



Non-Financial Corporate Report 2019

eventim[★]

Contents

1. FOREWORD BY THE CHAIRMAN OF THE SUPERVISORY BOARD	3	8. CORPORATE CITIZENSHIP	25
2. EDITORIAL NOTE	4	8.1 Corporate Citizenship Organisation	26
3. BUSINESS MODEL	5	8.2 Partnerships and Dialogue	27
4. CUSTOMER ORIENTATION	7	9. CLIMATE AND ENVIRONMENT	29
4.1 Customer Satisfaction	8	10. VALIDATION STATEMENT	33
4.2 Customer Service	10	11. IMPRINT	36
5. PRODUCT QUALITY AND SAFETY	11		
5.1 Inclusion and Barrier Freedom	12		
5.2 Secondary Market	13		
5.3 Preventing Ticket Forgery	14		
5.4 Data Protection	14		
5.5 Safety Plans for Events	15		
6. COMPLIANCE MANAGEMENT	17		
7. HUMAN RIGHTS AND EMPLOYEE MATTERS	20		
7.1 Attractiveness as an Employer	21		
7.2 Human Resources and Capabilities Development	22		
7.3 Diversity and Equal Opportunity	24		

1. Foreword by the Chairman of the Supervisory Board ¹

Dear reader,

I am very pleased to present you our third Non-Financial Report (NFR). CTS EVENTIM is up-to-date, forward-looking company. As such, it has obligations not only toward its shareholders, customers, and business partners but also its employees, the environment, and society as a whole. Using six topics as examples, we would like to show you the specific ways in which CTS EVENTIM lived up to this responsibility in the 2019 financial year. These topics, which an in-depth analysis assessed to be particularly relevant, are dealt with in detail on the following pages of the report.

CTS EVENTIM's operating business has long been guided by principles like performance, growth, and innovation. The same applies to our commitment to the topics presented here. For example, the company further enhanced its customer orientation and continually reviewed the safety and reliability of its systems and processes. In compliance management,

the Code of Conduct was updated and the subsidiaries' commitment made even more binding. A number of employee matters were carefully examined, including performance and flexibility as well as feedback culture, development, and job satisfaction. The company moved forward with its ambitious plan to continually reduce its environmental footprint. Finally, in 2019 CTS EVENTIM again supported a large number of charitable institutions and projects.

The successes presented in this report require more than a highly motivated team that systematically with these topics and many others at all levels of the organization. Equally essential is the company's business success, which provides the necessary means and resources. Consequently, growth in CTS EVENTIM's two core segments (Ticketing and Live Entertainment), development of new business areas, and international acquisitions are inseparably linked to its corporate social responsibility.

For me, this report is therefore both a confirmation and an incentive for the company to move forward – together with its business partners and its employees – on its chosen course and to continue to be an active member of society.

Best wishes,



Dr. Bernd Kundrun
Chairman of the Supervisory Board
CTS EVENTIM AG & Co. KGaA



¹ The Foreword by the Chairman of the Supervisory Board is not part of the audited NFR.

2. Editorial Note

This NFR fulfils CTS EVENTIM's obligation to disclose non-financial information for the 2019 financial year pursuant to Section 315b, Paragraph 1 of the German Commercial Code. It covers CTS EVENTIM AG & Co. KGaA (hereinafter: CTS EVENTIM) as the parent company and the main majority shareholdings listed in the consolidated financial statements. Voluntary reporting of non-financial performance indicators includes Group companies that are material in terms of the number of their employees and the proportion total revenues they generate.

In order for this NFR 2019 to comply with the requirements of the CSR Directive Implementation Act, we assessed whether and to what extent changes are necessary to the material disclosures identified for the NFB 2018. The assessment identified no need for significant changes to the topics or matters reported in the prior year. The existing material topics were reviewed and clarified for this report. The scope of the previous topic "Green Camping at Festivals," for example, was widened to "Environmental and

Climate Protection at Festivals." Going forward, we plan to expand the materiality analysis to include a methodological evaluation of the topics.

Consequently, the six topics relevant for CTS EVENTIM remain customer orientation, product quality and safety, compliance management, employee matters, corporate citizenship, and climate and the environment. For each topic, the NFR reports the material information that is necessary to understand the company's business performance, operating results, and situation as well as the impact of its activities on the aforementioned topics.

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

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

This NFR does not identify any non-financial risks that pursuant to Paragraph 289c (3) of the German Commercial Code are "very likely" to have "serious adverse impacts on the identified material topics."

3. Business Model

The CTS Group is one of the leading international providers of ticketing and live entertainment services and operates in the leisure events market. It has one of the most sophisticated ticketing platforms in existence as well as a complex, extensive distribution network. These CTS EVENTIM enable music promoters to sell tickets through a high-performance system and provide ticket buyers with permanently accessible internet portals for purchasing tickets for events.

The CTS Group is segmented into Ticketing and Live Entertainment. CTS KGaA, the Group's parent company, operates in ticketing sector, where its commercial significant make it the dominant player. Statements made regarding the Ticketing segment therefore apply in particular to CTS KGaA as well. The Ticketing segment producing, sells, brokers, distributes, and markets tickets for concert,

theatre, art, sports and other events in Germany and elsewhere, using state-of-the-art data processing and transmission technologies. It professionally markets events (tickets) through its market-leading online platform (EVENTIM.Net), its inhouse ticketing product (EVENTIM.Inhouse), its sports ticketing product (EVENTIM.Tixx), and as a self-service product for promoters (EVENTIM.Light). This enables promoters to achieve high levels of attendance at events by swiftly selling all available tickets on a mass scale. The networking and internationalisation of individual ticketing software create a standardised global ticketing system that makes it possible to offer tickets cross-border as well. This segment offers 'kinoheld' software to cinema operators and the 'fanSALE' platform for peer-to-peer ticket reselling.

The extensive range of activities in online sales is continually developed and expanded specifically to meet the needs of networked consumers. Example include:

- online reservation of specific seats by means of an interactive venue plan
- mobile ticket sales via innovative iPhone/iPad and Android Apps
- additional social media activities, especially Facebook, Instagram, and Twitter.

