

Report on the LkSG (Supply Chain Due Diligence Act)

Reporting period from 01.01.2023 to 31.12.2023

Name of the organisation: STRÖER

Address: Ströer Allee 1, 50999 Cologne

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A. Abbreviated reporting obligation in accordance with Section 10 (3) LkSG

A1. Monitoring of risk management & responsibility of management

What responsibilities were defined for monitoring risk management during the reporting period?

Supervisory Board STRÖER

Henning Gieseke, CFO STRÖER

Stephan Schnitzler, Senior Vice President Accounting Services & GRC, STRÖER

Simone Kollmann-Göbels, Senior Vice President Purchasing & Real Estate, STRÖER

A. Abbreviated reporting obligation in accordance with Section 10 (3) LkSG

A2. Identified risks and/or identified violations

No human rights or environmental risks were identified during the reporting period.

Provide a clear description of the period in which the regular risk analysis was carried out.

Ströer SE & Co. KGaA operates a comprehensive risk management system, which is traditionally divided into an annual strategic risk management process and a semi-annual operational risk management process. The overall risk situation is therefore regularly analysed as part of the risk management process (for further details, see section 1.2.).

The Management Board of the personally liable partner bears overall responsibility for the implementation and realisation of an appropriate and effective internal control and risk management system. It ensures that risks that could jeopardise the continued existence of the company or have a significant impact on the achievement of the company's objectives are identified, assessed, managed and monitored at an early stage. It also helps to strengthen risk identification and communication in all areas of the Company and to raise awareness of the risk culture throughout the Ströer Group.

The Executive Board is supported in this by the central Governance, Risk & Compliance (GRC) department, which in particular provides the necessary guidelines and directives as the basis for the structural and procedural organisation of risk management. The provision of centralised tools and methods for risk identification and assessment enables a structured and standardised risk management process. At the same time, the central GRC department, with the support of the cluster risk officers, is responsible for Group-wide risk coordination, monitoring and reporting and ensures the standardised implementation of central guidelines within the Group by conducting training sessions.

Below the Group segments, several Group companies have been brought together within the framework of corporate governance structures (clusters) and responsibilities (cluster risk officers) have been created to ensure and support implementation and realisation in the individual Group companies. The cluster risk officer controls the risk management process and the risk situation within his area of responsibility. In particular, they monitor the identification and assessment of risks within the relevant subsidiaries and the implementation of risk-minimising measures.

The Ströer Group's opportunity and risk management is generally designed to ensure that the risks of the Group's individual segments, clusters and companies are recognised as fully as possible. The managing directors of the individual Group companies are obliged to do so

implement appropriate structures and measures in accordance with legal and internal Group requirements and ensure the operational risk management process. This enables risks to be recognised appropriately and as fully as possible at the level at which they arise and are managed.

The risk management process is regularly reviewed with regard to existing and emerging legal requirements and continuously developed, particularly in the areas of risk identification and assessment.

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A2. Identified risks and/or identified violations

No human rights or environmental risks were identified during the reporting period.

Describe in a comprehensible manner the main steps and methods of the risk analysis, for example a) the internal and external sources used in the context of the abstract risk assessment, b) the methodology of identification, evaluation and prioritisation in the context of the concrete risk assessment, c) whether and to what extent information on risks and actual breaches of duty obtained by processing information from the company's complaints procedure was taken into account in the risk analysis and d) how the interests of the potentially affected persons are adequately taken into account in the risk analysis.

a) The annual strategic risk management process is essentially managed and implemented by the board of management of Ströer SE & Co. KGaA in cooperation with the central governance, risk & compliance (GRC) function. As part of this process, the Board of Management, together with the segment managers, identifies the risks affecting the business strategy and derives a standardised risk policy, strategy and objectives, thus forming the framework for operational risk management. Strategic risk management is also responsible for analysing and interpreting the results of operational risk management and deriving appropriate decisions, which in turn are discussed by the board of management and the audit committee of the Supervisory Board of Ströer SE & Co. KGaA and incorporated into the annual strategy and planning process.

The operational risk management process, on the other hand, takes place every six months at cluster and Group company level and also includes ESG-related risks. An efficient and effective operational risk management process is ensured through the use of the Group-wide, consistent risk management methodology, codified in the corresponding guidelines and directives of the GRC central division, as well as the use of standardised recording and assessment tools. The overall risk situation is determined by means of risk aggregation using a simulation model, which also includes the interactions and impact chains of the risks.

b) The main steps of the aforementioned operational risk management process are described below:

Identification

The basis of risk management is the identification of significant risks with regard to their impact on the company's objectives. Responsibility for the comprehensive identification of such significant risks lies with the management of the respective Group companies. They are supported in this by the cluster risk officers. Each risk is assigned to a so-called risk owner, who is responsible for and

The risk management system has the authority to monitor and manage risk appropriately. The review of the completeness of the information included in risk management is

Group companies is carried out at least once a year as part of an established process by the central Governance, Risk & Compliance department. The companies are assigned to the respective clusters and thus also to the responsible cluster risk officer in order to enable Group-wide and as complete as possible bottom-up risk reporting.

