

MLP Sustainability report 2019



General information

MLP – The partner for all financial matters

The MLP Group is the partner for all financial matters – for private clients, as well as companies and institutional investors. With our five brands, each of which enjoys a leading position in their respective markets, we offer a broad range of services:

- MLP: The dialogue partner for all financial matters
- FERI: The investment expert for institutional investors and high net-worth individuals
- DOMCURA: The underwriting agency focusing on private and commercial non-life insurance products
- TPC: The specialist in occupational pension provision management for companies
- DEUTSCHLAND.Immobilien: Market place for investment properties

Since it was founded by Manfred Lautenschläger and Eicke Marschollek in 1971, the MLP Group (MLP) has consistently striven to establish long-term relationships with its clients. This requires profound understanding of their individual requirements. Each of our almost 2,000 self-employed client consultants in the private client business therefore focuses on one professional group. MLP's clients primarily include physicians, economists, engineers and lawyers. We support them in all financial matters – from old-age provision and wealth management, through health and non-life insurance to financing, real estate brokerage and the banking business.

The views and expectations of our clients always represent the starting point in each of these fields. Building on this, we then present our clients with suitable options in a comprehensible way, so that they can make the right financial decisions themselves. In advising and supporting our clients, we examine the offers of all relevant product providers in the market. Our product ratings are based on scientifically substantiated market and product analyses.

You can find further details on this, together with information on the performance and general situation of the company, as well as on the risks faced by the MLP Group in our 2019 Annual Report.

General note

As per the requirements of § 289b et seq. and § 315b of the German Commercial Code (HGB), MLP SE submits this separately drafted non-financial report as the parent company of the MLP Group. The report itself is based on the framework of the German Sustainability Code (GSC) in order to meet the requirements of the CSR Directive Implementation Act. Although we generally present aspects from our Group perspective in this report, individual aspects can also represent the view of a single company. The emissions at our Group HQ essentially represent the data basis for our emissions

figures. We will gradually expand this data in the course of our objective of becoming climate neutral.

The structure of this report is based on the requirements of the aforementioned German Sustainability Code (GSC). Based on our materiality analysis, these GSC criteria are supplemented to include individual key indicators for MLP of the Global Reporting Initiative (GRI).

The Supervisory Board at MLP SE concluded its final deliberations and checked the report in its meeting held in March. No additional review by an auditor was performed.

This report on the non-financial information of the MLP Group was drafted in compliance with the guidelines issued by the European Commission for reporting non-financial information.

The use of terms such as employees or self-employed client consultants naturally refers to all genders. The use of individual forms has been avoided in order to make the report easier to read.

Criteria 1–10: Sustainability concept

Criteria 1–4: Strategy

1. Strategic Analysis and Action

The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.

[MLP's philosophy](#) combines successful entrepreneurship with social commitment. This is also reflected in our sustainability strategy, in which we have anchored various concepts, including responsibility, our strategic sustainability action areas, as well as operational implementation of our sustainability management. The sustainability strategy is integrated in the MLP business strategy, which underlines its importance in the Group.

The Chairman of the Executive Board holds overall responsibility for sustainability management in the MLP Group. Relevant topics are discussed in regular exchanges with the Group sustainability officer and, where necessary, presented to the full Executive Board for a decision. Group-wide exchange takes place in regular meetings of the MLP Executive Committee, which coordinates activities in the Group.

Responsibility for and coordination of all relevant sustainability topics are assigned to the group sustainability officer. Their task is to continuously review and further develop the sustainability topics of the MLP Group, as well as to assess the associated opportunities and risks. They are supported by the CSR Committee (Corporate Social Responsibility) – a Group-wide committee which was newly established in 2020. The sustainability officers of the MLP Group companies sit on this committee. The committee is led by the Group sustainability officer and its mission is both to establish and continuously develop sustainability topics throughout the Group.

With this further development of our sustainability work, we are also taking another definite step towards our objective of making MLP carbon-neutral by 2022. The target of climate neutrality firmly demonstrates our responsibility. At the same time, we are addressing a topic that is playing an increasingly important part in serving our clients across all parts of the Group.

You can find further details on this in the sections entitled "Objectives" and "Climate-relevant emissions".

In addition to this, sustainability aspects are already integrated in individual internal guidelines, such as the "MLP Code of Ethics and Conduct". This defines the general standards of good conduct and principles for the companies in the MLP Group. You can read more about this under the performance indicator GRI SRS-102-16 "Values".

At the start of the sustainability process newly established in 2017, a materiality analysis was performed that remains valid to this day. Based on the results of this analysis, eight strategic sustainability action areas were identified for the MLP Group and implemented in our sustainability strategy.



Successful business model



Trusting client relations



Attractive employer & partner



Education & consulting quality



Products



Digitalisation



Compliance & data protection



Efficient environment & resource management

This concept offers MLP the opportunity to increase its focus on the topics that are of importance for its sustainable success.

Sustainability reporting is based on the structure of the German Sustainability Code (DNK). On the basis of our underlying materiality analysis, these DNK criteria are supplemented by individual indicators of the Global Reporting Initiative (GRI) which are significant for MLP.

2. Materiality

The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.

As a consultancy covering all financial questions and issues, MLP operates in a complex and constantly changing market and competitive environment and must be capable of repeatedly convincing its clients of the benefits associated with its services. A profound understanding of our clients' individual requirements is crucial for sustainable business success.

The views and expectations of our clients always represent the starting point in each of these fields. Building on this, we then present them with suitable options in a comprehensible way so that they can make the right financial decisions themselves. For the implementation we examine the offers of all relevant product providers in the market. Our products are selected and rated on the basis of scientifically substantiated market and product analyses.

In this vein, MLP creates added value through providing consulting services and support to its clients as their partner for all financial matters, thereby making an important contribution to greater sustainability for society.

Materiality

The sustainability aspects that affect our business activities are generally based on the following key strategic sustainability action areas for MLP, which we developed in 2017 in the course of a materiality analysis:



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Efficient environment & resource management

When performing the evaluation process, the different outlooks and experiences of various Group areas were incorporated from the perspective of our stakeholders. The topics classed as "significant" are those that have important economic, social and ecological effects on the Group or reflect important expectations of our stakeholders.

From an operational perspective, ideas, projects or concrete targets are drawn up within these fields of action together with the respective specialist departments within the scope of our sustainability management. The objective here is to take into account the associated effects on the aspects of labour and social issues, human rights, corruption and bribery, as well as the environment. Examples of projects and measures that have been implemented can be found under criteria 3 "Objectives". Qualified and committed employees and client consultants, as well as their willingness to engage in continuous further development, are of key importance in MLP's business model in terms of the effects from our business activities, as well as sustainability and sustainable corporate success.

Opportunities

Particularly when reaching financial decisions, clients are placing ever greater emphasis on sustainability with regard to a company's alignment and its products. Sustainable alignment of a company or a product can be reflected in economic, social, ethical and ecological aspects. Thanks to our positioning in this area, we can take advantage of the opportunities resulting from this – revolving primarily around the growing demand for sustainable solutions. We already have corresponding product offerings available to our clients in the consulting fields of wealth management, provision, non-life insurance and health insurance and will continue to expand these.

Risks

Adequate management and monitoring of material risks at Group level is ensured by appropriate procedures. This includes in particular the definition of Group-wide strategies, ensuring the risk-bearing capacity of the Group, establishing structural and procedural regulations for the Group, implementing Group-wide risk management and risk controlling processes and setting up an internal audit department which operates throughout the Group.

The Executive Board has also set up a compliance function, whose tasks include identifying the key legal regulations and requirements, the non-observance of which could endanger the assets of MLP and the MLP Group and lead to significant reputational risks. The compliance function advises and supports the Executive Board and the responsible specialist departments, works towards the implementation of effective procedures to ensure compliance with the key legal and internal regulations and corresponding control measures by the respective responsible departments and reports regularly, as required, on its activities to the Executive Board and the supervisory body. The compliance function also promotes and reinforces the Group-wide risk culture.

The identification, assessment, control, monitoring and communication of material risks is ensured with the help and on the basis of the Group-wide risk management system. The assessment of sustainability risks is also included in this process. This serves in particular to avoid negative effects on the environment and society that could lead to reputational and financial risks. In order to keep this aspect in mind, we have also implemented a climate balance sheet within the company since 2017 as part of our sustainability management (see criteria 11 to 13). The aim is to make the Group carbon neutral in 2022.

In line with the statements of the Federal Financial Supervisory Authority (BaFin), which were finalised in December 2019, we understand sustainability risks to be events or conditions from the environmental, social or corporate governance areas whose occurrence could actually or potentially have a significant negative impact on MLP's net assets, financial position and results of operations as well as its reputation. This includes climate-related risks in the form of physical risks and transition risks. The appropriate consideration of sustainability risks as required by the BaFin is carried out within the framework of the respective risk type, depending on the circumstances. For example, potential business-relevant sustainability risks in the context of corporate management are addressed in the MLP Code of Conduct and Ethics. It provides an internal binding guideline framework for integrity, particularly by actively combating financial crime through measures to prevent money laundering and other criminal acts.

Further information on the risk management system, the risk principles, the objectives, risk capital and liquidity management and stress tests, the organization and the presentation of risks can be found in the Risk Report of the Annual Report.

A fundamental systematic and early identification of opportunities and their evaluation is the aim of the MLP Group's integrated opportunity management. This takes place as part of a standardised business strategy process which the Executive Board carries out once a year. Assumptions on relevant influencing factors are determined with regard to future development and are subject to review as and when required. If, for example, we are more successful in acquiring new consultants than reflected in our previous plans, this could result in additional potential. For further opportunities, please refer to the opportunities report in the Annual Report.

3. Objectives

The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.

MLP has been systematically establishing the topic of sustainability since 2016 and its sustainability management activities are now reaching the next stage with the target set in 2019 of achieving climate neutrality in 2022.

The materiality analysis represents the basis of the sustainability process. Based on the results of this analysis, eight strategic sustainability action areas were identified for the MLP Group and implemented in our sustainability strategy. This concept offers MLP the opportunity to focus on topics that are of importance for a sustainable success of the company. From an operational perspective, ideas, projects or specific targets are drawn up within these fields of action together with the respective specialist departments within the scope of our sustainability management. The objective here is to take into account the associated effects on the aspects of labour and social issues, human rights, corruption and bribery, as well as the environment.

Our sustainability targets, as well as the measures required to achieve these targets in each case, are summarised in our internal sustainability programme. Two approaches are adopted here in order to secure the requisite monitoring and control. Firstly, continuous exchange is established between the sustainability officer and the Chairman of the Executive Board. Secondly, the CSR Committee gets together for regular meetings (more information on this is provided under criteria 1 "Strategic analysis and measures").

Concrete systematisation and alignment of the MLP Group's sustainability goals with the UN's 17 Sustainable Development Goals (SDGs) is currently being prepared by the CSR Committee.

The FERI Group, a subsidiary of MLP SE, has already aligned its activities in the field of sustainable investment solutions with the SDGs through the "FERI SDG Office", a centre of expertise that was established in 2019. The "FERI SDG Office" coordinates all relevant activities in the area of sustainability at FERI and has the task to promote the development of special service concepts and investment solutions.

The following contains several examples of projects and measures from our sustainability programme that have already been implemented:



Products

For example, MLP was able to further expand its portfolio of sustainable products in 2019 through the cooperation with Pangae Life (PL). PL is the sustainability brand of die Bayerische insurance group, which aligns its investments to the strictest ecological and social criteria.

