

Group non-financial report

STRÖER SE & CO. KGAA, COLOGNE DECEMBER 31, 2022

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STRÖER

Background information about the Ströer Group

Ströer SE & Co. KGaA ('Ströer Group'), a listed German company with its headquarters in Cologne, is a leading provider of out-of-home and online advertising in Germany as well as all forms of dialogue marketing. It also operates 'data as a service' services (DaaS) under the Statista brand and an online cosmetics store under the AsamBeauty brand.

Ströer's core business is out-of-home advertising. The Out-of-Home Media (OOH) segment comprises all forms of out-of-home advertising including digital out-of-home (DOOH) advertising. In the out-of-home business, Ströer uses around 300,000 advertising media in Europe, predominantly in Germany. The service offering includes traditional formats, such as posters or screens and projectors, and digital formats featuring LED/LCD screens. Since 2021, Ströer has used the generic term 'public video' to describe all advertising spaces that are at least 2m² in size and digital. The product portfolio includes bus and tram shelters that, while being part of the local public transport infrastructure, simultaneously function as advertising media. The out-of-home advertising business has a diversified portfolio of contracts with private and public-sector owners of land and buildings that give Ströer advertising concessions for high-traffic sites.

In the Digital & Dialog Media segment, Ströer provides solutions for the marketing of online advertising in the context of proprietary and third-party content. The scalable products marketed on this basis range from branding and storytelling to performance, native advertising, and social media. The websites include t-online.de and watson.de as well as special interest portals such as giga.de, familie.de, desired.de, and kino.de. Ströer Digital Media GmbH is ranked the no. 1 digital marketer in Germany by the German Association of Online Research (AGOF), making it one of the most important display and mobile marketers in the German advertising market.

The Digital & Dialog Media segment also encompasses the companies Ströer X and the Ranger Group. Ströer X is responsible for dialogue marketing within the Group and is one of the largest providers of call center capacity in Germany. The Ranger Group is a field sales specialist, providing direct sales services. Finally, the Statista and AsamBeauty brands operate in the DaaS and E-commerce sectors respectively.

Ströer employs around 10,000 people at approximately 100 locations. In 2022, Ströer generated revenue of EUR 1.77b. Ströer SE & Co. KGaA is included in the MDAX index of Deutsche Börse. For detailed information on the business model and organizational structure, please refer to the relevant sections 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 Group website on March 30, 2023.¹

¹ Available at: <https://ir.stroeer.com/investor-relations/financial-reports/>

Background information about the Group non-financial report

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)). The non-financial report also fulfills the disclosure requirements under the Taxonomy Regulation (EU) 2020/852.

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 non-financial aspects. The information required under the EU Taxonomy Regulation is also disclosed.

The disclosures relate to the reporting period from January 1 to December 31, 2022. 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 the Supervisory Board have examined this Group non-financial report, which was prepared by the Board of Management for the Ströer Group as at December 31, 2022. 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 Directive Implementation Act is carried out each year on the basis of a systematic evaluation process within the Ströer Group. Ströer thereby follows the intention of the legislature, i.e. identifying and reporting on those aspects that are material to both the Company's net assets, financial position, and financial performance and to the reportable aspects themselves.

With this in mind, Ströer's sustainability management team regularly documented current sustainability factors and their related opportunities and risks (impacts) in 2022 using internal risk analysis, media research, ESG ratings, reporting standards, and information from internal and external stakeholders. This process serves to identify any need to adjust the current focus of sustainability work. If there is a need, the definition of topics or the selection of topics of relevance for Ströer and the Company's situation are amended. No such adjustments were made in 2022.

The updated list of sustainability topics was then incorporated into the materiality analysis, which is used to prepare the Group non-financial report and the sustainability report of Ströer SE & Co. KGaA. Based on the updated list, all relevant business units within Ströer were asked to assess the effect of the topics on their net assets, financial position, and financial performance, and the impact of the business on stakeholders and the environment ('double materiality'). The results of this survey were presented to and evaluated by the Sustainability Council, Ströer's central steering committee for sustainability.

Finally, the process and its results were reviewed by the Supervisory Board's ESG officer to ascertain whether any adjustments were required.

Material aspects and topics

At the end of the process, the material topics for which disclosures are required in this Group non-financial report under the CSR Directive Implementation Act had been identified (see table below)

Aspect	Topics disclosed in 2022
Employee matters	<ul style="list-style-type: none"> • Working conditions • Training & staff development • Diversity & equality • Occupational health & safety
Governance	<ul style="list-style-type: none"> • Information security • Data protection • Anti-corruption & bribery matters
Environmental matters	<ul style="list-style-type: none"> • Based on the results of the materiality analysis, environmental matters and related topics are not considered material to the

	<p>business of the Ströer Group and are therefore not addressed in depth in this report.</p> <ul style="list-style-type: none"> • In order to address sustainability as a whole, however, Ströer has included the environment aspect as a central pillar of our 2030 sustainability strategy and made climate action a focus area. The Group thus accounts for the considerable social importance of this topic. Ströer aims to make the entire business climate-neutral by 2025 and further enhanced the Group's climate strategy in 2022. In addition, we have already introduced a range of measures and continued to drive forward with our efforts in this area in 2022. The Company was again able to slightly increase the proportion of green electricity in its Group-wide energy consumption. Breaking it down, around 90% of the Group's digital advertising media is powered by green electricity while the figure for Germany alone is 100%. The switch to green electricity is supported by the introduction of various energy-efficiency measures for our advertising media and by the optimization of our use of materials. We are already running climate-neutral advertising for our customers. Unavoidable greenhouse gas emissions are offset through certified climate change mitigation projects. • Ströer reports in detail on this and other measures in its annual sustainability report, which it has been publishing since 2020.
Social matters	<ul style="list-style-type: none"> • Based on the results of the materiality analysis, social matters and related topics are not considered material to the business of the Ströer Group and are therefore not a focus of this report. • However, this aspect is addressed through the topics of Information security & data protection, which have an equal bearing on both corporate governance and social matters.
Human rights	<ul style="list-style-type: none"> • Based on the results of the materiality analysis, human rights and related topics are not considered material to the business of the Ströer Group and are therefore not a focus of this report. • However, this aspect is addressed through the topics of working conditions, diversity & equality and occupational

	health & safety , which deal with human rights issues in the context of the workforce.
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For reasons of transparency and continuity, the Group decided to continue reporting on its activities to combat corruption and bribery, despite this being assessed as only a moderate risk this year. Together with the topic of information security & data protection, the topic of anti-corruption and bribery matters has been included in Ströer's governance, risk & compliance system in order to present a complete picture and highlight interdependencies.

