

MLP Sustainability Report 2018



General information

MLP – The partner for all financial matters

The MLP Group is the partner for all financial matters – for private clients, companies and institutional investors. Four brands, each of which enjoys a leading position in their respective markets, are used to offer a broad range of services:

- MLP: The dialogue partner for all financial matters
- FERI: The investment company 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

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 approximately 1,900 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, all the way up to financing, real estate brokerage and 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 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.

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 2018 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 (DNK) in order to meet the requirements of the CSR Directive Implementation Act.

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.

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.

"Performance" and "trust" represent the core of our corporate values and combine successful entrepreneurship with social commitment in the MLP philosophy.

In 2016, we further systematised the topic of sustainability, in particular by assigning responsibility and coordination of all relevant topics to a sustainability officer. The objectives here are to continuously examine and further develop the sustainability topics of the MLP Group, as well as to assess the associated opportunities and risks.

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

The MLP sustainability strategy is a component of the Group strategy and encompasses eight key action areas:



The strategic sustainability action areas form the basis of our sustainability programme. Initial qualitative objectives are developed for each action area. In coordination with the Executive Board, these are then addressed by the corresponding specialist departments including our Group-wide, supervisory steering committee. This ensures that the measures derived are implemented and that risks can be evaluated.

By taking this step, we have set a strategic alignment for sustainability activities at MLP and are promoting awareness of the topic of sustainability in our specialist departments and business units.

We will continue to place particular strategic and operating focus on two core topics within our eight strategic sustainability action areas. These are "digitalisation" and "MLP as an attractive employer and partner", which are addressed in greater detail in the "Materiality" section.

To ensure our sustainability activities have a transparent framework, we have aligned our reporting to the reporting standard of the German Sustainability Code (DNK). With the GSC, as well as key supplementary performance indicators for MLP of the Global Reporting Initiative, we also comply with the requirements of the CSR Directive Implementation Act. MLP submitted a German Sustainability Code Declaration (DNK) for the first time for the financial year 2017.

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 clientele of the benefits associated with its services. A profound understanding of our clients' individual requirements is crucial for sustainable business success. Each of our approximately 1,900 client consultants in the private client business therefore focuses on one professional group, which above all includes physicians, economists, engineers and lawyers. We support these clients in all financial matters.

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.

We have defined the key sustainability aspects affecting our business activities in eight strategic sustainability action areas on the basis of a materiality analysis (see also criteria 1 "Strategic analysis and measures"). This result was achieved by incorporating the different outlooks and experiences of various Group segments from the perspective of our stakeholders.



Within these fields of action, ideas, projects or concrete goals are developed with the respective departments in the course of sustainability management, with the aim of taking into account the associated effects on labour and social issues, human rights, corruption and bribery as well as the environment. These are communicated within individual criteria in this report and on our website. The focus here continues to be on two strategic and operational issues in particular: digitisation and MLP as an attractive employer and partner.

Digital processes and further digital developments reduce the environmental impact. In MLP's business model, qualified and committed employees and client advisors as well as their willingness to continuously develop are of decisive importance for the effects of our business activities as well as the future viability and sustainable success of the company.

Our sustainability aspects are constantly reviewed, further optimised and assessed for opportunities and risks by our sustainability management.

The aim of the MLP Group's integrated opportunity management is the systematic and early identification and evaluation of opportunities. This takes place as part of a standardised business strategy process which the Executive Board carries out once a year. With regard to future developments, assumptions are made regarding the relevant influencing factors, which are subject to review on an ad hoc basis. If, for example, we are more successful in attracting new consultants than reflected in our previous plans, this could result in additional potential. Further opportunities and risks can be found in our Opportunities and Risks Report in the Annual Report.

Evaluating potential risks associated with our core topics is an integral element of our Group risk management activities. With regard to the aforementioned core topics, we do not currently envisage any risks as a result of our activities in these fields.

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.

Our sustainability targets, as well as the measures required to achieve these targets in each case, are summarised in our sustainability programme. They are derived from our strategic sustainability action areas. Checking these targets, evaluating them for opportunities and risks, as well as their prioritisation is performed by our sustainability management. For monitoring and control purposes, the sustainability programme is integrated into our supervisory steering committee, which provides regular reporting regarding the progress of the respective measures. A review and final acceptance is then performed by our internal audit team.

We already meet several of the UN Sustainable Development Goals through our actions and our mission. Final systematisation is currently in the pipeline.

Some of the objectives and measures of our sustainability program can be read below using individual examples:

Strategic field of action	Objective	Measure	Status	
Successful Business Model	Further expansion of market position	Continually strengthening strategic success factors	ongoing	
	Further development of the stakeholder dialogue on sustainability	Setup of further dialog formats	medium-term	
Strategic field of action	Objective	Measure	Status	
Trusting customer relationship	Holistic orientation as an advisor in all financial matters	Ongoing monitoring of consulting quality and depth	ongoing	
	Customer dialogue: Further differentiate customer satisfaction according to target groups and implement measures	Further improve methods for evaluating customer satisfaction	ongoing	
Strategic field of action	Objective	Measure	Status	
Attractive employer and partner	Increasing MLP's attractiveness as an employer for potential applicants and employees	Revision of the personnel strategy with a vision and derived personnel management fields of action	new	
	MLP employees: consideration and implementation of equal pay between women and men	Establishment of an operational review procedure	implemented	
	MLP employees: further development of the social and fringe benefits package for employees	Continuous review of the range of services offered	ongoing	
	MLP employees: increase in the proportion of women in management positions	Appropriate consideration of women at management levels	ongoing	
	Improving MLP's external image as an attractive employer and partner	Redesign of MLP's homepage and associated external image		implemented
		Successful positioning of the employer brand and revision of the homepage as well as the associated external image of MLP		new

The objectives are prioritised by the relevant departments within their target and action planning and monitored and checked by sustainability management.