Our goal is to be able to cover the growing interests and demand of our

clients for sustainable products across the entire spectrum of our consultancy services. This is why we are persistently continuing with our efforts to develop further.



Attractive employer & partner

MLP offers its employees an open and team-oriented corporate culture that is underlined by a family-friendly personnel policy, as well as attractive extra benefits. One of the objectives in 2019 was therefore to further refine the family-friendly and life phase-appropriate personnel policy, which was accomplished with the audit for the "berufundfamilie" certificate. The audit assesses the current situation of the family-friendly and life phase-appropriate measures already in place, systematically develops the individual business potential and uses binding target agreements to ensure that family awareness is further strengthened in the corporate culture.



Efficient environment & resource management

In 2019, a mobility survey was performed for the MLP HQ. This already led to some initial measures in the reporting year and will also provide further actions for the future.

The survey was in particular helpful to gain key insights with regard to our aim of becoming climate neutral. Our objective of massively reducing or avoiding CO₂ emissions altogether is, for example, being supported by the installation of free-of-charge charging stations for electric vehicles and bicycles, as well as through initiatives such as bicycle campaign days or the "Mobile working" works agreement which was concluded in 2019. Following the switchover to green electricity, the topic of mobility now represents the key item in our carbon footprint.

4. Depth of the Value Chain

The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.

MLP creates added value through consultancy services and supporting its clients as their partner for all financial matters, thereby making an important contribution to greater sustainability for society with our business model.

This is preceded by selecting the right product partners and products. When selecting partners and products, we employ high quality standards and place great emphasis on objective and transparent criteria, as well as continuous, open exchange, so that we can offer our clients products that are always up-to-date and matched to their requirements. An analysis and quality check of the providers in the market, as well as their respective products, is performed on the basis of our clients' needs. Our product selection process is subject to continuous further development and we regularly review the providers and products/concepts in our portfolio. To this end, for example, we pay attention to the sustainability of our partners primarily by focusing our assessment efforts on the financial strength and service quality of the product partners – particularly in the case of long-term saving and insurance products.

Particularly when reaching financial decisions, clients are placing ever greater emphasis on sustainability with regard to a company's alignment and products. Sustainable alignment of a company or a product can be reflected in economic, social, ethical and ecological aspects.

Potential attributes of sustainable criteria in insurance and banking products:

- Direct investment in sustainable capital investment products (for example investment funds or holdings)
- Investment of the collateral pool or fund assets in sustainable capital investments (for example life or pension insurance policies)
- Investment of ageing provisions in sustainable capital investments (for example private health insurance)
- Offering generation-appropriate, social products and those with bonus schemes for health-conscious behaviour or of products that harmonise nature and medicine (for example special benefits for conventional medicine and naturopathy in the private health insurance sector).

A sustainable evaluation in line with ESG criteria (Environment, Social and Governance) is performed in our preselected sustainability funds that are offered to our clients. We also offer ecological and sustainable investment options in the form of provision products in other consulting fields such as old-age provision. Clients can choose products like this with fund-oriented tariffs.

Equally, the sustainably high quality consulting makes a contribution to our added value, so the qualification and further training of our self-employed client consultants is extremely important for our company. A high-quality range of training courses represent an indispensable prerequisite in achieving this. These are held at our MLP Corporate University (CU).

At the CU, MLP consultants can compile their own individual learning path from the modularised further training offer. More than 300 learning units are available here – from web-based training, through webinars, all the way up to numerous face-to-face events at the offices and at company HQ in Wiesloch. Consultants can also complete an academic course of study on a part-time basis at the CU while working for MLP. Indeed, MLP has already developed and successfully introduced a dedicated "Master's in Financial Planning and Management" (M.Sc.) in collaboration with the Steinbeis School of Management and Innovation. In addition to this, FIBAA certification also allows further training content at the CU to be more easily recognised in other Bachelor's and Master's courses.

In 2019, the MLP CU received the international certification seal of the Foundation for International Business Administration Accreditation (FIBAA) for five of its qualifications for financial consultants. The FIBAA seal guarantees the quality of academic education and, among other things, enables academic achievements to be compared internationally. Alongside the "Financial Consultant" basic course, the FIBAA issued its quality seal for the higher level "Senior Financial Consultant" programme, as well as the specialisations "MLP Financial Planner", "Direct Real Estate Brokerage" and "Retirement Planner (CU)".

As an investment house for institutional investors, family estates and foundations, the FERI Group – a subsidiary of the MLP Group – offers services in the fields of investment research, investment management and investment consulting.

As a company with social responsibility, i.e. a good corporate citizen, FERI supports the objectives of sustainable development, focusing in particular on the Sustainable Development Goals (SDGs)

defined by the United Nations. For this reason, FERI is also a member and promoter of the United Nations Principles for Responsible Investment Initiative (UN PRI).

The FERI Group has been strengthening and extending its activities in the field of sustainable investment solutions since October 2019 and has established a dedicated centre of expertise for this. The new "FERI SDG Office" coordinates all relevant activities in the area of sustainability at FERI and promotes the development of special service concepts and investment solutions. The FERI SDG Office employs a focused approach, paying particular attention to the UN's 17 Sustainable Development Goals (SDGs).

With a view to the entire MLP Group, we pay attention to quality-assured products and efficient and environmentally friendly processes and purchases in our supply chain with the help of our product management, purchasing and infrastructure management. Quality and sustainability are also important to us for products and services that we purchase as clients, which means that sustainability aspects are taken into account in negotiation and decision-making processes.

Key sustainability aspects, such as in particular the quality of our products and services, are of great importance to MLP and we minimise our risk potential by securing them.

Criteria 5–10: Process management

5. Responsibility

Accountability within the company's management with regard to sustainability is disclosed.

The overall responsibility for the MLP Group's sustainability management lies with the Chief Executive Officer. Relevant topics are discussed with the Group Sustainability Officer on a regular basis and, if necessary, brought to the attention of the entire Executive Board for a decision. The exchange at Group level takes place at regular meetings of the MLP Executive Committee, which coordinates the activities of the Group.

Responsibility for and coordination of all relevant sustainability topics are assigned to the Group sustainability officer. Their task is to continuously review and further develop the sustainability topics of the MLP Group, as well as to assess the associated opportunities and risks. They are supported in this regard by the CSR Committee (Corporate Social Responsibility) – a Group-wide committee which was newly established in 2020. The sustainability officers of the MLP Group companies regularly meet in this committee. The committee is led by the Group sustainability officer and its mission is to establish, continuously develop and implement sustainability topics throughout the Group.

Responsibility, our strategic sustainability action areas, as well as operational implementation of our sustainability management system are all clearly anchored in our sustainability strategy. The sustainability strategy is integrated in the MLP business strategy, which serves to underline its importance.

6. Rules and Processes

The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.

The sustainability strategy of the MLP Group is integrated in the MLP business strategy. Central incorporation into the operating business is performed by our Group sustainability officer, who is supported by the CSR Committee (Corporate Social Responsibility) – a Group-wide committee which was newly established in 2020. The committee is led by the Group sustainability officer and its mission is to establish, continuously develop and implement sustainability topics throughout the Group. The goal for the Group is to be climate-neutral by 2022. This involves in particular developing measures to avoid or reduce climate-impacting emissions.

Regulatory or further requirements, such as the treatment of sustainability risks, are tracked in various ways, including in our Group-wide supervisory steering committee.

Alongside compliance with relevant legal regulations, we have also developed Group-wide guidelines and formulated them as an MLP Code of Business Conduct and Ethics. The Code defines general standards of good conduct and principles for the companies in the MLP Group. It promotes awareness among the members of the Executive Bodies, employees and self-employed client consultants for responsible, sustainable, fair and professional business practices with one another, as well as towards customers, business partners and shareholders. It also provides support in harmonising business activities with the legal provisions and internal stipulations relevant for MLP. This also includes appropriate and conscious handling of opportunities and risks within the scope of the corporate and risk culture in place at MLP.

7. Control

The company states how and what performance indicators related to sustainability are integrated into its periodical internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.

The objective of our corporate management is for all consultants and employees to actively support MLP's strategic goals and pledge to meet our service commitment. Our established central, strategic control instrument is the so-called "ISA" (Integrated Strategic Agenda). This way, the Group objectives are broken down across all Group companies and the key consulting fields, thereby allowing each business unit to make its own contribution to meeting the defined targets. This ensures end-to-end incorporation of all organisational units and integration into the planning and management process.

Our sustainability goals, which are anchored in our Group strategy through the sustainability strategy, are integrated in this mechanism. In addition to this, the sustainability goals and accompanying key performance indicators are monitored by our sustainability management operations.

Sustainability performance indicators

The satisfaction of our clients, as well as our personnel and consultant numbers, which we communicate on a regular and transparent basis in our reports, represent important sustainability performance indicators for MLP. Within the scope of sustainability reporting, we extended these to

include the requirements of the German Sustainability Code as well as individual GRI indicators (Global Reporting Initiative, GRI) that are critical for our business and wherever possible were already compiled and disclosed in the financial year.

As MLP is a knowledge-based service provider, qualified and motivated employees and self-employed client consultants represent the most important foundation for sustainable company success. The continuous development of our employees as well as the recruitment and training of new consultants therefore represent an important focus. To this end, we offer regular publications such as on the development of staff numbers by segment, the staff turnover rate and age pattern of our employees, as well as the staff turnover rate and age pattern of our self-employed client consultants and the key figures of our training programme. To be able to guarantee sustainably high quality consulting services, we constantly use the results of surveys conducted among our clients.

The figures from our performance indicators can be found in our annual report and in this sustainability report.

The reliability, comparability and consistency of data is secured through a standardised query within the company, while data collection on sustainability aspects is performed using a software solution. A new and more comprehensive piece of software is being used to record our CO₂ emissions in this reporting year. Should this lead to different data than previously assumed, due to potentially differing data or calculation bases used in the software, we will highlight this under the respective criteria, living up to our commitment to ensuring comparability and continuity.

In future, we will extend our sustainability criteria, as well as the accompanying key performance indicators, to include further parts of the Group and individual locations. This will be performed through in-depth data collection and measurement of emissions for the Group and is in particular necessary due to our objective of achieving climate neutrality.

GRI SRS indicators – GRI SRS 102-16

Values, principles, standards, and norms of behavior

"Performance" and "trust" represent the core of our company values and combine successful entrepreneurship with social commitment in the MLP philosophy. We encourage and expect entrepreneurial thinking and action from our client consultants and employees. Enabling both of these groups to participate in the success of our company forms part of our identity.

Several years ago MLP redefined its core values involving a large number of employees and client consultants. "Performance" and "Trust" were identified as values which the corporate mission relies and builds on. In a further step, the following management principles were then derived from this for MLP employees.

MLP managers

- are committed to the interests of MLP clients
- live out the core values of "Performance" and "Trust"
- implement agreed targets and decisions consistently
- are proactive in shaping the future
- work together openly as team players
- ensure systematic development of managers and staff

We have a performance pledge to our clients: We are the partner for all financial matters – for private clients, companies and institutional investors.

Alongside compliance with relevant legal regulations, we have also further optimised our Group-wide guidelines and formulated them as an MLP Code of Business Conduct and Ethics. The Code defines general standards of good conduct and principles for the companies in the MLP Group. It promotes awareness among the members of the Executive Bodies, employees and self-employed client consultants for responsible, sustainable, fair and professional business practices with one another, as well as towards customers, business partners and shareholders. It also provides support in harmonising business activities with the legal provisions and internal stipulations relevant for MLP. This also includes appropriate and conscious handling of opportunities and risks within the scope of the corporate and risk culture in place at MLP.

