



10. NON-FINANCIAL STATEMENT GROUP (§§ 315b TO 315c HGB)

ABOUT THIS STATEMENT

Pursuant to the law for “strengthening the non-financial reporting” in the management report and the group management report (CSR Directive Implementation Law), the Basler group (briefly: “group” or “Basler”) is obliged to set up a non-financial statement for financial year 2021. The present summary of the non-financial statement meets this reporting requirements according to §§ 315b and 315c in connection with 289c to 289e HGB (German Commercial Code). The report focuses on the most important topics of the materiality

analysis insofar as they are not already covered in other chapters of the annual report.

The information provided applies primarily to the head office in Ahrensburg as well as the smaller branches in Neumünster and Mannheim. In the coming financial years, the company plans to grow in the still small foreign branches and to roll out the processes described in this report and established in the German branches across the group. The group includes the scope of consolidation described in the annual report (please see group notes (IFRS) in the 2021 Annual Report, chapter “Basics of Consolidation”). Concepts only applying to individual areas or locations are marked as such.

In accordance with § 289c (3) of the German Commercial Code (HGB), the non-financial report must include material risks that are very likely to have a serious negative impact on the Group. Basler has implemented an internal risk management system for the systematic recording of risks. The results of Basler’s risk management are described separately in the chapter „Opportunity and risk report“ in the group management report.

Sustainability Management and Materiality Analysis

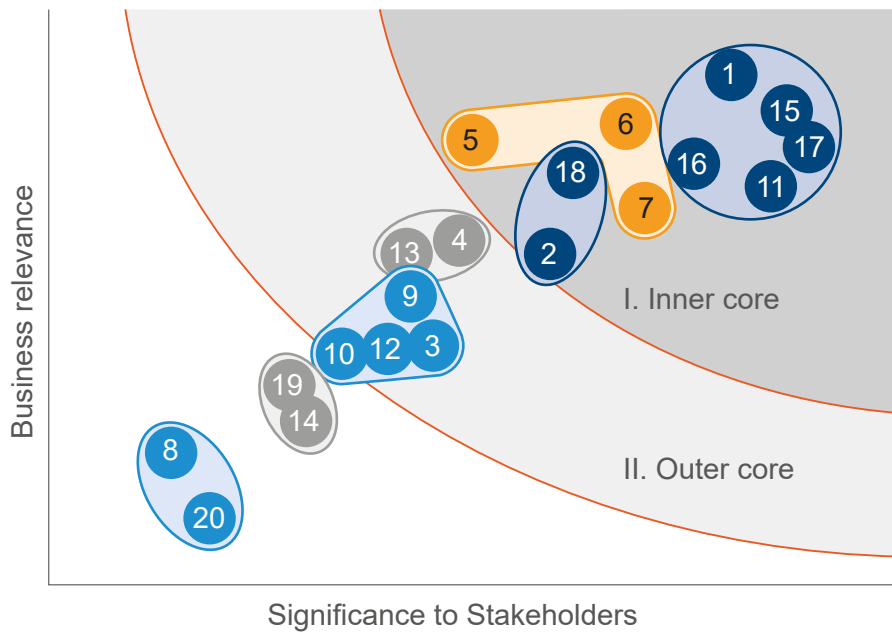
In fiscal 2021, the Basler group created and successfully filled a new full-time position for sustainability management. The aim is to ensure that issues of corporate responsibility and, in particular, economic, ecological and social sustainability are better addressed and that the diverse tasks are brought together in a concentrated manner.

As an initial measure, the updates of the materiality analysis carried out for the first time four years ago was checked and then revised to include the most important impact factors (risks and opportunities) and effects (impact) for the Group. After intensive consultation, the management board, together with top management, decided on this basis to integrate sustainability into the overall strategy using selected targets and key performance indicators. From now on, the implementation and advancement of the sustainability targets will be regularly monitored by the management board and supervisory board as an integral part of the overall strategy.

Results of the Materiality Analysis

From a comprehensive collection of topics of possible sustainability aspects a list comprising twenty relevant topics was prepared taking into consideration international reporting standards, regulatory and social trends as well as industry-specific requirements and an internal kick-off workshop.

