

Combined Non-financial Report

The Combined Non-financial Report is part of the Combined Management Report.

Combined
Non-financial Report

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Separate Combined Non-financial Report in accordance with the CSR Directive Implementation Act

Position and Business Model

Jenoptik sees its entrepreneurial activity as more than purely the realization of commercial objectives; it is also an obligation to society and the environment. Together with our customers, we create forward-looking trends in the fields of energy efficiency, healthcare, environment, mobility, and safety. As an international technology company, innovation is our driving force and the basis of our success in business. Our innovative products allow us to make significant contributions to the societal challenges we face and facilitate both the conservation and efficient use of resources.

The Jenoptik Group operates in three segments, Optics & Life Science, Mobility and Defense & Civil Systems, and the majority of its services are provided for the photonics market. With our high-quality capital goods – from standard components to modules to complex solutions – we are primarily partners to industrial companies and public sector clients.

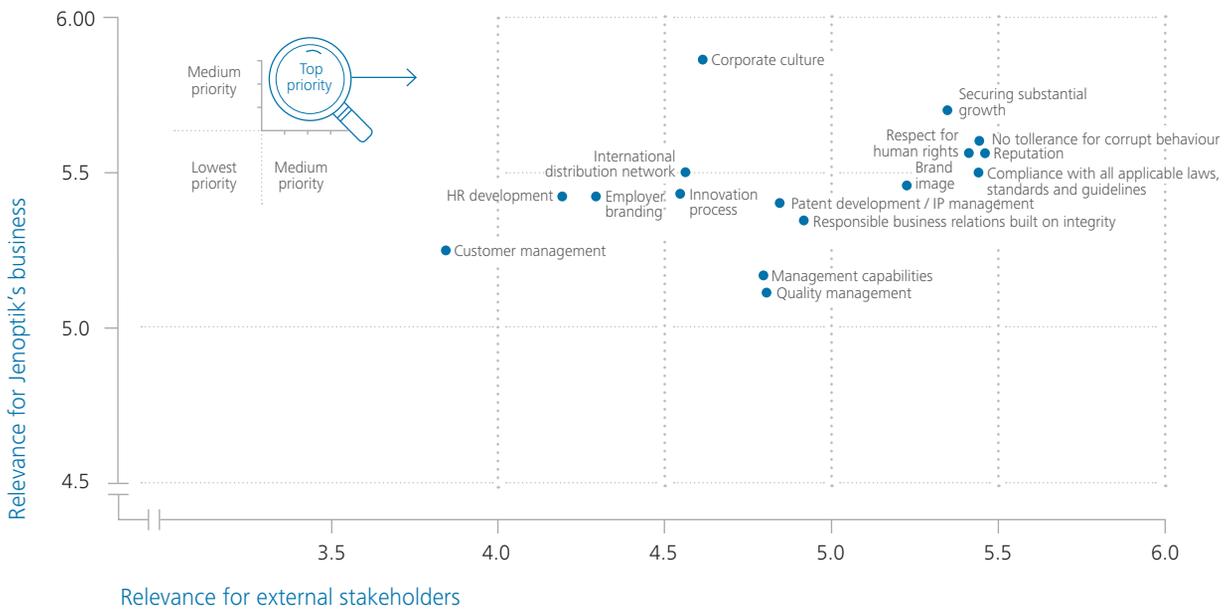
More information on the business model and markets can be found on page 68 ff. of this Annual Report

Our Take on Sustainability

Our understanding of sustainability is based on the conviction that the best way to achieve our economic goals and lastingly profitable growth is to adopt a position of responsibility to the environment and society. To satisfy this demand, the issue of sustainability at Jenoptik is the responsibility of the President & CEO. An active Sustainability Working Group, consisting of the heads of the Finance, Investor Relations, Communication & Marketing, HR, Environmental Management and Compliance & Risk Management departments, regularly reports to the Executive Board and the Supervisory Board on relevant issues.

