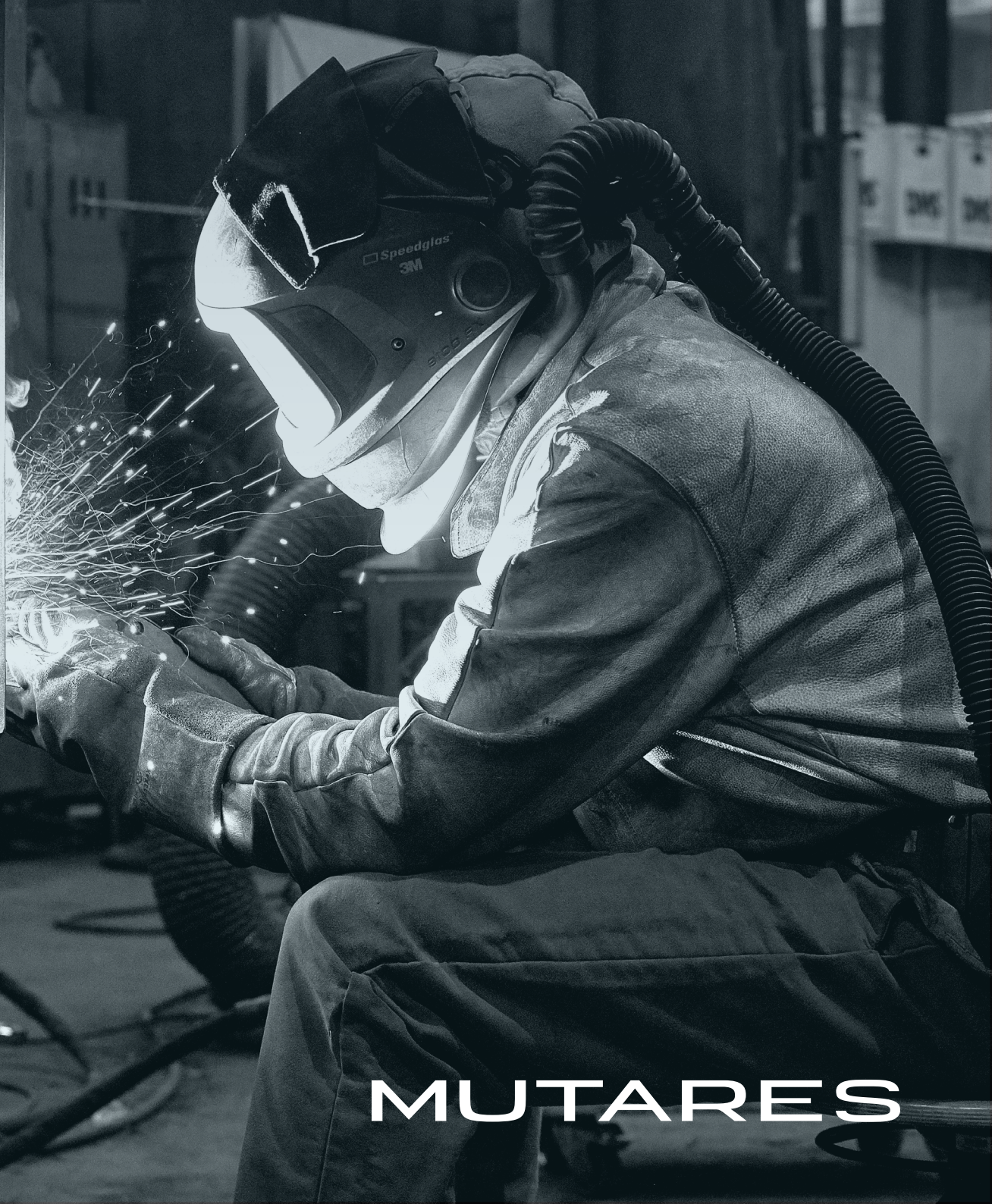


Nonfinancial Group Report for the financial year 2021



MUTARES

1. COMPANY PROFILE

Mutares SE & Co. KGaA, Munich (www.mutares.com) is a listed private equity holding company with offices in Munich (HQ), Amsterdam, Frankfurt, London, Madrid, Milan, Paris, Stockholm and Vienna. The business approach of Mutares SE & Co. KGaA (hereinafter referred to as „the Company“ or also „Mutares“) comprises acquiring, transforming (restructuring, optimizing and repositioning) and/or developing companies in special situations, meaning upheaval or economically challenging situations like short-term liquidity or planned restructuring, as well as their subsequent sale. When selecting targets, Mutares focuses on the identification of existing value enhancement potential, which can be realized after an acquisition through extensive operational and strategic optimization and transformation measures. Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who reliably and actively supports the upcoming change phases - based on extensive, long-term industrial and restructuring experience. The aim is to turn companies that were unprofitable at the time of acquisition into independent and dynamic medium-sized companies with a competitive and profitable business model, to develop them through organic and inorganic growth and finally to sell them at a profit.

Mutares sees sustainable action and management as an integral part of its corporate philosophy. Both the Management Board and employees recognize their responsibility and the relevance of the topics of sustainability which are crucial for the success of the Group. The three sustainability-related areas of responsibility “ESG” (Environment, Social and Governance) provide the guidelines. Environmental concerns, human rights, employee protection and safety are considered in the Group-wide business decisions.

Mutares, which was listed in the Scale 30 selection index of Deutsche Börse, conducted a successful capital increase with subscription rights and an uplisting to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange on 20 October 2021. Since then the Mutares Group falls under the requirement to publish a non-financial report in accordance with §289c German Commercial Code (“Handelsgesetzbuch” or “HGB”).



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3. STATEMENTS ON THE SUSTAINABLE DEVELOPEMENT STRATEGY

STATEMENT OF THE CEO

Dear Stakeholders,



The year 2021 was a remarkably successful record year not only for the growth and expansion of our portfolio but also because we laid a solid foundation for the concrete implementation of ESG-topics into our Group. In 2020, we published our first sustainability report, showing our commitment to adopt measures in order to become more sustainable and carry out a transparent communication about our efforts in this regard.

As climate change consequences have become more and more visible in recent years, the ESG-regulatory framework in Europe and worldwide has developed at a very fast pace. The European Green Deal supports the transition to a modern, resource-efficient and competitive economy with the goal of reducing net greenhouse gas emissions in the European Union to zero by 2050 and thus becoming the first climate neutral continent. On 21 April 2021, the Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD) that amends the existing reporting requirements of the Non-Financial Reporting Directive (NFRD). The proposal extends the scope to all large companies and all companies listed in the Regulated Market (except listed micro-entities) and requires verification (assurance) of the reported information.

In 2021, we joined the UN Global Compact and committed ourselves to its 10 principles as binding guidelines to help to achieve the UN Sustainable Development Goals. This non-financial report serves also as our first Com-

munication on Progress (CoP) and we therefore confirm our commitment to the 10 Principles of the UN Global Compact. In the following pages, we describe our approach and undertaken actions to implement the 10 UN principles and the achieved results in the areas of Human Rights, Labor, Environment and Anti-Corruption.

We are moving towards a sustainable economy, and we want to play a major role in it. Being part of the target group of companies subject to the Non-Financial Reporting Directive (“CSR-Richtlinie-Umsetzungsgesetz”) following the uplisting of Mutares into the Regulated Market, we edited our first non-financial report. We cover all ESG-areas of action (Environmental, Social and Governance) and complying with the latest EU-Taxonomy. The share of taxonomy-eligible sustainable business activities in revenues amounted to EUR 606.0 million, accounting for 24.2 % of our total consolidated revenues in 2021. With this first report, especially when it comes to our ESG goal setting, we have set first goals that have arisen directly, as a starting point. In the future we want to further build on the materiality and form long-term goals which help us control and measure our success.

As an international private equity investor that acquires companies in special situations, the implementation of ESG-criteria in the process following the acquisition requires first an assessment phase that requires taking ESG-risks in the first place. The types of companies that we acquire find themselves in difficult economic situations and show a need for reorganization and thus represent a restructuring case. When acquiring these assets, our first focus needs to be on the stabilization of the company in order to keep the business

activities running. We also pay attention to the implementation of ecological, social and corporate standards based on the level we find after acquisition in the further course of the business development. Therefore, it is our endeavor to include ESG in our restructuring approach and to give it the same priority as financial management, allowing us to drive sustainability while generating financial stability. We improve the efficiency of our portfolio companies by reducing costs and keeping sustainability in mind to achieve the turnaround. Our comprehensive ESG-management approach comprises all phases of our value chain and our governance-structure provides the framework for doing business: This responsible business approach is being promoted in all our 23 portfolio companies (also referred to as ‘investments’) in our Group.

We continue to advance our transparency and integration of sustainability into our operations and are convinced of the opportunities that sustainability offers.

In 2022, we will further design and sharpen ESG-goals to improve the measurement of our environmental impact and to further accelerate the consideration of ESG in our restructuring approach, leading to enhanced governance systems and guidelines. In our portfolio companies, we seek management practices and models committed to a sustainable performance. These are win-win investments.

I would like to express my special thanks to all Mutares Group employees for their great commitment, high level of expertise and dedication. Furthermore, I would also like to thank our shareholders for their trust in our long-term sustainable growth.

Let`s do the change together.

Sincerely yours,



Robin Laik
CEO

STATEMENT OF THE SUPERVISORY BOARD CHAIRMAN

Dear Stakeholders,



In the challenging economic situation due to the COVID-19 pandemic we are supporting Mutares on their ESG-pathway. Through the lens of a private equity investor ESG brings new challenges and new opportunities. This year, for the first time, management is presenting a separate non-financial report that summarizes the impact, measures and results with regard to ESG and explains developments in financial and social terms in a simple and understandable way.

In this report you will find information about the following topics:

E: Environmental protection measures with regard to climate protection and climate change that reduce environmental pollution or hazards, avoid greenhouse gas emissions or improve energy efficiency.

S: Social responsibility towards employees and society that includes aspects such as occupational health and safety, diversity or social commitment.

G: Governance for the controlled and transparent corporate management that includes topics as sustainable corporate management, corporate values and control processes.

This non-financial report is the first separate non-financial Group report following the Global Reporting Initiative (GRI) Standards according to the reporting obligations pursuant to sections 315b and 315c in accordance with

sections 289c-289e of the German Commercial Code (HGB) as well as the Article 8 of the Taxonomy Regulation (EU) 2020/852. Before, Mutares has included their sustainability approach and risks already in the 2021 public offering for the admission to trading on the Regulated Market (Regulierter Markt) of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) with simultaneous admission to the sub-segment thereof with additional post-admission obligations (Prime Standard) showing how Mutares integrated ESG in their business practices.

The economy needs the support of all industries and Mutares can have a significant impact with their 23 portfolio companies. Join Mutares and its road to a sustainability driven private equity approach.

I would like to thank all stakeholders for their cooperation.

Sincerely yours,

Volker Rofalski
Chairman of the Supervisory Board

4. THE MUTARES ORGANIZATION

4.1. THE ORGANIZATION AND ITS REPORTING PRACTICES

About this report

This sustainability report covers the Mutares Holding and its portfolio companies. The scope of consolidation in this report slightly differs from the consolidation of the annual financial report, since it excludes the following companies, which were sold in the course of the financial year 2021: Nexive, STS Group, TréfilUnion, EUPEC, La Meusienne, Cenpa and Norsilk.

