy to achieve CO₂ neutrality by 2045. To make an important contribution to this goal, we plan to make our production carbon neutral by 2030. We want to gradually reduce our carbon footprint. To achieve this, we have set ourselves the goal listed in Criterion 1.6. (“Goals”). We are taking 2021 as the base year because it is the first year in which we have recorded emissions data from across the Group and have expanded the emissions sources measured. The emissions sources of relevance to us are shown below.

Freight and travel

Given our position as a global company, emissions from freight represent the greatest share. In this case, we have assumed the share attributable to the party that pays for the freight costs as specified by Incoterms. For this purpose, the data relating to the transportation of our systems and other deliveries serves as a basis from which greenhouse gas emissions are then calculated based on the means of transport used. For small consignments of piece goods, we work with estimates or information provided by our freight forwarders. For purchased goods, we assume responsibility for transportation commissioned by us. Here too, we rely on an estimate.

Transportation is essential to our business. Nevertheless, we are working to develop measures to reduce our CO₂ emissions in this sector.

Another important source of emissions is business trips to customers as well as business travel between locations. The majority of trips are undertaken by our service department for the purpose of operating our machines. We have already reduced the amount of travel within the Group substantially by video conferences. However, we are also successfully testing new possibilities in the service area, which would enable technicians who are already active on site to carry out service work with video assistance. Although meetings with customers are increasingly taking place via video conferences, on-site demonstrations remain the most effective method of presenting the functionality of our machines.

Despite this, we are targeting a reduction in greenhouse gas emissions from business travel. Our reference year for this purpose is 2019.

Energy

Electricity and gas are the primary energy sources used at our locations. At locations where this can be implemented on a contractual basis, we are already purchasing electricity from renewable sources, which now covers more than 96.1% of our electricity consumption. We expect the electricity market to move in the next few years. Not only is a macroeconomic shift to electricity as an energy source to be expected, but the price structure will also change,

not least because of steering intervention by the state. We also want to play our part in this area by generating some of the electricity we require from our own systems. Based on the current state of technology, these will primarily be photovoltaic systems. The conditions at our locations are favorable because the buildings have flat roofs and uncomplicated architecture. At the moment, we are building PV on the roofs in Garbsen and more PV is planned to be installed at the other sites. Since most of the electricity will be consumed directly on site as it is generated, the ability to feed it into the public network is a lower priority.

We rely mainly on gas to generate heat. Here too, we have concluded contracts to purchase climate-neutral gas for our German production locations. As part of our renovation plans, we will also be changing over to electricity to generate heat in the long term. However, a timescale for this has yet to be agreed. Our renovation plans also include making improvements to our building insulation and using technologies to save electricity in lighting and air condition/ventilation.

Since LPKF will also be impacted by the phase-out of the internal combustion engine, we are working to convert our company fleet to electric vehicles. With this in mind, we will install charging stations at all European locations to enable efficient charging of company vehicles. On the reporting date of 12/31/2022, our fleet was as follows: 68% pure combustion-engined vehicles, 28% hybrid vehicles, and 4% pure electric vehicles. Our target is to convert the fleet to 100% electric vehicles at the latest by 2030.

2.5 KEY PERFORMANCE INDICATORS FOR CRITERION 2.4

The CO₂ emissions are broken down according to sources under the following key performance indicators.

In metric tons	2022	2021*	2020
Scope 1**	112	191	160
Scope 2	95	93	296
Other	4,291	3,592	569
Total	4,498	3,877	1,025
Total (incl. compensation)***	3,998	3,877	1,025

* Freights were included the first time in 2021. A comparison is only possible for 2021.

** Emergency power generator not included for reasons of materiality

*** 500 t CO₂ compensated by certificates in the reporting year

Total emissions have increased compared to the previous year. This is mainly due to other emissions. Other emissions include Scope 3 emissions from freight and business travel. Furthermore, company cars are included in the category “other”. The increased transport volume due to increased activity is the reason for this. In addition, our travel activity for service and sales has increased again as COVID 19 restrictions have been removed. For travel emissions, we compare ourselves to the 2019 reference year because this year allows a reliable comparison to business activity without COVID restrictions. Compared to this year, a reduction in CO₂ emissions in relation to revenue is visible. A significant reduction in our CO₂ emissions can be seen in the area of Scope 1 emissions. This is due to the use of

climate-neutral gas and a more efficient use of our heating systems in Suhl, where we were able to reduce CO₂ emissions to 41.3 t (previous year: 111 t).

Our Scope 2 emissions remained at a constant level, which can be considered positive due to the increased activity. By purchasing green electricity where possible, there are barely any CO₂ emissions. The Sales Companies were able to remain at a similar level as in the previous year and therefore account for the main share of Scope 2 emissions, as green electricity is not available at all sites.

in €	2022	2021	2020
CO ₂ /revenue*	32	41	11

*A comparison is only possible from 2021 due to the adjusted scope . Data based on net emissions after compensation.

Overall, the ratio of CO₂ to revenue shows that our CO₂ emissions have been reduced in relation to our business activity. This confirms that we are on the right track and are continuously working on reducing our CO₂ emissions. In chapter 1.6 "Goals" we have set ourselves the goal of achieving climate-neutral production sites by 2030. As the main factor in our emissions is freight, we are dependent on the transport options and their emissions in terms of reducing these emissions.

Freight was recorded for the first time in 2021 based on carrier data. For 85% of our revenue from our production sites involving freight forwarders, we were able to record the CO₂ emissions. We extrapolated the remaining 15% based on the known data.

3 EU TAXONOMY

3.1 PROCESS

Background

The European Union has set itself the goal of being climate neutral by 2050. Within the framework of this project, the EU Commission has defined the "Sustainable Finance" action plan with various measures, such as the EU Taxonomy. On 1 January 2022, the EU Taxonomy Regulation (EU 2020/852) came into force for the first time. One of the objectives is to realign financial flows towards sustainable investments. The classification system is used to describe economic activities that can contribute to the six defined environmental objectives of the EU taxonomy. The six defined environmental objectives are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For the classification of an economic activity as environmentally sustainable in terms of the EU taxonomy, a differentiation between taxonomy eligibility and taxonomy alignment is required. First, it must be checked whether the economic activity is described in accordance with the EU Delegated Regulation (EU 2021/2139). The first step is to check if an activity is taxonomy-eligible. In a second step, it is necessary to check whether the economic activity is also taxonomy-aligned by examining the various criteria.

For an economic activity to be considered environmentally sustainable in the sense of the EU taxonomy, it must fulfil various conditions. According to the Regulation, this includes the substantial contribution of the economic activity to one of the six environmental objectives. At the same time, this economic activity shall not significantly harm any of the other environmental objectives ("Do no significant harm", DNSH). The criteria of substantial contribution as well as the DNSH criteria are laid down in the so-called technical screening criteria. In addition, the minimum safeguards must be met. These include the four core topics on human rights including workers' rights, anti-corruption, fair competition and taxation.

