

MLP Sustainability Report 2021



The MLP Group

The MLP Group and its brands DEUTSCHLAND.Immobilien, DOMCURA, FERI, MLP, RVM and TPC is the financial services provider for private, corporate and institutional clients. Special added value is created by networking the various perspectives and areas of expertise – enabling clients to reach better financial decisions. To this end, the MLP Group competently combines personal and digital offers. Several of the brands also offer selected products, services and technology for other financial services providers.

- DEUTSCHLAND.Immobilien – The real estate platform for financial consultants and clients
- DOMCURA – The underwriting agency for financial consultants and consultant platforms
- FERI – Investment management for institutional clients and high net worth individuals
- MLP – Financial consulting for discerning clients
- RVM – The insurance broker for SMEs
- TPC – Occupational provision management for companies

Client requirements in focus

Since it was founded in 1971, MLP has consistently striven to establish long-term relationships with its clients. This requires profound understanding of their individual requirements. An intensive transfer of knowledge and expertise takes place within the MLP Group. The specialists support one another in the areas of research and concept development, as well as in client consulting. This valuable and targeted interaction generates additional value for clients, as well as for the company and its shareholders. Economic success also forms the basis for accepting social responsibility.

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

Further information on the MLP Group structure, our business model, or our business performance can be found in our MLP 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. These include the seven main subsidiaries DEUTSCHLAND.Immobilien AG, DOMCURA AG, FERI AG, MLP Finanzberatung SE, MLP Banking AG, RVM GmbH and nordias GmbH. 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). Due to our materiality analysis, however, the GSC criteria are extended to include individual indicators from the Global Reporting Initiative (GRI Standards) that are considered key indicators for MLP.

We present aspects from a Group perspective in this report. However, individual aspects can also refer to certain parts of the MLP Group. The objective of this report is to provide a comprehensible picture of our sustainability activities and our understanding of values.

The Supervisory Board at MLP SE reviewed and approved the report in its meeting held in March 2022. No additional review by an auditing firm was performed.

MLP sustainability disclosures as per the German Sustainability Code (GSC)

01 Strategy

Sustainability means taking responsibility

In order to meet our social responsibility, we have anchored sustainability holistically in the company. It therefore represents a key part of our corporate responsibility. Building on the steps undertaken in the last few years, sustainability is defined as a central strategic topic in the Group. This means: Sustainability is integrated into our business strategy and policy and thus flows programmatically into all parts and processes of the company.

Sustainability represents a commitment to sustainable development of the economy, society and the environment:

- Sustainability is part of our promise
- Sustainability is part of our corporate responsibility

For us, this involves remaining economically successful in the long term, while at the same time acting with ecological and social responsibility.

We clarify and substantiate our understanding of sustainability with our MLP Sustainability Policy. It provides the MLP Group's framework for sustainability: It conveys a clear understanding of the common values and goals and provides orientation for corresponding action.

A holistic view represented within the Group is the basic prerequisite for the implementation of common sustainability targets. The MLP Sustainability Policy thereby provides a clear understanding of sustainability for the companies of the MLP Group, whose activities flow into the sustainability strategy.

To secure targeted implementation and further development of the key sustainability topics for MLP, we have defined eight strategic sustainability action areas, which are based on our materiality analysis. These action areas provide the framework of our sustainability measures for the corresponding specialist departments.

MLP Sustainability fields of action



Successful business model



Trusting client relations



Attractive employer & partner



Education & consulting quality



Products



Digitalisation



Compliance & data protection



Efficient environment & resource management

MLP sustainability standards

We supplement our understanding of sustainability with the following standards.

Sustainability principles in the MLP Group

Our understanding of values is underlined by the following sustainability principles:

We stand for equal opportunities, diversity and the compatibility of work and family.

We encourage and demand continuous learning.

As part of society, we make a significant contribution to intergenerational financial education.

We combine successful entrepreneurship with social and community engagement.

Sustainable action is an essential part of our services and activities.

We generate value by enabling our client groups to make better financial decisions through the networking of different perspectives and expertise. In doing so, we take into account environmental and social aspects as well as the principles of good corporate governance.

We maintain an open dialogue with our stakeholders and report transparently on our sustainable engagement.

MLP has been climate-neutral since 2020, thereby taking responsibility for the climate and our environment. We want our activities to have as little impact on the environment as possible, for a liveable, sustainable future.

MLP Code of Business Conduct and Ethics

We have defined internal and binding behavioural standards and principles for the companies of the MLP Group in the MLP Code of Business Conduct and Ethics. The aim of this code is to raise awareness among the members of our Executive Bodies, employees and consultants for responsible, sustainable, fair and professional business conduct with one another as well as with clients, business partners and shareholders, and helps to provide business activities in line with the legal requirements and internal specifications 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.

Sustainable Development Goals

Our understanding of sustainability is oriented towards the **sustainable development goals** of the United Nations.

In 2015, the global community agreed on 17 goals for sustainable development intended to achieve worldwide assurance of sustainable development at economic, social and environmental level. Nations, the economy, civil society, scientists and the public sector – everyone can support these goals by acting sustainably.

The SDGs form a central guideline for all activities in the MLP Group:

- Which of our activities and actions can be linked to the SDGs?
- What contribution do we achieve through this?
- How can we further expand our contribution to the SDGs?

Based on our current assessments and evaluations, five of these goals are particularly relevant for us as a corporate group and with a view to our core business:



SDG 4 – QUALITY EDUCATION

Goal: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 5 – GENDER EQUALITY

Goal: Achieve gender equality and empower all women and girls



SDG 7 – AFFORDABLE AND CLEAN ENERGY

Goal: Ensure access to affordable, reliable, sustainable and modern energy for all



SDG 8 – DECENT WORK AND ECONOMIC GROWTH

Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 13 – CLIMATE ACTION

Goal: Take urgent action to combat climate change and its impacts

UN Global Compact

The UN Global Compact is the worldwide sustainability initiative of the United Nations. It is the largest and most important initiative for sustainable and responsible corporate governance in the world. By signing up to it, MLP will undertake to act responsibly on the basis of 10 principles and strive towards its 17 goals (SDGs) in the course of the financial year 2022.

The FERI Group has been a signatory of the Principles for Responsible Investments of the United Nations (UN PRI) since 2014 and thereby supports the principles of sustainable investment and business practices in accordance with the UN PRI. This is an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact.

German Sustainability Code (GSC) and Global Reporting Initiative (GRI)

The sustainability requirements associated with the Paris Climate Agreement and the SDGs of the United Nations, the TCFD recommendations (Task Force on Climate-related Financial Disclosures) of the Financial Stability Board and ultimately the EU Action Plan, will advance the topic of sustainability on many fronts – always focused on the objective of creating transparency. The key instrument in securing this transparency is sustainability reporting.

The GSC is a sector-independent transparency standard for the reporting of corporate sustainability achievements that integrates the respective legal requirements.

In drafting our sustainability report, since 2017 we have been basing our approach on the national standard of the German Sustainability Code (GSC). We will also gradually link this structure to the SDGs with a view to establishing both international and national comparability.

Due to the results of our materiality analysis, these GSC criteria are supplemented by individual indicators of the Global Reporting Initiative (GRI) in this MLP Sustainability Report that are material for MLP. The Global Reporting Initiative provides a standardised framework of guidelines on drafting sustainability reports with the objective of achieving international standardisation and comparability.

02 Materiality

The principle of materiality represents the basis of our sustainability activities which we provide information on in our sustainability report. The report encompasses information on the financial year 2021, yet also addresses topics with general effects on and by MLP or which are likely to become important for us in future. This includes the view of the MLP Group, whereby the individual companies will emphasize this with even more focus on their own core business in the future. Further details can be found in the MLP Sustainability Policy (chapter "Responsibility and control at Group level").

The key sustainability aspects for MLP were taken from a materiality analysis, in which we compared the influences and effects of our business activities on the areas of economic, social and ecological sustainability – in conjunction with the 17 UN SDGs.

The perspectives and experience of various Group segments were taken into account in the process. Should fundamental changes or new requirements relative to the current status result from our materiality analysis, we will examine these and integrate them into the corresponding processes.

Those topics that have important economic, social or ecological effects on the Group or reflect the expectations of our stakeholders are therefore classed as material.

Our materiality analysis led to the definition of eight strategic **sustainability action areas**, which provide us with the framework for our sustainability activities. This means that the Sustainability Officer and the Sustainability Committee work closely with the respective specialist departments to implement our sustainability goals together. Sustainability is therefore not addressed as an isolated concept, but rather integrated in the day-to-day business of all relevant company departments.

MLP Sustainability fields of action



Successful business model



Trusting client relations



Attractive employer & partner



Education & consulting quality



Products



Digitalisation



Compliance & data protection



Efficient environment & resource management

Special ecological, socio-economic and political characteristics of the environment in which MLP operates

Global challenges – social and ecological, and thereby also economic – are growing constantly. Sustainability is therefore both a social and societal undertaking that is now also a political focus with a view to activating global action. As a result, sustainability regulation is constantly on the rise.

As such, MLP also operates in a heavily regulated, complex and constantly changing market and competitive environment, linked to our mission of continuing to impress a discerning clientele as the partner for all financial matters. A profound understanding of the individual requirements of our various client groups within the Group is crucial for MLP in achieving sustainable business success. To this end, we employ various methods within the scope of further establishing our MLP digital culture.

Key sustainability topics that are both influenced by and themselves impact MLP's business operations

MLP's core business is providing consultancy services for our clients. Our mission consists in enabling people and companies to make better financial decisions. We support them long-term and develop sustainable financial plans.

At the same time, our understanding of sustainability encompasses how we act and work as a company. Alongside social aspects, acting sustainably from an ecological perspective also plays a key part here. The essential objective in this regard is to act in the interest of climate protection and to consistently reduce our own carbon footprint.

