

## MLP Sustainability report 2020



### General information

The MLP Group – The partner for all financial matters

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

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

Since it was founded by Manfred Lautenschläger and Eicke Marschollek in 1971, the MLP Group has consistently striven to establish long-term relationships with its clients. This requires profound understanding of their individual requirements.

### Corporate responsibility

We consider sustainability as an integral part of our corporate policy. Alongside our economic and social responsibility – which we assume in particular as the partner of our clients for all financial matters and as a reliable employer – we also assume responsibility for the ecological impact of our actions. We are establishing this more and more within the MLP Group through our system of sustainability management and also incorporate it in our mission statements at both MLP Finanzberatung SE and MLP Banking AG.

- We are committed to equal opportunities, diversity and reconciliation of work and family life
- We unite successful entrepreneurship with social and societal commitment
- Sustainable actions represent a key component of our services and activities
- MLP takes into account ecological and social aspects, as well as principles of good corporate governance

In addition to this, FERI supports the objectives of sustainable development with its FERI SDG Office. For this reason, FERI is also a member and promoter of the United Nations Principles for Responsible Investment Initiative (UN PRI).

You can find further details including information on the performance and general situation of the company, as well as on the risks faced by the MLP Group in our 2020 Annual Report.

## General note

MLP is organised as a holding company, in which central control tasks are performed by the Group's parent company, MLP SE. The sustainability officers from all companies arranged under MLP SE are represented on the Corporate Social Responsibility (CSR) Committee, a Group-wide sustainability body.

As per the requirements of § 289b et seq. and § 315b of the German Commercial Code (HGB), MLP SE submits this separately drafted non-financial report as the parent company of the MLP Group. The report itself is based on the framework of the German Sustainability Code (GSC). The requirements of the CSR Directive Implementation Act are thereby fulfilled.

We present aspects from a Group perspective in this report. However, individual aspects can exclusively refer to individual parts of the MLP Group. We will point this out where applicable.

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

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

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

The Supervisory Board at MLP SE concluded its final deliberations and reviewed the report in its meeting held in March 2021. No additional review by an auditor was performed.

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

# Criteria 1–10: Sustainability concept

## Criteria 1–4: Strategy

### 1. Strategy

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.

Sustainability represents a commitment to sustainable development of the economy, society and the environment. MLP makes its contribution as a company through its system of strategic sustainability management. This involves remaining economically successful in the long term, while at the same time acting with ecological and social responsibility.

Our sustainability strategy is integrated in the MLP business strategy, which underlines its importance. In addition to this, there are numerous measures that underpin our sustainability strategy. These include, for instance, integration of sustainability concepts into our private client consulting, as well as observing them for the investment solutions of Group company FERL.

The key sustainability aspects for MLP – resulting from the materiality analysis developed in 2017 – have been compiled to create core topics and defined as strategic fields of action. The implementation of this evaluation process was based on the different perspectives and experiences of various Group divisions. The topics classed as "significant" are those that have important economic, social and ecological effects on the Group or reflect important expectations of our stakeholders.

The key sustainability action areas for MLP are as follows:



Successful business model



Trusting client relations



Attractive employer & partner



Education & consulting quality



Products



Digitalisation



Compliance & data protection



Efficient environment & resource management

The strategy is realised through development and implementation of measures within these key fields of actions.

We acknowledge the 17 goals of the United Nations for a better and more sustainable future for all. Four of these goals are particularly relevant for us as a company – with a view to our core business. A detailed description on this is provided in Criterion 3 "Objectives".

Our sustainability commitment will also focus on these objectives in a first step:

- SDG 4 – Quality education
- SDG 7 – Affordable and clean energy
- SDG 8 – Decent work and economic growth
- SDG 13 – Climate action

Above all, the sustainability strategy, our defined corporate philosophy, the mission statement of MLP Finanzberatung SE and MLP Banking AG, as well as the activities of FERI SDG Office represent the basis for our sustainability management activities.

We are currently also formulating a superordinate Group-wide Sustainability Policy. Building on the steps undertaken in the last few years, the Sustainability Policy aims to bring together the sustainability strategy and the measures introduced in all parts of the Group. Sustainable actions are to become even more visible in our core business. In terms of content, we will in particular base our efforts on the format of the Sustainable Development Goals (SDGs) defined by the United Nations.

The sustainable alignment of our sustainability strategy is underpinned by the following additional standards:

- Commitment to the human rights standards of the UN, as well as the associated International Labour Organisation (ILO) standards
- Diversity Charter
- UN Principles for Responsible Investment (UN PRI)

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

MLP's sustainability reporting follows the structure of the German Sustainability Code (DNK). Based on our materiality analysis, these GSC criteria are supplemented to include individual key indicators for MLP of the Global Reporting Initiative (GRI).

## 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.

MLP operates in a complex and constantly changing market and competitive environment and as a dialogue partner for all financial matters needs to lastingly convince its discerning clientele. A profound understanding of the individual requirements of our various client groups within the Group is crucial for sustainable business success.

Accordingly, qualification of our client consultants, as well as a reliable, high-quality partner and product selection process for our clients represent key sustainability factors, particularly from an economic perspective. Among other things, this is guaranteed through comprehensive training and

qualification of our freelance consultants at the [MLP Corporate University](#). We also employ systematic and scientifically well-founded processes in all parts of the Group to select our cooperation partners, products and investments.

Risks can come about from human error and a lack of adequate staff availability. In this context, we employ an open culture of constructive criticism among our employees with the objective of detecting mistakes early on, continuously improving our processes and strengthening our innovative capacity. We minimise potential consulting risks for our consultants by ensuring that they are comprehensively qualified and offering IT-supported consulting tools. We also act on behalf of the client within the meaning of the brokerage law and select the most suitable products for each individual client from a broad portfolio.

Further information on risks can be found in the opportunity and risk report within our annual report.

It is becoming increasingly important to expand the availability of sustainable concepts when it comes to the partner and product selection process. Indeed, the various client groups in the Group are demanding this more and more. To ensure that the selection process is based on a clear definition of sustainability, we continue to refine it in a step-by-step process. This helps us to meet the demands of our clients beyond the scope of the legally stipulated requirements from the sustainable finance regulations - presenting an opportunity for MLP to also establish itself in the field of sustainability through special expertise.

Ecological characteristics are not to be emphasized by our business activity as a financial service provider. Nevertheless, our ambition is to increasingly implement sustainability in all its aspects as an integral part of our strategy. This also requires discussion of the environmental effects resulting from our business operations. We are aware of this responsibility and have integrated it into processes that are continuously further optimised in our sustainability management approach. Corresponding processes have been established, in particular following the decision to make MLP CO<sub>2</sub> neutral. Further information on this can be found under Criterion 11 "Usage of Natural Resources".

From an operational perspective, measures are in place within the fields of action to ensure that specialist departments take into account all relevant aspects (such as labour and social issues, the environment) in initiatives and projects. In MLP's private client business, for example this involves the expansion of sustainable financial investment options for our clients. Offering products of this kind can lead to indirect effects of our business activities on sustainability issues. The investment and old-age provision business also increasingly allows the funds of our clients to flow into sustainable investments.

At FERI it is possible to reflect client-specific targets or specific SDG profiles within the client mandates. By offering information, clarification and discussion on these topics, FERI establishes increased awareness of sustainable investment solutions among clients. FERI thereby actively promotes a targeted dialogue towards SDGs.

Examples of projects and measures that have been implemented can be found under criterion 3 "Objectives".

#### Opportunities

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

our positioning in this area, we can take advantage of the opportunities resulting from this – revolving primarily around the growing demand for sustainable solutions. We already have corresponding product offerings available to our clients in the consulting fields of wealth management, provision, non-life insurance and health insurance and will continue to expand these.

#### Risks

Appropriate control and monitoring of the significant risks at Group level are ensured through suitable processes. This in particular encompasses specification of Group-wide strategies, securing the risk-bearing ability in the Group, establishing structural and organisational regulations for the Group, implementing Group-wide risk management and controlling processes, as well as setting up an Internal Audit function that operates throughout the Group.

In accordance with the statements of BaFin, which were finalised in December 2019, we consider sustainability risks to include events or conditions resulting from the environment, social issues or corporate management, whose occurrence can have actually or potentially significantly negative effects on MLP's net assets, financial position and results of operations, as well as its reputation. This also includes climate-related risks in the form of physical risks and transition risks. The appropriate consideration of sustainability risks, which is required by the Federal Financial Supervisory Authority (BaFin), is secured within the scope of the respective risk type on the basis of the issues encountered. For example, sustainability risks with potential business relevance in the context of corporate governance are addressed in the "MLP Code of Business Conduct and Ethics". This stipulates a binding internal guiding framework for integrity, in particular through actively combating financial crime with measures to avoid money laundering and other criminal conduct.

Further statements on the risk management system, the risk policies, the objective, risk capital and liquidity management, stress tests, the organisation, as well as the statement of risks can be found in the risk report in the annual report.

The objective of the integrated opportunity management approach employed by the MLP Group is to secure fundamental, systematic and early identification of opportunities and their assessment. This takes place within the scope of a standardised business strategy process, performed by the Executive Board once a year. To this end, assumptions made about relevant influential factors for future development are subject to an ad hoc check. Details can be found in our opportunity report in the annual report.

### 3. Objectives

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

The topic of sustainability has already been systematically established at MLP since 2016 and objectives are continuously developed in a step-by-step process. In 2019 we set ourselves the target of making the entire Group CO<sub>2</sub> neutral from 2022 onwards. We have already been able to implement this in an intermediate step in the financial year 2020. This means that we will compensate for the emissions recorded within the MLP Group up to that point in time through certified, international climate protection projects. In adopting this approach, we are particularly keen to account for the SDGs (Sustainable Development Goals) of the United Nations. The MLP

Group is committed to the 17 SDGs of the UN. Four of these goals are especially relevant for us as a company – with a view to our core business:



SDG 4 – Quality education: Education represents a key value for MLP. As a knowledge-based service provider, great emphasis is placed on both the qualification and development of our client consultants and employees. A high-quality range of training courses therefore represents an indispensable prerequisite for high-quality client consulting. A significant amount of this training is performed at our MLP Corporate University. This is flanked by the focus of our private client business on a client group with academic degrees, for whom education is also an important factor.



SDG 7 – Affordable and clean energy: We are committed to responsible use of resources. An efficient system of environmental and resource management is therefore anchored in MLP's sustainability management strategy. There is a close connection between affordable, clean energy and climate protection. MLP uses electricity from renewable energy sources throughout the Group and also actively supports this goal with its objective of achieving carbon neutrality.