With regard to its integrative business model, the MLP Group has a banking licence for MLP Banking AG. In addition to this, MLP Finanzberatung SE is registered as an insurance broker. Going beyond the applicable legal regulations, we therefore also align our client consulting principles with insurance industry standards and the banking association. The German Insurance Association (GDV e.V.) has issued a code of conduct for the sale of insurance products, while the Association of German Banks has published guidelines for strengthening investor confidence in the retail business. We consider these to be the minimum standards when advising and supporting our clients.

8. Incentive Schemes

The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).

The objective of our corporate management is for all employees to actively support MLP's strategic goals – including our sustainability programme – and be committed to our performance pledge. This is done by means of the following structures and processes implemented in the company. The goals of the MLP Sustainability Programme are not explicitly implemented in the remuneration system.

Staff appraisals, which are held each year between employees and their line manager, serve as a valuable instrument at employee level. Indeed, these meetings can be used to formulate individual target agreements which lead to achievement of both the individual and departmental/corporate goals. Variable compensation components can also be linked to this.

At unit level, we use the so-called Integrated Strategic Agenda (ISA) as the central strategic control instrument. This way, the Group objectives are broken down across all Group companies and the key consulting fields, thereby allowing each business unit to make its own contribution to meeting the defined targets. This ensures end-to-end incorporation of all organisational units and integration into the planning and management process. The ISA grants all business segments the opportunity to get actively involved in planning targets. This promotes motivation among everyone involved and increases planning quality throughout the organisation.

The objectives of our sustainability programme are strategically anchored in the Group. This means that they are implemented via the aforementioned instruments, such as profitable growth, yet also

efficient environmental and resource management, focussing in particular on achieving the greatest possible savings or prevention of CO₂ emissions as a way of supporting the Group objective of climate neutrality.

Pay policies and requirements, which are also governed by regulatory provisions, are applied to the pay structure within the MLP Group. Within the scope of consolidation of Germany's "MaRisk" minimum risk management requirements, the pay system for the companies in the MLP Group is based on the Ordinance on the Supervisory Requirements for Institutions' Pay Systems (IVV). The IVV stipulates a multi-year assessment period for variable compensation of managers (Executive Bodies at the companies). Set against the background of this requirement, EBIT-based variable compensation promotes a sustainable corporate strategy. It should also be noted that variable compensation components are used throughout the top management level and are either also subject to a multi-year assessment basis or are based on the achievement of personal targets. Please refer to the compensation report in the annual report for details of our pay system.

The design of the pay systems, and the system used for compensation of Executive Board members in particular, is monitored annually by the Supervisory Board at MLP SE and MLP Banking AG. The systems are also reviewed by the financial statement auditors to ensure compliance with the provisions of both corporate and banking regulations.

Executive Board compensation comprises one fixed salary component and one variable compensation component. The variable component is granted in the form of an EBIT-based (EBIT = Earnings before interest and taxes) profit-sharing payment

The key strategic objective is to bring about profitable growth. The key indicator and control variable is EBIT which, as operating profit, is essentially the result of the interaction between revenue and expenses. EBIT-based variable compensation is therefore a suitable measure for supporting this strategy. By splitting the variable compensation into an immediate payment and a deferred payment, variable compensation has a multi-year basis for assessment. This ensures that focus is not only on short-term success, but also the company's long-term performance. No reference is currently made to other sustainability aspects.

GRI SRS indicators – GRI SRS-102-35 Remuneration policies

The effective pay system for the Executive Board provides for a fixed basic annual salary and also variable compensation (in the form of a bonus). The basic figure for the bonus payment is determined based on the income statement of the MLP Group in accordance with the respective international accounting standards (IFRS) applied in the Group. The EBIT of the MLP Group in the past financial year for which the bonus is to be paid forms the basis of assessment here.

The appropriateness of Executive Board compensation is reviewed annually by the Supervisory Board. Prior to payment of any variable compensation, the Supervisory Board reaches a decision as to whether and to what extent use is made of the possibility to make adjustments as contractually granted.

Please refer to the compensation report in our annual report for details of our pay system.

GRI SRS indicators – GRI SRS-102-38

Annual total compensation ratio

We do not consider disclosure of this ratio as meaningful with regard to measuring the appropriateness of our pay systems.

Assurances are in place that the pay systems within the Group are appropriately designed, also beyond the hierarchical levels - in particular to ensure compliance of the pay systems in the MLP Group with special regulatory requirements for banks (in particular the German Banking Act (KWG) and the Supervisory Requirements for Institutions' Pay Systems (InstitutsVergV)). The appropriate design of the pay systems is reviewed on an annual basis in line with the requirements of the relevant banking regulation provisions. This also ensures that the pay systems focus on long-term concepts and that short-term successes are not rewarded inappropriately.

Compensation at MLP is generally fair and based on both performance and market rates.

Compensation for members of the Executive Board is disclosed in the compensation report within our annual report.

9. Stakeholder Engagement

The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.

Trust in our performance and integrity on the part of our clients, shareholders and the public is of key importance for the success of the MLP Group. As a partner for all financial matters – for private clients, as well as companies and institutional investors – the stakeholders along with our employees and self-employed client consultants are particularly relevant for the sustainable corporate success of MLP. These also include our product partners. We are in continuous dialogue with these stakeholders.

At the start of the sustainability process, which was further optimised in 2017, we performed an internal stakeholder analysis as part of our materiality analysis, which incorporated the different outlooks and experience of various Group divisions from the perspective of our stakeholders. The results from the analysis still apply. One of the tasks of the CSR Committee, which was established in 2020, is to continuously reflect on and re-assess this validity.

We continuously develop the dialogue with our individual stakeholder groups within the scope of our sustainability management. The following provides some examples of this.

MLP clients & product partners

The views, expectations and requirements of our clients represent the starting point in all areas of our business activities. Particularly when reaching financial decisions, clients are placing ever greater emphasis on sustainability – with regard to both a company's alignment and its products. We already have corresponding products on offer in the areas of wealth management, old-age provision, as well as non-life and health insurance and will continuously expand and test these in collaboration with our product partners.

In the capital market, ESG criteria (ESG = Environment, Social, Governance) are becoming increasingly important factors in the financial decisions taken by investors. We are in regular contact with our shareholders, investors and financial analysts as stakeholders through events such as roadshows and capital market conferences. We also offer our shareholders the opportunity to chat directly with contacts from Investor Relations during the MLP Annual General Meeting.

MLP employees

MLP is a company with flat hierarchies that maintains open and continuous dialogue with its employees and is increasingly encouraging agile work methods. This is achieved through various formats on our MLP.net intranet, yet also through employee surveys, as well as the opportunity to get actively involved in various projects. In 2019, for example, employees were able to submit their own ideas for improving the process that helps staff reconcile working life and family life. MLP then underwent the Hertie Foundation "berufundfamilie" audit.

New exchange formats were also established with our Chief Executive Officer in 2019. Within the scope of one such format, ten MLP employees and consultants can, for example meet with the Chief Executive Officer for lunch to discuss all topics that are important to them. You can also find further information on this under the performance indicator GRI SRS-102-44 "Important topics and issues".

GRI SRS indicators – GRI SRS-102-44

Key topics and concerns raised

The materiality analysis performed within the scope of our sustainability management highlighted the stakeholder group that is particularly important for sustainable development of MLP. The key in terms of further developing our sustainability work is therefore to determine the requirements of our stakeholders in more concrete terms and then further anchor these in our commitment. We are keen to continuously refine this dialogue in future and therefore established the dedicated e-mail address "nachhaltigkeit@mlp.de" in the first step. Interested parties can use this e-mail address to get in touch with us and send us their questions and suggestions.

Regarding our internal stakeholders, for example employees, the focus is on topics such as corporate culture and the reconciliation of work and family life, yet also on appropriate pay and working conditions. This also applies to our self-employed client consultants.

These aspects have been and remain an important part of the culture that is actively lived out at MLP. They are also subject to continuous further development based on employee suggestions/wishes, exchange with management and other dialogue formats. A wide range of exchange formats is also available on our "MLP.net" Intranet presence. In addition to this, we performed an employee and consultant survey in October 2018 as a way of identifying further action areas and deriving measures to be implemented in 2019 and beyond.

Aspects of our core business are deemed as particularly important by external stakeholders of MLP. Product and consulting quality are of particular importance here.

In the capital market, ESG criteria (ESG = Environment, Social, Governance) are becoming increasingly important factors in the financial decisions taken by investors. We are in regular contact with our shareholders, investors and financial analysts as stakeholders through events such as roadshows and capital market conferences. We also offer our shareholders the opportunity to chat directly with contacts from Investor Relations during the MLP Annual General Meeting. In addition to this, we are available for bilateral exchange at any time.

Specific sustainability issues are addressed and processed by our sustainability management.

You can also find further information on this under criteria 9 "Participation of stakeholders".

Key indicator – GRI SRS-102-43

Approach to stakeholder engagement

The requirements of our clients have formed the key focus of our actions since MLP was founded and remain essential for the long-term success of our company. The core service within our consultancy activities lies in supporting and advising clients as the dialogue partner for all financial matters, thereby enabling them to take informed decisions. For this reason gaining a profound understanding of our clients and their life situation also represents a highly important part of our philosophy as well as our business model.

Alongside qualification and further training of our self-employed client consultants, the results of studies and questionnaires among our client groups, as well as direct customer feedback are constantly incorporated in the further development of our overall service package. This also helps us provide our clients with consistently high quality consulting and maintain trusting client relations. Indeed, the MLP consultants on this site score an average of 4.6 out of a possible 5 stars.

Key indicator – GRI SRS-418-1

Substantiated complaints concerning breaches of customer privacy and losses of customer data

A total of ten cases of data security complaints from affected persons was substantiated in the MLP Group in the reporting period. There were no complaints from supervisory authorities addressed to the companies of the MLP Group.

No cases of data leaks, data theft or data loss were detected at the companies of the MLP Group in the reporting period.

10. Innovation and Product Management

The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.

As a consultancy covering all financial questions and issues, MLP operates in a complex and constantly changing market and competitive environment and must be capable of repeatedly convincing its clients of the benefits associated with its services. With our services, we bear great responsibility for securing good insurance cover for our clients in all phases and areas of life. To ensure this, we work to high quality standards and place great emphasis on objective and transparent criteria when selecting our product partners and products. The product selection process

is continually revised and optimised. We regularly review the providers within the process, as well as the products in the market and the concepts of our product portfolio. In this context we pay attention to various issues, including sustainability, primarily by focusing our assessment efforts on the financial strength and service quality of the product partners – particularly in the case of long-term saving and insurance products. Investment properties, which we offer via our subsidiary DEUTSCHLAND.Immobilien (and other partners), passes through a quality-assuring selection process. Alongside the expertise and experience of the provider, the actual property is also investigated in greater detail through a location analysis, as well as with regard to various economic aspects. Our self-employed client consultants can then present the results from our product selection process to individual clients in a transparent way using materials such as factsheets and thereby recommend quality-assured products. The effectiveness of our services are confirmed by the satisfaction of our clients – as underlined by our client consultants once again receiving a top place in the "Financial consultant of the year" competition of the "Euro" business and investment magazine. The continuous satisfaction of our clients, as reported via the independent WhoFinance portal, also serves to confirm this. Indeed, the MLP consultants on this site score an average of 4.6 out of a possible 5 stars.

In addition MLP is subject to numerous regulatory requirements – among others in the areas of documentation, qualification and transparency. For example, provision of product and service information is required by law for a large number of our products, such as product information sheets, based on which the client can obtain clearly structured and transparent information and compare various products with one another.

