

MUTARES



# Nonfinancial Group Report 2022



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## GLOSSAR

<b>AG</b>	<b>B2B</b>	<b>CapEx</b>	<b>CEO</b>	<b>CMS</b>	<b>CoP</b>
Stock Corporation (German: Aktiengesellschaft)	Business-to-business	Capital expenditure	Chief Executive Officer	Compliance Management System	Communication on Progress
<b>CSR-RUG</b>	<b>CSRD</b>	<b>ESRS</b>	<b>ESG</b>	<b>EU</b>	<b>GHG</b>
German Corporate Social Responsibility Directive Implementation Act	Corporate Sustainability Reporting Directive	European Sustainability Reporting Standard	Environment, Social and Governance	European Union	Greenhouse Gas
<b>HGB</b>	<b>HQ</b>	<b>H&amp;S</b>	<b>KGaA</b>	<b>KPI</b>	<b>LkSG</b>
German Commercial Code	Headquarter	Health & Safety	Limited Partnership with shares	Key Performance Indikator	Supply Chain Due Diligence Act (German: Lieferketten- sorgfaltspflichtengesetz)
<b>NFRD</b>	<b>OEM</b>	<b>OpEx</b>	<b>UN</b>	<b>SDGs</b>	<b>SE</b>
Non-Financial Reporting Directive	Original Equipment Manufacturer	Operational Expenditures	United Nations	Sustainable Development Goals	Societas Europea



## STATEMENT BY THE CHAIRMAN OF THE EXECUTIVE BOARD



**„We are convinced that our ESG approach leads to sustainable growth from which both our portfolio companies and you as a stakeholder can benefit.“**

**ROBIN LAIK**  
CHAIRMAN OF  
THE EXECUTIVE BOARD

### Dear Stakeholders,

the year 2022 was another successful year, characterised not only by the growth of our portfolio, but also by the further development of our Environment, Social and Governance (ESG) management. With the creation of a dedicated group function for ESG and a human rights officer at Mutares SE & Co. KGaA and the implementation of further sustainability measures, the focus continued to shift towards ESG this year.

In recent years, the consequences of climate change among other things, have already led to increasing ESG regulation in the European Union. Sustainability reporting, as it is regulated for Mutares by the existing reporting obligations of the EU Non-Financial Reporting Directive (“NFRD”), is facing a change. The new regulation of the Corporate Social Responsibility Directive (“CSRD”) adopted by the European Parliament in November 2022 is mandatory for us from the reporting year 2024 onwards. Related innovations include the mandatory application of a framework, the European Sustainability Reporting Standards (“ESRS”). Even though the application of the directive still has time, we are now preparing for it and are therefore already publishing the first key figures from it in this non-financial Group report. In 2023, we will continue to focus on systematically monitoring the ESG key figures of the ESRS in the Mutares Group. This will guide us in identifying further need for action and increasing the ESG performance of our portfolio companies.

On 1 January 2023, the German Supply Chain Due Diligence Act (“LkSG”) came into force in Germany. Compliance with basic human rights and environmental standards was already a matter of course for our portfolio companies. Additional requirements from the new act – such as formalised regular and case-specific risk assessments and the increased consideration of environmental factors in the acquisition phase – are currently being implemented.

We are convinced that our ESG approach leads to sustainable growth from which both our portfolio companies and you as a stakeholder can benefit. A successful turnaround requires an in-depth analysis of the company, its business model and the market. This is the only way to increase the efficiency of a portfolio company and generate financial stability. In identifying relevant ESG measures in the portfolio companies, we are guided by the expertise of our experienced employees. I would therefore like to express my special thanks to all employees of the Mutares Group for their great commitment, their high level of expertise and their dedication.

I would also like to thank our shareholders for their confidence in our long-term and sustainable growth.

Yours sincerely,

**Robin Laik**  
Chairman of the Executive Board



## STATEMENT BY THE CHAIRMAN OF THE SUPERVISORY BOARD



**„As Chairman of the Supervisory Board of Mutares SE & Co. KGaA, I welcome on behalf of the entire Supervisory Board the high priority that the Executive Board and management place on ESG issues at Mutares.“**

**VOLKER ROFALSKI**  
CHAIRMAN OF  
THE SUPERVISORY BOARD

### Dear Stakeholders,

the economy plays a key role in achieving the goals of society, such as compliance with the Paris Climate Agreement. Achieving these goals requires joint efforts across all sectors of the economy.

The Supervisory Board and Executive Board of Mutares SE & Co. KGaA are aware of this social responsibility. Mutares meets this responsibility with a consistent implementation of the ESG topics not only at group level, but also in particular in the portfolio companies – currently 29 – within three segments, Automotive & Mobility, Engineering & Technology and Goods & Services. This includes a continuous further development of our ESG activities, which of course also includes extended legal requirements such as the new German Supply Chain Due Diligence Act (“LkSG”).

At the same time, Mutares also sees ESG as a business opportunity from which the Group and its portfolio companies can benefit. It is now well known that companies that integrate ESG factors into their business strategy not only have a positive impact on the environment and society, but also drive business growth and improve their financial performance.

Against this background, the Supervisory Board regularly addresses the topic of ESG during its meetings, and based on regular reporting jointly focuses with the Executive Board on the risks and opportunities associated with the various ESG topics for Mutares, such as environmental responsibility and social aspects.

As Chairman of the Supervisory Board of Mutares SE & Co. KGaA, I welcome on behalf of the entire Supervisory Board the high priority that the Executive Board and management place on ESG issues at Mutares. Particularly in view of our restructuring-oriented business model, which entails the need of special efforts to bring new portfolio companies quickly up to the high group standards regarding ESG and ESG reporting. Together with the Executive Board, we are of the opinion that there is no alternative to these efforts and that they also contribute to our economic success.

On behalf of the entire Supervisory Board of Mutares SE & Co. KGaA, I would like to express my sincere thanks to all employees in the Group and the portfolio companies for their dedicated work and strong sense of responsibility when it comes to the area of ESG.

Yours sincerely,

Volker Rofalski  
Chairman of the Supervisory Board



Our portfolio company iinovis is an engineering service provider for automotive engineering. The company belongs to the Automotive & Mobility segment.

Team Airbag



## THE MUTARES ORGANIZATION

Mutares SE & Co. KGaA, is a listed private equity holding company with offices in Munich (HQ), Amsterdam, Frankfurt, Tegernsee, London, Madrid, Milan, Paris, Stockholm, Vienna and Poland. Mutares SE & Co. KGaA has its registered office in Munich and is registered there with the local court in the commercial register section B under number 250347. The registered office and headquarters of the company is Arnulfstraße 19, 80335 Munich. This sustainability report covers Mutares Holding, i.e., Mutares SE & Co. KGaA (hereinafter “Mutares”), and the portfolio companies and country entities (“Mutares Group”). As of 31 December 2022, the portfolio of Mutares SE & Co. KGaA’s portfolio included a total of 29 operating investments or investment groups (31 December 2021: 23) and nine Mutares national companies (31 December 2021: eight). The 29 portfolio companies are divided into three segments as follows:

### Automotive & Mobility Segment

No	Portfolio Company	Industry	Location
1	<b>MoldTecs Group</b>	Supplier of high-performance plastic parts for the automotive industry	France
2	<b>Light Mobility Solutions</b>	Supplier of plastic components for the automotive industry	Germany
3	<b>ESF Industrial Solutions Group</b>	Automotive supplier for Fluid transfer systems and sealing solutions	various
4	<b>KICO und ISH Group</b>	System supplier for Automotive Engineering	Germany
5	<b>Cimos Group</b>	Automotive components supplier	Slovenia
6	<b>PrimoTECS Group</b>	Supplier of forged parts in the fields of engine, transmission and drivetrain	Italien
7	<b>iinovis Group</b>	Engineering service provider for Automotive Engineering	Germany
8	<b>Plati Group</b>	Wire harness and cabling manufacturer	Italy

Mutares’ portfolio companies in the **Automotive & Mobility segment** mainly pursue early-cycle business models, operate globally and supply renowned international original equipment manufacturers (“OEMs”) for passenger cars and commercial vehicles.

### Engineering & Technology Segment

No	Portfolio Company	Industry	Location
9	<b>Balcke-Dürr und NEM Energy Group</b>	Supplier and service provider for steam generators with heat recovery, heat exchangers and reactors	various
10	<b>Donges Group</b>	Full-range supplier of steel structures, roof and facade systems	Germany
11	<b>La Rochette Cartonboard</b>	Folding carton manufacturer	France
12	<b>Lacroix + Kress</b>	Oxygen free copper wire manufacturer	Germany
13	<b>Special Melted Products</b>	Supplier of forged and machined special steel products	Great Britain
14	<b>Gemini Rail und ADComms Group</b>	Industrial, technological and infrastructure service provider for the British railroad industry	Great Britain
15	<b>Guascor Energy</b>	Gas and diesel engine manufacturer	Spain
16	<b>VALTI</b>	High precision seamless tube manufacturer	France
17	<b>Clecim</b>	Supplier of high-end solutions for steel processing lines	France
18	<b>Steyr Motors Group</b>	Manufacturer of diesel engines and auxiliary electric drives for special applications	Austria
19	<b>Japy Tech</b>	Cooling tank manufacturer	France

Mutares’ portfolio companies in the **Engineering & Technology segment** predominantly pursue late-cycle business models and serve customers from various industries, including plant design, mechanical engineering, public infrastructure, and the rail sector.



## Goods & Services Segment

No	Portfolio Company	Industry	Location
20	<b>Lapeyre Group</b>	Manufacturer and distributor of products for home furnishing	France
21	<b>Frigoscandia Group</b>	Supplier for temperature-controlled logistics services	Sweden
22	<b>Terranor Group</b>	Provider of road operation and maintenance services	Sweden
23	<b>keeper Group</b>	Household products manufacturer	Germany
24	<b>EXI und SIX Energy Group</b>	Service provider for telecommunications and energy infrastructure	Italy
25	<b>Ganter Group</b>	General contractor in interior design and store fitting	Germany
26	<b>FASANA</b>	Paper napkins manufacturer	Germany
27	<b>Repartim Group</b>	Home repair and emergency services provider	France
28	<b>SABO</b>	Lawn mower manufacturer	Germany
29	<b>Asteri Facility Solutions</b>	Service provider in the field of facility management	Sweden

The portfolio companies in the **Goods & Services segment** – Mutares' non-cyclical business – offer specialised products and services to customers in various industries, ranging from logistics and maintenance services to information and communication technology and manufacturing.

## Mutares Country Entities

In addition, Mutares is represented in further European countries, as of 31 December 2022 with the following country entities:

No	Entity	
1	<b>Mutares France</b>	Mutares France SAS, Paris/France
2	<b>Mutares Italy</b>	Mutares Italy Srl, Milan, Italy
3	<b>Mutares UK</b>	Mutares UK Ltd., London/United Kingdom
4+5	<b>Mutares Nordics</b>	Mutares Nordics Oy, Vantaa/Finland; Mutares Nordics AB, Stockholm/Sweden
6	<b>Mutares Iberia</b>	Mutares Iberia S.L., Madrid/Spain
7	<b>Mutares Austria</b>	Mutares Austria GmbH, Vienna, Austria
8	<b>Mutares Benelux</b>	Mutares Benelux B.V., Amsterdam/Netherlands
9	<b>Mutares Poland</b>	Mutares Poland Sp.z.o.o., Czestochowa/Poland

Details on the scope of consolidation can be found in the Mutares consolidated financial statements for the financial year 2022 (in particular the list of shareholdings, Appendix 1 of the notes to the consolidated financial statements). For the financial year 2020, Mutares' first sustainability report was published on a voluntary basis. From the financial year 2021 onwards, the voluntary reporting was replaced by the mandatory, annual publication of the non-financial consolidated report. This report relates to the financial year 2022, which is based on the calendar year from 1 January to 31 December 2022. It describes the two dimensions of double materiality of the CSR-RUG and thus the impact Mutares has on the environment and society as well as the impact of external influencing factors on the Group. The focus areas of this non-financial consolidated report are the material topics that are considered to have the greatest impact on sustainable development and are therefore particularly relevant for Mutares and its stakeholders (see page 16).





The new regulation of the Corporate Social Responsibility Directive (“CSRD”), which was adopted by the European Parliament on 28 November 2022, will be mandatory for Mutares’ non-financial reporting from the reporting year 2024 onward. The requirements include the application of the European Sustainability Reporting Standard (“ESRS”), a reporting standard which, among other things, prescribes sustainability indicators to measure the ESG performance of a company. In preparation for the requirements of the CSRD from the reporting year 2024, new ESG indicators from the ESRS published in November 2022 are already published in this report, namely energy consumption and composition (E-6) and characteristics of the company’s employees (S1-6). More detailed information on the content of the indicators can be found on page 31 and page 39.

The overall responsibility for sustainability issues at Mutares lies with the Chief Financial Officer. Together with the other members of the Executive Board and the Mutares management responsible for the three segments, the CFO ensures the implementation of ESG issues. At group level, the function of ESG Reporting Manager has been created and filled in the financial year 2022. The responsibilities of this function include the group-wide collection and consolidation of ESG data and its reporting. In 2022, the Mutares Compliance Officer was also appointed as the Human Rights Officer in accordance with Section 4 (3) sentence 1 LkSG.

