

Group non-financial report

Ströer SE & Co. KGaA, Cologne December 31, 2020

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STRÖER

Background information about the Ströer Group

Ströer SE & Co. KGaA, Cologne ('Ströer Group'), is a leading German provider of out-of-home media and offers advertising customers individualized and fully integrated, end-to-end solutions along the entire marketing and sales value chain. Through its OOH+ strategy, the Ströer Group is focusing on the strengths of the OOH business, underpinned by its related business segments Digital OOH & Content and Direct Media. This combination enables the Company to continually increase recognition among customers, while its strong market presence and long-term contracts in the German market provide an excellent basis for it to capture an increasing share of a growing market over the coming years.

The Ströer Group markets and operates several thousand websites, primarily in German-speaking countries, and operates approximately 300,000 advertising media in the out-of-home segment. The portfolio includes all forms of outdoor advertising media, including traditional poster media, exclusive advertising rights at train stations, and digital out-of-home media. The Digital OOH & Content and Direct Media segments support the core business. In its dialog marketing business, Ströer offers its customers wrap-around performance-based solutions ranging from location-specific or content-specific reach and interaction across the entire spectrum of dialog marketing through to transactions. And in its digital publishing business, the Company publishes premium content across all digital channels and offers one of Germany's widest reaching networks with its t-online.de and special interest sites.

The Company employs around 10,000 people at more than 100 locations. In 2020, the Ströer Group generated revenue of EUR 1.4b. Ströer SE & Co. KGaA is included in the MDAX index of Deutsche Börse. For detailed information on the business model and organizational structure of the Ströer Group, please refer to the relevant sections entitled 'Business model' and 'Segments and organizational structure' in 'Background and strategy of the Ströer Group' in Ströer SE & Co. KGaA's combined management report of

the Company and the Group. This was published in the investor relations section of our website on March 30, 2021.¹

¹ Available at <https://ir.stroeer.com/websites/stroeer/English/5100/financial-reports.html>.

Background information about the group non-financial report of the Ströer Group

This separate combined non-financial report (group non-financial report) fulfills the reporting requirements of Ströer SE & Co. KGaA under the German CSR Directive Implementation Act (CSR-RUG) (section 289b and section 315b–c of the German Commercial Code (HGB)). CSR stands for corporate social responsibility.

The disclosures apply to both Ströer SE & Co. KGaA and the Group. In addition to the description of the business model and general information, the report contains disclosures on certain non-financial aspects to the extent that they are necessary for an understanding of the net assets, financial position, and financial performance of the Group as well as for an understanding of the impact of our business activities on the non-financial aspects.

The disclosures relate to the reporting period from January 1 to December 31, 2020. The report covers all subsidiaries that are fully consolidated in the consolidated financial statements. We have indicated where this is not the case.

The Audit Committee and Supervisory Board examined this group non-financial report, which was prepared by the Board of Management for the Ströer Group as at December 31, 2020. The documents were discussed in detail at the meetings and the Board of Management answered additional questions raised by members of the Supervisory Board. The Supervisory Board raised no objections following its review.

Method and approach

The materiality analysis of the aspects to be reported on under the CSR-RUG was carried out on the basis of a systematic evaluation process within the Ströer Group.

First of all, a concept for determining the range of potential reportable topics and for preparing the non-financial statement in line with the requirements of the CSR-RUG was drawn up on the basis of cross-segment internal workshops, analysis of inhouse research activities, and a review of the legal requirements.

Based on a catalog of potentially relevant topics – in line with the topics and aspects set forth in the Global Reporting Initiative – a questionnaire was drawn up and sent to all segments of the Ströer Group. One of the primary aims of this survey was to provide an internal evaluation of the impact of the topics on the segments' net assets, financial position, and financial performance.

The survey results were then evaluated again in follow-up workshops with the relevant internal departments and service functions (e.g. HR department, legal department). At these workshops, the relevant aspects were also evaluated in terms of the impact of the business activities of the Ströer Group on the aspects themselves.

Our systematic multi-stage analysis process ensured that all topics that we considered material were identified and that the potential range of topics was limited to material topics. Using a two-part evaluation approach – surveying the operating segments and holding follow-up workshops with the service functions – made it possible to satisfy the intention behind the legislation, i.e. to determine those aspects that are both relevant to the Company's net assets, financial position, and financial performance and relevant to the reportable aspects themselves.

Relevant aspects pursuant to the CSR-RUG

Based on our evaluation, we believe that there were again only a few aspects that potentially had to be included in the 2020 non-financial statement. However, the Ströer Group carries out CSR activities that are not mentioned in this report as they are not material for the purposes of the CSR-RUG.