In 2021, only the taxonomy-eligibility of the economic activities had to be assessed with regard to the first two environmental objectives. For 2022, the assessment of taxonomy alignment is extended to include the assessment of taxonomy alignment. An economic activity is taxonomy-aligned if it fulfils the conditions of the Regulation described above. At this point in time, it can be assumed that the remaining environmental objectives will be included in the audit regarding the taxonomy-eligibility in the next reporting year.

However, the mechanical engineering sector is not a focus sector for the environmental objectives climate mitigation and climate change adaptation. The majority of activities of LPKF are not listed in the Delegated Regulation EU 2021/2139 in the current version. From our point of view our technologies are making a positive contribution to environmental aspects as they promote the sustainable development of various sectors of the economy (see also 2.2 "Resources"). Many of our products are used by our customers for the production of goods that are already listed under the activities of the EU taxonomy regulation.

As in the previous year, LPKF can generally locate the SolarEquipment segment in the classification system for the turnover as well as for the CapEx (Capital expenditures) and OpEx (Operating expenditures) key performance indicators (KPIs) according to the Delegated Regulation 2021/2139. The activity is assigned to the environmental objective "climate change mitigation". In this context, the business unit falls into the category "3.1 Manufacture of renewable energy technologies". The KPIs for taxonomy-eligible turnover, capital expenditure and operating expenditure can be found in the table in the annex. Furthermore, CapEx from the acquisition of production of taxonomy-aligned economic activities and individual measures have been identified in relation to the activities "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)" and "6.5 Transport by motorbikes, passenger cars and light commercial vehicles". The taxonomy eligibility is therefore given for these activities and subsequently the taxonomy alignment of the economic activities was checked.

Substantial contribution

LPKF develops, produces and distributes machines for the production of thin-film solar modules. This results in a substantial contribution to the first environmental objective "climate change mitigation". Activities 6.5 and 7.4 also meet the criteria for a substantial contribution. In activity 7.4 we meet the criteria for a substantial contribution by installing charging stations for electric vehicles. Similarly, part of the vehicle fleet meets the criteria of substantial contribution to economic activity 6.5.

Do no significant harm

Furthermore, it must be checked whether the economic activities, in addition to fulfilling the substantial contribution, do not negatively affect the other five environmental objectives. For this purpose, the Garbsen and Suhl sites were integrated into the assessment, as the relevant economic activities according to the EU Taxonomy Regulation are currently located at these sites. For the activity "6.5 Transport by motorbikes, passenger cars and light commercial vehicles", no alignment with the DNSH criteria can be demonstrated due to the lack of data availability by the providers. For the activities "3.1 Production of renewable energy technologies" and "7.4 Installation, maintenance and repair of charging stations for electric vehicles (and parking spaces attached to buildings) ", taxonomy conformity can be demonstrated below. The DNSH criteria for the activity 7.4 only refer to the necessary assessment of Annex I, Appendix A, adaptation to climate change.

Climate change adaptation

Regarding the objective, the physical climate change impacts on activities 3.1 and 7.4 were assessed for our sites in Garbsen and Suhl in accordance with Annex I, Appendix A of Delegated Regulation EU 2021/2139. The climate risk and vulnerability assessment did not identify the economic activities to be at risk.

Sustainable use and protection of water and marine resources:

To ensure compliance with the DNSH criteria to sustainable use and protection of water and marine resources, an assessment was done in accordance with EU 2000/60/EC as set out in the Annex I, Appendix B of Delegated Regulation EU 2021/2139. For this purpose, the following aspects were assessed:

- 1) Water intensity
- 2) Water scarcity
- 3) Dealing with risks of environmental damages related to water.

In addition, the criteria specified in Appendix B mainly relate to legal requirements to which LPKF is obliged. Current official approvals and certification of our environmental management system according to ISO 14001 are available.

More information can be found in the chapter "Environmental".

Transition to a circular economy:

Our products are designed for a long lifetime. This is achieved by easy maintenance as well as disassembly of the machines. In addition, our machines are recyclable. The use of secondary raw materials is possible. There is also a monetary residual value of the components at the end of their useful life. At any time, we could provide information on substances of concern and on the traceability of substances throughout the life cycle.

Pollution prevention and control

LPKF does not use, manufacture or place on the market any of the substances of concern as listed in the Annex to the EU Taxonomy (Annex I Appendix C of Delegated Regulation EU 2021/2139). We also have a process for hazardous substances in place. Therefore, there are no indications that LPKF has or produces negative impacts on this environmental objective.

Protection and restoration of biodiversity and ecosystems

LPKF has examined the affected sites and no indications were found. All buildings have been cleared by the authorities through permits regarding potential impacts on biodiversity and ecosystems. In addition, LPKF has done an assessment in accordance with Directive 2011/92/EU and checked the sites for biodiversity-sensitive areas. The sites are located in advertised industrial areas and the distances to biodiversity-sensitive areas did not give any indication that LPKF would cause any adverse effects.

Minimum safeguards

Based on the final report of the EU expert group ("Platform on Sustainable Finance"), we have checked the core topics of human rights, corruption, taxation and fair competition for taxonomy alignment. In our view, the components of the environmental sub-area are already comprehensively fulfilled by the examination of the DNSH criteria.

The audit covers the relevant stages of the value chain. This includes direct and indirect suppliers, the company's own business operations as well as customers and business partners. LPKF has installed various mechanisms within the company that reflect due diligence in line with the OECD recommendations for multinational companies. LPKF has implemented the following process:

1) Embedding responsible business conduct into policies and management systems

The topics of human and labour rights, fair competition, anti-corruption and taxation are integrated into existing guidelines and processes. These include, for example, the LPKF Supplier Code of Conduct and the Sustainability Guideline.

2) Identification and assessment of adverse impacts

The value chain is analyzed on a risk basis and appropriate and corresponding risk analyzes have been done in this regard. This concerns, for example, the supply chain.

3) Measures to cease, prevent and mitigate adverse impacts.

Identified risks are addressed through appropriate measures. Measures include, for example, internal and external audits as well as direct coordination with suppliers.

4) Tracking implementation and results

A tool is used to record, assign and monitor the specific measures.

5) Communicating how impacts are addressed

In our non-financial report and through our website, we communicate our management of the core areas of minimum safeguards mentioned here, which also include human and labor rights.

6) Taking remedial action

We have installed a whistleblower system and have a confidential lawyer of confidence as an external reporting channel. There were no incidents in the reporting year.

There are no indications that LPKF is in breach of the minimum safeguard requirements under Article 18 of the EU taxonomy. We report on all sub-areas in this report and refer to the relevant bodies (see "Society", "Employees" or "Business Model").

3.2 INFORMATION REGARDING EU TAXONOMY AS PER ARTICLE 8 OF THE EU TAXONOMY REGULATION

Previously, it was shown that the Solar business unit can be considered taxonomy-eligible in the first step and taxonomy-aligned in the second step. Based on the previous analysis, the necessary data on CapEx, OpEx and turnover were determined. The data was collected by the Controlling, Accounting and Treasury & Investor Relations departments. In addition to the economic activity from the solar sector, other taxonomy-aligned investments and operating expenditures were added that fulfil the criteria of the EU taxonomy.