Ströer's annual sustainability report contains an in-depth account of the Group's sustainability activities with respect to environmental, social, and governance criteria. The latest report can be downloaded at <https://www.stroeer.de/en/sustainability/>.

EU taxonomy: 2022 report

Background

The Taxonomy Regulation (EU) 2020/852 is a regulatory initiative aimed at promoting the transition to a sustainable economy and implementing the EU's Green Deal. To this end, the EU taxonomy classifies business activities that fall under the scope of the regulation. Those activities are described in detail and assigned a NACE code², which is the statistical code used by the EU to classify business activities. The EU taxonomy also establishes criteria for determining under what circumstances business activities can be considered environmentally sustainable. We intend to classify as many business activities as possible using this classification system over the next few years. The regulation requires companies to report annually on these activities. For companies to which the Taxonomy Regulation (EU) 2020/852 applies, new reporting obligations for taxonomy-eligible business activities were effective from the 2021 reporting year. Disclosures were limited to two EU environmental objectives: climate change mitigation and climate change adaptation. Furthermore, it was not compulsory to disclose details of taxonomy-aligned business activities. This arrangement for the first year of application was designed to give companies time to establish processes for identifying activities that fall under the reporting requirements. For the other four EU environmental objectives – the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems – there were no criteria for determining under what circumstances business activities are considered environmentally sustainable.

Developments in 2022

2022 continued to see a lot of developments in relation to the EU taxonomy. On March 9, 2022, the European Commission approved a complementary climate delegated act including – subject to strict conditions – specific nuclear and gas energy activities in the list of business activities covered by the EU taxonomy. This complementary delegated act was officially published on July 15, 2022 and has applied since January 1, 2023. On March 30, 2022, the Platform on Sustainable Finance, which advises the European Commission on the further development of its sustainable finance policies, issued recommendations

² NACE – Statistical Classification of Economic Activities in the European Community

for the first time on technical screening criteria for the four remaining environmental objectives from the EU taxonomy. A delegated act is anticipated in the first quarter of 2023, with the associated reporting obligations coming into force for the following financial year. The current classifications and further resources and explanations can be accessed online using the *EU Taxonomy Compass*, which was established in 2022 as a central information platform.

Implementation at Ströer

In 2021, Sustainability Management developed a new evaluation process to identify the Ströer Group's taxonomy-eligible activities and implemented it in conjunction with the relevant operating and corporate units. The business activities of the Ströer Group were compared with the sectors and business activities covered by the EU taxonomy. In particular, this involved examining the corresponding NACE codes and the definitions and explanations provided by the EU, and discussing these with all relevant business segments. Following joint discussions, Ströer came to the conclusion that the Group did not fall within the scope of the EU taxonomy. The proportion of revenue, capital expenditure (CapEx), and operating expenses (OpEx) from taxonomy-eligible business activities was therefore reported as zero. This decision was largely based on the fact that neither the NACE codes on which the EU taxonomy is based nor the descriptions of business activities and the associated criteria explicitly cover the business model of the Ströer Group. Moreover, no commentary was available from the regulator and no comparative information was available from the industry.

With this in mind, Ströer reviewed its previous assessment for the Group in 2022. Sustainability Management analyzed the regulatory developments coming from the EU and how other companies had interpreted and implemented the taxonomy. On this basis, and in consultation with the relevant operating and corporate units and the Board of Management member responsible for sustainability, the decision was made to consider the following business activities as taxonomy-eligible and taxonomy-aligned in the future:

Business activity	EU environmental objective	Category	Taxonomy reference
Street furniture for sustainable transport solutions: shelters	Climate change adaptation	Enabling	6.15 Infrastructure enabling low-carbon road transport and public transport
Vehicle fleet*	Climate change adaptation	Enabling	6.5 Transport by motorbikes, passenger cars, and light commercial vehicles
	Climate change adaptation	Enabling	7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
Office buildings/equipment*	Climate change adaptation	Transitional	7.2 Renovation of existing buildings
	Climate change adaptation	Enabling	7.3 Installation, maintenance, and repair of energy efficiency equipment

* Activity that supports Ströer’s actual value-creating activities

Ströer’s decision to include bus and tram shelters in the taxonomy analysis reflects the manifold touchpoints between the Group’s out-of-home advertising portfolio and public transport. This applies in particular to Ströer’s more than 18,000 shelters, which make an important contribution to a functioning infrastructure for low-carbon road traffic and public transport:

- Protection from wind, rain, and snow or as shade from the sun; comfortable waiting conditions particularly for vulnerable people such as those with limited mobility
- Information for passengers
- Lighting helps ensure the safety of waiting passengers and passers-by

Innovations such as air filters will be able to enhance the value of shelters for passengers even more in the future.