The following aspects are covered in this non-financial statement:

1. Employee matters
2. Anti-corruption and bribery matters
3. Social matters – social responsibility
4. Data protection

The other statutory aspects (environmental matters, respect for human rights) are also part of our corporate responsibility. However, based on the systematic materiality analysis described above, these aspects are not material to the Ströer Group and its business model according to the criteria of the CSR-RUG and thus are not part of this non-financial statement. As such, the aspects that we have classified as relevant within the meaning of the law following our extensive review have not changed compared with the prior-year report.

As we have identified only a few non-financial aspects of relevance to our business and, conversely, on which our business has a significant impact, we have not used an established national or international framework so far.

As a responsible company, the Ströer Group pays particular attention to environmental protection, sustainability, and social and corporate government issues in addition to the topics required to be included in this report by law. Consequently, the Ströer Group published a sustainability report for the first time in 2020. The sustainability strategy for the period up to 2030 is set out in this report, which is available at <https://ir.stroeer.com/websites/stroeer/English/7999/sustainability.html>.

Risk analysis

At the workshops with representatives from the individual departments, we also analyzed potential non-financial risks that could arise for the relevant non-financial topics as a result of our business activities, business relationships, products, and services. This analysis did not identify any material risks with a high probability of occurrence and a serious negative impact on the aspects.

Employee matters

General

Committed, reliable, and competent employees are key to the Ströer Group's success and to its ability to innovate and increase the value of the business. In the Ströer Group, employees can realize their potential as individuals and, through their passion, dedication, responsibility, and respect, make an important contribution to our Company's success.

The Ströer Group wants to be an attractive employer with which employees can identify and for which they enjoy working. We therefore strive to remain an employer of choice, for example by pursuing a sustainable HR policy, offering flexible working time models, and providing additional benefits such as our company kindergarten and cafeteria at Ströer's headquarters.

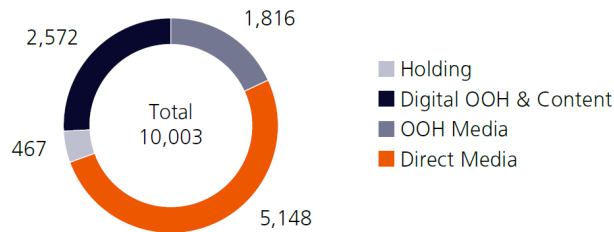
The importance of employee matters is also reflected in the pivotal position of HR within the Ströer Group's organizational structure. The HR department reports directly to the Board of Management on a regular basis. Furthermore, the head of HR is a member of the executive committee, which is the highest-level management body in the Ströer Group and comprises the divisional heads, the head of the legal department, and the head of HR in addition to the Board of Management.

Workforce information

At the end of 2020, the Ströer Group had 10,003 full-time and part-time employees (prior year: 12,210). The decrease of 2,207 employees primarily resulted from the sale of part of the dialog group and from the usual turnover. There is a slight downward trend in the Out-of-Home Media segment owing to the ongoing pandemic.

Employees by segment

As of Dec. 31, 2020



At the end of the year, foreign Group entities employed a total of 1,887 people, which represents 19% of the total headcount. For efficiency reasons and due to differing legal frameworks, the following strategies and initiatives have only been rolled out at the Group entities in Germany so far.

Strategies and initiatives

In the materiality analysis pursuant to the CSR-RUG, we identified the following topics as material within the employee matters aspect:

- Employee retention through employee satisfaction
- Training and development
- Equal opportunities

We firmly believe that these topics are closely related. Employee retention and satisfaction are cornerstones of our corporate philosophy when it comes to employee matters. The other topics – training and development and equal opportunities – have a material influence on this in our opinion.

Given the Ströer Group's strong growth and the diversification of our business activities, we consider extensive employee communications to be another essential building block when it comes to strengthening employee satisfaction.

The Ströer Group has launched various initiatives to address the material issues within the employee matters aspect and bring about continual improvements. For example, we

worked with employees to create our JUMP! employer brand, which we put into practice both externally and within the Ströer Group.

The following objectives for topics relevant to CSR-RUG have been defined in connection with these initiatives:

- Boosting employee satisfaction and thereby employee retention
- Expanding training and development under the JUMP! umbrella brand concept

Another building block, which according to our internal survey of the segments is very relevant to employee matters and intertwined with the topics of employee retention and training and development, is the promotion of equal opportunities within the Ströer Group.

