

SUSTAINABILITY
2019

2019 SUSTAINABILITY REPORT AND SEPARATE NON-FINANCIAL REPORT FOR THE MANZ GROUP

Dear readers,

As a company, taking responsibility for our employees and the environment is, in our opinion, the key foundation for long-term financial success. For example, Manz AG has for a long time offered its employees a broad range of training and further education measures at the Manz Academy. Using large photovoltaics, we generate a substantial share of our electricity requirement with solar energy at our locations in Germany and China. In addition, we assume social responsibility, for example through the annual support of social institutions in the Neckar-Alb region. In other words, for us, financial success and responsible behavior are not a contradiction, but decisive factors for the future viability of the Corporate Group.

As a high-tech equipment manufacturer, research and development plays a key role. With over 500 engineers, technicians and scientists at our development sites, we focus on the development of innovative production technologies, standardized machine modules, and fully integrated, individual system solutions and equipment. The core of our strategy is to implement the technology portfolio across sectors and regions. This transfer of technology and expertise offers not only a high level of flexibility, but also the opportunity to generate and make the best possible use of internal synergies. For this purpose, we also maintain numerous cooperative agreements with well-known research institutes, universities and colleges (see the Chapter "Research

and Development" on page 37 of the Group Management Report).

Expertise across the entire value chain - from the development center, through manufacturing costs, to the sale of innovative products and solutions for various industries - is essential for ensuring the high performance of our company. In addition, we offer our customers comprehensive after-sales service, such as maintenance and repair or the conversion and upgrading of machines and assemblies. Our company is certified by the internationally recognized ISO 9001 Quality Management Standard. In this way, we ensure the fulfillment of customer requirements as well as further demands on product and service quality. In our own production, we also comply with German and international regulations when handling hazardous materials. We can have a positive impact on the sustainability aspects of our retail market through the development of more efficient production equipment and thus lower resource consumption.

In financial year 2017, we defined the concept of "sustainability" with an interdisciplinary team based on the German Sustainability Code (DNK) that could have a substantial impact on the Manz Group and the opinion of our stakeholders. This definition is still valid. Aspects of financial performance and employee and environmental issues were identified as being essential. Transformed into a working group last year, the interdisciplinary

team consists of employees from the Marketing & Corporate Communications, Investor Relations, Purchasing, Operations, Human Resources, Finance, and Order Processing Departments. They also keep in touch with the business segments and subsidiaries with respect to sustainability issues.

The 2019 Sustainability Report is, at the same time, the separate non-financial Group report for the Manz Group for the 2019 financial year in accordance with sections 315b and 315c, along with sections 289b to 289e, of the German Commercial Code (HGB), which will be made public by publication on the website. The Manz Group's separate non-financial Group report for financial year 2019 has been audited by ba audit gmbh, Accounting Agency, at the request of the Supervisory Board in accordance with the International Standard

on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" for the purpose of obtaining a limited assurance engagement with regard to the information required in accordance with sections 315b and 315c in conjunction with sections 289b to 289e HGB.

Our sustainability reporting and this separate non-financial Group report are based on the sustainability reporting standards of the German Sustainability Code (DNK).

We are pleased to be able to present to you our sustainability report and wish you pleasant reading.

Sincerely,
Managing Board of Manz AG

NON-FINANCIAL CONSOLIDATED STATEMENT PURSUANT TO SECTIONS 315B, 315C AND 289C HGB

Aspects that are subject to reporting both in accordance with DNK standards and the provisions of section 289c HGB include environmental, employee, social, human rights, anti-corruption and anti-bribery issues. Aspects that can be derived from the DNK or stakeholder approach based on Manz's business model concern employees, customers, suppliers and shareholders. With regard to the aspects subject to reporting, only information that facilitates an understanding of the business development or the effects on the Group's business development is to be provided. In the non-financial statement within the meaning of section 289b HGB, the business model of the corporation is to be described briefly. Reference is made in this regard to the chapter "Business Model and Strategy" on page 32.

ENVIRONMENTAL ISSUES

When developing new products and services and operating production equipment, we ensure that negative impacts on the climate and environment are kept to a minimum through responsible use of resources. Manz AG has been producing electricity from solar energy at its location in Reutlingen for years. At the location in China, a substantial part of its own electricity needs is covered by a photovoltaic tool on the roof of the company building. Each employee is responsible for treating natural resources carefully and helping to protect the environment and the climate through their individual conduct.

However, responsible use of resources is not only important for us in terms of environmental issues. We believe that our actions render a very significant contribution to the positive performance of the company over the long term. However, we not only pay attention to the responsible and efficient use of our resources, but also avoid the use of substances of concern or conflict materials in the manufacture of our machines.

EMPLOYEE ISSUES

Economic success and responsible behavior must not be in conflict with each other. As a company, we therefore take responsibility not only for the environment, but also for our employees. Using this holistic approach, we can create the requisite foundation for the long-term financial success of a highly innovative high-tech equipment manufacturer. For example, Manz AG has for a long time offered its employees a broad range of training and further education measures at the Manz Academy. The company observes the applicable labor laws in Germany and the respective countries where the legal entities are located. In addition, we have established committees that advocate for employee matters at all subsidiaries, such as the voluntary employee councils in Germany. Within the Group, an open and trusting relationship is maintained between the Managing Board, the respective managers, the employees and their representatives. Furthermore, each company has central contact persons for

special topics such as equal treatment, occupational safety and health. We create reliable working conditions together with employee representatives, for example, through continuous improvement of occupational safety and working time models that permit the flexible arrangement of working time.

SOCIAL ISSUES

As a reliable employer, we assume social responsibility throughout the Group. This includes the fact that, as a company, we pay local taxes in the respective countries in which we operate and do not pursue an active tax avoidance strategy. At our respective locations, however, we are also involved beyond matters of work.

In this context, local sports and cultural associations and organizations in the Neckar-Alb region in which Manz AG employees work on a voluntary basis are supported by financial contributions as part of the "Employee Volunteer Work" initiative. In addition, Manz AG lives up to its social responsibility through the annual support of social institutions. In 2019, we again supported two local non-profit organizations, Förderverein Sonnenstrahlen e.V. and Frühchen e.V. Reutlingen, with a donation of EUR 5,000 each. Our employees also have the opportunity to participate in the company's charitable donation efforts. We also support young researchers working on future-related issues: For example, as a premium sponsor of the Formula Student Electric Team of the University of Stuttgart since 2014. As part of an international design competition for students, the GreenTeam has been continuously in the top 10 of the world ranking list of electric

racing cars since 2010 with its all-electric Formula Student race car. We supported the team again in 2019 by helping make parts at our Tübingen site and contributing our expertise in laser welding to support in producing the battery module.

OBSERVANCE OF HUMAN RIGHTS

We respect internationally recognized human rights and support compliance with those rights. We strictly reject all forms of forced labor and child labor. These and other standards are set out in our Business Partner Code of Conduct, which is available for download on our website www.manz.com under the "Company" tab. They underline the importance and understanding of our value system, which we expect all business partners to follow.