SDG 8 – Decent work and economic growth: As a financial services provider, sustainable and profitable growth is a key objective and represents the basis for supporting all other SDGs. As a responsible employer, our task is to set the conditions for responsible conduct and for displaying mutual respect.



SDG 13 – Climate action: Although MLP is a non-manufacturing company, we consider it extremely important to use resources responsibly. To this end, efficient environmental and resource management is anchored in MLP's sustainability management strategy. In conjunction with the objective of achieving climate neutrality for the Group, measures are in particular developed to reduce or even avoid climate-impacting emissions altogether. Our climate protection strategy provides the framework for the climate protection activities of the MLP Group and aims to guarantee the requisite approach for achieving climate neutrality by the year 2022 and beyond.

The FERI Group supports the objectives of sustainable development with its FERI SDG Office. For this reason, FERI is also a member and promoter of the United Nations Principles for Responsible Investment Initiative (UN PRI). FERI SDG Office coordinates all relevant activities in the area of sustainability at FERI and promotes the development of special service concepts and investment solutions.

We have also defined further goals, both short-term and mid-term, in a package of measures aimed at reducing our CO<sub>2</sub> emissions. The main emissions are caused by mobility within the Group and we therefore address these as a priority. The package of measures for our sustainability management activities at Group HQ also includes the revision of our "Business Trip Policy" as well as our "Policy for the Procurement and Use of Company Vehicles". This goes hand in hand with our aim of gradually making our vehicle fleet more environmentally friendly. The measures also have a positive impact on health management for employees, as well as our attractiveness as an employer.

A working group is currently working on the "design of new working environments", including how to deal with mobile working after the end of the Corona restrictions. Estimates from various measures lead us to expect, for example, a reduction of around 25 percent in emissions caused by our employees traveling to work.

Our sustainability goals, as well as the measures required in each case to meet these goals, are implemented by the sustainability officer in coordination with the Executive Board. These processes are supported by the Group-wide CSR Committee in regular coordination meetings, as well as individual work groups with members from corresponding specialist departments. Regulatory requirements that affect the measures and goals of sustainability management are also monitored by a Group-wide supervisory steering committee.

#### 4. Depth of the Value Chain

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

At MLP added value is primarily generated by providing consulting services and supporting our clients as their partner for all financial matters. With our business model, we make an important contribution to greater sustainability in wider society.

Alongside high-quality training of our client consultants, the selection of our product partners and products play a crucial role. When selecting partners and products, we have therefore established high quality standards and place great emphasis on objective and transparent criteria, as well as continuous, open exchange. On this basis, we always offer our clients state-of-the-art products that fit their own specific requirements. An analysis and quality check of the providers in the market, as well as their respective products, is performed on the basis of our clients' needs. Our product selection process is subject to continuous further development and we regularly review the providers and products/concepts in our portfolio. To this end, for example, we pay attention to the sustainability of our partners primarily by focusing our assessment efforts on the financial strength and service quality of the product partners – particularly in the case of long-term saving and insurance products.

It is also becoming increasingly important to expand the range of sustainable concepts on offer as part of the partner and product selection process. Indeed, the various client groups in the Group are demanding this more and more. To ensure that the selection process is based on a clear definition of sustainability, we refine it continuously. This helps us to meet the demands of our clients beyond the scope of the legally stipulated requirements from the sustainable finance regulations - presenting an opportunity for MLP to also establish itself in the field of sustainability through special expertise.

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

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

We use our product management, purchasing and infrastructure management to secure quality-assured products throughout our supply chain, as well as efficient and environmentally friendly processes and purchases throughout the entire MLP Group. We also place great emphasis on both



the quality and sustainability of products and services that we use as a customer. Sustainability aspects are taken into account in invitations to tender, as well as in negotiation and decision-making processes.

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.

The Chairman of the Executive Board holds overall responsibility for sustainability management in the MLP Group. Relevant topics are discussed in regular exchanges with the Group's Sustainability Officer and, where necessary, presented to the full Executive Board for decision-making. Exchange at Group level takes place in regular meetings of the MLP Executive Committee, which coordinates the actions of the Group.

Responsibility for and coordination of all relevant sustainability topics are assigned to the Group Sustainability Officer. Their task is to continuously review and further develop the sustainability topics of the MLP Group, as well as to assess the associated opportunities and risks. This is performed with the support of the CSR Committee, a Group-wide body that was newly established in 2020. The sustainability officers of the MLP Group companies regularly meet in this committee. The committee is led by the Group Sustainability Officer and its mission is to establish, continuously develop and implement sustainability topics throughout the Group.

Responsibility, our strategic sustainability action areas, as well as operational implementation of our sustainability management system are anchored in our sustainability strategy. The sustainability strategy is integrated in the MLP business strategy, which underlines its importance. Regulatory requirements – including those with effects on sustainability management – are monitored by a Group-wide supervisory Steering Committee.

### 6. Rules and Processes

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

The sustainability strategy of the MLP Group is integrated in the MLP business strategy. Within the scope of the operating business, this is controlled by our Group Sustainability Officer, which is supported in this regard by the CSR Committee, a Group-wide body, as well as by individual work groups. The committee is led by the Group Sustainability Officer and its mission is to establish, continuously develop and implement sustainability topics throughout the Group.

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

Alongside compliance with relevant legal regulations, we have also developed Group-wide guidelines and documented them in 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 MLP client consultants regarding responsible, sustainable, fair and professional business practices with one another, as well as towards clients, 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.

Further basic principles for responsible conduct are also defined in the mission statements at both MLP Finanzberatung SE and MLP Banking AG, in which sustainable actions are set out as a key component of our services and activities.

Our climate protection strategy provides the operational framework for the climate protection activities of the MLP Group – based on the principles of the climate agreement from the UN climate conference in Paris.

## 7. Control

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

The sustainability aspects of the MLP Group can be found in the MLP sustainability report, which has been published every year since 2017 via the [Group website](#), as well as in the database of the German Sustainability Code (DNK). The entire report is based on the structure of the German Sustainability Code (DNK), which guarantees not only consistency of the data, but also its comparability. Alongside the German Sustainability Code criteria, as well as the accompanying performance indicators, individual indicators of the Global Reporting Initiative (GRI) that are important for MLP and originate from our materiality analysis are also reported.

The report is reviewed every year by both the Executive Board and Supervisory Board at MLP SE. No additional review by an auditor is performed.

The satisfaction of our clients, as well as our personnel and consultant numbers, which we communicate on a regular and transparent basis in our reports, represent important sustainability performance indicators for MLP. Within the scope of sustainability reporting, we extended these to include the requirements of the German Sustainability Code as well as individual GRI indicators (Global Reporting Initiative, GRI) that are critical for our business and wherever possible were already compiled and disclosed.

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 personnel work for 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 demonstrate sustainably high quality consulting services, we constantly use the results of surveys conducted among our clients.

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

The reliability, comparability and consistency of data is secured through a standardised query within the company, while data collection on sustainability aspects is performed using a software solution. We have been using a new and more comprehensive software application to record our CO<sub>2</sub> emissions since the 2019 reporting year. Should this lead to disclosures or data that differ from previous data, due to potentially differing data or calculation bases used in the software, we will provide a note on this under the respective criterion. Our objective here is always to secure both comparability and continuity.

We present aspects from a Group perspective in this report; however individual aspects can exclusively refer to individual parts of the MLP Group. We will point this out where applicable.

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

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

## Performance indicator GRI SRS-102-16

### The organization's values, principles, standards and norms of behaviour

We consider sustainability an integral part of our corporate policy. Alongside our economic and social responsibility – which we assume in particular as the partner of our clients for all financial matters and as a reliable employer – we also assume responsibility for the ecological impact of our actions. We are establishing this more and more within the MLP Group through our system of sustainability management and also incorporate it in our mission statements at both MLP Finanzberatung SE and MLP Banking AG.

- We are committed to equal opportunities, diversity and reconciliation of work and family life
- We unite successful entrepreneurship with social and societal commitment
- Sustainable actions represent a key component of our services and activities
- MLP takes into account ecological and social aspects, as well as principles of good corporate governance

"Performance" and "trust" represent the core of our company values and combine successful entrepreneurship with social and societal 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.

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 documented them in an "MLP Code of Business Conduct and Ethics" over the past few years. 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 MLP client consultants regarding responsible, sustainable, fair and professional business practices with one another, as well as towards clients, 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.

The MLP Group has a bank (MLP Banking AG) and MLP Finanzberatung SE is also 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 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 management – and be committed to our performance pledge. This is undertaken using the following structures and processes, which are implemented in the company. The goals of MLP's sustainability management are not explicitly implemented in the pay system.

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

We use the so-called Integrated Strategic Agenda (ISA) as the central strategic control instrument at the level of the individual entities and at segment level. In this way, the Group targets are broken down to all Group companies and to the key areas, so that each business unit knows its contribution to achieving the 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 management are strategically anchored in the Group, so the aforementioned instruments are used for implementation. They include profitable growth, yet also efficient environmental and resource management, focussing in particular on achieving the greatest possible savings or prevention of CO<sub>2</sub> emissions as a way of supporting the Group objective of climate neutrality.

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

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

When specifying and reviewing compensation for the Chairman of the Executive Board or a member of the Executive Board, the Supervisory Board takes into account the ratio relative to average compensation of the senior management level within the MLP Group, as well as the ratio relative to average compensation among the remaining workforce. This applies both to the average compensation within a year and to the development of compensation over multiple years. Attention is paid to ensure that the compensation of Executive Board members is at an appropriate ratio relative to the compensation of the workforce.

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

A key objective is to bring about profitable growth. The key indicator and control variable is EBIT which, as operating profit, is essentially the result of the interaction between revenue and expenses. EBIT-based variable compensation is therefore a suitable measure for supporting this strategy. By splitting the variable compensation into an immediate payment and a deferred payment, variable compensation has a multi-year basis for assessment. This ensures that focus is not only on short-term success, but also the company's long-term performance. No reference is currently made to other sustainability aspects, and none is currently planned.

## Performance indicator GRI SRS-102-35

### Remuneration policies

MLP's positioning as an attractive employer requires appropriate and attractive compensation, which the company supplements through numerous social and fringe benefits. For example, occupational pension provision has become established as an important social benefit at MLP. As an employer, MLP not only sees it as its duty to offer its employees the options established by the legislator for this purpose, but also to subsidise these through employer's contributions.

Alongside this, MLP employees at MLP Finanzberatung SE and MLP Banking AG for example receive a Shopping Card, which is accepted by many retailers and has a tax-free and social security-free credit added each month by the company. These companies also took the decision in the last financial year to introduce working hours accounts, which pay into the personal working life plans of MLP employees in response to their desire for greater flexibility. Since January 2021, MLP employees also have been able to lease a bicycle through MLP by way of deferred compensation.

