



## MLP Sustainability Report 2017

### General Information

MLP – The partner for all financial matters

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

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

Since it was founded by Manfred Lautenschläger and Eicke Marschollek in 1971, the MLP Group (MLP) has consistently striven to establish long-term relationships with its clients. This requires profound understanding of their individual requirements. Each of our approximately 1,900 self-employed client consultants in the private client business therefore focuses on one professional group. MLP's clients primarily include physicians, economists, engineers and lawyers. We support these clients in all financial matters – from old-age provision and wealth management, through health and non-life insurance, all the way up to financing, real estate brokerage and banking business.

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

You can find further details on this, together with information on the performance and general situation of the company, as well as on the risks faced by the MLP Group in our 2017 Annual Report.

## General Note

This report on the nonfinancial information of the MLP Group was produced in compliance with the following principles:

- Disclosure of essential information
- True and fair view of the actual position
- Comprehensive, yet concise
- Strategic and future-oriented
- Focus on stakeholders
- Consistent and coherent

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

### 1. Strategic Analysis and Action

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

"Performance" and "trust" represent the core of our corporate values and combine successful entrepreneurship with social commitment in our self-conception.

In 2016, we further systematised the topic of sustainability by assigning coordination responsibility to a sustainability officer. The objectives here are to continuously examine the sustainability topics of the MLP Group and assess the associated opportunities and risks. A materiality analysis was performed at the start of the newly established sustainability process. Based on the results of this analysis, eight strategic sustainability areas of action were identified for the MLP Group.

Our sustainability strategy is a component of the Group strategy and encompasses the key sustainability topics, as well as implementation within the MLP Group. The core topics are broken down into strategic sustainability areas of action, which are then implemented in the corresponding specialist departments with measures to ensure progress in our sustainability actions:

- Successful business model
- Trusting client relations
- MLP as an attractive employer and partner
- Education & consulting quality
- Products
- Digitalisation
- Compliance & data protection
- Efficient environmental and resource management

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

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

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

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

## 2. Materiality

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

As a consultancy covering all financial questions and issues, MLP operates in a complex and constantly changing market and competitive environment and must be capable of repeatedly convincing its clientele of the benefits associated with its services. A profound understanding of our clients' individual requirements is crucial for sustainable business success. Each of our approximately 1,900 self-employed client consultants in the private client business therefore focuses on one professional group, which above all includes physicians, economists, engineers and lawyers. We support these clients in all financial matters.

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

To also implement our sustainable concepts and commitment more profoundly in the Group from a strategic perspective, we have developed a sustainability strategy and anchored this as a component of our Group strategy. To enable upstream capture of the key content in the sense of the sustainability of MLP, we performed a materiality analysis that incorporated the various outlooks and experience of different Group segments from the perspective of our stakeholders. The results of this analysis were then used to derive core topics and apply these in strategic sustainability areas of action. They are combined with the respective objectives in the MLP sustainability programme and implemented in the relevant specialist departments through individual measures.

The existing materiality analysis forms the basis of our understanding of sustainability. Our objective is to continuously promote the sustainable development of our company and our environment. In the financial year 2018, we will therefore focus on two core topics – both strategically and

operationally – within our eight strategic sustainability areas of action. These are "digitalisation" and "MLP as an attractive employer and partner".

### **Digitalisation**

MLP already laid the foundations for the digitalisation strategy and its implementation throughout the Group several years ago. With its first step in 2014, MLP established an innovation laboratory with the name "Finanz-WG". Under the heading of "MLP financify", MLP has revised its web presence for young target groups and tailored it to their needs. More and more digital communication offers, such as various social media channels and web portals, are available to clients on a day-to-day basis. MLP has also been testing a chatbot since February 2018. This provides prospective clients with an introduction to the topic of occupational disability and answers their initial questions. We have been offering online policy sales for basic products such as travel health insurance policies since 2016. However, individual advice is still given in face-to-face meetings at MLP – this applies in particular to all complex financial issues. Within the scope of the digitalisation process, we employ an intelligent combination of both, face-to-face consulting and digital experiences for our existing and prospective clients.

At the same time, we are continuing to drive forward digital processes within the company. In April 2017, the new online client portal entered its first expansion stage. It offers clients all financial information at a glance, accompanied by a personal budget book, which presents income and expenditure in a clearly structured way according to categories.

Our consultant applications ("Budget guide" and "Budget guide easy" for young clients) support our continuously optimised consulting approach. The roll-out and the accompanying further training measures gained significant ground in the reporting year and are set to continue in the current year.

The extensive roll-out of the new e-signature was started as planned in summer 2017 and is currently being used in our banking business (account and credit card applications). Further roll-out stages are planned.

### **MLP as an attractive employer and partner**

#### Attractive partner to our self-employed client consultants

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. Acquisition of new consultants, as well as their qualification and further development, therefore represents an important focus.

Set against this background, the topic of "MLP as an attractive employer and partner" is a dedicated strategic area of action within our sustainability activities that has the objective of further developing the work at and for MLP and making it more attractive.

This is why we place great emphasis on training our self-employed client consultants at MLP. The client consultants act as entrepreneurs in the company and have numerous further development possibilities. Details can be found in the sub-chapters "Trusting client relations" as well as "Education & consulting quality". A high-quality range of training courses represent an indispensable prerequisite in achieving this. The MLP Corporate University (CU), which is based at our HQ in

Wiesloch is the centre for the development and provision of training for consultants, office managers and the heads of university teams. With a total of around 20,700 training participant days, we also provided systematic support for the further development of our consultants in 2017.

### Attractive employer

Personnel work is also important for our employees. As a knowledge-based service provider, great emphasis is also placed on both training and development of our employees. To this end, comprehensive further training opportunities are made available to our employees at Group HQ, as well as for back office employees at the branch offices. To offer our employees even better development opportunities, we launched a modular "management programme" in 2015. This was once again held successfully in the reporting year and open to all employees in management positions. The objective here is to train existing managers, focussing on skills relevant to their duties, while also supporting them in their role with personnel responsibility. The objective of this programme is to systematically identify talented junior employees from within the company and then provide these with targeted and sustainable development opportunities for future specialist and management duties within the MLP Group. The programme is set to continue in future based on a needs-aligned scope and schedule.

MLP offers its employees a large number of social and healthcare programmes that go beyond its statutory obligations.

### **Combining family life with a career**

- Flexible working hours models
- Childcare allowance for children up to school age
- Opportunity to take up to a month in unpaid special leave every three years, for example to be able to take better care of children during school holidays
- Parent-child office at Group HQ to cover for last minute gaps in childcare for our employees
- Assumption of costs for offers associated with 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.

