

Declaration of Corporate Governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) Financial year 2022

In this declaration, the Executive Board and the Supervisory Board report on the corporate governance of the Company pursuant to Sections 289f, 315d of the German Commercial Code (HGB) and in accordance with Principle 22 of the German Corporate Governance Code (hereinafter also referred to as "GCGC" or "Code").

The Executive Board and Supervisory Board of GESCO SE are committed to sustainable corporate governance. The business model is designed for the long term and all measures are geared towards the goal of sustainable positive development. The Executive Board and Supervisory Board of GESCO SE identify with the aim of the code to promote good, trustworthy corporate governance oriented towards the benefit of shareholders, employees and customers. § Section 161 of the German Stock Corporation Act requires an annual declaration of compliance with the Code's recommendations. The preamble to the Code expressly provides for the possibility of a justified deviation from Code recommendations. It is intended to enable companies to take into account sector- or Company-specific particularities. Accordingly, deviations from the Code should not be seen as negative per se, but can be in the interest of good corporate governance, especially for smaller companies.

In December 2022, the Executive Board and the Supervisory Board issued the legally required declaration of compliance and made it permanently available to the shareholders on the Company's website (www.gesco.de). This declaration is based on the currently valid version of the Code dated 28 April 2022.

The declaration of compliance of December 2022 is part of this corporate governance statement. Historical declarations of conformity are also available to the public on our website www.gesco.de under the heading "ABOUT US/COMPLIANCE AND CORPORATE GOVERNANCE". The articles of association of GESCO SE are also available on the website under this heading.

Compliance management system

GESCO Group counters compliance risks such as corruption, cartel violations and criminal activity with a suitable compliance management system, which includes a Group-wide code of conduct, accompanying guidelines and work instructions, an online information system (rulebook) for GESCO Group employees, accompanying training courses, case-related spot checks and a whistleblower system for employees and outsiders. It is the task of the managing directors of the subsidiaries to anchor the respective requirements and principles in their companies. The code of conduct for GESCO Group employees as well as further information on the whistleblower system can be found on the website www.gesco.de under “ABOUT US / COMPLIANCE AND CORPORATE GOVERNANCE”.

Shareholders and Annual General Meeting

The shareholders exercise their rights and voting rights at the Annual General Meeting. Each GESCO SE share grants one vote. GESCO SE publishes all documents relevant to the agenda in good time prior to the Annual General Meeting on its website www.gesco.de under the heading “Investor Relations”. In the course of the invitation to the Annual General Meeting, the Company expressly requests shareholders to exercise their voting rights. In order to make it easier for shareholders to exercise their voting rights, the Company appoints a proxy to represent them at the Annual General Meeting. The Company provides an online tool for shareholders to order admission tickets and to vote by post.

Via an online tool, the Company enables shareholders to order admission tickets, to cast postal votes and to authorise the Company’s proxy. The Company considers the highest possible attendance at the Annual General Meeting to be an important contribution to shareholder democracy and to the formation of a majority of shareholders’ will at the Annual General Meeting. GESCO SE publishes the invitation to the Annual General Meeting as well as reports and information required for the adoption of resolutions in accordance with the provisions of stock corporation law. This information is also available on the Company’s website. Since the IPO in 1998, the Company has published the voting results on its website on the same day as the Annual General Meeting.

After the Annual General Meeting of 30 June 2021 was held as a virtual Annual General Meeting without the physical presence of the shareholders or their proxies due to the special circumstances of the COVID19 pandemic, the Annual General Meeting on 24 August 2022 was again held in the usual presence. The Executive Board and Supervisory Board have declared their intention to hold future Annual General Meetings in person, provided that external circumstances permit.

Executive Board and Supervisory Board

The Executive Board is responsible for the management of the Company, while the Supervisory Board monitors the management and advises the Executive Board. The Executive Board and the Supervisory Board work closely together in a spirit of trust within the framework of their legally defined duties. The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about corporate planning, the earnings and financial situation, risk management, strategy development and acquisition projects. A catalogue of transactions requiring the approval of the Supervisory Board defines those decisions of the Executive Board that require the approval of the Supervisory Board.

Neither in the reporting year nor in the previous year were there any remunerations or benefits granted to members of the Supervisory Board for personally rendered services such as consulting and mediation services. Conflicts of interest arose neither for members of the Executive Board nor for members of the Supervisory Board.