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. When specifying and reviewing compensation for the Chairman of the Executive Board or a member of the Executive Board, the Supervisory Board takes into account the ratio relative to average compensation of the senior management level within the MLP Group, as well as the ratio relative to average compensation among the remaining workforce. This applies both to the average compensation within a year and to the development of compensation over multiple years. Attention is paid to ensure that the compensation of Executive Board members is at an appropriate ratio relative to the compensation of the workforce.

Please refer to [annual report](#) for details.

## Performance indicator GRI SRS-102-38

### Annual total compensation ratio

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

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

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

Compensation for members of the Executive Board is disclosed in the compensation report within our [annual report](#).

## 9. Stakeholder Engagement

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

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

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

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

### MLP clients & product partners

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 approach also helps us secure sustainably high quality consulting and trusting client relations. The ratings submitted by our clients on the independent WhoFinance portal also serve to confirm this. Indeed, the MLP consultants on this site score an average of 4.7 out of a possible 5 stars. Further testimonies from our clients and other tests can be found on our [website](#).

In the course of establishing MLP's digital culture, we have defined further guiding principles with a view to targeted integration of our clients' interests. Client focus is a key element of MLP's digital culture.

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

### Shareholders and investors

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 the Executive Board and contacts from Investor Relations during the MLP Annual General Meeting.

#### MLP employees

MLP is a company with flat hierarchies that maintains open and continuous dialogue with its employees and is increasingly encouraging modern work methods. MLP employees have the opportunity to get involved through various formats, for example our MLP.net intranet, yet also through employee surveys and the option to actively participate in numerous projects that employ agile work methods. The new mission statement of MLP Finanzberatung SE and MLP Banking AG and the concept of establishing women in management positions are two good recent examples of this. In addition to this, the issues and rights of employees at MLP SE, MLP Finanzberatung SE and MLP Banking AG have been represented and monitored by a works council since 2011. In the subsequent years, works councils were established at virtually all other MLP Group companies. MLP engages in regular and collaborative dialogue with the employee representatives on all topics pertaining to co-determination. Moreover, there are employees' representatives on the Supervisory Board at MLP SE, MLP Finanzberatung SE and also MLP Banking AG.

You can also find further information on this under the performance indicator GRI SRS-102-44 "Important topics and issues".

### Performance indicator GRI SRS-102-44

#### Key topics and concern

The materiality analysis performed within the scope of our sustainability management highlighted the stakeholder group that is particularly important for sustainable development of MLP. The key in terms of further developing our sustainability work is therefore to determine the requirements of our stakeholders in more concrete terms and then further anchor these in our commitment. We are keen to continuously refine this dialogue in future and therefore established the dedicated e-mail address "nachhaltigkeit@mlp.de". 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 our 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 perform regular employee and consultant surveys as a way of identifying further action areas and deriving measures from this.

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 particular, we have observed a continuously growing interest in our own sustainability among our clients. This can take the form of enquiries regarding the general alignment of the company with sustainability aspects, yet also questions relating to specific products. We then incorporate these into the further development of our products and consulting system, as well as into further training for our consultants.

In the capital market, ESG criteria (ESG = Environment, Social, Governance) continue to be increasingly important factors in the financial decisions taken by investors. Sustainability ratings



therefore help us both reflect on and continuously optimise our sustainability activities. This in turn allows us to support the decision-making processes of investors, for whom economic criteria have always been important but who are now also increasingly basing their decisions on social and environmental sustainability criteria. MLP SE has achieved "Prime Status" in the sustainability rating of the Institutional Shareholder Services Inc. (ISS) for the first time in December. As such, the company now ranks among the first decile in the benchmark group. As part of the regular review, MLP was able to improve its ESG Rating to "C".

We are in regular contact with our shareholders, investors and financial analysts through events such as roadshows and capital market conferences. We also offer our shareholders the opportunity to chat directly with the Executive Board and contacts from Investor Relations during the MLP Annual General Meeting. In addition to this, we are available for bilateral exchange at any time.

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

You can also find further information on this under criterion 9 "Stakeholder Engagement".

### 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 client groups 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 represents a highly important part of our philosophy as well as our business model.

Alongside qualification and further training of our self-employed client consultants, the results of studies and questionnaires among our client groups, as well as direct customer feedback are constantly incorporated in the further development of our overall service package. This also helps us provide our clients with consistently high quality consulting and maintain trusting client relations. Indeed, the MLP consultants on this site score an average of 4.7 out of a possible 5 stars. Further testimonies from MLP clients and other tests can be found on our [website](#). In the course of establishing MLP's digital culture, we have defined further guiding principles with a view to targeted integration of our clients' interests. Client focus is a key element of MLP's digital culture.

You can also find further information on this under criterion 9 "Stakeholder Engagement".

### Key indicator GRI SRS-418-1

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

A total of 13 cases of data security complaints from affected persons was substantiated in the MLP Group in the reporting period. There were no complaints from supervisory authorities addressed to the companies of the MLP Group.

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

## 10. Innovation and Product Management

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

The key products and services at MLP come together in the consulting services provided to our clients. MLP operates in a complex and constantly changing market and competitive environment. 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.

When reaching financial decisions, however, clients are also placing ever greater emphasis on sustainability with regard to a company's alignment and its products. Sustainable alignment of a company or a product can be reflected in economic, social, ethical and ecological aspects. Thanks to our positioning in this area, we can take advantage of the opportunities resulting from this – revolving primarily around the growing demand for sustainable solutions. We already have corresponding product offerings available to our clients in the consulting fields of wealth management, provision, non-life insurance and health insurance and will continue to expand these. We are now set to anchor sustainability more deeply in the core business segments of the MLP Group. The steps required for this are to be set out in greater detail and planned in the current financial year.

We will highlight the effects of financial and old-age provision products on sustainability aspects even more clearly. We can for example determine the sustainable impact of our consulting activities on the basis of the satisfaction of our clients, which we systematically track through corresponding surveys and evaluations. The quality of consulting services provided is also reflected in low cancellation rates, as well as growing client numbers.

Investment properties, which we offer via our subsidiary DEUTSCHLAND.Immobilien (and other partners), passes through a quality-assuring selection process. Alongside the expertise and experience of the provider, the actual property undergoes a detailed check by means of a location analysis and in terms of various economic aspects.

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 the services we provide – as underlined by the continuous satisfaction ratings of our clients on the independent WhoFinance portal. Indeed, the MLP consultants on this site score an average of 4.7 out of a possible 5 stars. Further testimonies from MLP clients and tests can be found on our [website](#).

In addition, MLP is also 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. The new mission statement of MLP Finanzberatung SE and MLP Banking AG was developed with the involvement of consultants and employees from all parts of the companies. In addition to this, all employees have the opportunity to submit improvement proposals via the company suggestion scheme. Staff submitting improvement proposals that are subsequently implemented can also be rewarded with a special one-off payment. The processes for this were significantly streamlined and simplified in 2019, allowing proposals to be submitted informally via an e-mail address set up for this specific purpose (instead of via a physical form that was used in the past). A quick check of these proposals is performed by the employer once a month and they are then discussed with the works council. This company suggestion scheme therefore fits in perfectly with the further optimisation of MLP's culture of innovation.

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

With the FERI Cognitive Finance Institute, the company represents an important pillar of research work and economic knowledge gathering, among other things for incorporation of social and environmental aspects in financial investments. This supports systematic gathering of knowledge relating to the economy, capital markets and financial systems. To this end, the FERI Institute employs a proprietary approach to research ("FERI Cognitive Finance"), which is based on the networked analysis of the following six central areas of knowledge and is aligned with the latest scientific and interdisciplinary research:

- Financial system
- Economy
- Environment
- Politics
- Company
- Technology

The objective of the FERI Cognitive Finance Institute is to overcome communication deficits associated with current economic and financial market models and thereby provide investors and asset owners with clear orientation on questions of strategic importance. One special focus is on the aspect of comprehensive asset protection.

As an underwriting agency, DOMCURA AG provides extensive coverage concepts for private and commercial clients in the non-life insurance consulting fields. DOMCURA offers special expertise in the development and administration of residential building concepts. The company has been building on its expertise as a digital underwriting agency since 2018, 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.

In 2020, DOMCURA was the first company on the German market to develop a sustainable insurance policy for homeowners. With this insurance concept, policy holders receive an additional benefit in the event of damage if they use sustainable materials and energy-efficient solutions to repair the damage. In addition to this, the new Eco Policy secures complete compensation of the climate-harmful greenhouse gas CO<sub>2</sub> following fire damage. For example, trees are planted to balance out the impact on the climate of CO<sub>2</sub> released during a fire.

#### Performance indicator G4-FS11

##### Percentage of assets subject to positive and negative environmental or social screening

Percentage of own financial assets that have been subjected to positive and negative environmental or social screening is not available. In addition, the financial investments of our banking business are also not subjected to any explicit environmental or social screening. Our investments are primarily made with the intention to hold them in the long term (buy and hold).

When selecting funds and wealth management schemes, our clients can, for example, select funds and wealth management schemes of various providers from a sustainability list. These mandates are subject to ethically oriented exclusion criteria. Sustainability analyses are performed by various companies, including MSCI ESG Research.

MLP Banking AG currently offers 14 open investment funds that pursue an explicitly sustainable investment strategy, including the UBS MSCI World Socially Responsible UCITS ETF, as well as the sustainable ACATIS Fair Value Modulator asset management fund, which was added to the product portfolio in 2020. We produce a proprietary ESG fact sheet for these funds, aiding understanding of the specific sustainability characteristic. In 2020, the net inflow into sustainable funds represented around 20 % of total net inflows. We are planning to further expand our portfolio of sustainability funds. Due to regulatory requirements, more and more conventional funds are also including an analysis of their target investments based on ESG criteria without currently being listed by us as "sustainable funds". A review of the current assessment as to which funds are classed as sustainable is to be performed in 2021.

#### Key indicator GRI SRS-417-1

##### Requirements for product and service information and labelling

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 clear 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 promote quality in consulting in particular through regular further training of our self-employed client consultants at our MLP Corporate University. In addition, IT-supported consulting tools are used to support the consultation process. In addition, the face-to-face consultations are documented.

## Criteria 11–20: Aspects of Sustainability

### Criteria 11–13 Environment

#### 11. Usage of Natural Resources

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

We use comparably few natural resources in our business activities as a financial services provider. Yet despite this, we remain committed to responsible use of resources. Indeed, we attempt to avoid or at least reduce the environmental impact caused by our CO<sub>2</sub> emissions. To this end, we determine a CO<sub>2</sub> footprint each year using dedicated software. This is then taken as the basis for deriving measures to reduce CO<sub>2</sub> emissions.