The following are considered taxonomy-eligible according to the previous analysis:

- 1) 3.1 Manufacture of renewable energy technologies
- 2) 6.5 Transport by motorbikes, passenger cars and light commercial vehicles
- 3) 7.4 Installation, maintenance and repairs of charging stations for electric vehicles (and parking spaces attached to buildings).

Of which taxonomy aligned according to the previous analysis are:

- 1) 3.1 Manufacture of renewable energy technologies
- 2) 7.4 Installation, maintenance and repairs of charging stations for electric vehicles (and parking spaces attached to buildings)

The total turnover is derived from the reported value in the profit and loss account of the year concerned. For total capital expenditure (CapEx), the sum of all gross additions to tangible and intangible fixed assets is counted. Total operating expenditures (OpEx) are all direct, non-capitalized costs related to research & development, short-term leases,

renovation measures and additionally costs for maintenance, repair and servicing. The numerator indicates the taxonomy-eligible or -aligned share of the KPIs. Screening was done at segment level and then at product level. The data was recorded in accordance with IFRS segment reporting in the SolarQuipment company and at Group level. In addition, line-item allocations were made for economic activities 6.5 and 7.4 in CapEx. The denominator of the KPI corresponds to the figures from the financial reporting. The data was consolidated for the company in accordance with IFRS. Double counting was avoided by separating the shares at segment level for economic activity 3.1 and by line-item allocation for economic activities for 6.5 and 7.4.

As none of the economic activities described in EU Commission Delegated Regulation 2022/1214 were identified in the areas of nuclear energy and fossil gas, the reporting according to Annex XII of EU Commission Delegated Regulation 2021/2178 does not apply.

The table below clearly shows the proportions of taxonomy-eligible and -aligned activities. The full table, as required by the taxonomy reporting, can be found in the appendix.

In 2022, we were able to increase the share of taxonomy-eligible turnover to 31%. At the same time, we can report a taxonomy-aligned turnover in the same amount. 19% of our operating expenditure are taxonomy-eligible or aligned. In the previous year, 12% of the operating expenditures were taxonomy-eligible. We were able to increase our capital expenditure to 9% in comparison to the previous year (1%) and thus report € 756,000 of taxonomy-eligible and € 729,000 of taxonomy-aligned CapEx.

in TEUR	€	%
Turnover		
Group	123,699	
of which taxonomy-eligible	38,387	31%
of which taxonomy-aligned	38,387	31%
OpEx		
Group	17,517	
of which taxonomy-eligible	3,288	19%
of which taxonomy-aligned	3,288	19%
CapEx		
Group	8,720	
of which taxonomy-eligible	756	9%
of which taxonomy-aligned	729	8%

4 EMPLOYEES

4.1 EMPLOYEE RIGHTS

Compliance with employee rights is a matter of course for us and an essential element of achieving our corporate goals. Therefore, compliance with employee rights forms part of the overarching management concept for compliance with legal requirements. We not only follow this principle internally, but also expect our suppliers to do so.

In the reporting period, LPKF operated sites in six countries: Germany, the USA, Slovenia, China, Japan and Korea.

Applicable national labor legislation governing, for example, working hours, vacation entitlements, maternity leave and protection against dismissal is observed at all sites. Representation of the interests and rights of our employees is guaranteed by works councils that are freely elected by the employees at the production sites and by the Group Works Council, which operates across all sites in Germany. The latter negotiates shop agreements as well as providing advice and support to employees on a range of queries and problems concerning their employment relationship. In addition, contacts for HR compliance issues have been appointed and communicated, a globally available legal counsel has been hired and communicated for reporting and examining possible violations, and special contacts for particular topic areas have been appointed and communicated, e.g. contacts for data protection and for cases of sexual harassment.

As a general rule, we hire our employees on a full-time basis and provided them with in-house training. Only in exceptional cases do we employ temporary staff to cover temporary performance peaks or short-term bottlenecks. When doing so, we ensure that temporary staff are fully integrated into the everyday work routine and receive the same hourly wage as LPKF employees who carry out equivalent activities. We resort to restructuring measures only if the company's economic situation makes them unavoidable. Such measures are implemented in a socially compatible manner and in close consultation with the works councils at the sites.

In addition to providing a transparent organization, the measures for achieving our specified goal particularly include the provision of training courses on specific topics for employees and executives. Examples during the reporting period include training courses on handling insider information or on the Compliance Code.

Beyond the statutory requirements, we set out our responsibility to employees and the responsibility borne by employees for one another in our [LPKF Compliance Code](#). In addition to the requirement to act in accordance with the law, it enshrines values such as responsible, ethical conduct, mutual respect, honesty, and integrity. Occupational health and safety are also considerations which are put into practice beyond compliance with legal requirements.

A risk analysis on compliance with employee rights is in place. By conducting audits, continuously reviewing our organization, and training and informing our workforce, we create the conditions for minimizing risk and thus complying with the goal we have set ourselves.

In addition, our employees also have the opportunity to play an active role in helping to shape our corporate policy and our approach to sustainability considerations, for example, by submitting proposals as part of idea management. The company's short-term and long-term goals and the measures envisaged to develop the business are therefore brought to the attention of the entire workforce at regular employee meetings. Those meetings actively provide an opportunity for issues and questions to be raised directly with the Management Board and to influence internal decision-making processes.

An established system of annual employee performance appraisals provides an opportunity for structured exchanges as well as regular dialog between employees and executives. Here, each employee's tasks and associated qualification requirements are coordinated, targets for the coming year agreed, and their performance evaluated.

Key performance indicators

Employees*

Number	2022	2021	2020	2019
LPKF SE	295	310	271	253
Solar Quipment	129	126	121	127
Welding Quipment	134	128	121	122
LPKF Slowenien	90	85	85	87
LPKF USA	29	31	28	31
LPKF China	51	51	49	50
LPKF Japan	6	8	7	6
LPKF Südkorea	6	7	7	6
Group	740	746	689	682

*These Key performance indicators were reported for the first time in this context in 2020. For this reason, the key performance indicators from 2019 are not included in the scope of the audit. Excluded from the figures are trainees, marginal employees, students/interns and temporary workers.

Type of employment

In %	2022	2021	2020	2019
Permanent contracts	94,5	94,5	92,89	91,64
Fixed-term contracts	5,5	5,5	7,11	8,36
Indirect employees	0,14	0,27	0,15	0,15
Marginal employees	1,08	0,67	0,73	0,73
Part-time contracts	11,08	10,72	10,02	9,09

4.2 DIVERSITY AND EQUAL OPPORTUNITIES

As at 12/31/2022, LPKF employed 740 people from 17 to 71 years of age from 38 nations in six countries. Since 2023 we are operating in seven countries due to the integration of Vietnam. The number of employees was stable in comparison to the previous year. We

attracted people of different ages and genders with educational backgrounds and qualifications that are new to LPKF. We also inspired them with our technologies and our informal working atmosphere.