In order to satisfy the guidelines that we imposed on ourselves in the catalog of values underlying the JUMP! brand, we have defined the measures described below to help us achieve the goals that we have set.

Employee retention through employee satisfaction

Ströer attaches great importance to being an attractive employer and pursuing a sustainable HR policy. In addition to the aspects of training and development and equal opportunities, fair remuneration and modern working conditions are key to employee retention over the long term.

Our online employee referral program strengthens our employees' sense of belonging, as they know their working environment best. Their recommendation is also an expression of their satisfaction.

Given the significant growth of the Ströer Group and the diversification of our business activities, extensive internal communication fosters employee satisfaction.

We have created several forums for communicating current developments and strategies of the Ströer Group to our employees so that we can strengthen their sense of involvement.

At the quarterly town hall meetings, the Board of Management reports to employees on business performance in the preceding quarter, relays the latest news within the Ströer Group, and answers any questions from employees. Those employees who do not work at the headquarters can use a web-based solution to participate in the town hall meetings.

Regular interviews with executives from different areas of the Company are published on the intranet in order to keep employees up to date on current events in those areas.

Due to the high growth in headcount and our numerous different locations in Germany, the Ströer Group has created a central digital information point for all employees. An overview of all information, news, and press releases relating to the Ströer Group or its industry can be accessed via an app or on the website. This includes press releases on recent acquisitions, related newspaper articles, and the latest reports from the intranet. This keeps all employees fully up to date about the Company and current developments.

These measures are aimed at increasing employee satisfaction and thus employee retention.

Training and development

We believe that training young people is part of our social responsibility and offer a variety of ways for young staff to develop. In 2020, the Ströer Group provided vocational training to a total of 151 talented young people throughout Germany. As well as offering traditional vocational training, it also expanded its degree apprenticeship program, which includes bachelor's degrees and, since 2018, master's degrees. Furthermore, we frequently give applicants a chance whose careers to date have deviated from the norm if we believe that they would be a good fit with Ströer. The aim is to support trainees with extensive on-the-job training and to keep trainee numbers stable at this high level. In 2019, Office 365 was rolled out using a reverse mentoring concept in which our degree apprenticeship students and trainees act as ambassadors and coaches for employees and teams. This also gave them the opportunity to acquire further interaction skills.

Successful degree apprenticeship students and trainees have a good chance of being kept on by the Ströer Group at the end of their training. The Group again offered employment

contracts to many highly promising and talented employees in different areas of the Company last year.

Ströer offers its employees opportunities to achieve their professional goals within the Ströer Group. The groupwide JUMP'n'grow! program continued in 2020, with employees being identified and receiving targeted support in a twelve-month talent program. The program includes various training courses and workshops and is supported by individual mentoring by senior executives. As a result of the pandemic, some parts of the program took place digitally.

The JUMP up program, which supports executives, was continued in 2020. The program comprises various modules in which HR employees prepare content tailored to participants' needs and roll it out to all offices in Germany. Digital workshops on remote working and remote leadership were a key focal point in 2020. The program was not only offered to executives but also rolled out to other employees. Further modules have been planned for 2021. We have also expanded our training and development program to include the JUMP'n'train! interactive learning platform. This new digital platform brings together existing knowledge and career development activities and can be used by our employees at any time. Content can be offered at any location thanks to new technologies such as virtual classrooms. Since the JUMP'n'train! learning platform went live, employees who do not work at the headquarters have had the opportunity to complete more training courses and share in the transfer of knowledge.

Equal opportunities

We promote a balanced and diverse workforce. In keeping with the philosophy 'we hire for attitude', we frequently find that enthusiasm and the desire to achieve count more than formal qualifications. The Ströer Group employs people with different skills, from different backgrounds and cultures, from all genders, and in all age groups. Employees from more than 60 nations work together very successfully at Ströer. Diversity is the driving force for ideas and the cornerstone for the sustainable growth of our Company.

The following measures are aimed at promoting equal opportunities in the Ströer Group:

Flexible working time models

Ströer offers its employees needs-based options for adapting their working hours to their personal situation so that they can maintain a good work-life balance. There are no groupwide guidelines for these flexible working time models. Instead, binding rules can be made at individual Group entities to promote a better balance between work and family life in line with employees' needs and operational requirements. When the global SARS-CoV-2 pandemic broke out in 2020, the Ströer Group was able to quickly give employees the possibility of responding flexibly in line with their individual circumstances to the challenges of the pandemic in order to protect their health.