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

The way in which we record our CO<sub>2</sub> footprint is based on the requirements of the Greenhouse Gas Protocol (GHG) Corporate Standard and encompasses the following scopes:

**Scope 1 – Direct emissions**  
Recording all greenhouse gas emissions (GHG) that occur directly in the organisation.

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

**Scope 3 – Other indirect emissions**  
Recording all other greenhouse gas emissions (GHG) that are caused by activities of the organisation.  
In order to reduce these emissions, we will employ various measures within our mobility management activities, as well as revision of our "Business Trips Policy" and "Policy for the Procurement and Use of Company Vehicles".

	2019*	Share	2020**	Share	Change
<b>Scope 1</b>	1,408.5	26.3 %	2,915.8	38.1 %	107.0 %
<b>Scope 2</b>	1,028.2	19.2 %	424.5	5.5 %	-58.7 %
<b>Scope 3</b>	2,922.4	54.5 %	4,310.9	56.4 %	47.5 %
<b>Total</b>	<b>5,359.1</b>	<b>100.0 %</b>	<b>7,651.2</b>	<b>100.0 %</b>	<b>42.8 %</b>

\*as reported in 2019 \*\*extended / therefore year-on-year comparison not possible ((in tons CO<sub>2</sub>e)

The greatest environmental effects from our business activities occur from the consumption of electricity, as well as the generation of emissions from mobility – in particular from business trips and employees driving to work. To ensure both environmental protection and resource efficiency in these important aspects, efficient environmental and resource management are anchored in MLP's sustainability management activities. Based on our materiality analysis, it is a dedicated strategic sustainability action area, which is therefore also incorporated in our sustainability strategy and the corresponding internal processes with the involvement of corporate management. In 2020, we extended an existing work group to include the aspect of mobility and had a concept with various measures and targets aimed at reducing future emissions approved by the Executive Board. The package of measures for our sustainability management activities at Group HQ also include the revision of our "Business Trip Policy" as well as our "Policy for the Procurement and Use of Company Vehicles". This goes hand in hand with our aim of gradually making our vehicle fleet more environmentally friendly. Alongside ecological aspects, the objective of being perceived as an attractive employer also plays a key part here. In addition, this approach helps promote the health of our employees.

The charging station infrastructure for electric vehicles on the campus at Group HQ has also been further extended and now boasts ten charging points. These are not only available free-of-charge to all MLP employees and MLP consultants, but also to visitors. With the four new charging points, usage tracking is now also available, which will provide valuable information regarding demand and consumption for the future.

Further key initiatives are listed in the following:

**Bicycle-friendliness:** As well as promoting the health of our employees, the use of bicycles also plays an important part in reducing our emissions. We have various measures in place to support bicycle use, including the "Bicycle-Friendly Employer" certificate. A bicycle repair station has also been set up on the campus at Group HQ and bicycle campaign days are held in cooperation with the German

Cyclists' Federation (ADFC). These are supplemented by a bicycle leasing offer. The company also supports use of the public transport network with partial financing of the job ticket for the Rhine-Neckar Public Transport Network (VRN).

Mobile working: The coronavirus pandemic already provided impetus for hitting the target of reduced emissions from our employees travelling to and from work in 2020. Indeed, the majority of employees have been working from home since the outbreak of the pandemic. This led to staff spending an average of 55 % of their working hours working from home in 2020, although this figure reached almost 80 % during the peak phases of the pandemic. Thanks to the "Mobile Working" works agreement, which was approved in 2019, and the fact that tests to determine the suitability of working from home had already been under way prior to this, meant that MLP was well prepared to handle the situation. Not only were guiding principles for mobile working set out for a larger number of employees as a result of the provisions of the "Mobile working" works agreement, but clear support for mobile working was also achieved in the workforce, in particular among managerial staff. The topic is to be taken up proactively and developed further via a work group established by the Executive Board on the topic of "The future of work at MLP" as a way of being ready for the working environment of the future.

Since the start of 2020, MLP consultants have had access to a new tool that allows them to attend online meetings that go beyond mere audio/video exchange. "Flexperto" for example also offers MLP consultants the option to share screen content or notes via whiteboard. Indeed, client appointments can be held flexibly and from any location without the need for travel, which guarantees reliable continuation of client support during the lockdown phase of the coronavirus pandemic. In addition, new tools for video conferencing have been introduced facilitating the exchange among employees.

The individual key resources we use are listed in the following criterion 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.

The topic of sustainability has already been established at MLP since 2016 and objectives, including resource-related and environmental aspects, are being continuously developed as part of our sustainability management. The main emissions are caused by mobility within the Group and we therefore address these as a priority. The package of measures for our sustainability management activities at Group HQ also includes the revision of our "Business Trip Policy" as well as our "Policy for the Procurement and Use of Company Vehicles". This goes hand in hand with our aim of gradually making our vehicle fleet more environmentally friendly. We are also planning to reduce the emissions caused by flights. In a first step, we will achieve this by avoiding short-haul flights and replacing these with train travel wherever possible.

A work group is currently working on a project entitled "Designing new working environments". Mobile working after coronavirus-related restrictions have been lifted is one of the topics being addressed. Based on estimates from various measures, we believe that it is possible to reduce emissions by around 25 percent as a result of employees not commuting to work.

In future, we will gradually be able to disclose actual savings achieved in our sustainability reports.

In 2019, we set ourselves the target of making the entire Group CO<sub>2</sub> neutral from 2022 onwards. We have already been able to implement this in an intermediate step in the financial year 2020. This means that we will compensate for the emissions recorded within the MLP Group up to that point in time through certified, international climate protection projects. In adopting this approach, we are particularly keen to account for the SDGs (Sustainable Development Goals) of the United Nations. Our climate protection strategy sets out the operational framework for this and aims to guarantee the requisite approach for achieving climate neutrality by the year 2022 and beyond. We are thereby making a contribution to sustainably reducing the ecological footprint of our business activities.

Both the planned emissions savings already stated above (see also Criterion 11 "Use of Natural Resources") and optimised use of further renewable energies represent concrete measures in this regard.

Our Group HQ has had a photovoltaic system since 2015, whose power generation has been supplemented since 2018 by operating a dedicated heating plant with combined heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre. In addition to this, the electricity used by the MLP Group was switched over almost entirely to renewable energies at the start of 2020, which has allowed us to reduce total emissions in the Group by over 19 percent. The energy utilisation and energy consumption at our locations was also once again systematically analysed and efficiency-enhancing recommendations identified in 2020 as part of the energy audits that are regularly performed (pursuant to DIN EN 16247-1). These are also continuously assessed and then implemented as and when necessary by our infrastructure management specialists.

Thanks to systematic development of our targets and the packages of measures that result from this, we will also be able to plan, evaluate and check the emissions savings associated with this strategy more effectively in future. In a first step, this is set to be implemented for emissions generated in the context of mobility. The data available on this is currently limited to just initial estimates. However, we will be able to provide results as soon as the corresponding measures have been implemented.

We constantly monitor the comparatively low use of resources, as well as the environmental impact of our business activities through our sustainability management and strive to systematically optimise these. As such, we consider the influence of our business activities on the environment as low, especially in comparison with manufacturing companies, and therefore do not see any significant risks for the environment. To keep our use of resources at Group HQ appropriate, as well as being price and ecology conscious, the Infrastructure Management unit focuses on continuously improving our energy efficiency. We do not consider our business activities to pose any serious ecological risks.

Within the scope of our Group-wide risk management, appropriate control and monitoring of significant risks at Group level are ensured through suitable processes. In the context of the strategy process and the risk inventory MLP Banking AG, acting as a controlling company of the MLP Financial Holding Group, obtains an overview of the risks in the Group on a regular and ad hoc basis. Based on the risks identified in the individual entities and their relative weighting, the "MaRisk scope of consolidation" is formed, which defines the scope of the Group-wide risk management system. In principle, all risks identified as significant within the Group by the controlling company are taken into account.



We fundamentally consider sustainability risks to include events or conditions resulting from the environment, social issues or corporate management, whose occurrence can have actually or potentially significantly negative effects on MLP's net assets, financial position and results of operations, as well as its reputation. This also includes climate-related risks in the form of physical risks and transition risks. The appropriate consideration of sustainability risks, which is required by the Federal Financial Supervisory Authority (BaFin), is secured within the scope of the respective risk type on the basis of the issues encountered (further details on this can be found in MLP risk report). For example, sustainability risks with potential business relevance in the context of corporate governance are addressed in the "MLP Code of Business Conduct and Ethics". This stipulates a binding internal guiding framework for integrity, in particular through actively combating financial crime.

### Performance indicator GRI SRS-301-1

#### Materials used

The figures disclosed by us are collected through software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our CO<sub>2</sub> footprint in 2019, the figures provided may differ from those stated in previous sustainability reports from the years 2017 and 2018. This is due to the use of different data and calculation bases of the individual software providers.

As a financial services provider, the materials we use essentially comprise paper, which was reduced by around 15% in the 2020 reporting period in the Group to 33.4 t CO<sub>2</sub>e (2019: 39.2 t CO<sub>2</sub>e), but represents only 0.4% of our total CO<sub>2</sub> impact (2019: 0.7%).

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

Individual measures, such as increasingly digitalised and thereby also paperless processes, have been initiated and implemented. A large part of our client communication takes place via our Finance Pilot, the client portal of MLP Banking AG, so 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. However, client consultation itself can also be performed online. Since the start of 2020, MLP consultants have had access to a new tool that allows them to attend online meetings that go beyond mere audio/video exchange. "Flexperto" for example also offers MLP consultants the option to share screen content or notes via whiteboard. Indeed, appointments can be held flexibly and from any location without the need for travel, which guaranteed reliable continuation of client support by our consultants during the lockdown phase of the coronavirus pandemic. In addition, numerous training courses at our MLP Corporate University have been switched over to digital format and many training sessions are offered regionally on principle.

## Performance indicator GRI SRS-302-1 Energy consumption

As a financial services provider, our use of energy is limited to the requirements of our offices and business operations. 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 pursuance of our objective of making the MLP Group carbon-neutral by 2022, the first step of sourcing the MLP Group's entire energy requirement from renewable energies was completed at the start of 2020. In addition, our Group HQ has had a photovoltaic system since 2015, whose power generation has been supplemented since 2018 by operating a dedicated heating plant with combined heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre. The figures disclosed by us were generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

### Electrical energy consumption

The electrical energy consumption in the reporting period 2020 corresponded to 25.7 tonnes of CO<sub>2</sub> equivalents (2019: 1,028.2 tonnes of CO<sub>2</sub> equivalents), which represents a share of 0.3 percent in terms of our total emissions (2019: 19.2 percent). The photovoltaic system at our Group HQ in Wiesloch produced 214,148.00 kWh for our use in 2020 (2019: 196,855.70 kWh).