All staffing decisions within the LPKF Group must be made regardless of gender, nationality, skin color, religion and sexual orientation. Diversity is a key factor for success, since every employee brings with him or her different qualifications, skills and experiences. This is part of our corporate culture and therefore firmly enshrined in our Compliance Code as well the Mission Statement. Given the strong technology focus of our company background, the proportion of male employees is comparatively high. As at 12/31/2022, 77% of employees were male and 23% female. The share of women in executive positions across all management levels was increased to 16.5% (2021: 16.2%).

To further promote equal opportunities for women in executive positions, we have set ourselves specific percentage targets (see Criterion 4.5 for further details).

Promoting a good work/life balance for our employees is the key to their professional success. This is why we enable flexible working hours and flexible working time accounts and part-time models. We also have shop agreements that allow mobile and home-office working that give our employees the flexibility of working from home or from other locations. The COVID-19 pandemic had added further impetus to digitalization with the result that the majority of our employees now work with considerable flexibility in terms of time and location. This also led to a further expansion of our international cooperation. Agreements on sabbaticals can also be reached if requested. Our employees are entitled to compassionate leave for important life events and family challenges.

4.3 OCCUPATIONAL SAFETY

Guaranteeing the health and safety of employees is one of the primary aims and activities of company social and occupational safety policy. We therefore operate an occupational safety management system that covers the health and safety of employees in the workplace and has been certified to DIN ISO 45001 since 2021 and underwent a monitoring audit in 2022. Protecting people, safety in the workplace, and health care are the focal points. We set ourselves annual goals for these topics at both location level and group level and examine the achievement of these goals after the end of the year. The goals derive from a range of factors that includes analyses of the annual accident statistics, AMB meetings and from discussions with department heads. To promote the health of our employees, we implement various measures at the individual locations, such as flu vaccinations. In 2021 and 2022, vaccinations to protect against COVID-19 or flu were offered to all employees. A large number of people from outside of the company also received vaccinations at our locations. Moreover, employees have the option to take part in medical check-ups conducted by company physicians, whose focus is also the provision of workplace health care to employees.

Working with laser sources involves special risks for our employees. Strict safety precautions to protect them from these risks are observed. In addition, all employees with access to laser

areas receive regular training from an in-house laser protection officer about all the possible dangers associated with laser sources.

In 2021, the topic of occupational safety was examined as part of a project conducted across all sites to integrate ESG risks into the company's internal risk management system. Following a risk analysis, it was incorporated as a risk posing a "hazard to the health of employees" with a low probability of occurrence. Among other things, occupational safety goals were defined as measures to avoid hazards to health.

Occupational safety in dealing with hazardous substances

Although our work with hazardous substances is limited, it cannot be avoided entirely. To guarantee the protection of our employees at all times, we adhere to comprehensive safety standards in dealing with hazardous substances.

Technical protection measures

The chemicals laboratory at LPKF is equipped with fume cupboards and chemicals are stored in ventilated hazardous material cabinets. These are checked annually by an external specialist. Internal safety inspections are conducted every two weeks and the results are recorded in a database. Access to areas in which work is carried out using hazardous substances is controlled by electronic security authorization systems. Access is granted only to employees who have completed all necessary training each year.

Information and protection of employees

Hazardous substances are categorized with their known risks. Safety data sheets are also provided. Substances that are carcinogenic, mutagenic, or toxic for reproduction as well as Substances of Very High Concern (SVHC) are specially identified. This information is available to all employees and is regularly reviewed and updated. There are specific operating instructions for each hazardous substance. These contain information about the hazards, handling and storage of the substance as well as about first-aid measures. Employees receive instruction as standard once annually and in response to any changes. Nobody is permitted to work in the chemicals laboratory without suitable protective equipment for the hazardous substance in question.

Safe working procedures

The storage of hazardous substances is carefully planned to guarantee a high level of safety. This includes the separate storage of chemicals that would react in a potentially hazardous manner, as well as integrated measures for the containment of leaks. The safe handling and storage of hazardous substances are also described in the specific operating instructions and vary according to hazardous substance.

Training on how to behave in an emergency also takes place annually. This includes testing emergency protective equipment as well first aid sets for chemical agents. Additional training on how to handle extremely hazardous substances is provided. First responders receive separate training in how to deal with serious chemical emergencies.

Measurements and medical checks

In the event of an emergency or to verify the safety of an area following an emergency, we have equipment that we can use to measure relevant toxic gases. Measurements are also conducted if a relevant area receives an upgrade or change that must be checked. The appropriateness of the safety measures as well as the need for possible medical investigations are defined in the risk assessment. Before work can be authorized, this type of risk assessment is carried out and reviewed on a regular basis to determine whether it needs to be adapted.

4.4 QUALIFICATIONS

In a growing and learning organization, demands on employees also change continually. LPKF seeks to meet this challenge with Group-wide staff development programs to promote talent in a lasting way. Continuing professional development was continued in the reporting period with the help of a practice-oriented training catalog. Due to the restrictions imposed by COVID-19, virtually all on-site events were replaced by web-based offerings, if necessary. There are also a range of training courses for our executives which are intended to support them in their managerial role. As part of our mentoring program, we offer young executives the opportunity to benefit from the knowledge of more experienced executives by attending regular round-table discussions. In 2022, we also implemented two development programs for our employees.

The company has a balanced age structure. Long-serving employees bring a wealth of experience, which is enhanced by the fresh ideas of our young new recruits. The average age of the workforce is 41.3 years. However, we are also proud that many of our employees have been working for us for decades. The turnover rate is 9.82% (previous year: 5.02%).

Young professionals are a crucial investment for the future, particularly set against the backdrop of demographic change. LPKF therefore continuously trains young women and men across a range of jobs - electronics technicians for devices and systems, electronics technicians for automation technology, IT specialists for system integration, IT specialists for application development, industrial clerks, mechatronics technicians, microtechnologists and technical product designers. In this context, we go to great lengths to attract young women to technical jobs and encourage this, for example, via social media campaigns. The Group employed 32 trainees over the reporting period. We endeavor to offer our trainees a permanent position at the end of their training period and secure their services for LPKF over the long term. We have managed to do so in the past with great frequency. All trainees who have completed their training are offered their first job at LPKF. The goal is to employ highly qualified staff and technicians at the company for as long as possible. For 2022 the hiring rate was 100%.

To offer our trainees the best possible training, we support them with a range of measures. At the German sites, we set aside working time each week for lessons and offer a week-long external training course on how best to prepare for the final examinations. We host an annual trainee meeting that allows all trainees at the German sites to exchange information and

experiences. The meeting took place in the reporting year, after it wasn't possible last year due to the COVID-19 restrictions.

