

# Non-Financial Corporate Report 2018



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# 1. Foreword by the Chairman of the Supervisory Board

Dear reader,

Our second Non-Financial Report (NFR) again provides you with an overview of how CTS EVENTIM lives up to its corporate responsibilities along its value chain. As in the prior year, we report on the company's six material topics: customer orientation, product quality and safety, compliance management, employee matters, corporate citizenship, and climate and the environment. These topics were identified as material prior to our first NFR. A second materiality analysis indicates that they have not changed and remain valid.

The Supervisory Board's commitment to a transparent, balanced, and verifiable presentation of the NFR's contents is unchanged as well. The Supervisory Board therefore again discussed this document thoroughly and had it audited by an independent auditor.

The pages that follow contain a wealth of new information, in part because we enhanced our reporting relative to the

prior year. For example, we expanded our reporting of key performance indicators and our coverage of CTS EVENTIM's main subsidiaries. The result is a broader picture of the company's business operations and corporate social responsibility.

In addition, numerous developments indicate that CTS EVENTIM enhanced its engagement in many areas and adjusted it to new circumstances. For example, the company received a number of awards as a top employer and leading ticketing provider, refined its compliance, data-protection, and complaints management, and defined an energy-reduction target for its operations in Germany, one of its key markets.

I am very pleased that these steps were accompanied by an extremely positive business performance. This demonstrates that business success and social engagement go hand in hand. We want this to continue going forward. I hope

that you accompany us on this journey and, on behalf of the Supervisory Board, that you find our second NFR to be stimulating reading.



Dr. Bernd Kundrun  
Chairman



## 2. Editorial Note

This NFR fulfils CTS EVENTIM's obligation to disclose non-financial information for the 2018 financial year pursuant to Section 315b, Paragraph 1 of the German Commercial Code. It covers CTS EVENTIM AG & Co. KGaA (CTS EVENTIM) as the parent company and the main majority shareholdings listed in the consolidated financial statements. Reporting of non-financial performance indicators includes companies in which the company has a majority stake and that generate at least 2.5% of its total revenues based on its 2017 consolidated financial statements.

In compliance with the requirements of the CSR Directive Implementation Act, senior managers of the Group's corporate functions reviewed the results of the 2017 materiality analysis. The review determined that no changes were necessary regarding the topics identified as material in the prior year and that the same six topics remain relevant for CTS EVENTIM: customer orientation, product quality and safety, compliance management, employee matters, corporate citizenship, and climate and the environment. For each topic, the NFR reports

the information that is necessary and essential to understand the company's business performance, operating results, and situation as well as the impact of its activities on the respective topic.

The company's reporting on its management approach for selected topics takes into account the relevant standard of the Global Reporting Initiative (GRI), GRI 103, 'Management Approach'. GRI standards were also used as a framework to put in place the procedures for the ongoing collection of data for the key performance indicators that are used to present the company's performance with regard to the topics.

The Supervisory Board of CTS EVENTIM audited the NFR. For this purpose, it commissioned KPMG AG Wirtschaftsprüfungsgesellschaft to conduct an audit with limited assurance based on ISAE 3000.

An aerial, high-angle photograph of a massive outdoor concert at night. The stage is illuminated with vibrant purple, blue, and red lights, with several bright spotlights shining across the dense crowd. The audience is packed tightly, filling the entire visible area. In the foreground, the dark silhouettes of stage equipment and structures are visible.

# 3. Business Model

CTS EVENTIM is one of the leading international providers of Ticketing and Live Entertainment. Each year, around 250 million tickets are marketed using the company's systems: at the box office, online, and mobile. Its online portals operate under brands such as EVENTIM.de, oeticket.com, ticketcorner.ch, ticketone.it, and entradas.com. CTS EVENTIM subsidiaries also organise a wide range of concerts, tours, and festivals such as 'Rock am Ring', 'Rock im Park',

'Hurricane', 'Southside', and 'Lucca Summer'. In addition, CTS EVENTIM operates some of Europe's most renowned entertainment venues, including LANXESS arena in Cologne, the Waldbühne in Berlin, and the EVENTIM Apollo in London. The 'Corporate structure and business operations' chapter of the Combined Management Report in the Annual Report 2018 contains a detailed description of CTS EVENTIM's business model.



# 4. Customer Orientation

The Group's positive business performance is an indication that its customers – artists, promoters, entertainment venues, sales partners, the media, sponsors, and end-users – are satisfied with CTS EVENTIM's products and services. In a dynamically evolving marketplace, the satisfaction of these heterogeneous groups is a key issue for the company. It is important to know customers' needs and opinions, as it is the only way for management to guide the Group successfully on a lasting basis. The company therefore systematically measures customers satisfaction. The Ticketing segment's E-Commerce and Sales departments report to the Management Board about retail and B2B customers' satisfaction on a regular basis. In the Live Entertainment segment, the project leaders for each event assess visitors' satisfaction and, in cases of significant deviations from the norm, report to their company's senior management.

#### 4.1 B2C CUSTOMER SATISFACTION

Repeat customers account for a large proportion of ticket buyers. CTS EVENTIM's experience in e-commerce indicates that a high degree of customer satisfaction helps increase ticket sales. CTS EVENTIM measures and evaluates the satisfaction of online ticket customers. Their feedback provides valuable suggestions for improving online platforms.

In Germany CTS EVENTIM works with eKomi, Europe's largest independent provider of transaction-based customer opinions and product evaluations, to collect and systematically analyse its customers' evaluations. After their purchase in a webshop, customers are invited to rate their experience. As in the prior year, the average customer rating in 2018 was 4.5 out of 5 stars.

CTS EVENTIM works with eKomi in Austria as well. There, the average customer rating was 4.6 out of 5 stars.

In Italy TicketOne uses Feedaty, a Cloud-based service platform, to measure and certify customer satisfaction. TicketOne's

webshops had an average rating of 4.6 of 5 points in 2018, an increase of 0.3 points relative to the prior year.

In addition, independent surveys in 2018 again gave CTS EVENTIM's webshops top marks for customer satisfaction. A survey of 13 online ticket shops conducted for news broadcaster n-tv by the German Institute for Service Quality awarded EVENTIM.de first place, both overall and in several subcategories (breadth of offerings, web presence, and ordering and payment terms). In a survey conducted by Servicevalue Market Research Institute for Handelsblatt, a German daily business newspaper, 52.1% of respondents rated EVENTIM.de Germany's best online ticket vendor.

In the year under review, the Chamber of Labour's Consumer Protection Office in Vienna evaluated ten online ticket providers operating in Austria. Its main focus was on price transparency. oeticket.com received a positive rating because the first price it displays informs customers about the service fees included.