In a survey within the top management including all key corporate functions, the business relevance (opportunities and risks) as well as the significance for the respective assigned stakeholders (impact) were recorded, according to the authoritative principle of „double materiality“. The following materiality matrix summarizes the results:



<p>Business & Governance</p> <ul style="list-style-type: none"> 1 Customer satisfaction 2 Data security in products 11 Financial performance 15 Innovation capacity 16 Integrity & compliance 17 Product performance & quality 18 Supply chain resilience 	<p>Enviromental</p> <ul style="list-style-type: none"> 3 Decarbonization 8 Energy efficient products 9 Green supply chain 10 E-waste reduction / circular 12 Harmful chemicals 20 Waste (other than e-waste)
<p>Employee matters</p> <ul style="list-style-type: none"> 5 Development & training 6 Safety & health 7 Satisfaction & work-life-balance 	<p>Social</p> <ul style="list-style-type: none"> 4 Diversity & equality 13 Human rights / resp. sourcing 14 Inclusion 19 Social Engagement

Only those topics are listed that were rated as important in both dimensions. For Prioritization, a further differentiation was made above this hurdle for core and less central topics. The topics of the inner core concern the basic pre-requisites for the long-term company success, the outer core includes the currently most relevant ecological and social topics. The core topics are in the focus of the sustainability strategy and are increasingly coordinated in a central way. Outside the core are those topics, that are driven forward in a more central way and in cooperation between the involved persons and departments.

Business and Leadership

In both dimensions, the economic sustainability is far at the top with a central group around customer satisfaction, innovation capability, product performance and the financial ratios, as well as integrity and compliance.

A second group in the inner core are the two more defensive topics of supply chain resilience and product data security.

Employee Concerns

Also in the innermost core is a group around employee issues: Satisfaction and work-life balance and health and safety, plus still in the inner core, but slightly set back from a stakeholder perspective, is the employee development and training element.

Ecology

Downstream from the business and employee topics, but still located in the outer core, is a group around four ecological topics: The decarbonization of the company, environmental protection and nature conservation in the supply chain, the management of potential pollutants, and electronic waste.

The topics of waste avoidance (with the exception of electronic waste) and energy-efficient products, on the other hand, tend to be on the periphery in relative terms.

Social

Also in the outer core, the social issues of diversity and equal treatment as well as human rights and responsibility in the supply chain form a major group, with inclusion and social engagement below them.

Sustainability Strategy

The sustainability strategy adopted by the management board takes account of the results of the materiality analysis and also of the values lived by the Basler group. The well-being of employees is given top priority alongside business aspects and is understood to be closely linked to them: As a technology-oriented company that relies above all on its ability to innovate in order to solve its customers' problems, Basler is particularly dependent on the fresh ideas, creativity and commitment of all its colleagues around the world and aims to continue offering attractive working conditions for the best young talents in the future.

At the same time, the group is very conscious about ecological and social aspects also playing a central role in a modern economy for the long-term

success of the company. Basler follows the philosophy of not only wanting to avoid burdens on people and the environment, but also to make a measurable contribution to a world worth living in the sense of shared value creation. One of the ambitious targets is to become climate-neutral in direct greenhouse gas emissions from own processes by 2030 (scope 1 and 2). The determination of a reduction target for indirect emissions, as for example sales and purchase logistics of so-called scope 3 is to take place in fiscal year 2022 after a further forward planning. One important element of the sustainability strategy is to address markets in which Basler can specifically support the challenges of overall social change toward a more sustainable economy of the future with its own products, development and innovation and make even better use of the resulting opportunities. Furthermore, Basler intends to remain a highly attractive employer in the long term by constantly investing in the skills of its employees with a good working environment and in a trusting corporate culture at all its subsidiaries worldwide.

Business Model

Basler is an internationally leading manufacturer of image processing components for applications in factory automation, medical, traffic and many further markets. The Basler group employs almost 900 employees worldwide.

Decisive factors for the more than 30-year company development is the maintaining of a value-oriented corporate culture, the courage to take risks, the willingness to consider constant change as normal, and the passion to drive customer-oriented innovations and thus lead the company sustainably into the future. Reliability and trustworthiness are key brand values for which Basler AG stands with customers, employees, suppliers, partners and other stakeholders.