In this report we inform about key sustainability issues that help to better understand our business performance and the company's development in the future. The separate Combined Non-financial Report published here serves the purpose of fulfilling the requirements of the CSR Directive Implementation Act (CSR-RL UG) in accordance with § 315b, § 315c in conjunction

G07 Materiality Matrix



with § 289c to 289e of the German Commercial Code (HGB) and covers the key topics in the fields of employees, environmental and social matters, human rights, and anti-corruption, in the 2017 fiscal year, for both external audiences and from the company perspective. The description of the approaches set out here is based on Standard 103 of the Global Reporting Initiative (GRI); key figures were produced on the basis of the GRI standards and both the materiality analysis and risk assessment in accordance with the requirements of CSR-RL UG. In accordance with § 315b(1)(3) of the German Commercial Code, reference is occasionally made to other information available in the Group Management Report. The list below shows all the relevant passages in the Management Report that are relevant to the separate Combined Non-financial Report.

- Business model: page 68
- Strategy: page 70 ff.
- R+D / Innovation management: page 76 ff.
- Risks & opportunities: page 108 ff.
- Diversity policy see Corporate Governance Statement, www.jenoptik.com/investors/corporate-governance

Materiality Analysis

Jenoptik maintains ongoing dialog with all stakeholders. In order to identify the key non-financial factors influencing sustainable business development within the Group, ten currently relevant topic clusters with a total of 54 issues were defined in the Sustainability Working Group. The topic clusters reflect the aspects required under the German Commercial Code (employee, environmental and social matters, respect for human rights, anti-corruption and anti-bribery) and also include those aspects that

are specific to Jenoptik (business model, management, internationalization, innovation, customer and market penetration, operating excellence, brand, and reputation). The 2017 materiality analysis involved an independent assessment of the 54 issues by the Executive Management Board, departmental heads and employees – both from Jenoptik’s perspective and the perspective of target groups (customers, business partners, employees, shareholders, suppliers, and the general public). Both the internal assessment from Jenoptik’s perspective and our assumptions regarding the issues’ significance to target groups were used representatively to assess the impacts on the aforementioned sustainability issues. They were subjected to an overall assessment, the findings of which were summarized in a materiality matrix. Topics in the upper right quadrant are of major significance to the Group’s business development from the perspective of both Jenoptik and its stakeholders. **G07**

The following overview shows all the topics defined as “key” to Jenoptik in the materiality analysis. They reveal where Jenoptik sees its priorities in the value-added chain. In addition, we report on environmental matters and our corporate citizenship on a voluntary basis. **T07**

Our corporate culture, the development of our employees, as well as our brand and reputation have top priority. Securing substantial growth by promoting good underlying conditions for greater innovation and ensuring increases in capital expenditure for research and development are the decisive factors influencing our future performance. Innovation and IP management are thus indispensable to a technology company such as Jenoptik. Our future success depends crucially on a deep understanding of customer and market requirements as well as on an efficient international distribution network.

T07 Jenoptik's Key Topics

Employee Matters	Environmental Matters	Social Commitment	Human Rights	Anti-Corruption	Other Topics
Corporate culture	Environmental management	Commitment to science & education, art & culture as well as in social projects	Respect for human rights	No tolerance for corrupt behaviour	Brand & reputation
HR development	Waste management			Responsible business relations built on integrity	Quality management
	Processes to ensure compliance with regulations			Compliance with all applicable laws, standards and guidelines	Innovation & patent development
	Resource management				Corporate strategy

- Jenoptik's key topics
- Topics reported on a voluntary basis

We are also committed to law-abiding and compliant conduct while respecting human rights as well as to ensuring above-average quality of our products and services. As a responsible and socially committed company, Jenoptik considers it its duty to play an active role in shaping its environment. Dedication to our region is therefore another high priority. Our obligations to the environment are also close to our hearts, and environmental issues are of key concern to us in all our business decisions.



See R+D chapter from page 76 on



Detailed information on our risk management system and major risks, including in connection with non-financial factors, can be found from page 108 on and on our website www.jenoptik.com/About-Jenoptik/Responsibility/Compliance

The key topics are reflected in the new corporate strategy and are value drivers in our various areas of business.  Our materiality matrix thus sets out the basis of all our long-term activities. These key topics are explained in detail in the sections below.