### **Healthcare offers**

- Medical prevention programmes, such as flu shots, eye tests, etc.
- Ergonomic workplaces, as well as corresponding advice
- Support for both employees and managers, provided by B.A.D. Gesundheitsvorsorge und Sicherheitstechnik GmbH
- Prevention of burnout and support for those affected
- Company sports programmes

With measures such as these, we support our employees in overcoming the challenges often faced when combining career with a family, along with the associated stress. Flexible working times at MLP also make it easier for employees to balance their work and family life more effectively.

Evaluating potential risks in the context of our core topics is embedded in our approach to sustainability management as part of the MLP Group strategy. With regard to the aforementioned core topics, we do not currently envisage any risks as a result of our comprehensive activities in these

fields. However, the evaluation of potential risks from other areas of action is also to be expanded, insofar as this is not already covered by existing risk systems.

### 3. Objectives

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

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

Furthermore we will incorporate the topic of sustainability in the compliance guidelines at MLP.

Strategic area of action	Objectives	Measures
Successful business model	<b>Further expansion of market position</b>	Continually strengthening strategic success factors
	<b>Further development of the stakeholder dialogue on the topic of sustainability</b>	Establishing further dialogue formats
Trusting client relations	<b>Integrative alignment as the dialogue partner for all financial matters</b>	Continuous monitoring of consulting quality and consultant depth
	<b>Client dialogue: Further differentiating client satisfaction by target group and implementing corresponding measures</b>	Further improving methods for evaluating client satisfaction
MLP as an attractive employer and partner	<b>MLP employees: Taking into account and implementing equality of remuneration between men and women</b>	Establishing a company audit system
	<b>MLP employees: Further development of the social and benefits package</b>	Continuous review of the service offering
	<b>MLP employees: Increasing the number of women in management positions</b>	Appropriate consideration of women at the management levels
	<b>Improving the external image of MLP as an attractive employer and partner</b>	Revising the homepage and the associated public image of MLP

Education & consulting quality	<b>Further systematisation of the high standard of training</b>	Expanding the target group-specific further training offers
Products	<b>Extending our sustainability portfolio in 2018</b>	Continuous market observation and review of potential product offers
		Specific integration of partner companies with sustainability funds into MLP events
Digitalisation	<b>Expanding the digital culture and digital strategy at MLP</b>	Continuously extending the digital processes
	<b>Further intensification of MLP's digital offers</b>	Continuously extending the digital offer
Compliance & data protection	<b>Anchoring sustainability in the MLP compliance guidelines</b>	Supplementing the compliance guidelines to include content/aspects of the MLP sustainability strategy
Efficient environmental and resource management	<b>Construction of a dedicated heating facility with combined heat and power, as well as an absorption chiller</b>	Planning and realisation of the new heating plant at Group HQ

**4. Depth of the Value Chain**

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

MLP creates added value through consultancy services and supporting its clients as their partner for all financial matters, thereby making an important contribution to greater sustainability for society. However, this first requires the right product partners and the right products to be selected. When selecting partners and products, we therefore employ high quality standards and place great emphasis on objective and transparent criteria. An analysis and quality check of the providers in the market, as well as their respective products, is performed on the basis of our clients' needs. Our product selection process is subject to continuous further development and we regularly review the providers and products/concepts in our portfolio. In this vein, we pay attention to the sustainability of our partners primarily by focusing our assessment efforts on the financial strength and service quality of the product partners – particularly in the case of long-term saving and insurance products. During their consultations, this then allows our self-employed client consultants to provide clients with information and advice that is based on the results of the selection process and supports the clients' own decision-making process. Indeed, the consultants can then make transparent recommendations of quality-assured products for each individual client, enabling them to choose the best option for their personal needs.

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. As already mentioned, these are held at our Corporate University.

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

Sustainability analyses of the securities portfolios are performed with special sustainability mandates by various companies, including MSCI ESG Research.

FERI joined the "Principles for Responsible Investments" in 2014, an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact Initiative. Together with its international network of signatories, the PRI Initiative is committed to practical implementation of the six principles for responsible investment. The objective is to gain a better understanding of the effects of investment activities on environmental, social and corporate management issues, as well as to support the signatories in integrating these issues into their investment decisions.

The FERI Cognitive Finance Institute (FCFI), which was founded in 2016, acts as a strategic research centre within the Feri Group with a focus on analyses and method development for long-term economic and capital market research. The FCFI published two studies in the reporting year 2017 that address sustainability topics for investors. The objectives of the study entitled "Carbon Bubble and Decarbonisation" is to sensitise investors and asset owners to the problem of latent carbon risks, to clarify how these risks occur and their characteristics, as well as to underline the significance of such risks for private and institutional capital investors. The study was produced by an analysis team from FERI and WWF.

We also place great emphasis on both the quality and sustainability of products and services that we use as a customer. We therefore make every effort to secure the shortest possible transport routes when procuring consumables, such as office supplies, and when commissioning services. We also make every effort to ensure that the suppliers and partners we use come from the respective region.

## 5. Responsibility

[Accountability within the company's management with regard to sustainability is disclosed.](#)

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

In 2016, we further systematised the topic of sustainability by assigning coordination responsibility to a sustainability officer. This sustainability officer continuously reviews the sustainability topics of the MLP Group and assesses them for opportunities and risks. A materiality analysis was also performed at the start of the newly established sustainability process. The results from this analysis ultimately led to eight strategic sustainability areas of action being defined for the MLP Group. These are assigned targets in the context of a sustainable development by the respective specialist departments in the company, while the measures derived are integrated into the MLP sustainability programme.

To monitor and control the targets, the sustainability programme is integrated into our supervisory steering committee, which provides regular reporting regarding the progress of the respective measures. A review and the final acceptance is then performed by our internal audit team. The

content and objectives of our sustainability programme are discussed and approved by the Executive Board.

## 6. Rules and Processes

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

The sustainability strategy of the MLP Group is part of the Group strategy and is therefore applied across all business units. Central integration into the operating business is performed by our supervisory steering committee, in which the sustainability officer is responsible for presenting all sustainable topics and then directing these to the respective specialist departments. The steering committee provides regular reports on the progress of the measures. A review and the final acceptance is then performed by our internal audit team.

## 7. Control

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

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

Our sustainability goals, which are anchored in our Group strategy through the sustainability strategy, are integrated in this mechanism and are monitored via our supervisory steering committee, as well as our internal audit department.

### **Sustainability performance indicators**

Our **personnel and consultant numbers**, which we communicate on a regular and transparent basis in our reporting represent important sustainability performance indicators. In the course of sustainability reporting, we extended these to include the requirements of the German Sustainability Code as well as individual GRI indicators that are critical for our business and wherever possible were already compiled and disclosed in the financial year 2017. In addition to our previous reporting, we can therefore also report on performance indicators that reflect our sustainability performance.