In 2018, Entradas.com, CTS EVENTIM's subsidiary in Spain, earned Confianza's online seal of approval for particularly transparent and reliable companies.

Transparency and reliability are essential for earning customers' trust. Like the Ticketing segment, the Live Entertainment segment therefore also systematically collates customer feedback. After the big festivals organised by Group subsidiaries, CTS EVENTIM regularly asks visitors to state their satisfaction and preferences. Their answers are analysed using proven statistical methods. Satisfaction scores are calculated for each festival stage as well as other aspects of the festival experience (catering, camping) for 'Rock am Ring' and 'Rock im Park' as well as for the festivals organised by FKP Scorpio (FKP). Customer feedback in social networks and by email is answered by a third-party service provider with industry experience or by the promoters' own staff. The promoters' Production, Marketing, and Booking departments evaluate the feedback and adopt useful suggestions for improvement.



In response to customer feedback, Ticketing and Live Entertainment initiated or completed a variety of projects in 2018:

- In 2018 EVENTIM.de added a new online help centre to a customer care tool introduced in the prior year. The new feature provides customers with added value because it is available 24/7 and reduces the company's service costs.
- At the start of the year, EVENTIM.de launched a new, secure address management system in conformance with data protection laws. Customers use the system's intuitive interface to manage their preferences for receiving or not receiving EVENTIM.de marketing communications and other services.
- The e-commerce performance and user-friendliness of EVENTIM.de's webshop were further improved. The upgrades are being rolled out gradually. They enhance customer experience (particularly on mobile devices), improve search-engine compatibility, and increase transaction volume.
- In 2017 the 'Hurricane' and 'Southside' festivals experienced a steadily growing need for an on-site hotline to provide visitors and family members with answers about the festival operations and events. In 2018 the hotlines were again used frequently throughout the festivals.
- For the first time, all of the 'M'era Luna' festival's online communication's with visitors were in both English and German. The choice depended on the language setting of the visitors' browser or the operating system of their mobile device. Starting in 2019, visitors will receive all information at the festival in both languages. The promoter made the change in response to the event's increasing internationalisation. Its purpose is to simplify the arrival of guests from outside Germany.
- Starting in 2018, 'Rock am Ring' visitors no longer had to buy a combined camping and festival ticket. The tickets were sold separately to meet customers' differing desires.

#### 4.2 B2B CUSTOMER SATISFACTION

CTS EVENTIM has a large number of long-standing B2B customers and stays in close contact with them. It systematically measures their satisfaction, and its sales staff periodically survey existing and potential business partners and customers. All customer relationships for the INHOUSE product are recorded in a central customer relationship management system. For example, customers are asked about their satisfaction with ticket sales via CTS EVENTIM's distribution network, including its ticket portals, ticket systems, and services. The system is available to all sales units.

Periodic mailings keep sales partners up to date about the latest developments at CTS EVENTIM, such as system updates, training programmes, and cost-free, high-visibility ad placements on the posters displayed in ticket offices. In addition, annual regional events provide an opportunity for sales partners and their EVENTIM account manager to share information in person.

B2B customers in Italy that contact TicketOne receive an evaluation form after their query is processed. The form asks them to rate their satisfaction with the processing of their query and also includes a field for complaints. In addition, TicketOne conducts comprehensive surveys of its B2B customers' satisfaction on a regular basis.

### 4.3 COMPLAINTS MANAGEMENT

CTS EVENTIM takes complaints very seriously. The company has a significant interest in continually improving its offerings. In some cases, a single negative comment on social media can influence other customers and thus damage CTS EVENTIM's reputation.

The Customer Service department is responsible for the efficient processing and clarification of ticketing enquiries. Supported by computer systems, its employees carefully review all complaints and, if a claim is justified, fulfil it promptly. Complaints are also evaluated statistically in order to identify improvement potential.

CTS EVENTIM's trained service personnel respond directly to general customer complaints about ticketing. Email complaints are typically answered within two to three working days, those submitted via social media within one day and often within just a few hours or minutes.

Ticketcorner, CTS EVENTIM's subsidiary in Switzerland, conducts customer service via a communications platform that

maintains a history of each customer's queries. Customer dialogue takes place exclusively on the web-based platform regardless of which channel the customer used to contact the company. This facilitates quick responses, high-quality feedback, and transparent evaluations.

Specific complaints about individual events organised by Group subsidiaries in the Live Entertainment segment are handled by their staff, who support their festivals' Facebook pages before, during, and after the events. In 2018 CTS EVENTIM followed up after 'Rock am Ring' by surveying visitors about the most frequent complaints. This enabled CTS EVENTIM to gain greater insights into the precise circumstances of complaints which often lack specifics when posted on social media.

In 2018 an employee was tasked solely with processing the complaints posted in social media by visitors to 'Rock im Park'. Complaints were typically resolved within minutes, more complex matters within a few hours. Other visitors with the same question or complaint could see the answer, giving them the opportunity to be informed about potential issues in advance.



# 5. Product Quality and Safety



The quality of CTS EVENTIM's product and services – from tour planning and event organisation to ticket sales – is crucial for customer satisfaction and business success. Management believes that it is particularly important that the products and services offered by the Group and its subsidiaries meet customers' quality expectations swiftly, fully, and at all times. It is essential for CTS EVENTIM's IT systems to be available without interruption and to be accessible to all interested customers. The company must do all it can to combat ticket counterfeiting. Webshop users need be confident that their personal data are shielded from unauthorized access. Finally, it is essential to meet event visitors' high expectations for event safety.

### 5.1 SYSTEM AVAILABILITY

Stable IT systems and processes are essential for seamless business operations. The Management Board addresses issues relating to system availability on a regular basis as part of internal risk reporting. The steps CTS EVENTIM takes to ensure system availability include working with third-party system operators that offer innovative and effective solutions.

For example, CTS EVENTIM uses three data centres in Frankfurt, Germany, operated by a leading global provider of colocation and housing services. This is to prevent data loss and ensure system availability even if one of the centres experiences a complete failure. Pursuant to CTS EVENTIM's requirements, these data centres have comprehensive certification. They are certified to EN ISO standards 27001 for IT security and 9001 for quality management, the PCI standard for cash-free payment systems, and the ISAE standards for documenting financial processes. Average system availability was over 99.9% in 2018.

In addition, CTS EVENTIM continually conducts automated checks of transactions from international data centres to ensure a high degree of performance and availability.