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 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, 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. In this vein, 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.

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 segments 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 Corporate University. In 2018, we enhanced the further training programme for our self-employed client consultants at our Corporate University, which, thanks to its perfectly tailored modules, fulfils the individual training requirements of the consultants even more effectively. The realignment performed in the university segment with a clear focus on winning over young consultants is also making a contribution to sustainable company success.

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).

FERI firmly promotes the Sustainable Development Goals (SDGs) published by the United Nations, as these offer a useful and broad framework, as well as a more positive and implementation-oriented approach to sustainability in the context of investment. The key here is to support institutional investors in defining a strategy that encompasses climate-based risk parameters, as well as investments that have a strong positive influence on society, nature and the people that live in it.

As a financial services provider, the (lawful) investment objectives of our clients do not always converge with the objectives of sustainable development (in the sense of the UN SDGs). In some cases, they actually diverge. Insofar as this is substantiated in regulatory requirements which investors are required to observe, as a member of the UN PRI we are involved in redesigning the institutional framework with a view to moving towards greater SDG compatibility.

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 basic principles of sustainable investments and business practices:

- Monitoring fulfilment of the relevant regulations to protect human rights, health and safety at the workplace, as well as the working, environmental and business practices of the countries in which clients are invested
- Reviewing business practices of the investment instruments used and of 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 in investment decisions
- Training the investment experts with regard to sustainability-related content and risks
- Encouraging dialogue with clients and business partners on sustainable investment solutions and incorporating SDG / ESG-related topics in accordance with the requirements and investment policies of clients

In terms of added value, we focus on quality-assured products, as well as efficient and environmentally friendly processes and procurements in the entire MLP Group through our product management, purchasing and infrastructure management. We also place great emphasis on both the quality and sustainability of products and services that we use as a customer. We therefore make every effort to secure the shortest possible transport routes when procuring consumables, such as office supplies, and when commissioning services. We also make every effort to ensure that the suppliers and partners we use come from the respective region.

Key sustainability aspects, in particular the quality of our products and services, are extremely important for 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.

Central responsibility for sustainable management within the MLP Group is held by the Chairman of the Executive Board.

In 2016, we further systematised the topic of sustainability, in particular by assigning responsibility and coordination of all relevant topics to a sustainability officer. This

sustainability officer continuously checks and further refines the sustainability topics of the MLP Group, as well as assessing them for opportunities and risks.

A materiality analysis was also performed at the start of the newly established sustainability process. The results from this analysis ultimately led to eight strategic [sustainability action areas](#) being defined for the MLP Group. These are assigned targets in the context of a sustainable development by the respective specialist departments in the company, while the measures derived are integrated into the MLP sustainability programme.

Steering of these objectives is also performed by our supervisory steering committee, as well as our sustainability officer at management level. A review and the final acceptance is then performed by our internal audit team. The content and objectives of our sustainability programme are discussed and approved by the Executive Board.

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 part of the Group strategy and is therefore applied across all business units. Central integration into the operating business is performed by the supervisory steering committee, as well as our sustainability officer at management level. The steering committee provides regular reports on the progress of the measures. A review and the final acceptance is then performed by our internal audit team.

In addition to compliance with relevant legal regulations, we have further developed our Group-wide guidelines and formulated them as the MLP Code of Conduct and Ethics. This code defines general standards of conduct and principles for the companies in the MLP Group. It promotes the awareness of our board members, employees and MLP consultants of responsible, sustainable, fair and professional business conduct among themselves and towards clients, business partners and shareholders and supports business activities in accordance with the legal regulations and internal requirements relevant to 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 segments, 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 and are monitored via our supervisory steering committee, as well as our internal audit department.

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. In the course of sustainability reporting, we extended these to include the requirements of the German Sustainability Code as well as individual GRI indicators that are critical for our business and wherever possible were already compiled and disclosed in the financial year 2019.

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 the data is provided by a standardized query within the company, and the data collection of the sustainability aspects is also carried out with the help of a software solution.

GRI SRS indicators – GRI SRS 102-16

Values, principles, standards, and norms of behavior

"Performance" and "trust" represent the core of our corporate 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.

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 segments, 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, so the aforementioned instruments are used for implementation, such as profitable growth, but also efficient environmental and resource management.

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.

The remuneration of the members of the Management Board consists of a fixed salary and variable remuneration. The variable remuneration is granted in the form of an EBIT (earnings before interest and tax) bonus.