Various exchange formats are established in the Group as a way of optimising and further developing products and services, as well as the quality of our consulting. These, for example include the Sales & Products Forum, in which sales and target group topics focusing around concerns such as product developments are addressed between MLP consultants and product management. The MLP Committee is one of several groups that discuss the issues and interests of our client consultants and office managers.

As an investment house for institutional investors, family estates and foundations, the FERI Group – a subsidiary of the MLP Group – offers services in the fields of investment research, investment management and investment consulting. As a company with social responsibility, i.e. a good corporate citizen, FERI supports the objectives of sustainable development, focusing in particular on the Sustainable Development Goals (SDGs) defined by the United Nations. For this reason, FERI is also a member and promoter of the United Nations Principles for Responsible Investment Initiative (UN PRI).

The FERI Group has been strengthening and extending its activities in the field of sustainable investment solutions since October 2019 and has established a dedicated centre of expertise for this. The new "FERI SDG Office" coordinates all relevant activities in the area of sustainability at FERI and promotes the development of special service concepts and investment solutions. The FERI SDG Office employs a focused approach, paying particular attention to the UN's 17 Sustainable Development Goals (SDGs).

With numerous studies and academic texts, the FERI Cognitive Finance Institute represents an important pillar of research work and economic knowledge discovery, among other things for integration of social and environmental aspects in financial investments.

DOMCURA AG – another subsidiary of the MLP Group – offers both private and commercial insurance solutions for the German financial services market as an underwriting agency. The

company has special expertise in the development and sale of residential building concepts. The company has also been underpinning its expertise as a digital underwriting agency since 2018 as one of the first companies in Europe to introduce an app-based luggage insurance policy on the basis of the revolutionary blockchain technology. "Going paperless" is already an explicit objective of DOMCURA as a way of making a sustainable contribution to protecting our forests. DOMCURA clients can get involved here. On request, all standard correspondence – from policies right through to invoices – can be sent digitally instead of by post and also called up at any time and from any location via the "DOMCURA transfer server and its app".

GRI SRS indicators – G4-FS11

Percentage of financial assets subject to a positive or negative selection test environmental or social factors

The financial investments of our banking business do not go through any explicit selection test based on environmental or social factors. Our investments are primarily made with the intention to hold them in the long term (buy and hold).

The sustainability mandates within our client portfolios are subject to ethically oriented exclusion criteria. Sustainability analyses are performed by various companies, including MSCI ESG Research.

We also further extended our portfolio of sustainability funds in 2019 with the UBS MSCI World Socially Responsible UCITS ETF, as well as a further sustainable asset manager, Arabesque. In addition, more and more conventional funds are also including an analysis of their target investments based on ESG criteria without being listed by us as "sustainable funds".

Key indicator GRI SRS-417-1

Requirements for product and service information and labeling

MLP is per se subject to numerous regulatory requirements – among others in the areas of documentation, qualification and transparency.

Alongside our own quality standards for our clients, product and service information is also required by law for a large number of our products. This, for example includes product information sheets, which provide clients with clearly structured and transparent information and enable them to compare various products with one another.

When selecting partners and products, we therefore employ high quality standards and place great emphasis on objective and transparent criteria. An analysis and quality check of the providers in the market, as well as their respective products, are performed on the basis of client requirements. Our product selection process is subject to continuous further development and we regularly review the providers and products/concepts in our portfolio. In this context we pay attention to various issues, including sustainability, primarily by focusing our assessment efforts on the financial strength and service quality of the product partners – particularly in the case of long-term saving and insurance products.

Our self-employed client consultants can highlight the results of the selection process in a transparent way for the individual client using tools such as fact sheets and thereby recommend quality-assured products.

We employ various techniques to promote quality in consultancy services, in particular by offering regular further training to our self-employed client consultants. This is supported by IT-based consulting tools during the face-to-face consultation. In addition the face-to-face consultations are documented.

Criteria 11–20: Sustainability aspects

Criteria 11–13: Environment

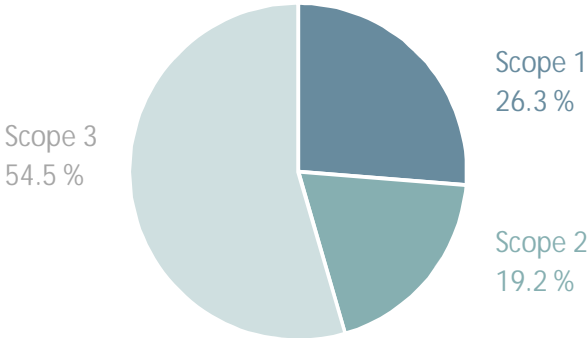
11. Usage of Natural Resources

The company discloses the extent to which natural resources are used for the company’s business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.

We use comparably few natural resources in our business activities as a financial services provider. Yet despite this, we remain committed to responsible use of resources. Indeed, we attempt to avoid or at least reduce the environmental impact caused by our CO₂ emissions.

To this end, we determine a carbon footprint each year using dedicated software. This is then taken as the basis for deriving measures to reduce CO₂ emissions.

The way in which we record our carbon footprint is based on the requirements of the Greenhouse Gas Protocol (GHG) Corporate Standard and encompasses the following scopes:



Scope 1 – Direct emissions
Recording all greenhouse gas emissions (GHG) that occur directly in the organisation. Some 26.3 % (1,408.5 tonnes) of our total carbon footprint was caused here in 2019 (2018: 16.5 % (850.0 tonnes)).

Scope 2 – Indirect emissions due to energy
Recording all indirect greenhouse gas emissions (GHG) that occur due to provision of energy outside the organisation.

Some 19.2 % (1,028.2 tonnes) of our total carbon footprint was caused here in 2019 (2018: 32.1 % (1,650.0 tonnes)). From 2020 onwards, we will completely avoid these emissions – which are essentially caused by use of electricity – thanks to the entire Group switching over to electricity from renewable energy sources.

Scope 3 – Other indirect emissions

Recording all other greenhouse gas emissions (GHG) that are caused by activities of the organisation.

Some 54.5 % (2,922.4 tonnes) of our total carbon footprint – essentially due to employees driving to and from work – were caused by this in 2019 (2018: 51.4 % (2,640.4 tonnes)). We will employ various mobility management measures, and adjust our travel policy, in order to reduce these emissions.

Our total emissions were 5,359.1 tonnes (2018: 5,140.3 tonnes).

The greatest environmental effects from our business activities occur from the consumption of electricity, as well as the generation of emissions from business trips and employees driving to work. To ensure both environmental protection and resource efficiency in these important aspects, efficient environmental and resource management are anchored in MLP's sustainability management activities. Based on our materiality analysis, it is a dedicated strategic sustainability action area, which is therefore also incorporated in our sustainability strategy and the corresponding internal processes with the involvement of corporate management.

With regard to potential ways to reduce emissions associated with business travel and employees driving to work, concepts in connection with the Walldorf/Wiesloch Mobility Agreement concluded in 2018 were developed.

The Walldorf/Wiesloch Mobility Agreement is a concept that aims to improve the mobility of employees in the Rhein-Neckar region. It was agreed between the state of Baden-Württemberg and MLP together with other major companies, transport associations and local authorities in October 2018. The signed "Future-Oriented Mobility Concept for the Walldorf/Wiesloch Economic Area" contains targets and key priorities for regional infrastructure development. Measures for local public transport (ÖPNV), as well as car and bicycle traffic have been agreed in particular. In addition the alliance focuses on company-based mobility management.

The mobility survey, performed in 2019 for the MLP HQ in Wiesloch, served as the basis for the concepts developed in the field of mobility. Among other things, it was the findings from this that led to implementation of the following measures:

Mobility

The MLP HQ offers free-of-charge charging stations for electric vehicles and bicycles.

MLP successfully passed the audit for the EU-wide "Bicycle-Friendly Employer" programme at the end of 2019 and therefore received the certificate, which is presented by the General German Bicycle Club (ADFC). A bicycle repair station was installed on the campus at Group HQ and a bicycle campaign day held in cooperation with the ADFC. The company also took part in the "Cycle to Work" campaign and introduced co-financing of job tickets for the Rhine-Neckar Public Transport Network (VRN).

Mobile working

The "Mobile working" works agreement, which was signed in 2019, also supports the objective of reducing the emissions caused by our employees travelling to and from work. It should also be noted that employees were already able to work from home before this. However, not only were the guidelines for mobile working set out for a larger number of employees as a result of the provisions of the "Mobile working" works agreement, but clear support for mobile working was also achieved in the workforce, in particular among managerial staff. As a result of this, significantly more employees took up the opportunity to work from home in 2019. This applies both to the number of employees that actually work from home and the number of hours spent working from home.

Since the start of 2020, MLP consultants and MLP employees have had access to a new tool that allows them to attend online meetings that go beyond mere audio/video exchange. "Flexperto" for example also offers MLP consultants the option to share screen content or notes via whiteboard. This then allows meetings to be held flexibly from any location and without the need for travel.

The individual key resources we use are listed in the following criteria 12 "Resource management".

12. Resource Management

The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.

With the objective of becoming climate neutral by 2022, the MLP Group accepts its responsibility and makes its contribution to climate protection. This is accompanied by the target of sustainably reducing the ecological footprint of our business activities.

Alongside planned emissions savings (see criteria 11 "Use of natural resources"), this also includes optimised use of renewable energies:

Our Group HQ has had a photovoltaic system since 2015, whose power generation has been supplemented since 2018 by operating a dedicated heating plant with combined heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre. In addition to this, the electricity used by the MLP Group was switched over completely to renewable energies at the start of 2020.

An energy audit in line with DIN EN 16247-1 was already performed in the MLP Group – including all Group subsidiaries – back in 2016. The results of the audit confirmed the low energy intensity of the business operations and the recommended measures, such as replacing certain light bulbs or installing further motion sensors.

We keep an eye on the comparatively low use of resources as well as the environmental impact of our business activities through our sustainability management and try to systematically optimise these. Accordingly, we consider the impact of our business activities on the environment to be low in comparison with manufacturing companies, for example, and therefore do not see any significant risks to the environment. In order to keep our use of resources at Group headquarters up-to-date and cost- and environmentally conscious, our Infrastructure Management unit is concerned with

continuous improvement, especially of our energy efficiency. We do not see any serious ecological risks arising from our business activities.

By sustainability risks, we generally understand events or conditions in the environmental, social or corporate management sectors whose occurrence can have actual or potential significant negative effects on MLP's net assets, financial position and results of operations as well as its reputation; this includes climate-related risks in the form of physical risks and transition risks. The appropriate consideration of sustainability risks as required by the Federal Financial Supervisory Authority (BaFin) is carried out within the scope of the respective risk type (see MLP risk report). For example, potential business-relevant sustainability risks in the context of corporate management are addressed in the MLP Code of Conduct and Ethics. It provides an internal binding guideline framework for integrity, particularly by actively combating financial crime.

Key indicator GRI SRS-301-1

Materials used

The figures disclosed by us were generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

For us as a financial services company, the materials we use are essentially paper, which, with 7.8 million sheets in the 2019 reporting period and thus 39.2 t (2018: 45.93 t), represents only 0.7% of our total CO₂ emissions.

The paper types used by us correspond to at least the ECF Standard (EU Ecolabel certified product, low-chlorine bleached).