As part of our efforts to recruit and nurture young talent, we take part in the national "Future Day" initiative for pupils each year. Regrettably, this initiative was also canceled in 2021 due to the COVID-19 pandemic. But for the first time, we offered a virtually "Future Day". Cooperation agreements with vocational schools were continued. Once again, we also created a pool of university finals projects in 2022, just like 2020 and 2021.

Many measures are used to counteract the risks to operating activities, business relationships and the products and services arising from the loss of qualified personnel.

Key performance indicators

	2022	2021	2020	2019
Turnover rate	9.82%	5.02%	6.41%	10.22%
Average age of the workforce	41,3	41.1	40.9	40.7
Number of trainees	32	34	40	43
Trainee hiring rate*	100%	100%	100%	100%
students/ apprentices	20	23	10	10

* The hiring rate refers to all trainees who received an employment contract for a job on completion of their training

4.5 KEY PERFORMANCE INDICATORS FOR CRITERIA 4.1 - 4.4

Key Performance Indicator GRI SRS-403-9*

A risk assessment covering all job roles is conducted to determine the potential risks to which employees are exposed whilst carrying out their duties. Where necessary, we take steps to avoid or reduce risks in line with the STOP principle (STOP stands for Substitution, Technical measures, Organizational measures and Personal protective equipment).

As part of occupational safety management, we collect statistics about accidents in the workplace and on the commute. The majority of work-related injuries involve minor cuts. The accident statistics are assessed at the meetings of the Occupational Safety Committee, any necessary actions are taken, and the implementation of those actions is subsequently monitored.

	2022	2021	2020	2019
Accidents leading to work loss*	1	6	4	11
Days lost due to accidents*	12	39	14	92
Deaths due to work-related injuries	0	0	0	0
Work-related injuries with serious consequences	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)**	0.4	0.9	0.6	n/a

* The data for 2019 relates only to the production locations. For 2020, data collection was expanded to include the entire Group. For this reason, the key performance indicators from 2019 are not included in the scope of the test. Accidents leading to work loss occurred only at the production locations.

**The LTIFR was determined for the first time in 2020. It is determined based on the number of accidents involving downtime per 200,000 working hours.

Key performance indicator GRI SRS-403-10

Work-related illnesses among our salaried employees and external staff are not evaluated. In the reporting period, there were no deaths due to work-related illnesses.

Key performance indicator GRI SRS-403-4

An Occupational Safety Committee meeting attended by an interdisciplinary team is held at all German LPKF locations four times annually.

All relevant information and topics relating to the integrated management system, such as occupational health and safety, are communicated across all locations at the expert group meetings for occupational health and safety, quality and the environment. The expert group meetings generally take place three times annually and are attended in person.

As part of the crisis management, a task force to combat the COVID-19 pandemic was established. This task force held regular conference calls to advise about protection measures for company employees and then implemented these. Employees were informed on a regular basis by means of postings on the Intranet, notices, newsletters and employee meetings about the current status of measures and the work of the task force.

Key Performance Indicator GRI SRS-404-1*

The need for training and continuing professional development is determined by the relevant line managers and forms part of the annual training plan created as part of the employee performance appraisal. The effectiveness of all training and continuing professional development is assessed. During the reporting period, the average number of training days per employee for training and continuing professional development purposes was recorded for the LPKF Group. Further classification of personnel development measures by diversity indicators or by employee category was conducted only for LPKF SE.

LPKF Group

Per employee	2022		2021	
	Days	Hours	Days	Hours
Average training duration	1,01	7,9	0,73	5,5

LPKF throughout Germany

Per employee	2022		2021	
	Days	Hours	Days	Hours
Average training duration	1,17	8,87	0,73	5,5
Average training duration for employees without management responsibility	1,11	8,43	0,66	5
Average training duration for managers	1,48	11,23	1,05	8
Average training duration for male employees	1,19	9,04	0,7	5,3
Average training duration for female employees	1,09	8,28	0,81	6,2

LPKF is endeavoring to increase the number of training days per employee and has set itself the target of 0.85 training days per employee across the Group by 2023 and 1.5 training days per employee by 2025.

Key Performance Indicator GRI SRS-405-1*

Following the appointment of a new CEO on January 1, 2022, the proportion of women on the Management Board is currently 0%. The proportion of women on the Supervisory Board is currently 25%. Following new appointments to the Supervisory Board in December 2020, the targets for the composition of the Supervisory Board stipulated at the start of 2019 were revisited and a female candidate was proposed for election to the Supervisory Board at the 2021 Annual General Meeting. Following resolutions passed on February 27, 2019, the Supervisory Board set the following target figures and deadlines for the composition of the Management Board: regarding the proportion of women on the Management Board, the Supervisory Board set a target figure of 0%. Since the current Management Board consists of just two members and considering the current appointment terms of both male members and the fact that there are no plans to expand Management Board, the Supervisory Board did not deem it appropriate to set a higher target value for the Management Board. The deadline for achieving the target value was set at February 26, 2024.

In line with legislation covering the equal participation of women and men in private and public sector management positions, the Management Board has set a target for the proportion of women in the two management levels below the Management Board. The figure is 30% for the first management level below the Management Board and 20% for the second management level below the Management Board. A deadline of June 30, 2027, has been set for achieving these target values. At the end of 2022, the proportion of women was 27% in the first management level below the Management Board and 14% in the second management level below the Management Board.

The data below refers to the reporting date 12/31/2022

In %	Female	Male	Diverse	Aged below 30	Aged 30-50	Aged above 50
Supervisory Board	25	75	0	0	0	100
Management Board	0	100	0	0	0	100
First management level below Management Board of LPKF SE	27	73	0	0	73	27
Second management level below Management Board of LPKF SE	14	86	0	0	76	24
Managers in the LPKF Group	17	83	0	2	72	26
Employees in the LPKF Group (excluding managers)	24	76	0	16	62	22
Mitarbeiter LPKF-Gruppe (inkl. Führungskräfte)	23	77	0	13	64	23

No further classification of employees by diversity indicators was conducted during the reporting period.

Key Performance Indicator GRI SRS-406-1*

LPKF is not aware of any case of discrimination.

4.6 INCENTIVE SYSTEMS

The current system for the remuneration of the Members of the Management Board was approved by the 2022 Annual General Meeting on May 19. The purpose of the remuneration system is to balance the interests of the Management Board and the shareholders. To this end, Management Board remuneration will be closely connected with growth in enterprise value. In addition, the system is enterprise value-driven and strongly focused on revenue growth, profitability, return on investment, ESG and broader strategic goals.

A detailed report on the remuneration system for the Management Board and the sustainability targets contained therein can be found in the Remuneration Report in the [2022 Annual Report](#) on pages 86-106.

The remuneration system for senior executives also contains short-term and long-term variable components. Both corporate and personal targets are agreed for the short-term variable remuneration component. The long-term variable component particularly recognizes LPKF's contribution to and the sustainable increase in enterprise value.