## Performance indicator GRI SRS-302-4 Reduction of energy consumption

At the Group HQ, which represents the key factor here as the largest location, we were able to reduce our total energy consumption by more than 10 percent over the previous year.

Energy consumption MLP Campus 2019		Energy consumption MLP Campus 2020		Change
<b>Electricity</b>		<b>Electricity</b>		
Electricity purchase	2,111,898 kWh	Electricity purchase	1,489,186 kWh	-29.5%
CHP* generation	734,427 kWh	CHP* generation	968,157 kWh	31.8%
Generation PV system	196,771 kWh	Generation PV system	214,148 kWh	8.8%
<b>Total consumption</b>	<b>3,043,096 kWh</b>	<b>Total consumption</b>	<b>2,671,491 kWh</b>	<b>-12.2%</b>
<b>Gas</b>		<b>Gas</b>		
Total	3,723,338 kWh	Gesamtverbrauch	3,985,442 kWh	7.0%
thereof CHP	2,490,892 kWh	thereof CHP	3,012,537 kWh	20.9%

\* combined heat and power plant (CHP)

The aforementioned combined heat and power unit was commissioned at the Group HQ in Wiesloch in 2018.

Based on our objective of making the MLP Group carbon-neutral by 2022, the sourcing the MLP Group's energy requirement from renewable energies was completed at the start of 2020. In addition, our Group HQ has had a photovoltaic system since 2015, whose power generation has been

supplemented since 2018 by operating the above-mentioned dedicated heating plant with combined heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre.

Self-generated electricity from the photovoltaic system

2016	2017	2018	2019	2020
206,822	201,339	218,494	196,771	214,148

(Figures in kWh)

Performance indicator GRI SRS-303-3  
**Water withdrawal**

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

The figures disclosed by us were generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our CO<sub>2</sub> footprint, the figures provided may differ from those stated in previous sustainability reports. This is due to the use of different data and calculation bases of the individual software providers.

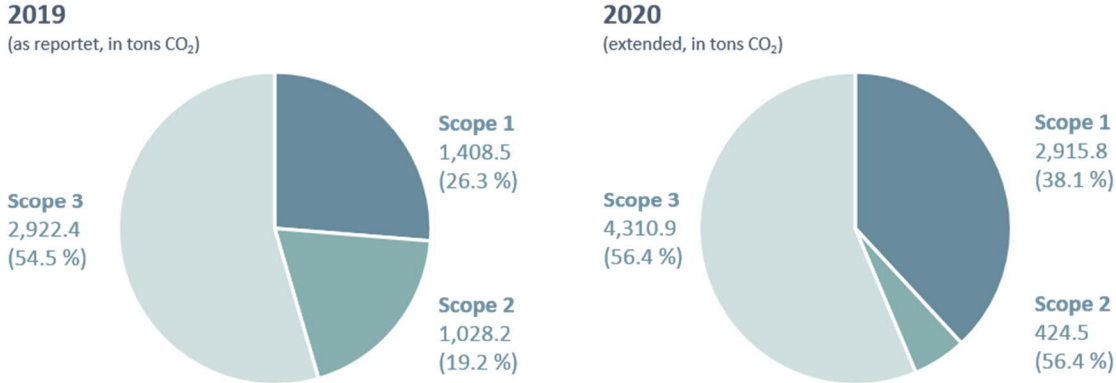
The total water withdrawal in the reporting period was 10,920 m<sup>3</sup> of drinking water (2019: 13,279 m<sup>3</sup>) and 4,877 m<sup>3</sup> of waste water (2019: 10,063 m<sup>3</sup>). This corresponds to a subtotal of 15,797 m<sup>3</sup> and a total value for the MLP Group of 20,073.9 m<sup>3</sup> (13.7 tonnes of CO<sub>2</sub> equivalent (2019: 11.3 tonnes)).

Performance indicator GRI SRS-306-2  
**Waste by type and disposal method**

The impact on the production and recycling of waste through our actions as a financial services provider can be deemed immaterial.

### 13. Climate-Relevant emissions

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



The greenhouse gas emissions resulting from our business activities as a financial services provider are comparably low. Yet despite this, we remain committed to responsible use of resources. Indeed, we attempt to avoid or at least reduce the environmental impact caused by our CO<sub>2</sub> emissions. To this end, we determine a CO<sub>2</sub> footprint each year using dedicated software. This is then taken as the basis for deriving measures to reduce CO<sub>2</sub> emissions.

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

Emissions as a result of our business activities essentially occur through power consumption, as well as business travel and employees driving to work. With the objective of becoming climate neutral by 2022, the MLP Group accepts its responsibility and makes its contribution to climate protection. This is accompanied by the target of sustainably reducing the ecological footprint of our business activities. Around 19 % of our CO<sub>2</sub> footprint was still being caused by electricity usage in 2019. By switching over to electricity from renewable energy sources in 2020 the Group has virtually reached climate neutrality. We have introduced various measures to reduce climate-relevant emissions that are caused by business travel and employees driving to and from work. Information on these can be found under criterion 11 "Use of Natural Resources".

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). As we have changed over to a different software used to determine our CO<sub>2</sub> footprint in 2019, the figures provided may differ from those stated in sustainability reports for the years 2017 and 2018. This is due to the use of different data and calculation bases of the individual software providers.

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

**Performance indicator GRI SRS-305-1  
Direct (Scope 1) GHG emissions**

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

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

In the course of working towards our objective of achieving climate neutrality for the MLP Group, we will complete and validate these figures this year. A continuous comparison of the figures will then be guaranteed as of the 2021 report.

This Corporate Carbon Footprint discloses all emissions as CO<sub>2</sub> equivalents. This means that the six further greenhouse gases governed by the Kyoto Protocol are also taken into account in the calculations alongside CO<sub>2</sub>. These are converted to the global warming potential (GWP) of CO<sub>2</sub> and therefore represent CO<sub>2</sub> equivalents (CO<sub>2</sub>e).

	Total 2019*		Total 2020**		Change
	t CO2e	Share	t CO2e	Share	
<b>Scope 1</b>	<b>1,408.5</b>	<b>26.3 %</b>	<b>2,915.8</b>	<b>37.9%</b>	<b>107.0 %</b>
Car pool	590.7	11.0 %	1,287.2	16.6%	117.9 %
Heat	749.5	14.0 %	1,610.2	21.1%	114.8 %
Refrigerant	68.3	1.3 %	18.4	0.2 %	-73.1 %

\*as reported in 2019 \*\*extended / therefore year-on-year comparison not possible

Direct emissions in Scope 1 corresponded to a total CO<sub>2</sub> equivalent of 2,915.8 tonnes in the reporting period (2019: 1,408.5 tonnes). This corresponds to 37.9 % of our total CO<sub>2</sub> emissions (2019: 26.3 %).

The increase in emissions is down to the expansion of the data pool. This can be attributed to the aforementioned expansion of the scope of data recorded by our individual entities and therefore the larger number of locations included. The increase in terms of "heat" is offset by the energy generated with the combined heat and power unit at our Group HQ in Wiesloch, which produces both electricity and heat in cogeneration (Scope 3). 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.

Performance indicator GRI SRS-305-2  
**Energy indirect (Scope 2) GHG emissions**

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

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

	Total 2019*		Total 2020**		Change
	t CO2e	Share	t CO2e	Share	
<b>Scope 2</b>	<b>1,028.2</b>	<b>19.2 %</b>	<b>424.5</b>	<b>5.6%</b>	<b>-58.7%</b>
Electricity	1,028.2	19.2 %	25.7	0.3%	-97.5%
Externally generated heat	0,0	0,0%	398.8	5.2%	-
District cooling	0,0	0,0%	0.0	0.0%	-

\*as reported in 2019 \*\*extended / therefore year-on-year comparison not possible

Indirect emissions in Scope 2 corresponded to a total CO<sub>2</sub> equivalent of 424.5 tonnes in the 2020 reporting period (2019: 1,028.2 tonnes) and thereby 5.6 % of our total CO<sub>2</sub> emissions, which represents a reduction of around 60 %. This reduction can be attributed primarily to the switchover to electricity from renewable energy sources.

Performance 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 the use of products and services or aspects of mobility.

The figures disclosed by us are generated by software and are based on the guidelines of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol).

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without

including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

	Total 2019*		Total 2020**		Change
	t CO2e	Share	t CO2e	Share	
<b>Scope 3</b>	<b>2,922.4</b>	<b>54.6%</b>	<b>4,310.7</b>	<b>56.5%</b>	<b>47.5%</b>
Employees driving to work	2,177.9	40.6%	2,550.8	33.5%	17.1%
Flights	126.6	2.4%	291.3	3.8%	130.1%
Electricity upstream	174.6	3.3%	202.6	2.7%	16.0%
Heat/cooling upstream	167.1	3.1%	536.1	7.0%	220.8%
Rental and private vehicles	218.3	4.1%	109.4	1,.%	-49.9%
Catering	-	-	179.5	2.4%	new
Office paper	39.2	0.7%	33.4	0.4%	-14.8%
Rail travel	4.2	0.1%	15.3	0.2%	264.3%
Water	11.3	0.2%	13.7	0.2%	21.2%
Waste disposal	3.2	0.1%	8.2	0.1%	156.3%
External service providers	-	-	41.0	0.5%	new
External computer center	-	-	287,5	3.8%	new
Home office	-	-	42,1	0.4%	new

\*as reported in 2019 \*\*extended / therefore year-on-year comparison not possible

Other indirect emissions in Scope 3 corresponded to a total CO<sub>2</sub> equivalent of 4,310.7 tonnes in the 2020 reporting period (2019: 2,922.4 tonnes) and therefore represent 56.5 % of our total CO<sub>2</sub> emissions.

Since the main emissions at MLP occur within this scope, we extended an existing work group in 2020 to include the aspect of mobility and had a concept with various measures and targets aimed at reducing future emissions approved by the Executive Board.

If we had recorded exactly the same aspects for this reporting year as for 2019, there would have been a significant reduction in Scope 3 – in particular also due to significantly lower emissions resulting from fewer employees travelling to and from work. This is due to a marked increase in staff making use of work-from-home and mobile working arrangements during the coronavirus pandemic. Further information on this is provided under Criterion 3 "Objectives".

Performance indicator 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. We were able to reduce our Scope 2 emissions by over 70 %, in particular thanks to the switchover to electricity from renewable energy sources.