Risks in Connection with Non-financial Aspects

Acting in conformity with rules and considering business risks and opportunities – for Jenoptik, these are the principles of responsible corporate governance. The Group maintains a risk manual and a system of guidelines that document all relevant processes throughout the Group and represent a reliable reference framework for all employees. Twice a year, the Compliance & Risk Management department identifies all risks within the Group and discusses the top issues – set in net terms – with the Executive Board. Our risk assessment systems takes account of both financial and all relevant non-financial factors, such as occupational health and safety, environmental protection, compliance, marketing and sales, HR and quality management. The net analysis did not identify any risks that are very likely to have a serious negative impact on the specified key non-financial factors now or in the future. 



See the Targets and Strategies chapter on page 70 ff. and the Corporate Governance Statement for more information



See page 36 ff. of the Corporate Governance Report and in the Corporate Governance Statement

Employee Matters

Our employees, with their knowledge and abilities, are our greatest asset and absolutely essential to the Jenoptik Group's business success. By supporting, accompanying, and promoting the employees in their particular areas of expertise, we are able to ensure the quality of our products and processes, our innovative potential and thus also our ability to create value in the long term. Structured HR work and a responsible approach to working conditions are key aspects of our employment policies, as consistently excellent business performance is only possible with happy and dedicated employees.

HR work at Jenoptik covers all employee-related measures to realize the Group's objectives and is thus an essential component of the overall leadership and management process. HR is an internal business partner, and comprises a strategic area and several operating areas. It reports directly to the Chairman of the Executive Board, who is also HR Director. HR officers are the points of contact for employees and managers within the Group. Group-wide guidelines and an authorization matrix govern all relevant processes, workflows, and rights of employees internally and to outside parties.

Alongside an appealing corporate culture, we see our employees' efforts, expertise, experience, and commitment to the company as key values. In the future, HR will concentrate its focus on the issues of corporate culture, HR development, and employee satisfaction.

Detailed information on gender equality and targets for the proportion of women on the Executive Board and the two management levels below the Executive Board can be found in the Corporate Governance Report and in the Corporate Governance Statement. 

A pleasant [corporate culture](#) provides guidance to employees, as well as to customers, suppliers, and potential applicants. The implementation of the new group strategy published in February 2018 involves changes to a number of specific aspects within

the company. At their heart is the establishment of a dialog-based corporate culture based on trust, respect for diversity, and equal opportunities. Jenoptik's leadership culture is set to become even more modern and flexible. We primarily aim to achieve this by promoting respectful behavior in the workplace, flexible working hours, and a healthy work environment. Using regular surveys once every two years, we will gauge our employees' satisfaction with the various aspects of their work and with the corporate and leadership culture, with the intention of identifying specific objectives and actions. On the basis of the surveys on the topics of work organization, working conditions and cooperation, information and communication, leadership and Jenoptik as an employer conducted in Germany in 2012 and 2014, an online survey of all employees, with a revised focus, will be carried out in the 2018 fiscal year. The findings will be used to define implementation projects with specific actions, which can then be evaluated in the year 2020 and reviewed for their effectiveness.

A further measure serving to create an appealing corporate culture is a good work/life balance. Jenoptik is family-friendly and responds to the needs of its employees with flexible working hour models. Flexitime, part-time work, and flexible parental leave all make it easier for our employees to strike their own balance between family and working life. In 2017, 156 employees (prior year: 167 employees) took parental leave, 6.6 percent less than in the prior year. The number of part-time contracts rose by around 35 percent in the last five years. 7.4 percent of employees worked part-time in 2017. To further improve the work/life balance, we are presently developing an integrated approach to mobile working, which is due to be rolled out to the first German locations in mid-2018. One of the most important preconditions for balancing career and family is the availability of childcare. For several years, Jenoptik has been investing in daycare centers at the Jena, Wedel, and Monheim locations, as well as in flexible childcare models. This means that our employees are assured a place at the daycare centers. The low staff fluctuation rate of 3.0 percent for the overall Group (prior year 4.2 percent) itself reflects a high level of employee satisfaction with Jenoptik.