The company's vision and mission is to develop computer vision technologies that are used in applications to enhance the quality of life. For example, image processing components from Basler are used in production processes to minimize waste, in semiconductor and electronics production, in medical technology for the early detection of cancer, in logistics for faster order processing in web stores, in recycling of materials or in food inspection.

Further explanations of Basler AG's business model can be found in section 1.1 of the management report.

BUSINESS AND LEADERSHIP

Customer Satisfaction

Aim:

Regular customer satisfaction surveys are intended to ensure the long-term success of the company and to better understand the problems faced by customers.

Key Measures and Due Diligence Processes:

The company uses the industry-standard Net Promoter Score (NPS) method to continuously assess customer satisfaction. In addition to the rating, customers have the option of providing written comments.

After a completed sales opportunity or after a completed support request in customer service, a request is sent to the respective customer for evaluation. The results are evaluated on a monthly basis and appropriate measures are derived from them.

Results:

The result of customer satisfaction survey is mapped in the form of a key figure in the company's balanced scorecard, which is used to derive process improvements and further measures. As a result of continuous monitoring and mapping in the balanced scorecard, the company immediately initiates measures as soon as the NPS falls below the target value of 40.

Quality and Data Security of the Products

Aim:

Within the software development the customers' data security and the operating capability of their machines with Basler software and hardware components is the highest goal. Therefore, Basler relies on a sustainable and

multi-secured release process which ensures high quality and fail-safety of the software components and minimizes the risk for data leaks and vulnerability of the Basler components.

Key Measures and Due Diligence Processes:

Special processes such as „pair programming“, „review processes“ and „continuous integration“ with a high unit test and automated test coverage are used in development. Secure signing in the build and release procedures also ensures protection against forgery, so that customers can always rely on Basler as the source of original software.

In the course of an expansion of software and cloud offerings, the topic of data security will gain relevance in the future. In this context, additional, thorough test procedures (e.g., "penetration tests") will be introduced to ensure the highest possible data security.

After the cyberattack, further measures were taken to further increase data security and the resilience of the company as a whole (see opportunities and risks report).

The constant further development of the employees and the use of up-to-date libraries, tools and frameworks also contribute to a modern and secure software product.

Direct support and the evaluation of customer feedback support the development to continue to improve.

Innovation Capability

More than ever, the computer vision industry is transforming, inter alia driven by powerful new technologies and an increasing competition. For Basler, this change means constantly adapting new technologies and adjusting product offerings. The company's innovation capability plays a key role in this challenge.

Aim:

The work method in the company is to become „ambidextrous“. This means that the competencies in the company are just as pronounced for working in an innovation context as they are for working in the mature core business. In addition, in the long term, a significantly higher proportion of sales is to be attributable to innovation projects than it is the case today. For 2030, this share is expected to more than double compared to 2021. In doing so, the company also intends to make greater use of the opportunities presented by the shift to a more sustainable economy.

Key Measures and Due Diligence Processes:

The implementation of the newly defined innovation macro process was completed in 2021. The focus in redefining the process was on identifying relevant technology trends in time, identifying customer and market problems, and increasing the speed of innovation. In addition, an innovation team was defined for the first time, which was given its own budget for research and development.

In addition, sustainability is included as a separate master profile in the innovation process in order to stimulate and specifically promote the development of innovative solutions for more environmentally and climate-friendly products or business models.

Results:

The annual target for innovation speed was achieved and annual sales attributable to innovation projects exceeded expectations.

Integrity and Compliance**Aim:**

The compliance of business activities with all relevant laws and standards as well as with the company's internal principles is a basic prerequisite for sustainable successful business. The Basler group's success is therefore based

not only on good business policy, but also on business ethics, trust and open and fair dealings with employees, customers, business partners, shareholders and other stakeholders.

Key Measures and Due Diligence Processes:

The code of conduct is mandatory throughout the group and is continuously developed further.

In addition to direct contact with their supervisor, employees of the Basler group can also report indications of possible violations of laws or guidelines via an external ombudsman without disclosing their identity.