The strategic core objective is to achieve profitable growth. Profitability is essentially the result of the interaction of revenues and expenses and is reflected in EBIT. A variable remuneration based on EBIT is therefore the appropriate indicator to support this strategy. Due to the division of the variable remuneration into an immediate payment and a deferred payment, the variable remuneration has a multi-year assessment basis. This ensures that the focus is not only on short-term success, but also on the long-term development of the company.

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 newly established 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. Based on this analysis, we defined specific strategic sustainability action areas which are applied, inter alia, through our Group strategy. This ensures that specifically defined sustainability topics are integrated into MLP's business operations throughout the Group. We are planning to further develop the dialogue with our individual stakeholder groups on the basis of our sustainability reporting. As a first step, we set up the e-mail address "nachhaltigkeit@mlp.de" for this. Interested parties can use this e-mail address to get in touch with us and send us their questions and suggestions.

Established dialogue formats with our stakeholders



To determine our key strengths and weaknesses within the workforce, a consultant and employee survey was performed at the end of October 2018. Following evaluation by the German Consumer Research Association (GfK), the survey results were available at the beginning of February. For MLP, this represents an important instrument for making good things even better and for initiating changes where requirements are identified. The evaluation shows that a good corporate culture is in place at MLP and that 85 percent of respondents can identify with the company values of respectful interactions, fun at work and absolute client focus.

A working group will take a closer look at the highlighted action areas, gather further information where necessary and establish suitable measures for building on our strengths and eliminating any weaknesses.

GRI SRS indicators – GRI SRS-102-44

Key topics and concerns raised

The materiality analysis performed in the course of our sustainability reporting 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 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.

Topics and issues that come up are addressed and processed in the respective areas. Specific sustainability issues are addressed and processed by our sustainability management. These were individual, basic queries in the first reporting year. However, should any specific important contents come up, we will include these in our reporting.

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.

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. The ratings submitted by our clients on the independent WhoFinance portal serve to strongly confirm this. 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 three data security complaints from third parties were 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 clientele 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.

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

The satisfaction of our clients confirms the impact of our performance - this is confirmed, for example, by the renewed top ranking of our client advisors in the "Financial Advisor of the Year" competition of the business and investor magazine "Euro". This is also confirmed by the ongoing satisfaction of our customers with the independent WhoFinance portal: The MLP consultants rated there score an average of 4.6 out of 5 possible 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).

FERI sees capital markets as social constructs and not as a "fact of nature". Investing is therefore an action - an investment action - which in principle is subject to the same degrees of freedom, creative possibilities and restrictions as other human actions. Environmental, social and governance topics (ESG) can have a significant influence on the financial performance and social systems in which both FERI AG and our business partners/clients operate. To this end, FERI proactively offers its clients services, which grants them with transparency regarding the degree of compatibility of their investments with the UN SDGs and are able to increase this at the various stages of the investment process. The extent to which SDG compatibility can be increased depends on the respective investment objectives and restrictions of the clients.

FERI firmly promotes the Sustainable Development Goals (SDGs) published by the United Nations, as these offer a useful and broad framework, as well as a more positive and

implementation-oriented approach to sustainability in the context of investment. The key here is to support institutional investors in defining a strategy that encompasses climate-based risk parameters, as well as investments that have a strong positive influence on society, nature and the people that live in it.

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.

FERI has set itself the objective of assuming a leading role in the implementation and integration of SDG-related topics in the investment decisions of private and institutional investors in the German speaking market.

As an underwriting agency – and a further subsidiary of the MLP Group – DOMCURA AG provides extensive coverage concepts for private and commercial clients in the non-life insurance segments. DOMCURA offers special expertise in the design and management of residential building concepts.

In 2018, the company consolidated its expertise as a digital underwriting agency when it became one of the first companies in Europe to offer a marketable insurance product on the basis of the revolutionary blockchain technology: digital [DOMCURA Luggage insurance](#).

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.

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.

In 2018, we expanded our portfolio of sustainable investments and for example included a fund for sustainable emerging market equities in the form of the Vontobel Fund mtx Sustainable EM Leaders. 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.

As a financial services provider, the influence of our business activities on resource consumption is low and insignificant in terms of the company's activities. Yet despite this, it is our firm commitment to use resources responsibly. The greatest environmental effects of our business activities occur from the consumption of electricity, as well as the generation of emissions from business trips and employees driving to work.

Efficient environmental and resource management is anchored in our sustainability management activities 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. 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 in particular been agreed. The alliance is also keen to focus on company-based mobility management.

The 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.

In 2016, an energy audit in accordance with DIN EN 16247-1 was carried out in the MLP Group - including all Group subsidiaries. The result of the audit confirmed the low energy intensity of business operations and recommended measures such as the replacement of certain illuminants or the installation of additional motion detectors were implemented.

We constantly monitor our already low use of resources, as well as the environmental impact of our business activities, and strive to systematically optimise these. To keep our use of resources at Group HQ appropriate, as well as being price and ecology conscious, our infrastructure management unit focuses on continuously improving our energy efficiency. We do not consider our business activities to pose any special ecological risks.

The management of our general business risks is generally supported by Controlling. Within the framework of environmental analyses, changes in economic factors as well as the industry and competitive situation are subject to regular review. This results in impulses for the strategic orientation of the MLP Financial Holding Group.