Proprietary CTS EVENTIM ticket software is used to sell tickets to a wide variety of events: concerts (from classical music to rock and pop), plays, festivals, trade fairs, cinemas, exhibitions, and sporting events, especially football.

The CTS Group is a leading ticket provider and superbly positioned in the marketplace. A broadly diversified distribution network consisting of a nationwide network of advance booking offices, call centre sales, and Internet ticket shops has further reinforced and expanded this market position. Alongside ongoing ticket sales, the CTS Group is the ticketing partner for major sporting events in Germany and elsewhere.

The Live Entertainment segment plans, prepares, and carries out tours and events – especially music events and concerts – and markets music productions. It also operates internationally renowned entertainment venues.

The CTS Group is thus a single-source provider of all concert-event services: from planning and organisation to sales and event handling.

4. Customer Orientation



One of the entire Group's top priorities is to satisfy its retail and business customers as well as its sales, media, and other business partners. It is a decisive factor for CTS EVENTIM's lasting success. Consequently, the company closely monitors the usability, performance, and availability of its systems and platforms as well as many other contributing factors. The Management Board is informed about these matters on a regular basis, in part through internal risk reporting.

In addition to optimizing its own structures and processes, the company also relies on cooperative arrangements with outside partners. The data centres in Germany, for example, are operated by a provider who ensures the confidentiality, availability, and integrity of data and processes. 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. As in the prior year, average system availability in 2019 was 99.9%.

The satisfaction of retail and business customers is a key issue for CTS EVENTIM and is systematically evaluated in order to provide management with reliable information for decision-making. The Ticketing segment's E-Commerce and Sales departments report to the Management Board about retail and B2B customers' satisfaction at regular intervals. At the Live Entertainment segment, event project leaders assess visitors' satisfaction and, if necessary, report to the Managing Directors of the respective Live Entertainment subsidiary.

4.1 CUSTOMER SATISFACTION

RETAIL CUSTOMER SATISFACTION

Rating portals and social media platforms give consumers more and more opportunities to read what their peers' feedback. companies' products and services. This is another reason why customer satisfaction is pivotal for business success in e-commerce. CTS EVENTIM uses surveys to measure the satisfaction of online retail ticket customers and works continually to further improve its online platforms and processes. Customers feedback provides valuable input.

In Germany CTS EVENTIM works with eKomi, an independent service that aggregates internet evaluations of service providers and products, to collect and systematically analyse its customers' evaluations. As in the prior year, the average customer rating in 2019 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 2019, the same as in the prior year.

In Italy TicketOne uses Feeday, an online platform, to measure customer satisfaction. TicketOne had an average rating of 4.3 of 5 points in 2019.

In 2019 institutes and media 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 again awarded eventim.de first place, both overall and in several subcategories (breadth of offerings, web presence, and ordering and payment terms). A survey conducted by Servicevalue Market Research Institute for Handelsblatt, a German daily business newspaper, named eventim.de Germany's best online ticket vendor.

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

CTS EVENTIM solicits customer feedback for its Live Entertainment segment as well. After the big festivals organised by Group subsidiaries, CTS EVENTIM

regularly asks visitors to state their satisfaction and preferences. Ticketing and Live Entertainment implemented a variety of projects in the year under review:

- fanSALE, which is operated by CTS EVENTIM, is a transparent and secure alternative for the secondary ticketing market. It is now available in five countries (Germany, the United Kingdom, Italy, the Netherlands, and Switzerland). Feedback received in 2019 showed that availability (13.5 per cent fewer lost calls) and response time (16 percent more e-mail responses within 24 hours) of customer service had been further improved through process optimisation.
- The improvements to the online shop included improved screen optics on mobile devices and faster loading times. The aim of these and other measures is to increase conversion rates and enhance customer loyalty.
- The organizers of 'Rock am Ring' and 'Rock im Park' selected their festivals' line-up based in part on festival-goers' preferences obtained in customer surveys. 'Rock im Park' introduced

simplified security procedures for visitors without bags or backpacks, giving them fast-lane access to the festival grounds.

Group companies engage in extensive dialogue their customers and respond to their positive and negative feedback. Customer feedback in social networks and by email is answered by a third-party service provider with industry experience or by the organisers' own staff. The organisers' Production, Marketing, and Booking departments evaluate the feedback and adopt useful suggestions for improvement.

B2B CUSTOMER SATISFACTION

CTS EVENTIM places a high priority on maintaining long-term, positive business relationships. In the year under review, it took selected steps to improve the Group's products with the aim of increasing B2B customer satisfaction. CTS EVENTIM evaluated the effectiveness of these steps in part by having sales staff survey existing and potential customers.

- EVENTIM.Inhouse offers event organisers (such as theatres, museums, operas, and so forth) a comprehensive ticketing solution. Sales staff record information in the product's central customer relationship management system, which is available to all sales units.
- A Country Product Manager was hired in Germany in 2019 for the EVENTIM NET product in order to better integrate the German market into product development. The aim is to tailor the product more closely to the marketplace. The company will test the

necessary measures in Germany and, depending on the results, may extend them to other countries as well.

- The EVENTIM business portal debuted in the year under review (<https://www.eventim-business.de/>). B2B customers can now obtain information about products and view sales analysis tools 24/7. Periodic e-mails keep sales partners up to date about the latest developments at CTS EVENTIM, such as system updates and training programmes. In addition, annual regional events provide an opportunity for sales partners and their EVENTIM contact person to share information in person.

4.2 CUSTOMER SERVICE

CTS EVENTIM views complaints as helpful suggestions for ways to improve its services and systems. A single negative comment on a review platform or in social media may be widely read or even go viral.

The Customer Service department is responsible for the efficient processing and clarification of ticketing enquiries. Supported CTS EVENTIM 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 provide a detailed picture.

CTS EVENTIM's trained service personnel respond directly to general customer complaints about ticketing. Email are typically answered within two to three working days, social-media posts within one day and frequently within a few minutes.

Ticketcorner 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. At the end of 2019 the platform added a Help Centre that makes order details and all other important information available to customers around the clock

The Complaints Management team at the LANXESS arena's operating company is part of the Media and Public Relations department. Two staff members handle enquiries and feedback on a daily basis. Customers receive an answer within 24 to 48 hours on weekdays and within 48 to 72 hours at weekends.