The Basler code of conduct gives handling instructions for the following subjects:

- ▶ Compliance with laws and regulations
- ▶ Human rights
- ▶ Work and health safety
- ▶ Working conditions
- ▶ Discrimination, fair dealing
- ▶ Anti-Harassment - Dealing with harassment
- ▶ Freedom of speech

In addition, specifications are made for the conduct of business. This includes

- ▶ Competition law, antitrust law
- ▶ Corruption, bribery, venality
- ▶ Invitations and gifts

In addition, there are requirements for dealing with conflicts of interest, selecting and dealing with business partners, data protection, environmental and climate protection, trade controls, protection of trade secrets, insider trading and more.

Results:

For fiscal year 2021, the Group became aware of a violation of the provisions of the code of conduct, which has been investigated accordingly and has led to corrective and preventive measures.

Supply Chain Resilience

Details and measures for the resilience of the supply chain can be found in the Opportunities and Risk Report.

Environment

Already many years ago, the company established an operational environment management. More details can be found in the Environmental Policy Statement of Basler AG. In the following, some points from this will be explained in more detail.

Climate Protection

Limiting further global warming through greenhouse gas emissions is essential for a livable future on our planet. In the meantime, nearly all nations worldwide have agreed on the goal of limiting the increase in average global temperature, which is partly caused by the emission of greenhouse gases, to at least below 2 °C above pre-industrial levels, and to make efforts to limit additional warming to no more than 1.5 °C.

With an ambitious climate neutrality target published for the first time in this report, the Basler group aims to play its part in minimizing the impacts and risks associated with climate change and supporting the decarbonization of industry.

Aim:

By 2030, the Basler group aims to no longer generate any net greenhouse gases in processes directly assigned to the company. This affects the so-called scopes 1 (corporate facilities and fleet of vehicles) and 2 (electricity and energy purchased for heating and cooling). A further reduction target is to be set for so-called scope 3 greenhouse gases caused in upstream and downstream activities in the course of financial year 2022. This includes for example purchasing and logistics or the commuting of employees.

Key Measures and Due Diligence Processes:

The implementation will initially focus on scopes 1 and 2 targets and the production sites in Germany and Singapore before the other foreign companies are included. In the long term, innovations and measures in logistics purchasing, development and supply chain management will be decisive for the scope 3 targets.

From fiscal year 2022 on, in order to monitor the achievement of targets, a corporate carbon footprint will be prepared annually for the previous year and the current values will be published regularly from the next annual report onwards.

Measures in scopes 1 and 2:

Basler AG purchases its electricity from the public utility in Ahrensburg which is 100 % from renewable energy sources. A continuous maintenance of our technical equipment as well as the use of latest technologies and environmental standards ensure the highest possible energy efficiency. Furthermore, the extension of the company building, which is currently being implemented, will be carried out according to the latest technical standards.

First measures in scope 3:

In the past fiscal year, the provision of a ticket for public transport in Hamburg and the participation in the Business Bike program were implemented as subsidies for employees in order to create further incentives for climate-friendly commuting.

The Basler group has also reduced its environmental impact by traveling less and conducting many meetings via digital tools.

Offsetting unavoidable emissions:

For those emissions that cannot be further avoided up to the set targets at the respective point in time for technological or serious business reasons, emission rights corresponding to the remaining amount of CO₂ equivalents are purchased from this point in time via the official EU emissions trading system and thus withdrawn from the market. The voluntary purchase of CO₂ emission rights is always only the second-best solution for achieving emission targets. The goal is to assume responsibility through serious compensation measures after all other reasonable means have already been exhausted.

Electronic waste and pollutants

Electronics contain valuable raw materials, the extraction of which consumes energy and can cause environmental damage; on the other hand, pollutants can be released into the environment if they are not disposed of properly. Therefore, the company also wants to take a proactive approach in this field in order to contribute to an efficient and more environmentally friendly economy of the future.

Aims:

Therefore, the Basler group set itself the goal of reducing the directly caused electronic waste and minimize as far as possible pollutants.

The electronic waste (in kg) generated in the production in relation to the sales volume is to be continuously increased. This includes the categories devices, boards and cables that are continuously weighed before being handed over to certified recyclers. The corresponding key figures will be published in the upcoming annual reports.