For the first time in 2019, LPKF set up an employee stock program to promote employee participation and to increase identification with the Company. In 2020, the employee stock program was also expanded to include the other LPKF locations outside Germany. LPKF grants all employees an allowance under this program, which achieved a participation rate of 47.7% at the German locations in its first year, 52.8% the following year, and 48.2% last year and 45.35% this year. In 2022, the participation rate at the international sites was 23.7%, which means that a total of 40.45% of employees have participated in the program. Over the past four years, the participation rate among all employees has increased to a total of 62.4%.

An idea management system has been established to give employees the opportunity to contribute their own ideas within the company and to benefit from those ideas. Employees can submit their proposals together with details of the expected improvement. Following the assessment and, where appropriate, implementation of the proposal, the employee receives a bonus.

To promote health and well-being, we provide our employees at the various locations with a range of offers, such as fruit and fruit juices free of charge. LPKF also supports sustainable mobility with commuter ticket and cycle-to-work offers.

4.7 KEY PERFORMANCE INDICATORS FOR CRITERION 4.6

Key Performance Indicator GRI 2-19

The remuneration of the Supervisory Board, the company's highest monitoring body, is determined by a resolution of the Annual General Meeting. A report on the remuneration of the Supervisory Board in 2022 is provided in the [2022 Annual Report](#).

The Supervisory Board of LPKF SE sets and regularly reviews the Management Board remuneration system. A report on the remuneration of the Management Board in 2022 is provided in the [2022 Annual Report](#).

The current remuneration system takes account of sustainable corporate management, as described in Criterion 4.6 ("Incentive System").

In addition to a fixed component, the Management Board sets the corporate and personal targets for senior executives' variable remuneration components, which are subject to a target agreement.

The special year-end payment for non-executive employees for the German divisions of the company is governed by a Group agreement in which the company's success is a key factor in determining the amount of the payment.

Key Performance Indicator GRI 2-21

LPKF is an export-oriented company. We therefore have a large number of branches and offices worldwide which have very different, country-specific salary levels. For the individual

countries with business locations with more than ten employees, the ratio of the annual remuneration of the highest-paid person in the organization in each individual country to the median total annual remuneration for all salaried employees including executive bodies (except for the highest-paid person) in that country is as follows:

Country	Ratio (peak value as a multiple of the median)
Slowenia	4,89
China	4,47
USA	2,29
Germany	8,2

5 SOCIETY

5.1 HUMAN RIGHTS

We have set up a compliance organization and established it at all locations. This compliance organization also deals with human rights issues.

Our [LPKF Compliance Code](#) requires our employees to comply with regulations for the protection of human rights. As part of a supplier self-declaration, the upstream suppliers in our value chain also undertake to respect fundamental human rights. Our suppliers commit to complying with a social responsibility code, such as the principles of the United Nations Global Compact. During the qualification process, they must confirm that they themselves and their supply chain adhere to the ten principles of the UN Global Compact. Those principles primarily concern the protection of internationally recognized human rights, the right to collective bargaining, the abolition of forced and child labor, the elimination of discrimination in respect of employment and occupation, environmental responsibility, and measures to combat corruption. Alternatively, the Company's own comparable Code of Conduct documents from suppliers are recognized. Our conditions of purchase also require suppliers to observe all relevant legislation governing employee relations, environmental protection and occupational health and safety.

Within annual internal compliance trainings, appropriate awareness is given and regularly refreshed.

In the previous year, the topic of human rights was examined as part of a project conducted across all sites to integrate ESG risks into the company's internal risk management system. Following a risk analysis, it was incorporated as a risk of "breaches of human rights in the supply chain" with a low probability of occurrence.

As part of the ESG risk management introduced, all active suppliers are assessed with regard to country risks on the basis of the OECD classification.

As a further preventive measure, detailed ESG surveys and assessments were conducted for more than 80% of preferred and key suppliers in the reporting year and random checks were conducted through supplier audits.

Also the criteria for the annual supplier assessment were already sharpened with regard to human rights violations in 2021.

Additional information on the topic of human rights can be found in Criterion 1.7 “Depth of Value Chain” and in the key performance indicators GRI SRS-414-1 and GRI SRS-414-2.

5.2 KEY PERFORMANCE INDICATORS FOR CRITERION 5.1

Key Performance Indicator GRI SRS-414-1*

In accordance with our process instructions, new suppliers are asked in a supplier self-declaration whether they operate in accordance with a social responsibility code, preferably the principles of the UN Global Compact Initiative. If, exceptionally, a supplier has to be set up at short notice, the self-declaration is obtained at a later date. As part of the qualification process, the suppliers are then assessed according to social criteria and are required to confirm in writing their compliance with the Code of Conduct.

The direct suppliers newly set up during the reporting period were assessed to 100% at the Garbsen, Fürth and Suhl sites.

Key Performance Indicator GRI SRS-414-2*

The social impact of series production suppliers that cumulatively account for 80% of the procurement volume as well as selected suppliers with growth potential were reviewed in the reporting period.

No negative effects on human rights at the direct suppliers of LPKF Laser & Electronics SE were identified in the reporting period.

5.3 CORPORATE CITIZENSHIP

LPKF can only succeed in a functioning social environment. We are actively involved in a range of projects at our locations. In that regard, most initiatives are planned and implemented by employees in coordination with management at the site.

Promoting young people in the areas of science and education are important priorities for us. We offer a variety of internships for pupils, students and retrainees. We help students to carry out practical bachelor and master theses on a broad range of subjects by providing the necessary resources and corresponding experts.

The national “Future Day” initiative for pupils was called off due to the measures to contain the spread of COVID-19, which forced LPKF to suspend its activities in this area in 2021. In 2022 we were able to provide a virtual “Future Day” for the first time. In 2022, the career

guidance information events for schoolchildren could be held after two years of absence due to COVID-19.

Social commitment

Social issues	LPKF donates	<ul style="list-style-type: none"> - LPKFmovesyou - fundraising through sports activities by the employees - "Animal-Help-Human" Foundation - Participation in the Children's Future Foundation's Christmas parcel campaign - Support for the recreational club "Rapido" in Slovenia - Association for Democracy and cosmopolitan e.V.
Science and education	LPKF supports	<ul style="list-style-type: none"> - Association for youth and technology Suhl e.V. - Marie-Therese School - Forum MedTech Pharma e.V.
Art, sport and culture	LPKF donates	<ul style="list-style-type: none"> - DC Dartskulls Basche e.V. - SV Jüchsen - Karate Club Suhl e.V. - TSV Kolenfeld e.V.

Donation activities

	2022	2021	2020
Garbsen	5,600.00 €	10,639.82 €	12,700.00 €
Suhl	1,500.00 €	5,220.71 €	9,400.00 €
Fürth	4,660.00 €	2,039.47 €	1,000.00 €
Naklo	13,100.00 €	10,500.00 €	11,000.00 €

*The key figures were first reported in 2020. Therefore, the figures for 2018 and 2019 are not in the scope.