We essentially set ourselves qualitative objectives in our review processes. Particular focus is on energy efficiency, as well as operational reliability here. This for example 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.

MLP can in particular influence the environment in terms of saving emissions by reducing its power consumption, as well as saving emissions associated with business travel and employees driving to work. In order to achieve a reduction in emissions, as well as improvements for the environment in the areas of business travel and employees driving to work, internal concepts are currently being reviewed. These concepts are also supported by other companies in the Rhein-Neckar region through the Walldorf/Wiesloch Mobility Agreement concluded in 2018. These factors together represented 76.27 % of total emissions in the first reporting year 2017, while in 2018 they represented 64.04%. You can find information on power consumption under aspect GRI SRS-302-1 "Power consumption".

Key indicator GRI SRS-301-1

Materials used

The values disclosed by us are shown as resources used, and their relative contribution (CO₂ equivalent, CO₂e) to the greenhouse effect is stated. The factors defined for conversion into CO₂ equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

As a financial services provider, the materials we use essentially comprise paper. In the reporting period paper consumption was 45.9 tonnes (2017: 49.5 tonnes), which corresponds to a CO₂ equivalent of 0.99 % 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.

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 and therefore cannot be seen as significant for the business activities of the MLP Group.

Yet despite this, it is our firm commitment to use resources responsibly. The greatest environmental effects of our business activities occur from the consumption of electricity, as well as the generation of emissions from business trips and employees driving to work.

Electrical energy consumption

The electrical energy consumption was 2,944,836 kWh in the 2018 reporting period (2017: 3.186.146 kWh), which corresponds to a CO2 equivalent of 1.394,67 tonnes and 30.05 % of our total CO2 emissions. The photovoltaic system at our Group HQ in Wiesloch produced 218,494.00 kWh for our use in 2018 (2017: 201,339 kWh).

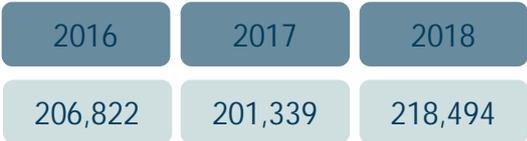
**GRI SRS indicators – GRI SRS-302-4
Reduction of energy consumption**

As a financial services provider, our use of energy is limited to the requirements of our offices and business operations and therefore cannot be seen as significant for the business activities of the MLP Group.

Yet despite this, our firm commitment remains to use resources responsibly. Within Scope 2 of the so-called Greenhouse Gas Protocols (GHG), based on which we determine our emission balance, electricity represents the largest proportion of our total emissions at 30.05 %.

We took the first step towards reducing our energy consumption in 2015 when we commissioned a photovoltaic system at Group HQ.

Self-generated electricity from the photovoltaic system (kWh)



To further optimise our power generation, we constructed and commissioned a dedicated cogeneration plant with combined heat and power on the campus of our Group HQ in 2018. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre.

As a supplementary measure to reduce our energy consumption, we have also switched over all light sources to energy-saving LED lamps at our Group HQ.

**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 reported figures are shown as resources used, and their relative contribution (CO2 equivalent, CO2e) to the greenhouse effect is stated. The factors defined for conversion into CO2 equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

CO2e emissions from the consumption of drinking water and waste water

	Total	CO2e (t)
Drinking water	16,267.0	5.60
Waste water	8,846.00	6.26
		11.86

The total water withdrawal in the 2018 reporting period was 16,267 m³ of drinking water (2017: 12,690 m³) and 8,846 m³ of waste water (2017: 8,644 m³). This corresponds to a total CO2 equivalent of 11.86 t (2017: 10.49 t) and 0.26 % of our total CO2 emissions.

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 low and should not be seen as significant with regard to our company activities. Yet despite this, our mission is to secure responsible use of resources. Emissions occur as a result of our business activities through power consumption, as well as business travel and employees driving to work.

Due to our low use of resources, we do not have any concrete targets for reducing emissions, yet we constantly review the environmental impact of our business activities and strive to systematically optimise this. MLP can in particular influence the environment with regard to the aforementioned factors.

To keep our own use of resources appropriate, as well as price and eco-conscious, our infrastructure management unit focuses on continuously improving our energy efficiency. In our review processes, we essentially set ourselves qualitative targets, whereby particular focus is placed on energy efficiency and operational reliability. This for example includes optimised use of renewable energies. Our Group HQ has had a photovoltaic system since 2015, and construction of a dedicated cogeneration plant with combined heat and power followed in 2018. 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. You can find further examples of measures to save energy under criteria 12 "Resource 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 are currently being reviewed. You can find further information on this under criteria 11 "Use of natural resources".

The CO₂ calculations presented in this report – often referred to as the "corporate carbon footprint" – were performed in line with the Greenhouse Gas Protocol Corporate Standards. The Greenhouse Gas Protocol (GHG Protocol) is the most common and recognised international standard for the CO₂ balance of organisations. Data is collected using software, which converts our consumption data to CO₂ values. Individual details of the resources we use can be found under criteria 12 "Resource management".