With the introduction of a new digital platform for the preparation and publication of the United Nations Global Compact Communication on Progress (“CoP”) from 27 March 2023, a statement in the Mutares non-financial group report will no longer apply. The new CoP provides for the transition from the former narrative format to a standardised questionnaire on the dedicated digital platform. Therefore, Mutares will disclose the statement and CoP for the coverage period 1 January 2022 to 31 December 2022 via the new platform and additionally make it publicly available to our stakeholders on the Mutares website at [mutares.de/nachhaltigkeit](https://mutares.de/nachhaltigkeit).

Mutares generally uses gender-neutral language. In some parts of the report, the generic masculine form is used for reasons of readability and comprehension.



## ACTIVITIES

### We are the “investment entrepreneurs”.

The business approach of Mutares SE & Co. KGaA comprises the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in transition situations as well as their subsequent sale. When selecting targets, Mutares focuses on identifying existing value creation potential that can be realised after an acquisition through comprehensive operational and strategic optimization or transformation measures. As part of its business model, Mutares actively and systematically searches for targets in situations of transition in order to leverage existing value potential with innovative and individually tailored solutions and thus acts as a private equity investor for specialty situations.

After taking over targets through its own acquisition companies, Mutares identifies improvement areas along the entire value chain in the portfolio companies using its own specialists and in close cooperation with the local management, which together result in a comprehensive optimization and transformation programme that regularly addresses all relevant ESG topics.

The core competence of Mutares is to carry out the transformation with its own operative team. The management and the employees of the portfolio company play a central role in managing the change that comes with operational optimization. The involvement of the portfolio company employees and the participation of the management in the company's success is a central element of the development strategy for Mutares. Through close cooperation with Mutares consultants on site, the recovery course of the acquired companies is supported in a targeted manner by applying Mutares' extensive restructuring know-how. In addition to qualified and experienced management, the operational team also includes Mutares consultants and comprises 125 employees from the country entities and Mutares Holding as of 31 December 2022.

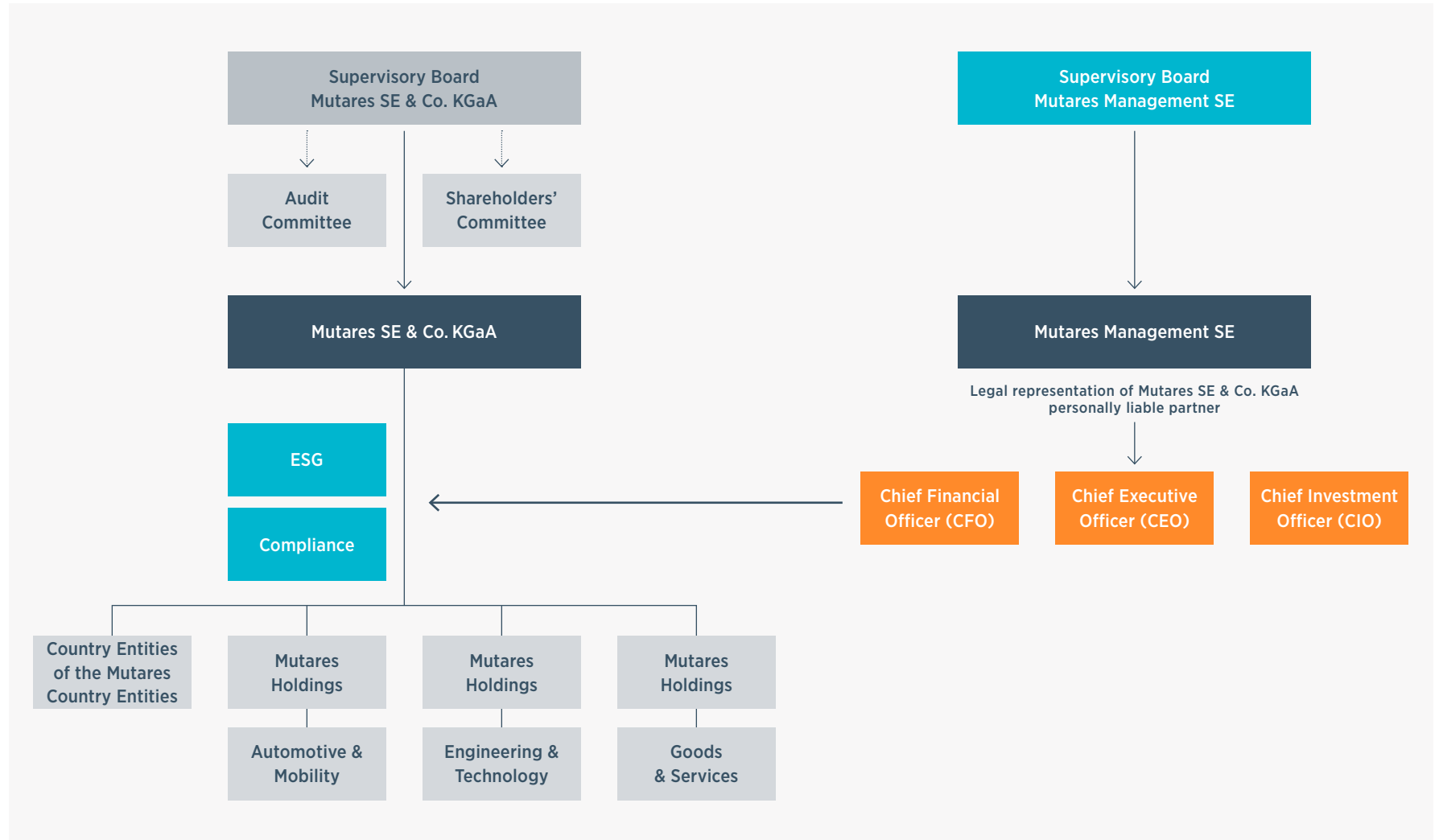
Mutares is committed to its portfolio companies during the entire time they are part of the Mutares Group and acts as a responsible and entrepreneurial shareholder who reliably and actively supports the upcoming transformation – based on extensive, long-term industrial and restructuring experience. The aim is to transform unprofitable companies into independent and dynamically operating medium-sized companies with competitive and profitable business models, to further develop them through organic and inorganic growth and finally to sell them at a profit – usually within three to five years after acquisition. Against the background of these core elements of the business model, Mutares refers to itself as an “investment entrepreneur”.



# GOVERNANCE

Responsible corporate governance is firmly embedded in Mutares' corporate values.

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.



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**The Supervisory Board of Mutares SE & Co. KGaA and Mutares Management SE are composed of members who, due to their broad expertise and practical experience, are able to actively accompany the development of the company.**

### **Mutares Management SE (personally liable partner)**

In the legal form of a KGaA, the duties and obligations 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, whose Executive Board (“Executive Board”) thus manages the Company’s business.

### **Supervisory Board**

The Supervisory Board of the Company shall consist of four members elected by the General Meeting. The members of the Supervisory Board shall be appointed by the General Meeting for the period until the end of the General Meeting which resolves on the discharge for the fourth financial year after the beginning of the term of office, unless the term of office is determined otherwise. The financial year in which the term of office begins shall not be included in this calculation. The general meeting shall decide on the amount of the remuneration of the members of the supervisory board. The supervisory board has the duty to examine the separate non-financial group report.

### **Audit Committee**

The Supervisory Board forms and appoints an Audit Committee from among its members. The audit committee consists of two members and, on behalf of the supervisory board, is mainly concerned with monitoring the preparation of the annual financial statements and the consolidated financial statements and supervising the work of the auditor.

### **Shareholders’ Committee**

The Shareholders’ Committee consists of four members who are elected by the General Meeting. The Shareholders’ Committee has representation and management authority for the legal relationships between the Company on the one hand and the general partner and/or the members of its executive bodies on the other.



## STRATEGY, POLICIES AND PRACTICES

### WE SUPPORT



For Mutares, acting and operating in a sustainable manner is an integral part of the corporate philosophy. Both the Executive Board and the employees are aware of their responsibility and the relevance of the material sustainability topics that are critical to the Group's success. In the phases of optimization, repositioning and/or development of portfolio companies, ESG issues are part of the daily decision-making alongside financial stabilization. Mutares' approach to future-proofing companies for the long term is guided by the 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 CO<sub>2</sub>-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.** Mutares' governance aims to systematically drive the transformation of the portfolio companies and to open up a future for their employees as part of an independent and dynamically operating medium-sized company with a competitive and profitable business model.

Mutares has been a member of the UN Global Compact since 2021 with the aim of anchoring sustainability in the company and contributing to its implementation. The UN Global Compact is the world's largest initiative for responsible corporate governance with a vision of a sustainable global economy based on ten universal principles in the areas of human rights, labour standards, environment and climate as well as corruption prevention. As a signatory of the UN Global Compact, Mutares recognises its ten principles as binding guidelines for the implementation of its sustainable goals and processes. In this report, the topics that belong to the most important principles of the UN Global Compact are: (i) human rights, (ii) labour standards, (iii) environment and (iv) corruption prevention.

As a signatory to the UNGC, Mutares is also committed to the **17 UN Sustainable Development Goals (SDGs)**, which promote direct action in the areas mentioned. With the measures taken, Mutares supports the following Sustainable Development Goals defined by the United Nations:



At Mutares, ESG aspects are not only addressed at the level of the holding company, but also at the portfolio companies with their very different business models. For this purpose, project-specific investment and operations teams consisting of advisors from Mutares Holding work together in close coordination. The support of these Mutares teams covers all four phases that a portfolio company undergoes within the transformation – also in regard to ESG:



**By implementing a forward-looking business strategy and management within the acquired companies Mutares creates long-term value.**

### Acquisition

In the due diligence phase prior to the acquisition of a portfolio company, governance aspects as well as certain environmental risks such as the presence of contaminated sites and pollutants in the assets are included in the due diligence. The aim is to avoid taking on unwanted risks. In addition, in accordance with the rules for sustainable financing followed by Mutares, certain industries, namely the manufacture and distribution of tobacco products and companies that produce war materials in the broadest sense, are excluded as investments or limited to a low level of <5% of total group turnover. Mutares informs the public in a timely manner about all acquisitions made in the form of press releases and/or mandatory announcements.

### Realignment

After the completion of an acquisition, Mutares' first task is to ensure the long-term and profitable market presence of the acquired company. In addition to any financial support, Mutares provides management know-how and expertise through Mutares' own operations team, which brings industry-specific and future-oriented management to the acquired company. Necessary organizational changes are usually coordinated with the employee-related stakeholders, the works council, the trade unions, the local community and the employees themselves.

### Optimization

The integration of sustainability into the daily business operations is mainly implemented by Mutares in the optimization phase. At the latest in this phase, measures for sustainability reporting are implemented. Further, ESG-related measures in this stage can also include capital investments in individual portfolio companies, which – in connection with the goal of reducing operating expenses – can also have a positive impact on the efficiency and sustainability of the respective portfolio company (for example energy consumption, CO<sub>2</sub>, etc.).

### Harvesting

When exiting a portfolio company, the financial return is the primary objective. However, Mutares has also set the goal that portfolio companies are more sustainable in terms of good ESG management at exit than at the time of acquisition. With regard to the future of the portfolio company, it is important that they act autonomously and independently, also in the area of ESG and ESG reporting. As a rule, portfolio companies should have established processes for sustainability reporting in the harvesting phase that already meet the future requirements of new sustainability legislation.

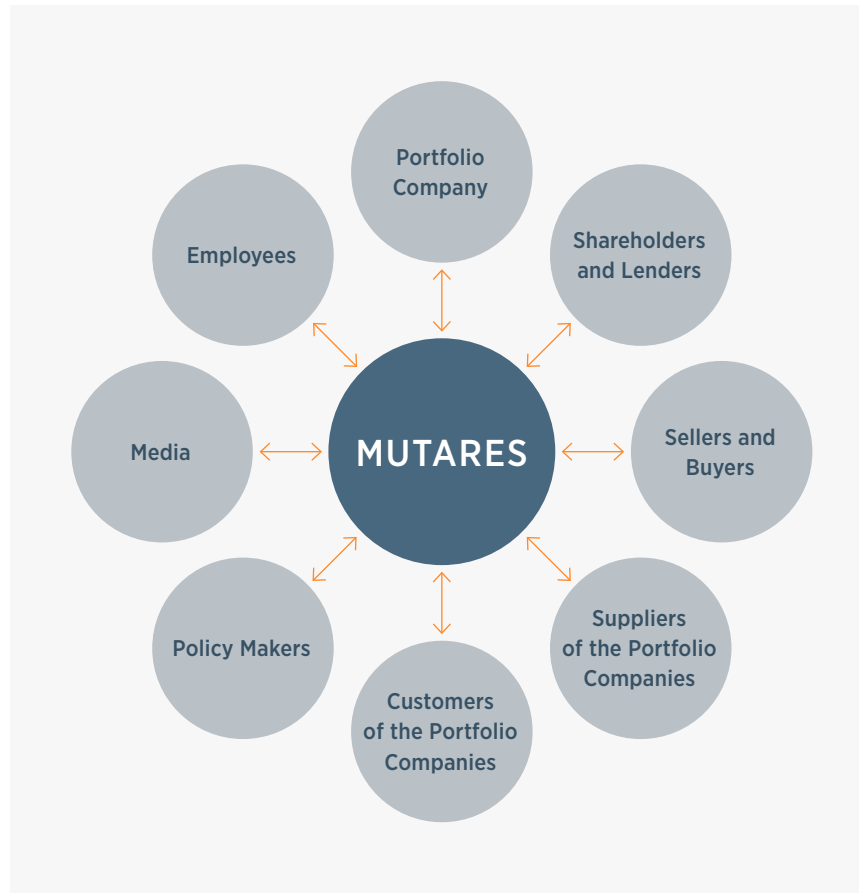


## STAKEHOLDER ENGAGEMENT

**Effective stakeholder engagement is crucial for the long-term success of the organisation.**

Mutarees strives to align the expectations of stakeholder groups in the conduct of its business. Stakeholders are individuals, companies, institutions and interest groups that actively cooperate with Mutares and thus can influence the activities of Mutares and its portfolio companies or are affected in some way by Mutares’ business activities.