Unlike shelters, the supporting activities related to the vehicle fleet and office buildings/equipment are not part of Ströer's core business, however. Supporting activities exclusively give rise to CapEx and OpEx. In its final report on the EU taxonomy in March 2020, the Technical Expert Group (TEG) on Sustainable Finance suggested that this expenditure may be reported when it relates to taxonomy-aligned products and services. Whether the related revenue of the manufacturers/providers of such products and services is taxonomy-aligned will only become clear in 2023 at the earliest when our business partners may disclose the relevant figures. Until then, Ströer believes CapEx and OpEx from supporting activities should not be reported as taxonomy-eligible. As a result, we have not gone into any more detail on activities 6.5, 7.2, 7.3, or 7.4 in this report.

Quantitative disclosures for 2022 and methodology

The Ströer Group determined the data required for the 2022 report in accordance with the definitions and criteria set forth in Article 8 Annex 1 of the EU Taxonomy Regulation. The definition of revenue and CapEx for the purposes of the EU taxonomy are based on the relevant International Financial Reporting Standards (IFRS). We considered the EU environmental objectives of climate change mitigation and climate change adaptation in line with the current version of the EU taxonomy. The disclosure relates to both taxonomy-eligible and taxonomy-aligned business activities. The table below presents the figures for 2022, both in absolute terms and as a percentage of the total revenue, CapEx, and OpEx of the Ströer Group. The relevant totals for the Group were taken from Ströer's accounting system. As Ströer does not report revenue, CapEx, or OpEx broken down by individual advertising media type, the absolute figures for bus and tram shelters were determined based on the advertising rights contracts that include shelters. A materiality threshold of > 1% was defined for EU taxonomy reporting. Taxonomy-eligible activities whose share of the total figures for the Group does not reach this threshold are considered immaterial and therefore not reported.

To calculate the revenue associated with shelters (activity 6.15), the relevant share of revenue for 2022 (numerator) was derived from the external contracts between Ströer and its partners that include shelters. This revenue was divided by the consolidated net revenue of the Group (denominator; see the consolidated income statement in accordance with IFRS for the revenue of the Ströer Group).

The CapEx calculated for the Group comprises all recognized property, plant, and equipment (IAS 16), intangible assets (excluding goodwill, IAS 38) and right-of-use assets under leases (IFRS 16) (denominator). To calculate activity 6.15-related CapEx, the entire portfolio of reported advertising media was analyzed and the CapEx attributable to contracts that include shelters was determined (numerator).

OpEx as defined by the EU taxonomy includes direct, non-capitalized research and development costs, building renovation, short-term leases, maintenance and repairs, and other direct expenses in connection with the regular maintenance of property, plant, and equipment – by the Company or by third parties to whom the task is outsourced – that is required in order to maintain the functionality of these assets. On this basis, the relevant total was derived from the contracts involving shelters (numerator) in order to calculate the direct expenses associated with activity 6.15. For the denominator, the Group's OpEx was calculated from the consolidated accounts using the EU taxonomy's definition. The CapEx and OpEx KPIs are not part of a CapEx plan under the criteria of the EU taxonomy. By using contracts to identify relevant revenue and focusing on activity 6.15, it was ensured that CapEx, OpEx, and revenue were not counted more than once.

The minimum safeguards refer to minimum social standards that are required to be met. Ströer is explicitly committed to the UN Guiding Principles on Business and Human Rights. Respect for human rights is embedded in the Group's fundamental policies, including the Ströer Social Charter, the Code of Conduct for Suppliers and Business Partners, and the Policy Statement on Respect for Human Rights. Ströer discloses its policies, action plans, and outcomes in the area of human rights in the Group's annual sustainability report.

With regard to the 'Do no significant harm' criterion (DNSH), the relevant operating and corporate units were assessed against the criteria specified in the technical annex to the EU taxonomy. Ströer does not currently undertake a climate risk and vulnerability assessment or an environmental impact assessment as defined in the EU taxonomy at the level of the shelters. For this reason, the criteria for reporting the taxonomy-eligible figures for revenue, CapEx, and OpEx for activity 6.15 as taxonomy-aligned were not met in 2022.

Table: Ströer's taxonomy-related disclosures for 2022 – OpEx

Business activities	Code	OpEx (EUR m)	Share of consolidated OpEx (%)	Substantial contribution		Do no significant harm criterion (DNSH)						Minimum safeguards	Taxonomy-aligned share of OpEx (%), 2022	Taxonomy-aligned share of OpEx (%), 2021	Category (enabling activity)	Category (transitional activity)
				Climate change mitigation (%)	Climate change adaptation (%)	Climate change mitigation	Climate change adaptation	Water	Circular economy	Pollution	Ecosystems					
A. Taxonomy-eligible business activities																
A.1 Environmentally sustainable business activities (taxonomy-aligned)																
Street furniture for sustainable transport solutions: shelters	6.15	0	0	0	100	N	/	N	N	Y	N	Y	0	/	E	
Taxonomy-aligned OpEx, total (A.1)		0	0	0	100								0	/		
A.2 Taxonomy-eligible business activities that are not environmentally sustainable (not taxonomy-aligned)																
Street furniture for sustainable transport solutions: shelters	6.15	29.1	27.6													
Taxonomy-eligible OpEx, total (A.2)		29.1	27.6													
Total (A.1+A.2)		29.1	27.6													
B. Non-taxonomy-eligible business activities																
Non-taxonomy-eligible OpEx, total (B)		76.3	72.4													
Total (A+ B)		105.4	100													

In 2022, the taxonomy-eligible share of CapEx for activity 6.15 was comprised entirely of recognized property, plant, and equipment, particularly of the cost and associated incidental acquisition costs of advertising media. The majority (> 90%) of taxonomy-eligible OpEx for activity 6.15 in 2022 comprised maintenance, repair, and servicing expenses in addition to other costs that were allocated to each advertising medium on a flat-rate basis. The taxonomy-eligible revenue was calculated exclusively from the advertising rights contacts associated with activity 6.15.