Key Measures and Due Diligence Processes:

Basler complies with all regulatory requirements regarding ROHS and REACH and in its manufacturing process, Basler only uses hazardous substances (for

example soldering paste) if this is necessary. Before using these substances, a substitution check is conducted, meaning that it is verified whether there is a more sustainable alternative.

Metal scrap, boards and plastics are collected in separately marked waste containers and disposed of by certified specialist companies.

In addition, the further reduction of potential pollutants as well as indirect electronic waste will be included as a further objective in the development and innovation processes.

Results:

The company will include target values for the avoidance of electronic waste with corresponding key figures from the next Sustainability Report.

Employees

Employee Matters

Qualified, motivated and health employees are the basis for the Basler group's success. Therefore, the management of Basler attaches particular importance to offer an attractive working environment to its employees including suitable training and education for demanding activities. The basis for this is a safe work environment in the administration and commercial area.

Further development & training of employees, employee satisfaction and work-life balance

Aim:

The recruitment and retaining of qualified managers and specialists for a successful implementation of the company's growth strategy and the continuous development of employees. Furthermore, a good work-life balance should ensure that employee satisfaction remains in equilibrium in the long term.

Key Measures and Due Diligence Processes:

The satisfaction of the employees has a great influence on the identification as well as the performance and thus on the success of the company. Against this background, the company carries out a weekly measurement of employee satisfaction in order to identify fluctuations at an early stage and take countermeasures if necessary. The associated catalog of changing questions includes the four categories of enjoyment of work, level of information, resilience and leadership behavior. The value is part of the group's balance scorecard and thus represents a central optimization parameter. In addition, the position of a Working Environment Manager was created in fiscal year 2021 to bundle and advance the topics of occupational safety and ergonomics as well as employee health and satisfaction as a holistic task.

A good work-life balance is also of particular importance in this context. Therefore, Basler AG fosters the reconciliation of the demands of work and family life.

Basler gives special attention to own in-house trainings of young people, in order to find suitable junior staff, but also in order to confirm the social commitment in the Ahrensburg region. In 2021, the number of trainees amounted to 18 (previous year: 24).

Another key aspect of the personnel policy is the continuous development of the employees through internal and external seminars, courses, on the job trainings, or self-study. An important component of the concept is the Basler Academy, which was implemented in fiscal 2021 and will enable all employees to take online training courses tailored to their needs at any time and from any location. Once a year, development reviews with the employees are conducted in which employee and manager agree on development objectives. The progress is reviewed regularly.

Also the company culture is an important element of the company's success and the retaining of employees. The handling of these values, as well as their safeguarding and further development of the company – also in view of the past and future strong growth of Basler – is a great concern of the company.

Results:

Due to the measures that were taken, the Basler group ensured an appropriate qualification of its employees and an attractive working environment. Additionally, new employees were hired. The employees' satisfaction is reflected in a low fluctuation rate of 1.01 % (previous year: 2.07 %). This rate is calculated by dividing the group's own terminations for the full year 2021 by the total number of employees in the group as of the reporting date December 31, 2021 (excluding apprentices, temporary staff, interns & final-year students).

In 2021, the average number of employees of the group was 914 (previous year: 857), 36.73 % (previous year: 37.67 %) of them are female. Converted to the number of equivalents of full-time employment the average number of employees was 864 (previous year: 808).

The interest in a good work-life-balance and the reconciliation of family and work is - inter alia - reflected in the part-time rate. This amounts to 24.06 % (previous year: 25.72 %) and on the manager level it amounts to 26.24 % (previous year: 27.43 %).

The expenses for training of the Basler group amounted to € 500 thousand in financial year 2021 (previous year: € 394 thousand).

In 2021, the number of hours in the Basler academy for internal trainings per employee amounted to 5.43 hours. The Basler academy – only implemented in 2021 - is an advancement of the Basler college. For the Basler college no survey of training hours was made in the past.