Previous year figures therefore are also not published.

As of 31 December 2021, the portfolio of Mutares SE & Co. KGaA included 23 portfolio companies or investment groups, which are divided into three segments:



AUTOMOTIVE & MOBILITY



ENGINEERING & TECHNOLOGY



GOODS & SERVICES

In 2020, we published our first sustainability report on a voluntary basis. As a result of the uplisting to the Regulated Market, this report represents the mandatory non-financial information pursuant to the local statutory requirements (CSR-Richtlinienumsetzungsgesetz). The 2021 report was compiled in accordance to the reporting obligations pursuant to sections 315b and 315c in accordance with sections 289c-289e of the German Commercial Code (HGB) as well as the Article 8 of the Taxonomy Regulation (EU) 2020/852.). The non-financial Group report is based on the reporting framework developed by the Global Reporting Initiative (GRI) to ensure transparency and comparability. The non-financial Group report will be published annually.

This report covers the financial year 2021, aligned with the calendar year from 1 January to 31 December. It describes the two dimensions of the double-materiality of the CSR-RUG and thus the impact that our Company has on the environment and society and the impact external influencing factors have on our business performance. Key focus areas are topics that Mutares as well as its stakeholders consider most relevant, as they generate the greatest impact on sustainable development.

The overall responsibility for sustainability topics lies in the function of the Chief Financial Officer. Together with the other members of the Management Board and the heads of the three segments they ensure operational implementation of ESG-related topics. Mutares is working to establish and improve a system of operational and strategic control for the sustainability targets, risks and measures. The goal is to develop a reporting system to evaluate the effectiveness of measures and the successful implementation of the Group's ESG targets.

This report also serves as our first Communication on Progress (Cop) in line with our commitment to the United Nations Global Compact. See also chapter 7 for a separate statement of our Communication on Progress.

We see ourselves as an inclusive company and generally use gender-neutral language. In some passages of the report, we have decided to use the generic masculine for reasons of readability and comprehensibility.

4.2. ACTIVITIES

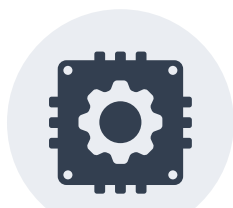
In our activities, we focus on the acquisition of medium-sized companies in transitional or special situations. The aim is to leverage the development potential of the usually distressed target companies within the framework of an active turnaround process and to lead them onto a stable and profitable growth path.

Mutares operates and acquires companies from the following three segments whereby every portfolio company pursues a different business model:



AUTOMOTIVE & MOBILITY

Our portfolio companies in the Automotive & Mobility segment operate in the commercial vehicle and passenger car supply business. They operate world-wide and supply prominent international commercial vehicle and passenger car manufacturers.



ENGINEERING & TECHNOLOGY

In the Engineering & Technology segment, Mutares brings together companies that have excellent construction expertise and experience. Our companies in this segment serve customers in the energy and chemical industries, public infrastructure, sports infrastructure, and the rail sector.

In order to strengthen and develop our Group, we closely monitor market developments and refine our acquisition profile while considering the aspect of sustainable financing. We categorically exclude companies from the tobacco and arms industries or more specifically: companies that produce war materials in the broadest sense. Before acquiring new companies, we conduct a profound due diligence and risk analysis, taking into account non-financial risks such as compliance issues.

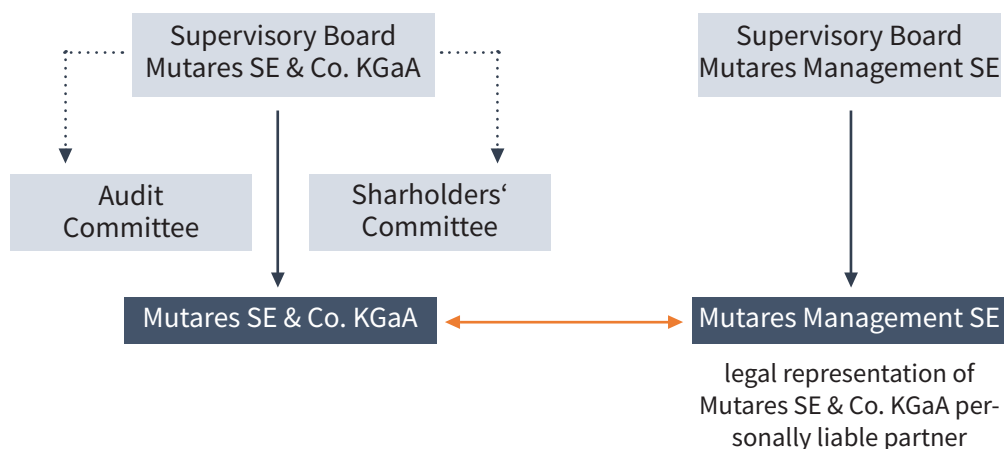


GOODS & SERVICES

Our portfolio companies in the Goods & Services segment supply their customers in various industries with specialized products and services ranging from logistic and maintenance services, information, and communication technology to manufacturing.

4.3. GOVERNANCE

The legal form of Mutares SE & Co. KGaA is a partnership limited by shares ("KGaA"). The shares of Mutares SE & Co. KGaA are traded on the Regulated Market.



Mutares Management SE (personally liable partner)

In the legal structure of a KGaA, the tasks of a Management Board are performed by the General Partner. The Company is legally represented solely by the General Partner. The sole General Partner of the Company is Mutares Management SE, Munich, whose Management Board ("Management Board") is thus responsible for managing the Company's business and is the personally liable partner of the Company.

The General Partner prepares the annual financial reports and, where required by law, the management report and the consolidated financial reports and the Group management report, as well as the non-financial Group report for the respective preceding financial year within the statutory periods and submits these documents to the Supervisory Board and the auditor.

Supervisory Board

The Mutares Supervisory Board of the Company consists of four members who are elected by the Annual General Meeting. The Supervisory Board held five meetings in the financial year 2021. The Supervisory Board Members are appointed for a term of four years. Members of the Supervisory Board may be reappointed once or several times. The Annual General Meeting decides on the amount of remuneration for the Supervisory Board.

The Supervisory Board supervises the Management Board. The Supervisory Board may inspect and audit the books and records and the assets of the Company. Compared to the Supervisory Board of an Aktiengesellschaft, the rights and duties of the Supervisory Board of a KGaA are limited. In particular, the Supervisory Board of the Company has no personnel competence regarding the appointment of the management. The Supervisory Board of the KGaA is therefore not responsible for the appointment or dismissal of the General Partner or its Management Board members. However, the governance system consists of two tiers (Supervisory Board and Management Board) with different persons chairing it.

The Supervisory Board has the obligation to review the separate non-financial Group report. The Audit Committee therefore dealt intensively with the Company's first non-financial Group report for the financial year 2021 with the aim of gaining a direct impression of the quality of the preparation process

sufficient for an audit of the report prepared by the Management Board, on which the Supervisory Board could then base its final audit opinion.

Audit Committee

The Supervisory Board forms and appoints an Audit Committee from among its members. The Audit Committee consists of two members.

The Audit Committee deals among other topics mainly with the two topics listed below on behalf of the complete Supervisory Board:

1. Overseeing the preparation of financial reports and the Group financial reports including half-yearly and quarterly financial reports or quarterly statements and other comparable financial reports and any review of the half-yearly and quarterly financial reports and other interim financial information prior to publication and in particular dealing with fundamental topics such as the application of new accounting standards and monitoring the accounting process, and
2. overseeing the work of the auditor.

Shareholders' Committee

The Shareholders' Committee consists of four members elected by the Annual General Meeting. The Shareholders' Committee has power of representation and management authority for the legal relationships between the Company on the one hand and the General Partner and/or its executive body members on the other hand. In distinction to the Aktiengesellschaft, the legal form of the KGaA offers the possibility of creating additional facultative bodies.

4.4. STRATEGY, POLICIES, AND PRACTICES

OUR VALUES

Entrepreneurship
Integrative management
Sustainability
Personal integrity

OUR VISION

To be the undisputed international leader for mid-market special situations, driven by our sustainable investment principles.

OUR GOAL

Industry-leading risk-optimized returns and direct performance contribution for each shareholder through sustainable dividends.

OUR MISSION

Transform distressed companies and their ownership into sustainable, lasting and value-enhancing opportunities for shareholders.

Mutares' business approach includes the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in special situations as well as their subsequent sale. The aspired holding period lays between approximately three to five years. Our objective is to turnaround companies that would most likely otherwise disappear from the market. During the realignment and optimization phase, ESG-topics remain integral parts of our decision making besides focusing on the financial stabilization of the portfolio company.

We thrive for a long-term approach to make future-proof companies and are guided by our following four ESG related values

- **Drive Value.** We aim to increase shareholder value through successful operational restructurings for employees and stakeholders.
- **Enhance Sustainability & Efficiency.** We want to reduce CO₂-emissions, water usage, plastic consumption, while increase sustainable energy sources across all portfolio companies.
- **Enhance Diversity & Talent.** Our international, diversified expertise of our key talent is our most important asset.
- **Independent Governance.**¹ We drive turnarounds and provide a future for the assets and their employees as a standalone and independent company.

The three pillars of ESG provide the guidelines for our conduct. Environmental concerns, human rights, employee protection and safety are considered in our Group-wide business decisions. We actively promote environmental and social responsibility by, among other things, investing in renewable energy sources. Our Investment and Operations Team work together actively to support and implement this process.

The implementation of ESG aspects in our corporate strategy and in the DNA of our business model helps us to better assess sustainability risks and respond to them more effectively. Mutares has installed and organizationally anchored a systematic, multi-level risk management system (see Group Management Report), in which sustainability risks are also evaluated. Material risks are identified through a combination of bottom-up and top-down analysis, which subsequently distinguishes between gross and net assessments. The identified risks are actively managed and controlled by the operationally responsible management. This process is included in the early stage of the acquisition through a due diligence and later on monitored and managed by our ESG reviews. After the analysis and assessment of potential risks (see chapter 4.7) no net reportable risks within the meaning of the German Commercial Code (HGB) were identified for the reporting period.

¹ i.e. an independent company with independent structures and strategies

In addition, this also serves to identify and benefit from new opportunities for value enhancement. Environmental, social and governmental aspects are integrated in the following way in our business model phases:

	Phases of business model			
	Acquisition	Realignment	Optimization	Harvesting
Engagement with Investors/ stakeholders	Focus on industries financed by investors	Alignment with employees/ trade unions and other stakeholders	Alignment with employees/ trade unions and other stakeholders	Expectations from shareholders
Investments	Industries excluded from investment by management	Investments(CAPEX) with environmental fucos		
Governance	Compliance management system			
(ESG-) monitoring and Reporting	Press Releases (public)	Internal (ESG- monitoring	Internal monitoring and ESG portfolio review	Press Releases (public)
	Nonfinancial reporting (public)			

Acquisition:

In the due diligence phase prior to the acquisition of a portfolio company, we cover ESG aspects with tailored questionnaires in order to avoid taking over unwanted risks. Our investors have an impact on the industries we buy from. According to the Sustainable Financing regulations, we do not invest in certain industries (e.g. tobacco). On top, it is our management decision not to invest in industries providing war materials and all sorts of weapons. We report press releases about our acquisitions, showing that acquisitions of portfolio companies are completed and developed under the Mutares umbrella with a long-term strategic vision while openly communicating about the process in our regular financial reports.