COMBATING CORRUPTION AND BRIBERY

Compliance at the Manz Group ensures Group-wide compliance with laws and regulations, including the company's own guidelines.

In order to gain the trust of our customers and business partners, we reject all forms of corruption. This means that each employee complies with regulations on competition in their specific area of responsibility. But we also encourage our business partners to fight corruption in any form within the framework of the Business Partner Code of Conduct. Agreements with competitors that violate antitrust law, for example regarding prices or other conditions, are likewise prohibited.

Suppliers are commissioned based on objective and clear criteria. Improper grounds may not play a role in their selection. When commissioning individuals to broker business transactions, Manz ensures that commission payments and other compensation are appropriate in relation to the services performed. The Manz Group operates globally. It observes relevant trade controls and regulations on import and export controls and embargoes. The Group takes all necessary measures to prevent money laundering within its sphere of influence.

SIGNIFICANCE FOR THE PERFORMANCE AND POSITION OF THE MANZ GROUP

From a non-financial point of view, employee issues and the responsible use of natural resources are decisive for the long-term economic success of the Manz Group. The concepts that the company pursues in this regard are implemented taking into account environmental and employee concerns.

SIGNIFICANT RISKS

Risks arising from financial consideration of the above-mentioned aspects are contained in the opportunities and risks section of the Group management report on pages 73 et seq. They relate to aspects that may influence the Group's financial performance and its market presence both now and in the future.

STRATEGY AND GOVERNANCE

STRATEGY AND GOALS

The sustainability strategy throughout the Manz Group focuses in particular on key aspects of the company

- Equal opportunities and qualification/development possibilities
- Employee rights
- Efficient resource management
- Compliance issues

For the present Sustainability Report, the following sustainability issues were identified as key aspects and performance indicators:

- Economic performance
- Employee support

Corresponding goals were defined for both aspects:

Financial performance

The financial objectives of the Group and its segments are presented in the "Forecast" section of the Group management report on page 83.

Staff development

With regard to long-term employee retention, our focus is above all on future- and demand-oriented qualification and development opportunities for our employees. The Manz Academy coordinates a wide range of appropriate training and continuing education measures in a wide variety of qualification categories, such as technical product training, methodology and soft skills training, and management development programs. We are

continuing our work to establish the Manz Academy on a global basis in the light of the strategic need to deploy employees with the right qualifications to the right location at the right time. Qualification processes should be standardized where it makes sense, synergy effects should be used and costs saved. All locations should be able to access global and local qualification offerings, via the same e-learning platform.

"Future Leadership @ Manz" has already established an international executive development program at the management level. In addition, the current high-potential program of the German locations is to be converted into an international talent development program. In addition to the classic face-to-face seminars, the company will continue to focus on on-the-job training, coaching as an individual development strategy and increasingly e-learning courses.

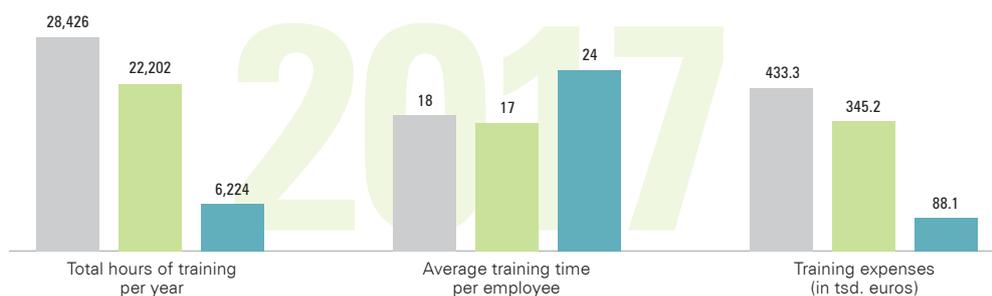
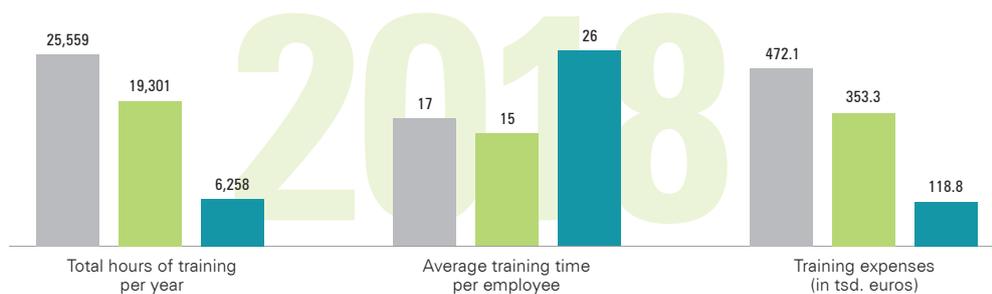
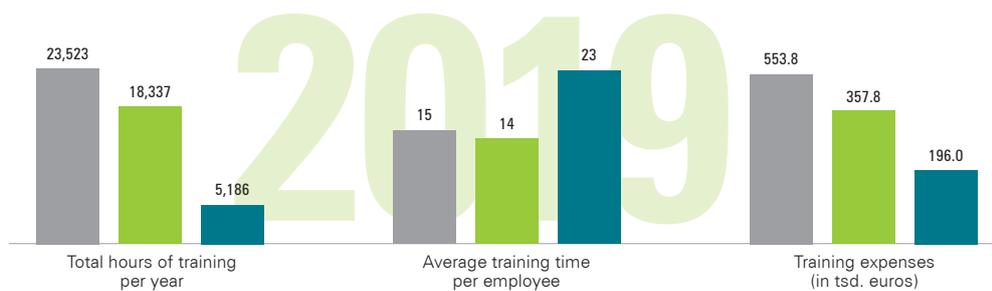
Specifically, the following topics will be pursued in 2020:

- Global positioning of the Manz Academy; rolling out a global learning portal for all Manz locations
- Qualification measures in the area of machine safety and product lifecycle management
- Implementation of a certified full-time course to become an "Automation Engineer Specializing in Software," which Manz offers together with the Reutlingen Chamber of Industry and Commerce (IHK).
- Continuation of the management development program "Future Leadership @ Manz"

Employees received a total of 23,523 training hours in 2019, compared to 25,559 training hours in the previous year. This corresponds to average training per employee of around 15 hours (previous year: 17 hours). Employees of the first, second and third management levels received 23 hours of training, while other employees received 14 hours in 2019.

Training

■ Total ■ Employees ■ Manager



Goal

Average of at least 2 working days training per employee

STANDARDS PROCESSES CONTROLS

Compliance with our values, along with standards of conduct and ethics that we have defined on a Group-wide basis in our Code of Conduct and our Business Partner Code of Conduct, is critical for our long-term success. As a result, we evaluate compliance with

these standards twice a year as part of our risk management system. In this manner, we first of all protect our company from potential legal and economic risks and, second, from potential negative impacts on our reputation.