Individual measures in the form of projects for paperless processes have been initiated and implemented, among other things as a result of the process of digitalisation. For example, a large part of our client communication takes place via our Finance Pilot, the client portal of MLP Banking AG, in which many paper-based processes have now been replaced by electronic client files. A large percentage of the processes with insurers is now also processed via electronic interfaces. Since January 2020, it has also been possible to perform client consulting itself online - from making appointments online, through video chats, all the way up to whiteboard functions.

In addition, numerous training courses at our MLP Corporate University have been switched over to digital format and many training sessions are offered regionally.

GRI SRS indicators – GRI SRS-302-1

Energy consumption within the organization

As a financial services provider, our use of energy is limited to the requirements of our offices and business operations. Nonetheless it is our ambition to use resources responsibly and the greatest environmental effects from our business activities occur from the consumption of electricity, as well as the generation of emissions from business trips and employees driving to work.

Based on our objective in this aspect of establishing the MLP Group as carbon-neutral by 2022, the first step of sourcing the MLP Group's entire energy requirement from renewable energies was completed at the start of 2020. In addition, our Group HQ has had a photovoltaic system since 2015, whose power generation has been supplemented since 2018 by operating a dedicated heating plant with combined heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre.

The figures disclosed by us by us were generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

Electrical energy consumption

The electrical energy consumption was 2,111,898.00 kWh in the 2019 reporting period (2018: 2,944,836 kWh) which corresponds to a CO₂ equivalent of 1,028.2 t. The photovoltaic system at our Group HQ in Wiesloch produced 196,855.70 kWh for our use in 2019 (2018: 218,494.00 kWh).

**GRI SRS indicators – GRI SRS-302-4
Reduction of energy consumption**

We were able to reduce our energy procurement by almost 30 % compared with the previous year, i.e. by more than 800,000 kWh, which is mainly due to the efficiency of our combined heat and power plant (CHP) that will go into operation in 2018.

| | 2018 | 2019 |
|--------------------------|-----------|-----------|
| Electricity consumption* | 2,944,836 | 2,111,898 |

(Figures in kWh,
* plus energy generation by combined heat and power plant)

Based on our objective of establishing the MLP Group as carbon-neutral by 2022, the first step of sourcing the MLP Group's entire energy requirement from renewable energies was completed at the start of 2020. In addition, our Group HQ has had a photovoltaic system since 2015, whose power generation has been supplemented since 2018 by operating the above-mentioned dedicated heating plant with combined heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre.

Self-generated electricity from the photovoltaic system

| 2016 | 2017 | 2018 | 2019 |
|---------|---------|---------|---------|
| 206,822 | 201,339 | 218,494 | 196,856 |

(Figures in kWh)

GRI SRS indicators – GRI SRS-303-3
Water withdrawal

As a financial services provider, our use of water is also limited to the requirements of our business premises and not significant based on our business activities. Nevertheless, we pay particular attention to an appropriate and efficient consumption of water. For example, the system for automatic watering of the grounds at our Group HQ is set up in such a way that watering is only performed as and when needed in accordance with rainfall. The water fittings in the sanitary facilities at Group HQ have been replaced with water-saving fittings that close automatically to prevent waste.

The figures disclosed by us were generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

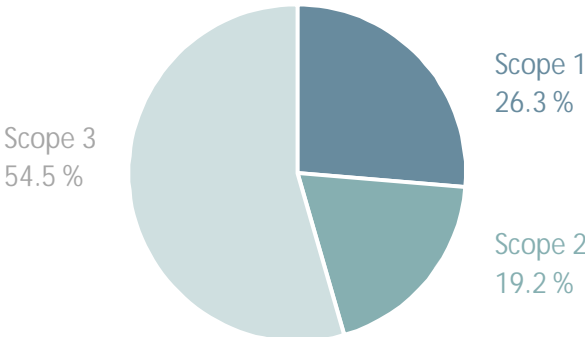
The total water withdrawal in the 2019 reporting period was 13,279 m³ of drinking water (2018: 16,267 m³) 10,063 m³ of waste water (2018: 8,846 m³). This corresponds to a total CO₂ equivalent of 11.3 tonnes (2018: 11.9 tonnes).

GRI SRS indicators – GRI SRS-306-2
Waste

The waste generated and the recycling of this waste for and by our business activities should not be considered significant for us as a financial services provider.

13. Climate-Relevant Emissions

The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions.



The greenhouse gas emissions resulting from our business activities as a financial services provider are comparably low. Yet despite this, we remain committed to responsible use of resources. Indeed, we attempt to avoid or at least reduce the environmental impact caused by our CO₂ emissions. To

this end, we determine a carbon footprint each year using dedicated software. This is then taken as the basis for deriving measures to reduce CO₂ emissions.

Until now, calculation of the data had essentially referred to Group HQ. To achieve our objective of climate neutrality in 2022, collection of data is now being gradually extended to include the individual locations and companies in the MLP Group.

Emissions as a result of our business activities essentially occur through power consumption, as well as business travel and employees driving to work. The MLP Group accepts its responsibility and makes its contribution to climate protection with the objective of achieving climate neutrality by 2022. This is accompanied by the objective of sustainably reducing the ecological footprint of our business activities. Around 19 % of our carbon footprint was still being caused by electricity usage in 2019. We have already been able to make this carbon-neutral by switching over the entire Group to electricity from renewable energy sources from 2020. We have introduced various measures to reduce climate-relevant emissions that are caused by business travel and employees driving to and from work. Information on these can be found under criteria 11 "Use of natural resources".

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

The use of renewable energies is described in this report under the performance indicator "GRI SRS-302-1 Energy consumption".

GRI SRS indicators – GRI SRS-305-1
Direct (Scope 1) GHG emissions

Scope 1 encompasses all greenhouse gas emissions (GHG) that occur directly in the organisation, for example GHG emissions caused by the company's fleet of vehicles or air conditioning systems.

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

This Corporate Carbon Footprint discloses all emissions as CO₂ equivalents. This means that the six further greenhouse gases governed by the Kyoto Protocol are also taken into account in the calculations alongside CO₂. These are converted to the global warming potential (GWP) of CO₂ and therefore represent CO₂ equivalents (CO₂e).

| | 2018 | | 2019 | |
|-------------------|-------|--------|-------|--------|
| Heat | 181.9 | 3.5 % | 749.5 | 14.0 % |
| Fleet of vehicles | 575.8 | 11.2 % | 590.7 | 11.0 % |
| Refrigerant | 92.3 | 1.8 % | 68.3 | 1.3 % |

(Amounts in tonnes)

Direct emissions in scope 1 corresponded to a total CO₂ equivalent of 1,408.56 tonnes in the reporting period (2018: 850.0 tonnes). This corresponds to 26.3 % of our total CO₂ emissions.

The increase in emissions due to heating can be attributed to converting to another heating fuel. In 2018, we purchased externally generated heat that was produced using wooden pellets. Following commissioning of our own combined heat and power plant at the end of 2018, heat is now produced using natural gas. However, this increase is offset by the energy production of the combined heat and power plant.

GRI SRS indicators – GRI SRS-305-2
Energy indirect (Scope 2) GHG emissions

Scope 2 encompasses all indirect greenhouse gas emissions that are produced as a result of the provision of energy supply outside the organisation by an energy supply company. This includes electricity, district heating and district cooling.

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

| | 2018 | | 2019 | |
|---------------------------|---------|--------|---------|-------|
| Electricity | 1,433.7 | 27.9 % | 1,028.2 | 19.2% |
| District cooling. | - | - | - | - |
| Externally generated heat | 216.3 | 4.2 % | - | - |

(Amounts in tonnes)

Indirect emissions in Scope 2 corresponded to a total CO₂ equivalent of 1,028.2 tonnes in the 2019 reporting period (2018: 1,650.0) and therefore represent 19.2 % of our total CO₂ emissions.

Key indicator GRI SRS-305-3
Other indirect (Scope 3) GHG emissions

Scope 3 encompasses all other greenhouse gas emissions (GHG) that are caused by the organisation's activities. These include GHG emissions caused by usage of products and services such as office paper or business trips. Lastly, indirect GHG emissions from the combustion of fuels from scope 1 and scope 2 which occur due to the upstream chain of the fuels are also taken into account here (for example due to transport, refining, storage and delivery).

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our carbon footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data

and calculation bases of the individual software providers.

This is the case in this aspect: In the 2018 sustainability report, we determined a CO₂ equivalent of 990.4 tonnes in the "Employee commuting" aspect using our previous software. However, we are working with an essentially more accurate data basis for 2019, which we acquired through the mobility survey performed at Group HQ.

| | 2018 | | 2019 | |
|-----------------------------|---------|--------|---------|--------|
| Employees driving to work | 1,487.2 | 28.9 % | 2,177.9 | 40.6 % |
| Rental and private vehicles | 54.0 | 1.0 % | 218.3 | 4.1 % |
| Upstream electricity | 240.9 | 4.7 % | 174.6 | 3.3 % |
| Upstream heating/cooling | 144.0 | 2.8 % | 167.1 | 3.1 % |
| Flights | 588.9 | 11.5 % | 126.6 | 2.4 % |
| Office paper | 39.2 | 0.8 % | 39.2 | 0.7 % |
| Water | 17.2 | 0.3 % | 11.3 | 0.2 % |
| Travel by rail | 69.0 | 1.3 % | 4.2 | 0.1 % |
| Disposal | - | - | 3.2 | 0.1 % |

(Amounts in tonnes)

Other emissions in Scope 3 corresponded to a total CO₂ equivalent of 2,922.4 tonnes in the 2019 reporting period (2018: 2,640.4 tonnes) and therefore represent 54.5 % of our total CO₂ emissions.

GRI SRS indicators – GRI SRS-305-5 Reduction of GHG emissions

As a financial services provider, the influence of our business activities on resource consumption is low and, in itself, not significant in terms of our company activities. Yet despite this, our firm commitment remains to use resources responsibly. The greatest environmental effects from our business activities occur from the consumption of electricity, as well as the generation of emissions from business trips and employees driving to work.

Total emissions at MLP*

| | 2018 | | 2019 | |
|---------|---------|--------|----------|--------|
| Scope 1 | 850.0 | 16.5 % | 1,408.50 | 26.3 % |
| Scope 2 | 1,650.0 | 32.1 % | 1,028.20 | 19.2 % |
| Scope 3 | 2,640.4 | 51.4 % | 2,922.40 | 54.5 % |
| Total | 5,140.3 | | 5,359.10 | |

(Figures in tonnes,
* essentially Group HQ)

Efficient environmental and resource management is anchored in our sustainability management at MLP. Based on our materiality analysis, it is a dedicated strategic sustainability action area and is therefore incorporated in our sustainability strategy and the corresponding internal processes with the involvement of corporate management. To keep our use of resources appropriate, as well as price and ecology conscious, our infrastructure management unit focuses on continuously improving our energy efficiency. With regard to potential ways to reduce emissions associated with business

travel and employees driving to work, concepts in connection with the Walldorf/Wiesloch Mobility Agreement concluded in 2018 are currently being reviewed.

Criteria 14–20: Society

14. Employment Rights

The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.

MLP operates almost exclusively in Germany and thereby essentially recruits its employees within the German legal framework. German and European labour rights therefore apply to employees of MLP, together with the human rights standards of the UN and the International Labour Organisation (ILO) standards.

In addition to this, the issues and rights of employees at MLP SE, MLP Finanzberatung SE and MLP Banking AG have been represented and monitored by a works council since 2011. In the subsequent years, works councils were established at virtually all other MLP Group companies. MLP engages in regular and collaborative dialogue with the employee representatives on all topics pertaining to co-determination. The participation rights of the employee representatives are governed by industrial constitution law. In addition to this, there are employees' representatives on the Supervisory Board at MLP SE, MLP Finanzberatung SE and also MLP Banking AG.