Implementing modern ways of working in an increasingly digital working environment is part of our corporate culture. Arrangements such as individual part-time working or Flex Work (working from a different location) are an integral part of our HR policy. Flex Work was successfully launched at several entities, with employees choosing where and when they work on a basis of mutual trust. In 2020, a total of 3,250 employees across the Group – that is 32% – were employed on a part-time basis.

In addition, our Urlaub+ model enables employees to increase their vacation allowance on an unpaid basis by a few days. Here too, the objective is to increase flexibility.

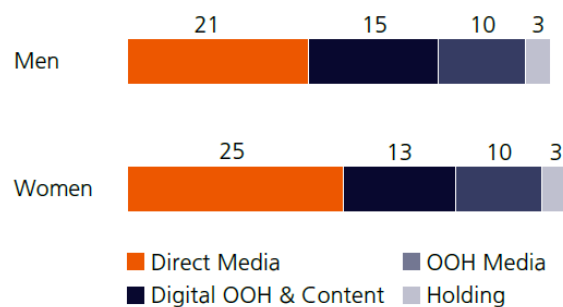
In a pilot project called Healthy Workplace, Ströer and its subsidiary Statista conducted an anonymous employee survey at the Stuttgart site on mental health problems and risks. The project provided very detailed insights into the working environment and individuals' perception. Measures were defined and implemented. The project will be rolled out across the Company in 2021.

Irrespective of their gender, employees can build on and pursue their professional goals in a culture of mutual respect at Ströer.

Ströer employed an almost equal number of women and men in 2020. As at the end of 2020, 51% of the Ströer Group's employees were female and 49% were male (prior year: 49% female and 51% male). The gender balance is due in no small part to our attractive working time models that help our staff reconcile work and family life, for example, and that make us a modern company.

Gender structure by segment

2020 in %



Women in leadership positions

As a founding member of the Cologne-based Mit Frauen in Führung [women in the lead] association, Ströer campaigns for equal development opportunities for women and men. A total of 15 major Cologne-based companies are members of this association, which invests in the future of female executive staff, primarily through a cross-mentoring program. Ströer is also involved in Initiative Women into Leadership (IWIL).

We also consciously champion women in leadership positions through our JUMP'n'grow! program for tomorrow's executives. In 2020, 42% of the program participants were women and 58% were men.

For further information on women in leadership positions, please refer to the annual corporate governance declaration pursuant to section 289a HGB, which the Board of Management of Ströer Management SE, Düsseldorf (the general partner of Ströer SE & Co. KGaA), and the Supervisory Board of Ströer SE & Co. KGaA submitted on March 12, 2021. The corporate governance declaration was made permanently available to shareholders on the Company's website at www.stroeer.com/investor-relations in the corporate governance section.

Anti-corruption and bribery matters

The Ströer Group and its various business units are exposed to numerous influences that form the basis for our sustainable and profitable growth but also result in a wide range of risks. In a highly sales-oriented organization such as the Ströer Group, there are generally risks of corruption and bribery too.

Corruption contravenes all national and international legal frameworks. The Ströer Group condemns all forms of corruption. Compliance is thus of great importance to the Board of Management of the general partner (Ströer Management SE, Düsseldorf) and the Supervisory Board of Ströer SE & Co. KGaA. Compliance means adhering to legal requirements, obligations undertaken voluntarily, and internal company policies. In particular, this includes combating corruption and bribery.

To ensure compliance, we have introduced a groupwide code of conduct that obliges our employees and us to comply with legal standards and internal policies.

Code of conduct

Our self-imposed code of conduct provides the basis for – and is the benchmark against which we measure – the legally compliant, ethical, and socially minded conduct of our organization and our employees.

We have clear guiding principles, which are set forth in the Ströer Group's code of conduct. We consider our Group to be a reliable partner to all persons, companies, and institutions associated with our Company in the regions in which we operate. Responsible business practice is a core element of our corporate philosophy, which aims to ensure that we operate in accordance with the law and ethical standards. Business success and personal success can only be achieved and maintained in an environment of compliance.

Due to the Ströer Group's expansion into new lines of business over the past few years (e.g. the online advertising market in 2013 and dialog marketing in 2017), the previous code of business conduct & ethics was revised and reissued as the code of conduct in 2017 and systematically rolled out to the entire Ströer Group in 2018. A training plan was also implemented alongside the updated code of conduct in order to address the challenges of a diversified business to the greatest possible extent.

Compliance organization

In order to protect the interests of our stakeholders, ensure legal compliance, and combat corruption and bribery, we have established the following governance model within the Ströer Group:

Compliance structure

The Ströer Group has appointed a Chief Compliance Officer to whom the compliance officers appointed by him or her report. The Chief Compliance Officer manages the implementation of the compliance system and is responsible for continually updating and adapting the system.