Realignment:

Our first task after the acquisition is to ensure a long-term and profitable presence of the acquired company in the market. In addition to our financial support, we provide management expertise and knowledge through our Operations Team which incorporates individual, industry-specific future-oriented management in the acquired company. Through our acquisitions, we aim to create long-term value. Organizational changes are often aligned with employee-related stakeholders, works council, labor unions, local community, and employees itself.

Optimization:

The integration of sustainability into our daily operational activities is ensured at Mutares through a defined structure. We set targets and regulations within the framework of ESG aspects not only at the Holding level of the Company but also for each portfolio company. We implement optimized processes in its organization and create an “ESG Portfolio Review” to determine where each portfolio companies stands in terms of ESG issues. Various development opportunities are worked out together with the portfolio company which serve to consolidate existing ESG issues and approaches and, at the same time, enable us to react more quickly to identified risks.

Investments within the portfolio companies are being done primarily to reduce operational spendings, thereby creating a positive impact on efficiency and sustainability at the same time. ESG-criteria (e.g. energy consumption, CO₂, etc.) are taken into account in the investment decision.

Harvesting:

When exiting an investment, the financial return (“Return on Invested Capital”) is the primary goal. In addition, we also seek to reach a sustainable long-term development of the portfolio company, aiming to sell companies more sustainable, in terms of good ESG management, then they were when we acquired them. We report in press releases and our financial report on the results achieved for our Company and our shareholders. Good governance and strategic, calculated risks result in high returns for all our shareholders as well as the stability of the sold portfolio company and its jobs.

Our impact and material topics for our business are described in chapter 4.6. How risks are impacting our business model is explained in chapter 4.7 and in a more detailed segment view in chapter 6. Our resulting sustainability strategy is described in chapter 5.

Our ESG-policy commitments for responsible business have been set up in line with the principles of the UN Global Compact and local laws and regulations. Our main policies, the code of conduct, the setup of the compliance management system (CMS), the setup of the Risk Management System, and additional compliance policies covering various compliance topics have been approved on Management Board level. Our policy commitments for responsible corporate governance are publicly available on our website:

<https://ir.mutares.de/en/corporate-governance/> . The compliance management system provides a framework to prevent Mutares and its employees from taking excessive financial and non-financial risks for Mutares or its stakeholders.

The compliance management system is covering all phases of our business model and focuses on the seven elements of an efficient compliance program identified in German auditor’s standard IDW PS-980 (i.e. goals, risks, program, organization, communication, monitoring and culture). We condemn all forms of corruption in all phases of our business model and, as a private equity investor and for each portfolio company, set targets and regulations in line with ESG requirements, such as the establishment of a code of conduct, and the tracking of CO₂ or energy usage.

The code of conduct is an integral part of our corporate culture. It helps us live up to our responsibility based on our vision and values. It describes how our values are reflected in our daily actions. See chapter 5.1. for more details.

The Management Board, Managing Directors in portfolio companies and other executives are role models and bear a special responsibility for behaving with integrity and complying with the standards and expectations defined within Mutares. The Compliance Management System and code of conduct applies to all corporate bodies and employees of Mutares SE & Co. KGaA and the managing shareholder of Mutares SE & Co. KGaA (Mutares Management SE) as well as to all corporate bodies and employees of direct subsidiaries of these companies.

Participations

In order to anchor sustainability within our business and to contribute to it strategic implementation, we participate and support the following initiatives:

- UN Global Compact (UNGC)
- UN Sustainable Development Goals (UNSDGs/SDGs)

UN Global Compact

In implementing our sustainability strategy, we pay attention to the following topics which are the key principles of the UN Global Compact: **(i) human rights, (ii) labour, (iii) environment, and (iv) anti-corruption.**

As a signatory to the **UN Global Compact**, we recognize its 10 principles as binding guidelines for the implementation of our sustainable goals and processes. The UN Global Compact grew out of the Paris Climate Agreement in 2015 and is the world's largest initiative for responsible corporate governance and thus also a seal of quality in sustainability. The vision is a sustainable

global economy based on ten universal principles in the areas of human rights, labor standards, environment & climate, and corruption prevention.

WE SUPPORT



UN Sustainable Development Goals

As a signatory to the UNGC, Mutares is further committed to the **17 UN Sustainable Development Goals** which promote direct action in the mentioned fields. Worldwide, more than 13,500 companies and organizations have already joined the UN Global Compact, we are now also part of this network and are endorsing the UN Sustainable Development Goals.

With the measures we take, our Company supports the following Sustainable Development Goals as defined by the United Nations:



4.5. STAKEHOLDER ENGAGEMENT

As a private equity investor, we aim to balance the expectations of our stakeholder groups when doing business. We define stakeholders as individuals, businesses, institutions and interest groups that actively work with Mutares and thus are able to influence the business of Mutares and our portfolio companies or are affected by our actions in any kind of way. At Mutares, we are specialized in acquiring companies in special situations, therefore generating innovative and individually tailored solutions are daily business. The transaction cycle, from finding potential sellers or buyers, negotiating with them,

and ultimately bringing a transaction to a successful close, requires trustful relationships and an open dialogue. Mutares is characterized by an **“active ownership”** mentality, the active entrepreneurial spirit, the culture of closeness to the portfolio companies is at the core of its success in improving the operational performance of companies in situations of transition. In order to drive a successful transition, shaping it together with all impacted groups is crucial.



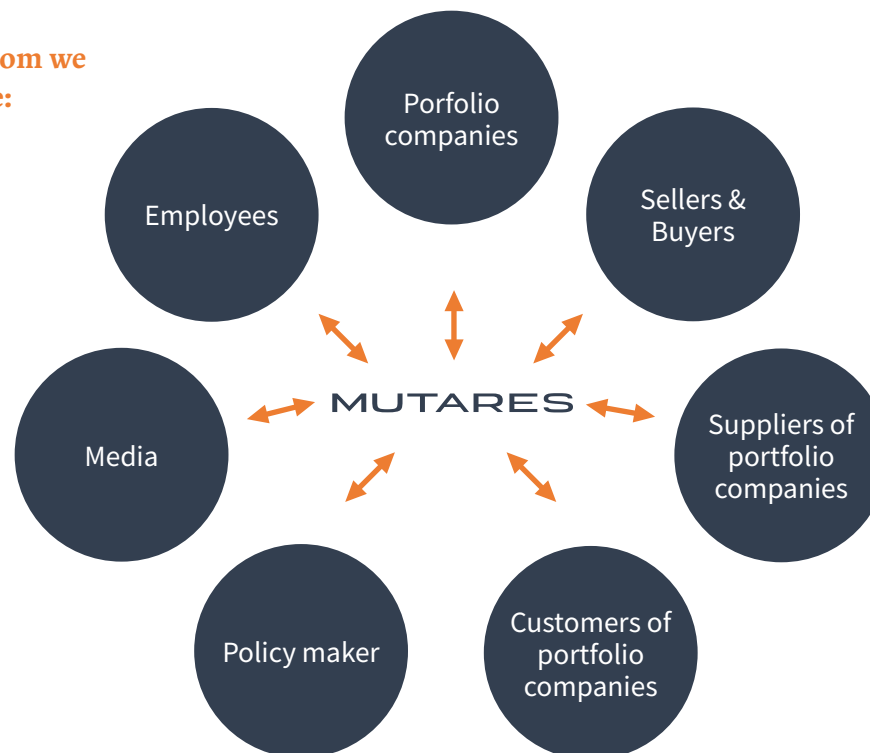
In 2021, we further developed the formats of our communication, such as virtual or hybrid conferences, roadshows, one-on-one meetings or regular newsletters for the communication with our investors, media representatives, portfolio companies, employees, political representatives and other stakeholder groups. We maintain a close exchange to nourish a constructive and transparent dialogue. As a listed private equity company, a financial communication is crucial especially for investors. This ranges from financial reporting at our Capital Markets Day or the Annual General Meeting. Our annual financial reports as well as sustainability reports aim at informing all

stakeholders on our value creation approach, our financial stability and sustainability concerns as well as risks that arise from our business activities. All reports, presentations and further information on sustainability topics are made publicly available on our website under:

<https://mutares.de/en/sustainability/>

and are thus accessible and transparent to all shareholders and stakeholders.

Our most important stakeholder groups, with whom we interact and seek dialogues on a regular basis, are:



4.6. MATERIAL TOPICS

To identify relevant sustainability topics for our reporting, we updated our materiality analysis in 2021. This was also an important step for the ongoing refinement of our sustainability strategy. To this end, we conducted an in-depth review of our existing materiality analysis. In a systematic process, we asked our most important stakeholders (see chapter 4.5.) about key sustainability topics and concerns and prioritized the latter in our materiality analysis.

We aggregated the findings from our internal business analysis, media research, benchmark analysis and external stakeholder expectations and conducted a series of interviews with internal experts from the Mutares Holding and portfolio companies. The stakeholders were selected from all central operating units that are in contact with relevant stakeholder groups, thereby also taking into account the views of external parties, such as investors, suppliers, customers or sellers and buyers. The selected internal experts evaluated the possible topics with regard to Mutares' impacts on the environment and society and for their respective relevance to business success from the outside-in and inside-out perspective. Both impact and business relevance are decisive factors for materiality in accordance with article 289c, paragraph 3 of the German Commercial Code (HGB). The results of this analysis form the basis for the content of this report. The outcome of this process was confirmed by the Management Board.

On the basis of the materiality analysis, we identified the material topics to report. The materiality matrix shows topics that A) our stakeholders regard to have a high impact on the business performance, development and position

of Mutares and B) topics our stakeholders regard Mutares business to have a high impact on the environment and society. A topic is hence material if our stakeholders consider it to have a high impact on Mutares business performance as well as a large potential impact of its business activities on the topic.