**The most important stakeholder groups with which Mutares regularly interacts and seeks dialogue are:**



Mutarees specialises in the acquisition, transformation (restructuring, optimization and repositioning) and/or development of companies in transition situations and their subsequent sale. The transaction cycle, from identifying potential sellers or buyers, to negotiating with them, to successfully closing a transaction, requires trusting relationships and open dialogue.

Mutarees believes that in order to drive a successful transformation, it is critical to engage with all stakeholders. This means that Mutares welcomes suggestions from stakeholders on areas for improvement, particularly in relation to potential ESG risks. Mutares is committed to an open communication culture and encourages stakeholders to engage directly with known Mutares stakeholders whenever possible. However, Mutares recognises that there may be situations where this channel is not available to individual stakeholders. In such cases, stakeholders can report any information, including information about human rights or environmental risks in Mutares’ operations, through Mutares’ whistleblowing system.

As a listed private equity company, financial communication is crucial, especially for investors. At Mutares, this communication goes beyond the mandatory reporting in the quarterly financial reports and the Annual General Meeting and includes regular press releases as well as specific investor events such as the Mutares Capital Markets Day.

Mutarees’ objective is to provide appropriate and equal information to all stakeholders on value creation, financial stability and sustainability issues, as well as the risks arising from business activities, through a combination of mandatory reporting and additional voluntary communication. With regard to information on sustainability issues, Mutares has established a dedicated section on its website [mutares.de/nachhaltigkeit](https://mutares.de/nachhaltigkeit) where all reports, presentations and further information on sustainability issues are made publicly available.

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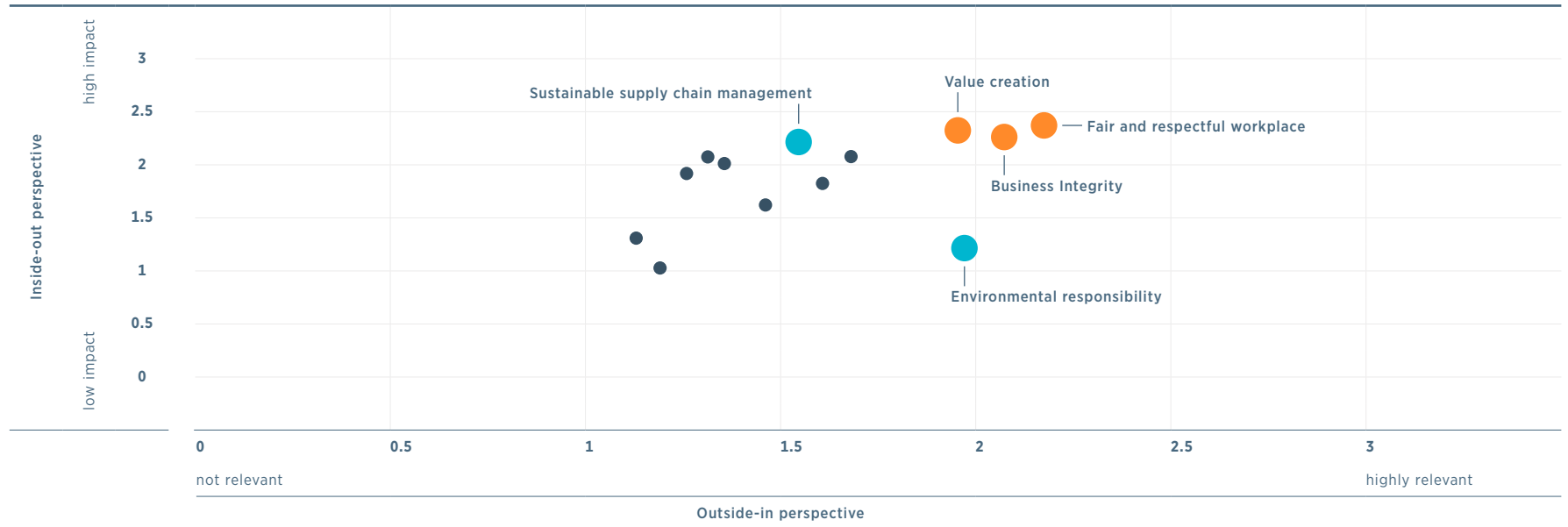


## MATERIAL TOPICS AND MATERIALITY MATRIX

In order to identify relevant sustainability aspects, the materiality analysis of the Mutares Group was updated in 2021, which again forms the basis for this non-financial consolidated report. The material topics were assessed in terms of Mutares' impact on the environment and society and their respective relevance for business success from an outside-in and inside-out perspective in accordance with the requirements of section 289c (3) of the German Commercial Code (HGB).

Accordingly, three topics are material: **Business Integrity Fair and Respectful Workplace** and **Value Creation**. In addition to the material topics, it was also decided in 2021 to include the topics of **sustainable supply chain management** and **environmental responsibility**, which were not identified by stakeholders as material in terms of the defined materiality thresholds but were ranked fourth and fifth. From the perspective of Mutares, these two topics are also considered material because of their relevance to potential internal or external impacts from both the company's and stakeholders' perspectives. The result of this process was agreed by the Board of Directors in 2021.

### 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 following aspects were assigned to the material topics:

Business Integrity	Fair and Respectful Workplace	Value Creation	Sustainable Supply Chain Management	Environmental Responsibility
Ethical Business Practices and Compliance	Health, Safety and Wellbeing of the Employees	Sustainable Economic Stability	Human Rights Compliance	Resource Efficiency
Information Security and Data Protection			Supply Chain Management	Circular Economy
Statutory nonfinancial reporting requirements				
Respecting Human Rights	Employee Matters	Environmental Matters	Respecting Human Rights	Environmental Matters
Combating Corruption and Bribery	Social Matters	Social Matters	Combating Corruption and Bribery	

A separate analysis of Mutares’ activities in different industries was carried out as part of the group-wide materiality analysis in 2021. Mutares divides the portfolio into three segments: **Automotive & Mobility, Engineering & Technology** and **Goods & Services** (see page 7 to 8 for further information). The identified material topics for Mutares sustainability reporting do not differ significantly between the segments and thus the Mutares portfolio companies. Although end products and services differ (e.g., manufacturer of steel structures vs. paper napkins), Mutares portfolio companies however mostly operate in labour-intensive industries in the manufacturing sector. The tendency towards high labour intensity and commercial production typically results in similar ESG aspects across the segments. As a result, portfolio companies regularly face similar ESG challenges. Typically, these are in the areas of labour safety, employee retention and labour shortages, raw material availability and efficiency, product innovation, supply chain risks, as well as energy and water consumption, packaging and waste, corruption and bribery, and competitive behaviour. A segmental view in the non-financial group report is therefore only meaningful to a limited extent.

Typically, however, the portfolio companies go through the same phases of the life cycle phases during their affiliation with the Mutares Group, irrespective of their segment affiliation, which includes acquisition, transformation, further development and subsequent sale (see page 14).

Depending on the life cycle phase of a portfolio company, Mutares’ ESG requirements for the respectively differ. A company in the realignment phase has to focus on the often very urgent stabilization of its business, which means that financial and personnel capacities for certain ESG measures are often not yet available or only to a limited extent. In this phase, Mutares’ key ESG requirement for portfolio companies is focused on operating in compliance with legislation and avoiding civil, criminal and labour law consequences.

In the subsequent phases, the necessary financial and human resources must be invested in the further development of ESG-relevant business processes in order to implement measures to improve relevant ESG issues. Examples include energy efficiency programmes, value-added product innovation, carbon footprinting and environmental management system certification. These measures not only contribute to better ESG performance in the portfolio companies, but also prevent potential buyers from reducing the value of the portfolio companies in a subsequent sale process, or result in an increase in value. This is the only way to ensure that portfolio companies, even under new ownership, are able to meet the growing demands of stricter ESG legislation as independent companies.

Against this background, Mutares only touches on segment-specific ESG risks and the segment-specific management of material issues in the individual chapters of this Non-Financial Report and supplements them with relevant life-cycle ESG aspects (see page 23 to 41).



## SUSTAINABILITY RISKS AND OPPORTUNITIES

**The consideration ESG risks and opportunities -opportunities is crucial to create long-term value creation and to meet the requirements of stakeholders.**

**Sustainability risks** include environmental, social and governance (ESG) risks and can have an impact on a company's earnings, financial position and reputation. In identifying sustainability risks, Mutares is guided by the key defined areas of action. This is done both from an inside-out perspective, in terms of risks associated with Mutares' business activities that could have a negative impact on the environment and society, and from an outside-in perspective, in terms of risks that could have a direct negative impact on the company.

Sustainability risks include **environmental risks**, i.e. risks to the health of people, living beings, habitats and nature that arise from a company's business activities and/or its products (inside-out perspective). Causes can include waste, chemicals and raw materials that lead to air, soil and water pollution.

Mutares may be exposed to these risks at the level of the portfolio companies, for example through the acquisition of unknown soil and groundwater pollution, which may result in costly remediation requirements. Mutares carefully examines potential environmental risks and their costs prior to the acquisition of a target company in the context of due diligence. Environmental risks can also occur as a result of an accident, for example if harmful substances leak into the environment. The occurrence of such environmental risks, in the operational phases of a company, is counteracted through an active approach to environmental protection and occupational safety and employee training the production sites of the portfolio companies.

Environmental risks can also include **climate-related risks**, which can be physical or transitional. Physical climate risks include risks of direct damage and/or costs to a company (outside-in perspective) as a result of physical phenomena such as extreme weather events. A distinction is made between increasing frequency and intensity (acute climate risks) and longer-term changes in mean values and ranges of various climate variables (chronic climate risks). Mutares addresses acute, physical climate risks, which can have an impact on the earnings and liquidity situation at the level of the portfolio company, e.g. through a shutdown of operations or through repair and investment costs.

Chronic, physical climate risks may be relevant to those portfolio companies that operate in locations that will be more exposed to extreme weather events in the future, such as locations near coastlines and bodies of water. These are not directly affected by loss events today, but may be in the future due to the effects of climate change. Where a portfolio company is exposed to chronic, physical climate risks, physical measures such as flood defences are taken.

Climate-related transition risks can arise from new legislation and other structural changes, particularly in the context of the transition to a low-carbon economy. These climate-related transition risks fall into four sub-categories: Political and regulatory risks, technological risks, market risks and reputational risks. Climate-related transition risks can arise from new legislation and other structural changes. For example, increasing consumer focus on climate change creates market risks for a company's products and services that do not contribute to a carbon-neutral economy. Political and regulatory changes, such as the introduction of a carbon tax, can have a negative impact on business operations. Changes in relationships with local institutions or reputation in local communities can also have a significant negative impact on Mutares.

**Social risks** includes risks to individuals and human rights that may arise from Mutares' operations (inside-out perspective). Examples not specific to Mutares are listed below: Health and safety in the workplace, discrimination, child labour and forced labour in the supply chain. Outside-in social risks for Mutares can be caused by direct or indirect employees and business partners.

Mutares' three segments are generally labour-intensive industries and therefore dependent on the availability of qualified personnel. The existing shortage of skilled labour can therefore potentially hinder Mutares' business activities. To counteract this risk, an attractive working environment is to be ensured. Therefore, occupational safety measures and health-promoting measures for well-being are implemented or offered in particular in portfolio companies in personnel-intensive and manufacturing industries. However, in the course of the usually necessary transformation or restructuring of newly acquired portfolio companies, it may become necessary to reduce jobs in order to lower operating costs and to open up the future viability of the portfolio company. Such measures of staff reduction can be decisive for a successful restructuring, which in turn is a prerequisite for counteracting further risks, such as the consequences of climate change, with generated financial resources. Against this background, the acquisition of a portfolio company can lead to the materialization of social risks for the local workforce and community that are typical for restructuring. In order to



reduce such possible social risks for employees as far as possible or in a socially acceptable manner, major organizational changes are discussed with the workforce and the most important stakeholders such as works councils, trade unions and local communities and, as far as possible, agreed in advance to ensure that the human resources strategy is in line with the expectations of the stakeholders as far as economically justifiable.

In the context of **controlled and transparent corporate governance**, Mutares, as well as individuals and the environment, may be exposed to certain risks. It is conceivable that Mutares could be exposed to legal disputes and proceedings related to unethical corporate governance by business partners. In addition, non-compliance with legal requirements and regulations may lead to regulatory proceedings; future new regulations, such as the CSRD in connection with the mandatory application of the ESRS, as well as the LkSG, will lead to new requirements for portfolio companies and sustainability reporting. In order to meet these requirements, Mutares and its portfolio companies are preparing for the new requirements as early as possible. For this purpose, the first preventive measures in the area of non-financial reporting have already been implemented and will be further developed until the mandatory application of the regulations, with the aim of ensuring the quality of the data while at the same time complying with the future legal requirements.