### 5.2 INCLUSION AND BARRIER FREEDOM

CTS EVENTIM views ensuring equal access to events both as its social responsibility and as a business opportunity. Its entities that organise major festivals take a variety of steps to make the events as comfortable as possible for people with disabilities. For example, FKP's Festival Production department continually explores ways to enhance barrier-free participation at festivals. Two employees of its service team tend to the individual needs of customers with disabilities throughout the event and listen carefully to their wishes and suggestions for improvement. In consultation with senior management, the department then makes change that address the suggestions.

People with disabilities can register on the festival website to attend the event with up to four companions. Promoters plan festivals so that customers with disabilities have unhindered access to the festival grounds via the backstage check-in area where they and their companions can quickly and

conveniently pick up their festival pass. Wheelchair-accessible spectator platforms with a view of the main stage are erected in sufficient size and quantity to meet demand. In addition, care is taken to ensure that the distance between the disability-friendly campground and the event area is as short as possible.

The campground has a sufficient number of outlets in which to plug medical devices. It also has disability-friendly sanitary facilities.

LANXESS arena has comprehensive barrier-free features as well. These include reserved parking places in a disability-friendly car park and access by lift to all relevant levels of the arena. In line with the total capacity for each event, the arena offers sufficient wheelchair seating and surpasses the minimum requirements set by Sections 44.5 and 13 of the Model Ordinance Governing Places of Assembly by a wide margin at every event.

### 5.3 SECONDARY MARKET

CTS EVENTIM believes that fans should have the opportunity to purchase tickets before they reach the secondary market. At the same time, the company would like ticketholders to have the opportunity to sell their tickets legally and at terms that are fair for all market participants. The company's fanSALE resale platform provides a fair, secure, and transparent market for fan-to-fan transactions in Germany and the United Kingdom. The CTS EVENTIM tickets offered there can be checked for authenticity. They are shipped quickly and securely and are paid for only when the buyer receives them. In addition, the platform can implement promoters' individual specifications. For example, it can ensure that the ticket price on fanSALE does not exceed CTS EVENTIM's original price.

In November 2017 Google announced that it would establish new restrictions on secondary ticket marketing in April 2018. CTS EVENTIM immediately optimised fanSALE for the new certification procedure and received AdWords certification in January 2018.

CTS EVENTIM's webshops use security measures to make it more difficult for commercial resellers to purchase large numbers of tickets. One example is captcha protection, a procedure for ensuring, with a large degree of certainty, that the webshop can only be used by real human beings, not bots. The company continuously analyses transactions and all activities in its webshops for potential abuse so that, for example, it can prevent bots from ordering tickets automatically. In addition, in 2018 CTS EVENTIM began using anti-bot security software developed by a specialised market leader.

To make it more difficult to resell tickets commercially, for many events CTS EVENTIM, in consultation with the promoter, sets a limit on the number of tickets that can be purchased in a single transaction. It also offers solutions for personalising tickets, not only per order, but also per visitor. In 2018, for example, advance sales for the tours of Rammstein, Ed Sheeran, and the Arctic Monkeys consisted of personalised tickets. In conformance with the concert promoters' standard terms and conditions,

ticketholders unable to attend Ed Sheeran and Rammstein's extremely popular concerts in Germany can use fanSALE, EVENTIM's secondary market platform, to return their tickets. Furthermore, CTS EVENTIM works continually on additional mechanisms for preventing unauthorised resales as effectively as possible. For example, it does this in partnership with Germany's Federal Association of the Event Industry.

#### 5.4 PREVENTING TICKET FORGERY

Counterfeit tickets can damage the reputation of event promoters and authorised ticket vendors. Of course, they are also a source of annoyance to buyers, all the more so if buyers do not find out until they reach the event entrance.

Clear and comprehensive communications are essential for protecting customers from counterfeit tickets. CTS EVENTIM and its subsidiaries regularly advise their (potential) customers to purchase tickets only from official, authorised vendors. Prior to and at selected events, CTS EVENTIM's security experts work closely with the police to identify counterfeit tickets. CTS EVENTIM's security team reports anomalies and process changes (such as in the context of cooperation with the international police network) directly to the Management Board.

Every ticket sold by CTS EVENTIM has unique identification features that prevent double sales. The materials for hard tickets incorporate special optical and haptic characteristics. Furthermore, CTS EVENTIM procures ticket-making

materials centrally in each country (except in Russia, where it is not possible for logistical reasons). This enables the company to maintain the highest security standards for materials, printing technology, and processing. In addition, CTS EVENTIM monitors tickets sold on auction platforms and other secondary markets. If it can identify counterfeit tickets because of deviations from the aforementioned security features or other indicators, it works with law enforcement agencies at the event venue to confiscate and report the tickets.

#### 5.5 DATA PROTECTION

Personal data are of great importance for CTS EVENTIM's operation and development. The company stores and processes personal data to improve its existing offerings and to develop new ones. CTS EVENTIM is therefore responsible for the proper and secure handling of these data. CTS EVENTIM therefore aims to protect personal data from unauthorised access and to ensure that the use of these data complies with the law.

In 2017 CTS EVENTIM initiated extensive measures, which it completed in 2018, to further raise its level of data protection to meet the requirements of the EU General Data Protection Regulation (GDPR). It adjusted its data protection information to conform with the GDPR in order to make data processing more transparent.

In addition, CTS EVENTIM put in place a data protection management system for its European operations' interactions with end-customers, employees, and other relevant data subjects. Its purpose

is to ensure GDPR conformance with regard to accountability, organisational structures, and processes.

The data protection management system is based on a Group-wide data protection policy with which all companies affected by the GDPR must conform. It serves as a binding framework for handling personal data in compliance with the GDPR. It also uses the three-lines-of-defence paradigm to delegate responsibilities for the data protection management system. This includes the responsibilities of the Management Board, unit management, and department management.

- The management teams of Group companies over which CTS EVENTIM has management control are responsible for initiating data protection projects and related tasks.
- A Data Protection Officer at CTS EVENTIM headquarters oversees and coordinates tasks that are amenable to centralized, Group-wide management. He is responsible for the ongoing development and refinement of

data protection in consultation with the Data Protection Officers of Group companies over which CTS EVENTIM has management control.

- The Data Protection Officers appointed by the Group companies consult with another and monitor the effectiveness of their respective company's data protection.
- CTS EVENTIM defined standards and requirements for data protection processes. Lists of each companies' specific data handling activities served as the starting point. The lists describe all of the main characteristics of the processes that are relevant for data protection. The lists were then used to derive all of the other main processes, such as handling queries from data subjects.
- CTS EVENTIM adopts the plan-do-check-act approach to check and monitor the data protection management system on a regular basis. In addition, the Internal Audit department and the Data Protection Officers conduct

risk-oriented tests to ensure that the data protection management system is currently performing its tasks.