However, ecological and social criteria are also playing an increasingly important part for clients, investors and other stakeholders in our market environment. Particularly when reaching financial decisions, clients are placing ever-greater emphasis on sustainability in terms of 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.

Alongside the increasing requirements of the stakeholders, the massive regulatory efforts are also contributing dynamically to change in the financial sector. Those companies that adapt to these developments early on not only make an important contribution to achieving international climate protection goals, but also to meeting their clients' key requirements.

MLP is actively aligning its operations to further systematising sustainability in the field of financial consulting and sets itself apart from other market members. To this end, we set up the programme entitled "Further development of sustainability in MLP's core business", which we will use to further anchor sustainability in the core business of MLP Finanzberatung SE and MLP Banking AG up to 2025. The objective here is to assume a prominent position in the market. Development focuses in particular on systematic inclusion of effects in the consultations with regard to sustainability, a program for consultant qualification, as well as minimum criteria for partner and product selection.

We can build on good foundations throughout the entire **MLP Group** here:

- **FERI** has established a centre of expertise for sustainability, the FERI SDG Office. FERI has been addressing questions of sustainability, climate change and impact investments at various levels for a long time. As the internal think tank, the FERI Cognitive Finance Institute has completed and published various surveys and analyses on these topics with renowned research partners since 2016.
- **DOMCURA** has developed and launched a sustainable building insurance policy. Further products, such as classic (non-life) insurance policies, will also increasingly need to be adjusted to include sustainable aspects or modules. In particular, products and concepts to guarantee coverage of damage caused by increasing natural phenomena will play an increasingly important part.
- **DEUTSCHLAND.Immobilien (DI)**, a company which joined the MLP Group in 2019, develops establishments for assisted living and classic care throughout Germany, focussing on nursing properties. In the development of the projects, sustainable building materials will increasingly play an essential role, as well as planning and implementation beyond the minimum requirements, e.g. those of the Energy Saving Ordinance. Indeed, the company already today ensures compliance with insulation values to improve performance and reduce energy consumption in line with the common KfW standards. Further sustainability aspects are currently being investigated.
- In the **private client business**, MLP's clients are placing ever-greater emphasis on sustainability when selecting their products – particularly when reaching financial decisions. Alongside the influencing factors of return, risk and liquidity, sustainable investments also take into account factors such as the environment, social issues and corporate management. MLP already offers a broad product portfolio to cover the demands of its clients in the consultancy fields of wealth management, old-age provision, non-life and health insurance – and is set to further expand this, in particular with its programme entitled "Further development of sustainability in MLP's core business".

Our objective is to use sustainability as one way of differentiating ourselves from other players in the market and with the general public – both in terms of client support and as a company – and thereby underline our commitment to quality.

Indeed, our sustainability work was awarded "Prime" Status" in the first sustainability rating by Institutional Shareholder Services (ISS). As such, the MLP share now ranks among the top 10% of the shares in this segment.

03 Objectives

Our objective is to be a sustainable company. The basic prerequisite is to reflect on sustainability as a diverse task both in and for the entire company, as well as to implement it resolutely in a step-by-step approach.

We have been systematically establishing sustainability at our company since 2016, working to develop and refine our sustainability goals year after year based on the action areas determined in our materiality analysis. In addition to this, notes and requirements of our stakeholders are incorporated into our annual sustainability goal plans alongside increasing regulatory requirements.

Planning targets

At the end of the year, the relevant current and pending future sustainability topics are evaluated by the Group Sustainability Officer and then incorporated in a concrete annual plan at the start of the year in coordination with the Executive Board. Once this has been completed, corresponding measures are derived during the regular coordination and committee meetings in the Group.

Achieving targets

Our sustainability strategy is integrated in the MLP business strategy. For the financial year 2022, MLP has defined sustainability as a central strategic topic for further development in the Group. This underlines and reinforces sustainability as an integral part of our business strategy and policy, ensuring that it is incorporated programmatically in all parts of the company.

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. This way, the Group objectives are broken down across all Group companies and the key consulting fields, thereby allowing each business unit to make its own contribution to meeting the defined targets. This ensures end-to-end incorporation of all organisational units and integration into the planning and management process.

In addition to this, our sustainability management is established in the Group through a dedicated role. 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 Sustainability Committee, a Group-wide body that was established in 2020. The sustainability officers of the MLP Group companies meet regularly here. Their joint task is to coordinate sustainability activities within the MLP Group and to further develop sustainability for the Group.

Focus 2021: Systematically strengthening the basis and laying the foundations for the next steps - Review

The financial year 2021 was particularly successful in terms of taking important steps to expedite sustainability within the MLP Group. The overarching operational objective here was to systematically further strengthen the basis of our sustainability work, which we achieved in particular through the following topics:

- **The goal of 'climate neutrality'**
Back in 2019, we set ourselves the goal of achieving 'climate neutrality from 2022 onwards' and already implemented this in the last financial year in an intermediate step. Thanks to reduction measures and compensation of the CO₂ emissions recorded up to that point from the financial year 2020, MLP is climate-neutral for the first time.

- **The goal of 'focusing on mobility'**
Reducing CO2 emissions, particularly in terms of our own mobility, as a way of supporting the goal of climate neutrality, especially since mobility represents the largest factor in our emissions.
- **The goal of 'developing a Sustainability Policy'**
Our understanding of sustainability is clarified and substantiated with the MLP Sustainability Policy, which defines the universal sustainability framework for the MLP Group. It conveys a clear understanding of the common values and goals and provides orientation for corresponding action.
- **The goal of 'further developing the sustainability report'**
Complete and valid data from all key companies and locations of the MLP Group represents the foundation for more transparent and comprehensible communication.

Focus 2022: Further development of Group sustainability and systematic implementation - Outlook

Building on what has already been achieved, focus is on the following sustainability goals for 2022:

- **The goal of 'further developing Group sustainability'**
Sustainability aspects are to be further integrated and anchored in the individual core business areas.
- **The goal of 'including sustainability in Executive Board compensation'**
A sustainability compensation component for the MLP SE Executive Board is currently being considered as a further key element of corporate governance.
- **The goal of 'operative integration of the MLP Sustainability Policy'**
Implementation of the Sustainability Policy. This in particular affects topics such as joining the UN Global Compact initiative, as well as further alignment with the Sustainable Development Goals in the Group.

Goals for 2022 and subsequent years

- **The goal of 'realignment and steering based on global sustainability goals'**
(See 01 Strategic analysis and measures/MLP Sustainability Standards/Sustainable Development Goals)
- **The goal of 'further developing sustainability in the core business'**
Building on the preparations in 2020 (development of the core topics in workshops) and 2021 (resolution and programme planning), we transitioned this goal for the private client business to an internal programme in the last financial year. The goal is set with a focus on anchoring sustainability fully in our consultancy services in the period up to 2025.
- **The goal of 'assessing the MLP Scope 3 emissions'**
A carbon footprint that is also relevant for company activities is that of a product or service, the so-called product carbon footprint (PCF). This focuses on emissions that are accrued outside the original business operations and is more difficult to quantify due to a lack of clearly defined system boundaries. We are already working intensively and with high priority on factors in our added value chain that might also need to be assessed in this regard.

A general goal here is to ensure that we have all of our employees and consultants on board for this major social undertaking. It is therefore important to communicate our intentions and goals for sustainable development transparently and to sensitise everyone to their importance.

04 Depth of the Value Chain

At MLP added value is primarily generated by providing consulting services and supporting our clients as their partner for all financial matters.

Broad range of services

With its brands Deutschland.Immobilien, DOMCURA, FERI, MLP, RVM and TPC, the MLP Group is the financial services provider for private, corporate and institutional clients. By networking the different perspectives and expertise, special added value is created - and clients can make better financial decisions. In doing so, the MLP Group intelligently combines personal and digital offerings. Some of the brands also offer selected products, services and technology for other financial services providers.

- DEUTSCHLAND.Immobilien – The real estate platform for financial consultants and clients
- DOMCURA – The underwriting agency for financial consultants and consultant platforms
- FERI – Investment management for institutional clients and high net worth individuals
- MLP – Financial consulting for discerning clients
- RVM – The insurance broker for SMEs
- TPC – Occupational provision management for companies

Focus on client needs

Since its foundation in 1971, MLP has consistently focused on long-term relationships with its clients. The prerequisite for this is a deep understanding of their individual needs. There is an intensive transfer of know-how within the MLP Group. The specialists support each other in research and concept development as well as in client consulting. This targeted interaction creates additional value for clients, within the company and for shareholders. Economic success also forms the basis for assuming social responsibility.

The starting point in all areas is the ideas and needs of our customers. Based on this, we present them with their options in a comprehensible way so that they can make the appropriate financial decisions themselves. In implementing these decisions, we draw on the offerings of the relevant product providers on the market. Our selection is based on scientifically sound market and product analyses.

Partner and product selection at MLP

Starting from the requirements of our clients, we take into account the aspects of product partners and the features of the products themselves in our selection process.

High quality standards are the fundamental prerequisite for cooperation with **product partners**. We secure these through an established process and with the involvement of external rating companies. We place great emphasis on objective and transparent criteria here, as well as regular and open exchange. Particularly in the case of long-term saving or insurance products, we focus on the financial strength and service quality of the providers when performing our assessment – to ensure that we can offer our clients financial solutions that are as reliable as possible in the long term.

Our **product selection process** is also subject to strict quality controls, whereby the products offered by the respective providers are objectively and systematically analysed and pretested for clients. Flexibility, such as the ability to adjust products to altered life situations of our clients, for example plays an important part here.

Our MLP partner and product selection process is subject to continuous further development and we

regularly review the providers and products in our portfolio.

The review process described is based on analyses by MLP's own specialists for the respective product category. MLP also commissions experts from external service providers such as rating agencies to evaluate key components as part of an MLP evaluation model. In addition, externally accessible rating results of providers and products are included in the vote.