Outlook

The results of the Group's 2022 taxonomy report are testimony to the fact that the Ströer Group and its segments operate in sectors that have relatively low greenhouse gas emissions and environmental impacts. As a result, the Group's business activities and their associated NACE codes have not fallen explicitly under the EU taxonomy to date. The EU has announced that it is going to integrate more taxonomy-eligible sectors and business activities and is likely to do so over the next few years. The sectors of relevance for Ströer would need to be added early on in order to enable the Group to report adequately and fully on its environmental footprint in line with the EU taxonomy in the future.

The first year of application has also shown that businesses continue to interpret the EU taxonomy very differently. That is understandable and could provide impetus for discussions about how the EU taxonomy should evolve going forward. This also clearly underlines how difficult it is to make environmental performance comparable across sectors.

With this in mind, Ströer continues to make its sustainability efforts transparent for the capital markets by maintaining dialogue with analysts and investors, producing its sustainability report, obtaining sustainability ratings, and publishing the Group taxonomy report.

Employee matters

Strategic background

HR at Ströer

The Ströer Group wants to be an attractive employer with which employees can identify and for which they enjoy working. Ströer approaches HR holistically, aiming to offer (potential) applicants, employees, and alumni a consistent and attractive experience of the company and what it stands for. Ströer does so through individually tailored HR measures and communication at every touchpoint along the employee journey. Touchpoints include our monthly onboarding day for new Ströer staff, employee surveys, planned returns to work following extended periods of absence and even extend to giving employees a good 'goodbye'. The employer brand JUMP is used in both external communications and within the Group.

Ströer's holistic approach is a reflection of the 'Employees' pillar of its sustainability strategy. In the three strategic fields of attractiveness, responsibility, and excellence, the Group has defined six areas of focus and set related targets. Together with the four values of growth, development, appreciation, and innovation & quality, they form the strategic basis for establishing a talent pool for Ströer and retaining current employees.

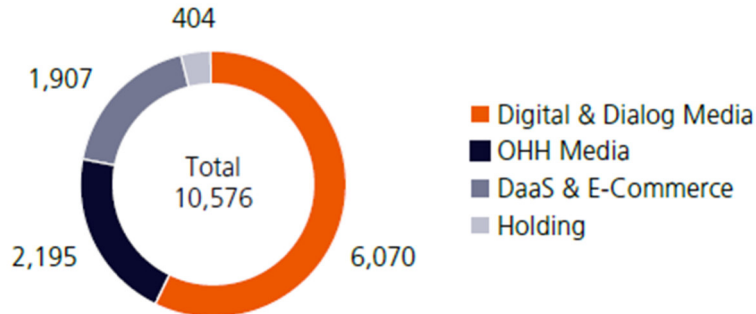
The importance of employee matters is also reflected in the pivotal position of HR within the organizational structure. The head of HR reports directly and on a regular basis to the relevant member of the Board of Management. She is also a member of the Executive Committee, the highest management body in the Ströer Group after the Board of Management. Employee matters relating to sustainability are also dealt with by Ströer's Sustainability Council.

HR developments in 2022

At the end of 2022, the Ströer Group had 10,576 full-time and part-time employees (prior year: 10,079). The increase was a result of organic growth.

Employees by segment

As of Dec. 31, 2022



At the end of the year, foreign Group entities employed a total of 1,659 people, which represents 16% 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.

Working conditions

Modern and fair working conditions are key to long-term employee retention. Ströer offers its employees various options for adapting their working hours to their individual situation or stage of life. These include general company-wide arrangements and customized arrangements for individual employees. Ströer is implementing progressive working practices as part of the digitalization of the workplace. In addition to a system of working time based on mutual trust, these include arrangements such as individual part-time working, job shares, and hybrid work patterns. Ströer calls the latter Flex Work (working from any location). Flex Work has already been successfully launched in several Group companies. Ströer also offers sabbaticals through its Urlaub+ model, which enables employees to increase their vacation allowance by up to 20 days' unpaid leave. Here, too, the objective is to increase flexibility. Ströer is also introducing the 20-day Workation, which gives staff the option to take up to 20 days of Flex Work and work from any location in Europe, where their role permits them to do so. In 2022, a total of 2,952 employees across the Group (28%) were employed on a part-time basis.

Ströer does most of its business in western Europe where legal (social) standards for the protection of workers' rights are high. Ströer clearly documented its groupwide commitment to fair working conditions in the Ströer Social Charter in July 2022. The values and social principles – 'how we work' – provide a framework of ethics for the entire Ströer Group with regard to its responsibilities as an international group of companies. Ströer acts in the knowledge that it must conduct its business responsibly and sustainably in order to protect our current and future living and working conditions. That also includes respect for the cultural, ethical, social, political, and legal diversity of the countries and societies in which the Group operates. All employees must observe the Ströer Social Charter. Initial communications and training started in January 2023 and will be enhanced by delving into specific topics throughout 2023.

Training & staff development

Training of young talents

Ströer sees the training of young people as an important step in assuming responsibility for their qualifications. It is also a means of securing the loyalty of a pool of talented employees at an early stage and giving them opportunities for development. In 2022, the Ströer Group provided vocational training for a total of 161 young people in Germany. The aim is to provide support through extensive on-the-job training and to maintain, at a consistently high level, the proportion of trainees in the workforce and the proportion of trainees to whom the Company subsequently offers permanent positions.

A key component is traditional vocational training, which usually lasts three years and is performed by qualified instructors. Ströer currently offers vocational training in media design, office management, marketing communications, and IT.

The Group also offers a degree apprenticeship program (with bachelor's and master's degrees) in marketing & digital media, business administration, business informatics, and management & digitalization. Ströer pays its trainees an attractive wage and covers the fees for the entire degree course. The courses comprise practical and theoretical phases. In the practical phases, students work on the ground in the Group, which means that they can actively take on responsibility at an early stage. In the theoretical phases, they are taught at the partner universities. Ströer has partnerships with five leading universities in

Germany. These partnerships include specific project work that has been tried and tested over many years.