In addition to introducing a data protection management system, CTS EVENTIM optimised its functionalities and information, particularly for webshop customers. CTS EVENTIM provides all registered users with an online cockpit. Customers see at a glance which newsletters they subscribe to, can subscribe to others, or cancel subscriptions.

Furthermore, in 2018 CTS EVENTIM provided employees with trainings to raise their awareness of data protection. At the Ticketing segment in Germany alone, for example, just under 650 employees participated.

## 5.6 SAFETY PLANS FOR EVENTS

Event safety is a top priority for CTS EVENTIM. A safety plan is designed for every event. It is tailored to local conditions (infrastructure, buildings, human resources). This is the only way for a promoter to obtain a permit to hold an event.

Section 43 of the German Ordinance on the Construction and Operation of Places of Public Assembly requires promoters, operators, and emergency-services agencies to agree on a safety plan. Italy is another country with a similar law. In Germany this agreement is a prerequisite for the issuance of a special-event permit and/or a building permit. All temporary structures (tents, open-air stages) are inspected by the building authority to ensure that they comply with the terms of the permit.

In the case of large events, employees receive detailed instructions on ensuring visitor safety and on the infrastructure, reporting channels, assignment of responsibilities, and human resources. During events, safety risks are monitored

on an ongoing basis in close coordination with the police, weather service, and other official agencies.

To reduce safety risks at events, CTS EVENTIM also participates in industry-wide partnerships. One example is the annual Festival Work Conference organised by one of the police departments participating in Germany's nationwide partnership network of emergency services.

Prior to major events, the Group's major festival promoters – such as FKP and MLK – regularly form joint working groups with all emergency services and other experts (security professionals, ticket inspectors) to discuss festival safety. The promoters share and harmonise the working groups' findings in order to provide the public with safety information and instructions that are as consistent as possible. As a result of this collaboration, in 2016 and 2017 the websites of different festivals had detailed, uniform safety information. These texts were further optimised and harmonised in 2018.

In addition, all festival personnel (such as security and catering staff) receive a pocket-sized guide that clearly describes what to do in emergency situations (such as storms, evacuation, fire, and medical emergencies).

A control centre at 'Rock im Park' is staffed by representatives of all emergency services (police, fire, medical) as well as employees of the promoter. The centre is the first point of contact for all emergencies and security-related events. For example, it answers all calls to the event's special emergency telephone numbers. A camera system monitors all potentially critical areas of the festival grounds. In addition, an LED guidance system directs the flow of visitors, further enhancing event safety. If, for example, there is a large number of visitors at throughways or entrances, the LED system can redirect visitors. The system is preloaded with a variety of scenarios that it can play back as needed.

In 2018 visitor flow at 'Rock am Ring' was measured and analysed for the first time. The purpose was to recognise potentially dangerous situations at the festival

grounds early and alleviate them. All users of the 'Rock am Ring' festival app were asked to give permission for their movement data to be used. The movement data of the festival-goers who did were collected and analysed in real time. This helped the promoter deploy security and admittance staff where they were needed most. One effect was to reduce backups and waiting times at entrances.



# 6. Compliance Management



CTS EVENTIM acts in accordance with recognised principles of good corporate governance. The company respects the expectations of its customers, employees, and business partners, strives for fair competition, and expects all its employees to obey the law. This includes respect for human rights. Integrity is an important prerequisite for being perceived as a trustworthy business partner and employer.

Ensuring compliance is an essential aspect of corporate governance. For this purpose, the Group operates a compliance-management system (CMS). It established the CMS in 2017 based on the 'Principles of Proper Auditing of Compliance-Management Systems' issued by the IDW Institute of Public Auditors in Germany, IDW PS 980. The company further refined the CMS in 2018.

## 6.1 PURPOSE AND CULTURE

The purpose of the CMS is to prevent violations of legal requirements and ethical principles in business transactions by CTS EVENTIM and its employees. More specifically, the CMS aims to:

- maintain trust and protect the Group's reputation
- provide employees with guidance and support
- protect corporate value
- fulfil legal obligations.

CTS EVENTIM has articulated its understanding of integrity in a binding group-wide Code of Conduct. It serves as a fundamental source of guidance for all of employees' business activities and relationships. It sets minimum standards for ethical conduct across countries, companies, and legal systems, particularly regarding interactions with business partners, the avoidance of conflicts of interest and corruption, the protection of information and company assets, and also with regard to social media, accounting, and business records.

## 6.2 COMPLIANCE ORGANISATION AND PROCESSES

The Management Board has overall responsibility for compliance, including the introduction, periodic control, and continual improvement of the CMS. It monitors the CMS's implementation and has appointed a Compliance Officer who coordinates the CMS's implementation and ongoing development. The Compliance Officer reports directly to the Management Board. Compliance Coordinators have been appointed as well. To enhance the efficiency of the compliance organisation, in 2018 the Internal Audit and Compliance departments were combined under a single leadership.

In line with the German Corporate Governance Code's recommendations, the company has in place a whistle-blower system including a whistle-blowing committee to receive and evaluate reports from employees. The whistle-blower system promotes integrity at the company by making it easier to report and investigate possible compliance violations, deliberate actions that are prejudicial to the company, and illegal practices

that could harm the company's reputation and lead to financial loss. Protecting whistle-blowers is a fundamental principle of the whistle-blowing management. In 2018 there were no reports that would indicate suspicious activity.

In 2017 CTS EVENTIM conducted a compliance risk assessment in which it identified Group-wide focus issues. It then wrote company policy statements for anti-corruption/conflicts of interest, competition and anti-trust law, and capital market compliance and disseminated the statements to the Group companies over which it has management control. In 2018 companies newly included in CTS EVENTIM's scope of consolidation received the policy statements as part of the onboarding process. In addition, in 2018 selected senior managers worked out the company's compliance risk map in greater detail. The objective was to obtain additional insights into more specific action areas to make it possible in future to define, for business processes, general minimum standards and measures that go beyond the policy statements.

Once per quarter, group companies over which CTS EVENTIM has management control are instructed by means of a Group-wide risk and opportunity management system to report their operational compliance risks.

CTS EVENTIM conducted training sessions for a variety of focus groups in 2018. About 560 of the Ticketing segment's employees in Germany took an online course about the CMS. Twenty-four compliance coordinators and managing directors in 18 countries received training in compliance requirements and tasks. Employees at Ticketing companies outside Germany were sensitised to compliance issues. In addition, about 50 employees received anti-corruption training at an international sales meeting. Onboarding events at the Ticketing segment in Germany raised around 50 new hires' awareness about compliance.