Complaints about individual events organised by Group subsidiaries in the Live Entertainment segment are handled by their staff, whose duties include supporting their festival's social media pages before, during, and after the events.

In 2019 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. The answers were posted on the festival website. This enabled other festival-goers with similar questions or complaints to find an answer or solution quickly.



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. It is essential for CTS EVENTIM's IT systems to be available without interruption and to be accessible to all customers. It is also essential for the data the company processes to be safeguarded against loss and authorized access. CTS EVENTIM is likewise committed to combating ticket counterfeiting and ensuring safety at its events. The Management Board receives regular updates on these objectives and their achievement status.

5.1 INCLUSION AND BARRIER FREEDOM

CTS EVENTIM views enabling equal access to events 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, employees from FKP Scorpio's service team tend to the individual needs of customers with disabilities throughout events and endeavour to accommodate their wishes and suggestions for improvement. People with disabilities can register on the festival website to attend the event with up to four companions. Organisers plan festivals so that customers with disabilities can quickly and conveniently pick up their festival passes in the backstage check-in area and gain unhindered access to the festival grounds. Wheelchair-accessible spectator platforms with a view of the main stage are erected in sufficient size and quantity to meet demand. They are available to customers with disabilities and their companions. Furthermore,

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 power outlets for medical devices. It also has disability-friendly sanitary facilities.

The 'Rock im Park' festival has featured a dedicated camping area for people with disabilities since 2008. The barrier-free area consists of an immediately adjacent car park, wheelchair-accessible showers and toilets, and wheelchair-friendly paved routes between the campground and the wheelchair seating area. Elevated wheelchair-accessible spectator platforms are erected adjacent to the festival stages. The campground has a special-assistance point where specially trained personnel are available to answer questions and provide help. The assistance point is also available for storage of medications that require refrigeration. Customers can also store medications at the paramedic station. In 2019 the festival introduced an optional online campground registration form that visitors with disabilities can use to advise the festival of their support and

assistance requirements. User feedback on the form was very positive. The initiative was also acknowledged in the festival media coverage and in commentary by disability advocacy groups.

LANXESS arena features barrier-free access and a range of services for people with disabilities. Its parking building has a dedicated disability-friendly parking area and access by lift to all levels of the complex's multi-purpose auditorium. All events held at the arena have wheelchair seating spaces in sufficient quantities.

LANXESS arena is committed to making its events uniquely enjoyable and memorable occasions for all spectators, including those with disabilities. For example, the 2019 Handball World Championship games featured live voice commentary that enabled blind and vision-impaired fans to follow the action on the field. This was a joint initiative between LANXESS arena, the German Handball Association, and the inclusion-advocacy organizations Aktion Mensch and AWO-Passgenau. It involved seating areas where blind and vision-impaired spectators

could listen to the commentary via special headsets. In addition, LANXESS arena is currently in negotiations to improve barrier-free access at the adjacent Messe/Deutz railway station so that fans with disabilities can travel to and from events more easily.

5.2 SECONDARY MARKET

CTS EVENTIM is aware that customers and event visitors are fundamental to its business. It therefore does everything it can to prevent the resale of tickets via unauthorized secondary market platforms. This includes partnering with Germany's Federal Association of the Event Industry. At the same time, the company would like ticketholders to be able, should the need arise, to sell their tickets to other fans legally and on terms that are fair and transparent.

To achieve these objectives, in 2019 CTS EVENTIM brought fanSALE, the secure ticket resale platform it has operated in Germany for several years, to the UK, Italy, and the Netherlands. The following paragraphs outline steps and initiatives that CTS EVENTIM has used successfully in the past and that it refined and updated in 2019.

The fanSALE platform helps prevent counterfeiting by checking the authenticity of CTS EVENTIM-issued tickets using EVENTIM Ticketcheck whenever they are offered for resale via the platform:

The seller simply enters the ticket number. CTS EVENTIM then checks and confirms the ticket's validity and authenticity and gives the buyer a guarantee of authenticity. The tickets are shipped quickly and securely, and no payment is made until the buyer has received the tickets and 48 hours have elapsed without any reported ticket irregularities. In addition, the platform can implement promoters' individual specifications. For example, it can ensure that the ticket price for a promoter's events on fanSALE does not exceed CTS EVENTIM's original issue price. As a rule, the platform applies a Fair Deal symbol to offers made at prices that are at or below the original issue price. In 2018 fanSALE became the first platform of its kind to advertise using Google AdWords.

CTS EVENTIM's web shops use various security measures to make it more difficult for commercial resellers to purchase large numbers of tickets. One example is captcha protection, which ensures, with a large degree of certainty, that the web shop can only be used by real human beings, not bots. The company continuously analyses transactions and

all activity in its web shops for potential abuse so that, for example, it can prevent bots from ordering tickets automatically.

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. For the same reason it also offers solutions for personalising tickets. In 2019, for example, advance sales for the tours of Rammstein, Helene Fischer, and Nick Cave and The Bad Seed consisted of personalised tickets. In certain circumstances ticketholders can use fanSALE for ticket returns and transfers.

CTS EVENTIM is also in the process of implementing new secondary-market rules in European countries other than Germany. For example, in March 2019 it began adapting its ticketing platforms in Italy to ensure, among other things, that tickets for events with more than 5,000 spectators are personalised. These adaptations are scheduled for completion in March 2020.

5.3 PREVENTING TICKET FORGERY

Counterfeit tickets can damage the reputation of event organisers 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. In order to counter these reputational risks, CTS EVENTIM has made it a priority to prevent ticket forgery and is developing preventive measures.

Clear and comprehensive communications are essential for protecting customers from counterfeit tickets: CTS EVENTIM and its subsidiaries advise customers at every turn to purchase tickets only from official, authorised vendors. CTS EVENTIM's security experts work closely with the police on matters of ticket forgery and are available to assist anywhere in Europe. In certain cases, they liaise with the police in the lead-up to events and patrol with them during events. CTS EVENTIM's internal security team reports anomalies and process changes (in the context, for example,

of cooperation with international law enforcement agencies) directly to the Management Board.