Occupational health and safety are also key topics affecting the basic needs of our employees and their satisfaction in the workplace. They are firmly anchored in the Group's operating processes and aim to minimize risks arising in the work environment that may endanger employees. The Jenoptik companies are each responsible for applying the law on all aspects of occupational health and safety. The central Safety, Occupational and Environmental Protection (SEH) department reports directly to the Chairman of the Executive Board and is available to advise all the group companies. It coordinates the relevant tasks and assists the Executive Board on enforcing necessary measures. There are occupational health and safety committee meetings at all Jenoptik companies each quarter. In addition, all employees are briefed on issues relating to occupational health and safety at work at least once a year. At all of the German locations, around ten percent of the workforce are trained as first-aiders. In 2017, we managed to reduce the number of [workplace accidents](#) in Germany to 10.73 per 1,000 employees (prior year 10.86 per 1,000 employees). Compared to the members of the ETEM trade association, Jenoptik is thus well below the average figure of 18.2 in 2016. In the interests of our employees' health and performance, the Group offers regular medical examinations by a company physician, and in 2017 launched a health day for the employees of the Optics & Life Science segment in Triptis.

[HR development](#) is a key factor that determines the future viability of our company. To help promote employees in line with their potential and interests, and thus maintain their lasting motivation, Jenoptik will be focusing on this issue in 2018. The development needs of every single employee are assessed in regular appraisals and appropriate training is selected. In 2017, Jenoptik invested around 2.0 million euros in its employees' professional development. Over the year covered by the report, this benefited 1,755 employees (prior year 1,832 employees).



More information
in the Employees
chapter from
page 81 on

At the same time, our managers are key drivers of our corporate success and are of particular importance to our HR development activities. They are responsible for motivating their employees and have a direct influence on their satisfaction. Jenoptik's leadership program provides training in areas such as leadership and change management, helping to ensure a standardized understanding of management and the use of uniform management tools. The Jenoptik Junior Leadership Program (J²LP) enables the targeted development and promotion of potential leaders within the Group. In addition to preparing management trainees for their future career paths, its target is to develop a uniform leadership culture and encourage cross-segment networking among the participants. 2017 saw the successful completion of the 11th generation of this program.

Specific support for school students, university students and graduates forms part of the Group's strategy for skilled personnel, ensuring early loyalty to the company and thus simplifying the recruitment process. **T08**

But it is not only our employees who are developed in line with the corporate strategy and future market requirements – Jenoptik's future HR needs are also aligned with the Group's international growth strategy. In addition to Germany, this results in a higher need for recruitment particularly in Asia and the US. The target groups addressed by recruitment and thus also HR marketing are primarily specialists and skilled workers in the fields of natural and engineering sciences as well as experts with business management and legal backgrounds.

Environmental Matters

We see the efficient use of resources and energy at all our global locations as our corporate responsibility and here report voluntarily on key environmental matters in the Jenoptik Group. As many of our products contribute to the efficient and responsible use of resources, Jenoptik primarily makes an indirect contribution to conserving resources.

Environmental management is an established part of our corporate activities, but we also oblige our suppliers and contractual partners to comply with relevant laws to minimize environmental risks. As a manufacturing company, we set our focus on efficient resource management so as to reduce energy consumption and greenhouse gas emissions to the best of our ability, use commodities and materials in a safe and saving manner and largely avoid producing hazardous waste. Several Jenoptik companies are certified in accordance with the ISO 14001 environmental management system. Photonic Sence GmbH in Eisenach was awarded an ISO 50001 energy management system certificate, as it has higher energy requirements than the other companies due to its energy-intensive handling of germanium and silicon for high-precision optical systems.