The continuous employee satisfaction survey has - inter alia - set itself the target to ensure a balanced work-life-balance of the employees. In addition to various part-time models and flexible working time and places, Basler AG offers child care services for emergencies and during special working hours. This may be made use of in the company childcare room or at home. Since 2011, the company is certified as „family-friendly company“ by the Hertie Foundation. Regular audits confirm a very good implementation and cultural embedding of the reconciliation of work and family at Basler AG. Furthermore, the company offers the option of sabbaticals to its employees.

In the two past years that were characterized by Covid-19, home office work considerably gained importance. The company supported this to the best of its ability and heavily invested during this period to ensure that employees are suitably well equipped at home.

The values of corporate culture shown under www.baslerweb.com/en/company/investors/sustainability/ are regularly updated, supported with different group-wide activities throughout the year and actively lived.

Work Safety and Health

Aim:

Basler AG ensures the safety and health of its employees through regular trainings and instructions.

Key Measures and Due Diligence Processes:

In order to ensure the well-being of the employees, legal work safety requirements are observed. They are recorded in a safety manual that is accessible to all employees in the intranet. Furthermore, annual work safety trainings take place. Due to Basler AG's production structure that consists of various machines and partly requires clean-room conditions, operating procedures for air pollution control and sound minimization are key safety measures. These requirements are met by using air circulation systems in the shop floors. Additionally, legally prescribed fire protection measures are taken in the form of a central fire alarm system, fire protection walls, smoke ventilation systems, and sprinkler systems.

For identifying potential dangers and need for action as well as deriving measures, an external agency for work safety regularly conducts inspections of the business premises as well as the building. These inspections include inter alia a review of the storage of dangerous materials, emissions and fine dust in buildings as well as further dangers for the employees' health. Regular measurements of the room air in the production area are made for monitoring the air quality. To avoid an increased dust loading additional measurements and cleaning measures are carried out.

In order to raise employee awareness of how to avoid hazards and to ensure that this awareness is maintained in the long term, introductions and regular instruction on occupational safety, health and fire protection are carried out. Some of the employees are specially trained in first aid and as safety officers or fire protection and evacuation assistants and receive regular training.

Furthermore, Basler AG has a cooperation with the Fürstenberg Institute which supports the company in the health management focusing on the prevention of stress factors.

Free of charge fruits and mineral water are available for the employees. Basler AG subsidizes lunch for all employees in the company bistro in Ahrensburg.

In 2021, the corona pandemic also posed major challenges for the Basler Group in terms of occupational safety, among other things. Employees' health was a top priority at all times. A variety of measures were successfully implemented to protect the entire team while at the same time fully maintaining business operations. In addition to strict hygiene regulations, production and office workplaces were strictly separated. For the majority of office activities, employees are still able to work from home.

Results:

Due to the implemented measures and processes the company achieved a high level of safety and health of its employees. In 2021, the sickness rate at Basler AG amounted to 4.69 % (previous year: 4.72 %).

In the past year, Basler AG together with company physicians, offered several vaccination appointments against Covid-19 for its employees.

The occupational accident rate at Basler AG amounted to 0.02 % in 2021 (previous year: 0.00 %). This rate is calculated by dividing the hours lost due to occupational accidents by the hours worked by all employees as of December 31, 2021. Occupational accidents are accidents suffered by employees at work or on their way to work. The absence must be a direct consequence of the accident.

Social Matters

Diversity and Equal Opportunities

Aim:

In order to offer an attractive and effective working environment, diversity and equal opportunities are supported.

Against this background, the management board and the supervisory board decided that until the end of 2025 a female quota of 30 % should be achieved in executive functions and of 32,5 % on head of department level. The supervisory board has decided that, until further notice, an increase in the quota of women on the supervisory board and the management board will be sought but does not have to be achieved.

Key Measures and Due Diligence Processes

Basler is not bound by collective bargaining agreements and does not refer to existing collective bargaining agreements in matters of remuneration. The German sites have a transparent salary system that regulates the remuneration of employees. This salary system is based on job descriptions that are drawn up independently of individuals and evaluated by an external institute. This ensures a gender-neutral and person-independent classification.

The company's staff is characterized by a variety of home countries and cultures. In order to promote the integration of employees of different nationalities and generations, language classes are offered, and in video conferences and during visits in the subsidiaries an intensive exchange takes place. Furthermore, projects are carried out with international participants additionally supporting the integration in social events. The majority of the communication of the company is in German and English language.