As a result, three topics are material:



**Business
integrity**



**Fair & respectful
workplace**

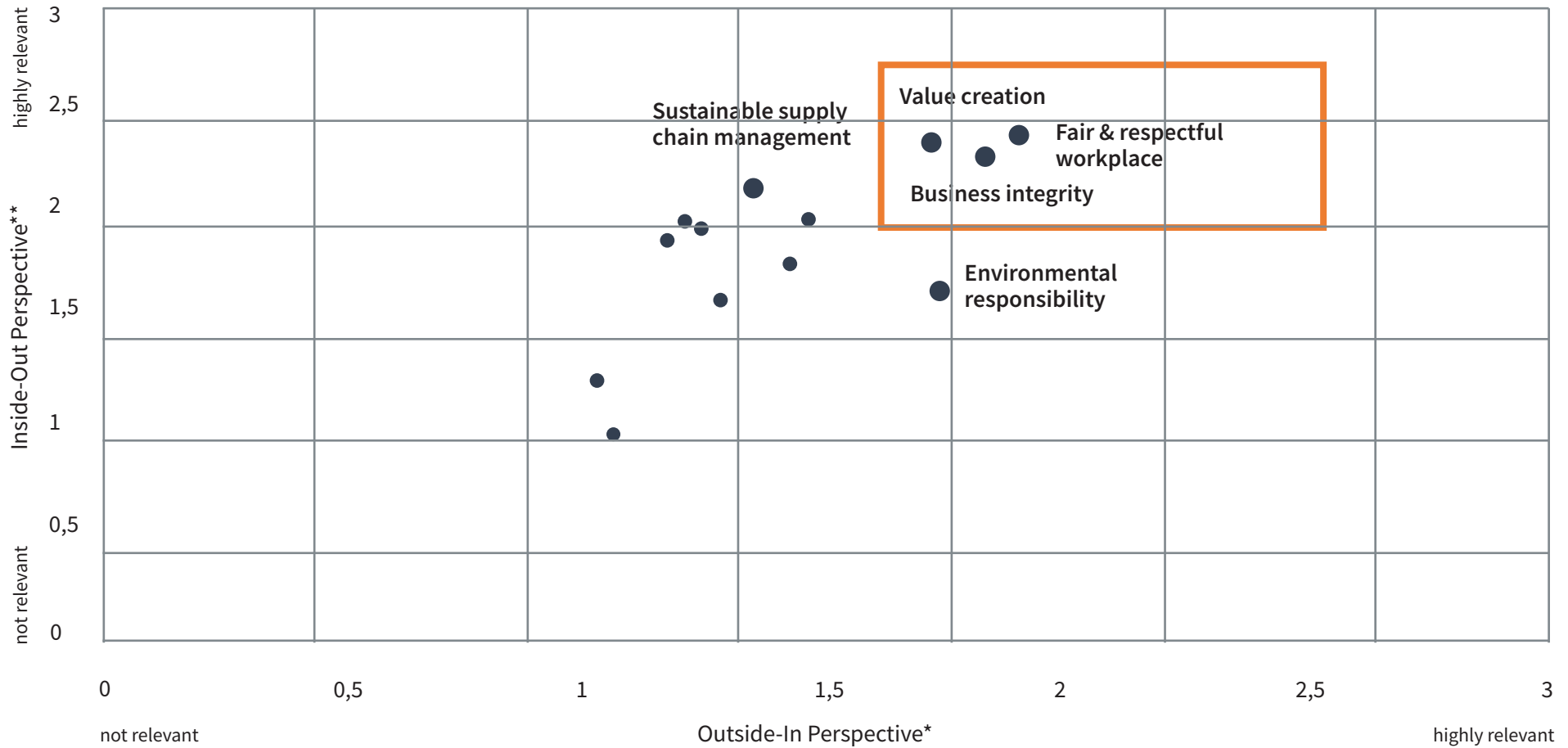


**Value
creation**

We further report on the topics of **sustainable supply chain management** and **environmental responsibility**. From a Mutares perspective, the two topics are also considered material, as they have corresponding relevance from both the Company's and the stakeholders' perspectives for either its potential impact inside-out or outside-in.

With the material topics, we are fulfilling our reporting obligations pursuant to section 289c of the German Commercial Code (HGB).

Materiality matrix



*Outside-In-Perspective = effect of sustainability topics on the business performance, development and position

**Inside-Out-Perspective = impact of Mutares' business on society, the environment and the economy

The material topics for Mutares cover the following aspects:



Business integrity

- Ethical business practices and compliance
- Data security & privacy



Fair & respectful workplace

- Employee health, safety & wellness
- Fair working conditions



Value creation

- Sustainable economic stability



Sustainable supply chain management

- Respecting human rights
- Supply chain management



Environmental responsibility

- Resource efficiency
- Circular economy

Statutory nonfinancial reporting requirements

- Respecting human rights
- Combating corruption and bribery

- Employee matters
- Social matters

- Environmental matters

- Respecting human rights
- Combating corruption and bribery

- Environmental matters

4.7. SUSTAINABILITY RISKS AND OPPORTUNITIES

Sustainability risks include environmental, social or governance (ESG) risks and can have an impact on earnings and liquidity as well as on the Company's reputation. To identify sustainability risks, we are guided by the fields of action we have defined as material. Risks are analyzed from an inside-out perspective, i.e., risks that are linked to our corporate activities and could have a negative impact on the environment and society, and from an outside-in perspective, i.e., risks that could have a direct negative impact on our Company.

Environmental risks can be climate-related risks or regulatory risks due to new legislation and other structural changes. The increasing market orientation towards environmental responsibility, climate change and the associated risks, such as rising energy prices or the introduction of a CO₂ tax, can have a negative impact on business development and product availability. Changes in relationships with local institutions or reputation in our local communities may also lead to significant negative impacts on our performance. Managing these risks and potential risk factors is critical to Mutares and its long-term value.

With regard to material topics and its risks according to CSR-RUG, **a separate implementation is required at segment level**, due to the companies' activities in various industries and their different business models, that relates to the following topics: **Environment, social and human capital, business model and governance**. These four areas derive from the materiality analysis. A detailed analysis on this segment basis is provided in chapter 6.

Therefore, we continue to work to expand and continuously improve the risk management system for operational and strategic control of sustainability objectives, risks and measures. The aim is to develop a reporting system to assess the effectiveness of the measures and the successful implementation of the Group's ESG objectives in order to adequately address and manage ESG risks that could influence or disrupt our business development.

Before acquiring a company, we perform a non-financial risk analysis and due diligence. Given the nature of our business model, by acquiring companies in situations of upheaval or distress, they often lack an ESG structure or strategy. Unknown violations, high emissions, human rights abuses, and corruption and bribery could pose a reputational risk to our Company, which we seek to address. After the acquisition, we conduct an ESG review of the portfolio companies to identify ESG issues and respond quickly to risks. While taking risk is part of our business model, it also can serve to identify and exploit new opportunities. Within the repositioning process of a portfolio company and its restructuring, we have the possibility to actively foster ESG topics and implement them into the DNA of the business, thus better positioning it for the future and generating more value for the portfolio company's exit proceeds.

The evaluation of risks is done on a yearly basis. For the reporting period no material risks in terms of §289c (3) German Commercial Code (HGB) have been identified by the Management Board.

4.8. TAXONOMY ELIGIBILITY

As part of our non-financial report, we are also reporting key corporate figures in accordance with the EU Taxonomy Regulation for the first time this year. The Taxonomy Regulation (EU) 2020/852, published as part of the European Green Deal, aims to introduce a uniform classification system for environmentally sustainable economic activities. This is intended to create a framework that increases comparability between companies, enhances the transparency of economic activities and facilitates sustainable investments.

The regulation obliges affected companies on the one hand to disclose the share of their economic activities that lies within the scope of the taxonomy and is thus considered taxonomy-compliant, and on the other hand to disclose the share of their economic activities that meets the requirements of the taxonomy and is thus considered taxonomy-compliant. For this purpose, companies should report the taxonomy-compliant as well as the taxonomy-compliant portions of revenues, capital expenditures (“CapEx”) and operating expenses (“OpEx”). Through this chapter, we fulfil our reporting obligations in accordance with the requirements of Article 8 of Regulation (EU) 2020/852. According to Article 10 of the supplementary Delegated Regulation (EU) 2021/2178 of 6 July 2021, facilitated disclosure requirements apply for the first reporting period. Therefore, in accordance with the regulation, we report for the year 2021 only the taxonomy-eligible shares of the three key figures revenues, CapEx and OpEx, on the two environmental goals „climate protection“ and „adaptation to climate change“.

Mutares' business approach includes the acquisition, transformation (restructuring, optimization and repositioning) and development as well as the sale of companies in special situations. Accordingly, our portfolio of

companies is subject to constant changes in composition. As companies in transition situations are often not optimally positioned in terms of business and processes, it is likely that new acquisitions will worsen the key performance indicators of our Group. The disposal of successfully repositioned companies also tends to have a negative impact on the key figures at Group level. Accordingly, the figures for the taxonomy-compliant and, in perspective, also for the taxonomy-compliant share will vary comparatively strongly in the upcoming years depending strongly on our transaction activities.

Portfolio companies that were sold in the current financial year were classified as non-taxonomy-compliant on a flatrate basis as part of the disclosures on the EU taxonomy. In order to determine the relevant ratios, materiality aspects were taken into account in the context of the first-time applications. For this purpose, a materiality analysis of the portfolio companies was carried out under the criterion of revenue size. **The companies excluded in the materiality analysis, account for around 2.4% of Group revenues in 2021.** The activities of these companies were assessed on the basis of the general business model and thereby classified as taxonomy-non-eligible.

The determination of the taxonomy-capable activities and thus the numerator, the key figures presented below, is based on analysis of the individual companies. As part of the capability analysis, we analyzed and reviewed each portfolio company individually and then aggregated them at group level.

Taxonomy-eligibility of revenues

The determined taxonomy-eligible revenues are calculated by dividing the portion of revenues under IFRS that relates to products or services classified as taxonomy-eligible (numerator) by total revenues (denominator).

Accordingly, the denominator determined for the key figures corresponds to the amount of revenues under IFRS as reported in the consolidated statement of income. For the numerator, the proportions of net revenues corresponding to taxonomy-eligible activities have been determined.

The total revenues of the Company for the financial year 2021 amount to EUR 2,504.0 million, resulting in a total of 24.2 % taxonomy-eligible revenues from this analysis, which corresponds to a value of EUR 606.0 million. The remaining EUR 1,898.0 million of revenues are not tax-deductible.

Due to the different industries in which the portfolio companies operate, the revenues that are considered taxonomy-eligible are distributed among different activities of the taxonomy. The majority of the 24.2 % is attributable to the criteria sets 7.1. new construction, 6.6. road haulage and 6.15. road and public transport infrastructure. These result from economic activities of our portfolio companies in the sectors of construction, logistics and maintenance of public road infrastructure.

Taxonomy-eligibility capital expenditure (CapEx)

Our taxonomy-eligible capital expenditure data is calculated by dividing the proportion of capital expenditure that results from taxonomy-eligible

activities or is material to the performance of a taxonomy-eligible activity (numerator) by total capital expenditure (denominator).

The capital expenditures included in the denominator of the figure comprise additions to intangible assets, property, plant and equipment and right of use assets during financial year 2021. In addition, additions to property, plant and equipment and intangible assets resulting from business combinations are included as well. The resulting denominator matches the relevant movements in the movement tables as included in the notes to the consolidated financial statements.

For the numerator, the portion of capital expenditures that is directly taxonomy-eligible has been determined for all portfolio companies. For companies that have taxonomy-eligible revenue, the activities that contribute significantly to generating the revenue activity were also identified.

Mutares' capital expenditures relevant for the EU taxonomy amount to EUR 906.3 million for financial year 2021, of which 57.0 % is taxonomy-eligible CapEx, **corresponding to a value of EUR 516.8 million. The remaining EUR 389.5 million are taxonomy-non-eligible. By far the largest share of the 57.0 % is attributable to criteria set 7.7 Acquisition and ownership of buildings and is mainly due to corporate advertising.**

Taxonomy-eligibility operating expenses (OpEx)

To determine taxonomy-eligible operating expenses, we compared operating expenses defined as taxonomy-eligible activities under the regulation and operating expenses that are material to taxonomy-eligible activities (numerator) to total operating expenses defined under Delegated Regulation (EU) 2021/2178 (denominator).

The operating expenses included in the denominator comprise non-capitalized cost elements from the areas of research and development, short-term and low-value leasing, and maintenance and repair. The values included were determined on the basis of corresponding items in the consolidated statement of profit and loss.

For the numerator, the share of OpEx that is directly taxonomy-eligible was determined for all portfolio companies. For companies that have taxonomy-eligible revenue, the activities that contribute significantly to the generation of the revenue activity were also identified.