Open and transparent communication between employees/client consultants and our management is part of our corporate culture and receives a platform via our "MLP.net" intranet, through which an open exchange regarding news, issues and specialist topics takes place. This format is used actively by the employees. There are also dialogue and chat formats that enable topics to be addressed transparently with management and allow employees to communicate with one another. Our employees are incorporated in our sustainability management activities through participation in the form of surveys, as well as through information provided on our intranet and via the e-mail address nachhaltigkeit@mlp.de, which can be used to establish direct contact with our sustainability management. The employees also have the opportunity to participate actively via the company suggestion scheme that is set out in a works agreement. To assess the management level, there is also an annual management assessment, i.e. the assessment of management behaviour by employees at least at the next level.

Health protection and workplace safety are anchored in the MLP Group in the form of a guideline with the purpose of both securing and improving the work of employees through occupational safety measures. Avoiding work and commute-related accidents, as well as occupational diseases is the objective of all workplace health & safety measures. Special attention is given to physical and mental stress here. For example, active noise-cancelling headphones were procured in 2019, while plans for a silent zone were expedited. MLP shares the principles described in the "Luxembourg Declaration on Workplace Health Promotion in the European Union" and continues its occupational health and safety approach in the spirit of the declaration.

With regard to compliance with labour rights, our objective is always to ensure responsible actions and mutual respect. We implement this in an open and team-oriented corporate culture. "MLP as an attractive employer and partner" is therefore a strategic action area within our sustainability management activities.

MLP is a knowledge-based service company in which qualified and motivated employees and independent client consultants form the most important basis for sustainable corporate success. It is therefore our aim to sustainably shape the employability of our employees by continuously developing our human resources work. To this end, the Human Resources department has formulated an internal concept with human resources management fields of action derived from the existing framework conditions, such as coping with demographic challenges, the continuous improvement of human resources management processes, digitalization, employer attractiveness, etc. Individual measures in this regard can also be found under criteria 15 "Equal opportunities".

Selected objectives and measures in the time horizon up to 2022:

- targeted promotion of women in leadership
- Support for part-time management
- targeted further development of health promotion offers
- Review and, if necessary, update the MLP-F management guidelines and selection guidelines
- Greater systematisation of the parental leave process

The activities in the area of human resources are also regularly reviewed and, if necessary, adjusted by the responsible departments in the targets set by the Executive Board in MLP's business strategy.

Possible personnel risks are examined in detail as part of our risk management and are presented in our risk reporting in our annual report.

We have analysed risks for our employees resulting from their work at MLP, as well as risks of labour rights violations, but have not identified any relevant risks.

Key indicator GRI SRS-401-1

New employee hires and employee turnover

The number of employees in the MLP Group increased slightly in the last financial year. In the reporting year 2019, a total of 1,783 employees worked for MLP.

The increase is essentially the result of entries associated with the acquisition of the DEUTSCHLAND Immobilien Group (DI), as well as new recruitments and staff returning to work following parental leave. Although the staff turnover rate within the Group rose slightly, it still remained low at 8.2 % (without the DI Group).

At 8.6 %, the turnover rate among our self-employed MLP consultants was significantly below the target figure of around 10 %.

| New recruitments in the Group | | | | | | |
|-------------------------------|------|---------|------|------|--------|-------|
| Age | < 30 | 30 - 50 | > 50 | male | female | TOTAL |
| 2018 Total | 58 | 73 | 17 | 72 | 76 | 148 |
| 2019 Total | 60 | 87 | 22 | 78 | 91 | 169 |

| Employee turnover | | | | | | |
|-------------------|------|---------|------|------|--------|-------|
| Age | < 30 | 30 - 50 | > 50 | male | female | TOTAL |
| Total 2018 | 35 | 69 | 28 | 58 | 74 | 132 |
| Total 2019 | 41 | 86 | 44 | 68 | 103 | 171 |

Key indicator GRI SRS-401-3
Parental leave

Based on the statutory approach, an entitlement to parental leave can exist in many different circumstances. However, relevant data is often not available prior to asserting claims for entitlements, for example with regard to previous employers, parental leave entitlements of grandparents or within the scope of adoptions. As such, it is neither possible nor prudent to record such information in this report.

The following table offers an overview of total parental leave taken:

| Parental leave in Group | 2018 | | | 2019 | | |
|---|---------|----------|---------|---------|----------|---------|
| | Total | male | female | Total | male | female |
| Taken parental leave | 130 | 20 | 110 | 124 | 19 | 105 |
| Returned to work after parental leave | 62 | 18 | 44 | 67 | 19 | 48 |
| Still employed twelve months after their return to work | 55 | 17 | 38 | 61 | 19 | 42 |
| Return to work rate | 96.88 % | 100.00 % | 95.65 % | 91.78 % | 100.00 % | 88.89 % |
| Retention rate | 88.71 % | 94.44 % | 86.00 % | 91.04 % | 100.00 % | 87.50 % |

Note on calculation of the return-and-remain rate

The calculation is performed in line with the requirements of the Global Reporting Initiative (GRI) using the following formula:

$$\text{Return to work rate} = \frac{\text{Total number of employees that did return to work after parental leave}}{\text{Total number of employees due to return to work after taking parental leave}} \times 100$$

$$\text{Retention rate} = \frac{\text{Total number of employees retained 12 months after returning to work following a period of parental leave}}{\text{Total number of employees returning from parental leave in the prior reporting period(s)}} \times 100$$

Key indicator GRI SRS-405-2 Ratio of basic salary and remuneration of women to men

We provide this indicator on the basis of our pay system and structures.

A "pay system" works agreement for employees of the Group companies MLP SE, MLP Finanzberatung SE and MLP Banking who cannot be classed as executives in the sense of the Industrial Constitution Law (BetrVG) (approximately 2/3 of the Group workforce) has been in place at MLP since 2015 and was revised in the financial year 2019. This system uses salary brackets, whose assignment criteria are based on the respective job type and are therefore gender-neutral in the sense of the Transparency of Pay Act (EntgTranspG), just like the MLP pay system itself. This means that any notion of gender-based discrimination is already ruled out in the pay system employed by MLP.

MLP was able to draw statistical conclusions, in particular through assignment of job types to the various salary brackets, that enable the provision of information regarding gender-equal pay at MLP. The effects of the "pay system" works agreement with regard to an ever greater harmonisation of the compensation for men and women will take hold gradually as the system is applied internally over time.

Even at MLP, women are still under-represented in management positions, which tend to enjoy higher salaries. The intention is to further improve the concept for increasing the percentage of women at management levels and part-time management in the financial year 2020. The objective here is to motivate more women to apply for management positions. This is a necessary prerequisite for sustainably increasing the percentage of women in management positions. The successfully accomplished "berufundfamilie" audit is a driver of such measures. The target agreement concluded includes concrete measures to improve the framework conditions of part-time management and women in management positions, which are to be further expedited in the financial year 2020.

With the Transparency of Pay Act (EntgTranspG), employers with more than 500 employees are requested to perform their own company audit in order to review their pay systems and check compliance with the equal pay principle. The legislator's intention is for auditing processes of this kind to be performed on a voluntary basis under the employer's own responsibility. The objective of the internal company auditing process is to identify individual women who are not receiving equal compensation. Any disadvantage to individual female employees that is identified should then be addressed with suitable measures on the part of the employer. You can find further information on this in our transparency of pay within our 2018 Annual Report, which will be updated within the scope of legal requirements in the annual report for the year 2020 as per the requirements of § 22 of the Transparency of Pay Act.

The pay structure at MLP is gender neutral. However a voluntary audit took place in 2018 to identify any potential cases, with the result that the salaries of 19 female employees were raised by an average of 11.05 %.

15. Equal Opportunities

The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.

A diverse workforce, along with an appreciative and open corporate culture, strengthens our innovative capacity and makes a key contribution to our business success. As such, we have also been signatories to the Diversity Charter since 2014 and have therefore signed up to the voluntary commitment to establish a working environment free of prejudice for our employees, in which everyone is given an equal opportunity.

MLP is appreciated by its employees and consultants for its corporate culture and values, as underlined by a survey conducted at the end of 2018. The evaluation confirmed that there is a good corporate culture in place at MLP, while aspects such as satisfaction with the respondents' own work area or the work-life balance were also rated as positive. Aspects that require attention and improvement were reviewed closely by various working groups in 2019 and suitable measures were then initiated.

A reliable and constant indicator of a good working environment at MLP is the low employee turnover rate, which at 8.2 % also remained at a low level within the Group in 2019 (2018: HQ: 7.2 %). At 8.6 %, the turnover rate among MLP consultants was significantly below the target figure of around 10 %.

In addition to this, employee satisfaction is confirmed by the average length of service, which is currently 13 years.

Reconciliation of family and working life

As a sign of a family-friendly and lifestyle-conscious personnel policy, auditing by the strategic "berufundfamilie" work and family management instrument was successfully completed and certified in 2019. The certificate, which is considered a seal of approval for a family-friendly and life phase-appropriate personnel policy, was initiated by the Hertie Foundation. The audit assesses the current situation of the family-friendly and life phase-appropriate measures already in place, systematically develops the individual business potential and uses binding target agreements to ensure that family awareness is further strengthened in the corporate culture. The associated target agreement for the coming three years includes various objectives/measures to promote the concept of women in management positions, as well as part-time management.

MLP offers its employees flexible working hours and working place models. This enables them to adopt healthy working methods that fit in with their everyday life situation. This offer is supplemented by the option of using a parent-child office at company HQ in Wiesloch to help bridge short-term gaps in childcare. MLP also supports families by granting a childcare allowance. In addition to this, MLP has been offering a family service throughout Germany since January 2014. Anyone interested in this can, for example, receive support in finding the right childcare, yet also get advice when it comes to caring for relatives or handling personal crisis situations.

So that employees can also combine their career with a family, MLP bears the costs for various offers found in the "Generation Guide". This provides expert advice in the fields of childcare and upbringing, as well as counselling and support in the fields of homecare and eldercare. There are also paid leave days for illness of a child or looking after parents. With these measures, we support our

employees in overcoming the challenges often faced when combining a career with a family, along with the associated stress.

Health and safety at the workplace

The principles of health and safety at the workplace are firmly set out in a policy at the MLP Group with the purpose of both securing and improving the work of employees through occupational safety measures. Avoiding work and commute-related accidents, as well as occupational diseases is the objective of all workplace health & safety measures. Special attention is also given to physical and mental stress. MLP shares the principles described in the "Luxembourg Declaration on Workplace Health Promotion in the European Union" and continues its occupational health and safety approach in the spirit of the declaration.

Within the scope of our health management, MLP offers a range of measures at the company HQ such as flu shots on the campus, ergonomic workplace advice, employee and management consulting, information on the topic of burnout, as well as crisis counselling in the event of an emergency, which is provided by psychotherapy outpatient clinic at the University Hospital Heidelberg. Health management was further improved in 2019 with measures such as active noise cancelling headphones, as well as other sport and movement activities. In addition to this, plans for a silent zone were expedited.

Appropriate payment and gender equality

The "pay system" works agreement for the employees of the Group companies MLP SE, MLP Finanzberatung SE and MLP Banking who cannot be classed as executives in the sense of the Industrial Constitution Law (BetrVG) (approximately 2/3 of the Group workforce) has been in place at MLP since 2015 and was revised in the financial year 2019. This system uses salary brackets, whose assignment criteria are based on the respective job type and are therefore gender-neutral in the sense of the Transparency of Pay Act (EntgTranspG), just like the MLP pay system itself. This means that any notion of gender-based discrimination is already ruled out in the pay system employed by MLP.