Environmental management lies within the remit of Safety, Occupational and Environmental Protection, which reports directly to the Chairman of the Executive Board. The Jenoptik companies

T08 Initiatives and Cooperations (Selection)

Jenoptik supports:

- career guidance projects at schools, also offering their students the opportunity to complete state-level an internship
- young researchers as a longstanding corporate sponsor of the "Jugend forscht" initiative
- various industry organizations to promote professional development activities
- students in the form of degree theses, internships, and scholarships

Jenoptik works together with:

- selected universities around the world with regard to HR marketing and recruitment, for research purposes, and to foster the professional development of its employees
 - selected universities around the world via projects and sponsorship activities, and is active in a range of committees and networks in an advisory capacity
-

are each responsible for applying the law on all aspects of environmental protection. The central environmental protection officer is available to provide assistance where required and, as just one example, reviews all group investment projects with regard to their environmental relevance. The managers responsible for environmental issues at the German locations meet twice a year to share their experiences and ensure a standard approach to implementing environmental law requirements and processes. Waste officers take care of all matters relating to the production, recycling, and disposal of hazardous and non-hazardous waste.

Jenoptik continues to implement and in part exceed statutory requirements relating to nature conservation and environmental protection for new buildings, extensions and the modernization of production facilities. State-of-the-art technologies for saving resources and protecting the environment are applied when fitting out production facilities. As an example, the new production facility in Michigan, US, completed in 2017 was fitted with the latest sensor-controlled LED lighting for the offices and production environment, as well as special energy-saving heating and air-conditioning equipment.

As a technology company, Jenoptik generates only small amounts of emissions within its plants (scope1); the majority of its pollutant emissions are attributable to externally sourced energy (district heating or electricity). In order to meet our goal of recording energy consumption at all of the Group's main production sites, the American facilities were included in our reports for the first time in the 2017 fiscal year. This will in future provide comparison values that allow for an assessment of the energy consumption levels as a ratio of revenue and consequently in relation to changing levels of energy efficiency in production.

As a company in the photonics market, Jenoptik generates only minor amounts of hazardous waste, e.g. adhesive residues or acetone. Within all segments located in Germany, types of waste are systematically recorded and categorized, and the quantities calculated. The volume of hazardous waste in the 2017 reporting year fell marginally to 175 tons (prior year 183 tons); this was disposed of in waste treatment/disposal plants. The quantity of non-hazardous waste, by contrast, rose to 871 tons (prior year 620 tons), primarily due increased production at the Altenstadt location. In general, Jenoptik aims at recycling waste through certified waste management facilities. Through continuous waste separation and training of the employees on waste prevention the amount of residual waste was substantially reduced.

As a high-tech company, Jenoptik is dependent on a wide range of raw materials. In the face of an increasing scarcity of resources, Jenoptik is committed to making sparing use of the materials it requires. We comply with applicable regulations, for example the requirements of the European chemicals regulation REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and the European RoHS directive (Restriction of certain Hazardous Substances), and are fully involved on associated committees. In the past fiscal year, a project team conducted a group-wide as-is analysis of all companies and is currently defining a target process in line with statutory requirements (REACH) to be implemented across the Group from 2018 on. As Jenoptik does not require large quantities of water for its production processes, we do not see ourselves encountering any key risks in this area. In view of its business purpose, conservation regulations are also of only very minor significance to the Group. The objective of our purchasing processes is to meet all regulations relating to conflict minerals in compliance with the Dodd-Frank Act.

Resource Management

Many of Jenoptik's innovative products and services make a contribution to the efficient and responsible use of resources. As a technology company, we are mostly involved in the areas where our customers' production processes and products can be made more efficient. **T09**

Social Commitment/ Corporate Citizenship

Supporting young people in their education and scientific activities, as well as in social projects is at the heart of Jenoptik's corporate citizenship. The Group supports a whole range of non-profit projects, organizations and initiatives and is actively

T09 Contribution of our products to resource conservation

Product

Jenoptik diode lasers and laser machines for a wide range of applications, e. g. in medical technology or the automotive industry

Contribution to resource conservation

- The most efficient light sources available with an efficiency of up to 70 percent
- Resource-friendly alternative to traditional machining processes, especially when machining high-strength steel with a low weight

„JENOPTIK RayLance“ – powerful and energy-efficient LED lighting system

- Approx. 40 percent higher light yield while maintaining high energy efficiency
- Wide-ranging use, particularly in high industrial spaces such as warehouses, logistics buildings, and production facilities

Optical systems and components for information and data transmission and medical diagnostics methods

- Ongoing development toward ever-smaller crystalline structures in semiconductor production opens up a growing number of new applications
- Time-saving processes and more cost-effective production save resources