### **6.3 MONITORING AND IMPROVEMENT**

CTS EVENTIM is committed to continually improving and refining its CMS. Relevant company policies and compliance measures are reviewed annually. Internal Audit's findings can also lead to adjustments to the CMS. In 2018 Internal Audit reviewed the compliance organisations of the lead companies in five countries to ensure their adherence to key requirements. It then agreed improvement measures with the companies' management. The review was part of the risk-oriented audit plan for 2018 adopted by the Management Board. The implementation of the improvement measures is monitored on a quarterly basis. In this way, the CMS's components are continually updated. For 2019, Internal Audit intends to develop a programme for this purpose and obtain approval for it from the Management Board.



# 7. Employee Matters

Qualified, high-achieving employees and next-generation managers are essential to CTS EVENTIM's success. As of year-end 2018, the company had 3,141 employees. Providing them with an attractive, sustainable work environment is a primary concern of the Management Board and a key task of the company's Human Resources team. Together, they promote a work culture founded on personal initiative, creativity, and pragmatism.

The Human Resources Department (HR) is responsible for human resources management. The Vice President for Human Resources & Organizational Transformation reports directly to the CEO. Employee matters are therefore directly integrated into corporate decision-making processes. HR is an in-house business partner offering HR services and specialist functions to all subsidiaries in the Ticketing segment in Germany. It also provides centralized coordination and guidance for the Live Entertainment segment and the organisation outside Germany. HR has established standardized processes for identifying and

developing high-potential employees and has created mechanisms to develop all employees as needed.

HR refines the company's human resources strategy in consultation with the Management Board. In 2018 CTS EVENTIM placed a particular emphasis on further sharpening the skills of its executives, developing its employees, embedding agile collaboration and work methods in the organisation, and promoting the professionalisation of its HR management. Vocational and professional training is another focus area. The Group trains young people in a variety of vocations and fosters the development of junior professional staff by offering work-study programmes. HR management of subsidiaries outside Germany is based on a uniform system which they use to design their own HR management processes.

## 7.1 ATTRACTIVENESS AS AN EMPLOYER

As a result of general demographic trends and a healthy economy, CTS EVENTIM faces a growing shortage of skilled employees in key job categories. It is therefore intensifying its efforts to recruit high-potential employees and retain highly qualified specialists. CTS EVENTIM aims to be perceived as an attractive employer in and outside Germany. For this purpose, its HR management emphasises flat hierarchies, good development opportunities, and a productive working atmosphere in multicultural teams. CTS EVENTIM's international approach to recruiting includes targeted job postings and personnel searches in other European countries as well.

CTS EVENTIM's Ticketing segment in Germany has used an established employee recommendation platform for recruiting since 2016. The platform gives all employees in Germany the opportunity to view job openings, forward them to their contacts, share them on social media, and recommend friends and

acquaintances for a job opening. If a recommendation leads to a hiring, the employee receives a bonus.

CTS EVENTIM wants to ensure that its compensation is in line with the market, including for ICT and other highly sought-after job categories. The company therefore regularly conducts internal and industry-wide benchmarkings. It manages its compensation structure internationally by approving its companies' compensation budgets on a country-by-country basis. The HR department at Corporate Headquarters is responsible for monitoring and coordinating this process.

The company's HR work also emphasises enhancing employee satisfaction. In 2018 the Ticketing segment in Germany launched 'Business Focus + X,' a far-reaching project to achieve improvements in the company's attractiveness as employers, employee satisfaction, and other areas. The project initiated and implemented a broad spectrum of measures to foster collaboration and knowledge transfer among employees and to provide them with guidance for

their work. For example, CTS EVENTIM now offers flexible work arrangements that give employees a wider choice in where and when they work. It conducted workshops to familiarise employees with modern work approaches — such as smart, digital working and efficient decision-making processes — and empowered employees to utilise them independently. In addition, the company identified potential improvements in its internal tool landscape and enhanced the support it provides to help employees use the tools.

Manager and employee surveys conducted as part of the project confirmed that employees' active engagement in improvement processes is a key determinant of their satisfaction. The forums the company uses to ensure this engagement include all-hands meetings, internal communications platforms, and workshops. In addition, the company has established barrier-free workplaces and attractive solutions for a range of issues, including work schedules and reintegration after parental leave. It also created preventative, health-promoting programmes.

A particular emphasis was placed on leadership. As part of this effort, CTS EVENTIM held a conference for the senior managers of the Ticketing segment's companies in Germany. Among other things, the managers formulated 'Leadership@Eventim', a statement of their ambition for leadership. As a step toward realising this ambition, a 360°-feedback process was developed and tested in 2018. All senior managers will participate in this process in 2019, which is expected to make an important contribution to leadership development.

To further increase employees' job satisfaction it is important to know their expectations. HR asks new hires as well as employees leaving the company regarding their expectations and analyses the feedback on a regular basis. In addition to these internal channels, for this purpose CTS EVENTIM also talks with people outside the company, such as job-fair attendees. An important source of external feedback in Germany is Kununu, an employer-rating portal. CTS EVENTIM's HR managers comment on Kununu's evaluations and respond to criticisms posted by employees.

In 2018 CTS EVENTIM received media recognition for its HR efforts. Focus Business, a quarterly German business magazine, ranked the company among Germany's best employers in 2018. The company's subsidiaries also conducted numerous measures to be even more attractive employers:

In Switzerland Ticketcorner developed 'Fit + Healthy', a free programme that provides incentives for employees to be more physically active and to embrace healthy nutrition. In addition, Ticketcorner put in place a set of measures to increase employee satisfaction. It will use the results of an annual employee survey to enhance the measures on an ongoing basis. Ticketcorner placed fourth in the 'Switzerland's Best Employers' ranking in 2018.

In October 2018 CVS EVENTIM's subsidiary in Austria inaugurated the oeticket Award to honour outstanding achievements by its employees. The award is a transparent appreciation initiative for which all employees are eligible. It is conferred several times a year.

To provide a balance to the daily work routine, once a week FKP offers its employees an active break in which a professional instructor leads participating employees in yoga exercises. The initiative is well received. In 2018 an expert gave a presentation about burnout prevention at an all-hands meeting. In response to employees' positive feedback, another presentation will be held in 2019 in order to delve deeper into the issue of burnout. FKP plans to use the event to familiarise employees with other issues as well.

Employees also receive subsidies for Job Ticket, discounts on tickets sold on CTS EVENTIM platforms, and special terms from local businesses and service providers in some countries.

LANXESS arena voluntarily makes a larger contribution to its employees' pensions than the minimum requirement set by the German Law to Strengthen Company Pensions.