As MLP is a knowledge-based service provider, qualified and motivated employees and self-employed client consultants represent the most important foundation for sustainable company success. Continuous development and refinement of personnel work for employees, as well as both winning and training new consultants were therefore also key focuses in 2017. To this end, we offer regular publications such as on the **development of employee numbers** by segment, the **employee turnover rate and age pattern** of our employees, as well as the employee turnover rate and age pattern of our self-employed client consultants and the **key figures of our training portfolio**. To be able to guarantee **sustainably high-quality consulting services**, we constantly use the results of surveys conducted among our clients.

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

#### Indicator GRI G4-56

The organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.

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

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

#### MLP managers

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

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

Alongside compliance with relevant legal provisions, we have developed Group-wide guidelines which define general standards of good conduct and principles for the companies in the MLP Group. These guidelines should not be seen as exhaustive, but will rather be supplemented by legal provisions and internal instructions and requirements.

To anchor our sustainability strategy even more deeply in the company, we will incorporate the topic of sustainability in the compliance guidelines at MLP.

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

## 8. Incentive Schemes

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

The objective of our corporate management is for all employees to actively support MLP's strategic goals – including our sustainability programme – and be committed to our performance pledge. Employee appraisals, which are held each year between employees and their line manager, serve as a valuable instrument at **employee level**. Indeed, these meetings can be used to formulate individual target agreements which lead to achievement of both the individual and departmental/corporate goals. Variable remuneration components can also be linked to this.

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

The objectives of our sustainability programme are strategically anchored in the Group, so the aforementioned instruments are used for implementation.

Remuneration principles and requirements, which are also governed by regulatory provisions, are applied to the remuneration structure within the MLP Group. The remuneration system for MLP Group companies is regulated by the Supervisory Requirements for Institutions' Remuneration Systems (IVV) and is applied to the companies within the scope of consolidation of Germany's "MaRisk" minimum risk management requirements. The IVV stipulates a multi-year assessment period for variable remuneration of managers (Executive Bodies at the companies). Set against the background of this requirement, EBIT-based variable remuneration promotes a sustainable corporate strategy. It should also be noted that variable remuneration 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. Sustainability targets are regularly also anchored in these target agreements. Please refer to the remuneration report in the annual report for details of our remuneration system.

The design of the remuneration systems, and the system used for remuneration 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.

Indicator GRI G4-51:

Remuneration policies for the highest governance body and senior executives.

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

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

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

Indicator GRI G4-54:

Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.

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

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

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

Remuneration for members of the Executive Board is disclosed in the remuneration report.

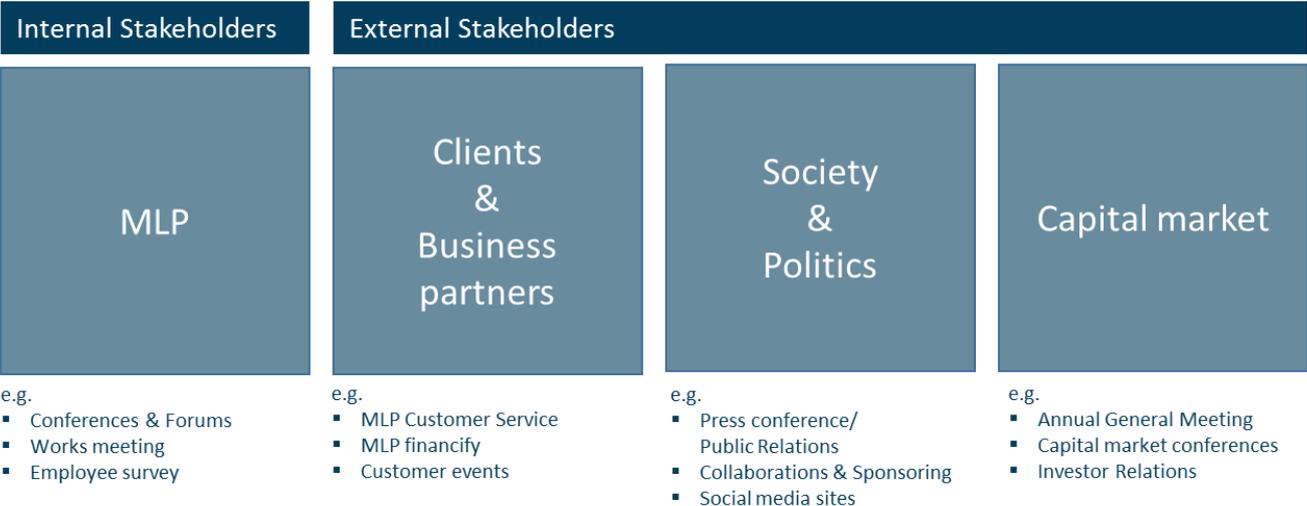
### 9. Stakeholder Engagement

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

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.

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

#### Dialogue formats with our stakeholders



#### Indicator GRI G4-27 – Stakeholder engagement

Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.

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

When examining our **internal stakeholders**, such as employees, the focus is on topics such as corporate culture and the reconciliation of work and family life, yet also on appropriate remuneration and working conditions. This also applies to our self-employed client consultants. These aspects have been and remain an important part of the culture that is actively lived out at MLP. They are also subject to continuous further development based on employee suggestions/wishes, exchange with management and other dialogue formats. A wide range of exchange formats is also available on our "MLP.net" Intranet presence.

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

In terms of the capital market, we are in regular contact with our stakeholders in the form of 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 contacts from Investor Relations during the MLP Annual General Meeting. In addition to this, we are available for bilateral exchange at any time.

Following verification of their materiality with regard to our sustainability management, the issues and aspects described by our stakeholders are incorporated in the MLP sustainability programme and as such are implemented and applied.

#### GRI G4-PR 5 Key indicator – Results of surveys measuring customer satisfaction

a) Report the results or key conclusions of customer satisfaction surveys (based on statistically relevant sample sizes) conducted in the reporting period relating to information about:

- The organization as a whole
- A major product or service category
- Significant locations of operation

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

Alongside qualification and further training of our self-employed client consultants, the results of studies and questionnaires among our client groups, as well as direct customer feedback are

constantly incorporated in the further development of our overall service package. This also helps us provide our clients with consistently high-quality consulting and maintain trusting client relations. The ratings submitted by our clients on the independent WhoFinance portal serve to confirm this. Indeed, the MLP consultants on this site score an average of 4.6 out of a possible 5 stars.

#### **GRI G4-PR 8 Key indicator – Customer privacy**

a) Report the total number of substantiated complaints received concerning breaches of customer privacy, categorized by:

- Complaints received from outside parties and substantiated by the organization
- Complaints from regulatory bodies

A total of three data security complaints from third parties were substantiated in the MLP Group in the reporting period. There were no complaints from supervisory authorities addressed to the companies of the MLP Group.