The company offers a special development program (High Potential Program) to qualify talented employees for management positions. In the 2021 program run, the focus of the internationally launched program was placed on promoting women in management positions.

At the group's headquarters in Ahrensburg, great importance is attached to the issue of work and integration. There is a works council and a representative body for people with disabilities, and the barrier-free expansion of the company is constantly being driven forward.

Results:

Due to integration measures and high international composition, the Basler Group has a great diversity within the global workforce, whereby the company strives for a continuous increase of depth of value added in the foreign subsidiaries and for transforming from an international company to a global one. By using digital tools, the international collaboration and thus the diversity in thought and action could be further increased despite of Covid-19.

With Prof. Dr. Mirja Steinkamp as well as Dorothea Brandes as employee representative, the female representation in the supervisory board of Basler AG is currently more than 30 %. The management board currently exists of four male members. Regarding the change in the management board on January , 2021, there was a very qualified candidate within the company and thus an external search was not considered.

The first management level below the management board is the divisional management or the executives, and below that the department management. On December 31, 2021, 23.08 % of the executives and 29.21 % of the department managers were female. The targets for promoting the participation of women in management positions had not yet been achieved by the end of the reporting period. This development is due to the M&A transactions of smaller companies in the past four years, in which predominantly men hold executive positions. The opportunities within the scope of organic growth over the short period were not sufficient to compensate for this effect. In addition, while there were significant new hires in 2021, this was with the largest share in development. Typically, the number of female applicants in this area is relatively low.

The special promotion program (high potential program) of Basler Group could also be performed in the Covid-19 affected year 2021. It is planned to give half of the places to women and to focus the contents on different gender roles in leading positions. The aim is to identify and promote executives in order to

significantly increase in the long run female proportion in leadership positions. It is planned to give half of the places to women and to focus the contents on different gender roles in leading positions. The aim is to identify and promote executives in order to significantly increase female proportion in leadership positions. In the past year, 6 employees were selected for the High Potential Program (5 women and 1 man). 3 of these female employees have since moved into management positions.

Eleven employees (three of them female) participated with their ideas in the group-wide innovation competition 2021. Nine employees were from Ahrensburg, two were from Mannheim.

In financial year 2021, the company had 20 (previous year: 18) employees who are covered by the Severely Disabled Persons Act.

Responsible Procurement / Respect of Human Rights

Respect for human rights is a non-negotiable norm for the Basler group. To ensure that the Basler group does not permit any form of human rights violations in its business relationships, internal and external communications and the corresponding due diligence processes will be continuously expanded and improved.

Aim:

An aim of this concept is to avoid human rights violation in Basler AG's business relations.

Key Measures and Due Diligence Processes:

At the end of the fiscal year, the Basler group decided to introduce a further developed corporate policy on conflict minerals in order to gain more certainty along the supply chain about the origin and extraction conditions of tin, tantalum, tungsten, gold and cobalt. The corresponding declaration can be found online at www.baslerweb.com/en/company/investors/sustainability/.

The aim of the declaration and the due diligence process that was implemented with it is to ensure a comprehensive monitoring of the supply chain and to oblige suppliers to comply with appropriate due diligence requirements. The Basler group thus assumes responsibility beyond what is legally required to ensure that the minerals contained in the products are not sourced from conflict and high-risk areas where human rights are disregarded and violated. Should violations be disclosed or become probable in the course of the review, appropriate measures will follow in cooperation with the suppliers.

In addition, compliance with human rights and other legal requirements is also enshrined in the group-wide code of conduct. This does not only include the group's own business practices, but also obliges all business partners to comply with basic human rights or higher standards and violations can be reported via the whistleblower system (see also Integrity and Compliance).

Result:

The company's conflict minerals policy has been published and the corresponding monitoring process for Basler AG has been implemented. In the course of 2022, the process will be implemented throughout the group and all eligible suppliers will be involved and contractually obligated to comply with it. In future annual reports, the Basler group will report openly and transparently on any violations that have come to light and any corrective measures initiated.