The risk management system for the operational and strategic management of sustainability risks and opportunities was further expanded and improved during the year. The management of reported risks is critical to Mutares and its sustainable development. Sustainability risks are integrated into the risk management system on a net and gross basis, with the aim of operational and strategic management and the definition of measures, including continuous improvement where necessary. The risk management system also monitors the effectiveness of risk mitigation measures and their successful implementation.

While the inclusion and establishment of measures for classic environmental, social or governance risks is already an established process at most portfolio companies, the identification, assessment and mitigation of certain emerging non-financial risks, such as climate-related risks, requires up-to-date expertise. For this reason, Mutares now provides active support and regular training to portfolio company risk managers on this topic, including the specific expertise required to assess, for example, location-specific future physical climate risks. This ensures that sustainability risks that could negatively impact Mutares' business development are adequately addressed.

Managing these ESG risks and potential ESG risk factors is critical to Mutares and its approach to long-term value creation. Mutares' business model is to acquire companies that are in transition or distressed situations and often do not have ESG processes or strategies in place. Therefore, governance issues and environmental risks, such as the presence of contaminated sites and pollutants, are assessed before an acquisition is made. While ESG risk taking is to some extent unavoidable as part of the business model, it can potentially be used to identify and exploit new opportunities.

Post-acquisition, Mutares' investment and operational advisory teams actively work with portfolio company management teams to uncover unidentified ESG risks and to develop and implement mitigation strategies for identified ESG risks. As part of a company's repositioning and transformation, Mutares and the portfolio companies have the opportunity to actively promote and implement ESG issues in order to be better positioned for the future and create value.

Non-financial risks are assessed on a quarterly basis. For the period under review, the Executive Board has not identified any significant risks in the context of a net risk assessment as defined in Section 289c (3) of the German Commercial Code.



## REPORTING OBLIGATIONS ACCORDING TO ART. 8 OF THE EU TAXONOMY REGULATION

**The EU Taxonomy is an important step towards a common framework for environmentally sustainable investments.**

With the following and in conjunction with the Appendix, Mutares fulfils the reporting requirements pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) and the Delegated Act supplementing Regulation (EU) 2020/852. The Taxonomy Regulation, which was 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 to disclose the share of their economic activities based on revenues, capital expenditures (CapEx) and operating expenditures (OpEx) that is taxonomy-eligible or not taxonomy-eligible as well as taxonomy-compliant or not taxonomy-compliant.

For the financial year 2022, Mutares reports for the second time company key figures regarding taxonomy eligibility or taxonomy compliance according to the EU Taxonomy Regulation on the two environmental goals “climate protection” and “adaptation to climate change”.

The conformity assessment as part of the EU taxonomy is mandatory for the first time for the reporting year 2022 and has therefore also been analysed for the first time by Mutares and its portfolio companies as well as aggregated at Group level. This analysis did not identify any business activities of Mutares that are compliant with the taxonomy. The analysis of the social minimum standards resulted in non-compliance, as systematic due diligence processes for compliance with the social minimum standards are currently not implemented on a widespread basis.

The scope of consolidation of the taxonomy key figures corresponds to that of the consolidated financial statements of Mutares SE & Co. KGaA for the financial year from 1 January to 31 December 2022.

Against the background of a business model focused on acquisition, restructuring and subsequent Exit, Mutares’ portfolio is subject to constant changes in composition. New acquisitions influence the taxonomy-eligible and taxonomy-compliant key figures at group level; the Exit of successfully repositioned portfolio companies tends to lead to a reduction of these key figures at group level. Accordingly, the figures for Mutares’ taxonomy-eligible and also taxonomy-compliant share are expected to show significant volatility in the coming reporting years depending on the transaction activity and the associated composition of the portfolio. At the same time, in line with Mutares’ investment approach focusing on companies in transition, the processes and structures of the portfolio companies show significant potential for improvement, at least at the time of acquisition by Mutares. In this respect, the principles and parameters on which the conformity assessment is based on are naturally at least capable of improvement. Due to the purely binary approach of the EU Taxonomy conformity assessment this results in completely non-compliant key figures for Mutares in terms of the Taxonomy Regulation.

### Revenues

Taxonomy-eligible and -compliant revenues were determined by examining the EU taxonomy’s criteria for taxonomy-eligible revenues in the areas of “climate change mitigation” and “climate change adaptation” based on the business activities of Mutares Holding, country entities and the entire portfolio companies according to the scope of consolidation. The compliance assessment also includes an analysis of the technical verification parameters, the “Do No Significant Harm (DNSH)” principle and the minimum social standards.

The total revenue of the Mutares Group for the financial year 2022 amounts to EUR 3,751.7 million (previous year: EUR 2,504.0 million). Of these, a total of 14.5% are taxonomy-eligible (previous year: 15.3%<sup>1</sup>) and 0.0% are taxonomy-compliant turnover, which corresponds to a value of EUR 542.2 million (previous year: EUR 382.3 million<sup>1</sup>) for taxonomy eligibility and EUR 0.0 million for taxonomy compliance. The remaining EUR 3,209.5 million (previous year: EUR 2,121.7 million<sup>1</sup>) of revenue is not taxonomy-compliant. In total, EUR 3,751.7 million of the turnover is not taxonomy-compliant. Due to the different industries in which the portfolio companies operate, the revenues that are considered taxonomy-compliant are distributed across different activities of the taxonomy. The major part of these revenues is attributable to the criteria sets 6.15 Infrastructure for road transport and public transport, 6.6. Freight transport by

<sup>1</sup> Within the assessment for the non-financial group report 2022, an adjustment of the previous year’s EU-Taxonomy KPIs was carried out. The reinterpretation of the criteria sets resulted from new information available from the FAQ papers on the implementation of the EU Taxonomy by the EU Commission from 19 December 2022.



road and 3.9 Manufacture of iron and steel. These result from economic activities of the portfolio companies in the sectors of maintenance of public road infrastructure, logistics and forging of steel.

### Capital Expenditures (CapEx)

The taxonomy-compliant capital expenditures were determined by subjecting the sets of criteria of the taxonomy-compliant capital expenditures for the areas “climate protection” and “adaptation to climate change” to an analysis of the business activities of Mutares Holding, country entities and the portfolio companies. The compliance assessment also provides for the analysis of the technical verification parameters, the “Do No Significant Harm (DNSH)” principle and the minimum social standards.

The capital expenditure relevant for the EU taxonomy amounts to EUR 595.3.1 million (previous year: EUR 906.3 million) for the 2022 financial year. Of this, 34.3% (previous year: 56.8%<sup>1</sup>) is taxonomy-eligible CapEx and 0.0% is taxonomy-compliant CapEx, corresponding to EUR 204.2m (previous year: EUR 514.9m<sup>1</sup>) and EUR 0.0m respectively. The remaining EUR 391.1 million (previous year: EUR 391.4 million<sup>1</sup>) are not taxonomy-compliant. In total, EUR 595.3 million are not taxonomy compliant. For the taxonomy-eligible capital expenditure, by far the largest share 78% (previous year: 54.0%<sup>1</sup>) is attributable to criteria set 7.7. acquisition of and ownership of buildings and is mainly due to corporate advertising.

### Operational Expenditures (OpEx)

The taxonomy-compliant operating expenses were determined by subjecting the sets of criteria of the taxonomy-compliant operating expenses for the areas of “climate protection” and “adaptation to climate change” to an analysis of the business activities of Mutares Holding, country entities and the portfolio companies. The compliance assessment also provides for the analysis of the technical verification parameters, the “Do No Significant Harm (DNSH)” principle and the minimum social standards.

The total operating expenses defined within the framework of the EU taxonomy amount to approximately EUR 74.8 million for the financial year 2022 (previous year: EUR 54.5 million). This results in 13.1% taxonomy-eligible OpEx for Mutares (previous year: 11.3%<sup>1</sup>), corresponding to a value of EUR 9.8 million (previous year: EUR 6.1 million<sup>1</sup>), and 0.0% taxonomy-compliant OpEx, corresponding to a value of EUR 0.0 million. The remaining EUR 65.1 million are not taxonomy-compliant (previous year: EUR 48.3 million<sup>1</sup>). In total, EUR 74.8 million of the operating expenses are not taxonomy-compliant. The majority of the taxonomy-eligible OpEx 42% is attributable to criteria set 7.7 Acquisition and ownership of buildings.

<sup>1</sup> Within the assessment for the non-financial group report 2022, an adjustment of the previous year's EU-Taxonomy KPIs was carried out. The reinterpretation of the criteria sets resulted from new information available from the FAQ papers on the implementation of the EU Taxonomy by the EU Commission from 19 December 2022.



Our portfolio company Special Melted Products is a supplier of forged and machined specialist steel products. The company belongs to the Engineering & Technology segment.



## MANAGEMENT OF MATERIAL TOPICS

The materiality analysis is an indispensable method for companies to identify material ESG topics and respective requirements.

In the first non-financial report for the 2021 reporting year, the Group-wide targets derived from the materiality analysis were published. In 2022, we will work to manage and measure the company's non-financial performance based on these initial targets. Mutares' activities to manage the identified material issues can be mapped to selected

UN SDGs, which, together with the Mutares Sustainability Strategy and the aspects of the CSR RUG, are summarised in the table below, providing a summary overview of Mutares' approach to managing the identified material issues.

Material Topics	ESG value driver	Goal	Time frame	KPI	CSR-RUG Aspect	SDG
<b>Business Integrity</b>	<b>Ethical Business Practices and Compliance<sup>1</sup></b>	Group-wide roll-out of our existing Compliance Management System ("CMS")	2024	Portfolio Companies for which the Group-wide CMS was initiated in the reporting year	Combating Corruption and Bribery	16: Peace, Justice and strong institutions
		Group-wide Roll-out of the Mutares Code of Conduct	2023	Share of portfolio companies with a code of conduct established in the reporting year, in % New employees trained on the code of conduct in the reporting year, in %	Respecting Human Rights	
		Sanction and Violation-Screening System	2023	Confirmed incidents of corruption or bribery in the Mutares Group in the reporting year		
<b>Fair and respectful work place</b>	<b>Health, Safety and Wellbeing of the Employees</b>	Implementation of a Zero-Accident Safety Culture	2023	Occupational accidents and fatalities of employees in an employment relationship with Mutares or its portfolio companies Portfolio companies with valid ISO 45001 (occupational health and safety) certification in the reporting year	Employee Matters Social Matters	8: Decent work; 10: Reduced Inequalities; 3: Good Health and Well-being; 4: Quality Education
		Increase Diversity (Gender and Nationality)	2026	Characteristics of the undertaking's employees (ESRS S1-6)		
<b>Value Creation</b>	<b>Sustainable Economic Stability</b>	Integration of ESG Practices into Business Operations	2023	KPI in development	Environmental Matters	8: Decent work and economic growth; 9: Industry, innovation and Infrastructure
		Integration of ESG Key Performance Indicators into Financial Reporting System	2022	ESG KPIs integrated		

<sup>1</sup> The goal defined in 2021 of establishing an anonymous whistleblower hotline accessible to all employees by 2023 will be removed as part of the 2022 non-financial Group report, as Mutares will meet this under the obligations of the EU Whistleblower Directive.



Material Topics	ESG value driver	Goal	Time frame	KPI	CSR-RUG Aspect	SDG
<b>Sustainable Supply Chain</b>	<b>Human Rights Compliance &amp; Sustainable Supply Chain Management<sup>2</sup></b>	Implementation of Supplier and Business Partner Code of Conduct	2022	Share of portfolio companies with a code of conduct for suppliers and business partners implemented in the reporting year, in %	Combating Corruption and Bribery	8: Decent work and economic growth
<b>Environmental Responsibilities</b>	<b>Environmental Responsibilities</b>	Reduce CO <sub>2</sub> by minimum 10% in each Portfolio company throughout their affiliation to Mutares Group	2028	CO <sub>2</sub> reduction	Environmental Matters	7: Clean Energy; 13: Climate action
		Increasing the number of ISO 14001 and ISO 50001-certified Portfolio companies	2023	Portfolio companies with valid ISO 14001 and 50001 certification in the reporting year		
	<b>Ressource Efficiency</b>	Introduction of energy efficiency programs <sup>3</sup>	2023	Energy efficiency programmes implemented in the reporting year		

<sup>2</sup> The goal defined in 2021 of integrating social and environmental criteria into supplier auditing by 2023 was removed in the context of the non-financial Group report 2022 on the basis of a decision by the Board of Management, as there is a significant overlap with the obligations under the LkSG from January 1, 2023.

<sup>3</sup> Shortening of the target formulation due to a historical formulation error





## BUSINESS INTEGRITY

**Strong business integrity is critical to maintaining the trust of customers, investors and other stakeholders, and to achieve long-term success and growth.**

**Ethical business practices and compliance**, as well as **information security and privacy**, fall under the material topic of integrity.

In Mutares' dynamic business environment, strict compliance with laws and standards of ethical business conduct is essential to ensure trust in Mutares. Integrity is therefore a fundamental requirement in all interactions with stakeholders. It is a matter of course to comply with the laws and regulations of each location in which the Group operates and to maintain a high level of transparency. Mutares pays particular attention to the areas of anti-corruption and bribery, prevention of money laundering and terrorist financing, capital markets compliance and competition law.