#### **GRI G4-PR 8 Key indicator – Customer privacy**

b) Report the total number of identified leaks, thefts, or losses of customer data.

c) If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.

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

## **10. Innovation and Product Management**

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

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

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

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

Sustainability analyses of the securities portfolios are performed with special sustainability mandates by various companies, including MSCI ESG Research.

FERI joined the "Principles for Responsible Investments" in 2014, an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact Initiative. Together with its international network of signatories, the PRI Initiative is committed to practical implementation of the six principles for responsible investment. The objective is to gain a better understanding of the effects of investment activities on environmental, social and corporate management issues, as well as to support the signatories in integrating these issues into their investment decisions.

The FERI Cognitive Finance Institute (FCFI), which was founded in 2016, acts as a strategic research centre within the FERI Group with a focus on analyses and method development for long-term economic and capital market research. The FCFI published two studies in the reporting year 2017 that address sustainability topics for investors. The study entitled "Carbon Bubble and Decarbonisation" for example has the objectives of sensitising investors and asset owners to the problem of latent carbon risks, clarifying how these risks occur and their characteristics, as well as underlining the significance of such risks for private and institutional capital investors. The study was done by a team of analysts from FERI and WWF.

#### Indicator GRI G4-FS 11

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

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

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

### GRI G4-PR 3 Key indicator – Product and Service Labelling

- a) Report whether the following product and service information is required by the organization's procedures for product and service information and labelling:
- The sourcing of components of the product or service (yes/no)
  - Content, particularly with regard to substances that might produce an environmental or social impact (yes/no)
  - Safe use of the product or service (yes/no)
- b) Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures.

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

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

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

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

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

## 11. Usage of Natural Resources

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

The influence of our business activities as a financial services provider on resource consumption can be considered low in comparison with the production industry. However, our goal is to handle all resources at our disposal responsibly.

Efficient environmental and resource management is anchored in MLP's sustainability management with objectives and corresponding measures. To keep our use of resources appropriate, as well as price and ecology conscious, our infrastructure management unit focuses on continuously improving

our energy efficiency. The key resources we use are listed in the following. You can also find details on this under aspect 12 "Resource management".

**Materials:**

- Paper 49.47 t

**Water:**

Water/waste water consumption: 12,690 m<sup>3</sup>

Waste water consumption (garden water): 8,644 m<sup>3</sup>

**Waste:**

Biowaste: 12.9 t

Plastics: 5.8 t

Paper/cardboard: 69.38 t

Waste from mixed materials: 19.6 t

**Energy:**

Electricity consumption: **3,186,146** kWh

With regard to sustainability, we therefore make every effort to secure the shortest possible transport routes when procuring consumables, such as purchasing office materials, and when assigning services. Wherever possible, we also strive to find suppliers from the respective region. In terms of paper consumption, for example, we have been able to implement measures such as digitalisation of mail at our offices and harmonisation of the default settings for printers as a way of securing resource-saving and cost-efficient printing. We are increasingly also transitioning paper-based forms and event feedback functions over to digital.

MLP can influence the environment, in particular in the fields of building management and scope 3 emissions (other indirect emissions). The key focuses here are the journeys made by employees to their workplace, business trips, as well as supplier deliveries.

## 12. Resource Management

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

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

We essentially set ourselves qualitative objectives in our review processes. Particular focus is on energy efficiency, as well as operational reliability here. This for example includes optimised use of renewable energies. Our Group HQ has had a photovoltaic system since 2015, whose power generation was supplemented in 2018 by construction of a dedicated heating plant with combined

heat and power. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre.

MLP can influence the environment, in particular in the fields of building management and scope 3 emissions (other indirect emissions). The key focuses here are the journeys made by employees to their workplace, business trips, as well as supplier deliveries. Data capture was partially performed on the basis of the statistical assumptions here.

**Indicator GRI G4-EN 1**  
Materials used by weight or volume.

The values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub> equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

The materials used are essentially **copy paper**, which at 49.5 tonnes in the 2017 reporting period corresponds to a CO<sub>2</sub> equivalent of 1.1 % of our total CO<sub>2</sub> emissions.

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

**Indicator GRI G4-EN 3**  
Energy consumption within the organisation.

The values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub> equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

The **electrical energy consumption** was 3,186,146 kWh in the 2017 reporting period (2016: 3,029,893 kWh), which corresponds to a CO<sub>2</sub> equivalent of 1,509 tonnes and 32.6 % of our total CO<sub>2</sub> emissions. The photovoltaic system at our Group HQ in Wiesloch produced 201,339 kWh for our use in 2017.

The **local heating energy consumption** was 1,958.60 MWh in the heating period from September 2016 to September 2017 (heating period from September 2015 to September 2016: 1,686.2 kWh), which corresponds to a CO<sub>2</sub> equivalent of 38.7 tonnes and 0.84 % of our total CO<sub>2</sub> emissions in 2017.

**CO<sub>2</sub>e emissions from the consumption of heat**

Name of energy supplier	Consumption (kWh)	Energy source	CO <sub>2</sub> e (t)
Pro Klima	195,860	Fossil	38.66
Pro Klima	1,762,740	Renewable	0.00
<b>Total</b>	<b>1,958,600</b>		<b>38.66</b>

Consumption is dependent on the heating period during winter. At the moment we receive local heating from a heating plant in Wiesloch, which is essentially operated using biomass and oil. To optimise our power generation, we are planning to construct a dedicated heating plant with combined heat and power for 2018. As the new heating system will produce both electricity and heat, this will allow 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.

**Indicator GRI G4-EN 6**  
Reduction of energy consumption.

**Power generation from renewable energies**

We produce electricity from renewable energies using the photovoltaic system installed at Group HQ in 2015. In the reporting period, it was possible to generate 201,339 kWh of electricity using this system (2016: 206,822 kWh). Power is generated exclusively for our own requirements. In 2018, we will be initiating construction of a dedicated cogeneration plant for further optimisation of our energy production.

**CO<sub>2</sub>e emissions from the production of electricity from renewable energies (excluding biomass)**

Energy source	Production (kWh)	CO <sub>2</sub> e (t)
Photovoltaik	201,339.00	0.00
<b>Total</b>	<b>201,339.00</b>	<b>0.00</b>

Replacing old light bulbs with energy-saving LEDs is a supplementary measure that we will use to reduce our energy consumption. In addition to this, our technical systems are subject to continuous optimisation by our infrastructure management, for example through installation of energy-efficient heating pumps.