Disclosures on our emissions were extended in the financial year 2020 to include material entities within the MLP Group. Further aspects (other branch offices, external computer centre, etc.) were also already incorporated. As such, the figures from the previous year are not comparable with the figures for 2020. However, assessing the figures from 2020 on the basis of 2019, i.e. without including other entities or additional aspects, the emissions are well below the previous year. This drop can be attributed primarily to reduced activity in the field of mobility.

We are further extending our data collection efforts and a continuous comparison of the figures will therefore be guaranteed as of the 2021 report.

Total emissions at MLP

	2019*	Share	2020**	Share	Change
<b>Scope 1</b>	1,408.5	26.3 %	2,915.8	38.1 %	107.0 %
<b>Scope 2</b>	1,028.2	19.2 %	424.5	5.5 %	-58.7 %
<b>Scope 3</b>	2,922.4	54.5 %	4,310.9	56.4 %	47.5 %
<b>Total</b>	<b>5,359.1</b>	<b>100.0 %</b>	<b>7,651.2</b>	<b>100.0 %</b>	<b>42.8 %</b>

\*as reported in 2019 \*\*extended / therefore year-on-year comparison not possible

If we had recorded exactly the same aspects for this reporting year as for 2019, we would have seen a 45.6 % reduction in our total emissions. In other words, the increase is based on expansion of the data pool and further validation of our data.

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, which is therefore also 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. We use various measures to track a reduction in our emissions. In 2020, for example, we extended an existing work group to include the aspect of mobility and had a concept with various measures and targets aimed at reducing future emissions approved by the Executive Board. The package of measures also include the revision of the company car policy. This goes hand in hand with our aim of gradually making our vehicle fleet more environmentally friendly. Alongside ecological aspects, the objective of being perceived as an attractive employer also plays a key part here. We also help promote the health of our employees.



## Criteria 14–20 Society

### 14. Employee rights

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

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

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

Open and transparent communication between employees/client consultants and our management is part of our corporate culture and is given a platform through our "MLP.net" intranet, through which an open exchange regarding news, issues and specialist topics takes place. This format is used actively by the employees. There are also dialogue and chat formats that enable topics to be addressed transparently with management and allow employees to communicate with one another. Our employees are involved in our sustainability management activities through participation in the form of surveys, as well as through information provided on our intranet and exchange via the e-mail address [nachhaltigkeit@mlp.de](mailto:nachhaltigkeit@mlp.de). The employees also have the opportunity to participate actively via the company suggestion scheme that is set out in a works agreement. In addition to this, an annual management appraisal is used to assess performance at management level. In other words, management style is rated by employees at least one level lower in the hierarchy.

Health protection and workplace safety are anchored in the MLP Group in the form of a policy with the purpose of both securing and improving the work of employees through occupational safety measures. Avoiding work and commute-related accidents, as well as occupational diseases is the objective of all workplace health & safety measures. Special attention is given to physical and mental stress here. For example, employees have access to active noise cancelling headphones, while plans for silent zones or alternative workplace models are also being expedited. Health provision in particular received a boost in 2020, for example through provision of further support to prevent mental stress via an anonymous online self-test on MLP.net. In addition to this, an "Online Health Coach" is operated in cooperation with Techniker Krankenkasse and can be used free-of-charge by employees.

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 area of action within our sustainability management.

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. Our objective is therefore to ensure that our employees have the right skills at all times by continuously developing and optimising our HR work. To this end, the HR department has developed a concept with personnel management action areas, which were derived from the existing framework conditions. These include overcoming demographic challenges, as well as continuous improvement of HR processes, digitisation, employer attractiveness, etc. Individual measures in this vein are also described under criterion 15 "Equal Opportunities".

The following contains a selection of targets and measures for the timescale up to 2022:

- Promotion of women in management positions
- Support for part-time management
- Further development of health promotion services
- Review and, where necessary, updates to MLP's leadership and selection principles
- Greater systematisation of the parental leave process

The declared objective of promoting women in management positions at MLP SE for example includes increasing the ratio of women at the first management level below the Executive Board to at least 33 percent up to the year 2025. Additionally, efforts are made to secure gender equality at all management levels. This is monitored through annual reporting to the Executive Board.

Information on the progress or implementation of measures is communicated transparently. MLP employees also have the opportunity to get actively involved in numerous projects that employ agile work methods. The new mission statement of MLP Finanzberatung SE and MLP Banking AG and the concept of establishing women in management positions are two good recent examples of this. In addition to this, the issues and rights of employees at MLP SE, MLP Finanzberatung SE and MLP Banking AG have been represented and monitored by a works council since 2011. In the subsequent years, works councils were established at virtually all other MLP Group companies. MLP engages in regular and collaborative dialogue with the employee representatives on all topics pertaining to co-determination. Moreover, there are employees' representatives on the Supervisory Board at MLP SE, MLP Finanzberatung SE and also MLP Banking AG.

Potential personnel risks are covered in depth within the scope of our risk management and presented in our risk reporting as part of our annual report. The adequacy of staffing levels and sufficient qualification/training of employees at MLP are ensured by the responsible specialist departments. The adequacy of staffing in terms of type, level and planned Group development is checked regularly, at the very least during the annual planning process. In this context, key positions have been identified and defined with the objective of further reducing staffing risks through suitable risk control measures. The requirements regarding the qualification of all employees, but in particular those tasked with working in the loans and commercial business, are set out in differentiated job descriptions in the organisation manual.

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

## Key indicator GRI SRS-401-1

## New employee hires and employee turnover

The number of employees in the MLP Group increased slightly in the last financial year. In the reporting year 2020, an average of 1,850 employees worked for MLP (2019: 1,783 employees).

This increase is essentially the result of the inclusion of staff from the acquisition of the DI Group, as well as new recruitments and personnel returning to work following parental leave. In 2020, the staff turnover rate within the Group fell to 6.7 % and remains at a low level (2019: 8.2 %). The average age of the employees is currently 43.8. At 8.6 %, the turnover rate among our self-employed MLP consultants was significantly below the target figure of around 10 %.

## New recruitments MLP Group

Age	< 30	30-50	> 50	male	female	Total
<b>2018 Total</b>	58	73	17	72	76	<b>148</b>
<b>2019 Total</b>	60	87	22	78	91	<b>169</b>
<b>2020 Total</b>	58	71	28	83	74	<b>157</b>

## Number of employees leaving the Group

Age	< 30	30-50	> 50	male	female	Total
<b>2018 Total</b>	35	69	28	58	74	<b>132</b>
<b>2019 Total</b>	41	86	44	68	103	<b>171</b>
<b>2020 Total</b>	31	51	26	45	63	<b>108</b>

## Key indicator GRI SRS-401-3

## Parental leave

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

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

Parental leave Group	2019			2020		
	Total	male	female	Total	male	female
Parental leave taken	124	19	105	92	17	75
Returned to work after parental leave	67	19	48	43	17	26
Employed for at least 12 months after return	61	19	42	42	16	26
Return rate	91.8%	100.0%	88.9%	93.5%	100.0%	89.7%
Retention rate	91.0%	100.0%	87.5%	93.5%	88.2%	100.0%

Note on calculation of the return-and-remain rate

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

$$\begin{aligned}
 \text{Rückkehrate} &= \frac{\text{Gesamtzahl der Angestellten, die nach der Elternzeit an den Arbeitsplatz zurückgekehrt sind}}{\text{Gesamtzahl der Angestellten, deren Rückkehr an den Arbeitsplatz nach der Elternzeit vereinbart war}} \times 100 \\
 \text{Verbleibrate} &= \frac{\text{Gesamtzahl der Angestellten, die zwölf Monate nach ihrer Rückkehr an den Arbeitsplatz nach der Elternzeit noch beschäftigt waren}}{\text{Gesamtzahl der Angestellten, die in früheren Berichtszeiträumen nach der Elternzeit an den Arbeitsplatz zurückgekehrt sind}} \times 100
 \end{aligned}$$

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

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

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

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

Even at MLP, women are still under-represented in management positions, which tend to enjoy higher salaries. In the financial year 2020, a dedicated concept was developed under the heading of "Women in management @ MLP – measures to increase the percentage of female managers". The aim here was to expedite measures with a view to achieving gender equality at all management levels.

The successfully accomplished "berufundfamilie" audit is a further driver of such measures. The target agreement concluded includes specific measures to improve the framework conditions of part-time management and women in management positions.

With the Transparency of Pay Act (EntgTranspG), employers with more than 500 employees are requested to perform their own company audit in order to review their pay systems and check compliance with the equal pay principle. The legislator's intention is for auditing processes of this kind to be performed on a voluntary basis under the employer's own responsibility. The objective of

the internal company auditing process is to identify individual women who are not receiving equal compensation. Any disadvantage to individual female employees that is identified should then be addressed with suitable measures on the part of the employer. You can find further information on this in our transparency of pay within our 2018 Annual Report, which will be updated within the scope of legal requirements in the annual report for the year 2020 as per the requirements of § 22 of the Transparency of Pay Act.

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

## 15. Equal Opportunities

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

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

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

The topic of gender equality is currently being developed in a dedicated concept under the heading of "Women in management @ MLP – measures to increase the percentage of female managers". The aim here is to expedite measures with a view to achieving gender equality at all management levels. Women occupy far fewer management positions than men at MLP, which should be viewed in the overall context of MLP having a high proportion of women throughout its entire workforce. Thereby the Executive Board has intensified its efforts with respect to diversity making appointments to executive positions in the current year and, in particular, strives to achieve appropriate consideration of women at managerial levels in the Company. However, no concrete gender-specific guidelines with regard to filling positions have yet been established. Nevertheless, in 2020 the Executive Board at MLP SE approved a target of at least 33 % for female managers at the first management level below the Executive Board at MLP SE, whereby this percentage is to be achieved by the end of the financial year 2025. Beyond this, MLP SE does not have a second level of management below the Executive Board.

The Supervisory Board of MLP SE also strives to further intensify its future efforts with respect to diversity and, in particular, an appropriate consideration of women when appointing members of the Executive Board. The Supervisory Board gives specific consideration to applications from suitable female candidates in its selection procedures. In 2020, for example, the Supervisory Board confirmed

the target of at least 25 % for the proportion of women on the Executive Board – which currently only comprises three persons – and set itself the end of the financial year 2025 as the implementation deadline for this.

A reliable and constant indicator of a good working environment at MLP is the low employee turnover rate, which at 6.7 % also remained at a low level within the Group in 2020 (2019: 8.2 %). At 8.6 %, the turnover rate among MLP consultants was significantly below the target figure of around 10 %.

In 2020, 61 % of MLP's employees were female (2019: 63 %), while 39 % were male (2019: 37 %). The proportion of women at management level remained at 31 %.