MLP was able to draw statistical conclusions, in particular through assignment of job types to the various salary brackets, that enable the provision of information regarding gender-equal pay at MLP. The effects of the "pay system" works agreement with regard to an ever greater harmonisation of the compensation for men and women will take hold gradually as the system is applied internally over time.

In 2018, the works agreement for introducing an MLP Shopping Card was approved. This payment card, which is accepted by many retailers, has been loaded with a tax-free and social security-free credit balance on a monthly basis since January 1, 2019. In addition to this, a comprehensive salary review was performed in 2019. This also involved a reduction in weekly working time to 39 hours with full wage compensation and further benefits such as the allowance for the Job Ticket II of the Rhine-Neckar Public Transport Network (VRN). The latter also targets a reduction in emissions caused by staff driving to and from work (see the comments on criterion 11 "Use of natural resources").

Even at MLP, women are still under-represented in management positions, which tend to enjoy higher salaries. The intention is to further improve the concept for increasing the percentage of women at management levels and part-time management in the financial year 2020. The objective here is to motivate more women to apply for management positions. This is a necessary prerequisite for sustainably increasing the percentage of women in management positions. The successfully accomplished "berufundfamilie" audit is a driver of such measures. The target agreement concluded

includes specific measures to improve the framework conditions of part-time management and women in management positions, which are to be further expedited in the financial year 2020.

16. Qualifications

The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.

MLP is a knowledge-based service provider, at which qualified and motivated employees, as well as self-employed client consultants represent the fundamental basis for sustainable corporate success. Continuous further development of our employees on the one hand and the recruitment of new consultants including their qualification on the other represent an important focus.

In order to make the employability of our employees sustainable, the continuous development of our personnel work and our health management is of particular importance and a clear objective of our personnel management. To this end, the HR department has developed an internal concept with personnel management action areas, which were derived from the existing framework conditions. These include overcoming demographic challenges, as well as continuous improvement of HR processes, digitisation, employer attractiveness, etc. One selected objective is the targeted promotion of women in management positions in the time horizon up to 2022.

Individual measures in this vein are also described under criterion 15 "Equal opportunities".

As a knowledge-based service provider, great emphasis is placed on both training and development of our employees. To this end, comprehensive further training opportunities are made available to our employees at Group HQ, as well as for back office staff at the branch offices. The Top Talents Programme has been held regularly since 2013 as a way of identifying talented junior staff from within the company, offering them targeted development opportunities and preparing them for future specialist or disciplinary management duties. The current year of the Top Talents Programme started in April 2019 with 8 participants and will run until early 2020. To train existing managers and convey skills relevant for their duties, as well as to support them in their role with personnel responsibility, we have been offering a modular "management programme" since 2015 which is attended by new managers every year and is also offered to all other employees in management roles as further training.

MLP health management offers employees a comprehensive range of health and social services. The primary focus here is on aspects to help staff combine their career with a family more effectively. Our health and social services offer is described in more detail under criterion 15 "Equal opportunities".

Over the last few years we have introduced and implemented various measures to increase the productivity of our consultants. These include further development of our consulting applications, even greater support for our consultants – for example in product selection – and even more effective service from the back-office in Wiesloch. Furthermore, the ongoing development of the training programme offered at our Corporate University to our self-employed client consultants, which, thanks to its perfectly tailored modules, fulfils the individual training requirements of the consultants even more effectively, as well as the realignment of the university segment with a clear focus on the recruitment of young consultants are also making a contribution to this.

A possible error in client consulting, investment and acquisition brokerage or finance portfolio management and associated claims for damages can present a consulting and liability risk. We minimise potential consulting risks by maintaining consistently high quality consulting which we ensure, for example, through IT-supported consulting tools. Consultations with our clients and the results coming from this are comprehensively documented. Our own Corporate University ensures a high standard of consultant training. Indeed, each consultant attends extra-occupational training to become a Financial Consultant and then later a Senior Financial Consultant.

Risks from human error and employee availability

The MLP Finanzholding Group attaches particular importance to qualified employees and managers. Nevertheless, human error cannot be completely ruled out. We rely on an open, positive error culture with the aim of recognising errors early on, continuously improving our processes and strengthening our innovative strength. The personnel resources and the necessary qualification of the employees are ensured by the responsible specialist departments. We reduce the risk of personnel bottlenecks by allocating personnel accordingly.

Key indicator GRI SRS-404-2

Programs for upgrading employee skills and transition assistance programs

Alongside specialist training courses that are adapted to the individual needs of employees, MLP held 42 multi-disciplinary training events in 2019 on the topics of "Work methods and techniques", "Communication and personality", "Self-management", as well as special training sessions such as "Reaching decisions in complex situations" and "Lateral leadership" which targeted all employees. In addition to this, four multidisciplinary seminars for managers and three for teams were held.

In 2019, another year of the "Top Talents" programme for junior staff, which was established in 2013, started. The objective of this programme is to systematically identify talented junior staff from within the company and then provide these with targeted and sustainable development opportunities for future specialist and management duties within the MLP Group.

Key indicator GRI SRS-404-3

Percentage of employees receiving regular performance and career development reviews

With regard to the employees at MLP SE, MLP Finanzberatung and MLP Banking AG, an assessment of this kind is performed for all employees irrespective of gender.

The staff appraisals held each year between employees and their line managers are used to perform individual assessments within the Group companies MLP SE, MLP Finanzberatung SE and MLP Banking AG. Indeed, these meetings can be used to formulate target agreements which lead to achievement of both individual and departmental/corporate goals.

GRI SRS indicators – GRI SRS-403-9

Work-related injuries

Since the key activities at MLP revolve around office work, the accident rate is essentially limited to commuting accidents. These remain at a permanently low level. There were also no deaths in the financial year 2019.

We do not keep Group-wide records on illness rates. However, we have been determining the periods of absence in the individual specialist departments at Group HQ for several years for internal review purposes.

More detailed reporting can be considered insignificant with regard to our business activities.

GRI SRS indicators – GRI SRS-403-10

Work-related ill health

See indicator GRI SRS-403-9.

GRI SRS indicators – GRI SRS-403-4

Worker participation, consultation, and communication on occupational health and safety

The principles of health and safety at the workplace are firmly set out in a policy at the MLP Group with the purpose of both securing and improving the work of employees through occupational safety measures. Avoiding work and commute-related accidents, as well as occupational diseases is the objective of all workplace health & safety measures.

MLP shares the principles described in the "Luxembourg Declaration on Workplace Health Promotion in the European Union" and continues its occupational health and safety approach in the spirit of the declaration.

Within the scope of our health management, MLP offers a range of measures such as flu shots, ergonomic workplace advice, employee and management consulting, information on the topic of psychological disposition, as well as crisis counselling in the event of an emergency, which is provided by the psychotherapy outpatient clinic at the University Hospital Heidelberg. Health management was further improved in 2019 with measures such as active noise cancelling headphones, as well as other sport and movement activities. In addition, plans for a silent zone were expedited. The measures are aimed at prevention and raising awareness on such issues. The measures have been very well received so far and are set to be continued.

There are no other formal agreements or involvements.

GRI SRS indicators – GRI SRS-404-1
Average hours of training per year per employee

These figures on employee training are not currently recorded at MLP. MLP had a total budget of around € 200,000 for specialist and multi-disciplinary training courses for employees and managers in 2019 (2018: € 185,000).

Numerous seminars and events serve to underline the scope of our training offer for our self-employed client consultants. In 2019, more than 26,000 individual events (including online seminars) were held at our MLP Corporate University.

GRI SRS indicators – GRI SRS-405-1
Diversity

The MLP Supervisory Board

The Supervisory Board at the Group holding MLP SE comprises six members, whereby four members are elected by the Annual General Meeting in accordance with the provisions of the German Stock Corporation Act (AktG) and two members are elected by the employees in accordance with the provisions of the Participation Agreement for MLP SE.

The six members of the Supervisory Board are currently five men and one woman.

| Composition of the MLP Supervisory Board | | | | | | |
|--|------|---------|------|------|--------|-------|
| Age | < 30 | 30 - 50 | > 50 | male | female | TOTAL |
| Total 2018 | 0 | 2 | 4 | 5 | 1 | 6 |
| Total 2019 | 0 | 2 | 4 | 5 | 1 | 6 |

MLP Executive Board

According to the recommendations of the German Corporate Governance Code, the Executive Board should take diversity into account when filling managerial positions and, in this respect, aim for an appropriate consideration of women. The Executive Board sets out targets for proportional female representation at the two management levels below Executive Board level.

In the current financial year, the Executive Board has intensified its efforts with respect to diversity when filling managerial positions and, in particular, strives to achieve appropriate consideration of women at managerial levels in the company. In the past, the Executive Board of MLP SE already took measures directed at reconciling working life and family life. The Executive Board already adopted an overall concept in November 2013 to ensure that appropriate consideration is given to women in the company's management ranks, taking into account the company's specific situation. Thus, no specifications for concrete selection decisions with respect to filling positions have yet been established. Nevertheless, the Executive Board of MLP SE has only decided upon a percentage of female members amounting to 0 percent at the first management level below the Executive Board, as MLP SE is a holding company that has only a very limited number of staff with just a few managers. Beyond this, MLP SE does not have a second level of management below the Executive Board.

The [Executive Board at MLP SE](#) currently comprises three members.

Employees

MLP had 61.85 % female employees and 38.15 % male employees in 2019.

| Employees by age group | | | |
|--|---------|---------|---------|
| Age | < 30 | 30 - 50 | > 50 |
| 2018 Percentage of total number of employees | 12.34 % | 61.10 % | 26.56 % |
| 2019 Percentage of total number of employees | 11.80 % | 51.15 % | 29.05 % |

GRI SRS indicators – GRI SRS-406-1

Incidents of discrimination and corrective actions taken

No cases of discrimination were reported in the reporting period.

17. Human Rights

The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.

In 2018, we condensed our compliance guidelines to create the MLP Code of Business Conduct and Ethics. This defines general behavioural standards and principles for the companies in the MLP Group. MLP Compliance promotes awareness among the members of the Executive Bodies, employees and self-employed client consultants for responsible, sustainable, fair and professional business practices with one another, as well as towards customers, business partners and shareholders. The Code provides support in harmonising business activities with the legal provisions and internal policies relevant for MLP. This also includes appropriate and conscious handling of opportunities and risks within the scope of the corporate and risk culture in place at MLP.

Due to our business and consulting activities, we do not see any risks of non-compliance with human rights. Furthermore, there are no indications of non-compliance.

Adequate control and monitoring of material risks at Group level is ensured by appropriate procedures. MLP's Group-wide risk management system ensures that significant risks are identified, assessed, controlled, monitored and communicated.

MLP essentially operates in Germany and, with the exception of our IT, we receive our services and business materials from partners in Germany, with whom we maintain longstanding and trusting relationships. In our supply chain, we consider the risk of human rights abuses, forced and child labour, as well as any form of exploitation as extremely low. We therefore do not consider formulation of a separate concept to be necessary.

Human rights aspects in our investment business are identified at our subsidiary FERI by companies including MSCI ESG Research. In addition to this, FERI joined the "Principles for Responsible Investments" in 2014, an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact Initiative. Together with its international network of signatories, the PRI Initiative is committed to practical implementation of the six principles for responsible investment. The objective is to gain a better understanding of the effects of investment activities on environmental, social and corporate management issues, as well as to support the signatories in integrating these issues into their investment decisions.