14 Corporate news and press releases



1 Ad-hoc announcement



9 Capital market conferences



3 Roadshows



4 Webcasts and audio replays

RULES, PROCESSES AND CONTROLS

The rules and processes according to which the Manz Group implements sustainability aspects within its operative business were developed by the interdisciplinary sustainability team during the further implementation of the Group-wide sustainability strategy. Goals are planned and controlled on the basis of the rules and processes as well as performance indicators defined in our sustainability strategy. As part of our risk management system, we evaluate compliance with our values and the

standards of conduct and ethics that we have laid down throughout the Group in the Code of Conduct and the Business Partner Code of Conduct twice a year; to date we have not identified any material violations in the past. In addition, we have created an anonymous whistle-blower system. Our employees and business partners are required to inform the relevant units in the Group on an ongoing basis if there is any suspicion of a possible violation.

INVOLVEMENT OF STAKEHOLDERS

Manz maintains a continuous dialogue with key stakeholder groups such as employees, customers, suppliers, investors, analysts and banks. We involve our employees in the further development of our company in the form of regular employee surveys on current topics. The performance and presentation of the results of these surveys are published on the Intranet and included in the respective decision-making processes.

In addition, our employees have the opportunity to submit suggestions within the framework of the Innovation Forum. The Innovation Forum is an online-based discussion forum for employee suggestions on "new technologies/new markets/potential new customers", "cost savings", and "general suggestions for improvement". In addition to these measures, the Group companies offer employees further opportunities to participate and exchange views, such as through regular employee

meetings and feedback discussions with supervisors or joint events such as summer parties.

We also attach great importance to active dialogue with investors, analysts and banks. The regular and prompt publication of reports relevant to the company underscores our goal of providing comprehensive information on the company's developments. In so doing, Manz AG, with its listing in the Prime Standard Segment of the Frankfurt Stock Exchange, fully complies with the highest transparency requirements. In addition to legal requirements, we regularly attend capital market conferences, conduct road shows at home and abroad, provide webcast and audio replay conference calls as online offerings on the company's website, and publish corporate news and press releases on current corporate developments.

RESPONSIBLE BUSINESS MANAGEMENT

The Manz Group has a compliance system in place throughout the Group. There were no corruption cases or fines for non-compliance with laws and regulations in 2019.

As far as good corporate governance is concerned, Manz follows both the German Corporate Governance Code (DCGK) and the Group-wide Code of Conduct, which defines our values and our ethical and behavioral standards across the Group. This is available to our employees worldwide on the Manz Group's intranet in the respective local language. New employees are provided the Code of Conduct as part of the onboarding process. Our employees can contact our central compliance contact person at any time if they need assistance in understanding how to implement the Code of Conduct in specific situations. Employee training courses are also held once a year by external compliance specialists as one of the practical measures to prevent legal violations. In addition to general awareness-raising for employees, the aim is to provide department-specific training for employees with clear guidelines on correct behavior in situations involving legal risks.

The Code of Conduct is part of our "Corporate Governance Statement," which can also be viewed on our website at www.manz.com under the "Investor Relations" tab of the "Corporate Governance" section and under the "Company" tab in the "Profile" section.

We respect internationally recognized human rights and support compliance with those rights. We strictly reject all forms of forced labor and child labor.

These and other standards are also set out in our Business Partner Code of Conduct,

which is available for download on our website www.manz.com under the "Company" tab.

Specifically, the Code defines standards in the areas of "social and corporate responsibility", "compliance with laws, rules and regulations", "conflicts of interest", "respect for human rights, anti-discrimination and strengthening of women's rights", "product safety, health and environment" and "data protection, confidential information and intellectual property". We redesigned our supplier approval process in 2019. Suppliers have been required to sign this Code, and thus confirm their compliance with our values, since the start of 2020.

The Code underlines the importance and understanding of our value system, which we expect all business partners to follow. If a business partner commits a substantial breach of this standard, Manz reserves the right to terminate its business relationship with the business partner with due regard to applicable laws and ongoing agreements.

Responsible corporate governance requires fair and performance-related compensation. We report in detail on the goal agreements and compensation for the Managing and Supervisory Boards in our Compensation Report, which forms part of the Corporate Governance Report. Managers and employees participate in the success of the company on the basis of certain financial ratios for the Corporate Group as well as the achievement of individually agreed goals. We examine whether the inclusion of specific sustainability goals in the existing system is reasonable and appropriate on an ongoing basis and implement these goals as needed.

SUSTAINABILITY ASPECTS OF RISK MANAGEMENT

Our risk management system is embedded in our entire organizational structure and process organization. It consists of a large number of components, which are explained in detail in our annual report. No significant risks that

are likely to have a serious negative impact on the environmental or social aspects of sustainability can currently be derived from our business model.

SUSTAINABILITY

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The conscious, responsible use of resources is not an abstract idea for Manz. Neither is it limited to declarations of intent that lie in the future. Conserving and saving resources is a process for

us in the here and now. The goals are clear: less waste, fewer emissions, and reduction of energy consumption.



ENVIRONMENTAL AND EMPLOYEE MATTERS

ENVIRONMENTAL ISSUES

We see responsible and careful use of our resources as our social obligation to present and future generations. Potential environmental risks that could arise from our business activities, for example in the areas of CO₂ emissions and water consumption, are evaluated annually as part of the risk management system. No significant environmental risks were identified again in 2019.

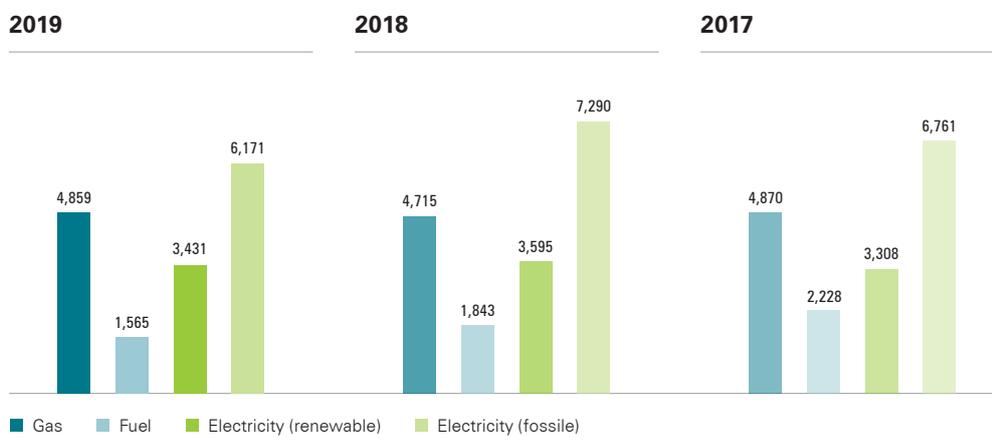
Resource-saving production and administration is not an abstract concept for us, but an integral part of our corporate philosophy, as demonstrated by the installation of solar modules on the roofs and facades of our buildings at the sites in Reutlingen, Germany, and Suzhou, China. At the Reutlingen headquarters, more than 360,000 KWH of electricity is generated per annum with two large photovoltaic installations. In addition,

a substantial share of the company's own electricity needs, some 1,124,000 KWH, was generated by photovoltaics at its location in China during 2019 (previous year: 1,156,000 KWH).