In addition to this, employee satisfaction at MLP SE, MLP Finanzberatung SE and MLP Banking AG is confirmed by the average length of service, which is currently 13 years.

#### Reconciliation of family and working life

As a sign of a family-friendly and lifestyle-conscious personnel policy, auditing by the strategic "berufundfamilie" work and family management instrument was successfully completed and certified in 2019. The certificate, which is considered a seal of approval for a family-friendly and life phase-appropriate personnel policy, was initiated by the Hertie Foundation. The audit assesses the current situation of the family-friendly and life phase-appropriate measures already in place, systematically develops the individual business potential and uses binding target agreements to ensure that family awareness is further strengthened in the corporate culture. The associated target agreement for the years 2020 to 2022 includes various objectives/measures to promote the concept of women in management positions, as well as part-time management. The declared further development objectives, such as a comprehensive concept for promoting women in management positions, were successfully implemented in 2020 and confirmed by the auditors.

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

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

#### 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 at the company HQ such as flu shots on the campus, ergonomic workplace advice, employee and management consulting, information on the topic of burnout, as well as crisis counselling in the event of an emergency, which is provided by psychotherapy outpatient clinic at the University Hospital Heidelberg. Our health management activities are being continuously improved and include the use of active noise cancelling headphones for those working in open plan offices as well as numerous opportunities to engage in sport and fitness activities. Since January 2021, employees of MLP also have been able to lease a bicycle through MLP by way of deferred compensation. Training offers on topics such as resilience in everyday working life, time management and emotional intelligence have also proved very popular. Health provision in particular received a boost in 2020 in the form of further support to prevent mental stress via an anonymous online self-test on MLP.net. In addition to this, an "Online Health Coach" is operated in cooperation with Techniker Krankenkasse and can be used free-of-charge by employees.

#### Appropriate payment and gender equality

MLP is positioning itself as an attractive employer by offering its employees appropriate and attractive pay packages comprising numerous social and fringe benefits. For example, occupational pension provision has become established as an important social benefit at MLP. As an employer, MLP not only sees it as its duty to offer its employees the options established by the legislator for this purpose, but also to subsidise these through employer's contributions. MLP employees for example also receive a Shopping Card, which is accepted by many retailers and has a tax-free and social security-free credit added each month by the company.

In addition to this, a decision was taken in the last financial year to introduce working hours accounts, which pay into the personal working life plans of MLP employees in response to their desire for greater flexibility. Since January 2021, MLP employees have been able to lease a bicycle through MLP by way of deferred compensation.

Even at MLP, women are still under-represented in management positions, which tend to enjoy higher salaries. In the financial year 2020, a comprehensive concept aiming to further increase the proportion of women at management levels and for part-time management was approved by the Executive Board. 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. Among others, concrete measures include the revision of management principles, securing systematisation and transparency of the selection process, life phases oriented management development, as well as networks and mentoring. The successfully accomplished "berufundfamilie" audit is a driver of such measures.

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

MLP was able to draw statistical conclusions, in particular through assignment of job types to the various salary brackets, that enable the provision of information regarding gender-equal pay at MLP. The effects of the "pay system" works agreement with regard to an ever greater harmonisation of

the compensation for men and women will take hold gradually as the system is applied internally over time.

## 16. Qualifications

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

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

Continuous development of our personnel work, as well as our health management plays a particularly important part in securing sustainable employability for our employees and represents a distinct aim of our personnel management. To this end, the HR department has developed a concept with human resources action fields, addressing issues such as overcoming demographic challenges, as well as continuous improvement of HR processes, digitisation, employer attractiveness, etc. One objective here is the active promotion of women in management positions. This means for example increasing the proportion of women at the first management level below the Executive Board to at least 33 percent within MLP SE by the year 2025. Additionally, efforts are made to secure gender equality at all management levels. This is monitored through annual reporting to the Executive Board.

Further information on this is provided under Criterion 15 "Equal Opportunities".

Additional targets have been set within our health management strategy. For example, the company is keen to get more employees cycling by offering them the opportunity to lease a bicycle through MLP, while other approaches include targeted provision of information and in particular motivation. Among other things, a reduction in CO<sub>2</sub> emissions is to be achieved through increased use of bicycles (key target: 10 % by 2024), increased use of local public transport options and expansion of electric mobility. These will be flanked by a reduction in air travel and business trips.

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 last year of the Top Talents Programme started in April 2019 with eight participants and continued until spring 2020. To train existing managers and convey skills relevant for their duties, as well as to support them in their role with personnel responsibility, we have been offering a modular "management programme" since 2015 which is attended by new managers every year and is also offered to all other employees in management roles as further training.

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



Opportunities". Especially in the light of the experience gained during the coronavirus pandemic, MLP is keen to continuously develop and optimise workplaces. To this end it is currently addressing the topic of "Designing new working environments" in a Group-wide work group.

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. We adopt various approaches here, including the use of IT-supported consulting tools. Consultations with our clients and the results coming from this are comprehensively documented. Our Corporate University ensures a high standard of consultant training. Indeed, each consultant attends extra-occupational training to become a Financial Consultant and then later a Senior Financial Consultant.

#### Risks from human error and employee availability

MLP Financial Holding Group attaches great importance to qualified employees and managerial staff. Nevertheless, human error cannot be completely ruled out. In this context, we employ an open culture of constructive criticism with the objective of detecting mistakes early on, continuously improving our processes and strengthening our innovative capacity. Staff resources and necessary qualification/training of employees are secured by the responsible specialist departments. We reduce the risk of staff shortages through appropriate personnel allocation measures.

We closely monitor and prevent health risks among our employees through our system of health management and our personnel work. A respective policy has been put in place to secure and improve the health and safety at work through occupational safety measures. Avoiding work and commute-related accidents, as well as occupational disease is the objective of all workplace health & safety measures. Special attention is also given to physical and mental stress. Numerous offers that focus on prevention, advice and providing information are available for this. These include:

- The Online Health Coach of Techniker Krankenkasse:  
A preventive online service that gives employees the opportunity to receive targeted support for up to 12 weeks. Employees can each specify their own personal health goal and set up the coach individually based on their own requirements.
- Stress management
- Crisis counselling in the event of a psychological emergency

#### Key indicator GRI SRS-404-2

##### Programmes for upgrading employee skills and transition assistance

An annual needs analysis of training requirements for both employees and managers is performed in order to plan the training and further education offering for our employees. Alongside specialist training courses that are adapted to the individual needs of employees, MLP held 50 generic training

events in 2020 covering the topics of "Work methods and techniques", "Communication and personality", "Self-management", as well as special training sessions such as "Reaching decisions in complex situations", "Lateral leadership" and "Resilience and coping strategies at work" which targeted all employees. All seminars are followed up and evaluated by means of a standardised feedback questionnaire.

In 2020, another year of the "Top Talents" programme for junior staff, which was established in 2013, started. The objective of this programme is to systematically identify talented junior staff from within the company and then provide these with targeted and sustainable development opportunities for future specialist and management duties within the MLP Group.

#### Key indicator GRI SRS-404-3

##### Percentage of employees receiving regular performance and career development reviews

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

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

#### Performance indicator 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 2020.

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.

#### Performance indicator GRI SRS-403-10

##### Work-related ill health

See indicator GRI SRS-403-9.

#### Performance indicator GRI SRS-403-4

### Worker participation on occupational health and safety

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

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

Within the scope of our health management, MLP offers a range of measures such as flu shots, ergonomic workplace advice, employee and management consulting, information on the topic of psychological disposition, as well as crisis counselling in the event of an emergency, which is provided by the psychotherapy outpatient clinic at the University Hospital Heidelberg. Health provision in particular received a boost in 2020 in the form of further support to prevent mental stress via an anonymous online self-test on MLP.net. In addition to this, an "Online Health Coach" is operated in cooperation with Techniker Krankenkasse and can be used free-of-charge by employees. Further improvements are continuously incorporated into our health management activities. The measures employed here include provision of active noise cancelling headphones, as well as numerous opportunities to engage in sport and fitness activities or the option to lease a bicycle through MLP. The measures are aimed at prevention and raising awareness on health issues. The measures have been very well received so far and are set to be continued.

There are no other formal agreements or involvements.

#### Performance indicator GRI SRS-404-1

### Average hours of training

These figures on employee training are not currently recorded at MLP. MLP allocated a total budget of more than € 200,000 for specialist and generic training courses for employees and managerial staff in 2020 (2019: around € 200,000).

Numerous seminars and events serve to underline the scope of our training offer for our self-employed client consultants. Despite all of the issues associated with the coronavirus crisis, over 22,000 training days were still held at our MLP Corporate University in 2020. However, most of these were held online or in hybrid form due to the pandemic-related restrictions.

#### Performance indicator GRI SRS-405-1

### Diversity

The MLP Supervisory Board

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

provisions of the Participation Agreement for MLP SE.

Up until the end of 2020, the six-member Supervisory Board included five men and one woman. As of January 1, 2021, it comprises four men and two women.

Age	< 30	30-50	> 50	male	female
<b>Total</b>	0	2	4	4	2

The MLP Executive Board

The Supervisory Board of MLP SE strives to further intensify its future efforts with respect to diversity and, in particular, an appropriate consideration of women when appointing members of the Executive Board. The Supervisory Board gives specific consideration to applications from suitable female candidates in its selection procedures. In 2020, for example, the Supervisory Board confirmed the target of at least 25 % for the proportion of women on the Executive Board – which currently only comprises three persons – and set itself the end of the financial year 2025 as the implementation deadline for this.

According to 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 making appointments to executive positions and, in particular, strives to achieve appropriate consideration of women at managerial levels in the Company. However, no concrete gender-specific guidelines with regard to filling positions have yet been established. Nevertheless, in 2020 the Executive Board at MLP SE approved a target of at least 33 % for female managers at the first management level below the Executive Board at MLP SE, whereby this percentage is to be achieved by the end of the financial year 2025. Beyond this, MLP SE does not have a second level of management below the Executive Board.

Employees

MLP had 61.30 % female employees and 38.70 % male employees in 2020.

Age	< 30	30-50	> 50
<b>Share 2019</b> (Total number of employees)	12%	59%	29%
<b>Share 2020</b> (Total number of employees)	13%	56%	31%

Performance indicator GRI SRS-406-1  
**Incidents of discrimination**

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 any relevant risks.

Since 2018, we have transferred our compliance guidelines to 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.

We do not consider our business or consulting activities to pose any risks in terms of non-compliance with human rights. There are also no indications of any non-compliance.