The overall responsibility for the implementation and monitoring of the Mutares Compliance Management System ("CMS") at the level of Mutares Holding and its direct subsidiaries lies with the Compliance Officer. Mutares' internal legal and compliance team continuously works on the implementation of compliance management measures aimed at ensuring the lawful conduct of all employees and portfolio companies.

Goals, measures and ESG Key Performance Indicators ("KPIs") in the area of integrity have already been developed for 2021 and will remain valid for 2022.

Goal <sup>1</sup>	Time frame	Measure	KPI
Group-wide roll-out of our existing Compliance Management System	2024	Standard procedures for implementing adequate compliance procedures in each new portfolio company after the acquisition	Portfolio Companies for which the Group-wide CMS was initiated in the reporting year
Group-wide Roll-out of the Mutares Code of Conduct	2023	Supporting and advising portfolio companies on the implementation of local codes of conduct. In this context, Mutares provides the Code of Conduct to the portfolio companies as a template for their local document. As part of regular employee training and as part of the onboarding process of new employees of Mutares Holding, they are trained on the contents of the Code of Conduct.	Share of portfolio companies with a code of conduct established in the reporting year, in % New employees trained on the Code of Conduct in the reporting year, in %
Sanction and Violation-Screening System	2023	Standard procedures for implementing adequate compliance procedures in each new portfolio company after the acquisition	Confirmed incidents of corruption or bribery in the Mutares Group in the reporting year

<sup>1</sup> The goal defined in 2021 of establishing an anonymous whistleblower hotline accessible to all employees by 2023 will be removed as part of the 2022 non-financial Group report, as Mutares will meet this under the obligations of the EU Whistleblower Directive.



## Ethical business practices and compliance

In order to ensure that ethical business practices and compliance requirements are maintained, Mutares has a standard process for implementing appropriate compliance procedures in each new portfolio company after acquisition, which is managed by the Compliance Officer. During the financial year 2022, the process for implementing individual CMS in the portfolio companies was standardised and harmonised, with Group-wide minimum standards and expectations being established.

Mutares' CMS has implemented a code of conduct for all relevant areas and is designed to identify and prevent potential violations in advance. It also includes communication measures, an anonymous whistleblower hotline and binding guidelines. The latter include anti-corruption, capital market compliance, antitrust, misuse of funds (terrorist financing and money laundering) and data protection. The policy management software implemented ensures that employees of Mutares Holding and its subsidiaries have access to the applicable policies at all times and are fully informed of their provisions.

The portfolio companies are required to establish an appropriate CMS as part of their corporate governance, including a specifically defined position of responsibility. During the reporting period, implementation measures for the Group-wide compliance management system were initiated at a total of eight portfolio companies. As part of the CMS, the portfolio companies are also required to establish their own code of conduct, which must cover certain minimum requirements.

**In the reporting year, 83 % of the portfolio companies have established a code of conduct (31 December 2021: 74%).**

The Mutares Code of Conduct is also an integral part of the Mutares culture. It helps the Group to fulfil its responsibilities based on its vision and values and describes how its values are reflected in its daily actions. The Code of Conduct applies to all corporate bodies and employees of Mutares SE & Co. KGaA and Mutares Management SE as managing partner of Mutares SE & Co. KGaA as well as to all bodies and employees of the direct subsidiaries.

Mutares employees are trained on the content of the Code of Conduct and related policies through a combination of online training and regular (also virtual) classroom training. In 2022, 136 out of 193 employees of Mutares Holding and the country entities participated in (virtual) face-to-face trainings on compliance-related training content. In addition, new employees of Mutares Holding and its subsidiaries were trained on the contents of the Code of Conduct as part of the onboarding process. In 2022, 74 out of 76 new hires of Mutares Holding and the national companies were trained on the contents of the Code of Conduct. Furthermore, defined target groups were trained on particularly relevant individual topics as required, such as cartel risks for companies in relevant industries. The Compliance Officer regularly reports to the Executive Board on the progress of the training measures.

Mutares' expectation that its employees at all levels behave responsibly, ethically and with integrity also applies to all third parties, namely business partners and suppliers, who contribute to Mutares' reputation. A Code of Conduct for Suppliers and Business Partners has been introduced, covering all relevant areas of corporate governance and environmental aspects, including antitrust, anti-corruption, capital market compliance, environmental protection and human rights. This is available to third parties on the Mutares website: [ir.mutares.de/en/corporate-governance](https://ir.mutares.de/en/corporate-governance) and is also sent to business partners. Mutares also assists and advises portfolio companies in establishing a code of conduct for suppliers and business partners so that the values are also communicated to third parties.

Violations of the law or Mutares' internal compliance policies can have serious consequences not only for individual employees, but also for Mutares as a company. For this reason, Mutares follows up on all indications of violations of the Code of Conduct, as well as all indications of human rights and environmental risks related to its business activities.



## The effective protection of data and information is indispensable for Mutares.

Mutares will sanction any misconduct appropriately, without exception and without regard to the rank or position of the person acting or involved.

To encourage the reporting of potential misconduct and violations, Mutares has created a culture of open communication with flat hierarchies that allows issues to be raised and potential misconduct to be reported without fear of retaliation and negative consequences. In 2022, as in the previous year, no incidents of corruption or bribery were identified.

Mutares has a whistleblower portal that allows whistleblowers to anonymously report violations of the law or the company's Code of Conduct. The Compliance Department independently investigates all such reports. Depending on the results of an internal investigation, appropriate countermeasures are defined and implemented to remedy any misconduct and improve systemic weaknesses.

In addition, Mutares supports and advises portfolio companies on the implementation of local resources in accordance with the EU Whistleblower Directive. In this context, Mutares provides its portfolio companies with modern, web-based whistleblowing portals free of charge. The responsible departments consistently follow up on incoming information about potential violations at the portfolio companies. They are regularly advised and supported by the Mutares Compliance Office.

The Mutares Compliance Officer also reports directly to the Audit Committee of the Supervisory Board of Mutares SE & Co. KGaA once a year and, if necessary, also on an ad hoc basis on the development of compliance management at Mutares and, if applicable, on compliance violations.

### Data protection and information security

The careful handling of personal data plays a crucial role in all of Mutares' business processes, but particularly in the acquisition and sale of portfolio companies. Such care is also required of Mutares' suppliers and customers and of its portfolio companies. High standards and compliance with data protection regulations are essential to Mutares' business. Failure to comply with these requirements may result in civil, criminal and employment law consequences.

Negative effects such as fines or loss of reputation of Mutares or its portfolio companies due to data protection violations would affect the business success. For this reason, Mutares, in close cooperation with the external data protection officer, has created a data protection concept with corresponding guidelines for all employees of Mutares Holding and the national companies. In order to verify these efforts, a data protection inspection was carried out at the premises of Mutares Holding in Munich during the reporting period.

Attacks on IT networks, infrastructure, applications and systems, as well as the targeted interception of digital, analogue and voice information, also pose a risk to Mutares. A significant disruption or failure of the systems used can result in the impairment of business and production systems, up to and including the complete loss of information and data, and can lead to financial, compliance and reputational damage. Therefore, monitoring and training employees on the hardware, software, network and security policies used, including access and data security policies, is an integral part of risk prevention.

Mutares' IT structures and data flows are standardised where appropriate. In order to prevent possible failures, data loss, data manipulation and unauthorised access to the IT network, Mutares SE & Co. KGaA uses current, and in some cases industry-specific, standard software from well-known providers. Back-up systems and mirrored databases ensure the long-term security and availability of data. The IT systems are protected by special access and authorisation concepts as well as effective and continuously updated anti-virus software. All business processes of Mutares Holding and its national subsidiaries in which personal data is processed have been recorded, evaluated and entered into a data protection management system as part of compliance with the GDPR. These employees have detailed guidelines and work instructions on data protection and information security.

Newly acquired Group companies of Mutares are regularly faced with the challenge of separating the existing IT systems from the IT landscape of the former parent company in a timely manner and without system failures. Such changeover phases are also subject to the risks described above. Mutares' approach is usually to modernise the group companies as part of the carve-out process, replacing outdated systems and hardware, improving IT security standards and identifying and implementing applicable security standards and legislation. The aim is always to use the latest systems and applications and to make use of cloud technologies for the efficient and secure delivery of business processes.



The increase in attacks on commercial organizations in recent years, with the aim of sabotage, extortion or industrial espionage, reinforces Mutares' approach to continuously review and improve standards. In 2023, Mutares will continue to expand its risk-minimising data protection and data security measures as planned. This includes structured internal and external penetration and vulnerability testing. In addition, IT security training will be continuously updated and expanded to include current threats.

### Segment- and lifecycle-dependent integrity aspects

The stage in the life cycle of a portfolio company is of great importance for the design of the compliance management measures of a portfolio company, as this has an impact on the respective compliance performance. Relevant compliance-related criteria are considered as early as the acquisition phase, and relevant findings are taken into account in investment decisions.

In the first phase after an acquisition (realignment), portfolio companies are often under intense transformation pressure. During this phase, Mutares focuses on the implementation of all urgently required measures (e.g. creation of a code of conduct, carrying out a risk analysis, creation of relevant guidelines, introduction of a whistleblower system). Depending on the development of the individual portfolio companies, the company's CMS must also evolve. In coordination with the respective management, the local compliance officer and the Mutares compliance officer, necessary or useful measures are defined and implemented (e.g. introduction of new and adaptation of existing guidelines, compliance-relevant processes and internal controls). As soon as a portfolio company enters the harvesting phase, the focus is on comprehensive documentation of the CMS. In addition to the actual routine implementation of compliance-relevant measures and processes, the focus is now on further improving the documentation of all measures in order to be able to demonstrate the appropriateness and effectiveness of the CMS to a potential buyer.

Portfolio companies in the **Automotive & Mobility segment** are exposed to the risk of increases or fluctuations in the price of raw materials. A shortage of raw materials can cause significant disruption to the business of a portfolio company. The production of car parts is a material-intensive process that is affected by the increasing scarcity of resources and rising prices for key materials. The concentration in some areas of the auto parts industry increases the risk that portfolio companies could be involved in price and bid rigging. Mutares mitigates this risk through regular compliance awareness sessions on "information sharing and bid rigging" for relevant employees of Mutares Holding and the management of the portfolio companies in the Automotive & Mobility segment.

In the construction industry, governance issues arise from the relative lack of transparency in the pricing of materials, which can lead to market manipulation affecting customers and companies. Other key issues in the **Engineering & Technology segment** include IT security management, supply chain and resource management, conflicts of interest, anti-competitive behaviour and corruption and bribery. Due to the situation of some of the portfolio companies acquired in the Engineering & Technology segment during the reporting period, a particular need was identified to raise awareness of antitrust risks in the transition phase of acquisitions to portfolio expansion between signing and closing. The relevant employees were trained in the relevant antitrust risks (e.g. exchange of antitrust sensitive information and gun-jumping).

In the course of a transaction or the conclusion of a business deal, personal data as well as part of a transaction or business deal, personal, corporate and financial information is regularly disclosed to the respective business partner. This is particularly the case for Group companies in the **Goods & Services segment** with a focus on business-to-consumer ("B2B") transactions. In these transactions, the companies build a relationship of trust with their business partners and assure them that their information and data are secure. With the threat of cybercrime and other data breaches, particularly in the wake of recent high-profile attacks, information security is becoming increasingly important for companies to do business.



## FAIR AND RESPECTFUL WORKING ENVIRONMENT

**Professional people management and development is critical to the success of a business.**

The material issue of a **fair and respectful working environment** includes the aspects of health, safety and well-being of employees, as well as fair working conditions. Mutares believes that the performance of its people is essential to the success of the Group and its portfolio companies.

As Mutares' indirect subsidiaries operate mainly in the manufacturing and technical services sectors, the Group has the highest standards of occupational safety, particularly in hazardous workplaces. Prioritising the safety and health of employees contributes to their protection and to a positive working environment, which has a direct impact on employee satisfaction. The portfolio companies generally operate in labour-intensive industries that rely on the know-how of their employees and are therefore dependent on the availability of qualified personnel. The global labour shortage therefore has an impact on Mutares' business success. To address this, Mutares prioritises the provision of attractive working conditions, a safe and healthy workplace and employee development programmes.

Mutares also values the diversity of its teams, as this creates a cross-cultural community and an innovative and creative environment. At the same time, it prevents discrimination. In order to create a **fair and respectful working environment**, the following goals and actions have been set:

### Health, Safety and Wellbeing of the Employees

The health and safety of the employees of Mutares and its portfolio companies is of great importance. Therefore, each and every employee of Mutares Holding, its subsidiaries and portfolio companies is required to comply with all applicable safety standards.

In order to improve occupational safety performance and bring it to a standardised, recognised level, organizations have the option of implementing an occupational safety management system using recognised standards such as ISO 45001 (Occupational safety and health management systems – Requirements with guidance for use). It sets out the requirements, procedures and principles that an organization should follow in implementing an occupational safety and health management system to maintain and improve occupational safety and health. Once successfully implemented, ISO 45001 occupational health and safety management systems can be third party certified, enabling companies to demonstrate their compliance with the standard and credibly demonstrate their occupational health and safety performance to their stakeholders.