With regard to investments, taking environmental aspects into account is very important for the MLP Group. FERI, MLP Group's investment expert for institutional investors and high net-worth individuals, firmly promotes the Sustainable Development Goals (SDGs) published by the United Nations, as these offer a useful and broad framework, as well as a more positive and implementation-oriented approach to sustainability in the context of investment. The key here is to support institutional investors in defining a strategy that encompasses climate-based risk parameters, as well as investments which have a highly positive influence on society, nature and the people that live in it.

Our experience as a financial services provider has taught us that the (lawful) investment objectives of our clients do not always line up with the objectives of sustainable development (in the sense of the UN SDGs). Indeed, in some cases they can diverge or even be in conflict with these objectives. Insofar as this is substantiated in regulatory requirements to which investors are subject, as a member of the UN PRI we are working on reshaping the institutional framework towards achieving greater SDG compatibility.

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 to ensure compliance 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 of the 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-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 values disclosed by us are shown as resources used, and their relative contribution (CO₂ equivalent, CO₂e) to the greenhouse effect is stated. The factors defined for conversion into CO₂ equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

Direct emissions in Scope 1 corresponded to a total CO₂ equivalent of 1,108.66 t (2017: 480.37 t) in the reporting period. This corresponds to 23.88 % of our total CO₂ emissions. This significant increase, compared with the previous year, is due to the replacement and disposal of the refrigerants in our air-conditioning systems.

Stationary combustion

Since 2018, MLP has been generating energy at its corporate headquarters by operating its own combined heat and power plant. The combined heat and power of the heating system produces electricity and heat, which reduces pollutant emissions. The waste heat from the system can be converted into cold by installing an absorption refrigeration system to generate additional cooling and serves to cool the MLP computer centre.

Energy is generated exclusively for the company's own needs.

Stationary combustion (Natural gas)	Consume (kWh)	CO2e (t)
	903,638.00	166.23

Company vehicle fleet

Scope 1 CO2e emissions of the company's fleet of vehicles based on distances covered

Company fleet	Kilometres (km)	CO2e (t)
	1,789,119.00	401.20
		401.20
Scope 1		401.20
Scope 2		99.92

Air conditioning systems and other fugitive emissions

Scope 1 CO2e emissions from air conditioning systems

Designation of the air conditioning system Refrigerant selection

Air conditioning category 1 R-404A

Refrigeration, combined deep and standard cooling	Total (kg)	CO2e (t)
Disposal	66.00	258.85
Installation	72.00	282.38
		541.23

Energy produced from renewable sources

We produce electricity from renewable energies.

Energy is generated exclusively for our own requirements and is not fed into the grid.

CO2e emissions from the production of electricity from renewable energies (excluding biomass)

Photovoltaic	Production (kWh)	CO2e (t)
	218,494.00	-
		-

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 values disclosed by us are shown as resources used, and their relative contribution (CO2 equivalent, CO2e) to the greenhouse effect is stated. The factors defined for conversion into CO2 equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

Direct emissions in Scope 2 corresponded to a total CO2 equivalent of 1,415.84 tonnes in the 2018 reporting period (2017: 1,534.49 tonnes) and thereby represented 30.50 % of our total CO2 emissions.

Electricity

Scope 2 CO2e emissions from the consumption of electricity
 (emissions per kWh not known)

	Consumption (kWh)	Green electricity	CO2e (t)
Consumption of electricity	2,944,836	no	1,394.67

	CO2e (t)
Scope 2	1,394.67
Scope 3	293.54

District heating

Scope 2 CO2e emissions from the consumption of district heating

	Consumption (kWh)	CO2e (t)
Consumption of district heating	1,129,200	21.17

Scope 2	21.17
Scope 3	43.36

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 values disclosed by us are shown as resources used, and their relative contribution (CO2 equivalent, CO2e) to the greenhouse effect is stated. The factors defined for conversion into CO2 equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

Direct emissions in scope 3 corresponded to a total CO2 equivalent of 2,117.28 tonnes in the 2018 reporting period (2017: 2,601.64 tonnes) and thereby represented 45.61 % of our total CO2 emissions.

Daily commute of employees to their workplace

The employees working at Group HQ as at December 31, 2018, including temporary staff, were used as a calculation basis.

The distribution among the means of transport was performed on the basis of data from the German Federal Statistical Office, whereby the employees that commute to work by car were spread evenly across the three subcategories of small, medium and large passenger vehicles. The basic distance was taken from a survey performed by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR), whereby no differentiation was made between the means of transport.

Scope 3 emissions due to the daily commute of employees to their workplace

Number of employees	CO2e (t)
844	990.41

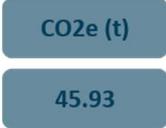
Business trips

Total Scope 3 CO2e emissions from business trips

CO2e (t)
586.96

Paper

Paper consumption causes emissions of 45.93 tonnes of CO2 equivalents.



Water

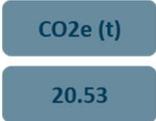
Scope 3 CO2e emissions from the consumption of drinking water and waste water

	Total (m³)	CO2e (t)
Drinking water	16,267.00	5.60
Waste water	8,846.00	6.26
		11.86

Transportation by suppliers

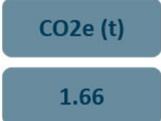
This data was initially captured for the year 2014. However, the survey proved to be not accurately quantifiable in all areas, so an estimate was performed on the basis of certain criteria. The estimate was applied to the subsequent years, as there were no changes to the criteria.