The third component is the 18-month trainee program that Ströer offers young graduates to give them an introduction to working life. The graduate trainees get to experience different operating and corporate units and are assigned a mentor. The trainee program is offered in general management, HR, and sales.

In addition, Ströer offers students the option to gain practical experience through internships or by working as a temporary employee during their studies. The Group also acts as a partner for students writing theses for their bachelor's or master's degrees.

For the third year in a row, the business magazine Capital identified Ströer as one of Germany's best training providers in its October 2022 survey. The Group received four stars out of a possible five.

Training and continuing professional development

In order to retain employees in the long term and to conserve knowledge and skills within the Group, it is imperative that the Ströer Group offers staff opportunities to progress. To this end, developmental needs are discussed and agreed individually between managers and employees. The agreements are based in particular on the role of the employee, the work goals agreed with the manager, and potential career prospects within the Group, which may be specialist or management careers. When planning new training formats, the Group also takes into account developments in the market and the skills and knowledge required for its business. This includes new technological skills, knowledge about current regulations or internal policies, and methodological knowledge.

In addition to individual development measures, Ströer also offers standardized development programs across the Group. JUMP'n'grow is a talent development program that usually lasts twelve months. Participants are selected by the Ströer Executive Committee. The program includes various training courses and workshops and is supported by individual mentoring by experienced senior executives. As a result of coronavirus restrictions, some parts of the program took place digitally in 2022. Digital self-guided courses were also offered and regular book discussions were established, with the face-to-face workshops being postponed to a later date. In September 2022, the fourth round of JUMP'n'grow launched with 26 new trainees.

The JUMP up management training program was also continued in 2022, with 'Digital Leadership' as its main area of focus. The program comprises various modules in which HR employees who are qualified trainers prepare content tailored to the needs of the participants and the organization and offer it to Group offices across Germany. A number of modules were also offered for managers on topics such as working with decentralized teams ('lead over distance'), authenticity, modern leadership, appreciation & communication, and delegation. Digital working courses (e.g. 'meet over distance') were offered to all employees.

In 2022, the JUMP'n'train interactive learning platform was revamped in order to make the content easily accessible to all employees at any time from anywhere. The platform functions as a central repository for knowledge and career development activities. The activities include classroom-based training, self-study courses, webinars, workinars, and more. The courses are continually added to, and cover topics such as IT and systems, methods and media literacy, sales, and soft skills. Content can be offered at any location thanks to new technologies such as virtual classrooms.

Employees are also able to take a part-time degree programs or study towards a qualification while working. Working hours can be temporarily reduced in agreement with a manager and, depending on the subject matter and purpose of the skills development course, employees can apply for Ströer to pay for some or all of the fees. Examples of such measures are training as a first aider or youth protection officer, Scrum master, or OKR master, which are all supported by Ströer.

These opportunities are supplemented by mandatory training sessions, both in order to meet regulatory requirements and to ensure that important topics are firmly grounded across the workforce. The main topics are data protection, compliance, information security, and health and safety.

Diversity and equality

Ströer promotes a balanced and diverse workforce. The Group employs people from more than 110 nations with different skills, from different social backgrounds and cultures, with different genders and gender identities, with diverse sexual orientations, and in all age groups. Diversity is a catalyst for ideas and the cornerstone for the sustainable growth of the Company in addition to being a reflection of Ströer's customers and of society. Which is why diversity is a core focus of our HR strategy.

Ströer strives to ensure that its working environment is free from discrimination by using groupwide standards, and complaint and control mechanisms. The Group maintains an organizational culture that is shaped by respect, equal opportunities, and appreciation. This culture is founded on raising awareness among management and creating spaces for the workforce to meet and talk, cemented by specific offers for productively balancing individual life plans with careers.

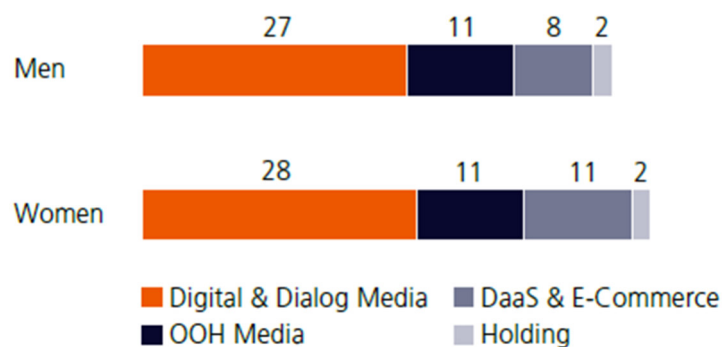
The head of HR at Ströer is directly responsible for the topic of diversity. In this role, she is responsible for the formulation of overall policy. She also designs groupwide HR standards on diversity, and is responsible for communicating them and ensuring that they are complied with. The head of HR initiates groupwide measures to promote diversity in the Group, for example by enhancing working models, launching targeted recruitment drives and offering training courses. She also represents the Group in internal and external HR-related diversity-issues and is the women's officer for the Group.

In 2021 Ströer signed the Diversity Charter, one of the biggest initiatives in Germany to promote diversity in the workplace. By signing the charter, Ströer is publicly committing to promoting a diverse working environment and to reporting on its progress. For the Group, this includes its clear commitment to equal pay. The Group also used the Diversity Day in Germany to draw attention to the subject on large-format screens and to spark discussions with employees, dispel preconceptions, and raise awareness of language and attitudes. With its internal LGBTQ+ network 'LOUT' and the women's network 'EmpowHer', Ströer is emphasizing the open culture of the Company and encouraging dialogue. Both networks also serve to initiate change within Ströer. Last but not least, Ströer is committed to welcoming staff with diverse qualifications and different social backgrounds into the Group. Ströer X, which comprises the call centers, is a good example. Ströer X has a policy of allowing applicants with low academic and professional qualifications to prove their ability in a practical setting and thereby gain a foothold in professional life.