Sustainable products

It is becoming increasingly important to expand the range of sustainable concepts on offer within the scope of the partner and product selection process. For a clear definition of sustainability, we develop this process step by step and have, among other things, initiated the internal programme entitled 'Further development of sustainability in MLP's core business' to this end. 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 through its expertise in the field of sustainability.

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.

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.

DOMCURA has developed and launched a sustainable building insurance policy. Further products, such as classic (non-life) insurance policies, will also increasingly need to be adjusted to include sustainable aspects or modules. In particular, products and concepts to guarantee coverage of damage caused by increasing natural phenomena will play an increasingly important part.

MLP client consulting

To help permanently secure high quality consulting, we further developed the guidelines for MLP consulting services in 2021. Thanks to a uniform consulting philosophy at MLP, clients are empowered to reach their own financial decisions. When corresponding requirements are in place, fee-based services are addressed just like all other advisory services during consultations.

Education and consulting quality

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 courses are offered by our MLP Corporate University at our HQ in Wiesloch. Our consultants receive comprehensive training at the MLP Corporate University. This forms the basis for offering clients consultancy services at the highest level.

MLP Backoffice

We support our consultants with a highly qualified backoffice that boasts a broad range of skills. Among others, these include experts, qualified product specialists and actuaries, who support MLP consultants with

client-related questions and issues ("consultants behind the consultants").

05 Responsibility

Responsibility and control

Ultimate responsibility for sustainability in the MLP Group lies with the Chief Executive Officer. Specialised responsibility and the coordination of all relevant sustainability topics as well as the corresponding reporting are assigned to the Group Sustainability Officer, whose central function has been organisationally assigned to the Chief Executive Officer's area of responsibility since the beginning of 2022. Her 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 takes place in coordination with the MLP SE Executive Board and the Executive Committee as well as with the support of a Group-wide committee, the CSR Committee, which was established in 2020 and is made up of the sustainability officers from all MLP Group companies.

Exchange takes place at Group level in regularly occurring meetings of the MLP Executive Committee in order to coordinate the Group-wide sustainability topics and transfer them to the respective company.

Sustainability is a team task

Sustainability is a team task. For us, this means that the topic is controlled centrally by the Group Sustainability Officer, as well as being shaped and implemented by numerous colleagues from various specialist departments – in particular the Sustainability Committee. This committee is made up of the sustainability officers from the Group companies, whose joint task is to establish the sustainability topics throughout the Group, as well as to continuously refine and implement these.

Organisation of sustainability at MLP.



Sustainability is defined as a central strategic topic in the MLP Group. This means: Sustainability is integrated into our business strategy and policy and thus flows programmatically into all parts and processes of the company. Regulatory requirements – including those with effects on sustainability management – are monitored by a Group-wide supervisory Steering Committee.

06 Rules and Processes

The topic of sustainability is integrated into our Group-wide business strategy and policy, so it flows programmatically into all parts and processes of the company.

In 2021, we established an end-to-end framework for sustainability in the MLP Group when we drafted our Sustainability Policy. The policy conveys a clear understanding of the common values and goals and provides orientation for corresponding action. The understanding of sustainability which this has helped anchor in the Group represents the basic prerequisite for implementation of our common sustainability goals. The Sustainability Policy was therefore approved by the corresponding management bodies in the MLP Group (Executive Board at MLP SE and Executive Committee) and adopted by the respective companies through their declaration of compliance. The MLP Executive Committee is a Group-wide management committee, which serves to ensure the exchange of Group topics and expertise, as well as to promote networking.

Activities of the Group companies count towards the sustainability strategy and may in no way contradict the Group Policy. However, the different Group companies can set their own areas of focus and concretise the framework specified in the Policy.

Structure for implementing sustainability in the MLP Group



As such, Group-wide implementation of the superordinate sustainability topics is secured through the respective declarations of compliance of the Group companies, while the topics are also operatively expedited both by the Group Sustainability Officer and the Sustainability Committee. To this end, regular scheduled meetings are set up between the individual committees.

Exchange with the specialist departments takes place in monthly coordination meetings with the Group Sustainability Officer.

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

07 Control

Process planning and monitoring

Our sustainability strategy is integrated in the MLP business strategy – making sustainability an integral part of our business strategy and policy that flows programmatically into all parts of the company. Implementation and monitoring of the sustainability strategy and the sustainability goals follow the structure of our levels of responsibility:

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. This way, the Group objectives are broken down across all Group companies and the key consulting fields, thereby allowing each business unit to make its own contribution to meeting the defined targets. This ensures end-to-end incorporation of all organisational units and integration into the planning and management process.

In addition to this, our sustainability management is established in the Group through a dedicated role. 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 Sustainability Committee, a Group-wide body that was established in 2020. The sustainability officers of the MLP Group companies meet regularly here. Their joint task is to help implement and ensure achievement of the sustainability goals.

MLP sustainability indicators

Important sustainability indicators for MLP are the satisfaction of our clients, which we regularly survey using the Net Promoter Score. But also the satisfaction of our consultants and employees, whose opinions we gather through regular surveys.

However, as already described in Chapter 04 'Depth of the added value chain', engaging in reliable and trusting cooperation with our product partners is also vital for the success of our business – just like training and motivating our employees and consultants. The continuous development HR work for our employees as well as the recruitment and training of new consultants therefore represent an important focus.

To this end, we offer regular publications such as on the development of staff numbers by segment, the staff turnover rate and age pattern of our employees, as well as the staff turnover rate and age pattern of our self-employed client consultants and the disclosures of our training programme. To be able to offer

consistently high quality consultancy services, we continually incorporate the results of conversations with our clients and market-relevant surveys.

The key indicator for our goal of achieving climate neutrality is our carbon footprint. We record this annually with a view to avoiding or reducing as many upstream emissions as possible.

The reliability, comparability and consistency of the data is secured partly through the comparability of our annual sustainability reporting, while data on the sustainability aspects (CO2 emissions) is captured using a software solution.

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 sustainability website, as well as in the database of the German Sustainability Code (GSC). The entire report is based on the structure of the German Sustainability Code (GSC), 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.

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

Performance indicator GRI SRS-102-16

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

→ MLP Sustainability Policy

→ MLP sustainability standards: 01 "Strategic analysis and measures"

08 Incentive Schemes

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 performed both through a continuous stream of information on our sustainability topics and using the following structures and processes, which are implemented at the company.

The goals of MLP's sustainability management have not been explicitly implemented in the employee pay system.

Sustainability in Executive Board compensation

The compensation structure of the Executive Board at MLP is geared towards the sustainable and long-term business and earnings performance. Sustainability as a term, alongside long-term feasibility, has now acquired a meaning of its own. As such, there is an increasing call for linking the ESG criteria (environmental, social, governance) to compensation components.

The MLP Executive Board compensation is generally made up of fixed and variable portions. The level of the fixed portions of compensation is calculated in such a way that there is no significant dependency on the variable portions of compensation. The target and basis of assessment for the variable portion of compensation must be set in a way that encourages the seizing of opportunities but prevents taking disproportionate risks. Furthermore, the predominant portion of the variable compensation is to be set up over several years.

A key objective is to bring about profitable growth. The key indicator and control variable is EBIT (earnings before interest and taxes) 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.

Set against the background of basing variable Executive Board compensation on a multi-year assessment period, as well as linking it to EBIT, Executive Board compensation is aligned with sustainable company and earnings performance. To supplement concrete sustainability components for the Executive Board of MLP SE – in terms of measurable, company-specific and relevant ESG criteria – MLP is currently working intently on assessing and developing suitable goals. A possible implementation will require developing solutions that are comprehensible and directly related to the strategy.

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 pay of the senior management level within the MLP Group, as well as the ratio relative to average pay 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 pay of senior management and the workforce. Further information on this is provided in the compensation report within our annual report.

Pay structure within the MLP Group

In principle, 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.

Management feedback and staff appraisal meetings

Staff appraisals, which are held each year between employees and their line manager, serve as a valuable instrument at **employee level**. MLP uses appraisal meetings, which are formalised in a works agreement, to substantiate individual work performances and identify development potential. These comprise two elements: management feedback and staff appraisals.

The objective for the year 2022 is to further refine the existing evaluation instruments and align them with the value framework, such as the MLP mission statement and governance guidelines. New, up-to-date governance guidelines are currently being developed for MLP Finanzberatung SE. These are set to be implemented from 2022 onwards.

Individual target agreements, which lead to achievement of both the individual and departmental/corporate goals, can be formulated. 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**. This way, the Group objectives are broken down across all Group companies and the key consulting fields, thereby allowing each business unit to make its own contribution to meeting the defined targets. This ensures end-to-end incorporation of all organisational units and integration into the planning and management process. The ISA grants all business segments the opportunity to get actively involved in planning targets. This promotes motivation among everyone involved and increases planning quality throughout the organisation.

Performance indicator GRI SRS-102-35

Compensation policy

A detailed description of the compensation policy at MLP is provided in Chapter 08 'Incentive systems'.

Performance indicator GRI SRS-102-38

Annual total compensation ratio

The highest paid person at MLP is the Chief Executive Officer, whose direct remuneration in 2021 amounted to 27.8 times the median of the total annual remuneration of employees in the Group. Details on the remuneration of the MLP Executive Board are disclosed in the remuneration report in our Annual Report.

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 parts of 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.

09 Stakeholder Engagement

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.

Stakeholder and materiality analysis

While restructuring our sustainability work from both a strategic and organisational perspective back in 2016, we also performed an internal stakeholder analysis in the course of our materiality analysis. A wide range of stakeholder perspectives and experiences from various Group divisions have been incorporated here and we still consider these relevant.

Among other things, the Sustainability Committee is tasked with continuously reviewing the validity of these and then making reassessments as and when necessary.