Executive Board

The Executive Board is responsible for managing GESCO SE and conducting its business. The members of the Executive Board jointly manage the Company's business in accordance with the law, the Articles of Association and the rules of procedure issued by the Supervisory Board. The Executive Board develops the strategic development of the Company, coordinates it with the Supervisory Board and implements it. In addition, the Executive Board defines the goals, develops the planning and manages the Company's internal control and risk management system as well as controlling. In addition, the Executive Board prepares the quarterly reports, the half-yearly financial report, the individual financial statement of GESCO SE and the consolidated financial statement. The Executive Board bases its actions and decisions on the interests of the Company.

The rules of procedure for the Executive Board issued by the Supervisory Board regulate the responsibilities of the Executive Board and define the work of the committees in more detail. The rules of procedure also regulate the details of the Executive Board's reporting to the Supervisory Board. In addition, they determine which decisions of the Executive Board require the approval of the Supervisory Board. The age limit for the Executive Board is 65 years.

In the reporting year, the Executive Board consisted of Mr Ralph Rumberg (CEO) and Ms Kerstin Müller-Kirchhofs (CFO) until 30 April 2022 and Ms Andrea Holzbaur (CFO) from 26 September 2022.

Relevant disclosures on corporate governance practices

The members of the Executive Board shall conduct the business of the Company with the due care and diligence of a prudent and knowledgeable manager in compliance with the statutory provisions, the Articles of Association and the Rules of Procedure of the Executive Board.

In addition, the GESCO Code of Conduct contains the basic rules and principles for our actions resulting from our self-image, including our conduct towards customers, business partners, competitors, other third parties, and the public. The GESCO Code of Conduct is available on our website www.gesco.de under the heading "ABOUT US/COMPLIANCE AND CORPORATE GOVERNANCE".

GESCO SE does not have any relevant corporate governance practices that go beyond these requirements.

Long-term succession planning for the Executive Board

Together with the Executive Board, the Supervisory Board ensures long-term succession planning for the Executive Board. The Supervisory Board regularly deals with succession planning for the Executive Board, also irrespective of events. Taking into account the requirements of the German Stock Corporation Act (AktG), the Code and the target set by the Supervisory Board for the proportion of women on the Executive Board, the Supervisory Board develops a profile of requirements with the essential characteristics and qualifications of candidates to be considered for Executive Board positions. The departments to be headed and the strategic planning of the Company also influence the requirements profile. In the event that a new appointment or replacement is required on the Executive Board, the Supervisory Board conducts structured selection interviews with selected candidates, based on which the new appointment or replacement is made. If necessary, the Supervisory Board is supported by external consultants in the development of requirement profiles and the selection of suitable candidates.

Supervisory Board

The Supervisory Board appoints the Executive Board, monitors its management and advises it on the management of the Company. Detailed information on the work of the Supervisory Board in the reporting year is contained in the Report of the Supervisory Board.

The Supervisory Board of GESCO SE is deliberately kept small. This has proven to be extremely effective, as both strategic topics and detailed issues can be discussed intensively in the Supervisory Board as a whole. We see the fact that all members of the Supervisory Board are equally involved in all topics as a strength. The formation of committees beyond the audit committee, which is required by law from 1 January 2022 and which has been established in the meantime, is therefore not considered appropriate. Accordingly, the Supervisory Board of GESCO SE did not have any other committees

in the reporting year. In this respect, the Executive Board and Supervisory Board declare a deviation from recommendation D.5 DCGK.

In accordance with the requirements of the law and the Articles of Association, the Supervisory Board has drawn up rules of procedure in line with the recommendation in D.1 DCGK, which are available on the website www.gesco.de under the heading "ABOUT US / COMPLIANCE AND CORPORATE GOVERNANCE". The Chairman coordinates the work of the Supervisory Board, chairs its meetings and represents the interests of the Supervisory Board externally.

In the year under review, the Supervisory Board consisted of Mr Klaus Möllerfriedrich (Chairman), Mr Stefan Heimöller (Deputy Chairman), Dr Nanna Rapp and Mr Jens Große-Allermann. In the opinion of the Supervisory Board, it is appropriate for at least two members of the Company's Supervisory Board to be independent within the meaning of the Code. Currently, all members of the Supervisory Board meet the independence criterion. Mr Möllerfriedrich has been a member of the Supervisory Board for more than twelve years, but the Supervisory Board still considers Mr Möllerfriedrich to be independent in the sense of recommendation C.7 DCGK. In view of his performance in office to date, the Supervisory Board is convinced that Mr Möllerfriedrich, despite his many years of activity on the Supervisory Board, continues to possess the critical distance to the Company and its Executive Board necessary for the performance of his office. Apart from that, Mr Möllerfriedrich has no personal or business relationship with the Company or its Executive Board that could constitute a conflict of interest; he also does not hold any shares in the Company. All members of the Supervisory Board also possess the professional qualification as financial experts pursuant to § 100 (5) of the German Stock Corporation Act (AktG). As a whole, the members of the Supervisory Board are familiar with the sector in which GESCO SE operates.