Every ticket sold by CTS EVENTIM has unique identification features that prevent double sales. Hardcopy tickets issued by CTS EVENTIM have various security features, including holograms, that provide a large measure of protection against counterfeiting. CTS EVENTIM procures most of its ticket-making materials centrally and is therefore able to ensure that the materials, printing systems and processes used conform to uniform security standards. In addition, CTS EVENTIM carefully monitors tickets sold on auction platforms and other secondary markets. If it identifies tickets as being counterfeit, it endeavours, to the degree possible, to confiscate them and report the counterfeiting to law enforcement agencies at the event location. CTS EVENTIM detected only isolated incidents of ticket forgery in 2019.

5.4 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 is therefore committed to protecting personal data from unauthorised access and to ensuring that the use of these data complies with data protection laws.

CTS EVENTIM has in place various technical, organizational and process-related data protection measures, as required by the German General Data Protection Regulation (known by its German abbreviation, DSGVO). In 2019 it expanded these measures. For example, it continually updated the data protection information disclosed on its ticket portals to make this information more transparent to users.

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 DSGVO 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 DSGVO must conform. It serves as a binding framework for handling personal data in compliance with the DSGVO. 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 and the departmental heads of CTS EVENTIM AG & Co. KGaA are responsible for initiating data protection projects and for overseeing and coordinating the various tasks under those projects.

- A central Data Protection Coordinator at CTS EVENTIM AG & Co. KGaA directs and coordinates tasks of overarching, Group-wide importance that are amenable to centralized management. He is responsible for the ongoing development and refinement of data protection in consultation with the Management Board and the Data Protection Officers of Group companies over which CTS EVENTIM has management control.
- The local Data Protection Officers of CTS EVENTIM AG & Co. KGaA and of Group companies over which CTS EVENTIM has management control are responsible for operational data protection within their areas of responsibility.
- Data Protection Officers appointed by Group companies monitor their respective companies' compliance with data protection requirements and advise management on data protection matters.
- CTS EVENTIM has defined standards and requirements for data protection

processes. Lists of each company's data-handling activities served as the starting point. In each case, 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 2019 this led CTS EVENTIM to adapt its data protection policy and review and update the core data protection processes in the Group companies over which it has management control and at departments of CTS EVENTIM AG & Co. KGaA. Furthermore, CTS EVENTIM conducts reviews on an ongoing basis to determine whether its data protection disclosures – such as the information shown in its webshop and provided to its employees – need to be updated.

In 2019 Data Protection Officers conducted reviews in various departments of CTS EVENTIM AG & Co. KGaA and in various other Group companies. Using risks assessments as a basis, they focused mainly on processes that are characterised by high or elevated risk – because of the volume or sensitivity of the data involved, for example – or which are regularly the subject of compliance checks by the regulatory agency.

CTS EVENTIM provides all registered users with an online dashboard, where they can see at a glance which newsletters they subscribe to, can subscribe to others, or cancel subscriptions.

5.5 SAFETY PLANS FOR EVENTS

CTS EVENTIM accords top priority to the safety of guests and visitors at its events. The company therefore designs individually tailored security plans for its events. Each security plan is specific to local event conditions, taking into account such matters as infrastructure, buildings, available human resources, visitor profile, and other external and external factors.

Section 43 of the German Ordinance on the Construction and Operation of Places of Public Assembly requires organisers, operators, and emergency-services agencies to agree on a safety plan. In Germany this agreement is a prerequisite for the issuance of a special-event 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.

The security planning of the Group companies that organise large festivals – such as FKP Skorpio and Argo Konzerte GmbH – includes forming a steering committee that brings together all the organisers and outside festival-security experts involved. The committee meets several times per year in order to coordinate cross-festival security matters and formulate joint recommendations. The committee's objective is to ensure that processes and procedures are standardized across all festivals and therefore easier for festival-goers to remember and comply with.

A festival-specific coordinating group is convened for the duration of each festival. Each such coordinating group consists of the managers in charge of the organizer's festival staff and representatives of emergency services. The coordinating group meets several times per day and continually monitors and discusses developments at the festival. In the event of an incident at the festival, the festival's crisis committee is convened and assumes responsibility for making all subsequent decisions and initiating all necessary steps. The composition of the crisis committee is defined prior to the festival in the festival's security plan.

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).

'Rock im Park' has a control centre staffed by representatives of all emergency services (police, fire, medical) as well as employees of the organiser. 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 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 thoroughways or entrances, the LED system can redirect visitors. The system is preloaded with a variety of scenarios that can be accessed as needed.

For example, in 2019 visitor flow at 'Rock am Ring' was again monitored in real time in order 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. About 30 per cent of users did so. Real-time data helped the organiser deploy security and admittance staff where they were needed most. One effect was to reduce backups and waiting times at entrances.

LANXESS arena's safety plans are based on organiser' individual

requirements and available information from the authorities on the current risk situation. Entrance controls consist of following components: systems for access control (isolation systems), inspection or retention of personal items (purses, backpacks, baggage) and, depending on the hazard level, random body checks. In the year under review, backstage areas were checked more extensively. At some events, explosive-detection dogs scanned the empty arena prior to admission. For security reasons, covert security measures such as plain-clothes police, cameras, and scanners cannot be discussed in detail. The security measures are constantly monitored and adjusted if necessary. No relevant incidents were reported in the year under review.

6. Compliance Management



CTS EVENTIM acts in accordance with recognised principles of good corporate governance, as confirmed in its corporate-governance declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG). The company respects the expectations of its customers, employees, and business partners, strives for fair competition, and expects all 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.

CTS EVENTIM regards compliance as a responsibility of management and as integral to effective, ethical corporate governance.

To ensure observance of all aspects of compliance, the Group operates a compliance-management system (CMS). It established the CMS based on the 'Principles of Proper Auditing of Compliance-Management Systems' issued by the IDW Institute of Public Auditors in Germany, IDW PS 980.

CTS EVENTIM set key objectives for the specific aspects of the CMS's operation. It has also mandated that its corporate culture must always be in line with all compliance requirements. In addition, its compliance organization and processes are reviewed regularly and updated as required.

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 employees' business activities and relationships. It sets minimum standards for ethical conduct across countries, companies, and legal systems.