The Chief Compliance Officer is responsible for managing the code of conduct and for investigating and carrying out legal assessments of incidences of non-compliance. He or she reports directly to the CFO of Ströer as well as to the Audit Committee of the Supervisory Board at regular intervals.

The internal audit function supports the compliance function through the audits that it performs at the request of the Board of Management or Supervisory Board. These audits cover the effectiveness of the internal control system and risk management system. The findings of the audits are documented and related action plans drawn up. The audit documentation is regularly presented to the Chief Compliance Officer, the Board of Management of Ströer Management SE, and the Supervisory Board of Ströer SE & Co. KGaA.

Compliance hotline

A compliance hotline – in the form of an email address – enables not only our employees but also external third parties to confidentially report potential infringements of our code of conduct or other legal regulations. Incoming emails to this address are managed and treated in confidence by the Chief Compliance Officer. In this context, the Board of Management has imposed a special confidentiality obligation on the Chief Compliance Officer, including vis-à-vis the Board of Management itself. With the help of this compliance hotline, we want to encourage our employees to report relevant infringements without suffering any disadvantages, and to create a culture of compliance within our organization.

In 2020, no incidences of corruption or bribery were identified within the Ströer Group (neither via the compliance hotline nor via other channels).

Compliance training concept

In early 2020, the Ströer Group launched an online training course 'Compliance – in general and in the Ströer Group' that is mandatory for all employees in order to make them more aware of how the compliance system applies directly to their day-to-day work and, in particular, of the need to report compliance-relevant incidents to the compliance function. This training course, which provides a general explanation of compliance matters, constitutes the implementation of compliance within the Ströer Group.

In 2021, the general compliance training course is to be followed by an online course, '*Anti-corruption and conflicts of interest*', that will also be mandatory for all employees. After that, training courses aimed only at specific departments will be introduced.

Social matters – social responsibility

Ströer understands social responsibility primarily as caring for children and working to improve their welfare. For example, the Company is heavily involved in the search for missing children. It also initiates other projects for children. Ströer has already seen success in the context of the Initiative Vermisste Kinder [missing children initiative]. The Ströer Group is involved in the Hope's Angel Foundation, which provides support for grieving parents following a miscarriage, stillbirth, or the death of a newborn baby. Through the charitable foundation of the Sternenbrücke children's hospice, Ströer supports the families of children and young adults who have life-limiting illnesses or disabilities that will lead to their death at a young age.

Ströer also supports the Mutige Kinder [brave children] association, which looks after children suffering poverty or hardship, illness, or physical and mental abuse.

The Ströer Group will expand its corporate citizenship activities by stepping up its cooperation with charitable organizations in ways that do not involve traditional advertising deals. Through t-online.de, Ströer is able to provide a prominent platform for non-governmental organizations of all sizes on which they can appeal for donations for their particular cause irrespective of their advertising budget. The aim is to permanently generate an additional EUR 1m per year in donations for these organizations.

We report on our other social and environmental projects in our sustainability report, which is available at

<https://ir.stroeer.com/websites/stroeer/English/7999/sustainability.html>.

Data protection

Every individual has a fundamental right to data privacy. This right protects individuals against invasions of privacy as a result of unnecessary, indiscriminate, or disproportionate use of personal data. Respecting this right is one of the guiding principles of our business operations.

The Ströer Group has a vital interest in ensuring that innovative technologies and new business models are aligned with data protection laws. As digitalization increases, we consider it crucial that Ströer acknowledges its data-related responsibilities as part of its corporate social responsibility.

Consequently, data protection was again a high priority for Ströer in 2020.

In Germany alone, the data protection organization took on a further 20 data protection coordinators. The well-established communication channels enable Group entities to be supported even more effectively as part of centralized data protection processes.

The continuous refinement of our sophisticated concepts, content, and instruments for ensuring adequate data protection led to further improvements in the effectiveness of the existing system for managing data protection. This system helps Ströer to plan, implement, and regularly review measures aimed at maintaining compliance with data protection rules in a structured way. The Group's Data Protection Officer and the team of data protection coordinators analyze and use the findings from the reviews to continually reduce data protection risks within the Ströer Group. The team also receives support from the Privacy Steering Committee, which makes decisions that are required at Group level about data protection matters affecting the Company as a whole.

The responsible handling of data in the interests of our customers, employees, and other stakeholders will remain an overarching objective in the future and will further strengthen trust in Ströer as a data controller.

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