Objectives and actions for efficient resource management, increasing energy efficiency, reducing greenhouse gases as well as water consumption at the local level, were already defined as part of our sustainability strategy. However, we are also constantly improving the indirect resource use of our machinery for the production of our customers' end products on the basis of medium-term development roadmaps. In this way, we are increasing efficiency and customer benefit, while at the same time contributing to the responsible use of resources.

Energy use by source

in MWh



Goal

Fuel

Reduction by 10% compared to previous year (relative to the amount of cars)

Electricity

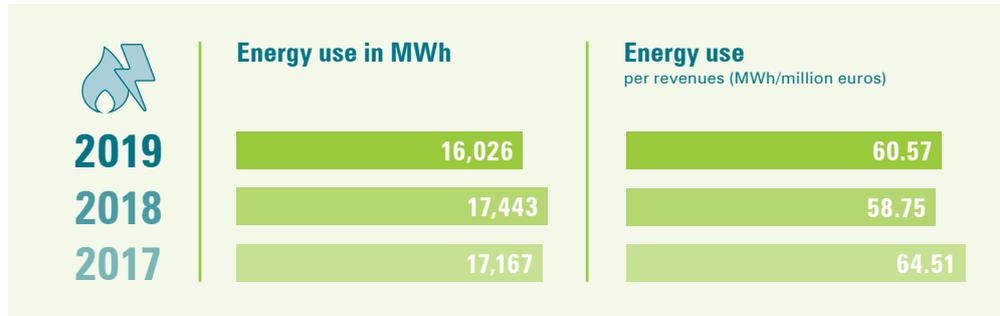
Increase of share of renewables to significantly above 50% until 2021



Goal

Continuous reduction of energy use per revenues compared to previous year

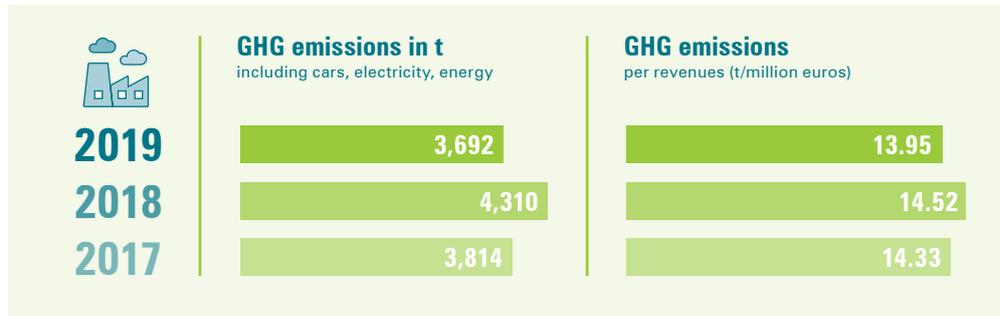
ENERGY EFFICIENCY



Goal

Continuous reduction of carbon intensity per revenues compared to previous year

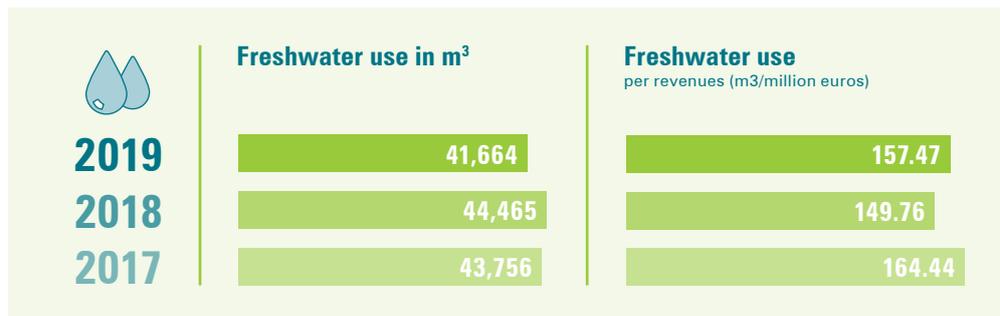
GREENHOUSE-GAS EMISSION INTENSITY (CO₂)



Goal

Continuous reduction of water use per revenues compared to previous year

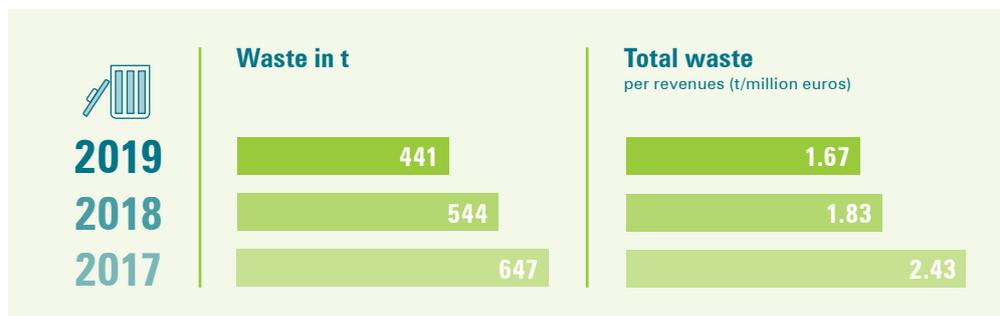
FRESHWATER USE INTENSITY



Goal

Continuous reduction of waste per revenues compared to previous year

WASTE INTENSITY



EMPLOYEE ISSUES

As far as employee issues are concerned, we comply with all applicable labor laws in Germany and other relevant countries. In addition, we have established committees which advocate for employee matters at all Group companies, such as the voluntary employee councils in Germany, who are elected by the workforce.

They will serve as contacts for their coworkers and represent their interests to management and the Managing Board. Every employee also has the right to lodge a complaint with the competent bodies at the company if they feel that they have been discriminated against or treated unfairly or have been aggrieved by the employer or workers at the company in any other way. They may call on one of the employee councils to provide support or mediate. Employees cannot experience any detriment from lodging a complaint.

The election procedure, the rights and duties as well as the working methods of the employee councils are defined by their rules of procedure.

The primary tasks of employee councils in Germany include, for example

- Acting as a contact person for employees with problems at the workplace
- Acting as an intermediary for employees with respect to executives, the Managing Board and managing directors
- Monitoring compliance with laws, regulations and collective bargaining agreements
- Monitoring employee equality
- Planning staff with the Human Resources Department
- Collaborating with the Human Resources Department regarding operational changes

Within the Group, an open and trusting relationship is maintained between the Managing Board, the respective managing directors, the employees and their representatives. Furthermore, each company has central contact persons on special topics such as equal treatment, occupational safety and health. We create reliable working conditions together with employee representatives. The proportion of non-regular employees remained almost stable at 285 persons in 2019 (previous year: 277 persons).

Long-term positive corporate development and the associated safeguarding of jobs likewise comprise an essential component of our risk management system. By identifying potential risks at an early stage and taking appropriate measures, we are able to create reliability and stability for our employees. This concept is firmly anchored in our corporate strategy. The core of the corporate strategy is to use the technology portfolio across sectors and regions. This cross-segment approach offers, among other things, a high degree of flexibility in the deployment of employees and thus enables additional stability in workload utilization at the Group level.