Valuation

Once the individual risks have been identified by the companies, they are checked for plausibility by the cluster risk officers, aggregated and reviewed for possible interdependencies.

The central GRC department subsequently assesses the Ströer Group's overall risk situation in relation to its risk-bearing capacity using a Monte Carlo simulation. This takes into account possible further interdependencies of individual risks across companies, which also enables the identification of possible "developments jeopardising the continued existence" as a result of the combined effects of several individual risks.

As part of the Monte Carlo simulation performed, not only is the impact of the identified risks on the risk-bearing capacity determined, taking into account their respective interdependencies, but also the impact of individual material risks on the simulation result. For this purpose, we use the sensitivity analysis method, which can be used to determine the influence of individual risks on the overall result of the risk simulation with otherwise constant parameters.

Prioritisation

If the identification and assessment of risks results in material individual risks for the Ströer Group, these are reduced by additional measures with regard to their potential probability of occurrence or the expected amount of loss. As a rule, this is always done if the risk sensitivity of individual risks exceeds 15% of the total risk-bearing capacity potential. If the value of 15% is not exceeded, the risk is generally accepted, taking into account the current risk assessment, and no further measures are taken. However, the risk will continue to be monitored to ensure that defined risk tolerances are not exceeded in future.

c) A Group-wide whistleblowing and complaints management system has been implemented within the Ströer Group. The whistleblowing and complaints procedure is open to all persons who wish to submit duly substantiated reports of unethical and/or unlawful behaviour by Ströer, Ströer employees or both direct and indirect suppliers of Ströer. This also includes information on human rights and environmental issues. Every report is investigated conscientiously. The complaints procedure is regulated in the rules of procedure for the whistleblowing and complaints procedure (e.g. in accordance with Section 8 (2) LkSG). There is a regular exchange within the GRC organisation between the Compliance and Risk Management departments. Risks or actual breaches of duty in

Any issues relevant to the LkSG that arise as a result of the whistleblowing and complaints procedure are promptly incorporated into the ongoing risk analysis in order to ensure that the risk analysis is up to date.

Link to the rules of procedure for the notification and complaints procedure:

https://www.stroeer.de/media/02_downloads/03_nachhaltigkeit/de_stroeer_governance_verfahren_sordnung_hinweis_beschwerdeverfahren___8lksg.pdf

d) The rights of all affected parties are safeguarded when processing reports. Fairness, appropriateness, confidentiality and a transparent procedure are taken into account in every investigation. The protection of whistleblowers from discrimination or negative consequences as a result of submitted complaints or reports is an important part of our complaints procedure.

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A2. Identified risks and/or identified violations

No violations of human rights or environmental obligations were identified during the reporting period.

Describe in a comprehensible manner which procedures can be used to detect violations in your own business area.

A Group-wide whistleblowing and complaints management system provides the opportunity to report concerns and possible misconduct. The protection of whistleblowers is a top priority at all times during the entire process. Ströer encourages all employees and third parties to openly address compliance concerns and report possible misconduct to the compliance organisation immediately. Various internal and external reporting channels are available for this purpose, such as the respective line manager, the management, the compliance organisation or, where available, the works council. In addition, a Group-wide compliance hotline is available, which enables all employees and third parties to report possible compliance violations. It is also possible to submit a report anonymously. The tool can be used in various languages, both in writing and by telephone, and is secured by special encryption.

The compliance hotline can also be used to direct enquiries (including anonymously) to the Compliance department and the Cluster Compliance Officer responsible, so that any questions can be asked promptly and breaches of our compliance regulations can be prevented.

References to the whistleblower system can be found in the Ströer Code of Conduct, the Code of Conduct for Business Partners and the Ströer website.

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A2. Identified risks and/or identified violations

No violations of human rights or environmental obligations were identified during the reporting period.

Describe in a comprehensible manner which procedures can be used to detect violations at direct suppliers.

The GRC and purchasing processes focus on direct suppliers and risks in the company's own business area. In particular, regular supplier meetings and stakeholder dialogues are held with the most important suppliers in order to identify potential risks with direct suppliers. In addition, all suppliers with a procurement volume of more than EUR 50,000 per year are assessed using the EcoVadis IQ system. Audits of Chinese suppliers are carried out on site by STRÖER colleagues from the Shanghai office.

The STRÖER Code of Conduct for Suppliers & Business

Partners is sent to each supplier upon conclusion of the contract.

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A2. Identified risks and/or identified violations

No violations of human rights or environmental obligations were identified during the reporting period.

Describe in a comprehensible manner which procedures can be used to identify violations at indirect suppliers.

The GRC and purchasing procedures focus on direct suppliers and risks in the company's own business area. The expansion to indirect suppliers will take place continuously. In addition, suppliers are obliged under the Code of Conduct for Suppliers & Business Partners to ensure that they also comply with human and environmental rights for their upstream suppliers and, where applicable, subcontractors. The Codex is part of every order.

Nevertheless, regular supplier meetings and stakeholder dialogues are held with the most important suppliers in order to identify potential risks with indirect suppliers.