5.4 KEY PERFORMANCE INDICATOR FOR CRITERION 5.3

Key Performance Indicator GRI SRS-201-1*

An overview of the business indicators for this key performance indicator can be found in the [2022 Annual Report](#) on pages 86-106 (Management Board and Supervisory Board Remuneration), pages 109/110 (Consolidated Statement of Financial Position), page 108 (Consolidated Statement of Comprehensive Income), pages 111/112 (Consolidated Statement of Cash Flows) and pages 127-135 (Notes on the Consolidated Income Statement).

5.5 POLITICAL INFLUENCE

Legislative processes relevant to LPKF relate primarily to general provisions of commercial, civil and capital market law, company and tax legislation, occupational safety, labor and social legislation and product category-specific requirements. LPKF did not make any submissions on legislative processes during the reporting period.

LPKF is not active on a party political basis and does not support any parties. We are involved in expert panels and industry associations.

The company is a member of the following associations:

- BME – Bundesverband Materialwirtschaft, Einkauf und Logistik e.V. (Federal Association of Materials Management, Purchasing and Logistics)
- DGFP – Deutsche Gesellschaft für Personalführung e.V. (German Association for Human Resources Management)
- DIN – Deutsches Institut für Normung e.V. (German Institute for Standardization)
- Leibniz Universitätsgesellschaft Hannover e.V. (Leibniz University of Hanover Society)
- Stifterverband für die Deutsche Wissenschaft (German Association for the Promotion of Science)
- VDMA – Verband Deutscher Maschinen- und Anlagenbau e.V. (German Engineering Association)
- DIRK – Deutscher Investor Relations Verband e.V. (German Investor Relations Association)

5.6 KEY PERFORMANCE INDICATOR FOR CRITERION 5.5

Key Performance Indicator GRI SRS-415-1*

LPKF Laser & Electronics SE does not donate or provide non-cash benefits to political parties, politicians or for political purposes.

5.7 CONDUCT THAT COMPLIES WITH THE LAW AND POLICY

As a company with global operations, LPKF has responsibilities to its customers, employees, shareholders and to the general public. Part of being a good corporate citizen means that LPKF requires all its employees to obey applicable laws everywhere and at all times, to respect ethical principles and to adopt sustainable practices.

Compliance

In 2015, LPKF introduced a [Compliance Code](#) as a guiding framework for all employees in the LPKF Group. Available in German and in English, it identifies possible areas of risk and conflict including those in relation to corruption, export control/money laundering and data protection and sets out best-practice guidelines. Group-wide mandatory online compliance training for all employees has been held annually since 2019. This aims to achieve the goal of raising employee awareness as effectively as possible for the topic of compliance. The training is offered in German, English, Slovenian and Chinese. New employees are given a copy of the Compliance Code directly with their employment documents and complete the compliance training course shortly after joining the company. The main features of the [Compliance Management System](#) are published on the company's homepage.

As part of an annual partial legal area analysis, the Management Board and the Compliance Manager examine which legal areas are relevant to compliance at the company. A compliance risk analysis is performed once every two years, most recently in 2022.

Training on “Market abuse law – Prohibition of insider trading” has been conducted for executives and relevant employees throughout the Group since 2019.

The Chief Financial Officer (CFO) is the member of the Management Board with responsibility for establishing the structural and organizational framework for compliance management. The Compliance Manager is charged with setting up, developing and administering the compliance structure and is also the point of contact for all compliance-related matters. He reports in this capacity directly to the Management Board.

The management is informed by the Compliance Officer when incidents occur and is involved in following up possible incidents and the resulting measures. Sanctioning measures can include employment law measures as well as general legal steps.

Fraud and money laundering prevention

Since 2020, the company has intensified its focus on the risks of fraud and money laundering.

Following organizational changes, a money laundering officer and deputy were appointed in 2021. Both persons received further training and certification during the previous year as part of an external training course on the prevention of money laundering and fraud. They are responsible for ensuring compliance with the legal requirements under the money laundering legislation and for establishing the necessary organizational measures and processes. They also help minimize risks associated with fraud or the financing of terrorists. During the year, selected groups of employees receive regular instruction regarding the risks of money laundering, financing terrorism and are trained using individual measures.

In January 2022, annually recurring online training courses devoted to the topics of money laundering, know your-customer, financing terrorism and fraud were conducted for the first time within the LPKF Group. To guarantee a suitable degree of awareness, the training courses will be revised at regular intervals.

Taxes and tax structuring measures

LPKF is active with its business activities through its own subsidiaries in 6 (from 2023 in 7 countries, Vietnam) countries. The activities exclusively include activities within the scope of our business model, with most of the foreign subsidiaries pursuing sales and service activities. The activities in the respective countries are not performed with the motive of achieving tax advantages but serve the approach of following our customers into new regions. The arrangement of the contracts with the subsidiaries is subject to the arm's length principle, and we also consult internationally active consulting firms in this context. In tax audits, the manner of our worldwide business activities has never been objected to. The last tax audit took place in 2022 without any objections.

Whistleblowing management

We introduced a whistleblowing management system in 2017. Every employee can submit a complaint which points to the breach of a law or the Code of Conduct. The employee can

make that complaint to his or her line manager, the relevant managing director, the works council or the Compliance Manager. In addition, an independent lawyer has been appointed as confidential legal counsel to the company, who acts as an external reporting channel and to whom anonymous reports can be submitted. The protection of whistleblowers is safeguarded by our whistleblowing management policy. In our view, this procedure is also in line with the planned implementation of the EU Whistleblowing Directive.

Internal Revision

Internal auditing, which is performed by an international audit firm operating as a third-party service provider, plays a key role in the compliance organization. The relevant audits are also used to update the internal control system.

The systems, processes and measures reported on here are collectively sufficient to prevent unlawful conduct. The topic of corruption was examined as part of a project conducted across all sites to integrate ESG risks into the company's internal risk management system. Following a risk analysis, it was incorporated as a risk of "bribery and corruptibility by or of employees" with a very low probability of occurrence. The provision of training courses to raise of staff awareness was defined as a measure to prevent corruption.

5.8 KEY PERFORMANCE INDICATORS FOR CRITERION 5.7

Key Performance Indicator GRI SRS-205-2*

Measures aimed at preventing corruption have been defined in particular to the company's strong international focus. As part of the annual partial legal area analysis, the Management Board once again highlighted the topic of corruption as a priority throughout the Group. Corruption awareness was explicitly included in compliance training at all locations.

Key Performance Indicator GRI SRS-205-3*

There were no incidents of corruption in the reporting period.

Key Performance Indicator GRI SRS-206-1*

LPKF SE was not subject to any significant fines or non-monetary sanctions for failing to comply with laws or regulations in the reporting period.