In February 2022, the Chairman of the Supervisory Board conducted a self-evaluation of the efficiency of the Supervisory Board's work. For this purpose, the Chairman of the Supervisory Board held discussions with the other members of the Supervisory Board based on a structured catalogue of questions. Overall, the audit confirmed the efficient work of the Supervisory Board. The approaches for improvement gained during the audit were taken into account in the future work of the Supervisory Board.

Composition of the Supervisory Board and Diversity among the Supervisory Board, Executive Board and Executives

According to recommendation C.1 sentence 1 DCGK, the supervisory board shall specify concrete objectives for its composition and develop a competence profile for the entire body. In doing so, the Supervisory Board shall pay attention to diversity.

For the Supervisory Board of GESCO SE, diversity is not defined solely by gender or nationality, but also and especially by professional diversity and a well-balanced mix of expertise from different fields. The areas of expertise to be covered by the Supervisory Board of GESCO SE include, in particular, accounting, auditing and monitoring the effectiveness of internal control systems ("financial expert"), capital market experience, entrepreneurial expertise and experience as well as broad-based expertise relating to strategic, operational and financial entrepreneurial functions. The Supervisory Board considers these competences to be fully covered in the current composition of the Board and represented as follows:

Area of competence	Möllerfriedrich	Heimöller	Dr Rapp	Große-Allermann
Organisation of the Supervisory Board's work	x			
Corporate governance	x			
Legal	x			
Taxes	x			
Controlling and risk management	x	x	x	x
Accounting	x	x	x	x
Personnel		x	x	x
Production		x	x	
Financing	x	x	x	x
Capital market	x			x
M&A	x	x	x	x
Strategy	x	x		
Internationalisation			x	x

The age limit for members of the Supervisory Board stipulates that the term of office of a Supervisory Board member generally ends with the expiry of the ordinary term of office following the completion of the 70th year of life. The articles of association of GESCO SE govern details on the election and term of office of Supervisory Board members, the constitution of the Supervisory Board, its meetings and resolutions as well as the rights and obligations of its members.

Functioning of the Audit Committee

As required by law, the audit committee monitors the accounting process, the effectiveness of the internal control system (ICS), the effectiveness of the risk management system (RMS), the effectiveness of the internal audit and the audit of the financial statements (in particular the independence of the auditor). The audit committee discusses the assessment of the audit risk, the audit strategy and audit planning as well as the audit results with the auditor.

Target quotas for the proportion of women

The “Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector”, which came into force on 1 May 2015, requires the definition of target quotas for the proportion of women on the Supervisory Board, Executive Board and in the top management levels, as well as the specification of deadlines for the achievement of these target quotas. The Executive Board and Supervisory Board defined corresponding targets on 13 August 2015 and have since reported on the status of target achievement and, if necessary, on adjustments to the targets in the annual declaration on corporate governance.

GESCO Group companies explicitly and unreservedly pursue a policy of equal opportunities in their daily practice. This is a matter of course, irrespective of legal obligations. The companies make every effort to recruit female applicants, support applications from female candidates, take part in campaigns such as “Girls’ Days” and seek exchanges with schools and universities. None of this is due to quota pressure, but rather out of conviction as well as the need to fill vacancies with qualified staff. GESCO Group companies have a vital interest in positioning themselves as attractive employers.

In 2017, the Supervisory Board of GESCO SE set a target quota of 25 % for the proportion of women on the Supervisory Board. This quota is currently being met.

The Supervisory Board of GESCO SE set a target ratio of 30 % for the Executive Board in 2015. This quota is currently being met.

A first management level below the Executive Board was added to the organisational structure of GESCO SE as of 1 September 2020. There is still no second management level below the Executive Board. The Executive Board has set a target ratio of 25 % for the first management level. This quota is currently not being met.

The deadline for the next review of target achievement is 30 June 2023.

Comprehensive and transparent communication

GESCO SE informs shareholders, the capital market, the media and the general public about all relevant events and the Company's economic development at the same time. Financial reports, announcements, the financial calendar, Annual General Meeting documents and a wide range of other information are available on the Company's website at www.gesco.de under the heading "Investor Relations".

Shareholdings of members of governing bodies

GESCO SE immediately discloses transactions in Company shares and debt instruments or related financial instruments by the persons named in Article 19 of the Market Abuse Regulation, in particular by members of the executive bodies and persons closely related to them, in accordance with statutory regulations. The transactions reported to GESCO SE in the past financial year are available on the Company's website at www.gesco.de under the heading "Investor Relations".