Metrology – systems and equipment to check shape and roughness, particularly in the automotive industry

- The results are more precise surfaces and tighter tolerances in engine components (downsizing) and thus entire vehicles that require less fuel and produce fewer emissions
- More complex transmissions for electromobility demand the increasing use of metrology

Hybrid power generation systems to enable an efficient power supply to the Patriot missile defense system

- Use of battery technology reduces fuel consumption
- Longer life cycles for customers, less service expenditure and thus product sustainability

Traffic monitoring systems check compliance with road traffic regulations

- Contribution to increasing road safety and reducing accidents
- Reduction in pollutant and noise emissions
- Installation at the side of the road limits interference in the environment (no installation of monitoring gantries)

Toll payment monitoring systems on federal highways

involved in the following three areas, primarily in Germany but increasingly also abroad: T10

- A commitment to the younger generation with projects in science, education, and in the social arena.
- Art and culture projects to make our company locations attractive and create good conditions for our employees' work/life balance.
- A commitment to integration and internationality to strengthen the foundations of business and society in the future.

As a responsible and socially committed company, Jenoptik considers it its duty to play an active role in shaping its business environment. As part of this process, our main concern is to achieve close, long-term partnerships, with the aim of providing not just financial but also personal assistance. With our commitment to society, we want to strengthen the confidence placed in Jenoptik and boost our employees' sense of identification with the company. We also expect it to have a positive effect on our brand image, reputation and our attractiveness as an employer.

Corporate citizenship is thus the direct responsibility of the Executive Board office. Group-wide guidelines govern the prin-

ciples of a structured and standardized approach to defining "Jenoptik as a Corporate Citizen" and ensure a uniform method of handling donations and sponsorship queries, as well as carrying out sponsorship projects.

Our dedication to our region is of particular relevance. Since 1996, the Group has acted as the patron of the "Parent Initiative for Children with Cancer Jena". Donations both made by Jenoptik and collected from partners, and the organization of various events, have helped to support children with cancer and their parents. Particularly worthy of note is the Easter Charity Concert given by the International Youth Orchestra Academy, the proceeds of which are donated to the initiative. In the US, employees at the Rochester Hills, Michigan location provide education and career guidance to young people from financially disadvantaged families. Jenoptik employees at the Jupiter, Florida location assist the "Habitat for Humanity" organization in championing affordable, decent housing, and help to build homes for families in need. In Huntsville, Alabama, our employees donate Christmas presents to children from disadvantaged families as part of the "Angel Tree Program" every year. In 2017, two children were also given the opportunity to spend the Christmas holidays with employee families.

T10 Social Commitment – Further Exemplary Projects

Social issues	Jenoptik supports	<ul style="list-style-type: none"> • Easter Charity Concert by the International Youth Orchestra Academy for the Elterninitiative für krebskranke Kinder Jena e.V. • „Habitat for Humanity“; Jupiter, Florida • Fund-raising campaign on the occasion of the New Year's Eve Reception for the Center for Children and Youth in Jena • Summer camp for children of employees and for the first time for children from recognized refugee families
Science and education	Jenoptik has been a partner for many years for	<ul style="list-style-type: none"> • the Thuringian youth researchers competition "Jugend forscht" (since 1991) • the competition of school students "Schüler experimentieren" (since 2012) • long "Night of Sciences" in (since 2005) • the workshops "BEGEGNUNGEN Kultur Technik Wirtschaft" for students of the Ernst-Abbe-Hochschule Jena (since 2004)
Art and culture	Jenoptik focuses on promoting regional and young artists with its in-house "tangente" art exhibition (since 1994)	<ul style="list-style-type: none"> • tangente "in space" – Peter Wackernagel • tangente "homo fragilis" – Thomas Lindner • and together with partners the exhibition by Georg Thumbach "Ins Holz", organized by the Friedrich-Schiller-University Jena and the "Kirchentag auf dem Weg" Church Congress on the occasion of the anniversary of the Reformation

Since the company's earliest days, Jenoptik has been enriching life in Jena with art and cultural projects. The in-house "tangente" art exhibition is a key part of this endeavor.