APPENDIX

Economic activities	Codes	Absolute turnover	Proportion of turnover	Substantial Contribution Criteria					
				CM	CA	WM	CE	PO	BD
A. Taxonomy eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
3.1 Manufacture of renewable energy technologies	3.1	38,387	31%	100%					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		38,387	31%						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)									
Total A1 + A2		38,387	31%						
B. Taxonomy non-eligible activities									
Turnover of Taxonomy non-eligible activities (B)		85,312	69%						
Total A + B		123,699	100%						
CM = Climate Change Mitigation CA = Climate Change Adaptation WM = Water and marine resources CE = Circular economy PO = Pollution BD = Biodiversity and ecosystems MS = Minimum Safeguards E = Enabling activity T = Transitional activity									

DNSH - Criteria ("Does Not Significantly Harm")					MS	Taxonomy aligned proportion of turnover		Category	
CA	WM	CE	PO	BD		2022	2021	E	T
Y	Y	Y	Y	Y	Y	31%		E	

Economic activities	Codes	Absolute CapEx	Proportion of CapEx	Substantial Contribution Criteria					
				CM	CA	WM	CE	PO	BD
A. Taxonomy eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
3.1 Manufacture of renewable energy technologies	3.1	705	8%	100%					
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4	24	0%	100%					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
		729	8%						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	6.5	27	0%						
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)									
		27	0%						
Total A1 + A2		756	9%						
B. Taxonomy non-eligible activities									
CapEx of Taxonomy non-eligible activities (B)									
		7,964	91%						
Total A + B		8,720	100%						

Economic activities	Codes	Absolute OpEx	Proportion of OpEx	Substantial Contribution Criteria					
				CM	CA	WM	CE	PO	BD
A. Taxonomy eligible activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
3.1 Manufacture of renewable energy technologies	3.1	3,288	19%	100%					
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,288	19%						
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
OpEx of Taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)									
Total A1 + A2		3,288	19%						
B. Taxonomy non-eligible activities									
OpEx of Taxonomy non-eligible activities (B)		14,229	81%						
Total A + B		17,517	100%						

DNSH - Criteria ("Does Not Significantly Harm")						Taxonomy aligned proportion of OpEx		Category	
CA	WM	CE	PO	BD	MS	2022	2021	E	T
Y	Y	Y	Y	Y	Y	19%		E	

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Nuclear energy related activities

The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
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The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	no
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The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	no
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Fossil gas related activities

The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	no
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The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	no
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The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no
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GRI-INDEX

Topic	GRI-Disclosure	Page
Approach to stakeholder engagement	GRI 2-29	9
Energy consumption within the organization	GRI SRS-302-1*	23
Water consumption	GRI SRS-303-5	24
Water discharge	GRI SRS-303-4*	24
Management of significant waste-related impacts	GRI SRS-306-2	25
Work-related injuries	GRI SRS-403-9*	39
Work-related ill health	GRI SRS-403-10	40
Worker participation, consultation, and communication on occupational health and safety	GRI SRS-403-4	40
Average hours of training per year per employee	GRI SRS-404-1*	40
Diversity of governance bodies and employees	GRI SRS-405-1*	41
Incidents of discrimination and corrective actions taken	GRI SRS-406-1*	42
Remuneration policies	GRI 2-19	43
Annual total compensation ratio	GRI 2-21	43
New Suppliers that were screened using social criteria	GRI SRS-414-1*	45
Negative social impacts in the supply chain and actions taken	GRI SRS-414-2*	45
Direct economic value generated and distributed	GRI SRS-201-1*	46
Political contributions	GRI SRS-415-1*	47
Communication and training about anti-corruption policies and procedures	GRI SRS-205-2*	49
Confirmed incidents of corruption and actions taken	GRI SRS-205-3*	49
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	GRI SRS-206-1	49

LPKF Laser & Electronics SE has reported the information cited in this GRI content index for the period 1st January to 31st December with reference to the GRI Standards.

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT¹

To the Supervisory Board of LPKF Laser & Electronics SE, Garbsen

We have performed a limited assurance engagement on the group non-financial statement of LPKF Laser & Electronics SE, Garbsen (hereinafter "Company" or "LPKF") and on the non-financial statement of the Company that is combined with it, which are published in the form of a separate report outside of the Management Report (hereinafter the "combined separate non-financial report"), for the period from January 1 to December 31, 2022.

Responsibilities of Management

Management of the parent company is responsible for the preparation of the combined separate non-financial report in accordance with sections 315c in conjunction with 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section "EU taxonomy" of the combined separate non-financial report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the group that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as they consider necessary to enable the preparation of a combined separate non-financial report that is free from material misstatement, whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, management has disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section "EU taxonomy" of the combined separate non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and Quality Assurance of the Assurance Practitioner's firm

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (*Institut der Wirtschaftsprüfer, IDW*) regarding quality assurance requirements in audit practice (IDW QS 1).

¹ Our engagement applied to the German version of the combined separate non-financial report 2022. This test is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative. 59

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the combined separate non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's combined separate non-financial report is not prepared, in all material respects, in accordance with sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section "EU taxonomy" of the combined separate non-financial report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for LPKF
- A risk analysis, including media research, to identify relevant information on LPKF's sustainability performance in the reporting period
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures, including data consolidation, on environmental, employee and social matters, respect for human rights and combating corruption and bribery
- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures
- Assessment of the design and implementation of systems and processes for the determination, processing and monitoring of data on turnover, capital expenditures and operating expenses for taxonomy-eligible and taxonomy-aligned economic activities
- Inspection of selected internal and external documents
- Analytical procedures for the evaluation of data and trends of quantitative disclosures as reported at group level by all sites
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data by a sample survey at the site of LPKF SolarQuipment GmbH in Suhl (Germany)
- Evaluation of the process to identify taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the combined separate non-financial report
- Evaluation of the overall presentation of the disclosures in the combined separate non-financial report

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that

undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined separate non-financial report of LPKF Laser & Electronics SE, Garbsen for the period from January 1 to December 31, 2022 has not been prepared, in all material respects, in accordance with sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section “EU taxonomy” of the combined separate non-financial report.

Restriction of Use

This assurance report is solely addressed to the Supervisory Board of LPKF Laser & Electronics SE.

Our assignment for LPKF Laser & Electronics SE and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer (German Public Auditors) and Wirtschaftsprüfungsgesellschaften (German Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017. By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Hamburg, April 26, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Krause

Edelmann
Wirtschaftsprüferin
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You can find additional information about LPKF Laser & Electronics SE as well as the addresses of our subsidiaries on the Internet at www.lpkf.com. This report is also available for downloading on our homepage.

Disclaimer

This non-financial consolidated report contains forward-looking statements that are based on the Management Board's current estimates and forecasts and on information currently available. These forward-looking statements should not be interpreted as guarantees of anticipated future developments and results. On the contrary, the future developments and results depend on a large number of risks and uncertainties and are based on assumptions that might not prove accurate. We are under no obligation to update these forward-looking statements. For mathematical reasons, rounding differences may occur in percentage figures and numbers in the tables, illustrations and texts contained in this report.

This non-financial report is published in German and English. The German version shall prevail in case of any discrepancies.

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