## 7.2 HUMAN RESOURCES AND CAPABILITIES DEVELOPMENT

The increasingly rapid pace of technological innovation is altering work processes in many organisations, including the Ticketing and Live Entertainment segments. To remain a pacesetter and seize growth opportunities, CTS EVENTIM wants to continually renew and expand its knowledge base through recruitment, training, trainee programmes, and the grooming and positioning of high-potential employees.

The objectives of CTS EVENTIM's HR management include systematically identifying and realising all human and labour potential across the Group, overcoming knowledge monopolies (knowledge that is restricted to individual employees), and filling vacancies internally. For this purpose, the Ticketing segment in Germany holds portfolio conferences on a regular basis at which managers review their employees' performance and potential. High-potential employees receive special support.

In addition, employees' annual performance reviews serve as a forum for assessing their qualification needs.

CTS EVENTIM and its subsidiaries conduct a wide range of training programmes. For example, the Ticketing segment in Germany has an e-learning portal as well as development programs for managers (tailored to different functions and hierarchical levels), specialists, and project managers. It also offers language training and courses to obtain key qualifications.

In addition to using various e-learning modules, more than one in six of the Ticketing segment's employees in Germany took part in in-house training and development programmes in 2018. These programmes included seminars to develop personal and methodological skills. The subject matter encompassed communications and negotiation management, confidence and persuasiveness, innovation and creativity techniques, and concept-development methods. In addition, individual, technical, and function-specific training focusing primarily on software development

and finance was provided to employees externally. Language training is offered for English and German.

In addition, in 2018 the company conducted a development programme for high potentials and career-specific development programmes for executives with supervisory authority, lateral managers in agile teams, and project managers. A total of 138 employees participated. Increasingly, the company also provides individual coaching to managers to support them as they acquire more responsibility.

CTS EVENTIM uses vocational education as a supplementary mechanism to meet its current and future needs for qualified specialist staff. The company offers apprenticeships in a variety of vocations in Germany, Austria, and Switzerland. In Germany it also has a work-study programme: in 2018 CTS EVENTIM's businesses in Germany had seven work-study students in business administration, seven in computer science, and three in IT and system integration.

In 2018 CTS EVENTIM's Austrian subsidiary oeticket founded the Apprentice Academy to further improve the vocational training it offers. The academy provides apprentices with additional training in soft skills as well as specialist seminars throughout their apprenticeship.

### 7.3 DIVERSITY AND EQUAL OPPORTUNITY

Diversity is not only required by law. Instead, CTS EVENTIM considers it a key success factor as well. Diversity enhances an organisation's agility, creativity, and knowledge-sharing and makes it easier to tap new markets in Europe and around the world.

At CTS EVENTIM, diversity is essential to its actions as a company. The company recruits internationally, provides barrier-free offices and workplaces, and hires people based solely on their professional and personal skills. The numbers show that this approach is already working: CTS EVENTIM employed people from more than 41 countries in 2018. The company documents the age and gender profile of its workforce. In 2018 the ratio of women (50.6%) to men (49.4%) was balanced. Employees had an average age of roughly 37 years and the following age profile:

- 25 and younger: 14%
- 26 to 35: 36%
- 36 to 45: 28%
- 46 to 55: 17%
- 56 to 65: 4%
- 66 and older: 1%

Part-time employees accounted for 34.3 percent, full-time employees for 65.7 percent, of the company's workforce in 2018.

The Group has a diversity concept for filling positions on its Management Board and Supervisory Board. More information on this concept can be found in the Corporate Governance Declaration pursuant to Section 289f of the German Commercial Code (HGB) for the 2018 financial year, which CTS EVENTIM has published on its website.<sup>1</sup>

<sup>1</sup> A comparison of the numbers in the section 'Diversity and Equality Opportunity' with the prior-year numbers has no informational value because of a significant increase in CTS EVENTIM's scope of consolidation.



A photograph of two children at a concert, seen from behind with their arms raised. The child on the left wears a blue t-shirt and a green and black patterned visor. The child on the right wears a red and blue patterned t-shirt. In the background, a stage is lit with blue and red lights, and a large crowd of people is visible.

# 8. Corporate Citizenship

CTS EVENTIM sees a lot reasons for a strong commitment to corporate citizenship: major events and cultural events inspire people. They foster a sense of community and provide an opportunity to improve social cohesion. Many artists want to make a personal contribution to society through their work. With CTS EVENTIM's support, everyone involved can advocate and effectively promote good causes.

CTS EVENTIM's corporate-citizenship activities to support social integration, better education, and other issues can also help improve the company's social environment and thus the prospects for stable sales markets, a reliable business environment, and qualified employees.

### 8.1 CORPORATE CITIZENSHIP ORGANISATION

CTS EVENTIM's corporate citizenship activities are conducted through its umbrella brands or its subsidiaries themselves and are adapted to reflect regional needs. One focus of these activities is on partnerships with promoters, artist managers, and other intermediaries in culture and sport.

The companies' CR teams review potential partners and their issues. They are supported by several corporate functions: Communications, Sales, HR, and IT. These functions monitor socially relevant media trends and challenges and analyse customer feedback to identify the issues with sufficient public resonance to make a project successful for both the potential partner and the company.

### 8.2 PARTNERSHIPS AND DIALOGUE

CTS EVENTIM uses its media presence to sensitise the public to social issues. Like CTS EVENTIM, many of its customers – including public institutions such as schools, theatres, and museums – are active in the creative and cultural sector. The company aims to promote art, culture, and performance venues in specific ways: by helping its partners extend their reach and make their venues and programmes more attractive and by conducting effective, state-of-the-art public relations to raise awareness of the cultural value of live entertainment.

The company also partners with universities in the areas of culture and media management. CTS EVENTIM supports the training of its work-study students by helping to develop instructional content and approaches and by promoting the expansion of work-study programmes through its funding and expertise. In addition, the company is a member of the Förderverein der Hochschule Bremen (Association to Promote Bremen City University of Applied Sciences). In 2008 CTS EVENTIM began supporting

the EVENTIM Pop Course at the Hochschule für Musik und Theater Hamburg through a non-profit corporation created for this purpose. As the title sponsor, the company is committed to ensuring the course's existence well into the future. Year after year, the course graduates talented rock and pop musicians.

LANXESS Arena in Cologne has partnerships with a number of universities through which it offers students in event management, marketing, and PR numerous opportunities to collaborate in projects. This enables students to gain practical experience in their area of study and to learn about day-to-day event operations at the arena.

### 8.3 DONATIONS AND SPONSORSHIPS

Being part of the creative and cultural sector enables CTS EVENTIM to use donations and sponsorships to promote social causes, thereby enhancing its reputation and that of its brands.