Scope 3 CO2e emissions due to transportation by suppliers



Waste

Scope 3 CO2e emissions from waste



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 of our business activities occur from the consumption of electricity, as well as the generation of emissions from business trips and employees driving to work.

In the past financial year, our total emissions increased compared with the previous year due to a special effect, which is mainly attributable to the replacement and disposal of the refrigerants in the air-conditioning system. If this individual factor is excluded, we were able to reduce our emissions in all scopes (scope 1 - 3 of the CO2 balance) compared with the previous year.

Total emissions MLP Group (t CO2e)	2017	In %	2018	In %
Scope 1	480.37	10.38	1,108.66	23.88
Scope 2	1,547.62	33.43	1,415.84	30.50
Scope 3	2,601.61	56.20	2,117.28	45.61
Total	4.629,63	100.00	4,641.78	100.00

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.

With our human resources strategy, we primarily ensured sufficient resources with qualified and motivated employees in order to ensure MLP's future viability and sustainable corporate success. Following on from this, the Human Resources department formulated an internal concept with human resources fields of action which were derived from the existing framework conditions, such as coping with demographic challenges, the continuous improvement of human resources processes, employer attractiveness, etc. The concept is based on the following principles. These measures and goals will be implemented at management level in the Human Resources department from 2019 onwards; developments and results will be presented in the coming reports.

In order to survey our main strengths and weaknesses among consultants and employees, a consultant and employee survey was conducted at the end of October 2018, the results of which were available at the beginning of February following evaluation by the Gesellschaft für Konsumforschung (GfK). It is an important instrument for MLP to make good things even better and to bring about changes where needs are identified. A working group will examine the fields of action identified, gather further information where necessary and draw up suitable measures to build on strengths or address weaknesses.

MLP operates almost exclusively in Germany and thereby essentially recruits its employees within the German legal framework. German 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 Banking AG and MLP Finanzberatung SE 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.

Open and transparent communication between employees/client consultants and our management is part of our corporate culture and receives a platform via our "MLPnet" 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 both through information provided on our Intranet and through the e-mail address nachhaltigkeit@mlp.de, via which direct contact can be established with our sustainability management.

The use of flexible working hours models is very well received at MLP. Alongside other support services, this offers our employees excellent framework conditions for successfully reconciling work and family life. You can find more details on the reconciliation of work and family life at MLP under criteria 15 "Equal opportunities".

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. 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, which means it is always subject to an opportunity/risk examination.

Potential personnel risks are highlighted within the scope of our risk management activities and presented in our risk reporting as part of 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 such 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 2018, a total of 1,722 employees worked for MLP.

This increase is essentially the result of new recruitments, as well as staff returning to work following parental leave. At 7.2 %, the staff turnover rate within the Group remained at a low level in 2018 (2017: HQ: 6.4 %).

At 8.0 %, the turnover rate among MLP consultants was significantly below the target figure of around 10 %.

New recruitments in the Group						
Age	< 30	30 - 50	> 50	male	female	
Total	58	73	17	72	76	
	148			148		

Employee turnover					
Age	< 30	30 - 50	> 50	male	female
Total	35	69	28	58	74
			132		
				132	

Key indicator GRI SRS-401-3
Parental leave

There are simply too many different cases/scenarios for entitlement to parental leave to be included in this report. There is, for example, no data available with regard to previous employers, parental leave entitlements of grandparents or in connection with adoptions, and it is not possible to gather this information at reasonable cost.

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

Parental leave in Group	Total	male	female
Taken parental leave	130	20	110
Returned to work after parental leave	62	18	44
Still employed twelve months after their return to work	55	17	38
Return to work rate	96.88 %	100.00 %	95.65 %
Retention rate	88.71 %	94.44 %	86.00 %

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 has been in place at MLP since 2015 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). 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 continues to be on improving the concept for increasing the percentage of women at management levels. 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.

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.

The satisfaction and motivation of our employees is the goal and an essential component of MLP's sustainable corporate success. One indicator of employee satisfaction is the low level of fluctuation, which at 7.2 % remains at a low level within the Group in 2018 (2017: headquarters: 6.4 %).

At 8.0 %, the fluctuation rate for MLP consultants was well below the target figure of around 10 %.

A further indication was provided by our consultant and employee survey conducted in 2018, which confirmed that MLP has a good corporate culture. With a rate of almost 90 percent, the participants can identify with the corporate values.

A working group will review the fields of action identified in the survey, gather further information where necessary and draw up suitable measures to build on strengths or address weaknesses.

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

Equal opportunities and diversity

"Performance" and "trust" represent the core of our company values and combine successful entrepreneurship with social commitment in the MLP philosophy. We also consider this to include the topic of "equal opportunities and diversity", which we have anchored in our organisation. We have 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, and equal opportunity for all.

Specific measures from our diversity concept include cooperation with a service provider that has operations throughout Germany and supports our employees as well as our self-employed MLP consultants in harmonising their professional and private interests in their individual life phases. The market-leading, modular qualification and further training provided at the MLP Corporate University offer a high degree of flexibility.

Combining family life with a career

MLP also 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. 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.