The total operating expenses, as defined under the EU taxonomy, amount to approximately EUR 54.5 million for the financial year 2021, **resulting in 17.4% taxonomy-eligible OpEx for Mutares from this analysis, which corresponds to a value of EUR 9.5 million.** The remaining EUR 45.0 million are not taxonomy-eligible. The majority of the 17.4 % is attributable to the criteria sets 7.7 Acquisition of and ownership of buildings and 7.1 New construction.

The EU Taxonomy Regulation and the delegated acts issued in this regard currently still include certain uncertainties of interpretation. These have been interpreted and presented in the context of the report by Mutares to the best of its knowledge and belief in terms of the taxonomy.




5. MANAGEMENT OF MATERIAL TOPICS





In this chapter we are providing an overview of the Mutares approach to managing the material topics identified. We are reporting impacts on the economy, environment, and people, including impacts on human right as well as the due diligence processes, the measures, targets, risks and results according to CSR-RUG §289c German Commercial Code (HGB) on a Group level. With this first report we have set first goals that have arisen directly

out of the materiality analysis. arise within our segments. Our goal is to further build on this materiality and form long-term goals which help us control and measure our success. Mutares maps its efforts to selected UNSDG's. We believe that our engagement can contribute to each selected development goal. Furthermore, we supplement each material topic with the ESG value drivers and risks that arise within our segments.

Our sustainability strategy is summarized in the following table:

Material topics	Goals	Time frame	ESG value drivers and risks within our segments	SDGs	CSR-RUG-aspect
Business integrity 	1. Group-wide roll-out of our existing compliance management system*	2024	Pricing integrity & transparency, data Security and product safety (customers and production), competitive behavior	16: Peace, justice and strong institutions	Combating corruption and bribery
	2. Establishment of supplier and business partner code of conduct with focus on all relevant areas (antitrust law, anti-corruption, capital market compliance, environmental protection and data protection)	2022			Combating corruption and bribery
	3. Group-wide roll-out of the Mutares code of conduct*	2023			Respecting human rights
	4. Establishment of a sanction and violation-screening system for code of conduct	2023			Respecting human rights
	5. Establishment of whistleblower hotline through anonymous means available to all employees	2023			Combating corruption and bribery

* after 6-12 months post closure of the transaction

Material topics	Goals	Time frame	ESG value drivers and risks within our segments	SDGs	CSR-RUG-aspect
Fair and respectful workplace 	1. Implementation of a zero-accident safety culture	2023	Fair labor practices, work-force health, safety, and well-being	8: Decent work, 10: Reduced inequalities 3: Good health and well-being 4: Quality education	Employee matters
	2. Increase diversity	2026			Social matters
Value creation 	1. Group-wide integration of ESG practices into business operations	2023	Product lifecycle management, product innovation, packaging lifecycle management, environmental, health and safety performance	8: Decent work and economic growth 9: Industry, innovation and infrastructure	Environmental matters
	2. Integration of ESG Key Performance Indicators into financial reporting system	2022			Environmental matters
Sustainable supply chain management 	1. Implementation of supplier and business partner code of conduct	2022	Supply chain management, materials sourcing	8: Decent work and economic growth 12: Responsible consumption and production	Combating corruption and bribery
	2. Integration of social and environmental criteria into supplier audits	2023			Respecting human rights
Environmental responsibility 	1. Improve ESG measurement	2023	Energy management, materials efficiency, greenhouse gas emissions, energy-/water-/waste management, environmental footprint of	6. Clean water and sanitation 7: Clean energy 13: Climate action	Environmental matters
	2. Appointment of ESG officer	2022			Environmental matters
	3. Reduce CO ₂ by min. 10 % in each portfolio company throughout their affiliation to Mutares Group*	2028			Environmental matters
	4. Increasing the number of ISO 14001:2015 and ISO 50001:2015 -certified portfolio companies**	2023			Environmental matters
	5. Introduce energy efficiency programs through new product lines	2023			Environmental matters

* runrate throughout the portfolio

**if company can get certified



5.1. BUSINESS INTEGRITY

In the dynamic business environment of Mutares, strict compliance with laws and standards for ethical business conduct are essential to ensure trust in Mutares. As a global company, the laws and regulations of each location in which we do business apply. Failure to comply with these laws can have civil, criminal and labor law consequences. Integrity is the fundamental requirement for all interactions with our stakeholders. As a publicly listed company in the Prime Standard of the Regulated Market, Mutares reports on governmental topics regularly and complies with applicable laws at a high level of transparency. Special attention is paid to anti-corruption and bribery matters, capital market compliance, competition laws and other topic areas. Combating bribery and corruption is therefore an essential pillar of our business. As a private equity company, we owe our investors and shareholders the commitment to integer and fair business practices.

In our business environment, setting standards for data security and privacy and complying with applicable laws and regulations is fundamental. Carefully handling sensitive data plays a vital role in the acquisition and exit of a company, but is also a requirement from our suppliers, customers as well as buyers and sellers. The highest standards and compliance with data security regulations are therefore of importance for our business. Business integrity is vital for our business success in numerous ways. Negative effects, such as fines or the loss of our reputation due to corruption or bribery would be damaging to our business success. Further, since several of our portfolio companies conduct business through governmental tenders, flawless compliance with the law is vital for business success.

Our main governance-goals are:

- Group-wide roll-out of our existing compliance management system
- Establishment of processes for supplier and business partner due diligence with focus on all relevant areas (anti-trust, anti-corruption, capital market compliance, environmental protection, human rights etc.)
- Group-wide roll-out of the Mutares code of conduct
- Establishment of a sanction and violation-screening system for code of conduct
- Establishment of whistleblower hotline through anonymous means available to all employees.



Our legal and compliance team has established compliance management measures aimed at ensuring lawful conduct by our employees and the portfolio companies:

- A standard process to implement adequate compliance procedures at each new portfolio company after the acquisition is in place.
- We support and advise the portfolio companies in their preparation and implementation for all required processes and policies as a part of the general rollout of the compliance program.
- We support and advice portfolio companies on the implementation of local codes of conduct. To that extent, Mutares updated its own code of conduct and provides it to portfolio companies as a template for their local document.
- We support and advice portfolio companies on the implementation of local resources according to the EU whistle bower directive. To that extent, Mutares entered into a frame agreement with an IT service provider to provide state of the art, web-based whistle blowing portals to portfolio companies free of charge.

Compliance management system

Mutares has established a compliance management system with a code of conduct for all relevant areas. Our compliance system is designed to identify potential violations in advance and to prevent their occurrence. These compliance measures comprise, among other things, a code of conduct, mandatory policies and communication measures, an anonymous whistleblower hotline, etc.

All employees are expected to behave responsibly, ethically and with integrity at all levels. This expectation also applies to third parties, such as business partners and suppliers who contribute to the reputation of our Company. There are individual policies for anti-corruption, capital market compliance, antitrust law, the misuse of financial resources (financing of terrorism and money laundering) as well as data protection, among others. The implemented software for policy management ensures that employees always have access to the applicable rules. In addition, the Company has set up a whistleblower portal that enables whistleblowers to report possible violations of the law or the Company's code of conduct anonymously. The Company's compliance department investigates all such reports independently.

The compliance department consists of a compliance officer with overall responsibility for the implementation and monitoring of the compliance management system at the Mutares Holding level and the direct subsidiaries. Our portfolio companies, as indirect subsidiaries of the Company, are required to set up appropriate compliance management systems, including a specifically defined position of responsibility, as part of their corporate governance. In order to ensure compliance with the common standards, the Company intends to establish a regular exchange between the compliance functions at the different levels within the Mutares Group.

Elements of the compliance management system are:

Prevent:

- Risk analysis
- Code of conduct and compliance guidelines addressing identified compliance issues
- Communication and „Tone from the Top”
- Training and advice

Detect:

- Staff working independently and living an open communication culture
- Support from managers and internal experts
- Compliance Helpdesk
- Internal controls
- Whistleblower portal
- Compliance audits

Respond:

- Monitoring and reporting
- Internal investigations
- Continuous improvement

Code of conduct

Mutares expects all directors, officers, managers and employees to act in line with the code of conduct. The code of conduct applies to all corporate bodies and employees of Mutares SE & Co. KGaA, the managing shareholder and all Mutares companies as well as to all corporate bodies and employees of direct subsidiaries of these companies. All existing and all new acquired companies are required to implement an own code of conduct for their businesses. Further, we aim to establish a supplier and business partner code of conduct with focus on all relevant areas of governance as well as environmental considerations including antitrust law, anti-corruption, capital market compliance, environmental protection and human rights.



Violations of these requirements, legal provisions or internal rules and regulations bring serious consequences not only for individual employees, but also for Mutares. For this reason, Mutares will consistently investigate indications of violations of this code of conduct. Mutares will sanction any misconduct without exception and without regard to the rank and position of the acting or affected persons. To promote reports of potential misconduct and violations, Mutares created a corporate culture, by living an open communication with flat hierarchies, that allows to address questions and indications of potential misconduct without fear of retaliation and negative consequences.

Respect for human rights as well as the protection of health and safety are essential components of our corporate responsibility. We reject any form of forced labor and child labor. We recognize the right of all employees to form unions and employee representatives on a democratic basis within the framework of applicable legislation.

On 10 December 2021 at the virtual «Mutares Office Day», the Mutares Holding employees have been trained in the updated code of conduct. Approximately 89 % of our employees attended the meeting. Among them were all four members of the Management Board. In addition, the members of the Supervisory Board of Mutares SE & Co. KGaA have been provided with the updated code of conduct. All employees were given access to the materials in the follow-up.

No confirmed incidents of corruption or anti-bribery have been reported in 2021.

Our efforts and endeavors within the topics of business integrity support the following UN Sustainable Development Goal:



16: „Peace, Justice and strong institutions“: Our Group promotes peaceful and inclusive societies for sustainable development.



5.2. FAIR AND RESPECTFUL WORKPLACE

As employer, active in various manufacturing industries, we hold a large responsibility for our employees. Our success is based on the expertise and professionalism of our dedicated employees. Their know-how and skills as well as the ability to adapt rapidly to organizational changes is directly linked to a successful turnaround process. Our employees are indispensable for our long-term economic success. Since we operate in personnel-intensive industries, global labor shortage and employee turnover have an impact on our business performance. We address this challenge by striving to create a work environment that is based on fairness and respect. Providing attractive

working conditions, a safe and healthy workplace and employee development programs are among the Company's most important tasks to attract and retain well-qualified workers. We are in close contact with our employees, the works councils, labor unions and the local communities to ensure that our human resource strategy is in line with our stakeholders' expectations.

Our business model strongly focuses on the realignment and optimization phase of the companies acquired. Once we have acquired a company, we implement a forward-looking corporate strategy and management to raise its long-term value. The management and employees of the companies we acquire play a central role in managing the change associated with the operational optimization. With our broad-based management expertise, we help the acquired companies to rise to this challenge together.

Through our efforts, we have a positive influence on the economic and social environment by preserving jobs and business models that would otherwise disappear from the market. The respective organizational changes are often challenging for our employees, as changes have to be implemented fast and thorough. In our fast-paced business approach it is one of our key goals to recruit and retain key personnel in the company, who are also in high demand. Mutares ensures through a bundle of measures that the company has sufficient highly qualified personnel to operate its business model. This includes not only variable, highly performance-related remuneration structures commensurate with the required high level of expertise; through careful personnel selection, a high degree of autonomy for the restructuring managers deployed and variable, highly performance-related remuneration as far as possible, Mutares also offers an attractive working environment for entrepreneurial personalities. A successful turnaround and the Mutares Group's business success depends to a large extent on experienced key personnel, who must have outstanding cross-industry expertise in corporate transac-

tions, financing and corporate law, as well as operational restructuring, while at the same time being highly resilient.