Goal	Time frame	Measure	KPI
Employee Health, Safety and Wellbeing	2023	Implementation of a zero-accident safety culture	Occupational accidents and fatalities of employees in an employment relationship with Mutares or its portfolio companies Portfolio companies with valid ISO 45001 (occupational health and safety) certification in the reporting year
Increase Diversity <sup>1</sup>	2026	A minimum of 30 % female CVs provided by headhunters for the recruitment of the Mutares Holding and country entities Recruiting different nationalities and ages to overcome language and cultural barriers	Characteristics of the undertaking's employees (ESRS S1-6)

<sup>1</sup> Gender and Nationality



A certification demonstrates appropriate management of occupational health and safety issues, performance and commitment in this area, above and beyond the minimum legal requirements. The number of Mutares portfolio companies with ISO 45001 certification has already been selected by Mutares in 2021 as a KPI for the material issue of a **fair and respectful working environment**, and will allow success in this area to be measured.

#### ISO 45001 CERTIFICATION

	2022	2021 <sup>1</sup>
<b>Portfolio Companies certified in accordance with ISO 45001 in the reporting year, in %, breakdown by segment</b>		
Automotive & Mobility	43 %	
Engineering & Technology	27 %	
Goods & Services	30 %	
<b>Portfolio Companies certified in accordance with ISO 45001 in the reporting year, in %</b>	<b>38 %<sup>2</sup></b>	<b>45 %</b>

<sup>1</sup> Segmental figures for the reporting year 2021 are not available.

<sup>2</sup> In addition to the regular changes in the scope of consolidation of Mutares, which have a significant impact on the respective ESG KPIs due to disposals and additions, the calculation of this KPI was also refined in the reporting year 2022 and is now performed at site level. The more granular calculation compared to the previous year leads to a reduction in the proportion of portfolio companies that are certified according to ISO 45001 in the reporting year. The reduction cannot therefore be attributed exclusively to an actual decrease.

Since 2021, Mutares has reported the number of work-related and fatal accidents of the holding company, country entities and portfolio companies in the non-financial consolidated financial statements. In this reporting year, we also show these figures broken down by Mutares' three segments.

The number and distribution of occupational accidents in 2022 shows a similar pattern to 2021 and is at a similar level to the previous year (+49 occupational accidents in 2022), despite the increase in the number of employees across the portfolio. As in the previous year, there are no fatal accidents within the Group in 2022.

In the reporting year 2022<sup>1</sup>, Mutares integrated the ESG data collection into the financial datasystem. The portfolio companies now report on occupational accidents and fatalities on a monthly basis. The regular collection of data allows Mutares to address fluctuations during the year, discuss the reasons for these with the portfolio companies and actively initiate countermeasures. This enables the Group to assess the health and safety performance of its portfolio companies and to take targeted action to improve it. These measures vary depending on the type of accident and can result in financial investments or special safety training for employees. A significant reduction in the number of accidents over a period of time is also discussed with the portfolio companies, as Mutares hopes to learn from the safety officers and management and apply the lessons learned to other portfolio companies.

#### OCCUPATIONAL ACCIDENTS AND FATALITIES

	Occupational Accidents				Fatalities		
	2022	Segmental share of total occupational accidents	Relative Difference to prior year	2021 <sup>1</sup>	Segmental share of total occupational accidents	2022	2021
Automotive & Mobility Segment	163	34 %	+13 %	141	32 %	0	0
Engineering & Technology Segment	108	23 %	-2 %	106	25 %	0	0
Goods & Services Segment	203	43 %	-11 %	180	43 %	0	0
Mutares Holding & Country Entities	2	0 %	200 %	0	0 %	0	0
<b>Total</b>	<b>476</b>		<b>+10 %</b>	<b>427</b>		<b>0</b>	<b>0</b>

<sup>1</sup> In addition to the regular changes in the scope of consolidation of Mutares, which has a significant impact on the respective ESG KPI due to the additions and disposals, the calculation of this KPI was also refined in the reporting year 2022 and is now performed on a site level. The more granular calculation compared to the previous year leads to a reduction in the share of portfolio companies that are certified according to ISO 45001 in the reporting year. The reduction can therefore not be exclusively attributed to an actual decrease.



A diverse workforce and inclusive corporate culture promote innovation, creativity and competitiveness.

## Fair working conditions

### Diversity

In the reporting period, Mutares employed 193 people in the holding company and the national companies (December 31, 2021: 142) at a total of 11 locations (December 31, 2021: 9) in Europe. For the first time, sustainability indicators from the ESRS have been collected as part of this non-financial Group report, including an indicator from Social Standard 1, "Own workforce"<sup>1</sup>. Information is provided on all persons employed by Mutares and its portfolio companies, as well as the nature of their employment, broken down by gender. In addition, Mutares discloses a breakdown of employees by country according to S1-6. The following findings were derived from the evaluation:

#### ESRS 1-6: CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES (HEADCOUNT)

	31.12.2022 <sup>1</sup>
<b>Total Employees</b>	<b>19.021</b>
<b>Employees, permanent</b>	<b>78 %</b>
thereof female	76 %
thereof male	24 %
<b>Employees, temporary</b>	<b>22 %</b>
thereof female	79 %
thereof male	21 %
<b>Employees, full-time</b>	<b>97 %</b>
thereof female	78 %
thereof male	22 %
<b>Employees, part-time</b>	<b>3 %</b>
thereof female	40 %
thereof male	60 %
<b>Non-guaranteed hours employees</b>	<b>3 %</b>
thereof female	78 %
thereof male	22 %

<sup>1</sup> The employees count from Portfolio Companies sold during the reporting year was included in the Group aggregation as of closing date.

#### BREAKDOWN OF EMPLOYEES BY COUNTRY

	2022
France	35 %
Germany	14 %
Sweden	6 %
Italy	6 %
Poland	6 %
Austria	2 %
Other EU-Countries	11 %
Non-EU-Countries	20 %

In addition to the obligation to avoid discrimination against individual employees (e.g. on the basis of gender, age, colour, culture, ethnic origin, sexual identity, disability, religious affiliation or ideology), Mutares recognises the benefits that a diverse composition of teams can bring to the promotion of creativity and innovation and thus to the success of the company. The description of the concept of diversity in relation to the composition of the General Partner (Mutares Management SE) and the Supervisory Board as well as the related objectives are set out in the Mutares Corporate Governance Statement, which is available on the website [ir.mutares.de/corporate-governance](https://ir.mutares.de/corporate-governance).

One of the measures taken to increase gender diversity is the requirement that a minimum of 30 % of the CV proposals submitted to Mutares by the recruitment company must include female candidates for open job positions at the Mutares Holding or the country entities. The definition of a minimum quota of 30 % as part of Mutares' recruitment strategy is intended to demonstrate the efforts being made in this area, taking into account existing evidence on the availability of female candidates in the restructuring industry.

**Equal opportunities and non-discrimination**

The qualification, commitment and team spirit of the employees of Mutares and its portfolio companies have a direct impact on the success of a restructuring. It is therefore fundamental to Mutares to create a fair and respectful working environment in which all employees feel comfortable and can develop. Mutares promotes equal opportunities for all and actively opposes discrimination in the workplace. The Mutares Code of Conduct<sup>1</sup> sets out the following objectives to create a **fair and respectful working environment**:

“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 2022, indications of seven potential discrimination and harassment incidents – and thus violations of the Mutares Code of Conduct – were reported across the Group (31 December 2022: eight incidents). Each incident was carefully reviewed and appropriate action was taken.

**Segment- and lifecycle-dependent aspects**

Mutares treats the topic of a **fair and respectful working environment** with the same importance and expectations across all segments. For these reasons, segment-specific ESG risks and their management are not addressed in this topic. Life cycle related aspects are described below.

**Health, Safety and Wellbeing of the Employees**

The portfolio companies are required to establish and maintain a safety culture as part of their corporate management. The Group-wide requirements and expectations of occupational safety management at the portfolio companies increase as they progress through the life cycle.

The first lifecycle phase (acquisition phase) focuses on identifying safety risks and assessing the safety culture. If elevated accident rates and/or a lack of H&S governance are identified, measures are implemented in the subsequent realignment phase to ensure the safety of all employees, for example by appointing an interim H&S officer. Following the implementation of any ad hoc measures that may be required, a more in-depth assessment of the safety culture of each portfolio company is carried out on a regular basis and measures to further improve it are identified. The subsequent Optimization phase aims to establish a functioning occupational safety management system and a safety culture that can be continuously improved. The safety culture must be multiplied within the organization, for example by training the various groups of employees. If portfolio companies outsource services to contractors, their safety culture and occupational safety management should also be assessed and monitored.





In the advanced stages, there is an expectation that there will be a functioning documentation and reporting management of H&S related issues and KPIs. In order to bring H&S to a standardised, recognised level, the implementation and certification of an H&S management system based on ISO 45001 may also be considered.

#### **Fair Working Conditions**

Mutares, as well as the country and portfolio companies, are required to comply with the relevant national and local legal standards regarding fair working conditions, such as a mandatory minimum wage or equal treatment. These requirements and expectations are to be met by Mutares and the portfolio companies regardless of their life cycle or segment and are generally based on compliance with minimum legal standards.



## VALUE CREATION

### Value creation is of central importance for a sustainable long-term success of Mutares.

With a commitment to long-term **value creation** that goes beyond the financial bottom line, Mutares fulfils its responsibility to its portfolio companies, investors and shareholders. By transforming companies in need of reform into sustainable businesses, Mutares secures current and future jobs and associated tax revenues for the communities in which they operate.

Through a successful turnaround, Mutares often makes a positive contribution to ESG issues. Typically, companies in need of transformation, and therefore targets for acquisition by Mutares, have inadequate internal structures and processes. In addition to operational challenges, such as setting up new supply chains, Mutares aims to rapidly integrate ESG practices into the business after acquiring a new portfolio company. Turnaround measures in this regard may include the creation and implementation of a specific action plan to stabilise the situation in the event that inadequate environmental management is identified. Climate-related transition risks arising from the transition to a carbon-neutral economy may also have a negative impact on a portfolio company's products that impede the transition to a carbon-neutral economy. For example, products of a portfolio company in the **Goods & Services segment** that use petroleum-based primary plastics in their production.

When adapting the product portfolio of a portfolio company, Mutares pays attention to long-term **value creation** by analyzing product adaptations that promote the transition to a CO<sub>2</sub>-neutral economy or contribute to another overall environmental and/or social goal. For example, in the context of a product adaptation, crude oil-based primary plastics could be replaced by post-consumer recycled plastics (so-called secondary plastics).

The consequences of climate change, such as the scarcity of certain raw materials or the introduction of a CO<sub>2</sub> tax, may also have a direct impact on the business development and availability of the portfolio companies' products. As Mutares operates in energy-intensive industries, among others, these changes can have a material impact on the financial position of the portfolio companies, and therefore managing these potential risks is critical to Mutares and its long-term value. Other potential ESG-related turnaround measures may include the expansion of renewable energy at the portfolio companies' sites, which can have a positive impact on the climate and environment of the portfolio company as well as the affected communities, for example by allowing the excess energy produced to be fed into the local grid.

Turnaround measures also include the renegotiation of contracts with customers and suppliers, in which Mutares can introduce ESG values and sustainable business ideas into the often complex and not always fully transparent supply chains. The integration of ESG requirements into supplier contracts is the key tool. In order to continue to create long-term value, Mutares has set itself the following goals in this regard:

Goal	Time frame	Measure	KPI
Group-wide integration of ESG practices into business operations	2023	ESG review and reporting Mutares Group-wide ESG function	KPI in development
Integration of ESG Key Performance Indicators into financial reporting system	2022	Introduce ESG performance indicators into the financial reporting system Improve ESG measurement	ESG KPIs integrated



In order to integrate ESG practices into its business operations, Mutares has established an ESG review and reporting process for its portfolio companies since 2021, which was expanded in 2022 with the integration of ESG performance indicators into the financial reporting system. The continuous monitoring of these performance indicators now allows Mutares to improve the review of the effectiveness and management of the ESG policies implemented, thereby contributing to **value creation**.

As planned, the position of ESG Reporting Manager was created and hired in 2022. The position, which is organizationally located in the Finance department, is responsible for, among other things, group-wide ESG reporting, as well as driving forward the planned ESG practices in the operational business and implementing further measures that contribute to the long-term value creation of Mutares and its portfolio companies.

In 2023, Mutares intends to further develop the existing ESG review methodology, both for internal optimization of ESG measures and to meet the increasing demands of ESG regulation, shareholders and society.

### Segment- and lifecycle-dependent aspects

Mutares' commitment to creating value through the acquisition and exit of its portfolio companies can be summarised in terms of ESG, with the aim that Mutares' portfolio companies are more environmentally and socially sustainable at the time of sale than at the time of purchase.

The creation of this environmental and social value runs through all stages of the life of a Mutares portfolio company and begins with the acquisition process. In accordance with Mutares' sustainable investment rules, certain industries, namely the manufacture and distribution of tobacco products and war materials, are excluded from the portfolio mix when considering acquisitions or are limited to a low level of less than 5% of total group turnover. An acquisition decision means that Mutares commits significant resources, be it know-how, financial or human, to transform the new portfolio company into a competitive and profitable business. Stabilization and value creation will secure existing and future jobs. In this way, Mutares makes a positive contribution to society and **value creation**.