In addition, in 2019, MLP will perform an audit using the strategic "berufundfamilie" work and family management instrument as a way of reviewing the existing offer for combining a family with a career and then derive further objectives and measures.

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. 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 such as flu shots, 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. The objective of these measures is firstly to make people aware of and help prevent issues such as mental disposition and secondly to provide practical assistance for employees in emergency situations. The measures have been very well received so far and are set to be continued.

Appropriate payment and gender equality

A "pay system" works agreement has been in place at MLP since 2015 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). 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 at many locations, has been offering MLP employees a tax and social insurance benefit of a monthly purchasing credit since the start of 2019.

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 in the financial year 2019. The objective here is to motivate more women to apply for management positions. The "berufundfamilie" audit should be one driver of such measures. This is a necessary prerequisite for sustainably increasing the percentage of women in management positions.

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.

Continuous further development of our personnel work, as well as our health management plays a particularly important part in securing sustainable employability for our employees.

For this purpose, the Human Resources department formulated an internal concept with human resources fields of action that were derived from the existing framework conditions, such as coping

with demographic challenges, the continuous improvement of human resources processes, employer attractiveness, etc. The concept was developed by the Human Resources department. These measures and goals will be implemented at management level in the Human Resources department from 2019 onwards; developments and results will be presented in the coming reports.

The first goals within our sustainability management were achieved by the Human Resources department. For example, the fringe benefits for our employees were supplemented at the beginning of 2019 by a shopping card, which provides MLP employees with a tax and social security advantage of a monthly purchase credit. The improvement of MLP's external image as an attractive employer and partner was also achieved, for example, by a new website.

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.

For this reason we have formulated the topic of "MLP as an attractive employer and partner" as a dedicated strategic action area within our sustainability activities to make the work at and for MLP attractive and to develop it. Our core values of "performance" and "trust" are actively lived out in an open and team-oriented corporate culture.

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 next Top Talents Programme is scheduled to start in April 2019 with 8 participants. 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 criteria 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, for example with IT-supported consulting tools. Consultations with our clients and their results 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.

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 35 multi-disciplinary training events in 2018 on the topics of "Work methods and techniques", "Communication", "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, five multidisciplinary seminars for managers and nine for teams were held.

Another year of the "Top Talents" programme for junior staff, which was established in 2013, is also due to start in 2019. 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 Banking AG and MLP Finanzberatung SE, 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 Banking AG and MLP Finanzberatung SE. 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 2018.

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 aspect 403-9.

GRI SRS indicators – GRI SRS-403-4

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

Health protection and occupational safety are anchored in a guideline in the MLP Group with the aim of securing and improving the work of employees through occupational safety measures. The prevention of accidents at work and commuting accidents and work-related illnesses is the aim of all occupational 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 policy in the spirit of the declaration.

In the context of health management, MLP offers a range of measures such as flu vaccinations, ergonomic workplace advice, employee and management advice, information on mental dispositions and crisis advice in an emergency from the psychotherapeutic outpatient clinic of the University Hospital Heidelberg. The aim of these measures is, on the one hand, prevention and sensitization for these topics. The measures have so far been very well received and will be continued.

There are no other formal agreements with trade unions in the Group.

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 € 185,000 (2017: € 292,000) for specialist and multi-disciplinary training courses for employees and managers in 2018.

Numerous seminars and events serve to underline the scope of our training offer for our self-employed client consultants. In 2018, more than 24,000 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 One-Third Participation Act.

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	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. This concept also includes guidelines for diversity-compliant promotion. However, these will still require final elaboration. As such, 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 61.73 % female employees and 38.27 % male employees in 2018.

Employees by age group			
Age	< 30	30 - 50	> 50
Percentage of total number of employees	12.34 %	61.10 %	26.56 %

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.

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

For MLP's private client business, this aspect cannot be regarded as material.

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

We do not report the indicator GRI SRS-412-1, as it does not represent a significant aspect for MLP. Based on the results of our materiality analysis, this aspect has no materiality for MLP.

GRI SRS indicators – GRI SRS-414-1

New suppliers that were screened using social criteria

We do not report the indicator GRI SRS-414-1, as it does not represent a significant aspect for MLP. Based on the results of our materiality analysis, this aspect has no materiality for MLP.

GRI SRS indicators – GRI SRS-414-2

Negative social impacts in the supply chain and actions taken

We do not report the indicator GRI SRS-414-2, as it does not represent a significant aspect for MLP. Based on the results of our materiality analysis, this aspect has no materiality for MLP.

18. Corporate Citizenship

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

We contribute to greater sustainability in society as a whole through the core of our business activities, i.e. consulting and supporting our clients as the partner for all financial matters. To secure the trust and loyalty of our clients in the long term, we apply extremely high quality standards both to the products we broker and to our consulting services. To counteract any risks that occur as a result of this, our products and product partners are subjected to an ongoing testing and development process that is continuously adapted to the needs and demands of our clients, as well as social developments.

MLP consultants receive comprehensive training at the MLP Corporate University, which forms the basis for advising clients at the highest level. The Corporate University has multiple accreditations and certifications. In continuously changing markets and in the light of ever more discerning client requirements, it is important for all MLP consultants to stay up-to-date with developments. Alongside comprehensive qualifications, MLP uses a further training account to ensure that every consultant is continuously learning and developing.