In addition, the Managing Board and managing directors are in constant contact with employee councils who also make suggestions for securing and promoting jobs. They may be involved with the flexible organization of working time, the promotion of part-time work and semi-retirement for older workers, new forms of work organization, changes in working methods and procedures, alternatives to outsourcing work or the assignment of work to other companies, and the production and investment program.

The “Agile Working Time” concept was introduced at our German location in 2019 to give our employees greater flexibility in organizing their personal needs. Our employees can choose between the concept of a working time account with time recording or the concept of independent working time using a trust-based flex time system. The classic principle of the working time account is based on time recording using a time recording system. With independent working time, working hours are not recorded on a daily basis. Depending on

working hours in the department, employees may autonomously decide about their working time within the working hours framework. Focus is placed on results and the attainment of corporate and departmental goals as well as individual objectives. All employees may offset additional working hours with time in lieu. Switching between a working time account and independent working time can be agreed once a year.

QUALITY

We place the customer at the center of our actions every day with our employees as the basis. We understand the challenges our customers face. By providing them with high-quality products and services that are tailored to their needs, we make a significant contribution to their success. We want to succeed against our competition on the basis of quality, innovative strength and our global presence.

We have established a quality management system that is certified according to ISO 9001:2015 with this goal in mind. This certification covers the development, manufacture, sales and services of systems and production lines for photovoltaics, the FPD industry and Li-ion battery production as well as other products.

During the development and production of our machines, we also take care to fully comply with the “Essential Safety Requirements” of the European Union. Each of our machines receives CE conformity marking in line with this promise of quality. Certification in accordance with Machinery Directive 2006/42/EC

is conducted on the basis of clearly defined guidelines. This process instruction applies to all areas of the company and regulates the responsibilities and procedures within sales, divisional management, product management, project management, mechanical and electrical design and technical documentation. A risk assessment according to the harmonized European standard EN ISO 12100:2010 is performed in the course of the certification of our machines. We rely on the special SAFEEXPERT® software typically used in mechanical and plant engineering that provides our employees with professional support in safety-related project management, performance level calculation in accordance with EN ISO 13849-1 and in dealing with standards and EU directives.

Risk assessment documentation is prepared by the designers; if necessary, they also initiate design measures to achieve the necessary risk reduction. The respective manager reviews the risk assessment and approves it. Processes and responsibilities are clearly defined when preparing the risk assessment for new or modified products.

Project managers commission the electrical design staff to check whether the “Performance Level Required” of functional safety circuits according to EN ISO 13849-1 has been achieved. This is evaluated and documented using SISTEMA® software. However, professional work is also a central concern for us in the direct use of our machinery. With this in mind, our customers receive extensive training to ensure proper and safe use. This is also included in machinery documentation. In line with the requirements for CE certification, all machinery must be accompanied by instructions in the official Community language or languages of the Member State in which it is placed on the market and/or put into service. Our local service teams ensure prompt responses to follow-up questions from our customers after the delivery of machinery.

In addition, we are currently working on the introduction of a Group-wide Product Life-

cycle Management (PLM) system. The PLM processes are based on the CM2 standard and ensure a product, assembly and component life cycle over the entire product life. We want to record, manage and evaluate data about our machinery with the help of IT systems based on defined methods, processes and organizational structures. This is intended to provide improved control over the variety of processes required in each part of the life cycle of our machinery. Global Engineering Change Management down to the customer’s building site and a replacement and expendable parts concept are intended to support all areas with consistent information. Using the so-called “Smart Production Kit,” we can check the performance of our machinery in real time at the customer’s request and identify potential faults remotely throughout the production phase. We can thus avoid time-consuming and costly downtime for our customers by means of appropriate adjustments by our experts.

SAFETY HEALTH PREVENTIVE CARE

The health of our employees is our top priority. This is because only healthy employees are productive and feel safe at their workplace. For this reason, we go far beyond legal requirements when it comes to oc-

cupational safety - with comprehensive occupational safety measures and numerous offers for individualized preventive care and the promotion of a health-conscious lifestyle.



OCCUPATIONAL HEALTH AND SAFETY

Occupational safety takes high priority at Manz. It is important for us to be active and take preventive measures beyond the laws and regulations in this area. We have an occupational management system in place in conformance with ISO 45001. In this context, we consider all aspects of occupational safety: from primary accident prevention to stress-related factors in the organization. Therefore, we take care in this area to ensure that processes and information paths are constantly optimized, that new techniques such as e-learning are applied, and that further training is provided for employees through close guidance and support from professional experts. Each of our employees additionally promotes safety and health protection within their work area by agreeing to comply with all applicable regulations on the basis of our Code of Conduct. If an employee discovers that equipment is not in perfect condition in terms of safety,

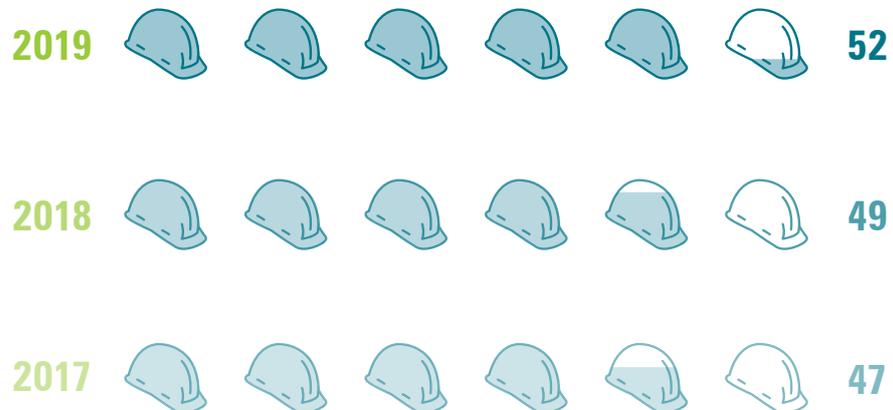
they must report this defect to their superior without delay.

However, the primary goal is always to prevent and avoid accidents at work, because the health of our employees is very important to us.

Outside experts in occupational safety aid us in complying with all occupational safety regulations at the company. We have also hired an outside expert for all questions concerning radiation protection.

The average accident rate (number of accidents in relation to number of employees) throughout the Group in 2019 was 3.4% (previous year: 3.1%). Calculated on the basis of the associated days lost (number of accident-related absence days compared to the total number of working days), the rate was 0.10% (previous year: 0.11%).

Number of accidents per year



Accident rate

in %



In addition to workplace safety measures, we also promote the general health of our employees through a wide variety of country-specific offerings. In China, for example, we offer occupational insurance for employees, as well as health and accident insurance. In order to prevent health risks, we have a company physician at our German location who provides preventive medical checkups.