**Indicator GRI G4-EN 8**  
Total water withdrawal by source.

The values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub> equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

**CO<sub>2</sub>e emissions from the consumption of drinking water and waste water**

Location	Type of water	Volume (m <sup>3</sup> )	CO <sub>2</sub> e (t)
Wiesloch	Drinking water	12,690.00	4.37
Wiesloch	Waste water	8,644.00	6.12
<b>Total</b>			<b>10.49</b>

The total water withdrawal in the 2017 reporting period was 12,690 m<sup>3</sup> of drinking water and 8,644 m<sup>3</sup> of waste water. This corresponds to a total CO<sub>2</sub> equivalent of 10.49 tonnes and 0.23 % of our total CO<sub>2</sub> emissions.

**Indicator GRI G4-EN 23**  
 Total weight of waste by type and disposal method.

The values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub> equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA). The emissions resulting from waste or waste recycling are recorded in this indicator. The conversion factors of the State Statistics Office of Baden-Württemberg are used for conversion from litres to tonnes.

**CO<sub>2</sub>e emissions from waste**

Type of waste	Volume (t)	Disposal method	CO <sub>2</sub> e (t)
Biowaste	12.87	Composting	0.08
Plastics	5.79	Recycling	0.13
Paper/cardboard	18.74	Recycling	0.41
Paper/cardboard	50.64	Not known	1.10
Residual waste/household-type industrial waste	13.90	Energetic utilization	0.30
Residual waste/household-type industrial waste	5.72	Recycling	0.12
<b>Total</b>			<b>2.14</b>

The total weight of waste in the reporting period was 107.7 tonnes, which corresponds to a CO<sub>2</sub> equivalent of 2.1 tonnes and 0.05 % of our total CO<sub>2</sub> emissions.

**13. Climate-relevant Emissions**

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

The current CO<sub>2</sub> calculations – often referred to as the "corporate carbon footprint" – were performed in line with the GHG Corporate Standards. The GHG Protocol is the most common and recognised international standard for the CO<sub>2</sub> balance of organisations.

Data is collected using software, which converts our consumption data to CO<sub>2</sub> values. Individual details of the resources we use can be found under criterion 12 "Resource Management".

We constantly monitor our already low use of resources, as well as the environmental impact of our business activities, and strive to systematically optimise these. To keep our own use of resources appropriate, as well as price and eco-conscious, our infrastructure management unit focuses on continuously improving our energy efficiency.

In our review processes, we essentially set ourselves qualitative targets, whereby particular focus is placed on energy efficiency and operational reliability. This, for example includes optimised use of renewable energies. Our Group HQ has had a photovoltaic system since 2015, and construction of a dedicated cogeneration plant with combined heat and power is to follow in 2018. Since the heating system produces both electricity and heat, this allows pollutant emissions to be reduced. Thanks to the installation of an absorption refrigeration system, the waste heat can be converted into cold air which is used to cool the MLP computer centre.

**Indicator GRI G4-EN 15**  
 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 values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub> equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

**Scope 1 – Direct emissions**

Direct emissions in scope 1 corresponded to a total CO<sub>2</sub> equivalent of 480.37 tonnes in the reporting period and 10.42 % of our total -CO<sub>2</sub> emissions.

**Stationary combustion**

We do not generate any heat or electricity through combustion of fuels.

**Company vehicle fleet**

**Scope 1 CO<sub>2</sub>e emissions of the company's fleet of vehicles based on distances covered**

<b>Vehicle designation</b>	<b>Kilometre (km)</b>	<b>CO<sub>2</sub>e (t)</b>
<b>Total</b>	<b>1,814,452.38</b>	<b>411.77</b>

**Total CO<sub>2</sub>e emissions from the company's vehicle fleet**

Source of emission	CO <sub>2</sub> e (t)
Scope 1	411.77
Scope 3	103.36
Outside of the scope (through bioenergy)	0.00

**Air conditioning systems and other fugitive emissions**

**Scope 1 CO<sub>2</sub>e emissions from air conditioning systems**

Designation of the air conditioning system	Choice of refrigerant	Volume (kg)	CO <sub>2</sub> e (t)
Computer centre	R-134a/HFC-134a	0.50	0.72
Category 1 air conditioner	R-404A	6.00	23.53
Category 2 air conditioner	R-407C	25.00	44.35
Category 3 air conditioner	R-410A	0.00	0.00
<b>Total</b>			<b>68.60</b>

**Energy produced from renewable sources**

We produce electricity from renewable energies. Energy is generated exclusively for our own requirements and is not fed into the grid.

**CO<sub>2</sub>e emissions from the production of electricity from renewable energies (excluding biomass)**

Energy source	Production (kWh)	CO <sub>2</sub> e (t)
Photovoltaik	201,339.00	0.00
<b>Total</b>	<b>201,339.00</b>	<b>0.00</b>

**Indicator GRI G4-EN 16: Indirect greenhouse gas (GHG) 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 values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub>

equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

Direct emissions in scope 2 corresponded to a total CO<sub>2</sub> equivalent of 1,534.49 tonnes and therefore represented 33.28 % of our total CO<sub>2</sub> emissions in the 2017 reporting period.

Scope 2 – Indirect emissions from energy

Electricity

Scope 2 CO<sub>2</sub>e emissions from the consumption of electricity (emissions per kWh not known)

	Consumption (kWh)	CO <sub>2</sub> e (t)
<b>Total</b>	<b>3,186,146</b>	<b>1,508.96</b>

Total CO<sub>2</sub>e emissions from the consumption of electricity

Source of emission	CO <sub>2</sub> e (t)
Scope 2	1,508.96
Scope 3	317.60

District heating

Scope 2 CO<sub>2</sub>e emissions from the consumption of district heating

	Consumption (kWh)	CO <sub>2</sub> e (t)
<b>Total</b>	<b>1,958,600</b>	<b>38.66</b>

Source of emission	CO <sub>2</sub> e (t)
Scope 2	38.66
Scope 3	76.47

**Indicator GRI G4-EN 17**  
 Other indirect greenhouse gas (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 usage of products and services such as office paper or business trips. Lastly, indirect GHG emissions from the combustion of fuels from scope 1 and scope 2 which occur due to the upstream chain of the fuels are also taken into account here (for example due to transport, refining, storage and delivery).

The values disclosed by us are shown as resources used, and their relative contribution (CO<sub>2</sub> equivalent, CO<sub>2</sub>e) to the greenhouse effect is stated. The factors defined for conversion into CO<sub>2</sub> equivalents are based on the model of the Department for Environment, Food and Rural Affairs (DEFRA).

Direct emissions in scope 3 corresponded to a total CO<sub>2</sub> equivalent of 2,595.50 tonnes and therefore represented 56.30 % of our total CO<sub>2</sub> emissions in the 2017 reporting period.

**Scope 3 – Other indirect emissions**

**Daily commute of employees to their workplace**

The employees working at Group HQ as at December 31, 2017, including temporary employees, were used as a calculation basis.