Our three segments, Automotive & Mobility, Engineering & Technology and Goods & Services, are in general personnel-intensive industries that are built on the know-how of the respective workforce. The success of all our restructuring measures ultimately depends on the qualifications, commitment and team spirit of our employees. We are convinced that significant value enhancement can only be achieved through joint cooperation. It is therefore vital to our success that we recruit and retain well-qualified workers and managers. Their dedication, expertise and know-how are an essential asset to our Company.

Our main social goals are:

- Implementation of a zero-accident safety culture
- Increase diversity

At Mutares, we are creating a workplace that is equally challenging and supportive. For our portfolio companies this comprises the time between the acquisition and exit. We provide our employees the opportunity to develop their personal and professional skills in a fair and respectful workplace. We have set-up processes and policies that support the fair and respectful workplace in all our portfolio companies. This includes training & development, health and safety regulations and non-discrimination measures.

Organizational changes are discussed and aligned with the workforce itself and the most relevant employee-stakeholder groups such as the works councils, labor unions and the local communities to ensure that our human resource strategy is in line with our stakeholder's expectations. As an inter-

nationally operating Group, we have an impact on people and institutions in many areas. For Mutares, an intensive and continuous dialog with these stakeholders is self-evident and creates trust. Due to this open exchange, we can identify trends and new developments as well as opportunities and risks relevant to our corporate responsibility and sustainability goals at an early stage.

Employment

We offer equal opportunities for all and prevent discrimination in the hiring of employees as well as in the promotion or granting of training and development measures.

Our goals in regard to a fair and respectful workplace are set in our code of conduct:

- We treat everyone fairly and with dignity and treat each other with respect and trust.
- We create a work environment that is free from discrimination and harassment and treats all employees equally, regardless of gender, age, skin color, culture, ethnic origin, sexual identity, disability, religious affiliation or world view.
- Each and every employee is required to comply with these standards of conduct at all times.

In our communication, we are open and forthright, trying to minimize conflicts and thus creating an environment where people can contribute to a successful turnaround, both on a personal and corporate level by proactively seeking dialogue and regularly meeting with all employees and informing them about ongoing topics.

We recognize the right to adequate remuneration for all employees. Remuneration and other benefits correspond at least to the respective national and local legal standards or the level of the national economic sectors and regions. Salaries are based on the employees' skills, qualifications and performance and are usually split between fixed and variable amounts.

Personnel

The fundamental basis for value creation are our employees. In the reporting period, the Mutares Holding employed 142 people. The percentage of women in the Mutares Holding accounted for 21%. Worldwide, we employed on average more than 14,000 people in the reporting period. With nine sites in Europe, we are committed to intensive exchange with our international colleagues as well as flat hierarchies.

Diversity, equal opportunities & non-discrimination

We embrace cultural diversity in our Group and are promoting an open, inclusive work environment.

The following principles are defined in our code of conduct:

We do not tolerate any form of bullying or harassment. Neither on a sexual nor on a physical, psychological or other level. Mutares is committed to providing equal opportunities to all qualified employees and applicants. As an employee, you must comply with all laws and regulations that prohibit discrimination with respect to age, physical appearance, gender, ethnic origin, nationality, religion, medical condition, disability, marital status, sexual orientation, political or philosophical views, union membership or any other

characteristic protected by laws or regulations. If one observes or suffers any form of bullying or harassment, employees are encouraged to report to HR or anonymously via the Mutares integrity line. Employees will not suffer any disadvantage if such reports are made in good faith.

The description of the diversity concept with regard to the composition of the General Partner (Mutares Management SE) and the Supervisory Board as well as the related goals are describes in our corporate governance statement available on our website under:

<https://ir.mutares.de/en/corporate-governance/>

In order to increase diversity, we take the following measures:

- Headhunters are asked to provide a min. of 30 % of female CVs
- We pay attention to different nationalities when recruiting
- We recruit junior as well as senior positions in order to have a broad and diverse age demography
- We combat the gender wage gap by paying income regardless of gender

In 2021, eight incidents of discrimination and harassment and thus violations of our code of conduct were reported in our group of companies. Each incident has been reviewed and clarified carefully.

Employee health & safety

The protection of health and safety are essential components of our corporate responsibility. We are committed to creating a healthy and safe work environment. Each and every one of us must comply with all applicable safety standards. We give high priority to safety in the workplace and strive for an accident rate of zero. As of 31 December 2021, ca. 45 % of our portfolio companies have therefore implemented the ISO 45001:2018 (Occupational Health & Safety) certification.

The ISO 45001 Standard specifies the requirements, procedures, and principles that organizations should adopt while implementing occupational health and safety management systems aimed at maintaining and improving health and safety at work.



For a safe, healthy and attractive workplace, we have taken various measures:

- In our manufacturing companies health and safety officers are responsible for coordinating and carrying out OHS measures. Their central tasks include providing workers with safety equipment and promoting safety awareness, documenting work accidents and analyzing potential risks at the work site.
- Each portfolio company tracks the number of workplace accidents on a yearly basis and reports on it.
- We have implemented clear and safe COVID-19 measures.
- We offer our employees modern workplace equipment according to their needs and some fringe benefits, such as free meals when working long hours or discounted mobility services.

The total number of work-related accidents in 2021 are: 391.

The total number of fatal work-related accidents (deaths) in 2021 are: 0.

Training & development

The acquisition and sale of companies as well as restructuring and further strategic development require a high degree of professional competence and management experience. As part of its business model, Mutares must ensure that it has sufficient qualified personnel at its disposal. For this reason, personnel and development interviews are conducted on a regular basis. We support our employees with individual training measures related to their roles and functions. Internal and external trainings are provided.

During the optimization phase of a portfolio company, retention programs are offered to key employees. These programs focus on four pillars: compensation, training, position and visibility.

Our efforts and endeavors within the topics of fair and respectful workplace support the following UN Sustainable Development Goals:



3: “Good Health and Well-being”: We support healthy lives and promote well-being at all ages.



4: “Quality Education”: Within our organization we ensure quality education and promote lifelong learning opportunities.



8: “Decent Work and economic growth”: Our business model promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work.



10: “Reduced inequalities”: With our 23 portfolio companies we reduce inequalities within and among countries.



5.3. VALUE CREATION

By transforming distressed companies into future-proof businesses, we create lasting and value accretive opportunities for our shareholders. Our goals are sector leading risk-adjusted returns and direct performance contribution for every shareholder driven by sustainable dividends. We hold responsibility for realizing the full growth potential and value for our portfolio companies. We take calculated risks to turn them into opportunities and successes for our stakeholders. With a commitment to long-lasting value creation, we fulfill our responsibility towards the portfolio companies and financial responsibility towards our investors and shareholders.

By investing from our own balance sheet, we can act quickly and flexibly in our investment decision-making. This requires a high level of integrity and transparency. Succeeding at this transparent risk calculation is the most vital ambition Mutares owes to its shareholders.

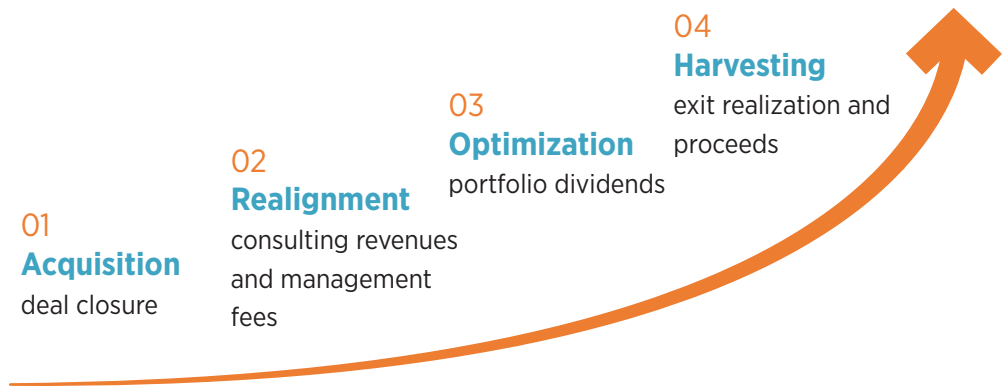
We believe that a strong environmental, social, and governance management creates value in a sustainable, profitable and risk-resilient way. Climate change and its related risks and policies will undoubtedly have an impact on our business model. Rising energy prices for example or the introduction of a CO₂ tax will have an impact on our business performance and the availability of our products. Addressing and managing these potential risk factors is vital for Mutares and its long-term value.

Our goals for value creation are:

- Group-wide integration of ESG practices into business operations
- Integration of ESG Key Performance Indicators into financial reporting system

Companies we acquire often lack their own structures. From unbundling IT systems, building up of new supply chains, relocating production capacity, separating plants or unprofitable divisions to rebranding, the Mutares team solves a wide range of operational challenges to establish a sustainable, independent company.

Our responsibility to creating sustainable and sufficient value is defined through the so-called „value creation life cycle“ of our portfolio companies, comprising four distinct phases:



Our turnaround measures include restructuring actions such as adjusting the product and customer portfolio, optimizing production and work capacities, renegotiating contracts with customers and suppliers to reduce direct and indirect costs and stabilize or increase revenue, but also pursuing strategic, potentially sizeable add-on acquisitions to, among other things, expand the geographic footprint or product portfolio of a portfolio company or to benefit from synergies or economies of scale.

For the promotion of our value creation goals we have taken the following measures:

- Roll-out of ESG review and reporting
- Creation of an ESG position to further drive ESG practices in the business operations

By offering shares to investors via the stock market, Mutares offers the public the opportunity to participate in the investment approach focused on value creation and profit financially from the successful turnarounds of Mutares' portfolio companies. We engage our stakeholders into our investment and business decisions by publishing our financial and non-financial results in reports and providing adhoc and press releases on acquisitions and exits for all our shareholders and the public.

Our non-financial value creation further lies in the successful turnaround of the acquired company in terms of the portfolio company's longevity and job safety. Investing knowledge, infrastructure and resources into companies that would otherwise fail, creates non-financial value for the afflicted communities by saving jobs, tax revenue and reforming companies into success stories.

Our efforts and endeavors within the topics of Value Creation support the following UN Sustainable Development Goals:



1: “No Poverty”: Through promoting financial stability and rescuing jobs, our business model contributes to end poverty.



8: “Decent Work and Economic Growth”: Our business model promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work.



9: “Industry, Innovation and Infrastructure”: With our 23 portfolio companies we build resilient infrastructure, promote sustainable industrialization and foster innovation.



5.4. SUSTAINABLE SUPPLY CHAIN MANAGEMENT

Due to the scale of its business model, Mutares operates a complex and diverse supply chain. We work with a number of third-party service providers that support our day-to-day business operations. Managing this diverse chain of suppliers is vital for the success of each of our portfolio companies in terms of availability of material as well as on-time delivery. Closely related to our value creation, assuming responsibility for every part of our supply chain is key for the sustainability and reputation of our business. Our diversified supply chain respects the local laws and regulations, and we closely monitor legal developments - particularly in regards to the “Act on Due Diligence in Supply Chains” - in regard to take appropriate action where necessary. Not only selected stakeholders, such as the public or the

legislature, but also market forces are driving the issue of sustainable supply chain management. Unknown non-compliance, human rights violations and corruption and bribery matters could adversely affect Mutares in a variety of ways, including fines and reputational damage, risks that we aim to obliterate.