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

Private clients

Our objective is to help our clients reach better financial decisions independently. So that we can offer our client groups consistently high-quality consultancy services, it is important to understand their wishes and requirements. This in turn requires us to maintain a regular dialogue with them. Alongside direct exchange during their MLP consultations, further customer feedback, results from studies, as well as targeted surveys of our client groups are all taken into account when refining and further optimising our service. 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 satisfaction of our clients is confirmed by their ratings, for example 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 other tests can be found on our website: www.mlp-erfahrungen.de (only available in German language).

Shareholders and investors

In the capital market, ESG criteria (ESG = Environment, Social, Governance) are becoming ever more important factors in the financial decisions taken by investors. We are in regular contact with our shareholders, investors and financial analysts at roadshows and capital market conferences, which were held as digital events last year. 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. Various formats are open to MLP employees wishing to get actively involved in company issues. Our 'MLP.net' intranet at Group HQ offers a valuable dialogue format. This is flanked by various other exchange formats, events, employee surveys, as well as the opportunity to get actively involved in numerous projects that employ agile work methods. We are also

implementing more and more topics on an interdisciplinary basis and beyond company boundaries. This helps everyone in the MLP Group grow together more closely on both a professional and personal level.

MLP works council

The issues and rights of employees have been represented and monitored by a works council in most MLP Group companies.

In the subsequent years, works councils were established at most of the 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 raised issues".

Performance indicator GRI SRS-102-44

Key topics and concern

We have established various dialog formats with which we engage in exchange with our stakeholders. 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.

Below we give some examples of our exchange formats.

Internal stakeholders

Regarding our internal stakeholders, for example our employees, the focus is on topics such as our corporate culture and the reconciliation of work and family life, yet also on appropriate pay. These aspects are 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 in other dialogue formats. In addition to this, we perform regular employee and consultant surveys as a way of identifying further action areas and deriving measures from this.

External stakeholders

Aspects of our core business are deemed as particularly important by external stakeholders of MLP. Product and consulting quality are of particular importance here. Soe are also observing an ever-increasing interest in sustainability on the part of 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. We therefore use sustainability ratings both to 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 was awarded "Prime" Status in the sustainability rating of Institutional Shareholder Services Inc. (ISS)

for the first time at the end of 2020. 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 aspect 09 "Participation of stakeholders".

Key indicator GRI SRS-102-43

Approach to stakeholder engagement

→ 09 "Stakeholder Engagement"

→ Performance indicators GRI SRS-102-44 / Key topics and concern

Key indicator GRI SRS-418-1

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

A total of 28 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. There are no cases of data leaks, data loss or data theft anywhere at MLP.

10 Innovation and Product Management

The key disclosures on our innovation and product management are already provided in detail under aspect 02 'Materiality'. In addition, we provide further details on the program "Further development of sustainability in MLP's core business" below.

The key services at MLP comprise providing consultancy services for our client groups, as well as the brokerage of perfectly tailored products and their sustainable, lifelong support. Accordingly, our primary product is client consulting and we align this systematically with sustainability.

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 in terms of our consulting and place great emphasis on objective and transparent criteria when selecting our product partners and products.

MLP private clients

We regularly review providers and products in the market as well as the concepts of our product portfolio on the basis of established processes. To this end, we focus our assessment efforts on the financial strength and service quality of the product partners – particularly in the case of providers of long-term saving and insurance products.

Thanks to our positioning, we are already ideally placed to take advantage of the opportunities resulting from this – revolving primarily around the growing demand among clients 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.

Particularly when reaching financial decisions, clients are placing ever greater emphasis on sustainability based on objective and credible standards in terms of 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. Alongside the legally stipulated information, we also introduced additional, optional selection characteristics in 2021, such as exclusion criteria for funds, as part of the product classification process in line with the EU Sustainable Finance Disclosure Regulation (SFDR). We are in continuous and active exchange with the product producers such as insurers and fund companies, as well as other market members such as service providers or rating companies to further expand our data and information as an objective basis for measurement.

Our goal is to develop dedicated minimum standards or assessment criteria regarding sustainability aspects for all financial and insurance concepts, as well as for the product producers. Our intention in so doing is also to establish the greatest possible degree of transparency for our private, corporate and institutional clients.

In terms of consulting services, in future we will make the effects of financial and old-age provision products on sustainability aspects even more transparent and survey the sustainability preferences of our clients systematically by further developing and optimising our consulting process. The regulatory requirements will be taken into account here. As a result of their complexity and the associated market dynamics, we will adopt a step-by-step approach and review our consulting process regularly to ensure that it is kept up-to-date.

FERI SDG Office

Since 2019, the FERI Group has been strengthening and expanding its activities in the area of sustainable investment solutions and has established its own competence center for this purpose, the FERI SDG Office. This is where all relevant activities in the area of sustainability are coordinated at FERI and the development of special service concepts and investment solutions is driven forward. The FERI SDG Office has a focused approach with particular attention to the 17 United Nations Sustainable Development Goals.

FERI Cognitive Finance Institute

The FERI Cognitive Finance Institute is the strategic research center of FERI AG in Bad Homburg. The FERI Institute serves to systematically gain knowledge in the field of economics, capital markets and financial systems. For this purpose, the FERI Institute uses a proprietary research approach ("FERI Cognitive Finance"), which is based on the networked analysis of six central cognitive spaces and is oriented towards the latest state of scientific and interdisciplinary research.

Performance indicator G4-FS11

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

MLP Assets under Management (AuM)

The percentage of assets we manage at FERI in line with sustainability criteria, which have all undergone a positive or negative environmental or social screening, currently represent 12.5 % of our total assets under management.

On its own balance sheet, MLP invests very conservatively and has always refrained from investing in business models that would be incompatible with the Group's values, such as original arms manufacturers. The businesses do not currently undergo any further explicit selection tests.

Our investments are primarily made with the intention of holding them in the long term (buy and hold).

In the field of investment, our clients can choose from various options, including funds of various providers which comply with articles 8 and 9 of the Sustainable Finance Disclosure Regulation (SFDR). These mandates are subject to ethical, ecological or governance-related exclusion criteria or target a direct positive impact with their investments. Within this framework, MLP Banking AG currently offers 35 (of 89) open investment funds that meet these criteria and thereby pursue an explicitly sustainable investment strategy. We produce a proprietary ESG fact sheet for these funds, aiding understanding of the specific sustainability characteristic.

In 2021, the net inflow into sustainable funds represented around 47 % of total net inflows. We are planning to further expand our portfolio of sustainability funds. We consider the compulsory query of sustainability preferences when providing investment advisory services, which is to be implemented from August 2022 onwards, as a factor that could further stimulate demand for sustainable funds.

Key indicator GRI SRS-417-1

Requirements for product and service information and labelling

MLP is 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 boost the quality of our client consulting in particular through regular further training of the MLP consultants at our MLP Corporate University – also with regard to sustainability. This is supported by IT-based consulting tools during the face-to-face consultation. In addition, the face-to-face consultations are documented.

11 Usage of Natural Resources

Although we use only minimal natural resources in conducting our business activities as a financial services provider, we accept responsibility for our carbon footprint. To make our contribution to protecting the climate, we also make every effort to ensure our operations are as resource conserving as possible. To this end, we determine and record the emissions caused by us in the previous year and then use this information to derive measures for the key aspects as a way of reducing or even eliminating emissions altogether in future where possible.

The carbon footprint as the basis for (further) climate action

The MLP carbon footprint is recorded on the basis of the requirements of the Greenhouse Gas Protocol (GHG) Corporate Standard and covers the following scopes:

Scope 1 – Direct emissions

Covers all greenhouse gas emissions (GHG) that are generated directly in the organisation.

Scope 2 – Indirect emissions through energy

Covers all indirect greenhouse gas emissions (GHG) that are associated with the generation of energy outside the organisation.

Scope 3 – Other indirect emissions

Covers all other greenhouse gas emissions (GHG) that are generated by the organisation's activities.

The greatest use of resources in our business activities results from the consumption of electricity and from mobility, in particular from travel activities (including events) and employees' journeys to the workplace. In order to fully reflect this aspect (beyond the required GHG reporting), we have also included and reported the mobility of our more than 2,000 self-employed MLP consultants for the first time in the financial year 2021. For this purpose, we include a flat-rate value of 7,000 t CO₂, which we determined on the basis of an internal data survey carried out in 2021.

Mobility

The increase in business travel in 2021 compared with the previous year is due to the fact that hardly any travel and events were possible in 2020 due to the pandemic. Some of these were made up for in the summer of 2021.

	Total 2020		Total 2021		Change
	intCO ₂	(%)*	intCO ₂	(%)*	%
Scope 1					
Direct emissions from company facilities	1,287.2	16.6	1,331.9	14.2	3.5
Scope 3					
Business travel	416.0		1,018.7	10.8	144.9
Rental and private cars	109.4	1.4	127.6	1.4	16.6
Flights	291.3	3.8	855.4	9.1	193.6
Train	15.3	0.2	11.9	0.1	-22.2
Hotel stays	-	-	23.9	0.3	-
Approach employees	2,550.8	33.5	2,419.2	25.8	-5.2
Home Office	42.1	0.4	480.4	2.9	1,041.2
Result Mobility	4,296.1		5,250.3		22.2
Mobility MLP consultants (Individual, voluntary Scope 3 supplement)	-	-	~7,000	-	-

*Share of total emissions in the Group

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

Electricity

We have been purchasing electricity from renewable sources throughout the Group since 2020, which accounted for around 20 % of our total emissions in the Group until the switch to green electricity. A very small proportion (< than 1 % of our total emissions) of electricity continues to be included in our carbon footprint, which arises from rented office buildings over whose electricity procurement MLP has no influence.