For example, FKP has supported the Viva con Agua Foundation for many years. The foundation has its own stands and numerous employees at all FKP festivals. Festival-goers can donate their beverage cups, which Viva con Agua employees collect in the audience. The cash deposit on the cups goes to Viva con Agua. In addition, FKP employees, the media and other festival partners are encouraged to donate at least €5 to Viva con Agua. These measures raised a record donation of €170,000 in 2018, raising the donations generated at concerts and festivals by more than €30,000 relative to 2017.

In addition, in 2018 the company supported the following organisations with donations and sponsoring projects:

- CTS EVENTIM Sports GmbH partnered with FC St. Pauli football club and förde show concept GmbH to donate €6,000 to support 'Bergedorfer Engel', a homeless shelter in Hamburg. The donation came from a portion of the revenues generated by the public viewing event for the derby between St. Pauli and cross-town rival HSV in late September 2018. It enabled the shelter to replenish its stock of sleeping mats and sleeping bags and distribute them to people who need them.
- In Austria oeticket.com held a spending drive for the 'Red Nose Clown Doctors' association, which has supported young hospital patients as well as people in special and curative education facilities and in nursing and rehabilitation centres. The company ran an online campaign to encourage donations from customers, which it doubled. It donated a total of €13,872 to the 'Red Nose Clown Doctors' association.
- CTS EVENTIM donated €2,000 to support the Bremen Theatre's spring festival for trainees, which the trainees organised themselves for the fifth year in a row. Its purpose is to convey the wonder of theatre to apprentices in technical vocations in Bremen and surrounding areas. CTS EVENTIM's support made it possible for two festival performances to be offered at no cost.
- EVENTIM Nederland supported a play about Dutch astronaut Wubbo Ockels (1946-2014). The company also offered free tickets to an event at Johan Cruyff Arena in Amsterdam put on by MS MoveS, an initiative to fight multiple sclerosis. In addition, EVENTIM Nederland participated in a charity action to benefit EnglandSailor, an education project. The company donated €5,300 for a charity lottery. LANXESS arena enables low-income and disadvantaged people to attend concerts and shows. Through a charity auction it gave 300 free tickets to 'Holiday on Ice' to children living in orphanages in Aachen and the surrounding area.

CTS EVENTIM has a long tradition of supporting the 'Musik Bewegt' ('Music Moves You') initiative, an online platform on which many of Germany's best-known musical artists present and promote charitable organisations and projects. Since 2016 the company has also donated €15,000 annually to Germany's Association for the Promotion of Pop Culture to serve as prize money for the association's pop culture awards.

CTS EVENTIM CEO Klaus-Peter Schulenberg is personally involved as well. He has been a member of the Advisory Council of the German Cancer Research Centre (DKFZ) for many years, serving as an ambassador for research in the fight against cancer. CTS EVENTIM has supported the DKFZ since 2015 by endowing a professorship, which began its work in 2017. The €1 million endowment is the largest donation in CTS EVENTIM's history; in the year under review the company made available another €200,000 tranche of the total endowment.

# 9. Climate and Environment



CTS EVENTIM believes that preserving the environment and protecting the earth's climate are important social responsibilities. In Germany it has put in place an energy-management system in order to reduce its energy consumption. Event organisers belonging to the Group also ensure that resources are used in an environmentally friendly manner.

### 9.1 ENERGY MANAGEMENT

The Energy Services and Other Energy Efficiency Measures Act obligates large companies in Germany to have accredited experts conduct energy audits to assess their energy consumption. Companies in Germany that, like CTS EVENTIM, have put in place an energy-management system with an appropriate testing process can be exempted from this obligation by having their system certified. The Group's subsidiaries in Europe are subject to comparable legal obligations. For example, in Austria they are subject to the Austrian Federal Energy Efficiency Act. The obligations in Austria were met by ÖNORM audits conducted by accredited third-party registrars.

The CTS EVENTIM Management Board is steadily implementing measures to reduce energy consumption. To establish the necessary control mechanisms for this purpose, at the end of 2015 the Management Board decided to put in place an energy-management system for Group companies operating in Germany and to obtain multi-site certification

for this system under DIN EN ISO 50001. The system's basic component is a permanent improvement cycle based on the plan-do-check-act method, which is common to all ISO management systems. In December 2016 the energy-management system in Germany was approved for the first time by an accredited registrar and certified for a three-year period until December 29th 2019. During this period, CTS EVENTIM has to subject the system to annual surveillance audits to demonstrate that it is continuously maintained and systematically improved.

As part of the implementation of the energy-management system, the Management Board and the Energy Management Officer agreed a specific target of reducing the total energy consumption of the companies in Germany included in the energy-management system to 27,411 MW/h by the end of 2019. A variety of steps toward achieving this target were taken in previous years.

Employees' business travel, which is also covered by the energy-management system, plays an important role in reducing energy consumption. CTS EVENTIM

calculates the energy consumed by business travel (rental cars, trains, airplanes) and includes this amount in the company's total consumption. In addition, the company takes steps to introduce technological innovations that keep business travel to a minimum. Skype for Business, a video-conferencing service, can be used company-wide. In addition, in 2018 CTS EVENTIM began to make greater use of Microsoft Teams, a tool that improves collaboration in groups and supports efficient chats as well as audio and video conferences.

Increasing energy efficiency is important for CTS EVENTIM's concert promoters as well. To the degree possible, FKP used LED stage lighting at its festivals in 2018. It also improved area lighting at festivals. For example, FKP used timer-equipped light towers that could be controlled and turned off automatically. Similarly, LANXESS arena converted arena lighting to energy-saving LED technology and improved the energy efficiency of its cooling towers.

As part of its energy management in Germany, CTS EVENTIM calculates and

discloses the total energy consumption in MWh of its certified subsidiaries and Corporate Headquarters. Total energy consumption in 2017 was 29,572 MWh. The figure for all of 2018 was not available at the editorial deadline.

## 9.2 OTHER CLIMATE-PROTECTION MEASURES

CTS EVENTIM takes procurement decisions and hires service providers with an eye toward reducing its energy consumption. For example, the data centres that house the Group's ticketing systems consume large amounts of energy. These centres are operated by third-party service providers and are therefore not covered by CTS EVENTIM's energy-management system. However, data centres' energy efficiency was a criterion in the call for tenders for data-housing services. For example, power usage effectiveness was one of the factors considered in the overall evaluation for selecting data-centre operators.

In many cases, CTS EVENTIM uses energy efficiency as a criterion when it procures energy-intensive goods and services. As a rule, it considers the energy consumption of the new electronic equipment it purchases. To do this even more systematically, in 2018 CTS EVENTIM adopted its first Hardware and

Software Policy Statement to govern the procurement of energy-efficient office hardware.