In the second lifecycle phase, the realignment phase, the acquired portfolio companies are assessed for ESG compliance and performance. The assessment includes an evaluation of value creation opportunities. Mutares analyses how the portfolio company can contribute to climate protection and the transition to a carbon-neutral economy in the future. By implementing appropriate measures in the optimization phase, Mutares contributes to sustainable business, climate protection and the decarbonisation of industry.

In the Optimization phase, further measures are implemented to improve the ESG compliance and performance of the portfolio companies, such as the introduction of ESG governance, the establishment of a measurable ESG key performance indicator system and ESG reporting in relation to CSRD. These measures lead to increased value creation and result in more sustainable portfolio companies at the time of divestment.

Value creation within the segments in the area of ESG, such as the establishment of ESG reporting, is treated equally by Mutares across all segments, as there are no differences in the requirements for good corporate ESG management. There are no differences across segments in the complexity and feasibility of ESG-related improvements. There are differences in the environmental and social risks and opportunities that arise, and Mutares' approach to managing these is discussed separately in the sections on **Integrity, Fair and Respectful Working Environment, Sustainable Supply Chain Management** and **Environmental Responsibility**.



## SUSTAINABLE SUPPLY CHAIN MANAGEMENT

**Politicians and civil society are calling on companies to step up their human rights due diligence.**

The aspects of human rights compliance and supply chain management are relevant to the material topic of **sustainable supply chain management**.

On January 1, 2023, the German Supply Chain Compliance Act came into force. The aim of the law is to ensure compliance with basic human rights standards in global supply chains. This has been and continues to be a matter of course for Group companies. Separately, Mutares is in the process of adapting its internal processes to the requirements of the new law.

Companies subject to the Supply Chain Due Diligence Act are required, among other things, to significantly expand their risk assessment and supply chain management. The core element of the extended risk management is a comprehensive risk analysis, which must be carried out annually and on an ad hoc basis if the company expects that human rights and environmental risks have changed significantly or have increased. As with other new legislation, the implementation of the requirements of the Supply Chain Act raises questions about how to translate the regulations into operational practice. Mutares has decided to implement all requirements diligently and with the advice of external experts.

Due to Mutares' business model, the Group is exposed to complex and diversified supply chains. Business partners support the daily business operations and the success of each portfolio company by providing material within a supply chain. Disruptions to the supply chain, such as the unexpected discovery of non-compliance by business partners or human rights abuses, could affect Mutares in a number of ways, including fines and reputational damage.

For the material topics within **sustainable supply chain management**, Mutares has defined the following target in 2021 which has been successfully achieved in 2022.

Mutares' expectation that employees at all levels behave responsibly, ethically and with integrity also applies to third parties, such as business partners and suppliers, who contribute to the reputation of Mutares and its portfolio companies. In the financial year 2022, a code of conduct for suppliers and business partners of Mutares SE & Co. KGaA was introduced. This Code of Conduct defines Mutares' expectations towards its business partners regarding environmental protection and human rights, among other things. It can be accessed by third parties on the Mutares website: [ir.mutares.de/en/corporate-governance](https://ir.mutares.de/en/corporate-governance). It is also actively addressed to relevant suppliers and business partners, who must commit themselves to compliance with the defined principles and confirm that they enforce comparable standards in their own supply chains.

**In the reporting year, 73%<sup>1</sup> of the portfolio companies established a code of conduct for suppliers and business partners.**

In order to coordinate the supplier management programs in the Group, Mutares aims to develop a Group-wide standard for sustainable supply chain management. Mutares aims to achieve a consensus on corporate responsibility – as defined in the Mutares Code of Conduct – across the entire value chain. In doing so, each individual portfolio company shall adequately address ESG risks affecting supply chains.

Goal <sup>1</sup>	Time frame	Measure	KPI
Implementation of supplier and business partner code of conduct	2022	Implementation of supplier and business partner code of conduct	Share of portfolio companies with a code of conduct for suppliers and business partners implemented in the reporting year, in %

<sup>1</sup> The goal defined in 2021 of integrating social and environmental criteria into supplier auditing by 2023 was removed in the context of the non-financial Group report 2022 on the basis of a decision by the Board of Management, as there is a significant overlap with the obligations under the LkSG from January 1, 2023.



### Segment- and lifecycle-dependent aspects

In the post-acquisition phase, the realignment phase, Mutares focuses on the introduction of a code of conduct for business partners and suppliers in the area of **sustainable supply chain management** in order to transfer Mutares' expectations of responsible, ethical and integrity behaviour to the portfolio company's suppliers.

For the subsequent phases, Mutares is pursuing the integration of social and environmental criteria into supplier evaluation as part of risk management within the LkSG. The implementation of the commitments will start in 2023, in coordination with the respective management, the group and local supply chain management and procurement officers, and Mutares' human rights and ESG officers.

A first step will be to gain a comprehensive understanding of the key suppliers and to classify them into risk groups.

The **Automotive & Mobility segment** already faces strict transparency requirements in the supply chain due to directives and regulations imposed by major car manufacturers. The production of automotive components is a material-intensive process that is affected by the increasing scarcity of resources and rising prices for key materials. Automotive suppliers are at risk of supply chain disruptions, particularly when materials such as rare earths are used in their products. Automotive suppliers need to prioritise sustainable supply chain practices to ensure they can meet industry demands and continue to deliver high quality products while minimising their negative impact on the environment. By adopting circular economy principles and investing in sustainable supply chain practices, auto parts manufacturers can help ensure the long-term profitability of their business while contributing to a more sustainable future.

Sustainable supply chain management is an important aspect in the **Engineering & Technology segment**, as the industry's raw material extraction often takes place in third countries and can be associated with negative environmental and social impacts. The segment's portfolio companies play an important role in the global economy as they are responsible for the design, development and manufacture of products that are essential to modern life, such as products that enable the construction of buildings. An important strategy for sustainable supply chain management in this sector is the adoption of a circular economy model. When products are designed to be reused and recycled at the end of their useful life, the need for additional resources is reduced, with positive environmental and social impacts. This approach requires the cooperation of all actors in the supply chain, including suppliers, manufacturers, distributors and customers.

In the area of goods production in the **Goods & Services segment**, sustainable supply chain management involves considering the entire product life cycle, from raw material sourcing to end of life. This includes the selection of sustainable materials, the reduction of waste and responsible labour practices in production facilities. In the service industry, the product life cycle plays a secondary role. Products and technologies used in services should be accompanied by responsible practices in their supply chain. Service providers also need to minimise resource consumption and reduce waste and emissions when using products and technologies. Manufacturers and service providers can work with suppliers to promote responsible practices throughout the supply chain.



## ENVIRONMENTAL RESPONSIBILITY

**Environmental responsibility at Mutares means conserving the earth's resources and ecosystems, reducing pollution and minimising climate change.**

Mutares regards **Environmental Responsibility** as a success factor for the sustainable financial development of Mutares' business. The three segments in which Mutares operates are largely resource and energy intensive business models. The critical dependency on the availability, price and quality of resources motivates Mutares, and therefore its portfolio companies, to intensify efforts to increase the share of secondary raw materials, to implement circular economy and energy efficiency measures.

In order to minimise the effects of climate change with its manifold consequences for nature, society and the economy, Mutares pursues the fundamental goal reducing the consumption of resources in its portfolio companies. For Mutares, the key levers are resource efficiency and circular economy, which is why these aspects are assigned to the material topic of environmental responsibility.

In 2021, key environmental targets have already been identified, actions defined and some sustainability indicators have already been identified to measure them.

Goal	Time frame	Measure	KPI
Reduce CO <sub>2</sub> by <b>min. 10%</b> in each Portfolio company throughout their affiliation to Mutares Group	2028	Investments in LED lighting, increasing the share of green energy, investments in solar panels and combined heat and power plants, increasing the share of recycling and biomaterials, investments in emission reduction	CO <sub>2</sub> reduction
Increasing the number of ISO 14001 and ISO 50001-certified Portfolio companies	2023	Advising and supporting the portfolio companies with implementation and certification	Portfolio companies with valid ISO 14001 and 50001 in the reporting year
Introduction of energy efficiency programs <sup>1</sup>	2023	Investment in LED lighting, increasing the share of green energy, investment in solar panels and combined heat and power plants	Energy efficiency programmes implemented in the reporting year

<sup>1</sup> Shortening of the target formulation due to a historical formulation error



As a significant proportion of Mutares' portfolio companies operate in energy intensive industries, the sustainability indicator of **energy consumption and composition** has been selected as a meaningful indicator from the ESRS (E1-5). The collection of this indicator guides Mutares to understand the overall energy consumption of the group and to derive further actions. The breakdown between renewable and non-renewable energy sources helps Mutares to identify opportunities for improvement in the use of renewable energy. In 2022, the following insights were gained regarding energy consumption and composition:

**TOTAL ENERGY CONSUMPTION**

	2022 <sup>1</sup>	Share of total consumption
<b>Total energy consumption from non-renewable sources, in MWh, broken down by:</b>		
Fuel consumption from coal and coal products	-	0 %
Fuel consumption from crude oil and petroleum products	74,971	2 %
Fuel consumption from natural gas	310,634	8 %
Fuel consumption from other non-renewable sources	1,025	0 %
Consumption from nuclear products	89,282	2 %
Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources	3.198,214	80 %
<b>Total energy consumption from non-renewable sources, disaggregated by energy source, in MWh</b>	<b>3.674,126</b>	<b>92 %</b>
<b>Total energy consumption from renewable sources, in MWh, broken down by:</b>		
Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, hydrogen from renewable sources, etc.)	70,724	2 %
Consumption of purchased or acquired electricity, heating, steam and cooling from renewable sources	199,957	5 %
Consumption of self-generated non-fuel renewable energy	34,420	1 %
<b>Total energy consumption from renewable sources, disaggregated by energy source, in MWh</b>	<b>305,101</b>	<b>8 %</b>
<b>Total energy consumption from non-renewable and renewable sources, disaggregated by energy source, in MWh</b>	<b>3,979,277</b>	

<sup>1</sup> First time evaluation for the reporting year 2022, no previous year's values available.

The Mutares Group consumed a total of 3,979 GWh of energy in the reporting year 2022. Energy from non-renewable sources accounted for 92% of this consumption. Within the energy consumption, the largest share falls into the category "Consumption of purchased or acquired electricity, heating, steam and cooling from non-renewable sources".

Following the acquisition of a portfolio company, the possibility of implementing efficient energy generation on site is examined, particularly in the case of energy-intensive business models. For example, the construction of combined heat and power plants for the use of cogeneration was successfully completed at three sites of a portfolio company in 2022. This measure has a positive impact on the business development of the portfolio company as well as on the environment and climate change.

Renewable consumption at Mutares is primarily enabled through the purchase of green electricity. In the future, where the return on investment or government subsidies allow, we will increasingly consider building our own renewable energy generation at the portfolio companies sites, so that an increase in the share of renewable energy in total energy consumption is not only in the hands of external suppliers.

An energy management system clearly shows how much energy a company consumes and how it can reduce this consumption on an ongoing basis. From 2021, Mutares has decided to make the material issue of **environmental responsibility** measurable by the number of portfolio companies that have a certified energy and/or environmental management system according to ISO 50001 (Energy Management) or ISO 14001 (Environmental Management) in the reporting year. The results of these two years are presented below.



PORTFOLIO COMPANIES	2022	2021 <sup>1</sup>
<b>Portfolio companies with valid ISO 50001 certification, by segment</b>		
Automotive & Mobility	67 %	
Engineering & Technology	17 %	
Goods & Services	17 %	
<b>Portfolio companies with valid ISO 50001 certification, by segment</b>	8 % <sup>1</sup>	24 %
<b>Portfolio companies with valid ISO 14001 certification, by segment</b>		
Automotive & Mobility	40 %	
Engineering & Technology	17 %	
Goods & Services	43 %	
<b>Portfolio companies with valid ISO 50001 certification, by segment</b>	55 % <sup>1</sup>	74 %

<sup>1</sup> A segmental analysis for the reporting year 2021 is not available.

The efficient use of energy is an essential part of responsible environmental management. Mutares aims to reduce both greenhouse gas emissions and energy consumption through energy efficiency programmes in its portfolio companies.

Extensive measures to improve energy efficiency have already been implemented during the year. As a result, our portfolio companies are saving costs and at the same time making a positive contribution to the environment and climate change mitigation. The measures implemented during the year are varied and include the conversion of existing lighting to energy-efficient LED lighting, the replacement of existing heating systems with more energy-efficient heating systems and the conversion of combined heat and power plants to cogeneration. In the reporting year, investments of more than EUR 3 million were made to implement energy efficiency measures at two of the portfolio companies. These measures will avoid more than 3.2 tonnes of CO<sub>2</sub> emissions at the portfolio companies in 2023.

With the aim of reducing energy consumption, older production-related compressed air and vacuum systems have also been replaced with more modern systems at two portfolio sites in 2022. The replacement will result in energy savings of 3.2 GWh by the end of 2023 at these two sites alone, equivalent to the annual electricity consumption of around 1,800 single households in Germany<sup>1</sup>.

In addition to the introduction of energy efficiency programmes through new product lines in the portfolio companies, which will reduce energy consumption, the aim is to extend these efficiency programmes to other environmental aspects such as water, waste and emissions in the coming years.