Our main Sustainable Supply Chain-goals are:

- Implementation of supplier and business partner code of conduct
- Integration of social and environmental criteria into supplier audit

Mutares does currently not pursue a group-wide supplier audit or supplier screening program, but in general we focus on partnering with responsible suppliers who comply with environmental and human rights standards. The supplier and business partner code of conduct is in preparation. Our respective companies are often maintaining their own code of conducts in regard to supply chain and operating their own screening and audits. The level of ambition in sustainable supply chain management varies between industries. Some of our portfolio companies assess their biggest suppliers several times a year. Some companies include ESG risks into their code of conducts that are being tracked in corresponding supplier audit programs or ESG questionnaires for its supplier screenings.

To coordinate the supplier management programs in our Group, Mutares aims to develop group-wide standard for sustainable supply chain management. We want to achieve a consensus on corporate responsibility - as set out in our code of conduct - throughout the entire value chain. The Automotive & Mobility segment in particular is facing increasingly stringent transparency requirements, due to imposed guidelines and regulations required from the major automotive manufacturers. Our goal is to ensure that all our portfolio companies are appropriately managing ESG risks that could disrupt their supply chains.

For that matter, we are planning to report the number of supplier audits for the financial year 2023.

Our efforts and endeavors within the topics of sustainable supply chain management support the following UN sustainable development goals:



8: “Decent Work and Economic Growth”: Our business model promotes sustained and sustainable economic growth and fair working conditions through careful management of its supply chain.



12: “Responsible Consumption and Production”: Through our supply chain management, we assume responsibility for our role in the value-added chain and towards the ethical duty to implement human rights and environmental sustainability.



5.5. ENVIRONMENTAL RESPONSIBILITY

Increased attention to sustainable efficiency, meaning reducing resource use or the environmental impact of a product, from our customers as well as regulation highlights the importance of environmental responsibility for Mutares. Our three segments operate mainly in resource- and energy-inten-

sive industries. Critical dependence on the availability, price and quality of resources justifies increased efforts in our portfolio companies to implement recycling mechanisms, circular economy and energy efficiency concepts. We see great potential for sustainable transformation to leverage the sustainable value and growth of our portfolio companies. As the driver of change, Mutares is responsible for preparing the portfolio companies for the long-term risks of climate change and incorporate ESG criteria into the business model.

Our main environmental goals are:

- Improvement of ESG measurement
- Appointment of ESG officer
- Reduce CO₂ by min. 10 % in each portfolio company throughout their affiliation to Mutares Group
- Increasing the number of ISO 14001:2015 and ISO 50001:2018-certified portfolio companies
- Introduce energy efficiency programs through new product lines

At Mutares, we see environmental protection as a success factor for the future sustainable financial development of our business activities. In this context, we continuously work on identifying the key issues and challenges for the business activities of the Mutares Group. As a Company active in the manufacturing sector, the environmental challenges of the 21st century impose nonfinancial risks to our business model, like the introduction of a CO₂ tax. Mutares remains aware of the profound restructuring necessary to mitigate and ideally turn around those risk continuously over the next years. Therefore, we are looking to introduce yearly group-wide reporting on greenhouse gas emissions and energy management. Those efforts are currently reported mainly in the manufacturing sector, in specific the Automotive

& Mobility and Engineering & Technology segment, as adaption to climate change risks is more highly requested in these industries as compared to the industry-standard in the Goods & Services segment. Especially at the portfolio companies, attention is paid to the implementation of environmentally friendly behavior in the internal corporate processes. Furthermore, some portfolio companies already take measures to compensate their CO₂ through climate protection organizations or to reduce energy consumption through LED retrofit programs.

As at 31 December 2021 **ca. 74% of our portfolio companies are therefore certified according to ISO 14001:2015** (environmental management system) and **ca. 25% according to ISO 50001:2018** (energy management system).

Our efforts and endeavors within the topics of environmental responsibility support the following UN Sustainable Development Goals:



6: “Clean Water and Sanitation”: Our business model promotes sustainable management of water.



7: “Affordable and clean Energy”: With our 23 portfolio companies we support the access to affordable, reliable, sustainable and modern energy.



13: “Climate Action”: Our Group takes action to combat climate change and its impacts.

6. SUSTAINABILITY IN THE MUTARES SEGMENTS

With regard to material topics and its risks according to CSR-RUG, a separate implementation is required at segment level, due to Mutares' activities in various industries and different business models. The CFO of Mutares is responsible for implementing the sustainability strategy at Group level. For each of the three segments there is a separate person, who is responsible for the operational integration of ESG material issues and for collecting ESG data within each segment. Every portfolio company faces different challenges resulting from its industry. That is why we have identified specific ESG value

drivers and ESG risks in the four areas of **environment**, **social and human capital**, **business model and governance**, that derive from our materiality analysis (see table on sustainability strategy in chapter 5) for each business segment to reflect the different nature of our portfolio companies.

The following table provides an overview of ESG value drivers and risks we are addressing in the respective segments:



AUTOMOTIVE & MOBILITY

Environment

Energy management
Materials efficiency & waste management

Social and human capital

Product safety (customers and production)

Business model

Product lifecycle management

Governance

Competitive behavior
Materials sourcing



ENGINEERING & TECHNOLOGY

Environment

Greenhouse gas emission
Energy-/water-/waste management

Social and human capital

Workforce health, safety and wellbeing

Business model

Product innovation

Governance

Pricing integrity & transparency



GOODS & SERVICES

Environment

Energy management
Environmental footprint

Social and human capital

Fair labor practices
Data security

Business model

Packaging lifecycle management
Environmental, health and safety performance

Governance

Supply chain management



6.1. AUTOMOTIVE & MOBILITY

Our Portfolio Companies in the Automotive & Mobility segment – our early-cyclic businesses – operate worldwide, supplying prominent international original equipment manufacturers (“OEMs”) for commercial vehicles and passenger cars. In the Automotive & Mobility segment, our customers are OEMs with a strong market position. Their goals (e.g. e-mobility) and standards are affecting directly our portfolio companies. In particular, the effects of climate change and the resulting regulatory changes to reduce CO₂-emission targets will have a considerable impact on the automotive sector in general and thus potentially also on our Automotive & Mobility segment.

The ESG-aspects and risks that matter for our business are:

1. Environment

Most of the energy consumption in the vehicle manufacturing process happens in the supply chain. Auto parts manufacturers’ use of electricity and fossil fuels in their production processes results in direct and indirect emissions of greenhouse gas (GHG). Purchased electricity represents a major share of the energy sources used in the auto parts industry. The auto parts manufacturing process involves the use of significant amounts of material (including steel, iron, aluminum, and plastics, among others). Types of waste generated in the Auto parts industry include machine lubricants and coolants, aqueous and solvent cleaning systems, paint, and scrap metals and plastics.

The main aspects affecting our business are:

- Energy management
- Materials efficiency and waste management

2. Social and human capital

Safe auto parts are critical to ensuring safe vehicles. Responding in a timely manner when defects are identified can protect companies from regulatory action or customer lawsuits, which can affect profitability through one-time costs and contingent liabilities. Human capital addresses the management of a company’s human resources, as a key asset to delivering long-term value. It includes factors that affect the productivity of employees, such as employee engagement, diversity, and incentives and compensation, as well as the attraction and retention of employees in highly competitive or constrained markets for specific talent, skills, or education. Labor practices can have medium- to long-term effect on operational efficiency and liabilities. Improved management of human resources could lower employee-turnover and, as a result, improve workforce productivity. We recognize the importance to long-term value of maintaining high standards of health and safety despite pressures to reduce costs in order to protect profitability.

The main aspect effecting our business in this segment is:

- Product safety (customers and production)

3. Business model

This topic addresses the integration of environmental and social factors in the value creation process of our business model, including resource efficiency and other innovation in the production process. It also includes product innovation and efficiency and responsibility in the design, use phase, and disposal of products. It includes management of environmental and social impacts on tangible and financial assets - either a company’s own or those it manages as the fiduciary for others. The product lifecycle management issue focuses on innovations in the auto parts industry that drive fuel efficiency

and improve end-of-life management of vehicles. Transportation accounts for a significant share of global GHG emissions.

The main topic for Mutares is:

- Product lifecycle management

4. Governance

Auto parts companies are exposed to the risk of supply chain disruptions, input price increases or volatility, and damage to brand reputation, particularly when rare earth or “conflict” minerals and metals are used in their products. Material disruptions of a portfolio company’s business such as the loss of important profitable customers or the delay of major orders in particular can have a negative impact on the net assets, financial position, and results of operations. Auto parts manufacturing is a material-intensive process that is impacted by growing resource scarcity and the increasing prices of critical materials. Relatively high concentration within some segments of the auto parts industry increases the risk that companies may be involved in price-fixing and bid-rigging activities.

The automotive industry is regulated by standards on safety, fuel economy, emissions control, noise control, vehicle recycling, use of substances of concern, vehicle damage, and theft prevention. Our portfolio companies, in the Automotive & Mobility segment, may face a decrease in demand from customers if these regulatory guidelines are not being followed. That being the reason that the following IATF (International Automotive Task Force) and ISO (International Organization for Standardization) standards have been implemented by our companies in this segment.

Relevant for our segment is:

- Competitive behavior
- Materials sourcing



How we are addressing risks for these ESG-value drivers:

			
AUTOMOTIVE & MOBILITY	Main risks for the operation of the segment	Mitigation measures within the segments	Mitigation measures concerning business relationships (supply chain)
Environment			
Energy management	Reduced resource efficiency	Increase share of green energy, investments in solar panels, building combined heat and power plants hedging of energy contracts	Share our values
Materials efficiency & waste management	Reduced resource efficiency	Investments in LED, increase recycling share and look into biomaterials	Integration of partners in value chain
Social and human capital			
Product safety (customers and production)	Reputational risks, non-compliance, low demand	ISO-certificates and other standards	Supplier audits
Business model			
Product lifecycle management	Lower demand	Innovation on segment level	Integration of partners in value chain
Governance			
Competitive behavior	Corruption/ bribery	Compliance management system	Integration of partners in value chain
Materials sourcing	Quality and procurement risks	Standards and certificates	Supplier audits



6.2. ENGINEERING & TECHNOLOGY

Our portfolio companies in the Engineering & Technology segment - our late-cycle business - serve customers from various sectors, including the energy and chemical industries, public infrastructure and the rail sector, in particular in the area of plant and mechanical engineering.

The ESG-aspects and risks that matter for our business are:

1. Environment

The environmental dimension of sustainability in the construction industry includes a company's impact on the environment, either through the use of non-renewable natural resources as the factors of production (e.g., water, energy), or through environmental externalities or other harmful releases in the environment, such as air and water pollution, waste disposal, and greenhouse gas emissions. The industry has made strides in reducing energy use largely through improved efficiency of operations. Much of these gains came from technological innovation and simple process optimization and equipment upgrades. Due to high recycling rates within the construction industry, solid waste volumes are relatively low.