The distribution among the means of transport was performed on the basis of data from the German Federal Statistical Office for 2016, whereby the employees that commute to work by car were spread evenly across the three subcategories of small, medium and large passenger vehicles.

The basic distance was taken from a survey performed by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) for 2016, whereby no differentiation was made between the means of transport.

**Scope 3 CO<sub>2</sub>e emissions due to the daily commute of employees to their workplace**

	<b>Number of employees</b>	<b>CO<sub>2</sub>e (t)</b>
<b>Total</b>	<b>815</b>	<b>1,026.37</b>

**Total Scope 3 CO<sub>2</sub>e emissions from business trips**

	CO <sub>2</sub> e (t)
<b>Total</b>	<b>995.70</b>

**Paper**

Paper consumption causes emissions of 49.47 tonnes of CO<sub>2</sub> equivalents.

**Water**

**Scope 3 CO<sub>2</sub>e emissions from the consumption of drinking water and waste water**

Location	Type of water	Volume (m <sup>3</sup> )	CO <sub>2</sub> e (t)
Wiesloch	Drinking water	12,690.00	4.37
Wiesloch	Waste water	8,644.00	6.12
<b>Total</b>			<b>10.49</b>

**Transportation by suppliers**

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

**Scope 3 CO<sub>2</sub>e emissions due to transportation by suppliers**

	CO <sub>2</sub> e (t)
<b>Total</b>	<b>20.04</b>

**Designation/Waste**

**Scope 3 CO<sub>2</sub>e emissions from waste**

	CO <sub>2</sub> e (t)
<b>Total</b>	<b>2.14</b>

#### Indicator GRI G4-EN 19

Reduction of greenhouse gas (GHG) emissions.

The GHG emissions were determined and reported for the first time for the financial year 2017. Their development and any potential reduction will be reported over the course of the next few years.

## 14. Employment Rights

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

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

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

Open and transparent communication between employees and our management is part of our corporate culture and receives a platform via our "MLP.net" intranet through which an open exchange regarding news, issues and specialist topics takes place. There are also dialogue formats that enable topics to be addressed transparently to the management and allow employees to engage in open dialogue.

Health protection and workplace safety are anchored in the MLP Group in the form a guideline with the purpose of both securing and improving the work of employees through occupational safety measures. Avoiding work and commute-related accidents, as well as occupational diseases is the objective of all workplace health & safety measures. Special attention is 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.

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

**GRI G4-LA 1 Key indicator – employment**

a) Report the total number and rate of new employee hires during the reporting period, by age group, gender and region:  
 Establish the total number of new employee hires during the reporting period by age group – under 30 years of age, 30–50 years of age, over 50 years of age – as well as by gender and region.

b) Report the total number and rate of employee turnover during the reporting period, by age group, gender and region:  
 Establish the employee turnover rate during the reporting period by age group – under 30 years of age, 30–50 years of age, over 50 years of age – as well as by gender and region.

a) New employee hires in the Group in 2017					
Age	<30	30–50	> 50	male	female
Total number	81	62	11	73	81
Rate*	52.60 %	40.26 %	7.14 %	47.40 %	52.60 %

b) Employee turnover in the group in 2017					
Age	<30	30–50	> 50	male	female
Total number	81	62	11	73	81

The total employee turnover rate in the MLP Group was 6.4 % in the reporting year 2017.

\* The rate is calculated on the basis of the total number of employees at the end of the reporting period.

**GRI G4-LA 3 Key indicator – Employment**

a) Report the total number of employees that were entitled to parental leave, by gender.

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

Report the total number of employees,  
 b) that took parental leave, by gender  
 c) who returned to work after parental leave ended, by gender  
 d) who returned to work after parental leave ended who were still employed twelve months after their return to work, by gender  
 e) Report the return to work and retention rates of employees who took parental leave, by gender

Parental leave in Group in 2017			
	Total	Male	Female
Taken parental leave	145	24	121
Returned to work after parental leave	75	26	49
Still employed twelve months after their return to work	74	25	49
Return to work rate	90.36 %	100 %	85.96 %
Retention rate	98.67 %	96.15 %	100 %

**GRI G4-LA 13 Key indicator – Equal remuneration for women and men**

a) Report the ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.  
 b) Report the definition used for 'significant locations of operation'.

We provide this indicator on the basis of our remuneration system and structures. A new remuneration system was introduced for parts of the Group in 2017. This system uses salary brackets, whose assignment criteria are based on the respective job type and are therefore gender-neutral in the sense of the Transparency of Remuneration Act (EntgTranspG), just like the MLP remuneration system itself. This means that any notion of gender-based discrimination is already ruled out in the remuneration system employed by MLP.

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

Even at MLP, women are still under-represented in management positions, which tend to enjoy higher salaries. The intention is now to improve the concept for increasing the percentage of women at management levels in the financial year 2018. The objective here is to motivate more women to apply for management positions. This is a necessary prerequisite for sustainably increasing the percentage of women in management positions.

With the Transparency of Remuneration Act (EntgTranspG), employers with more than 500 employees are requested to perform their own company audit in order to review their remuneration systems and check compliance with the equal remuneration 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 remuneration. Any disadvantage to individual female employees that is identified should then be addressed with suitable measures on the part of the employer. You can find further information on this in our report on remuneration transparency in our 2017 Annual Report.

As a general rule, remuneration at MLP is gender-neutral. To identify potential individual cases, however, the Executive Board decided to perform an audit of this kind voluntarily. This has now been completed, with the result that the salaries of 19 female employees needed to be raised by an average of 11.05 %.

## 15. Equal Opportunities

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

### **Equal opportunities and diversity**

"Performance" and "trust" represent the core of our company values and combine successful entrepreneurship with social commitment to our identity. We also consider this to include the topic of "equal opportunities and diversity". We have been signatories to the Diversity Charter since 2014 and have therefore signed up to the voluntary commitment to establish a working environment free of prejudice for our employees, in which every individual enjoys equal opportunities.

An example of a specific measure from our diversity concept is the "Women in Finance" initiative to promote women. MLP has created a dedicated position in recruiting for this to focus exclusively on acquiring more women as self-employed client consultants at MLP. MLP offers female junior consultants a comprehensive overall package. This includes market-leading qualification and further training offers at the MLP Corporate University, in connection with flexible working times that consultants can structure themselves.

### **Ability to combine a career with a family**

MLP also offers its employees flexible working hours models. This enables them to adopt healthy working methods that fit it with their everyday life situation. This offer is supplemented by the opportunity to take up to a month in unpaid special leave every three years, for example to be able to take better care of children during school holidays. In addition to this, MLP has set up a parent-child office at its company HQ in Wiesloch to help cover short-term gaps in childcare. MLP also supports families by granting a childcare allowance. In addition to this, MLP has been offering a family service throughout Germany since January 2014. Anyone interested in this can, for example, receive support in finding the right childcare, yet also get advice when it comes to caring for relatives or handling personal crisis situations.