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 implementation of compliance measures and has appointed a Chief Compliance Officer for CTS EVENTIM AG & Co. KGaA who coordinates the CMS's operation and ongoing development in the Group. The Chief Compliance Officer reports directly to the Management Board. In addition, Compliance Coordinators have been appointed in the Group companies over which CTS EVENTIM has management control. To enhance the efficiency of the compliance organisation, in 2018 the Internal Audit and Compliance departments were combined in a single department. At the start of 2019 Group-wide coordination of data protection was also moved to this department.

The Code of Conduct provides guidance for the entire Group. Its contents include instructions on appropriate conduct for interactions with fellow employees and

business partners, guidance on the avoidance of corruption and conflicts of interests, and information about environmental and climate protection. All Group employees and all business partners and suppliers are expected to abide by their company's principles and principles regarding proper conduct.

In 2019 CTS EVENTIM reviewed and updated the Code of Conduct and published the 2.0 version throughout the Group. The review led to changes in the following subjects:

- equal opportunity, respect, and diversity
- human and employee rights
- data protection, information security, and protection of intellectual-property protection
- environmental and climate protection

CTS EVENTIM also added more detail to and fine-tuned the section on anti-corruption. In addition, using a risk assessment as a basis, CTS EVENTIM 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. Companies newly included in CTS EVENTIM's scope of consolidation receive these policy statements as part of the onboarding process. 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.

In line with the German Corporate Governance Code's recommendations, the company has in place a whistle-blower system including a whistle-blower committee to receive and evaluate reports from employees. The whistle-blower system makes 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 whistle-blower management.

In addition, in 2019 CTS EVENTIM added a sign-off process to the compliance requirements of subsidiaries under its management control. This process requires their management teams to officially confirm that they are aware of, adhering to, the compliance requirements. Its purpose is to help ensure that these subsidiaries duly observe the Code of Conduct's compliance principles as well as applicable policies. This process will be repeated at regular intervals.

CTS EVENTIM conducted in-house compliance training for a variety of target groups in 2019. About 560 of the Ticketing segment's employees in Germany took an online course on the updated Code of Conduct. A multi-day management development workshop for Ticketing's executives in Germany included a training session for team leaders and department heads on the subject of management's responsibility to ensure compliance. Newly hired employees receive instruction on compliance as part of a two-day onboarding process.

MONITORING AND IMPROVEMENT

CTS EVENTIM is committed to continually improving and refining its CMS. As a rule, relevant company policies and compliance measures are reviewed annually. Internal Audit's findings can also lead to adjustments to the CMS where necessary. In 2019 Internal Audit conducted a review of lead companies in several countries in which it checked the implementation status of various improvement measures which had been agreed with the companies' management in the prior year. The audit is part of the risk-oriented audit plan for 2019 adopted by the Management Board. The implementation of the improvement measures is monitored on a quarterly basis. The CMS is thus continually updated.

A large, dense crowd of people is gathered at a night festival. In the background, a large Ferris wheel is illuminated with blue and red lights. The crowd is diverse in age and appearance, with many people raising their hands and holding up smartphones to take photos or videos. A banner with the text "MELLY GANG" is visible in the crowd. The overall atmosphere is festive and energetic.

7. Human Rights and Employee Matters

Qualified, motivated employees and next-generation managers are the foundation of CTS EVENTIM's success. The company would like to offer all employees a pleasant, productive, and inspiring work environment. In the course of its business activities CTS Eventim fulfils its responsibility to respect human rights. CTS EVENTIM stipulates in its Code of Conduct, which applies across the Group, that it respects internationally recognized human rights and rejects all forms of forced and child labour.

The Vice President for Human Resources Management reports directly to the CEO. Human resources strategy is developed and refined in consultation with the Management Board. Employee matters are therefore directly integrated into corporate decision-making processes. The Human Resources Department (HR) is an in-house service provider for all subsidiaries in the Ticketing segment in Germany. It likewise plays an important coordinating role for the Live Entertainment segment and the organisation outside Germany. HR management of subsidiaries outside Germany is based on a uniform framework which they use to

design their own HR management processes. The subsidiaries are responsible for initiating and implementing HR programmes because their particular business model enables them to better address their employees' needs. Consequently, there are no centrally dictated programmes from parent company.

In an era of continual change, HR is committed to optimally preparing the Group's 3,202 employees (as of 31 December 2019) for future requirements. The company has established processes for supporting the development of all employees and for identifying highly promising talent. HR is also tasked with developing innovative concepts and providing digital solutions that simplify employees' daily work. The aim of such measures is to foster a work culture whose core values include performance, customer orientation, personal initiative, creativity, and entrepreneurship.

7.1 ATTRACTIVENESS AS AN EMPLOYER

As a result of general demographic trends and the generally good economic situation, CTS EVENTIM faces a growing shortage of skilled employees in key job categories. It is therefore intensifying its efforts to recruit new high-potential employees and retain highly qualified specialists and managers. For example, it has entered into collaborative arrangements with outside partners and recruiting portals.

CTS EVENTIM aims to be perceived as an attractive employer in and outside Germany. HR management therefore emphasises flat hierarchies, good development opportunities, a productive working atmosphere in multicultural teams, and other factors conducive to this objective.

CTS EVENTIM's Ticketing segment In Germany has used an employee recommendation platform for finding new talent 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 IT and other highly sought-after job categories. The company therefore conducts internal and industry-wide benchmarking on a regular basis. 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.

Leadership@EVENTIM, which formulates the company's management approach, affirms its commitment to focus on the professional and personal development of managers and employees. It was expanded in 2019 to encourage managers to give their employees the freedom to take on ambitious and varied tasks. Managers are also encouraged to show their appreciation

for employees, actively seek feedback from them, and be role models for a culture of learning and improvement. This management approach is the basis for developing feedback formats that support employees' development. An example is 360° feedback for all employees. One focus of HR development is to give employees the opportunity to participate in cross-functional and cross-hierarchical teams and thus to be actively involved in their company's ongoing development and their own work environment. CTS EVENTIM also addresses leadership issues through joint workshops, training courses, and knowledge sharing.