	Total 2020		Total 2021		Change
	in t CO ₂	(%)*	in t CO ₂	(%)*	%
Scope 2					
Purchased electricity for own use	25.7	0.3	150.8	1.6	486.8

*Share of total emissions in the Group

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

The following is an overview of our total emissions in the Group

	Total 2020		Total 2021		Change
	in t CO ₂	(%)	in t CO ₂	(%)	
Scope 1	2,915.8	37.9	2,968.7	31.6	1.8
Direct emissions from company facilities	1,628.6	21.3	1,636.9	17.4	0.5
Warmth (own-generated)	1,610.2	21.1	1,188.0	11.5	-26.2
Refrigerant leakage	18.4	0.2	448.9	4.8	2,339.6
Direct emissions from the company vehicle fleet	1,287.2	16.6	1,331.9	14.2	3.5
Company vehicle fleet	1,287.2	16.6	1,331.9	14.2	3.5
Scope 2	424.5	5.6	1,221.0	13.0	187.6
Purchased electricity for own use	25.7	0.3	150.8	1.6	486.8
Electricity (stationary)	25.7	0.3	96.5	1.0	275.3
Electricity (fleet)	-	-	54.4	0.6	
Purchased heat, steam and cooling for own use	398.8	5.2	1,070.2	11.4	168.4
Heat (purchased)	398.8	5.2	1,070.2	6.5	168.4
Scope 3	4,269.6		5,201.6	55.4	21.8
Purchased goods and services	513.8		346.2	3.7	-32.6
External data centre	287.5	3.8	198.7	2.1	-30.9
Gastronomy	179.5	2.4	109.2	1.2	-39.1
Water	13.4	0.2	10.9	0.1	-18.2
Office Paper	33.4	0.4	27.3	0.3	-18.2
Fuel and energy-related emissions	738.7		851.7	9.1	15.3
Prechain heat	536.1	7	500.0	5.3	-6.7
Prechain electricity	202.6	2.7	221.7	2.4	9.4
Prechain vehicle fleet			129.9	1.4	
Waste	8.2		85.4	0.5	941.7
Waste	8.2	0.1	85.4	0.9	941.7
Business travel	416.0		1,018.7	10.8	144.9
Rental and private cars	109.4	1.4	127.6	1.4	16.6
Flights	291.3	3.8	855.3	9.1	193.6
Train	15.3	0.2	11.9	0.1	-22.3
Hotel stays	-	-	23.9	0.3	-
Approach employees	2,592.9		2,899.7	17.6	11.8
Approach employees	2,550.8	33.5	2,419.2	25.8	-5.2
Home Office	42.1	0.4	480.4	5.1	1,041.2
External service providers (no longer included in 2021)	41.0	0.5	-	-	-
Result	7,651.0		9,391.4	100	22.7
Additional charge (10 %)	765.1		939.1		22.7
Total result	8,416.1		10,330.5		22.7
Mobility MLP consultants (Individual, voluntary Scope 3 supplement)	-	-	~7,000	-	-

Note: This Corporate Carbon Footprint shows all emissions as CO₂ equivalents. This means that in addition to CO₂, the six other greenhouse gases regulated by the Kyoto Protocol are also taken into account in the calculations. These are converted into the global warming potential of CO₂ and thus form CO₂ equivalents (CO₂e).

Basic information on our data collection

In the financial year 2021, the scope of our emissions recording was again extended to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

¹ Emissions for electricity were calculated according to the market-based method. This means that the purchased electricity and its specific emission factors and, if applicable, the country-specific residual factors were used for the calculation. Using the location-based method, which calculates with national average factors, results in emissions totalling 1,908,897.54 kg CO₂. Further information on dual reporting can be found at https://ghgprotocol.org/scope_2_guidance.

12 Resource Management

The topic of sustainability has already been established at MLP since 2016. We also continuously develop goals, including resource-related and environmental aspects, and corresponding measures as part of our sustainability management. This is performed through regular exchange between the relevant specialist departments and the Group Sustainability Officer within the scope of the Sustainability Committee. In this subject area, this is the exchange between colleagues from Infrastructure and Facility Management, Purchasing, Controlling and Event Management.

Areas where we can influence the use of resources, for example, are:

- In infrastructure management (more energy-efficient and power-saving equipment).
- Expansion of photovoltaic systems on our own sites
- Through environmentally conscious behaviour on the part of our employees as well as in the MLP branch offices
- Through increased sustainability in our purchasing processes and with our service providers

The main emissions at MLP are generated through the use of electricity, as well as due to our mobility, which has already been described in detail in chapter 11.

Measures to reduce our main emissions are:

Electricity consumption

MLP is committed to affordable and clean energy with the objective of achieving carbon.

We use electricity from renewable energy sources throughout the Group. Until making the switch to green electricity, this represented around 20 % of our total emissions in the Group. We were also able to switch our external data centres over to green electricity in the last financial year.

The energy utilisation and energy consumption at our locations are systematically analysed and efficiency-

enhancing recommendations identified as part of the energy audits that are regularly performed (pursuant to DIN EN 16247-1). These are also continuously assessed and implemented if possible by our infrastructure management specialists.

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. Both electricity and heat are produced thanks to the combined heat and power operation of our heating system. 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.

Mobility

The greatest use of resources in our business activities (after the switch to green electricity in 2020) is due to mobility, in particular travel (including events) and travel to work by our employees.

Measures of our corporate mobility management (CMM)

We have drawn up an action portfolio with measures from our CMM for the MLP Group HQ in Wiesloch. Corporate mobility management is in particular directed at our goal of achieving climate neutrality, yet also at aspects of our health management, as well as our perception as an attractive employer. The starting point of our action portfolio was the analysis of our carbon footprint, the results of our survey on mobility behaviour in the company, as well as our cooperation in connection with the Rhine-Neckar Mobility Pact, which we signed in 2018. Another factor is increasing use of work from home opportunities, which became more established during the coronavirus pandemic and are likely to remain a part of working for MLP even after the pandemic. Yet despite this, both the MLP Campus at Group HQ in Wiesloch and all other MLP locations remain very important to us as places where people come together for personal exchange. To help us incorporate this change in good working models for us and the future of our work, we have set up the "Designing new working worlds" work group, which will be implemented in the first phases throughout the Group in 2021.

The following describes just a few of the measures we have implemented/initiated:

- Expansion of the electric charging station infrastructure:
Expansion of the electric charging point network on the MLP Campus and support for installation at other MLP locations
- MLP is a bicycle-friendly employer:
 - Employer-financed leasing of standard / electric bicycles
 - Addition of new changing facilities (with lockers)
 - Extension of the bicycle parking facilities on the MLP Campus and at other locations
 - Introduction of a small pool of bicycles (Campus at HQ)
- MLP lecture series on the topic of mobility
What alternative drive technologies are available and what should people be aware of when looking to buy an electric car? In September 2021, a five-part webinar series on topics of mobility was launched in cooperation with the Karlsruhe Institute of Technology (KIT) and the Centre for European Policy (CEP)

- More intensive communication on our sustainability goals and measures
- Mobility survey 2021 (recurring survey for validation of our data)
- Attractiveness of public transport options: As per the Walldorf-Wiesloch Mobility Pact, we are in favour of expanding public transport options and offering more attractive ticket models
- Switchover of the fleet to e-mobility, as well as amendment of the company car policy
- etc.

Thanks to systematic development and clarification both of our goals and the packages of measures derived from these, we will also be able to plan, evaluate and check the emission savings/effects associated with this strategy more effectively in future – also with regard to costs.

The risk for MLP in this context from today's perspective revolves around increasing CO₂ prices, for which we invest in the purchase of climate protection certificates, as well as tighter regulations in terms of reporting and CO₂ accounting obligations.

Further information on our risk assessment can be found in our Risk Report in the Annual Report.

Performance indicator GRI SRS-301-1

Materials used

For us as a financial services provider, the materials used are mainly paper, which was further reduced by around 20% in the Group in the 2021 reporting period to 27.3 t CO₂e (2020: 33.4 t CO₂e), but overall corresponds to only 0.2% of our total CO₂ impact (2020: 0.4%).

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 throughout the Group. A large part of our client communication takes place via our Finance Pilot, which is being gradually integrated in the modern MLP client portal and in which many paper-based processes have now been replaced by electronic equivalents.

A large percentage of the processes with insurers is now also processed via electronic interfaces.

Performance indicator GRI SRS-302-1

Energy consumption within the organisation

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 (events included) and employees driving to work.

As part of our goal of making the MLP Group climate-neutral, the MLP Group's energy supply was switched over completely to renewable energies 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.

Concrete disclosures on the relevant values are provided in Chapter 11 'Use of natural resources'.

Electrical energy consumption

Energy consumption through electricity in the reporting period corresponded to 72.7 CO₂ equivalent in 2121 (2020: 25.7 t CO₂ equivalent), which is equivalent to 0.5% of our total emissions (2020: 0.3%). The photovoltaic system at our Group headquarters in Wiesloch produced 185,407.34 kWh in 2021 (2020: 214,148.00 kWh) for our own use. The lower electricity generation in 2021 was mainly due to the defect of an inverter.

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

Performance indicator GRI SRS-302-4

Reduction of energy consumption

The main information on this has already been provided in Chapter 11 "Use of natural resources. Since 2020, we have been purchasing electricity from renewable sources throughout the Group, which accounted for around 20% of our total emissions in the Group until the switch to green electricity. A very small proportion (< than 1 % of our total emissions) of electricity can still be found in our CO₂ balance, which arises from rented office buildings over whose electricity procurement MLP has no influence.

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.

	Total 2020		Total 2021		Change
	in t CO ₂	(%)*	in t CO ₂	(%)*	%
Scope 3					
Water	13.4	0.2	10.9	0.1	-18.7

*Share of total emissions in the Group

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

Performance indicator GRI SRS-306-2

Waste by type and disposal method

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

13 Climate-Relevant Emissions

Disclosures on the greenhouse gas emissions caused by us, which we determine and record on the basis of the Greenhouse Gas Protocol (GHG), as well as our goals and plans to reduce these emissions, are already presented in detail in Chapter 11 'Use of natural resources' and Chapter 12 'Resource management'.