Clients with particularly complex financial circumstances benefit from MLP consultants that hold the "Certified Financial Planner®" certificate (CFP). This certificate stands for the highest quality standards in financial planning worldwide. Around 140 CFP certificate holders work as MLP consultants throughout Germany.

There is a consulting and liability risk arising from a possible error in customer advice, investment and acquisition brokerage or financial portfolio management and the associated claims for damages. We minimize potential consulting risks by ensuring a consistently high level of consulting quality, which we ensure by means of IT-supported consulting tools, among other things. Consultations with our clients and the resulting results are

comprehensively documented. A high standard in the qualification of consultants is ensured by our in-house Corporate University, where each consultant first completes in-service training to become a Financial Consultant and then a Senior Financial Consultant.

We also combine successful entrepreneurship with social commitment in the MLP philosophy. Our objective is to show our commitment to the community, in particular at regional / local level. This is reflected in our longstanding support and sponsorship activities in the fields of sport and culture. These activities are regularly reviewed and defined together with management.

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 through a large number of projects. These for example include the following:

Social commitment

MLP employees once again participated in the Volunteer Days in the Rhein-Neckar metropolitan region last year, choosing a social project for children and young people with special needs.

The proceeds of the annual Christmas tombola were also once again donated to local initiatives. The € 9,500 raised was doubled by the company, so that a total donation of € 19,000 could be presented to three associations.

In addition to the examples given, numerous other donations are also made, including to charitable foundations, as well as voluntary initiatives established by our offices and individual business segments including fundraising concerts, honorary offices and projects to support municipal welfare institutions.

Education

MLP was once again represented as co-organiser of the Zeit conference "Universities and Education" in 2018, which is attended by a specialist audience from the fields of education and training, science and the economy each year. On site in Berlin's "Kalkscheune", MLP was also able to celebrate the tenth anniversary of cooperation with the Zeit publishing house – and once again present itself as a dialogue partner to the important university world.

The title of the event was "How free are universities? Opportunities and limits of cooperation between academia and the economy". The topic of "cooperation" was also addressed directly in the opening discussion by our Chairman of the Board Dr. Uwe Schroeder-Wildberg with Dr. Rainer Esser, CEO of the ZEIT publishing group. MLP aimed to raise awareness of the following aspects here: "Universities are more reliant on external impetus and resources than ever before, as they are at the start of a new era – with the move towards digital education".

Scholarship

MLP has been awarding scholarships to undergraduate and doctoral students for 14 years. Medical Excellence, for example, is aimed at students of human medicine and dentistry.

Undergraduate and doctoral students from all other fields can also apply for the MLP scholarship programme, which was held for the first time in 2018. Our previous "Join the best" and "MINT Excellence" programmes have now been incorporated in our MLP scholarship programme.

School cooperation

In addition to this, MLP is committed to various cooperation programmes at a range of schools in the Rhein-Neckar region.

Sports

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.

We have not identified any community-related risks within the scope of our current business activities.

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 € 666.0 million (2017: € 628.2 million). Earnings before interest and tax (before one-off expenses, interest and taxes, operating EBIT) in the MLP Group were € 46.4 million for the financial year 2018 (2017: € 46.7 million). Group net profit in the last financial year was € 34.5 million (2017: € 27.8 million)

Economic value generated and distributed

Subject to approval of the resolution by the Annual General Meeting, MLP SE will pay out xx % (2017: 64 %) of operating net profit to its shareholders in the form of dividends for the past financial year. In this case, the total dividend will be around € 22* million (*subject to approval by the Annual General Meeting on May 29, 2019) (2017: € 21.9 million).

Our administration expenses (defined as the sum of personnel expenses, other operating expenses, as well as depreciation and impairments) were € 289.5 million in the last financial year (2017: € 282.1 million). This figure includes personnel expenses of € 128.0 million (2017: € 123.2 million).

A tax expense of € 11.3 million was accrued in 2018, following € 8.6 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)	
Total revenue	660.0
of which shareholders	21.9
Administration costs	289.5
of which personnel expenses	128.5
Taxes	11.3
Sponsoring	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.

The relevant legislative procedures for MLP include the minimum risk management requirements (MaRisk), the minimum compliance requirements (MaComp), the Basel I to III Directives, the MiFID II Directive, the EU General Data Protection Regulation (GDPR), the 4th EU Money Laundering Directive, the obligation to attend further training associated with the EU Insurance Distribution Directive (IDD), the Ordinance on the Supervisory Requirements for Institutions' Pay Systems (InstitutsVergV), as well as numerous others.

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 2018.

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 2018 MLP held discussions with representatives of various parties, as well as the responsible ministry on the governing coalition's planned capping of acquisition commission. 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, in 2018, further optimised its compliance guidelines in an MLP Code of Business Conduct and Ethics. This stipulates binding minimum standards for the companies in the MLP Group which 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. 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 these 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".

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 supervisory authorities. No risks were identified during these audits. As per our business model, however, focus is not on auditing with regard to corruption risks.

GRI SRS indicators – GRI SRS-205-3

Confirmed incidents of corruption and actions taken

Neither the compliance function nor the internal and external auditors noted any cases of corruption.

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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