The results of this management approach are reflected in the feedback from the 2019 employee surveys: Employees are particularly satisfied with their teams and the sense of group cohesion. With regard to their specific tasks, they appreciate the content of their work, the opportunity to rapidly take on new responsibilities, and the embedding of agile collaboration and work methods in the organisation. The Group takes negative feedback in the half-yearly employee

surveys seriously and, with the help of the employees concerned, draws on it to develop proposals for improvements.

To further increase employees' job satisfaction, it is important to know their expectations. The HR department regularly surveys new hires, current employees, as well as employees leaving the company regarding their expectations. Kununu, an employer-rating portal, is an additional source of information in Germany for assessing and improving the company's performance as an employer. CTS EVENTIM's HR managers comment on the postings on Kununu's website and respond individually to criticisms posted by employees, former employees, and applicants. If necessary, they invite the person who provided the feedback to engage in direct dialogue.

CTS EVENTIM offers its employees flexible working models and attractive solutions for reintegration after parental leave and for work-hour scheduling. The company's subsidiaries have also introduced measures to meet their employees' needs. In Switzerland, for example, FKP Scorpio and Ticketcorner

created preventive health promotion programmes for their employees. Employees of CTS EVENTIM and ARENA Management GmbH also receive subsidies for monthly public-transport passes. CTS EVENTIM Netherlands and Entradas in Spain conduct team events on a regular basis. These programmes are very well received by employees.

In 2019 CTS EVENTIM also received outside recognition for its HR efforts. Focus Business, a quarterly German business magazine, ranked the company among Germany's best employers in 2019. In addition, Ticketcorner in Switzerland and oeticket in Austria have been recognized repeatedly by Great Place to Work, a research and consulting institute.

7.2 HUMAN RESOURCES AND CAPABILITIES DEVELOPMENT

Ever-shorter innovation cycles are 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 of high-potential employees.

The objectives of CTS EVENTIM's HR management include systematically identifying and realising all human potential across the Group, overcoming knowledge monopolies (knowledge that is restricted to individual employees), and filling vacancies internally.

As part of 360° feedback, managers assess their employees' performance and potential. In the year under review, these employee assessments were temporarily replaced by learning dialogues in order to better identify employees' development and qualification needs.

The company plans to redesign bilateral discussions between managers and employees in 2020.

CTS EVENTIM and its subsidiaries conduct a wide range of training programmes. The Ticketing segment in Germany, for example, has an eLearning portal. There are special training programmes for managers, specialists, and project managers. It also offers language courses and courses to obtain key qualifications. Increasing emphasis is placed on agility as well: the HR department delegates responsibilities to teams and also lets them organize their own development. The team then decides for itself on the training programmes it needs, including in light of employees' individual career plans.

Alongside its various eLearning offerings, the company conducts centrally organised training programmes. Active encouragement in 2019 for employees to take advantage of these programmes was successful. More than one in five of the Ticketing segment's employees in Germany took part in centrally organised training and development programmes

in 2019 (2018: one in seven). The subject matter encompassed communications and negotiation management, confidence and persuasiveness, learning strategies, and concept-development methods. In addition, function-specific training focusing primarily on software development and finance was delivered by a third-party provider.

In addition, in 2019 the company offered development programmes for high potentials, managers with supervisory authority, lateral managers in agile teams, and project managers. A total of 142 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 2019 CTS EVENTIM's businesses in Germany had nine

work-study students in business administration, six in computer science, and three in IT and system integration.

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

FKP Scorpio offers its employees various programmes for individual training. Participation in workshops and coaching sessions, which are funded and partly organised by the company, gives employees the opportunity to develop professionally and personally.

Group companies in other countries – like TicketOne in Italy, CTS EVENTIM Netherlands, and Entradas in Spain – also offer learning opportunities, such as professional training and seminars, coaching for personal development, and language courses.

7.3 DIVERSITY AND EQUAL OPPORTUNITY

CTS EVENTIM considers diversity an important foundation of the company's success. Diversity fosters agility, creativity, and knowledge-sharing and makes it easier to tap new markets in Europe and around the world.

Diversity is integral to CTS EVENTIM's actions as a company. Extends from international recruiting and barrier-free offices and workplaces to hiring policy, which is to hire people based solely on their professional and personal skills. Moreover, there are no systematic salary differences between men and women at comparable career levels.

CTS EVENTIM employed people from more than 41 countries in 2019. The company documents the age and gender profile of its workforce as well. In 2019 the ratio of women (53.1 percent) to men (46.9 percent) was balanced.

Employees had an average age of roughly 38 years and the following age profile:

- 25 years and younger:15 percent
- 26 to 35 years:34 percent
- 36 to 45 years:28 percent
- 46 to 55 years: 17 percent
- 56 to 65 years:5 percent
- 66 years and older:1 percent

Part-time employees accounted for 36.3 percent, full-time employees for 63.7 percent, of the company's workforce.

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 2019 financial year, which CTS EVENTIM has published on its website.

² In line with the scope of consolidation, the numbers refer to 2,267 of 3,202 employees.

8. Corporate Citizenship



CTS EVENTIM sees a lot of 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 promote worthy causes to a large public audience. CTS EVENTIM's corporate citizenship encompasses all activities relating to the promotion of social causes. Stakeholder involvement and related initiatives are mainly managed at the umbrella-brand level.

CTS EVENTIM's corporate citizenship activities are conducted through its umbrella brands or its subsidiaries themselves. Continually analysing market trends, employee surveys, and customer feedback gives the company an overview of its various stakeholders' main issues and concerns. Additional input is provided by Investor Relations, whose periodic road shows enable it to gauge investors' interests. At its meetings, the Management Board is informed about the companies various corporate-citizen

activities and may take decisions about future activities. Subsidiaries have the option of coordinating their activities with Group headquarters or conducting them independently in line with their particular region's needs. A key focus of these activities is on partnerships with promoters, artist managers, professional sports clubs, and other intermediaries in culture and sport. CTS EVENTIM and its subsidiaries support them through donations, sponsorships, and partnerships.

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 hires.