So that employees can also combine their career with a family, MLP bears the costs for various offers found in the "Generation Guide". This provides expert advice in the fields of childcare and upbringing, as well as counselling and support in the fields of homecare and eldercare. With these

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

### **Occupational health and safety**

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

Within the scope of our health management, MLP offers a range of measures such as flu shots, ergonomic workplace advice, employee and management consulting, information on the topic of burnout, as well as crisis counselling in the event of an emergency, which is provided by psychotherapy outpatient clinic at the University Hospital Heidelberg. The objective of these measures is firstly to make people aware of and help prevent issues such as burnout and secondly to provide concrete assistance for employees in emergency situations. The measures have been very well received so far and are set to be continued.

A wide range of company sports programmes promotes health and team spirit among the employees.

### **Appropriate payment and gender equality**

A new remuneration system was introduced at MLP for parts of the Group in 2017. This system uses salary brackets, whose assignment criteria are based on the respective job type and are therefore gender-neutral in the sense of the Transparency of Remuneration Act (EntgTranspG), just like the MLP remuneration system itself. This means that any notion of gender-based discrimination is already ruled out in the remuneration system employed by MLP.

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

Even at MLP, women are still under-represented in management positions, which tend to enjoy higher salaries. The intention is now to improve the concept for increasing the percentage of women at management levels in the financial year 2018. The objective here is to motivate more women to apply for management positions. This is a necessary prerequisite for sustainably increasing the percentage of women in management positions.

With the Transparency of Remuneration Act (EntgTranspG), employers with more than 500 employees are requested to perform their own company audit in order to review their remuneration systems and check compliance with the equal remuneration 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.

MLP performed an audit process of this kind on a voluntary basis for parts of the Group with the

objective of determining any individual cases in which female employees were not receiving equal remuneration. After completing the audit process, the salaries of the very few women identified as disadvantaged were adjusted accordingly.

## 16. Qualifications

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

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

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

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

As a knowledge-based service provider, great emphasis is also placed on both training and development of our employees. To this end, comprehensive further training opportunities are made available to our employees at Group HQ, as well as for back office employees at the branch offices. To offer our employees even better development opportunities, we launched a modular "management programme" in 2015. This was once again held successfully in the reporting year and open to all employees in management positions. The objective here is to train existing managers, focussing on skills relevant to their duties, while also supporting them in their role with personnel responsibility. At the same time the program aims at systematically identifying talented junior employees from within the company and then providing these with targeted and sustainable development opportunities for future specialist and management duties within the MLP Group. The programme is set to continue in future based on a needs-aligned scope and schedule.

MLP health management offers employees a comprehensive range of health and social services. The primary focus here is on aspects to help employees combine their career with a family more effectively.

Our health and social services offer is described in more detail under criterion 15 "Equal opportunities".

**GRI G4-LA 10 Key indicator – Training and education**

- a) Report on the type and scope of programs implemented and assistance provided to upgrade employee skills.
- b) Report on the transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.

Alongside specialist training courses that are adapted to the individual needs of employees, MLP also offered 20 multi-disciplinary training courses in 2017 on the topics of "Work methods and techniques", "Communication", "Self-management", as well as special training sessions such as "Reaching decisions in complex situations" and "Lateral leadership" which targeted all employees. In addition to this, six multidisciplinary seminars were offered specifically for managers and teams.

In the reporting year, another group successfully completed the "Top Talents" programme for junior employees, which has been running since 2013 and trains new managers for various business segments. The objective of this programme is to systematically identify talented junior employees from within the company and then provide these with targeted and sustainable development opportunities for future specialist and management duties within the MLP Group. The programme is set to continue in future based on a needs-aligned scope and schedule.

**GRI G4-LA 11 Key indicator – Training and education**

- a) Report the percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

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

**Indicator GRI G4-LA 6**

Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

With its range of health and social services, MLP offers its employees at Group HQ support and opportunities to stay healthy, as well as to effectively combine the demands of their professional life with their private life. A wide range of such services is on offer and can be taken up by all employees during working hours.

Since the key activities at MLP revolve around office work, we also place emphasis on ergonomic workplaces. Our desks are designed as sit-and-stand workplaces.

The Group-wide accident rate is very low. An illness rate is not yet recorded throughout the Group, although we did establish the basis for determining this in the last financial year so that we are ready to do so in the coming years.

**Indicator GRI G4-LA 8**  
 Health and safety topics covered in formal agreements with trade unions.

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

**Indicator GRI G4-LA 9**  
 Average hours of training per year per employee, by gender and by employee category.

These figures on employee training are not currently recorded at MLP. MLP had a total budget of around € 292 thsd for specialist and multi-disciplinary training courses for employees and managers in 2017.

Numerous seminars and events serve to underline the scope of our training offer for our self-employed client consultants. In 2017 around 21,000 individual events (including online seminars) were held at our MLP Corporate University.

**Indicator GRI G4-LA 12**  
 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of 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 Industrial Constitution Law (BetrVG) from 1952.

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

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

**The MLP Executive Board**

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

In the current financial year, the Executive Board has intensified its efforts with respect to diversity when filling managerial positions and, in particular, strives to achieve appropriate consideration of women at managerial levels in the Company. In the past, the Executive Board of MLP SE already took measures directed at reconciling working life and family life. In the financial year 2017, the Executive Board again reviewed the effectiveness of these measures and already adopted an overall concept in November 2013. If appropriate, it will undertake modifications as necessary or initiate further measures in order to achieve appropriate consideration of female candidates at managerial levels in the Company, taking into account the Company’s specific situation. This concept also includes

guidelines for diversity-compliant promotion, which will, however, still require final elaboration. Thus, no specifications for concrete selection decisions with respect to filling positions have yet been established. Nevertheless, the Executive Board of MLP SE has only decided upon a percentage of female members amounting to 0 percent at the first management level below the Executive Board as MLP SE is a holding company that has only a very limited number of employees with just a few managers. Beyond this, MLP SE does not have a second level of management below the Executive Board.

The Executive Board at MLP SE currently comprises three members.

**Employees**

MLP had 61.85 % female employees and 38.15 % male employees in 2017.

Employees by age group			
Age	< 30	30 - 50	> 50
Percentage of total number of employees	11.05 %	64.02 %	24.93 %

**Indicator GRI G4-HR 3**  
Total number of incidents of discrimination and corrective actions taken.

No cases of discrimination were reported in the reporting period.

**17. Human Rights**

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

With our compliance guidelines, we have set out behavioural standards and basic principles for the companies in the MLP Group. Our compliance organisation promotes awareness among the members of the Executive Bodies, employees and self-employed client consultants for responsible, fair and professional business practices with one another, as well as towards customers, business partners and shareholders. It also provides support in harmonising business activities with the legal provisions and internal rules relevant for MLP.