For the financial year 2021, no cases of violations of human rights emerged at Basler AG or in its business activities.

The complete code of conduct is shown under:

www.baslerweb.com/en/company/investors/sustainability/.

Social Commitment

Basler AG bears social responsibility. This is particularly valid for the headquarters in Ahrensburg where the majority of the employees reside.

Aim:

Basler AG's aim is to promote the local economic and social development considering interests of local stakeholder groups.

Key Measures and Due Diligence Processes:

As one of the biggest private employers in Ahrensburg, the group plays an important role for the local economy and society. The group fulfills this role in different external and internal areas.

Thus, the headquarters in Ahrensburg offers workshops for schools in order to arouse interest for the different occupational areas within the company and to attract attention at an early stage as a local employer. This also includes the company's donation of HuCon (Human Controlled Roboter) Sets to secondary schools for the promotion of computer science education

Furthermore, there is an educational partnership via Wissenfabrik e.V., through which the company sponsors the KiTec project. KiTec helps children in daycare centers, elementary schools and the first years of secondary schools to experience technology, to understand technical contexts and to become creative themselves with ageappropriate tool and material boxes.

Moreover, Basler AG supports social projects as „Wi mook dat“ at the Arche in Billstedt.

In 2021, the Mannheim site organized the participation in the Mannheim company run for the entire Basler AG.

Other fixed components of the annual program are hackathons organized by the company for up-and-coming programmers or participation in Girls Day.

Dr. Dietmar Ley, CEO of the company, is a member of the board of the professional association Robotics and Automation of the VDMA (Verein Deutscher Maschinen- und Anlagenbau, German Engineering Association).

Furthermore, Hardy Mehl is member of the board of the professional association Image Processing of the VDMA (Verein Deutscher Maschinen- und Anlagenbau, German Engineering Association) and Arndt Bake is member of the board of the European Machine Vision Association (EMVA).

Result:

Basler AG's social commitment fosters the local and national economy as well as the society. Special attention is given to new talents.

In 2021, all these actions were also firmly scheduled, but many of them unfortunately had to be cancelled due to corona.

Information according to Regulation (EU) 2020/852

In accordance with Regulation (EU) 2020/852 and the relevant provisions of the associated Delegated Regulation (EU) 2021/2178, the Basler group discloses for the first time the shares of taxonomy-eligible and non-taxonomy-eligible economic activities at Group level:

A „taxonomy-suitable economic activity“ means an economic activity described in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852, regardless of whether that economic activity meets all of the technical assessment criteria set out in those delegated acts.

Group-wide, absolute values in € thousand

Activities	Sales	(in %)	Investments	(in %)	Operating Expenses	(in %)
Taxonomic (A)	0	0 %	0	0 %	0	0 %
Non-taxonomic (B)	214,728	100 %	15,725	100 %	85,450	100 %
Total (A+B)	214,728	100 %	15,725	100 %	85,450	100 %

All revenues, capital expenditures, and operating expenses relevant to the definition of the taxonomy were reviewed by a team from Accounting, Sustainability, and Facility for taxonomy eligibility as defined by the regulation and related delegated regulations.

Qualitative data according to Regulation (EU) 2021/2178 Annex I Section 1.2

Notes to the benchmarks:

The total figures for sales, capital expenditures and operating expenses have been determined in accordance with the Regulation; furthermore, reference is made to the explanations in the published IFRS notes under item 3 „Accounting policies“.

Notes on the assessment of taxonomy eligibility:

Sales: The Basler group did not generate any sales from the economic activities listed in Annex I and II to Delegated Regulation (EU) 2021/2139 in fiscal year 2021 due to its product range - as a manufacturer of industrial cameras and provider of machine vision solutions.

These currently include only those sectors that the EU Commission considers to be particularly significant for achieving the climate neutrality targets, for example the generation of electricity, the production of renewable energy technologies, or the transportation sector.

Investments and operating expenses: In fiscal year 2021, the Basler group did not make any investments or operating expenses aimed at making the economic activities taxonomy-suitable or purchase taxonomy-suitable products and services from other taxonomy-suitable activities that would be associated with a corresponding plan or the management of „green“ assets.