8.1 CORPORATE CITIZENSHIP ORGANISATION

CTS EVENTIM's corporate citizenship activities are conducted through its subsidiaries. Their CR managers review potential partners and their issues. They are supported by several corporate functions: Communications, Sales, HR, and IT. These functions monitor relevant social trends and challenges and apply a range of criteria to determine whether it makes sense for the company to support a cause or organisation.

Being part of the creative and culture sector enables CTS EVENTIM to promote social causes through donations and sponsorships. Organisations supported by the Group in 2019 include:

- CTS EVENTIM supported the German Cancer Research Centre with a €200,000 grant and sponsored an endowed professorship at the Bremen Institute for Cardiovascular Research. The company continued its long-standing support of the 'Musik Bewegt' ('Music Moves You') initiative, an online platform on which many of

Germany's best-known musical artists and their fans collect donations for charitable projects and events. In the year under review, CTS EVENTIM also supported Germany's Association for the Promotion of Pop Culture, which confers an annual pop music award to outstanding artists. The award's criteria are entirely non-commercial.

- FKP Scorpio has a long history of supporting the Viva con Agua foundation, which is committed to providing universal access to clean drinking water. Viva con Agua operates stands staffed with its own employees at all of FKP Scorpio's festivals. Festival-goers have the option of donating the deposits on their drinking cups, which are collected by Viva con Agua staff, to the foundation. In 2019 deposit donations enabled Viva con Agua set a new fundraising record of around €201,000. FKP Scorpio added its own €50,000 donation, which raised the total to over €250,000. In addition, various initiatives at the 'Hurricane' festival made it possible to donate 650 sleeping bags, sleeping mats, and tents to Hanseatic Help and to deliver 3,522 kilograms of

non-perishable food to a food bank in Scheeßel, a town near the festival's location.

- Argo Konzerte donated all unopened breakfast packages from the VIP camping area to 'Lebensmittel retten', a food-rescue charity. The packages were then distributed to homeless people in Nuremberg, Germany, by 'Nürnberger Engel', a local charity dedicated to this cause.
- There are many people who cannot afford tickets to cultural events. LANXESS arena wants to give them the opportunity to experience concerts and shows live. In the year under review, it gave free tickets to a large children's home. LANXESS arena also supported a number of charitable projects throughout the year, including the 'Kalker Mittagstisch' children's food charity and 'Kölner Kulturliste', a cultural charity.
- oeticket.com organised a donation drive for 'Licht ins Dunkel', a charity that supports around 400 projects that address social helps disabled

people. The company also provides direct assistance to more than 16,000 children and their families throughout Austria each year. In addition, oeticket.com dispensed with expensive Christmas presents and instead gave away donation vouchers to its business partners. The vouchers can be redeemed on the [impactory.org](https://www.impactory.org) donations platform.

- CTS EVENTIM Netherlands supported 'Leeuw', a foundation dedicated to rescuing feline predators, by putting on the 'Lion King' fundraising show and conducting a donation drive. It also supported a foundation that confers amateur musical awards to talented musical actors in order to showcase their talents and propel their careers.
- Entradas in Spain has special ticket-sales arrangements for non-profit events. This ensures that all the proceeds of such events go to the charitable causes they support. One example is the 'Corazon Classic Match', an annual charitable football match

staged by Real Madrid football club, the proceeds of which go to children in need worldwide.

- Ticketcorner makes donations to various aid organisations every year. Its focus is on organisations in Switzerland that help disadvantaged people and people with medical difficulties.
- In 2019 TicketOne in Italy made a donation to the Italian Association for Cancer Research (AIRC).

The 2019 Annual Report contains more information CTS EVENTIM's donations.

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 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. 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 the arena's day-to-day event operations at the arena.

In 2019 Argo Konzerte partnered with students from the University of Würzburg's Faculty of Business Management to conduct a project to explore recent developments in (festival) visitor communications.

9. Climate and Environment

Protecting the environment and the earth's climate and using resources responsibly are important social responsibilities for everyone, including CTS EVENTIM and event organizers belonging to the Group.

The Group currently does not have a standardised, centrally organised strategy for reducing energy consumption. Instead, its subsidiaries take their own steps to address this issue. In 2019 the Ticketing and Live Entertainment segments implemented a number of energy efficiency and conservation solutions, including the following:

- The data centres that house the Group's ticketing systems consume large amounts of energy. CTS EVENTIM uses third-party providers to operate these data centres and factors their energy conservation and efficiency into its selection decisions. example, data centre energy efficiency was a criterion in the call for tenders for data-housing services.

- Almost all lighting in the camping area and sanitary facilities at 'Rock im Park' has been powered by solar panels since 2018.
- In 2019 FKP Scorpio continued to maximise its use of LED stage lighting at its festivals. It also improved its area lighting at festivals. For example, it replaced the path lighting in the camping areas with LED lamps, which both reduced energy consumption and made it easier for campers to get a good night's sleep.
- Similarly, LANXESS arena converted its outdoor lighting to energy-saving LED technology and introduced new LED generators in order to boost energy efficiency.

CTS EVENTIM also continued to place a strong emphasis on reducing its employees' business travel.

- The Group is increasingly replacing many business trips with online solutions, such as Skype and Microsoft teams, which support chats and audio and video conferences in real

time. The Ticketing segment makes these conferencing tools available at employees' workstations, which significantly improves collaboration between different locations.

- The company travel policy of CTS EVENTIM Netherlands stipulates that travel to business appointments within ten kilometres will be reimbursed only if employees use local public transport or a bicycle.

The Group and its companies also use a variety of transport and mobility initiatives to prevent events from having an adverse impact on the climate and environment. Visitor mobility and behaviour are two key factors in making events more sustainable.

- FKP Scorpio has been partnering with atmosfair, a non-profit organisation that specialises in offsetting greenhouse gases, since 2018. This enables it to fully offset the carbon emissions of all of its employees' air travel. Whenever possible, the company also gives priority to alternative modes of

transport. It also gives touring artists the opportunity to have their tour vehicles' carbon emissions offset.