The company physician is in the office on a daily basis and available to all employees in the event of acute issues. In addition, monthly office hours are offered at the company. Services offered to employees during office hours include, for example, occupational medical check-ups, individual advice on all workplace-related health problems or issues surrounding a health-focused lifestyle and

work/life balance. Our doctors are likewise available to advise pregnant women and their superiors on questions concerning compliance with the Maternity Protection Act or gradual reintegration after a long period of illness. Unit managers also receive a free annual all-round health check. However, the company physician supports the company in questions relating to the planning, execution and maintenance of operating facilities and the design of work processes and workplaces.

Indeed, we place great value on health issues not just related to the direct performance of work. For example, we support Manz AG employees by offering them discounted fitness and wellness programs and the lease of JobRad.

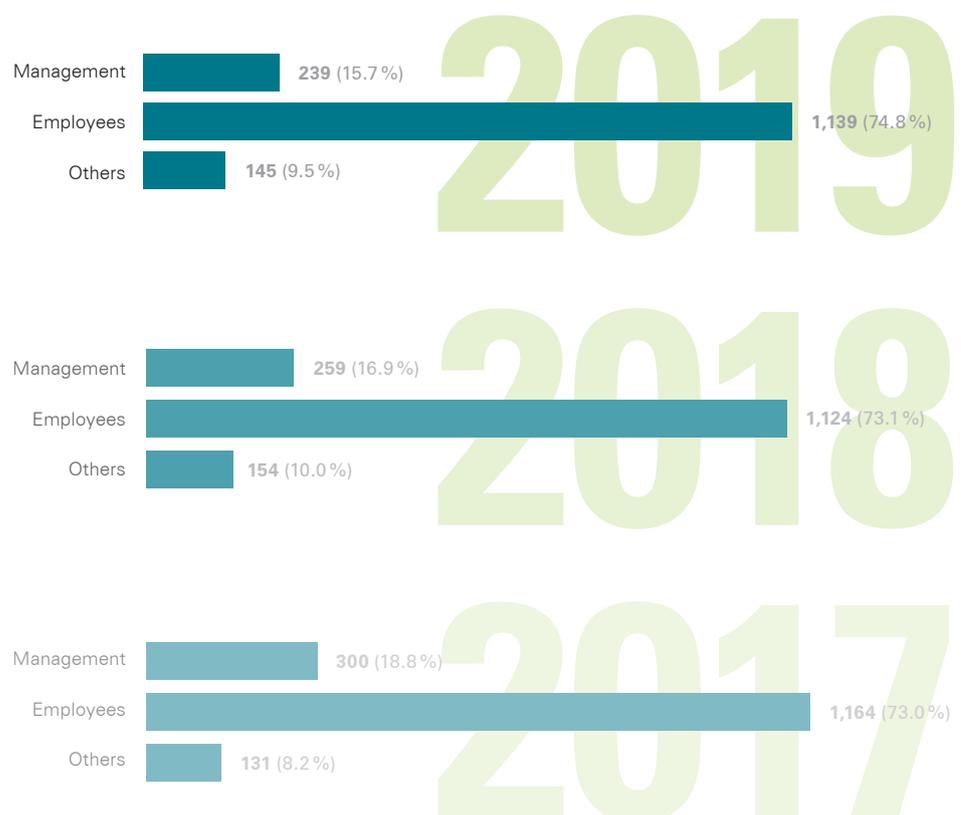
EQUALITY OF OPPORTUNITY AND DIVERSITY

Equality of opportunity and diversity is a central concern for us as a global mechanical engineering company. Fostering a culture of equal opportunity, mutual trust and respect is very important to us. Consequently, we also feel bound by the principles of the Declaration of Universal Human Rights, in particular Article 1 of the Declaration, "All human beings are born free and equal in dignity and rights." Accordingly, any form of discrimination in interactions with colleagues, employees, and business partners on the basis of age, disability, national origin, skin color, gender, sexual orientation, religious affiliation, world view or other personal characteristics

is prohibited. We have also explicitly stated this in our Code of Conduct, which applies throughout the Group and which commits us to treat each other with respect at all times.

Elected employee councils are also responsible for promoting equality between men and women, the integration of severely disabled persons and other particularly vulnerable persons, the employment of older employees in the company, the integration of foreign employees in the company along with understanding between them and all employees, and creating a balance between work and family.

Disclosure of different types of employment

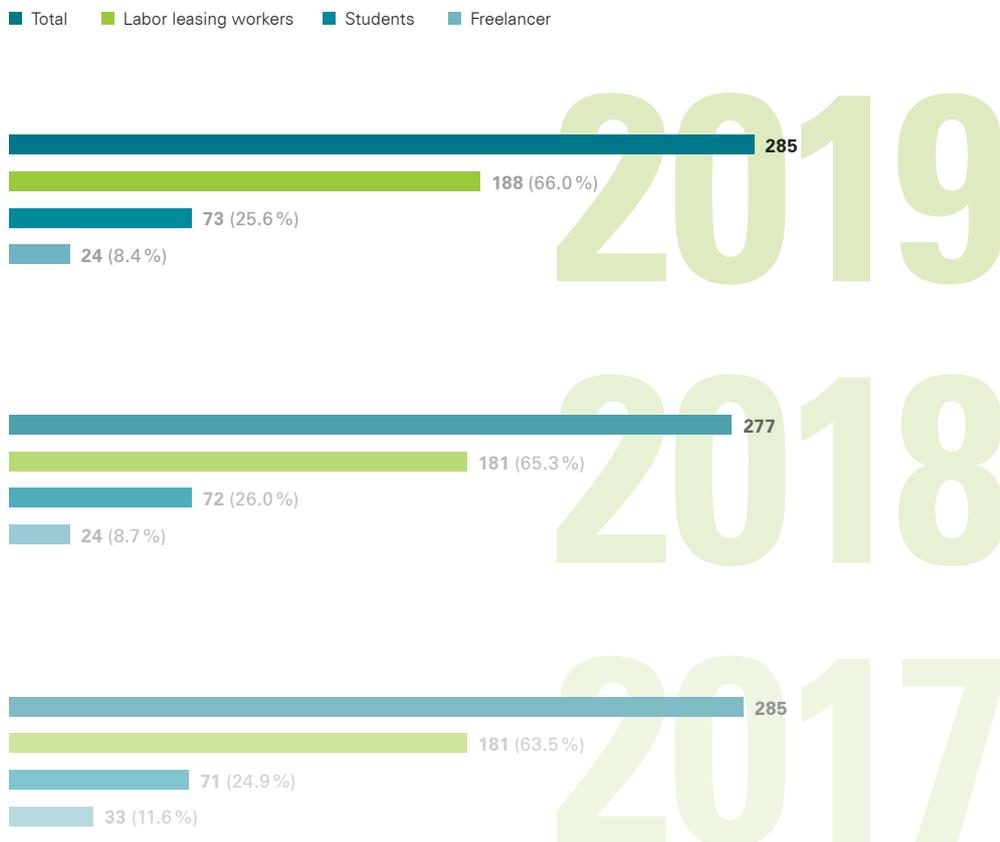


Should an employee nevertheless feel disadvantaged or unfairly treated or otherwise adversely affected, our employees can always lodge a confidential complaint to the relevant departments of the company. If desired, employee representatives can also provide support or mediation.