More information can be obtained by going to About Jenoptik/Responsibility/Compliance at www.jenoptik.com

Together with numerous partners, the Group is also active as a member of the "Familienfreundliches Jena e. V." (Family-Friendly Jena) support group for projects conducted by the "Jenaer Bündnis für Familie" (Jena Family Alliance) to improve general underlying conditions, the [work/life balance](#) and equal opportunities in education. In the process, Jenoptik supports various models of family-friendly childcare, the "Saaleknirpse" in Jena, the "Wasserstrolche" in Wedel, and the "Talentschuppen" in Monheim. The highlight once again was the summer camp jointly organized for children of Jenoptik employees and children of recognized refugee families.

Human Rights and Anti-Corruption

In a globalized market environment, Jenoptik is fully committed to responsible corporate governance and law-abiding, compliant conduct. We make our business decisions with this in mind and always work to ensure that our actions do not contravene regulations, laws or our values. Corporate Compliance & Risk Management therefore lies within the remit of the Chairman of the Executive Board, the Jenoptik Compliance Manager reports relevant incidents directly and regularly and remains in close contact with the entire organization and all employees. It organizes and manages the Group's risk and opportunity management system in close cooperation with the corporate departments and the divisions' risk officers.

Upholding [human rights](#) is one of Jenoptik's key priorities also in the supply chain. Jenoptik is committed to internationally recognized standards of human rights and does not tolerate any form of slavery, forced labor, child labor, human trafficking, or exploitation in its own business operations or those of its supply chain. We expect our suppliers to comply with and respect internationally recognized human rights standards, e.g. the Slavery and Human Trafficking Statement.

All our suppliers are contractually bound to adhere to the standards of the "Code of Conduct for Suppliers to the Jenoptik

Group", which was updated in 2017, and similarly oblige their own suppliers to adhere to them. Processes relevant to the issue of compliance were revised in 2017 with the aim of identifying violations and high-risk business partners in good time. In a two-step process, a supplier compliance declaration and an additional code of conduct for distributors first oblige all our business partners to adhere to the law. In the second step, a centralized high-risk business partner screening process is used to ensure that Jenoptik cooperates only with those business partners that meet all of its compliance requirements.

Anti-Corruption: Jenoptik fights all forms of active and passive corruption and expects all its business partners to do the same. We also see it as our responsibility to ensure that our customers and suppliers act in compliance with the law. For detailed information on Jenoptik's compliance management system, the company guidelines and codes of conduct for employees, suppliers and sales partners, our online training, and the whistleblower system implemented in 2017, we refer to the Corporate Governance Report from page 36 on and the Risk and Opportunity Report from page 108 on.

Quality Management and Brand Image

Quality Management

The key to Jenoptik's success as a technology company is primarily based on the quality of its products and solutions. Long-standing collaborations with key customers, sometimes in the form of development partnerships, and the confidence placed in us by our partners are proof that our products and solutions are of impressive quality. As a quality leader, we are committed to ensuring that the quality of our products and services is above the average in many of our product areas. Quality management at Jenoptik is managed locally in the business units and falls within the responsibility of the division managers. The diversity of our product range makes this structure necessary; each division applies individual quality indicators (e.g. customer satisfaction, complaints rate as a percentage of revenue, quality level as a percentage of revenue).

One measure to ensure and further improve our quality is the quality initiative we launched in 2017; its impact can be felt



For further information of employee matters see page 56 ff. and page 81



For more information, see the Risk and Opportunity Report on page 108

in all areas of the business – from the development of new products to quality planning and assurance and all the way to the finished product quality. The initiative will continue to run in 2018, now with an increased focus on internal customer and supplier relationships, i. e. a better understanding of all parties relating to downstream processes.

In addition to certifications, further issues in quality management at Jenoptik include standardization, process controls, tests and continuous dialog with customers, e. g. analyses of customer satisfaction.

Almost all the Group companies comply with the requirements of quality management standard ISO 9001; many of them also meet the requirements of the ISO 14001 environmental management system.