## Segment- and lifecycle-dependent aspects

### Resource Efficiency – Energy

In the field of energy-related resource efficiency, the focus in the post-acquisition phase, the realignment phase, is on introducing energy consumption measurement and documentation of energy-related data - if this is not already the case. Once these measures have been implemented, a hot-spot analysis is carried out in energy-intensive portfolio companies to identify energy-intensive individual processes in production, logistics and services. This will be used to identify operational and/or investment measures to reduce energy consumption. Where possible, these are implemented in the short term in the subsequent phases. In the case of longer-term, more capital-intensive investments, the first step is to assess the feasibility of possible subsidies or financing.

Mutares intends that energy intensive portfolio companies reduce their respective energy consumption during their affiliation with Mutares. In addition, Mutares aims to ensure that energy intensive portfolio companies have a mature energy management system in place at the time of exit, and are either already certified or able to obtain certification in a timely manner.



**Resource efficiency – critical and rare raw materials**

In the area of critical and scarce resources, Mutares' requirements and expectations are that a full understanding of the consumption of critical and scarce resources in the portfolio companies has been achieved and that potential reduction measures have already been identified. In the third phase of the lifecycle, the optimization phase, Mutares works with portfolio companies to analyse the use of alternative materials, such as secondary or bio-based materials. The primary objective is to reduce the use of critical and rare raw materials and to introduce, for example, materials with lower CO<sub>2</sub> emissions. It is not always possible to substitute certain raw materials. The approach also includes assessing the extent to which the use of critical and rare raw materials can be reduced or eliminated through alternative production technologies.

The use of electricity and fossil fuels in the production processes of automotive component manufacturers results in direct and indirect emissions of greenhouse gases (GHG). The production of automotive parts and components in the **Automotive & Mobility segment** consumes significant amounts of materials (including steel, iron, aluminium and plastics). Waste types generated in the automotive component industry include machine lubricants and coolants, aqueous and solvent-based cleaners, paints, metals and plastic waste. Energy management, material efficiency and waste management are therefore of particular importance to the Automotive & Mobility segment. As the transport sector is responsible for a significant proportion of global GHG-emissions, product lifecycle management is another important issue. The automotive industry is regulated by national and international legislation on safety, fuel consumption, emissions control, noise reduction, vehicle recycling and the use of substances of concern. It goes without saying that our portfolio companies comply with these regulations. In addition, norms and standards such as those of the International Automotive Task Force (IATF) and ISO are implemented by the portfolio companies in this area.

Activities in the **Engineering & Technology segment** have an impact on the environment through the unavoidable use of non-renewable natural resources as production factors (for example water, energy) or through environmental externalities or other harmful releases into the environment, such as air and water pollution, waste disposal and greenhouse gas emissions. However, the industry has made progress in reducing energy consumption, mainly through the use of sustainable raw materials and improved technical conditions (especially for steel). Much of this progress is due to technological innovation, process optimization and plant upgrades. Due to the high recycling

rates in the construction industry, the volume of solid waste is relatively low. The most important aspects influencing the business are greenhouse gas emissions and energy/water/waste management.

In the **Goods & Services segment**, road freight operations generate air emissions and therefore have a negative impact on GHG-emissions and local air quality. Fuel management targets both fuel efficiency and emissions reduction and provides an effective way for portfolio companies to increase profits through reduced fuel costs, while limiting the risk of future regulatory costs and the climate change impacts of greenhouse gas emissions. For example, investments can be made in more efficient heating, ventilation and air conditioning systems to reduce energy consumption. Energy management and the environmental footprint are the most important aspects affecting the business.

München, den 5. April 2023

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

The Management Board

Robin Laik

Mark Friedrich

Johannes Laumann

# Town Hall



Our portfolio company Asteri Facility Solutions is a service provider in the Soft Facility Management industry. The company belongs to the Goods & Services segment.



## REVENUES

EUR million

Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria		DSNH criteria ("Does Not Significantly Harm")							Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
<b>TAXONOMY-ELIGIBLE ACTIVITIES</b>																	
<b>Environmentally sustainable activities (taxonomy aligned)</b>																	
Manufacture of energy efficiency equipment for buildings	3.5	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✓	✗	✓	✓	✗	0.0 %	n/a	E	n/a	
Infrastructure for rail transport	6.14	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✓	✗	✗	✗	✗	0.0 %	n/a	E	n/a	
Installation, maintenance and repair of energy efficiency equipment	7.3	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✓	✗	✓	✓	✗	0.0 %	n/a	E	n/a	
Data processing, hosting and related activities	8.1	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✗	✗	✗	✗	✗	0.0 %	n/a	n/a	T	
Infrastructure enabling road transport and public transport	6.15	0.0 %	0.0 %	0.0 %	0.0 %	✗	n/a	✗	n/a	✗	✗	✗	0.0 %	n/a	n/a	n/a	
Renovation of existing buildings	7.2	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✗	✗	✗	✗	✗	0.0 %	n/a	n/a	n/a	
Freight transport services by road	6.6	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✗	✓	✓	✗	✗	0.0 %	n/a	n/a	T	
Manufacture of iron and steel	3.9	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✗	✗	✗	✗	✗	0.0 %	n/a	n/a	n/a	
<b>Turnover of environmentally sustainable activities (taxonomy compliant)</b>		<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>								<b>0.0 %</b>	<b>n/a</b>			



EUR million				Substantial contribution criteria		DSNH criteria ("Does Not Significantly Harm")						Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Enabling activity	Transitional activity
Economic activities	Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
<b>Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)</b>																
Infrastructure for rail transport	6.14	41.6	1.1 %													
Installation, maintenance and repair of energy efficiency equipment	7.3	15.2	0.4 %													
Manufacture of energy efficiency equipment for buildings	3.5	14.9	0.4 %													
Manufacture of iron and steel	3.9	58.6	1.6 %													
District heating/cooling distribution	4.15	1.7	0.0 %													
Transmission and distribution of electricity	4.9	12.5	0.3 %													
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0.1	0.0 %													
Infrastructure enabling road transport and public transport	6.15	202.6	5.4 %													
Infrastructure enabling low-carbon road transport and public transport	6.15	31.4	0.8 %													
Freight transport services by road	6.6	139.2	3.7 %													
Renovation of existing buildings	7.2	22.8	0.6 %													
Data processing, hosting and related activities	8.1	1.3	0.0 %													
<b>Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy compliant activities)</b>		<b>542.2</b>	<b>14.5 %</b>										<b>0.0 %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Total taxonomy-eligible activities</b>		<b>542.2</b>	<b>14.5 %</b>										<b>0.0 %</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																
<b>Turnover of taxonomy-non-eligible activities</b>		<b>3,209.5</b>	<b>85.55 %</b>													
<b>Total</b>		<b>3,751.7</b>														



## CAPITAL EXPENDITURES (CAPEX)

EUR million																	
Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria		DSNH criteria ("Does Not Significantly Harm")							Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
<b>TAXONOMY-ELIGIBLE ACTIVITIES</b>																	
<b>Environmentally sustainable activities (taxonomy aligned)</b>																	
Manufacture of energy efficiency equipment for buildings	3.5	0.0 %	0.0 %	0.0 %	0.0 %	✗	✗	✓	✗	✓	✓	✗	0.0 %	n/a	E	n/a	
Infrastructure for rail transport	6.14	0.0 %	0.0 %	0.0 %	0.0 %	✗	✗	✓	✗	✗	✗	✗	0.0 %	n/a	E	n/a	
Installation, maintenance and repair of energy efficiency equipment	7.3	0.0 %	0.0 %	0.0 %	0.0 %	✗	✗	✓	✗	✓	✓	✗	0.0 %	n/a	E	n/a	
Manufacture of iron and steel	3.9	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Production of heat/cool from bio-energy	4.24	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Electricity generation from bio-energy	4.8	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Construction, extension and operation of water systems	5.1	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Construction, extension and operation of waste water systems	5.3	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	T	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	T	
Infrastructure for personal mobility, cycle logistics	6.13	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	T	
Renovation of existing buildings	7.2	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	T	
Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Acquisition and ownership of buildings	7.7	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	E	n/a	
<b>CapEx of environmentally sustainable activities (taxonomy compliant)</b>		<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>								<b>0.0 %</b>	<b>n/a</b>			



EUR million				Substantial contribution criteria		DSNH criteria ("Does Not Significantly Harm")						Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Enabling activity	Transitional activity
Economic activities	Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
<b>Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)</b>																
Manufacture of iron and steel	3.9	0.6	0.1%													
Production of heat/cool from bioenergy	4.24	0.2	0.0%													
Electricity generation from bioenergy	4.8	3.8	0.6%													
Construction, extension and operation of water systems	5.1	0.2	0.0%													
Construction, extension and operation of waste water systems	5.3	0.2	0.0%													
Infrastructure enabling road transport and public transport	6.15	31.4	5.3%													
Manufacture of energy efficiency equipment for buildings	3.5	3.6	0.6%													
Infrastructure for rail transport	6.14	0.1	0.0%													
Installation, maintenance and repair of energy efficiency equipment	7.3.	3.1	0.5%													
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.4	0.1%													
Freight transport services by road	6.6	0.1	0.0%													
Renovation of existing buildings	7.2	0.1	0.0%													
Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4	0.0	0.0%													
Acquisition and ownership of buildings	7.7	160.3	26.9%													
<b>CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy compliant activities)</b>		<b>204.2</b>	<b>34.3%</b>													
<b>Total taxonomy-eligible activities</b>		<b>204.2</b>	<b>34.3%</b>													
<b>TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																
<b>CapEx of taxonomy-non-eligible activities</b>		<b>377.3</b>	<b>63.4%</b>													
<b>Total</b>		<b>595.3</b>														
													0.0%	n/a	n/a	n/a
													0.0%	n/a	n/a	n/a



## OPERATIONAL EXPENDITURES (OPEX)

EUR million																	
Economic activities	Code	Absolute turnover	Proportion of turnover	Substantial contribution criteria		DSNH criteria ("Does Not Significantly Harm")							Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Enabling activity	Transitional activity
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						
<b>TAXONOMY-ELIGIBLE ACTIVITIES</b>																	
<b>Environmentally sustainable activities (taxonomy aligned)</b>																	
Manufacture of energy efficiency equipment for buildings	3.5	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✓	✗	✓	✓	✗	0.0 %	n/a	E	n/a	
Infrastructure for rail transport	6.14	0.0 %	0.0 %	0.0 %	0.0 %	n/a	✗	✓	✗	✗	✗	✗	0.0 %	n/a	E	n/a	
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Infrastructure enabling road transport and public transport	6.15	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	T	
Freight transport services by road	6.6	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	T	
Construction of new buildings	7.1	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Renovation of existing buildings	7.2	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Installation, maintenance and repair of energy efficiency equipment	7.3	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	E	n/a	
Acquisition and ownership of buildings	7.7	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	n/a	n/a	
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	0.0 %	0.0 %	0.0 %	0.0 %	n/a	n/a	n/a	n/a	n/a	n/a	✗	0.0 %	n/a	E	n/a	
<b>Engineering activities and related technical consultancy dedicated to adaptation to climate change</b>		<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>	<b>0.0 %</b>								<b>0.0 %</b>	<b>n/a</b>			



EUR million				Substantial contribution criteria		DSNH criteria ("Does Not Significantly Harm")						Minimum safeguards	Taxonomy-aligned proportion of turnover 2022	Taxonomy-aligned proportion of turnover 2021	Enabling activity	Transitional activity
Economic activities	Code	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
<b>Taxonomy-eligible but not environmentally sustainable activities (not taxonomy aligned activities)</b>																
Manufacture of iron and steel	3.9	2.7	3.5%													
Infrastructure for rail transport	6.14	0.0	0.0%													
Manufacture of energy efficiency equipment for buildings	3.5	0.0	0.0%													
Collection and transport of non-hazardous waste in source segregated fractions	5.5	0.0	0.1%													
Infrastructure enabling road transport and public transport	6.15	1.7	2.3%													
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	0.0	0.0%													
Freight transport services by road	6.6	0.3	0.5%													
Construction of new buildings	7.1	0.0	0.0%													
Renovation of existing buildings	7.2	0.7	0.9%													
Installation, maintenance and repair of energy efficiency equipment	7.3	0.1	0.2%													
Acquisition and ownership of buildings	7.7	4.1	5.5%													
Engineering activities and related technical consultancy dedicated to adaptation to climate change	9.1	0.0	0.0%													
<b>OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy compliant activities)</b>		<b>9.8</b>	<b>13.1%</b>													
<b>Total taxonomy-eligible activities</b>		<b>9.8</b>	<b>13.1%</b>													
<b>TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																
<b>OpEx of taxonomy-non-eligible activities</b>		<b>65.1</b>	<b>86.9%</b>													
<b>Total</b>		<b>74.8</b>														
													0.0%	n/a	n/a	n/a
													0.0%	n/a	n/a	n/a





## IMPRINT/CONTACT

### Publisher

Mutares SE & Co. KGaA  
Arnulfstr. 19  
80335 Munich, Germany  
Phone: +49 89 9292 7760  
Fax: +49 89 9292 77622  
E-Mail: [info@mutares.com](mailto:info@mutares.com)  
[www.mutares.com](http://www.mutares.com)

### Mutares SE & Co. KGaA

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

### Personally Liable 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: Dr. Kristian Schleede

### Design and production

Anzinger und Rasp, München

MUTARES

[WWW.MUTARES.DE](http://WWW.MUTARES.DE)