Overview of our total emissions in the Group

	Total 2020		Total 2021		Change
	in t CO ₂	(%)	in t CO ₂	(%)	%
Scope 1	2,915.8	37.9	2,968.7	31.6	1.8
Direct emissions from company facilities	1,628.6	21.3	1,636.9	17.4	0.5
Warmth (own-generated)	1,610.2	21.1	1,188.0	11.5	-26.2
Refrigerant leakage	18.4	0.2	448.9	4.8	2,339.6
Direct emissions from the company vehicle fleet	1,287.2	16.6	1,331.9	14.2	3.5
Company vehicle fleet	1,287.2	16.6	1,331.9	14.2	3.5
Scope 2	424.5	5.6	1,221.0	13.0	187.6
Purchased electricity for own use	25.7	0.3	150.8	1.6	486.8
Electricity (stationary)	25.7	0.3	96.5	1.0	275.3
Electricity (fleet)	-	-	54.4	0.6	
Purchased heat, steam and cooling for own use	398.8	5.2	1,070.2	11.4	168.4
Heat (purchased)	398.8	5.2	1,070.2	6.5	168.4
Scope 3	4,269.6		5,201.6	55.4	21.8
Purchased goods and services	513.8		346.2	3.7	-32.6
External data centre	287.5	3.8	198.7	2.1	-30.9
Gastronomy	179.5	2.4	109.2	1.2	-39.1
Water	13.4	0.2	10.9	0.1	-18.2
Office Paper	33.4	0.4	27.3	0.3	-18.2
Fuel and energy-related emissions	738.7		851.7	9.1	15.3
Prechain heat	536.1	7	500.0	5.3	-6.7
Prechain electricity	202.6	2.7	221.7	2.4	9.4
Prechain vehicle fleet			129.9	1.4	
Waste	8.2		85.4	0.5	941.7
Waste	8.2	0.1	85.4	0.9	941.7
Business travel	416.0		1,018.7	10.8	144.9
Rental and private cars	109.4	1.4	127.6	1.4	16.6
Flights	291.3	3.8	855.3	9.1	193.6
Train	15.3	0.2	11.9	0.1	-22.3
Hotel stays	-	-	23.9	0.3	-
Approach employees	2,592.9		2,899.7	17.6	11.8
Approach employees	2,550.8	33.5	2,419.2	25.8	-5.2
Home Office	42.1	0.4	480.4	5.1	1,041.2
External service providers (no longer included in 2021)	41.0	0.5	-	-	-
Result	7,651.0		9,391.4	100	22.7
Additional charge (10 %)	765.1		939.1		22.7
Total result	8,416.1		10,330.5		22.7
Mobility MLP consultants (Individual, voluntary Scope 3 supplement)	-	-	~7,000	-	-

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

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

¹ Emissions for electricity were calculated according to the market-based method. This means that the purchased electricity and its specific emission factors and, if applicable, the country-specific residual factors were used for the calculation. Using the location-based method, which calculates with national average factors, results in emissions totalling 1,908,897.54 kg CO₂. Further information on dual reporting can be found at https://ghgprotocol.org/scope_2_guidance.

Performance indicator GRI SRS-305-1

Direct greenhouse gas (GHG) emissions (Scope 1)

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).

	Total 2020		Total 2021		Change
	in t CO ₂	(%)*	in t CO ₂	(%)*	
Scope 1	2,915.8	37.9	2,968.7	31.6	1.8
Direct emissions from company facilities	1,628.6	21.3	1,636.9	17.4	0.5
Warmth (own-generated)	1,610.2	21.1	1,188.0	11.5	-26.2
Refrigerant leakage	18.4	0.2	448.9	4.8	2,339.6
Direct emissions from the company vehicle fleet	1,287.2	16.6	1,331.9	14.2	3.5
Company vehicle fleet	1,287.2	16.6	1,331.9	8,1	3.5

*Share of total emissions in the Group

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

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

Performance indicator GRI SRS-305-2

Energy indirect greenhouse gas emissions (Scope 2)

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).

	Total 2020		Total 2021		Change
	in t CO ₂	(%)*	in t CO ₂	(%)*	%
Scope 1	2,915.8	37.9	2,968.7	31.6	1.8
Direct emissions from company facilities	1,628.6	21.3	1,636.9	17.4	0.5
Warmth (own-generated)	1,610.2	21.1	1,188.0	11.5	-26.2
Refrigerant leakage	18.4	0.2	448.9	4.8	2,339.6
Direct emissions from the company vehicle fleet	1,287.2	16.6	1,331.9	14.2	3.5
Company vehicle fleet	1,287.2	16.6	1,331.9	8,1	3.5

*Share of total emissions in the Group

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

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

Performance indicator GRI SRS-305-3

Other indirect GHG emissions (Scope 3)

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, as well as emissions associated with 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).

	Total 2020		Total 2021		Change
	in t CO ₂	(%)*	in t CO ₂	(%)*	%
Scope 3	4,269.6		5,201.6	55.4	21.8
Purchased goods and services	513.8		346.2	3.7	-32.6
External data centre	287.5	3.8	198.7	2.1	-30.9
Gastronomy	179.5	2.4	109.2	1.2	-39.1
Water	13.4	0.2	10.9	0.1	-18.2
Office Paper	33.4	0.4	27.3	0.3	-18.2
Fuel and energy-related emissions	738.7		851.7	9.1	15.3
Prechain heat	536.1	7	500.0	5.3	.6.7
Prechain electricity	202.6	2.7	221.7	2.4	9.4
Prechain vehicle fleet			129.9	1.4	
Waste	8.2		85.4	0.5	941.7
Waste	8.2	0.1	85.4	0.9	941.7
Business travel	416.0		1,018.7	10.8	144.9
Rental and private cars	109.4	1.4	127.6	1.4	16.6
Flights	291.3	3.8	855.3	9.1	193.6
Train	15.3	0.2	11.9	0.1	-22.3
Hotel stays	-	-	23.9	0.3	-
Approach employees	2,592.9		2,899.7	17.6	11.8
Approach employees	2,550.8	33.5	2,419.2	25.8	-5.1
Home Office	42.1	0.4	480.4	5.1	1,041.2
External service providers (no longer included in 2021)	41.0	0.5	-	-	-
Mobility MLP consultants (Individual, voluntary Scope 3 supplement)	-	-	~7,000	-	-

*Share of total emissions in the Group

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

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

Performance indicator GRI SRS-305-5

Reduction of GHG emissions

Essential information in this regard is already provided in the performance indicator GRI SRS-302-1 / Energy consumption within the organisation.

The main reduction (97.5%) was achieved in 2020 through the conversion of our electricity: we use electricity from renewable sources throughout the Group, which accounted for around 20% of our total emissions in the Group until the conversion to green electricity. In 2021, our external data centers were also converted to green power.

Electricity 2019: 1,028.2 t CO₂ (share of 19.2% of total emissions, Scope 2).

Electricity 2020: 25.7 t CO₂ (share of 0.3% of total emissions, Scope 2, reduction of 97.5%).

The share of electricity increased in 2021 and amounted to 150.8 t CO₂, still a small share of 0.9 % of total emissions, resulting from the use of rented buildings over whose electricity supply MLP has no influence.

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

Basic information on our data coverage

The coverage of our emissions has been extended in the financial year 2021 to include another individual company of the MLP Group (RVM, insurance broker for medium-sized companies). As a result, the previous year's values are not comparable with the values for 2020.

EU Taxonomy Reporting

The EU Taxonomy Regulation (EU Tax-VO)

The EU Taxonomy Regulation (EU Tax-VO) is a central instrument of the EU under the Green Deal and the Action Plan on financing sustainable growth. It is part of a comprehensive change towards a more sustainable economy and is intended to help investors to invest their money in environmentally friendly and climate friendly sectors of the economy.

In a first step, the EU Action Plan aims at creating a classification system (taxonomy) that defines criteria for sustainable economic activities and which provides investors with the required transparency for their decision-making process. An economic activity is classed as sustainable if it contributes to one of six environmental objectives:

- Climate protection
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Waste prevention and recycling
- Pollution prevention and control
- The protection of healthy ecosystems

Promoting one objective must not negatively impact any of the other environmental objectives and must ensure compliance with social standards and fair working conditions.



The first two objectives, **climate protection** and **climate change adaptation**, are to be applied as of January 1, 2022, the remaining objectives will become applicable as of January 1, 2023.

Notes on the procedure

With effect from January 1, 2022, the requirements of the EU Taxonomy Regulation (Regulation (EU) 2020/852) are also binding for MLP SE, which is obliged to publish a nonfinancial Group Declaration in accordance with Section 289b and Section 315b of the German Commercial Code (HGB).

Article 8 (1) of the EU Taxonomy Regulation (EU-Tax-VO) requires reportable companies to include information on how and to what extent the activities of the company are linked to economic activities that can be classified as ecologically sustainable in their nonfinancial statement. This disclosure is initially related to only the first two objectives:

- climate protection and
- climate change adaptation.

An economic activity is classed as taxonomy-eligible if it falls under the scope of the individual environmental objectives described in the EU Taxonomy Regulation (EU-Tax-VO). This is identified by applying technical evaluation criteria which are used to determine the conditions under which it can be assumed that an economic activity makes a significant contribution to climate protection, and whether this economic activity significantly impacts one of the other environmental objectives.

We report these for the financial year 2021, based on the requirements for nonfinancial companies for the MLP Group. As such, key performance indicators are determined on the basis of the International Financial Reporting Standards (IFRS) applicable for the MLP consolidated financial statements and also include the consolidated Group companies. We do not report on any other KPIs in connection with the EU Taxonomy Regulation.

MLP economic activities subject to taxonomy under the EU Taxonomy Regulation (EU-Tax-VO)

In line with the EU Taxonomy Regulation (EU-Tax-VO) and the supplementary delegated acts, we are reporting below for the first time the proportion of our taxonomy-eligible revenues, capital expenditures (Capex) and operating expenses (Opex) for the financial year 2021 in relation to the environmental objectives currently elaborated in the EU Taxonomy **contribution to climate protection and climate change adaptation**.