The main aspects affecting our business are:

- Greenhouse gas emissions
- Energy- / water- /waste management

2. Social and human capital

Human capital addresses the management of a company's human resources as a key asset to delivering long-term value. It includes factors that affect

the productivity of employees, such as employee engagement, diversity, and incentives and compensation, as well as the attraction and retention of employees in highly competitive or constrained markets for specific talent, skills, or education. Labor practices can have medium- to long-term effect on operational efficiency and liabilities. Improved management of employees could lower employee-turnover and, as a result, improve workforce productivity. We recognize the importance to long-term value of maintaining high standards of health and safety despite pressures to reduce costs in order to protect profitability.

The main aspect affecting our business in this segment is:

- Workforce health, safety & well-being

3. Business model

Over much of the past decade, environmental concerns have shed light on the importance of developing and using sustainable materials for the construction of homes, buildings and structures. It addresses the integration of environmental and social factors in the value creation process, including resource efficiency and other innovation in the production process. It also includes product innovation, efficiency and responsibility in the design, use-phase, and disposal of products. It includes management of environmental and social impacts on tangible and financial assets.

The main topic for Mutares is:

- Product innovation

4. Governance

In the construction industry, governance issues arise from the relative lack of transparency in the pricing of material which can in turn creates potential for market manipulation with an impact on customers and businesses. It includes furthermore risk management, safety management, supply chain and resource management, conflict of interest, anti-competitive behavior, and corruption and bribery.

Particularly relevant for our segment is:

- Pricing integrity & transparency



How we are addressing risks for these ESG-value drivers:



ENGINEERING & TECHNOLOGY

Environment

Greenhouse gas emissions
Energy-/water-/waste management

Main risks for the operation of the segment

Lower demand
Cost increase and reputation

Mitigation measures within the segments

Investments to reduce emissions
Reducing consumption, hedging of energy contracts

Mitigation measures concerning business relationships (supply chain)

Supplier audits
Screening of new suppliers

Social and human capital

Workforce health, safety and well- being

Non-engaged workforce

ISO-certification and other process standards

Supplier audits

Business model

Product innovation

Lower demand, pricing pressure

Innovation on portfolio level

Screening of new suppliers

Governance

Pricing integrity & transparency

Reputational risks and non-compliance with laws and regulation

Code of conduct guidelines concerning anti corruption and bribery

Code of conduct guidelines concerning anti corruption and bribery



6.3. GOODS & SERVICES

Our portfolio companies in the Goods & Services segment - our non-cyclical business - offer specialized products and services for customers in various sectors.

The ESG-aspects and risks that matter for our business are:

1. Environment

Road transportation of freight generates air emissions mainly from the combustion of diesel in engines. In addition to contributing to climate change through greenhouse gas emissions road freight has a more localized negative effect on air quality. Consumer demand for low carbon or carbon neutral transportation solutions is also driving the need to reduce emissions. Fuel management addresses both fuel efficiency and emissions reduction and offers an effective way for companies to increase profits through reduced fuel costs, while also limiting exposure to volatile fuel pricing, future regulatory costs, and other consequences of GHG emissions.

Electricity consumption based on fossil fuels and other conventional energy sources can contribute to environmental impacts, including climate change and pollution. To reduce energy usage, we can, for example, reduce their lighting power density, construct stores to take advantage of natural light and to have better insulation, and invest in more efficient heating, ventilating, and air-conditioning systems.

The main aspects effecting our business are:

- Energy management
- Environmental footprint

2. Social and human capital

When making a transaction or doing business with a company, they trust their partners and suppliers with personal, company and financial data. In these transactions, companies build up a relationship of trust with their business partners, assuring them of the safety of their information and data. As the threat of cybercrime and other data breaches, particularly in the wake of continued high-profile attacks, data security will become increasingly important for companies to make business.

Human capital addresses the management of a company's human resources (employees and individual contractors), as a key asset to delivering long-term value. It includes factors that affect the productivity of employees, such as employee engagement, diversity, and incentives and compensation, as well as the attraction and retention of employees in highly competitive or constrained markets for specific talent, skills, or education. Labor practices can have medium- to long-term effect on operational efficiency and liabilities. Better management of employees could lower employee-turnover and, as a result, improve workforce productivity.

The relevant topics for Mutares are:

- Fair labor practices
- Data security

3. Business model

As the Consumer goods industry is consumer facing, companies in the industry face public scrutiny over environmental externalities, even if these are not directly tied to their operations. For example, consumers are demanding more sustainable packaging from these companies because the companies have considerable buying power to influence packaging manufacturers. General trends in sustainable packaging involve the light-weighting of existing packaging, increasing levels of recycling and use of recycled content, the use of sustainably sourced materials, and greater logistical efficiency.

It is a consumer trend, that the consumer awareness is increasing concerning hazardous and/or environmentally damaging materials and company practices. Company health and safety performance is important for the workforce and also for the reputation to customers. Worker injuries or fatalities can lead to negative publicity, low worker morale, and increased health care and injury compensation costs.

The main topics for Mutares are:

- Packaging lifecycle management incl. waste management
- Environmental, health, and safety performance

4. Governance

Supply chain management can affect company performance on a range of issues, including environment and safety. Consumer demand for lower emission logistics solutions is driving third party logistics companies to select contractors with fuel efficient fleets.

Relevant for our segment is:

- Supply chain management



How we are addressing risks for these ESG-value drivers:

	Main risks for the operation of the segment	Mitigation measures within the segments	Mitigation measures concerning business relationships (supply chain)
GOODS & SERVICES			
Environment			
Energy management	Increasing pricing and volumes	Reduce consumption, green investments	Longterm secured supply
Environmental footprint	High emissions, lower demand, reputational risks	Fleet modernisation	Hybrid fleet
Social and human capital			
Data security	Data breaches of customer data	Appropriate IT-management	Review partners
Fair labor practices	Non-engaged workforce, recruiting risks	Adequate employment contracts	Supplier audits
Business model			
Management of the packaging lifecycle incl. waste management Environmental, health and safety performance	Lower demand of products	Increase recycling rate/use of environmental friendly materials	Specifications for suppliers
	Non-compliance, workforce risks	Health and safety measures and ISO certificates	Supplier audits
Governance			
Supply chain management	Quality and sourcing risks	Defined requirements	Supplier audits

Munich, 6 April 2022

Mutares Management SE,
General Partner of Mutares SE & Co. KGaA

The Management Board

Robin Laik

Mark Friedrich

Johannes Laumann

7. GRI CONTENT INDEX

Statement of use	Mutares SE & Co. KGaA has reported the information cited in this GRI content index for the period 1.1.2021 to 31.12.2021 with reference to the GRI Standards	
GRI 1 used	GRI 1: Foundation 2021	
GRI Standard	Disclosure	Location
GRI 2: General Disclosures	2-1 Organizational details	Chapter 4.1
	2-2 Entities included in the organization's sustainability report	Chapter 4.1
	2-3 Reporting period, frequency and contact point	Chapter 4.1
	2-6 Activities, value chain and other business	Chapter 4.1 & 4.2
	2-7 Employees	Chapter 5.2
	2-9 Governance structure and composition	Chapter 4.3
	2-10 Nomination and selection of the highest governance body	Chapter 4.3
	2-11 Chair of the highest governance body	Chapter 4.3
	2-20 Process to determine remuneration	Chapter 4.3
	2-22 Statement on sustainable development strategy	Chapter 3
	2-23 Policy commitments	Chapter 4.4
	2-24 Embedding policy commitments	Chapter 4.4
	2-27 Compliance with laws and regulations	Chapter 4.4
	2-28 Membership associations	Chapter 4.4
	2-29 Approach to stakeholder engagement	Chapter 4.5
GRI 3: Material Topics	3-1 Process to determine material topics	Chapter 4.6
	3-2 List of material topics	Chapter 4.6
	3-3 Management of material topics	Chapter 5.2

8. UN GLOBAL COMPACT COP (COMMUNICATION ON PROGRESS)

Period covered: 1.1.2021 to 31.12.2021

1. Statement of continued support by the Chief Executive Officer

To our stakeholders:

I am pleased to confirm that Mutares SE & Co. KGaA reaffirms its support of the ten principles of the United Nations Global Compact in the areas of human rights, labor, environment and anti-corruption.

In this annual communication on progress, we describe our actions to continually improve the integration of the global compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Robin Laik, CEO
in April 2022

2. Description of actions

Human Rights

Please find below the actions we have taken in the area of human rights.

- Ensure workers are provided safe, suitable and sanitary work facilities. (In some of our portfolio companies a Health and Safety Management system has been implemented.)
- Protect workers from workplace harassment, including physical, verbal, sexual or psychological harassment, abuse or threats based on our code of conduct
- Take measures to eliminate designs, defects or side-effects that could harm or threaten human life and health during manufacturing (often in line with the ISO 9001 certification in some of our portfolio companies)

Labor

Please find below the actions we have taken in the area of labor.

- Ensure that the company does not participate in any form of forced or child labor
- Comply with minimum wage standards in all countries we have an operation
- Ensure that employment-related decisions are aligned with relevant stakeholders

Environment

Please find below the actions we have taken in the area of environment

- Avoid environmental damage via regular maintenance of production processes and environmental protection system (air pollution control, waste, water treatment systems, etc.). (In some portfolio companies we implemented the ISO 14001 certificate.)
- Ensure emergency procedures to prevent and address accidents affecting the environment and human health
- Minimize the use and ensure safe handling and storage of chemical and other dangerous substances

Anti-Corruption

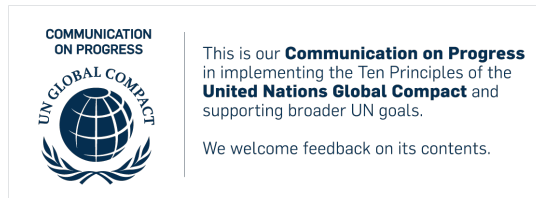
Please find below the actions we have taken to fight corruption.

- Assess the risk of corruption when doing business based on our compliance management system and code of conduct
- Started to pass-on “anti-corruption-” and/or “ethical-” standards to business partners and in the supply chain
- Ensure that internal procedures support the company’s anti-corruption commitment

3. Measurement of outcomes

Our most relevant indicators to measure outcomes are:

- Taxonomy-eligible turnover, capital expenditures (CAPEX) and operational expenditures (OPEX)
- Rate of work related injuries and fatal work related injuries
- Portfolio companies with code of conduct commitment
- Rate of portfolio companies with ISO 14001:2015; ISO 50001:2018 and ISO 45001 certification



9. IMPRINT/CONTACT

Publisher

Mutares SE & Co. KGaA
Arnulfstr. 19
80335 Munich, Germany
Phone +49 89 9292 7760
Fax +49 89 9292 77622
Email info@mutares.com
<https://www.mutares.com>

Mutares SE & Co. KGaA

Registered and Commercial Register of the Company: Munich,
AG Munich, HRB 250347
Chairman of the Supervisory Board: Volker Rofalski

General Partner: Mutares Management SE

Registered and Commercial Register of the Company: Munich,
AG Munich, HRB 242375
Management Board: Robin Laik (Chairman), Mark Friedrich, Johannes Laumann
Chairman of the Supervisory Board: Prof. Dr. Micha Bloching

Disclaimer

The translation of this document was prepared for convenience purposes only.
The German original version prevails.

MUTARES

Mutares SE & Co. KGaA
Arnulfstr. 19
D-80335 München