- CTS EVENTIM endeavours to make the use of public transport more attractive for event visitors by various means, such as issuing admission tickets that are also valid for free use of local bus and rail services. These types of measures are initiated and implemented independently by the subsidiaries, which are in a better position to know what makes sense for their particular business and customers. For these reasons there are no centrally mandated measures.
- In 2019 FKP Scorpio continued its partnerships with the German Federal Rail Service and metronom Eisenbahngesellschaft. These arrangements entitle ticketholders for two FKP festivals – 'Hurricane' and 'Southside' – to free, environmentally friendly train travel to and from the event. In 2019 some 25 per cent of 'Hurricane' festival-goers and 13 per cent of 'Southside' festival-goers took advantage of this offer. FKP will expand its partnership with

atmosfair when advance ticket sales for 'Hurricane', 'Southside' and 'M'era Luna' begin: as part of their ticket purchase, festival-goers can opt to offset the greenhouse gas emissions caused by their festival-related car travel.

- LANXESS arena has a close partnership with the Verkehrsverbund Rhein-Sieg, the public transport operator for the Cologne/Bonn region. Under this arrangement, ticketholders for events at the arena are entitled to free travel using public transport across the operator's service territory plus in a number of neighbouring territories. In addition LANXESS arena installed electric-vehicles charging stations. In conjunction with major events like the 2019 Handball World Championship, it supports the use of environmentally friendly modes of transport, such as rickshaws and bike sharing.
- Friends & Partners (F&P) has a special arrangement with the Milan public transport operator for a number of its events. It provides additional funding so that the operating hours of public transport network are extended by one

hour. This enables visitors to ride public transport home after the events are over.

Alongside enhancing energy efficiency, reducing business travel, and promoting sustainable mobility, CTS EVENTIM and its subsidiaries aim to avoid waste at events. Where avoidance is not feasible, the focus is on encouraging maximum recycling of waste. The percentage of waste recycled depends in part on outside factors, such as weather conditions and visitor behaviour. To encourage recycling, many of the festivals operated by CTS EVENTIM's subsidiaries have waste and recycling stations. In addition, the waste management providers contracted by the operators collect waste during the festivals as well as after. The volume of material collected is measured, and the waste is separated into hazardous and non-hazardous waste. Virtually all waste collected is non-hazardous.

- 'Eventimpresents' began offering green camping as a sustainable option for festival camping back 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 pledged 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 strong demand, in 2019 the green camping site at 'Rock im Park' 2020 added 2,500 more spaces. All spaces, including the additional ones, were sold out by autumn 2019.

- LANXESS arena supports K.R.A.K.E., a local Cologne initiative that organises volunteer rubbish clean-up activities along the banks of the Rhine.
- Following the discontinuation of the deposit programme for beverage containers at 'Rock im Park' in 2018, other steps were taken in 2019 to simplify waste separation at the festival. Moreover, festival-goers were encouraged to dispose of their rubbish properly. New disposal areas on the festival

grounds enabled visitors to dispose of their rubbish quickly and conveniently without having to walk long distances. In addition, the website and social media channels for 'Rock im Park' 2020 have already begun posting messages to promote nature conservancy and waste reduction.

- FKP Scorpio obliges merchants, sponsors, food vendors, and caterers at its festivals to separate recyclables in order to minimize residual waste. It has also banned the use of drinking straws, single-use cutlery, and swizzle sticks.

CTS EVENTIM does not impose centrally mandated reduction targets because its subsidiaries have disparate business models. They are best placed to judge for themselves which waste avoidance and reduction strategies are most likely to work.

Appendix: Index of Key Performance Indicators

The index of key performance indicators consists of the KPIs of decentralized data collection. The scope of consolidation consists of entities that together account for about 80 percent of Group revenue.

Key Performance Indicator	Scope of Consolidation
Number of nationalities in the workforce (all employees active at 31 December 2018)	ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Netherlands, CTS EVENTIM Österreich (oeticket), GiGi, Dirk Becker, Entradas Eventim, FKP Scorpio, Friends&Partners, LANXESS arena, Lippupiste, Semmel Concerts, Ticketcorner, TicketOne
Gender ratio in the workforce (all employees active at 31 December 2018)	ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Netherlands, CTS EVENTIM Österreich (oeticket), GiGi, Dirk Becker, Entradas Eventim, FKP Scorpio, Friends&Partners, LANXESS arena, Lippupiste, Semmel Concerts, Ticketcorner, TicketOne
Average employee age (all employees active at 31 December 2018)	ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Netherlands, CTS EVENTIM Österreich (oeticket), GiGi, Dirk Becker, Entradas Eventim, FKP Scorpio, Friends&Partners, LANXESS arena, Lippupiste, Semmel Concerts, Ticketcorner, TicketOne
Employee age profile (all employees active at 31 December 2018)	ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Netherlands, CTS EVENTIM Österreich (oeticket), GiGi, Dirk Becker, Entradas Eventim, FKP Scorpio, Friends&Partners, LANXESS arena, Lippupiste, Semmel Concerts, Ticketcorner, TicketOne
Percentage of part-time employees (all employees active at 31 December 2018)	ABC Production, Argo, CTS EVENTIM Deutschland (Ticketing in Germany), CTS EVENTIM Niederlande, CTS EVENTIM Österreich (oeticket), GiGi, Dirk Becker, Entradas Eventim, FKP Scorpio, Friends&Partners, LANXESS arena, Lippupiste, Semmel Concerts, Ticketcorner, TicketOne

10. Validation Statement

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

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

We have performed an independent limited assurance engagement on the separate non-financial corporate-report (further: „Report“) by CTS EVENTIM AG & Co. KGaA, Munich (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, 2019.

MANAGEMENT’S RESPONSIBILITY

The legal representatives of CTS EVENTIM are responsible for the preparation of the Report in accordance with §§ 315b, 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, the 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, 2019 has not been prepared, in all material respects, in accordance with §§ 315b, 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 procedures:

- Inquiries of personnel on corporate level, who are responsible for the materiality analysis, in order to gain an understanding of the process for determining material sustainability topics and respective reporting boundaries for 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 CTS EVENTIM for the business year from January 1 to December 31, 2019 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**

Hamburg, March 04, 2020

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

KPMG AG
Wirtschaftsprüfungsgesellschaft

Our assignment for the Supervisory Board of CTS EVENTIMAG & Co. KGaA, Munich 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).

Hell

ppa. Mathias

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

11. Imprint

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