Ströer employed an almost equal number of women and men in 2022. As at the end of the year, 52% of the Ströer Group's employees were female and 48% were male (prior year: 51% female and 49% male). The good gender balance is partly due to our attractive working time models that help our staff reconcile work and family life, for example.

Gender structure by segment

2022 In %



In recruitment, it is ensured that the application process is fair and recruiters are briefed on the issue of equal opportunities. The Group also participates in forums and job fairs that are deliberately aimed at women. In October 2022, for example, Ströer had its own stand at the 'herCAREER' expo in Munich. herCAREER is Europe's leading trade fair for female career advancement. In June 2022, Ströer also actively participated at the 'KOA 2022' held in Berlin. KOA is a leading career festival designed for women. Moreover, by participating in Social Bee gGmbH's 'The Female Accelerator Program', Ströer combined supporting women with corporate citizenship activities in the reporting year. Ströer is providing on-the-job training for two women refugees to help them qualify and get certified as project managers in under a year.

Another area of focus involves identifying talented staff within the Group and supporting them in their professional development. This includes providing support for external initiatives and having female managers from Ströer participate in such initiatives. 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 16 major Cologne-based companies are members of this association, which invests in female executive staff, primarily through a cross-mentoring program. Ströer is also involved in the Women into Leadership initiative, which encourages networking and the sharing of ideas and information between women in leadership positions. Ströer's internal women's network EmpowHer emulates this mindset. Talented female staff are also encouraged to apply for the career development program (JUMP'n'grow). This is a further initiative used by Ströer to promote commitment and diversity.

The Group refers to the decisions made in support of the participation of women in leadership positions in its annual corporate governance declaration pursuant to section 289a HGB. The Board of Management of Ströer Management SE, Düsseldorf, which is the general partner of Ströer SE & Co. KGaA, and the Supervisory Board of Ströer SE & Co. KGaA submitted a list of those decisions in March 2023. 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.

Occupational health and safety

Ströer takes its responsibility for the health and safety of its employees seriously. Its primary concerns are protecting their mental health and preventing accidents in the workplace or any work-related illnesses. Ströer is subject to the statutory provisions of the German Health and Safety at Work Act and similar legislation in other relevant countries.

Ströer therefore takes all action necessary to ensure the safety and health of its employees at work. Threats and risks are regularly identified in the risk assessments and meetings of the Occupational Safety Committee that are required by law. Occupational health and safety measures are then developed on the basis of these analyses.

Safety officers, first aiders, and fire safety officers complete regular training courses. The mandatory instruction sessions on health and safety, fire safety, and driver training apply to all employees and can be completed via the interactive learning platform JUMP'n'train. All accidents at work are fully documented in accordance with the statutory regulations and, if necessary, corrective measures are implemented. First aid equipment and fire extinguishers are available in all offices; larger offices also have defibrillators. The external occupational health service also visits the workplaces regularly and carries out inspections for employees working at screens, for example, and medical check-ups in accordance with the German Ordinance on Occupational Healthcare (ArbMedVV). In November 2022, Ströer went even further by appointing its own occupational safety specialist, who, with the help of external service providers, is tasked with assessing the Group as a whole. The occupational safety specialist carries out risk assessments and site visits, and holds meetings of the health and safety committees.

The general health and safety obligations (first aiders and fire safety officers, risk assessment, instruction, and ASA meetings) and the special work safety obligations (mental health risk assessment, compliance with working hours regulations) are delegated in writing to the managing directors or managers at the sites. Ströer provides employees with information on matters relating to occupational health and safety, internal contact persons, and relevant statutory provisions on the intranet.

In 2022, there were a total of 47 reportable accidents at Ströer (prior year: 62). The sickness rate stood at 7.7% (prior year: 5.6%). The impact of the global COVID-19 pandemic has to be taken into account here, as the effects were clearly felt in the Ströer workforce with a rise in sick days in 2022.

Governance

General

Ströer has brought together the compliance, risk management, internal control system, internal audit, data protection, and information security functions within the Ströer Group in an integrated governance, risk & compliance (GRC) system. This approach enables the Company to utilize synergies between the six functions, identify interdependencies at an early stage, and intervene where necessary. Strategies, processes, people, and technology are closely coordinated with a view to efficiency and effectiveness. The GRC corporate unit established at Ströer SE & Co. KGaA is supported by a decentralized organization in all key areas of the business (clusters). This ensures that segment-specific risks and circumstances can be addressed appropriately, and that Ströer can respond quickly to specific requirements and changes.

The head of the GRC corporate unit reports directly to the Board of Management of Ströer SE & Co. KGaA and is also in direct contact with the chair of the Audit Committee of Ströer SE & Co. KGaA's Supervisory Board. The overarching corporate governance, risk & compliance principles apply to all the Group's majority-held subsidiaries and create minimum organizational standards and a uniform framework for the implementation and monitoring of, and reporting on, the GRC system. They also provide a clear allocation and demarcation of responsibilities. Within the six functions brought together in the GRC system, there are separate policies, responsibilities, and structures in place enabling the function-specific requirements and risks to be addressed.

Close cooperation with the Investor Relations & Sustainability corporate unit and the associated sustainability management team, as well as other business units of Ströer SE & Co. KGaA, ensures that sustainability aspects are an integral part of the governance systems – particularly risk management and the internal control system.

The cross-disciplinary and cross-divisional composition of the Governance, Risk & Compliance (GRC) Committee enables it to advise and support the Board of Management. This ensures that overarching issues are discussed on a regular basis and that the Board of Management has a fully rounded view of the relevant issues. Alongside generally advising the Board of Management on GRC issues, the committee's main focus areas are its involvement in important compliance cases and compliance measures, and the

comprehensive assessment of the Company's risk-bearing capacity and risk position. The committee meets at least twice a year and its meetings are attended by the CFO of Ströer SE & Co. KGaA and chaired by the head of Governance, Risk & Compliance.