This culture built on mutual trust is also reflected in our diverse workforce that spans genders, nationalities and age groups. As a high-tech equipment manufacturer, we employed a total of 1,523 permanent employees in seven different countries in 2019 (previous year: 1,537), of whom some 15% are women (previous year: 18%). This puts Manz within

the national average: In 2018, the female share of employees in positions subject to mandatory social insurance contributions in so-called MINT occupations was 15.4%. The average age of the employees in 2019 amounted to 39.6 years (previous year: 38.9 years), that of female employees to 38.6 years (previous year: 38.1 years). With this age structure, we consider ourselves very well positioned to successfully master the upcoming challenges in our dynamically developing markets.

Position of non-regular employees



Goal

Employment relationships

Precarious employment relationships should be avoided; before hiring temporary or contract workers, a permanent position will be considered

Internships

Limitation of internship period

Annual contracts

Annual contracts are to be converted into a permanent employment relationship after renewal

OPINION FOR UNBIDDIAL OGUE

The identification of the various interest groups (stakeholders and shareholders) and their involvement in a continuous dialogue is a central pillar in the sustainability process of Manz AG. This dialogue not only ensures maximum transparency

in our dealings. By cultivating it in all directions and offering suitable platforms, we ensure that complex ideas and interests find their place and positively influence the further development of the company.





**TEAM LEADERS
MALE**

2019: 93.3 %
of 239 team leaders

2018: 89.2 %
of 259 team leaders

2017: 90.7 %
of 300 team leaders

**MALE
EMPLOYEES**

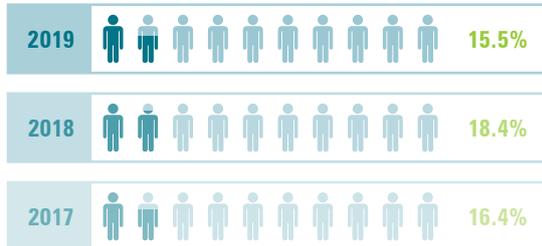
2019: 85.3 %
of 1,523 employees

2018: 81.8 %
of 1,537 employees

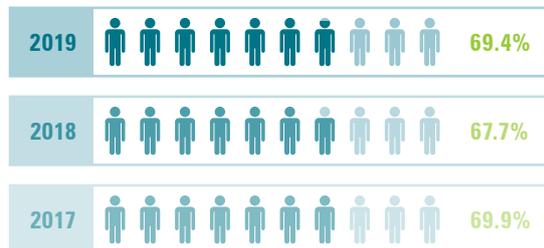
2017: 81.0 %
of 1,595 employees

AGE GROUPS

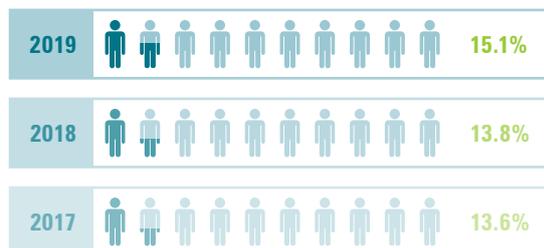
< 30 YEARS



30–50 YEARS



> 50 YEARS





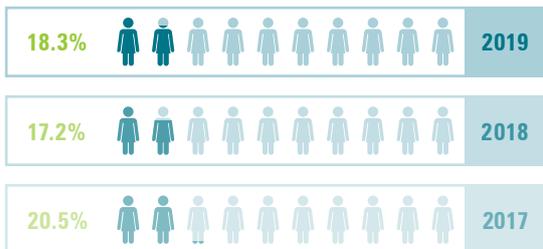
Goal

Women's quota
of 25 %
(medium-term)

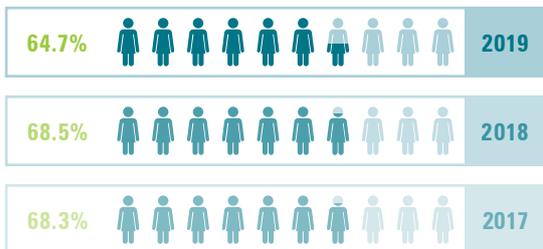
**FEMALE
EMPLOYEES**

AGE GROUPS

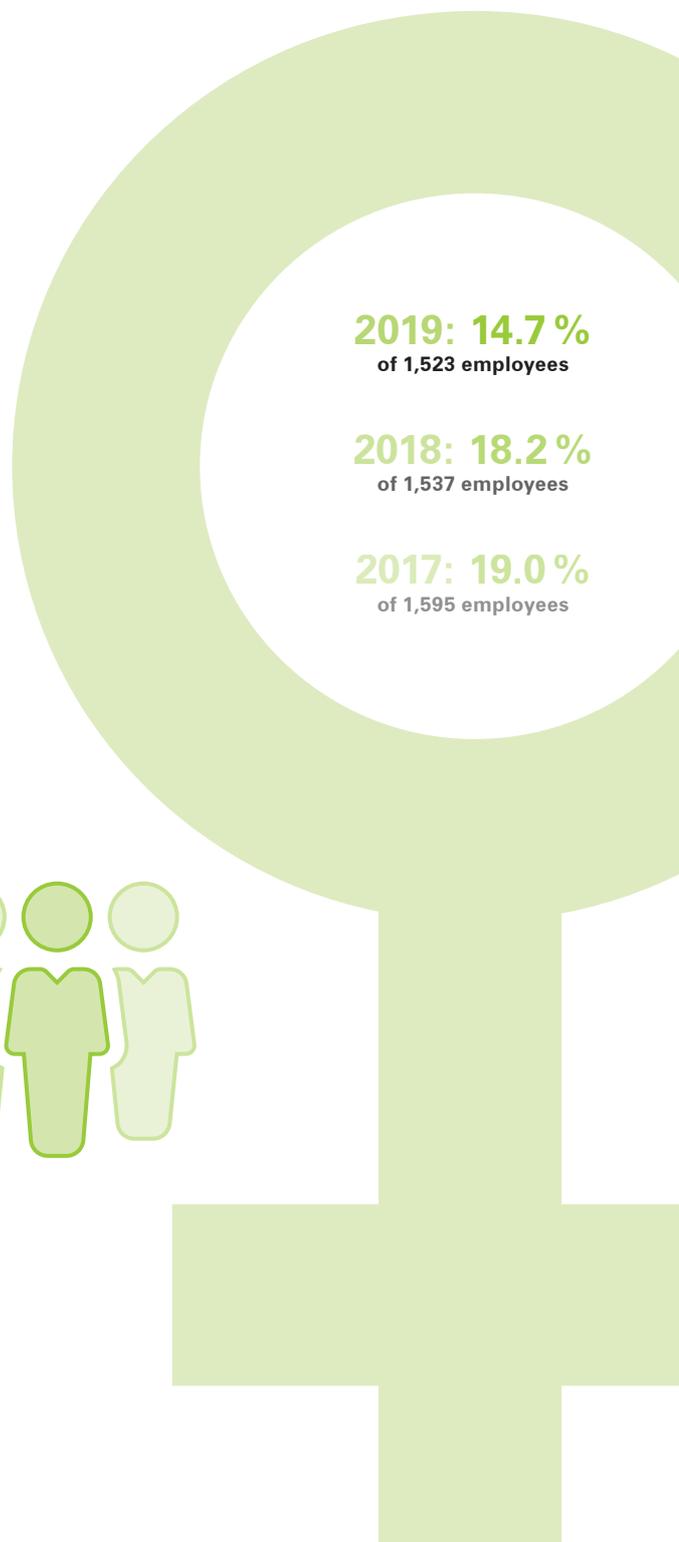
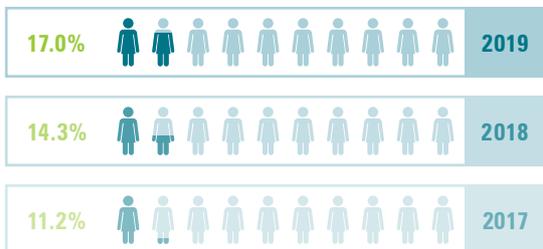
< 30 YEARS