MLP essentially operates in Germany and, with the exception of our IT, we receive our services and business materials from partners in Germany, with whom we maintain longstanding and trusting relationships. In our supply chain, we consider the risk of human rights abuses, forced and child labour, as well as any form of exploitation as extremely low.

Human rights aspects in our investment business are identified at our subsidiary FERI by companies including MSCI ESG Research. In addition to this, FERI joined the "Principles for Responsible

Investments" in 2014, an investor initiative in partnership with the UNEP Finance Initiative and the UN Global Compact Initiative. Together with its international network of signatories, the PRI Initiative is committed to practical implementation of the six principles for responsible investment. The objective is to gain a better understanding of the effects of investment activities on environmental, social and corporate management issues, as well as to support the signatories in integrating these issues into their investment decisions.

**Indicator GRI G4-HR 1**

Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.

We do not report the indicator G4-HR 1, as it does not represent a significant aspect for MLP.

**Indicator GRI G4-HR 9**

Total number and percentage of operations that have been subject to human rights reviews or impact assessments.

We do not report the indicator G4-HR 9, as it does not represent a significant aspect for MLP.

**Indicator GRI G4-HR 10**

Percentage of new suppliers that were screened using human rights criteria.

We do not report the indicator G4-HR 10, as it does not represent a significant aspect for MLP.

**Indicator GRI G4-HR 11**

Significant actual and potential negative human rights impacts in the supply chain and actions taken.

We do not report the indicator G4-HR 11, as it does not represent a significant aspect for MLP.

## 18. Corporate Citizenship

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

Successful entrepreneurship combined with social commitment forms part of our identity.

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

### **Sport**

With our sponsoring activities, we are a longstanding partner to sport in the Rhein-Neckar metropolitan region, including the MLP Academics Heidelberg basketball team and golf tournaments such as the "MLP Members & Friends Golf Cup". FERI also supports a large number of sports facilities, such as the "Frankfurter Sportstiftung" foundation.

### **Culture**

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

### **Social commitment**

Participation in the volunteer days in the Rhein-Neckar metropolitan region: On these days volunteers give their time to work at various charitable events and campaigns.

The proceeds from the Christmas raffle at Group HQ are donated to worthy local initiatives each year, such as local clubs and associations in the region. In 2017, the proceeds from the sale of raffle tickets were doubled by the company. The donation is split equally between the following: National Centre for Tumour Diseases Heidelberg (NCT), Workers' Welfare Association Rhein-Neckar (AWO), and Southern Electoral Palatinate Child Support Fund (KSK).

Commitment as a donor of gifts to the Wiesloch Christmas Wish Campaign for parents that are not able to make their children's Christmas wish come true for financial reasons.

In 2017 over 40 colleagues from the MLP consultant service at Group HQ offered their time to set up the "Mosbacher Johannes-Diakonie" association, which provides services and support for people with disabilities in the area.

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

### **Education**

With its MLP scholarship programme, MLP has been awarding various scholarships to students for overseas work placements or study support for 13 years within the scope of the "Join the best", "MINT" and "Medical Excellence" programmes. MLP has now merged the "Join the best" and "MINT Excellence" in its MLP scholarship programme. However, "Medical Excellence" will continue to exist in its previous form.

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

**Indicator GRI G4-EC 1 – Economic performance**  
Direct economic value generated and distributed.

**Direct economic value generated**

Total revenue generated in the reporting period was € 628.2 million. Earnings before interest and tax (before one-off expenses, interest and taxes, operating EBIT) in the MLP Group were € 46.7 million for the financial year 2017 (2016: € 35.1 million). Group net profit in the last financial year was € 27.8 million (2016: € 14.7 million).

**Economic value generated and distributed**

Subject to approval of the resolution by the Annual General Meeting, MLP SE will pay out 64 % of operating net profit to its shareholders in the form of dividends for the past financial year. In this case, the total dividend will be around € 21.9 million.

Our administrative expenses (defined as the sum of personnel expenses, other operating expenses, as well as depreciation and impairments) were € 282.1 million in the last financial year (2016: € 290.9 million). This figure includes personnel expenses of € 123.2 million (2016: € 121.8 million).

A tax expense of € 8.6 million was accrued in 2017, following € 4.1 million in the previous year.

Our expenses for cultural and sports sponsoring were € 0.9 million

**Details on direct value added 2017 (in € million)**

<b>Total revenue</b>	<b>628.2</b>
of which shareholders	<b>21.9</b>
<b>Administration costs</b>	<b>282.1</b>
of which personnel expenses	<b>123.2</b>
<b>Taxes</b>	<b>8.6</b>
<b>Sponsoring</b>	<b>0.9</b>

## 19. Political Influence

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

The relevant legislative procedures for MLP include the minimum risk management requirements (MaRisk), the minimum compliance requirements (MaComp), the Basel I to III accords, the German Banking Act (KWG), the EU Insurance Distribution Directive (IDD) training obligation, the Supervisory Requirements for Institutions' Remuneration Systems (InstitutsVergV), as well as numerous others. Information regarding legislative procedures is provided via associations and representative bodies, as well as within the scope of public consultation procedures or market surveys performed by the national and European supervisory authorities. No information regarding legislative procedures was provided by MLP in 2017.

MLP is not included in any lobby lists, and payments from membership fees are limited to establishments providing structure, such as the banking association by MLP Banking AG. The

donations we make focus exclusively on supporting regional establishments, in particular in the fields of sport and culture. Political parties do not receive any financial contributions from us.

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

#### Indicator GRI G4-SO 6

Total value of political contributions by country and recipient/beneficiary.

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

## 20. Conduct that Complies with the Law and Policy

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

MLP SE has established a Group-wide compliance organisation and set out the general behavioural standards and principles for the companies in the MLP Group in compliance guidelines. These stipulations also encompass principles and processes to prevent corruption and fraud. The compliance organisation promotes awareness among the members of the Executive Bodies, employees and self-employed client consultants for responsible, fair and professional business practices with one another, as well as towards customers, business partners and shareholders. It also provides support in harmonising business activities with the legal provisions and internal prescriptions relevant for MLP.

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

The compliance function did not identify any significant risks.

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

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

**Indicator GRI G4-SO 3**

Total number and percentage of operations assessed for risks related to corruption, and the significant risks identified.

The MLP offices are also regularly audited by the compliance function, the internal audit department, as well as external auditors and supervisory authorities. As per our business model, however, focus is not on auditing with regard to corruption risks.

**Indicator GRI G4-SO 5**

Confirmed incidents of corruption and actions taken.

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

**Indicator GRI G4-SO 8**

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

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