The table below shows a selection of Group certifications and actions undertaken in 2017. In the Optical Systems division,

the quality management system was successfully switched to DIN ISO 9001:2015, the environmental management system to DIN ISO 14001:2015. JENOPTIK Robot GmbH in the Mobility segment successfully passed the certification process for all locations conducted by DEKRA in accordance with DIN EN ISO 9001:2015. In the past fiscal year, the Wedel location in the Defense & Civil Systems segment renewed its occupational health and safety management OHSAS 18001 certification and NATO quality assurance system certification in accordance with AQAP 2110/2210.

Jenoptik's **brand image and reputation** are of key importance in many respects – the trust placed in us by our stakeholders, our position in the competitive environment, our attractiveness as an employer, and our employees' sense of identification with the company. As an international photonics company, we work in many different markets and compete with numerous companies to be visible, predictable and attractive both to customers, as a supplier of high-quality capital goods, and to

T11 Certification within the Group (selection)

Certification	Description	2017 actions
ISO 9001	Certification of quality management processes	Change in quality management system in the Optics & Life Science segment (JENOPTIK Optical Systems GmbH) and the Mobility segment (JENOPTIK Robot GmbH and JENOPTIK Industrial Metrology GmbH) to ISO 9001:2015
ISO 50001	Certification of the energy management system	Certification of Photonic Sence GmbH due to energy-intensive machining processes
EN 9100	Certification of quality management processes specific to the aerospace and defense industries	
ISO 13485	Certification of comprehensive quality management systems for the design and manufacture of medical products	
ISO 14001	Certification of the environmental management system	Renewal of certification in the Optics & Life Science segment (JENOPTIK Optical Systems GmbH)
ISO/TS 16949	Certification for the automotive industry	
EG 748/2012	Certification as a manufacturer for the civil aviation industry	
EG 2042/2003	Certification as a maintenance company for the civil aviation industry	
IRIS	International Railway Industry Standard	
ILO-OSH-2001/ OHSAS 18001	Certification of occupational safety and health management	Renewal of certification in the Defense & Civil Systems segment (JENOPTIK Advanced Systems GmbH)
AQAO 2110/2210	NATO quality assurance system	Renewal of certification in the Defense & Civil Systems segment (JENOPTIK Advanced Systems GmbH)

future employees. This is dependent on lasting and stable relationships with our customers and suppliers, shareholders and other stakeholders, which we consistently strengthen with transparent communication and trust. Internal and external communications are the task of the corporate Communication and Marketing department at Jenoptik, which reports directly to the Chairman of the Executive Board and ensures a consistent image for the overall Group and the Jenoptik brand. The aim is to ensure that the company's communications and public image are up-to-date, clear, ongoing and memorable, and are aligned with the Executive Board's strategic targets. All topics relating to markets and products are managed locally by the division marketing managers in the operating areas. Group-wide guidelines, for example, govern the information channels for internal communications and central marketing. Communications to the capital market are the responsibility of the Investor Relations department, which also reports to the Chairman of the Executive Board and remains in close, regular contact with Corporate Communications.

Within the highly specialized photonics market, which is characterized by a multitude of smaller companies, the Jenoptik brand is perceived as synonymous with a major supplier – with an integrated brand image covering all products. We have been actively shaping the Jenoptik umbrella brand throughout

the Group for over ten years. At present, the Group is working to boost the brand's international presence and further shore up its brand positioning. We have been stepping up our regional marketing efforts in Singapore and North America since the summer of 2017 to reflect the Group's increasingly international outlook. With its new strategy the Group will focus more intensively on the photonic core competencies of light and optics under the brand Jenoptik. The introduction of an independent brand for the mechatronic business (so far part of the Defense & Civil Systems segment) that better meets the specific market requirements will be one of the priorities in the current fiscal year. Brand management is made centrally at the Corporate Center. 

The Jenoptik Group benefits from the reputation of our headquarters in Jena, which is highly renowned by both scientists and customers as an "Optical Valley". Jenoptik is conscious of this reputation and is involved in various activities aimed at sustainably improving the location. More information can be found in the Corporate Citizenship section of this chapter, on page 60.

The audit report for the separate combined non-financial report can be found on page 202.



Further information
on strategy see
Management Report
from page 70