Information security

Data security and confidentiality are integral elements of Ströer's operating policy. Key priorities of information security are ensuring that customers and employees can trust the Ströer Group to use their data in a responsible and legally compliant way and protecting the Company's assets against cyberattacks. This is even more important in an environment where cyber criminals are becoming increasingly professional and the risk to companies of data surveillance and attacks on IT systems is thus constantly growing.

Ströer has defined authenticity, integrity, confidentiality, and availability as the overarching objectives of information security. The emphasis is on protecting the Ströer Group's most valuable assets. In order to achieve these objectives and take account of developments in the field at an organizational level, Ströer has prioritized the ongoing enhancement of the Group's information security systems since 2020. This process is based on the international ISO 27001 standard for information security.

The information security guidelines and the information security management system (ISMS) defined therein apply to all companies in the Ströer Group. They define in detail the minimum standards that the Ströer Group companies must meet with their individual information security organization and associated measures. In addition to these definitions, policies are developed as required for the individual companies in the Ströer Group, to match local circumstances.

In 2022, Ströer continued to develop processes, organization, and responsibilities in the area of information security on this basis. A key element is the overarching Group Information Security Office. This department has grown from two employees at the end of 2021 to seven employees as at the end of 2022.

The Group Information Security Office has the power to issue guidelines in information security; it drives improvement initiatives across the Group, carries out audits within the Group, and advises the Group companies. The head of the Group Information Security Office reports on a monthly basis to the relevant member of the Board of Management about information security. This is supplemented by a quarterly status report to the full Board of Management of Ströer. The Group Information Security Office is assisted by employees in the departments and Group companies (cluster information security officers and, if necessary, IT operations team members) who deal with local information security

and data security matters. The Group Information Security Office also provides groupwide services, such as a security-awareness training platform, an attack surface management solution, a risk scoring solution, and a threat intelligence service.

Identifying weaknesses in systems and processes and finding solutions to remedy them are key to further improving information security. With this in mind, a groupwide solution for managing all internet-facing assets was launched in 2022. The solution runs monthly weakness tests that automatically check the web applications against the OWASP Top 10 most common weaknesses and help to remedy any security breaches, such as the recent Log4j and Log4Shell or the OpenSSL v3 bugs. Regular internal and external penetration tests are also carried out in order to identify potential technical weak points in specific test objects. In addition, red team exercises were commissioned in which an external service provider carries out comprehensive and realistic cyberattacks in order to test the ability of the security organization to withstand an attack. In this spirit, the security incident process was also enhanced this year and introduced in all local clusters of the business units.

Another element of our efforts to improve information security is the empowerment of employees and raising awareness across the Group. To this end, the Group Information Security Office publishes regular articles on the topic of information security on the intranet, runs an active cybersecurity community within the Group, and presents its information security goals in (tech) talks at the Group companies. Phishing simulations are also carried out in order to test the workforce's security awareness in fictitious real world scenarios.

Ströer introduced mandatory training in 2021 on the current challenges facing cybersecurity and how to deal with them correctly. This complemented its existing mandatory basic training on information security and data protection. At the start of 2023, Ströer will hold a new mandatory cybersecurity training course for all staff, replacing the previous cybersecurity training. This new course, which is delivered using a state-of-the-art training concept, is due to be held annually in the future as well as whenever risks arise. It covers topics such as phishing and how to work securely from home and elsewhere. In order to lighten the year-end load for employees, the training was moved from the fourth quarter of 2022 to the start of the new year.

The Group Information Security Office's ongoing efforts to raise awareness among staff meant that a major CEO fraud attack across several Group companies at the end of 2022 was quickly identified and did not have any negative impact.

Data protection

Data protection protects the right of customers, business partners, and employees to privacy. With this in mind, Ströer takes all appropriate measures to ensure the security of personal data and protect it from misuse. The main legal basis for this is the EU's General Data Protection Regulation (GDPR), and every employee must agree in writing to adhere to it.

Data protection organization

As with the GRC approach, Ströer's data protection organization is decentralized. Each cluster has an information security manager (ISM) who takes on specific tasks defined in a separate guideline. Where required, a data protection officer (DPO) is also appointed at Group-company level. Each DPO is responsible for advising and monitoring their company and acting as the contact person for data subjects on matters of data protection. The contact details of the data protection officers are publicly available. Each Group company has appointed one or more data protection coordinators (DPC). The DPC is the link between the ISM and the relevant Group company. The DPC is also the first port of call for employees and offers them advice.

In 2022, nine ISMs, ten DPOs, and 88 DPCs were employed in the data protection organization. The number of DPCs has been increased by 20 year on year to effectively support the implementation of data protection processes at the Group companies.

At Group level, the Group Data Protection function within the GRC corporate unit manages the coordination of all Group companies within the data protection organization. Its responsibilities include issuing groupwide data protection guidelines and monitoring the implementation of, and compliance with, agreed measures. The General Data Protection Policy that was issued in 2018 was revised in 2022 and supplemented by the Policy on Data Protection Responsibilities and Tasks and the Group Data Protection Principles. Group Data Protection also ensures the regular sharing of information within the data protection organization, for example as part of monthly data protection roundtable meetings between all relevant data protection stakeholders. The function is also responsible for coordinating important matters relating to data protection and running the data protection management system (DPMS) based on the audit standard IDW PS 980 in conjunction with auditing practice statement IDW PH 9.860.1. To support central data protection

processes, data protection management software has been introduced across the Group. The software increases the automation and standardization of data protection processes and is used to manage data protection tasks across the entire data protection organization.

Key guidelines, procedures, and tools have been combined in a 'data protection toolbox', which is made available to Ströer Group subsidiaries to support their compliance with data protection requirements. Employees can also find explanations of the key data protection roles, requirements, and applications on the Ströer intranet.