To derive the economic activities subject to taxonomy, we initially carried out a top-down identification of the activities relevant for MLP based on the descriptions (Annex 1 "Contribution to climate protection" and Annex 2 "Adaptation to climate change"). We then performed a bottom-up cross-check for taxonomy compliance and determined the amounts to be disclosed on the basis of the amounts recognised in the consolidated financial statements of MLP SE as of December 31, 2021. There were no double counts in the process.

EU Taxonomy aligned MLP business activities

2021		
	taxonomy aligned	not taxonomy aligned
Revenues	2.0 %	98.0 %
Capital expenditure (Capex)	27.2 %	72.8 %
Operating expenses (Opex)	80.1 %	19.9 %

The proportion of **taxonomy-eligible revenue** at MLP is 2.0 %. The revenue from taxonomy-eligible economic activities only concerns sales revenue from the construction of new real estate (economic activity 7.1. Annex I). This is based on the revenue, corresponding to the revenue recognised in the Group income statement of MLP SE 2021 (see page 116 in the annual report 2021 of MLP SE).

The proportion of **taxonomy-eligible capital expenditures** for the financial year 2021 is 27.2 %. The capital expenditures (Capex) of the MLP Group comprise the additions to intangible assets and property, plant and equipment as per page 161 of the annual report 2021. This also includes additions from leasing pursuant to IFRS 16, see page 166 of the annual report 2021. The additions for the financial year 2021 include € 42,977 thsd from business combinations (additions to the scope of consolidation).

The taxonomy-eligible capital expenditures can mainly be assigned to economic activity 7.7. "Purchase and ownership of buildings". Furthermore, investments were identified in activities 6.5. and 7.4. All activities are related to Annex I (contribution to climate protection).

The proportion of **taxonomy-eligible operating expenses** (Opex) for the financial year 2021 is 80.1 % and contains expenditures for maintenance and upkeep as well as short-term leasing pursuant to the definition of EU Taxonomy. The majority of our taxonomy-eligible expenses relate to the upkeep of real estate and motor vehicles (economic activities 6.5., 7.3. and 7.7. Annex I). Further expenditure went towards items such as the expansion of the electric charging infrastructure (economic activity 7.4. Annex I).

14 Employee Rights

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 operates exclusively in Europe, but primarily in Germany, and thus employs its staff within this 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.

The interests and rights of the majority of employees of the MLP Group are represented and monitored by a works council. 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.

Internationally recognised standards

Our understanding of sustainability is oriented towards the guiding principle for sustainable development of the United Nations.

MLP is fundamentally committed to the 17 goals of the United Nations for worldwide sustainable development. We have compared our activities against the Sustainable Development Goals and identified five of these goals as particularly relevant for us as a business group:



SDG 4 – QUALITY EDUCATION

Goal: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 5 – GENDER EQUALITY

Goal: Achieve gender equality and empower all women and girls



SDG 7 – AFFORDABLE AND CLEAN ENERGY

Goal: Ensure access to affordable, reliable, sustainable and modern energy for all



SDG 8 – DECENT WORK AND ECONOMIC GROWTH

Goal: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 13 – CLIMATE ACTION

Goal: Take urgent action to combat climate change and its impacts

The SDGs therefore represent a central guideline for all activities in the MLP Group, which we documented in the last financial year with a Group-wide Sustainability Policy.

In addition to this, we will meet the requirements of the Sustainable Development Goals by participating in the UN Global Compact and by deriving compliant actions. → 01 Strategic analysis and measures / MLP sustainability standards

Employee involvement in the company and its sustainability management

The ways in which we involve our employees in company issues, yet also in our sustainability topics, are described in the following two chapters:

→ 05 Responsibility / Sustainability is a team task

→ 09 Stakeholder Engagement

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 2021, an average of 2,058 employees worked for MLP (2020: 1,850 employees). The average age of the employees is currently 43.6.

This increase is essentially the result of the inclusion of staff from the acquisition of the RVM Group, as well as new recruitments and personnel returning to work following parental leave. In 2021, the staff turnover rate within the Group rose slightly. However, at 7.3 % it still remains at a low level (2020: 6.7 %).

At 9.6 %, the turnover rate among our self-employed MLP consultants remained below the target figure of around 10 %.

New hires and resignations (by age and gender)

New recruitments MLP Group	Total	< 30	30-50	> 50	male	female
	2020	289	113	125	51	159
2021	253	124	98	31	132	121
Employees leaving the Group	Total	< 30	30-50	> 50	male	female
	2020	212	62	103	47	101
2021	190	73	65	52	84	106

Figures for the MLP Group (excluding trainees and dual students)

Key indicator GRI SRS-401-3

Parental leave

Our goal with our personnel work is to offer our employees concepts that fit in with their individual life and family plans – and that is compatible with their professional life. These efforts are also linked to the wish and goal of supporting further development of equality. To this end, we have added the category for duration of parental leave based on gender in our parental leave overview.

Parental leave MLP Group	2020			2021		
	Total	male	female	Total	male	female
Parental leave taken	92	17	75	102	20	82
Duration of parental leave taken	-	-	-	14,09 month	2,48 month	17,36 month
Returned to work after parental leave	43	17	26	65	19	46
Employed for at least 12 months after returnt	42	16	26	65	19	46
Return rate	93.5%	100.00%	89.7%	98.5%	100.00%	97.9%
Retention rate	95.3%	88.2%	100.00%	100.00%	100.00%	100.00%

Key indicator GRI SRS-405-2

Ratio of basic salary and remuneration of women to men

Pay at MLP is generally fair and based on both performance and market rates. As such, no differentiation is made in the pay of female and male employees for comparable activities and requirements.

By actively supporting SDG 5, which stands for the development of gender equality, we work hard to help secure natural diversity and equality, for which we also establish the necessary framework conditions.

With the Transparency of Pay Act (EntgTranspG), employers with more than 500 employees are also requested to design and 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.

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 11.0 %.

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.

15 Equal Opportunities

MLP corporate culture

Regular surveys confirm that MLP is appreciated by its employees and consultants for its corporate culture and values:

In May 2021, we performed a 'pulse measurement' to determine the opinions and general mood of 2,300 participants at the company (MLP Group HQ and MLP consultants). This is an important instrument for us, particularly during such challenging times as the coronavirus pandemic, that helped us see how our employees are doing and where we currently stand. We are particularly proud of the results from the survey, which indicated that 'MLP employees display a high degree of loyalty and identification with the company'. After all, maintaining a sense of community and mutual trust is certainly not something that can be taken for granted during phases of social distancing.

The 'pulse measurement' addressed the most important topics, as well as those rated as the worst in last survey from 2018. Its aim was to keep an eye on the key topics from the last survey – as a way of measuring progress and identifying potential for improvement.

The most important parameter, both back then and also now, is measurement of employee/consultant commitment. In comparison with 2018, this has increased further and covers topics such as 'satisfaction with the working environment' or 'professional development prospects'.

Aspects that require improvement action continue to be closely scrutinised by various working groups, with suitable measures being initiated accordingly.

A reliable and constant indicator of a good working environment at MLP is the low employee turnover rate, which at 7.3 ¹% also remained at a low level within the Group in 2021 (2020: 6.7 %). At 9.6 %, the turnover rate among MLP consultants was furthermore below the target figure of around 10 %.

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

Diversity & equality

MLP benefits from the diversity of its employees, which is why we actively support diversity and gender equality as a matter of course and create the necessary framework conditions to achieve this. Only in this way – with many talents, different backgrounds and strengths – can we reap the benefits together in a

¹ Excluding RVM, see also MLP Annual Report 2021, change in corporate structure

challenging and future-oriented environment.

Responsible conduct and a respectful attitude towards others are always at the heart of our corporate culture. We implement this in an open and team-oriented corporate culture.

The MLP Group HQ has been signed up to the Diversity Charter since 2014. We are therefore committed to establishing a working environment free of prejudice for our employees, in which everyone is given an equal opportunity.



The topic of gender equality has, in particular, been 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.

In 2021, MLP employed:

61 % female salaried employees (2020: 61 %) and 39 % male salaried employees (2020: 39 %)

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.

Reconciliation of family and working life

As a sign of a family-friendly and life-phase aware personnel policy, auditing using the strategic "workandfamily" management tool was successfully completed and certified at Group HQ in 2019.



Flexible working conditions and support measures for a family-friendly and life phase-appropriate corporate culture



MLP is a member of the largest company network in Germany for reconciliation of family and working life.

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. Among others, we also initiated the following measures and projects:

- Promotion of women in management positions
- Part-time management
- Further health promotion offers
- Greater systematisation of the parental leave process

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. 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.

Within the scope of this life-phase-oriented personnel policy at MLP, we have also been offering so-called working time accounts since 2021, which can be used individually by the employees. For various reasons, employees are today looking for greater flexibility in terms of their personal working hour arrangements as a way of balancing their professional and private life more effectively. Young employees, for example, are keen to go on extended overseas trips or make use of training opportunities. Parents also require more time to look after their children during certain phases of their life. Caring for a loved one can also present many challenges and requires a great deal of time and energy. Many obviously also have a desire to take early retirement, assuming this can be financed accordingly. All of which is now to be made possible by MLP through a combination of an employer-financed savings scheme with deferred compensation and attractive subsidies.

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

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 disease 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:

- flu vaccinations on the campus, in 2021 also Corona vaccinations
- ergonomic workplace advice
- employee and management consulting

- information on the topic of burnout
- crisis counselling in the event of an emergency provided by the psychotherapy outpatient clinic at the University Hospital Heidelberg
- opportunities to engage in sport and fitness activities
- MLP is a bicycle-friendly employer:
 - Employer-financed leasing of standard / electric bicycles
 - Addition of new changing facilities (with lockers)
 - Extension of the bicycle parking facilities on the MLP Campus and at other locations
 - Introduction of a small pool of bicycles (Campus at HQ)
 - Initiatives such as the "Bicycle mentor campaign"
- Nutrition, movement, mindfulness – get active with the 'Humanoo' health app

Information on codetermination and involvement is provided in Chapter 09 'Participation of stakeholders'.