Spectators' travel to and from events organised by CTS EVENTIM result in carbon emissions. The company therefore strives to make the use of public transport attractive, for example by having its event tickets entitle spectators to the free use of buses and trains in the respective transport system. In addition, in 2018 FKP continued its partnerships with Deutsche Bahn AG and metronom Eisenbahngesellschaft mbH. These arrangements entitle ticketholders for two FKP festivals – 'Hurricane' and 'Southside' – to free, environmentally friendly train travel to and from the festival. In 2018 roughly 16,000 festival-goers (about 14%) took advantage of this offer.

In addition to increasing energy efficiency, CTS EVENTIM views the procurement of green electricity as another way to promote climate protection. In 2017 green electricity accounted for around 41% of the electricity procured by the Ticketing segment in Germany.

## 9.3 GREEN CAMPING AT FESTIVALS

Beyond energy efficiency, CTS EVENTIM takes other steps to reduce its environmental impact. One example is the Live Entertainment segment's efforts to avoid waste. FKP, for instance, aims to minimise the environmental impact of its festivals and has therefore recorded and documented their waste streams for a number of years. By evaluating the data, FKP has identified a considerable portion of the total waste. For several years now, the waste that festival-goers return to the recycling stations in order to retrieve their deposit has been processed by commercial sorting facilities and returned to the raw material cycle. In 2018 about 36% of the waste festival-goers returned to retrieve their deposit was recycled. In addition, festival merchants and sponsors are obliged to strictly separate recyclables (paper, glass, food waste) in order to keep the proportion of residual waste as small as possible. For 2019, FKP intends to collect and recycle plastic separately as well.

In order to simplify waste disposal and encourage more visitors to properly

dispose of their waste, 'Rock im Park' discontinued the waste deposit in 2018. Instead, it doubled the number of disposal areas on the festival grounds. This enabled visitors to dispose of their rubbish quickly and easily without having to walk long distances or to wait in queues to retrieve their deposit.

MLK began offering green camping in 2011. Under this programme, festival-goers pledge to do things like dispose of their rubbish and take back with them all objects they brought to the festival grounds. For example, visitors to the 'Rock am Ring' festival pledge to help make better use of the site's available space by not bringing along superfluous camping equipment and to help ensure adequate rest and recovery by remaining quiet between 1am and 8am. In response to increasing interest, 'Rock am Ring' will increase the size of the environmentally conscious and low-noise green camping area for the 2019 edition of the festival.

## Appendix: Index of Key Performance Indicators

| Key Performance Indicator  | Scope of Consolidation  |
|--|---|
| Number of nationalities in the workforce<br>(all employees active at 31 December 2018) | ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Österreich (oeticket), FKP Scorpio, LANXESS arena, Semmel Concerts, Ticketcorner, TicketOne |
| Gender ratio in the workforce<br>(all employees active at 31 December 2018)            | ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Österreich (oeticket), FKP Scorpio, LANXESS arena, Semmel Concerts, Ticketcorner, TicketOne |
| Average employee age<br>(all employees active at 31 December 2018)                     | ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Österreich (oeticket), FKP Scorpio, LANXESS arena, Semmel Concerts, Ticketcorner, TicketOne |
| Employee age profile<br>(all employees active at 31 December 2018)                     | ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Österreich (oeticket), FKP Scorpio, LANXESS arena, Semmel Concerts, Ticketcorner, TicketOne |
| Percentage of part-time employees<br>(all employees active at 31 December 2018)        | ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Österreich (oeticket), FKP Scorpio, LANXESS arena, Semmel Concerts, Ticketcorner, TicketOne |
| Energy consumption<br>(all company buildings certified to ISO 50001)                   | CTS EVENTIM Deutschland: Live Entertainment and Ticketing   |



## 10. Assurance Report

### LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR REGARDING THE SEPARATE NON-FINANCIAL CORPORATE-REPORT

To the Supervisory Board of CTS EVENTIM AG & Co. KGaA, München

We have performed an independent limited assurance engagement on the separate non-financial corporate-report (further: „Report“) and the by reference qualified part „Corporate structure and business operations“ of the Combined Management Report by CTS EVENTIM AG & Co. KGaA, München (further „CTS EVENTIM“) according to §§ 315b and 315c in conjunction with 289c to 289e German Commercial Code (HGB) for the business year from January 1 to December 31, 2018.

### MANAGEMENT’S RESPONSIBILITY

The legal representatives of CTS EVENTIM are responsible for the preparation of the Report in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the Report in a way that is free of – intended or unintended – material misstatements.

### INDEPENDENCE AND QUALITY ASSURANCE ON THE PART OF THE AUDITING FIRM

We are independent from the entity in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the national statutory provisions and professional pronouncements for quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

### PRACTITIONER’S RESPONSIBILITY

Our responsibility is to express a conclusion on the Report based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): „Assurance Engagements other than Audits or Reviews of Historical Financial Information“ published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report of the entity for the business year January 1 to December 31, 2018 has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB. We do not, however, provide a separate conclusion for each disclosure. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore significantly less assurance is obtained than in a

reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

Within the scope of our engagement, we performed amongst others the following assurance procedures:

- Inquiries of personnel on corporate level, who are responsible for the materiality analysis, in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries of CTS EVENTIM
- A risk analysis, including a media search, to identify relevant information on CTS EVENTIM sustainability performance in the reporting period
- Reviewing the suitability of internally developed Reporting Criteria.
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring disclosures relating to environmental, employee and social

matters, respect for human rights, and combating corruption and bribery, including the consolidation of the data

- Inquiries of personnel on corporate level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, for conducting internal controls and consolidation of the disclosures
- Evaluation of selected internal and external documentation
- Analytical evaluation of data and trends of quantitative information which are reported by all sites for consolidation on corporate level
- Assessment of the overall presentation of the disclosures

## CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of for CTS EVENTIM the business year from January 1 to December 31, 2018 is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289c to 289e HGB.

**RESTRICTION OF USE / CLAUSE ON  
GENERAL ENGAGEMENT TERMS**

This report is issued for purposes of the Supervisory Board of CTS EVENTIM AG & Co. KGaA, München, only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of CTS EVENTIM AG & Co. KGaA, München and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 ([https://www.kpmg.de/bescheinigungen/lib/aab\\_english.pdf](https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf)).

By reading and using the information contained in this report, each recipient confirms notice of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us

Munich, 27.02.2019

KPMG AG  
Wirtschaftsprüfungsgesellschaft

Hell

ppa. Mathias

## 11. Imprint

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