Appropriate control and monitoring of significant risks at Group level are ensured through suitable processes. Identification, assessment, control, monitoring and communication of key risks is guaranteed with the help of and on the basis of Group-wide risk management 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 Investment" 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. However, monitoring fulfilment of the relevant regulations to protect human rights, health and safety at work, as well as the working, environmental and business practices of the countries in which clients are invested, are also supported with this commitment.

In addition, the FERI Group supports the objectives of sustainable development with its FERI SDG Office. FERI SDG Office coordinates all relevant activities in the area of sustainability at FERI and promotes the development of special service concepts and investment solutions.

### Performance indicator GRI SRS-412-3

#### Investment agreements subject to human rights screenings

Within its private client business, MLP operates exclusively at locations in Germany and therefore essentially acts within the German legislative framework. Human rights are observed and respected at all locations and individual entities in the MLP Group. As such, we do not perform any special screenings here.

As an investment house for institutional investors, high net-worth families and foundations, the FERI Group offers services in the fields of investment research, investment management and investment consulting. In addition, the FERI Group supports the objectives of sustainable development with its FERI SDG Office. FERI SDG Office coordinates all relevant activities in the area of sustainability at FERI and promotes the development of special service concepts and investment solutions.

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, 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 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 in 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 incorporating SDG / ESG-related topics in accordance with the requirements and investment policies of clients

### Performance indicator GRI SRS-412-1

#### Operations subject to human rights reviews

Within its private client business, MLP operates exclusively at locations in Germany and therefore essentially acts within the German legislative framework. Human rights are observed and respected at all locations and individual entities in the MLP Group. As such, we do not perform any special screenings here.

Performance indicator GRI SRS-414-1  
**New suppliers subject to social screening**

Supplier orders are essentially awarded in the regions of our locations and therefore exclusively within Germany. We have yet to encounter any human rights violations with any of our business partners. However, our suppliers are not explicitly screened for this.

Performance indicator GRI SRS-414-2  
**Social impacts in the supply chain**

Based on the results of our materiality analysis and also our business model, this aspect has no materiality for MLP. In addition to this, none of our suppliers has ever reported any human rights abuses.

## **18. Corporate Citizenship**

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

Successful entrepreneurship combined with social and societal commitment forms part of our identity at MLP. Showing our commitment to the community, in particular at regional and local level, is an expression of our social responsibility. This is reflected in our longstanding support and sponsorship activities in the fields of sport and culture. The allocation of funds by the Executive Board as well as by the relevant specialist department is based on the MLP sponsorship philosophy. All sponsorships are always issued in coordination with the Executive Board.

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

### **Social commitment**

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

The annual MLP Christmas donation campaign raised € 40,000 for social commitments in 2020. This made it possible to support the following four initiatives:

- The Sterntaler Hospice for Children in Mannheim provides nursing care and counselling for terminally ill children, as well as support for their families
- The Kultur-Events-Rhein-Neckar e. V. association works to the maxim of "Strong artists up close". Every year it promotes regional cultural events ranging from concerts to readings – particularly for older residents
- The Förderverein für krebskranke Kinder Tübingen e. V. is an association that supports children with cancer and their loved ones by providing both clinical and psychosocial support
- The Bärenherz Children's Hospice in Leipzig offers counselling and support around the clock for seriously ill children and their families

The current financial year will in particular be characterised by social commitment at MLP. On the occasion of our [50th](#) anniversary year, we have issued a call throughout the Group to work in teams and support social causes with our "Point of honour" campaign. Anyone keen to take part can simply establish a team, find a suitable project and get started. There are no restrictions in terms of commitment or creativity here. At the end of the campaign, a random draw will be used to determine which twelve teams will receive an MLP donation of € 500 for the non-profit institution of their choice. We will be able to provide examples of this in our 2022 sustainability report.

Thanks to the support of a climate protection project, the first ever compensation of our CO<sub>2</sub> emissions in Spring 2021 will also be linked to a corresponding social commitment. This will be the first target set for the entire MLP Group that goes beyond the scope of our sponsorship commitments. We will report on the projects receiving support in our sustainability report and on our websites.

### Education

In 2020, MLP was once again part of the "ZEIT" annual series of educational events ([ZEIT FÜR BILDUNG](#)), which was held as a digital theme week in the year of the coronavirus crisis. In light of the worldwide pandemic, the challenges for schools and universities were highlighted, while discussions were held on the extent to which the education and training landscape in Germany has changed in 2020. The Chief Executive Officer at MLP opened the event block in the "University & Education" category.

### Sport

With our sponsoring activities, we are a longstanding partner to sport in the Rhine-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.

Within the scope of our Group-wide risk management, appropriate control and monitoring of significant risks at Group level are ensured through suitable processes. In the context of the strategy process and the risk inventory MLP Banking AG, acting as a controlling company of the MLP Financial Holding Group, obtains an overview of the risks in the Group on a regular and ad hoc basis. Based on the risks identified in the individual entities and their relative weighting, the "MaRisk scope of consolidation" is formed, which defines the scope of the Group-wide risk management system. In principle, all risks identified as significant within the Group by the controlling company are taken into account.

We fundamentally consider sustainability risks to include events or conditions resulting from the environment, social issues or corporate management, whose occurrence can have actually or potentially significantly negative effects on MLP's net assets, financial position and results of operations, as well as its reputation. This also includes climate-related risks in the form of physical risks and transition risks. The appropriate consideration of sustainability risks, which is required by the Federal Financial Supervisory Authority (BaFin), is secured within the scope of the respective risk type on the basis of the issues encountered (further details on this can be found in MLP risk report). For example, sustainability risks with potential business relevance in the context of corporate governance are addressed in the "MLP Code of Business Conduct and Ethics". This stipulates a



binding internal guiding framework for integrity, in particular through actively combating financial crime.

We do not consider the scope of our current business activities or our commitment in the aforementioned areas to pose any risks.

## Performance indicator GRI SRS-201-1

### Direct economic value generated and distributed

#### Direct economic value generated

Total revenue in the reporting period was € 767.3 million (2019: € 708.8 million). Earnings before interest and tax (before one-off expenses, interest and taxes, operating EBIT) in the MLP Group were € 59.4 million for the financial year 2020 (2019: € 47.1 million). Group net profit in the last financial year was € 43.2 million (2019: € 36.8 million).

#### Economic value distributed

Our dividend policy is to distribute 50 % to 70% of net income to our shareholders. We have announced that we will continue our dividend policy for fiscal year 2020. On this basis, the Executive Board and Supervisory Board will propose a dividend of € 0.23 per share (2019: € 0.21 per share) to the Annual General Meeting on June 24, 2021. This corresponds to a payout ratio of around 58 % (2019: 62 %) in relation to consolidated net income and a total dividend of € 25.1 million (2019: € 23.0 million).

Our administration expenses (defined as the sum of personnel expenses, other operating expenses, as well as depreciation and impairments) were € 318.5 million in the last financial year (2019: € 297.1 million).

This figure includes personnel expenses of € 148.0 million (2019: € 135.7 million).

A tax expense of € 13.1 million was accrued in 2020, following € 7.8 million in the previous year.

Our expenses for special cultural and sports sponsoring by the Group remained at € 1.0 million.

Direct value added (€ million)

	2018	2019	2020
Total revenue	660.0	708.8	767.3
of which shareholders	21.9	23.0	25.1
Administration costs	289.5	297.1	318.5
of which personnel expenses	128.5	135.7	148.0
Taxes	11.3	7.8	13.1
Sponsoring	0.9	0.9	1.0

## 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 parties and politicians should be disclosed by country in a differentiated way.

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

Information regarding legislative procedures is provided via associations and representative bodies, as well as within the scope of public consultation procedures or market surveys performed by the national and European supervisory authorities. No information regarding legislative procedures was provided by MLP in 2020.

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 2020 MLP engaged in an exchange with MPs from the Rhine-Neckar region as well as political experts in the field of financial and social policies. The primary focus here was on topics involving the region and the development of old-age provision in Germany. 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.

### Performance indicator 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 who corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.

MLP SE has a Group-wide compliance organisation in place. In addition to this, a Code of Business Conduct and Ethics is communicated to all employees of the MLP Group which clarifies the intrinsic value and sustainability of lawful and regulation-compliant conduct. This stipulates binding minimum standards and targets for the companies in the MLP Group which, for example, aim to further promote awareness among executives, employees and MLP consultants of the importance of responsible, sustainable, fair and professional business practices for internal collaboration, as well as towards customers, business partners and shareholders. As part of their duties, every individual bears responsibility for ensuring that they are aware of and also comply with all relevant laws, regulations and internal stipulations. These targets are met every year, in particular through ongoing compulsory training for employees. The compliance organisation monitors adherence to these regulations.

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

The compliance function advises and supports management, as well as the responsible specialist departments, in complying with key legal regulations. It also supports implementation of both effective processes and corresponding verification measures or implements supervisory actions itself. The compliance function informs the Executive Board and the Supervisory Board about its work on a regular and ad hoc basis, and promotes the Group-wide "compliance culture".

### Avoidance of money laundering and other criminal conduct

We implement suitable measures to combat and ensure effective prevention of money laundering, financing terrorist activity, as well as any other criminal and unlawful behaviour (prevention of fraud & money laundering). We expressly encourage our employees to help uncover illegal or unethical business practices and actively counter these. In this vein, the companies of the MLP Group adhere to minimum standards that go beyond the legal requirements for prevention of money laundering, financing terrorist activity and criminal conduct. Processes, in particular in the form of binding procedural instructions addressing the importance of and measures employed in combating money laundering, financing of terrorist organisations and other criminal conduct, all of which could potentially jeopardise the institution's assets, as well as regular compulsory training for employees are in place to avoid these criminal activities. Information regarding potential violations, such as cases of corruption or fines resulting from these, can be found in the performance indicators below.

### Risks in the fight against fraud and corruption

Potential risks arising for the MLP Financial Holding Group from fraudulent or other criminal conduct are identified and regularly assessed within the scope of the risk analysis performed to identify potential hazards caused by criminal conduct (both internally and externally). Both the risk assessment and the individual measures implemented to avoid criminal conduct are performed in the institutes by the central office in line with § 25h of the German Banking Act (KWG) and are included in the operational risk inventory process.

The compliance function did not identify any significant risks.

The MLP Group has a Group-wide compliance organisation, a Group Compliance Officer and a dedicated employee responsible for the prevention of money laundering and financing of terrorism.

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, risk & compliance culture, money laundering and fraud prevention, 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.

### Performance indicator GRI SRS-205-1 Operations assessed for risks related to corruption

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

### Performance indicator GRI SRS-205-3 Incidents of corruption

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

### Performance indicator GRI SRS-419-1 Non-compliance with laws and regulations

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

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