30–50 YEARS



> 50 YEARS



**TEAM LEADERS
FEMALE**



2019: 6.7 %
of 239 team leaders

2018: 10.8 %
of 259 team leaders

2017: 9.3 %
of 300 team leaders



Goal

Female team
leaders quota
of 25 %
(medium-term)

SOCIAL AND COMMUNITY ISSUES

As a reliable employer, we assume social responsibility throughout the Group. This includes the fact that, as a company, we pay local taxes in the respective countries in which we operate and do not pursue an active tax avoidance strategy. We have the propriety of taxes paid audited annually by independent auditors. At our respective locations, however, we are also involved beyond matters of work. In this context, Manz AG supports local sports and cultural associations and organizations in which our employees work on a voluntary basis in the form of financial contributions as part of the “Employees in voluntary work.”

In addition, Manz AG lives up to its social responsibility through the annual support of social institutions. In 2019, we again supported two local non-profit organizations, Förderverein Sonnenstrahlen e.V. and Frühchen e.V. Reutlingen, with a donation of EUR 5,000 each: The Förderverein Sonnenstrahlen e.V. for children/young people with cancer/gravely ill parents is dedicated to the concerns of children, their needs and worries, their hopes and fears. Frühchen e.V. Reutlingen supports the intensive care unit at the Clinic for Child and Youth Medicine in Reutlingen in many ways.

Manz AG is a member of the German Engineering Federation (VDMA), which views itself as a leading association representing the industry in politics and the public sphere. In addition, Manz AG is a member of the Solar Cluster Baden-Württemberg, an industry association with the aim of raising public awareness of the industrial policy and economic significance of solar energy, actively helping to develop the legal framework for the further expansion of renewable energies, and ensuring a sustainable market for solar energy.

There were no direct or indirect donations to parties or politicians in 2019.

Donations to social institutions

in tsd. euros



OPINION OF THE INDEPENDENT AUDITOR CONCERNING THE AUDIT TO OBTAIN LIMITED ASSURANCE OF THE SEPARATE NON-FINANCIAL GROUP REPORT

TO THE SUPERVISORY BOARD OF MANZ AG, REUTLINGEN

We have conducted a review to obtain limited assurance of the separate non-financial Group report for Manz AG, which is substantively identical to the 2019 Sustainability Report, pursuant to sections 315b and

315c in conjunction with sections 289b to 289e HGB (hereinafter, the „report“), for the period from January 1 to December 31, 2019.

RESPONSIBILITY OF LEGAL REPRESENTATIVES

The legal representatives of Manz AG are responsible for the preparation of the report in accordance with sections 315b and 315c in conjunction with sections 289b to 289e HGB.

This responsibility of the company's legal representatives includes the selection and application of appropriate methods for

preparing the report, as well as making assumptions and estimates of individual disclosures that are appropriate in the given circumstances. Furthermore, the legal representatives are responsible for the internal controls that they have identified as necessary to enable the preparation of a report that is free from material misstatement, whether intentional or unintentional.

STATEMENTS BY THE AUDITOR REGARDING INDEPENDENCE AND QUALITY

In conformance with German commercial and professional law, we are independent of the company. We have also fulfilled our other professional duties in conformance with these requirements.

ba audit gmbh Wirtschaftsprüfungsgesellschaft applies all national statutory reg-

ulations and professional pronouncements for quality assurance, in particular the professional charter for independent auditors and certified accountants as well as the IDW quality assurance standards: Requirements for quality assurance in auditing practice (IDW QS 1).

AUDITOR'S RESPONSIBILITY

Our responsibility is to issue an auditor's opinion on the report with limited assurance based on our audit.

We conducted our audit with due regard to the International Standard on Assurance Engagements ISAE 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information". Accordingly, we are to plan and perform the audit to obtain limited assurance as to whether the company's report has been prepared in line with sections 315b and 315c in conjunction with sections 289b to 289e HGB in all material respects. This does not mean that a separate auditor's opinion will be submitted for each entry. In a limited assurance audit, the audit procedures performed are less extensive than those required for an audit to obtain adequate assurance, thus significantly reducing the degree of audit assurance. The choice of audit procedures lies in the due discretion of the auditor.

As part of our audit, we performed the following audit procedures and other activities:

- Procured an understanding of the structure of the sustainability organization and the integration of stakeholders
- Interviewed employees involved in the preparation of the report about the preparation process, the internal control system related to this process and selected information in the report
- Conducted an analytical assessment of quantitative data and trends reported by all company sites for consolidation at the Group level
- Inspected selected internal and external documents
- Assessed local data collection, validation and reporting processes as well as the reliability of the reported data through a sample survey at the headquarters in Reutlingen

AUDITOR'S OPINION

On the basis of the audit procedures performed and the audit evidence obtained, we have not become aware of any states of affairs that lead us to believe that the Manz AG report for the period from January 1 to

December 31, 2019 has not been prepared in conformance with sections 315b and 315c in conjunction with sections 289b to 289e HGB in all material respects.

PURPOSE OF THE AUDITOR'S OPINION

This note is addressed to the Supervisory Board of Manz AG, Reutlingen, and is intended solely for this purpose. We do not assume any responsibility to third parties in this respect.

LIMITATION OF LIABILITY

The engagement for which we rendered the above-mentioned services for the Supervisory Board of Manz AG, Reutlingen was based on the "General Terms and Conditions of Engagement of the Institute of Independent Auditors in Germany for independent auditors and independent auditing companies" as amended on January 1, 2017. By acknowledging and using the information contained in this auditor's opinion, each recipient confirms that they have read and understood the provisions set out therein (including the limitation of liability to EUR 4 million for negligence in sentence 9 of the AAB) and acknowledges their validity in relation to us.

Reutlingen, March 13, 2020

ba audit gmbh
Wirtschaftsprüfungsgesellschaft
Reutlingen Branch

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For the sake of better readability, we consistently avoid gender-differentiating formulations (e.g. „his/her“ or “he/she”). The corresponding terms apply to all genders for the purposes of equal rights. This is done solely for editorial purposes and does not imply a judgment of any kind.

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