GRI SRS indicators – GRI SRS-412-3

Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Within its private client business, MLP operates at locations exclusively in Germany and therefore also operates essentially within the German legal framework. Human rights are observed at all locations and individual companies of the MLP Group, and we do not carry out any separate audits in this regard.

As an investment house for institutional investors, high net-worth families and foundations, the FERI Group, a subsidiary of MLP, offers services in the fields of investment research, investment management and investment consulting.

As a company with social responsibility, i.e. a good corporate citizen, FERI supports the objectives of sustainable development, focusing in particular on the Sustainable Development Goals (SDGs) defined by the United Nations. For this reason, FERI is also a member and promoter of the United Nations Principles for Responsible Investment Initiative (UN PRI).

The voluntary principles of the UN create a practical framework for the incorporation of environmental, social and governance (ESG) questions in the general investment decisions and participation practices employed by FERI.

FERI supports the following principles of sustainable investments and business practices:

- Monitoring fulfilment of the relevant regulations to protect human rights, occupational health and safety, as well as the working, environmental and business practices of the countries in which clients are invested.
- Reviewing business practices of the investment instruments and business partners with all applicable laws and regulations
- Integration of "Best Practice Governance Measures" in investment decisions and business processes
- Compliance with the strictest behavioural standards as a way of avoiding even the appearance of negligent, unfair or corrupt business practices
- Support for efficient use of natural resources and search for the best ecological solutions in business operations and also investment decisions.
- Training investment experts with regard to sustainability-related content and risks
- Encouraging dialogue with clients and business partners on sustainable investment solutions and incorporation of SDG / ESG-related topics in accordance with the requirements and investment guidelines of clients.

GRI SRS indicators – GRI SRS-412-1

Operations that have been subject to human rights reviews or impact assessments

Within its private client business, MLP operates at locations exclusively in Germany and therefore also operates essentially within the German legal framework. Human rights are observed at all locations and individual companies of the MLP Group, and we do not carry out any separate audits in this regard.

GRI SRS indicators – GRI SRS-414-1

New suppliers that were screened using social criteria

Orders to suppliers are mainly placed in the regions of our sites exclusively within Germany. Also because there have not yet been any human rights violations among our business partners, our suppliers are not explicitly checked for such violations.

GRI SRS indicators – GRI SRS-414-2

Negative social impacts in the supply chain and actions taken

Based on the results of our materiality analysis and our business model, this aspect is not material for MLP per se. Furthermore, we have not yet become aware of any human rights violations at our suppliers.

18. Corporate Citizenship

The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.

Successful entrepreneurship combined with social commitment forms part of our identity at MLP. Showing our commitment to the community, in particular at regional and local level, is an expression of our social responsibility. This is reflected in our longstanding support and sponsorship activities in the fields of sport and culture. Grants are awarded for this purpose by the Executive Board and the responsible department on the basis of the MLP sponsoring model. All sponsorships are always granted in consultation with the Executive Board.

As its Group HQ is located in Wiesloch, MLP has a strong connection with the Rhein-Neckar region and its immediate surroundings. Yet our subsidiaries, as well as our consulting centres and field offices, also take on responsibility every year through a large number of projects.

Social commitment

A series, in which MLP employees and consultants can present their social work, was launched on the MLP.net intranet in December 2019. MLP employees can use the series "Engaged – MLP staff show commitment" to present their social work and even find others to join up or support them in the various projects.

The proceeds of the annual Christmas tombola were also once again donated to local initiatives. Donations of around € 8,800 were collected at the traditional MLP Christmas tombola in 2019. MLP then doubled this amount. As such, a total donation of € 17,600 was made to four initiatives.

Education

MLP was once again represented as co-organiser of the Zeit conference "Universities and Education" in 2019, which is attended by a specialist audience from the fields of education and training, science and the economy each year. With the focus topic of "Who does science belong to?", experts from the field of education and training sector, science and the economy discussed the relationship between science and society in an age that is being characterised more than ever by knowledge and education.

Sport

With our sponsoring activities, we are a longstanding partner to sport in the Rhein-Neckar metropolitan region, including the MLP Academics Heidelberg basketball team and golf tournaments such as the "MLP Members & Friends Golf Cup".

Culture

MLP has been a partner to the "Heidelberger Frühling" international music festival since 2006.

Adequate management and monitoring of material risks at Group level is ensured by appropriate procedures. MLP's Group-wide risk management system ensures that significant risks are identified, assessed, controlled, monitored and communicated. We do not see any risks to the community within the scope of our current business activities and our commitment in the aforementioned areas.

GRI SRS indicators – GRI SRS-201-1

Direct economic value generated and distributed

Direct economic value generated

Total revenue generated in the reporting period was € 708.8 million (2018: € 666.0 million). Earnings before interest and tax (before one-off expenses, interest and taxes, operating EBIT) in the MLP Group were € 47.1 million for the financial year 2019 (2018: € 46.4 million). Group net profit in the last financial year was € 36.8 million (2018: € 34.5 million).

Economic value generated and distributed

Subject to approval of the resolution by the Annual General Meeting, MLP SE will pay out about 62 % (2018: 63 %) of operating net profit to its shareholders in the form of dividends for the past financial year. In this case, the total dividend is around € 23 million (*subject to approval by the Annual General Meeting on June 25, 2020) (2018: € 21.9 million).

Our administration expenses (defined as the sum of personnel expenses, other operating expenses, as well as depreciation and impairments) were € 297.1 million in the last financial year (2018: € 289.5 million).

This figure includes personnel expenses of € 135.7 million (2018: € 128.0 million).

A tax expense of € 8.0 million was accrued in 2019, following € 11.3 million in the previous year.

Our expenses for special cultural and sports sponsoring by the Group remained at € 0.9 million.

| Details on direct value added (in € million) | | |
|--|-------|-------|
| | 2018 | 2019 |
| Total revenue | 660.0 | 708.8 |
| of which shareholders | 21.9 | 23.0 |
| Administration costs | 289.5 | 297.1 |
| of which personnel expenses | 128.5 | 135.7 |
| Taxes | 11.3 | 8.0 |
| Sponsoring | 0.9 | 0.9 |

19. Political Influence

All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.

Over the last few years, the legislator has exerted major influence on the market for financial consulting and therefore also on MLP's market by imposing regulations such as the Markets in Financial Instruments Directive II (MiFID II), the Insurance Distribution Directive (IDD), as well as the Investor Protection Act, the Financial Investment Broker Act and the Life Insurance Reform Act (LVRG). The legislator's goal in taking these steps is to protect consumer interests.

Information regarding legislative procedures is provided via associations and representative bodies, as well as within the scope of public consultation procedures or market surveys performed by the national and European supervisory authorities. No information regarding legislative procedures was provided by MLP in 2019.

MLP is not included in any lobby lists, and payments from membership fees are limited to establishments providing structure, such as the banking association by MLP Banking AG. However, MLP is currently engaged in discussions with political protagonists on relevant legislative procedures in the course of its communication work. In concrete terms, in 2019 MLP held discussions with representatives of various parties, as well as the responsible ministry and the Federal Financial Supervisory Authority (BaFin) on the governing coalition's planned capping of acquisition commission and then submitted a statement on the draft bill. The aim here was to highlight potential effects on consumers, the industry in general, as well as our business. No other concrete concepts, in particular with potential to exert political influence, are in place.

As a mid-sized private bank, MLP is member of the Association of German Banks (BdB e.V.). This banking association represents the interests of the private banking industry and mediates between the various interests of private banks, politics, administration, consumers and the economy. Alongside this, MLP is also a member of various regional associations or organisations. These organisations in particular operate in the field of business development, yet also in education, sport

and culture. Among others, MLP has provided the following associations and organisations with financial support through membership fees:

- Association of German Banks (BdB e.V.)
- Private Banking Industry's Employers Association (AGV Banken e.V.)
- German Economy Foundation (SDW e.V.)
- Future of the Rhine-Neckar Metropolitan Region (ZMRN e.V.)

With regard to the aforementioned aspects, our business activities do not result in any risk.

GRI SRS indicators – GRI SRS-415-1

Political contributions

The donations we make are primarily to support regional establishments, in particular in the fields of sport and culture. Political parties do not receive any financial contributions from us.

20. Conduct that complies with the Law and Policy

The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

MLP SE has established a Group-wide compliance organisation and clearly underlined the intrinsic value of lawful and regulation-compliant conduct by drawing up and communicating a Code of Business Conduct and Ethics to all employees in the MLP Group. This stipulates binding minimum standards and targets for the companies in the MLP Group which, for example, aim to further promote awareness among executives, employees and MLP consultants of the importance of responsible, sustainable, fair and professional business practices for internal collaboration, as well as towards customers, business partners and shareholders. Within the scope of their duties, each individual is responsible for knowing the relevant laws, regulations and internal guidelines and for complying with them. These goals are achieved annually, in particular through continuous mandatory training of employees. The compliance organization monitors compliance with these regulations.

The Code of Business Conduct and Ethics also offers support for harmonising business activities with legal regulations and internal stipulations relevant for MLP, which also includes appropriate and conscious handling of opportunities and risks within the scope of the corporate and risk culture in place at MLP.

The compliance function advises and supports management, as well as the responsible specialist departments, in complying with key legal regulations. It also supports implementation of both effective processes and corresponding verification measures or implements supervisory actions itself. The compliance function provides regular reports to management and the supervisory body regarding its work, including reports on specific issues when requested, and promotes the Group-wide "compliance culture".

Prevention of money laundering and other criminal offences

We take appropriate measures to effectively prevent and combat money laundering, terrorist financing and other criminal and regulatory offences (fraud & money laundering prevention). We expressly encourage our employees to participate in the detection of illegal or unethical business practices and to actively counteract them. In doing so, the companies of the MLP Group observe defined minimum standards for the prevention of money laundering, terrorist financing and criminal acts.

Risks in the area of combating corruption and bribery

As part of the risk analysis to identify risk potential from criminal acts (both internal and external), risks from fraudulent or other criminal acts to the detriment of the MLP Finanzholding Group are identified and regularly assessed. The individual measures taken to avoid criminal acts and the risk assessment are carried out by the central office in line with § 25h of the German Banking Act (KWG) and are included in the inventory of operational risks.

The compliance function did not identify any significant risks.

The MLP Group has a Group-wide compliance organisation, a Group compliance officer, as well as an appointee with responsibility throughout the Group for preventing money-laundering, financing of terrorist activities and other criminal conduct.

The compliance function regularly holds compulsory web-based training sessions on supervisory topics for all Executive Bodies, employees and MLP consultants, in particular for preventing insider trading and market abuse, money laundering and fraud, as well as data protection. It also sensitises managers and employees to the topic of compliance, as well as specialist supervisory topics within the scope of on-site training sessions.

GRI SRS indicators – GRI SRS-205-1

Operations assessed for risks related to corruption

The MLP sales units are also regularly audited by the compliance function, the internal audit department, as well as external auditors and responsible supervisory authorities. No significant risks were identified during these audits. In accordance with our business model, no focus is placed on corruption risks during these audits.

GRI SRS indicators – GRI SRS-205-3

Confirmed incidents of corruption and actions taken

Neither the compliance function nor the internal or external auditors noted any cases of corruption within our business model.

GRI SRS indicators – GRI SRS-419-1

Non-compliance with laws and regulations in the social and economic area

No significant penalty fees nor non-monetary sanctions due to violations of laws or regulations were imposed on MLP.

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