Information on appropriate payment is provided in Chapter 08 'Incentive systems'.

16 Qualifications

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. The time account, which we introduced for our employees in 2021, represents an important instrument in this regard. You can find detailed information on this in Chapter 15 'Equal opportunities'.

The ageing of society is also reflected in the demographic development at MLP. The challenge associated with this of finding and then winning over qualified personnel to a company is clearly discernible in the professional groups where MLP is looking for personnel.

Altered expectations and standards when it comes to work and the workplace, a changing understanding of values (particularly among young people), yet also the changing behavioural patterns of prospective staff on the employment market that result from this are requiring new ground to be broken in winning over employees, trainees and students.

Digitalisation

The changes in digital conduct, in particular the way in which people are addressed digitally and via social media, need to keep pace with the aforementioned social changes. The dynamics, together with the many associated changes, represent both a risk and an opportunity for companies. MLP addresses this with its 'MLP digital culture', which is aligned with the further development of digital offers for both existing and prospective clients.

Education

Education is a key factor for corporate success, particularly for MLP. Great emphasis is therefore 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 back office staff at the branch offices.

Further development of management feedback and staff appraisals

MLP uses assessment meetings, which are formalised in a works agreement, to substantiate individual work performances and identify development potential. These comprise two elements: management feedback and staff appraisals.

Our objective is now to further refine the existing evaluation instruments and adapt them to the value framework, such as the MLP mission statement and management guidelines. New management guidelines are currently being developed for MLP Finanzberatung SE. These are set to be implemented from 2022 onwards. Among other things, they will then represent the new basis of assessment for management feedback, starting from the coming year.

Personnel Development is planning to involve both employees and managers in the drafting of this.

New working environments

Cooperation at MLP is becoming more agile – and not just since the onset of the coronavirus pandemic. Indeed, it is becoming more interdisciplinary across divisions and companies, while mobile work locations such as home offices are also being incorporated. A Group-wide task force got together in October 2020 for initial discussions as to how MLP wishes to shape this future.

This then led to a project, focusing on the question: 'How do we wish to work in future?'

The objective here was and is to develop functionally and culturally appropriate concepts for future work at MLP.

The management conference with all Group managers and a workshop discussion in 2021 were both held under the heading of "New working worlds". The status of the sub-projects was presented with regard to securing the right space situation and technical equipment, while ideas and impulses were discussed throughout the Group. Core elements that have been elaborated so far:

The feeling of togetherness in a mobile community

The locations of the MLP Group are the centres of community, cooperation and further development.

Office of options

To ensure that the office can act not only as a workplace, but also a meeting place and source of culture and identity, it requires both loud and quiet zones, as well as rooms for group interaction and private discussions.

Implementation of the initial ideas in the Group is scheduled for 2022.

Key indicator GRI SRS-404-2

Programmes for upgrading employee skills and transition assistance

To help our employees learn and develop both in specific areas and also generally, we put together a wide-ranging offer for them every year. This might involve corresponding expert training at the individual Group companies or general training to prepare them for the requirements of continuous change in their everyday working life.

An annual needs analysis of the training requirements for both employees and managers at Group HQ is performed in order to plan our training and further education programme.

Alongside specialist training sessions tailored with specific employees in mind, MLP also offered 36 general training courses on the topics of "Work methods", "Personal and social skills", "Health", "Leadership and management", "Workflows and processes", "Digitalisation further training", as well as "MLP knowledge" aimed at all employees in 2021. These included topics such as "My digital workplace", "Making convincing arguments", "Emotional intelligence", "Managing on a part time basis", "Agile meetings" and "Financial education". Most of the seminars were offered on a virtual basis for the first time. To address as many people as possible, including part time employees, the seminars were split into two parts and always held in blocks of 3-4 hours. All seminars are followed up and evaluated by means of a standardised feedback questionnaire.

You can also find further information on this in Chapter 16 'Qualification'.

Key indicator GRI SRS-404-3

Percentage of employees receiving regular performance and career development reviews

You can find further information on this in Chapter 08 'Incentive systems' / Management feedback and staff appraisal meetings.

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 due to work-related illnesses.

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 in 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 disease 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.

What MLP offers its employees within the scope of health management is described in Chapter 15 'Equal opportunities' under 'Occupational health and safety'.

In 2021, we also offered a COVID-19 vaccination campaign on the MLP Campus in Wiesloch. An established internal communication format provides information about the pandemic and, in particular, the applicable regulations.

Performance indicator GRI SRS-404-1

Average hours of training

Information on this can also be found in the chapter (GRI SRS-404-2) 'Programmes for improving employee skills'. We have not yet recorded any figures on the further training attended by our employees.

Numerous seminars and events serve to underline the scope of our training offer for our self-employed client consultants. Despite all of the ongoing issues associated with the coronavirus pandemic, over 25,000 training days were still held at our MLP Corporate University in 2021. 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 2021, the six-member Supervisory Board included four men and two women.

Age	<30	30-50	>50	male	female
Total	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 defined a target of at least 25% and set an implementation deadline of the end of fiscal 2025.

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.

Employees

In 2021, the proportion of female and male employees working at the MLP Group remained at 61 % and 39 % respectively.

Percentage of employees by gender	Total	<30	30-50	>50	male	female
2020	1,873	13%	56%	31%	39%	61%
2021	2,157	15%	54%	31%	39%	61%

Performance indicator GRI SRS-406-1

Incidents of discrimination

No cases of discrimination were reported in the reporting period.

17 Human Rights

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 long-standing 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 very low. We therefore do not consider formulation of a separate concept to be necessary.

UN Global Compact

By joining the UN Global Compact, which is scheduled to take place during the financial year, we will make our contribution as the MLP Group to addressing the global social challenges and thereby support the areas of human rights, labour standards, environmental protection and combating corruption:

The UN Global Compact is the largest and most important initiative for sustainable and responsible corporate management in the world. With it, companies undertake to act responsibly on the basis of ten principles and to strive towards the 17 goals (SDGs) of the United Nations.

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, is 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.

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.

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.

See also chapter 17 'Human rights'

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 screening

The MLP Group operates within Europe and mainly in Germany. 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

Orders to suppliers are mainly placed in the regions of our sites within Europe or 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

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 long-standing 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

In the financial year 2021, our social commitment had a special focus. Indeed, on the occasion of our 50th anniversary, we increased our commitment with the "Point of honour" campaign. This involved a Group-wide call to get involved in social issues as a team in the anniversary year 2020. Anyone wishing to take part set up a team, looked for a suitable project and then got started. There were no restrictions in terms of commitment or creativity. At the end of the campaign (Q1 2022), 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.

Although we were once again unable to hold a Christmas party in December 2021 due to the ongoing COVID-19 restrictions, we decided to maintain our annual MLP Christmas donation campaign. In 2021, a total of € 10,000 was collected to support the following initiatives:

- Wiesloch Christmas Wish Campaign
- Luise Scheppler Autism Therapy in Heidelberg
- Chancen gestalten Heidelberg e.V. in support of young people

The first ever compensation of our CO2 emissions in early 2021 also involved a corresponding social commitment in the form of support for our selected climate protection projects.

Forest Protection in Peru



Sports

With our sponsoring activities, we are a long-standing 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.

Performance indicator GRI SRS-201-1

Direct economic value generated and distributed

Direct economic value generated

Total revenue in the reporting period was € 933,4 million (2020: € 767.3 million). Earnings before interest and taxes (before one-off expenses, interest and taxes, operating EBIT) in the MLP Group were € 92.1 million for the financial year 2021 (2020: € 59.4 million). Group net profit in the last financial year was € 59.1 million (2020: € 43.2 million).

Economic value distributed

Our dividend policy is to pay 50 % to 70 % of Group net profit to our shareholders in the form of dividends. We have announced that we will be continuing our dividend policy for the financial year 2021. On this basis, the Executive Board and Supervisory Board will propose a dividend of € 0.30 per share to the Annual General Meeting on June 2, 2022 (2020: € 0.23 per share). This corresponds to a distribution rate of 52 % (2020: 58 %) of operating net profit and a total dividend of € 32.8 million (2020: € 25.1 million).

Our administration expenses (defined as the sum of personnel expenses, other operating expenses, as well as depreciation and impairments) were € 377.1 million in the last financial year (2020: € 318.5 million). This figure includes personnel expenses of € 180.5 million (2020: € 148.0 million).

A tax expense of € 28.7 million was accrued in 2021, following € 13.1 million in the previous year.

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

Direct value added

	in € million	2020	2021
Total revenue		767.3	933.4
of which shareholders		25.1	32.8
Administration costs		318.5	377.1
of which personnel expenses		148.0	180.5
Taxes		13.1	28.7
Sponsoring		1.0	1.1

19 Political Influence

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 2021.

Payments from membership fees are essentially limited to establishments providing structure, such as the banking association by MLP Banking AG. In addition, there are those to party-affiliated organizations (see below) that bring the voice of business into the political discourse. MLP is also currently engaged in discussions with political protagonists both in Germany and the EU on relevant legislative procedures as part of its communication work. With regard to its public affairs activities, MLP has obviously signed up to the German lobby register, as the law now stipulates. In concrete terms, in 2021 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.

With its mid-sized private bank, MLP Banking AG, 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.)
- Green Business Dialogue e.V.
- Economic Council of the CDU e. V.
- German Economy Foundation (SDW e.V.)
- Future of the Rhine-Neckar Metropolitan Region (ZMRN e.V.)

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

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.

We did not become aware of any significant risks in the reporting period.

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. We did not become aware of any significant risks in 2021. 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

We did not become aware of any significant penalty fees or non-monetary sanctions due to violations of laws or regulations in 2021.

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