Data protection at Ströer is regularly reviewed by Internal Audit. Two data protection audits were carried out within the clusters in 2022 with the primary aim of developing an understanding of the decentralized data protection organization and the compliance with current responsibilities. The data protection audits were also aimed at identifying any gaps in the implementation of the GDPR in order to create a follow-up action plan for the relevant Ströer Group companies.

Complaints and data incidents

The management of data protection and related incidents is integral to data protection compliance at Ströer. In certain cases, the GDPR stipulates that a personal data breach must be reported to the relevant supervisory authority and the data subject. Thus back in 2018, Ströer published a data incident response plan for the reporting of personal data breaches and as a guideline for the Ströer Group. The guideline defines how data incidents are managed in the Ströer Group and what the responsibilities are in this context.

Complaints about data protection breaches and the loss of data can be reported to Ströer via external reporting mechanisms or via a supervisory authority. In 2022, eight justified complaints were received in connection with breaches of customers' privacy by Ströer Group companies in Germany. None of the complaints received related to the theft or loss of data and accordingly the authorities did not impose any sanctions on the Group companies concerned.

Data protection training

Ströer offers a wide range of data protection training tailored to each target group through its groupwide learning platform, JUMP'n'train. In 2022, the basic GDPR training for staff was updated. GDPR training is mandatory for all employees of the Ströer Group. The Group's range of training modules on data protection, which are available to employees for self-study, was also expanded. Classroom-based sessions on the topic of data protection are also on offer for decision-makers at senior management level, and new hires receive relevant training as part of the onboarding process. Additionally, in 2022, 49 DPCs were trained, 45 managers attended classroom-based sessions to raise awareness of data protection issues, and 7,526 basic data protection training sessions were carried out.

Compliance (particularly anti-corruption and bribery matters))

Compliance is of prime importance to the general partner and the Supervisory Board of Ströer SE & Co. KGaA. Compliance involves adhering to legal requirements, obligations undertaken voluntarily, and internal company policies. Given its importance to the Company, it is directly overseen by Ströer's CFO.

In particular, compliance includes combating corruption and bribery, both of which contravene the overwhelming majority of national and international legal frameworks. Ströer explicitly condemns all such actions, including facilitation payments, both in relation to holders of public office and in dealings with business partners and customers.

Compliance management

The head of the GRC corporate unit is appointed Chief Compliance Officer by the Board of Management of the general partner. Under the decentralized structure, he or she is supported by additional compliance officers within the clusters. The Chief Compliance Officer (CCO) reports directly to the CFO of the general partner on an ongoing basis, and at regular intervals to the Audit Committee of the Supervisory Board of Ströer SE & Co. KGaA. The CCO monitors adherence to the compliance processes within the Ströer Group, and supports and advises employees and the Board of Management on compliance matters.

The Chief Compliance Officer oversees the implementation of Ströer's compliance management system (CMS) and is responsible for continually updating and adapting it. All essential tasks, measures, and guidelines relating to compliance are organized in the CMS, which includes prevention, detection, and action components. It has a clear focus on prevention and thus avoiding compliance violations occurring in the first place. The CCO is also responsible for carrying out legal assessments of the non-compliance reports received and coordinating the process of following up on the reports.

The CCO is supported in this by the Compliance function, which is based in the GRC corporate unit. Compliance develops guidelines that apply across the Group and is responsible for delivering training initiatives.

The Code of Conduct is the main compliance guideline for all Ströer employees. It provides a binding framework across the Group for lawful and ethical conduct within the Company and in dealings with business partners and customers. The Code of Conduct applies across the Ströer Group, including for the Board of Management. It provides guidance on anti-trust law and anti-corruption, and covers data protection, conflicts of interest, insider dealing, and the protection of intellectual property. The code also covers receiving or giving gifts and inducements, and contains information on the external and internal channels available to employees to report potential misconduct. The Code of Conduct is regularly reviewed, updated, and adapted to changes in the legal framework.

Compliance hotline

Ströer encourages all employees and third parties, such as business partners or customers, to discuss their compliance-related concerns openly and report any potential misconduct as soon as possible to the compliance organization. Various external and internal channels are available to employees for reporting potential misconduct, including their line manager, senior management, the compliance organization, or, for Group companies that have one, the works council. There is also a groupwide compliance hotline, which any member of staff or the public can use to anonymously report potential compliance violations. The hotline can be contacted in writing or by telephone, in a range of different languages, and is secured through a special form of encryption. The launch of the whistleblower hotline was accompanied by a comprehensive communication campaign and a training plan.

In this context, the Board of Management of the general partner has imposed a special confidentiality obligation on the Chief Compliance Officer in all cases, including vis-à-vis the Board of Management itself. The aim is to promote an open compliance culture within Ströer that does not involve the risk of suffering any disadvantage.

As a rule, employees who have general compliance-related queries can contact the Chief Compliance Officer, the Compliance function, or the compliance officers in each of the business areas. This ensures that any matters that require clarification are identified and resolved as early as possible.

In the reporting year, 18 reports were made via the compliance hotline. All reports were fully investigated in line with internal rules and action was taken where necessary. In 2022, as in previous years, Ströer was not made aware of any cases of corruption or bribery.

Compliance training

In 2022, the compliance training plan and the compliance-related training modules were fully revised and updated. There was a particular focus on the 'Compliance Basics' and 'Whistleblowing and Protecting Whistleblowers' courses. Both modules were rolled out via the groupwide learning platform JUMP'n'train, and more than 85% of the staff invited to take the modules have already completed them. The training initiative is set to be continued on a wide range of topics in the years ahead, focusing on anti-corruption, conflicts of interest, the prevention of money laundering and financing of terrorism, and antitrust law.

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VAT identification no.: DE811763883

This Group non-financial report was published on March 30, 2023 and is available in German and English. In the event of inconsistencies, the German version shall prevail.