Remuneration Report / Remuneration System

The applicable remuneration system for the members of the Executive Board pursuant to the German Corporate Governance Code can be found on the website www.gesco.de under the heading "Compliance and Corporate Governance". On the website www.gesco.de under the heading "Compliance and Corporate Governance", the applicable remuneration system for the members of the Executive Board pursuant to section 87a (1) and (2) sentence 1 AktG, which was approved by the Annual General Meeting on 30 June 2021, as well as the resolution adopted by the Annual General Meeting on 18 June 2020 pursuant to section 113 (3) AktG on the remuneration of the members of the Supervisory Board are publicly accessible.

Accounting and auditing

The individual financial statement of GESCO SE are prepared in accordance with the German Commercial Code, while the Consolidated Financial Statement of GESCO SE have been prepared in accordance with International Financial Reporting Standards (IFRS) since the 2002/2003 financial year. Mazars GmbH & Co KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf, audited the individual and Consolidated Financial Statement. The responsible auditor is Mr Heiko Wittig.

Mazars GmbH & Co KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf, also carried out the audits of the individual financial statement of the subsidiaries. International alliance partners of our domestic auditor mainly carried out the audit of the foreign second-tier subsidiaries.

In accordance with the legal requirements, the Annual General Meeting elects the auditor for one financial year at a time. At the Annual General Meeting on 24 August 2022, the Annual General Meeting elected Mazars GmbH & Co KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf, as auditor of the annual and Consolidated Financial Statement for the 2022 financial year and as auditor for any review of the condensed financial statements and the interim management report as at 30 June 2022. Based on this resolution, the Chairman of the Supervisory Board commissioned the auditor for the individual and Consolidated Financial Statement. No audit or review of the half-year financial report and/or the quarterly reports for the first and third quarters took place in the reporting year.

GESCO AG, Wuppertal, Germany

Security identification number A1K020
ISIN DE000A1K0201

Declaration of Compliance in accordance with Section 161 AktG

In accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of GESCO AG declare that the recommendations of the “Government Commission on the German Corporate Governance Code” in the version of 16 December 2019, published in the official section of the Federal Gazette on 20 March 2020, have been complied with since the last declaration of compliance was issued in December 2021 until the new version of the Code dated 28 April 2022 came into force on 27 June 2022, with the following exceptions:

D.5: Formation of a Nomination Committee

The Supervisory Board of GESCO AG consists of four members. Due to the small size of the body, both overarching strategic topics and detailed issues can be discussed and decided on intensively and without loss of efficiency by the Supervisory Board as a whole. We therefore do not consider the formation of committees beyond the legally required audit committee to be expedient. Rather, we see a strength in the fact that all members of the Supervisory Board are equally involved in all issues.

F.2, 1. half-sentence: Publication of financial information (90-day period)

The change of the Company’s auditor on the basis of the resolution of the Annual General Meeting of 30 June 2021 and the associated additional coordination effort for the first audit period meant that the consolidated financial statements and the Group management report for the 2021 financial year (01.01.2021 to 31.12.2021) could not be published within 90 days of the end of the financial year.

G.18: Remuneration of the Supervisory Board

The system of remuneration for the Supervisory Board of GESCO AG approved by the Annual General Meeting on 18 June 2020 includes a fixed component as well as a performance-related component, which is based on the consolidated net income for the year after minority interests. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement corresponds to a sustainable and entrepreneurial way of thinking and should also do justice to the orientation towards the long-term development of the company as required by the Code. However, since it cannot be ruled out that other opinions will be expressed in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

The Executive Board and Supervisory Board of GESCO AG also declare in accordance with section 161 of the German Stock Corporation Act (AktG) that the recommendations of the “Government Commission on the German Corporate Governance Code”, as amended on 28 April 2022 and published in the official section of the Federal Gazette on 27 June 2022, have been complied with the following exceptions:

A.1: Systematic identification and assessment of risks and opportunities as well as the impacts of business activities from an environmental and social perspective, and consideration of environmental and social objectives in corporate strategy and planning

Due to the short lead-time since the new recommendations on ESG came into force, the processes required to implement the recommendations could not be fully completed in the 2022 financial year. However, GESCO AG intends to fully comply with the recommendations in the future.

A.3: Coverage of sustainability-related objectives in the internal control and risk management system

Due to the short lead-time since the new recommendations on ESG came into force, the processes required to implement the recommendations could not be fully completed in the financial year 2022. However, GESCO AG intends to fully comply with the recommendations in the future.

D.4: Formation of a Nomination Committee

The Supervisory Board of GESCO AG consists of four members. Due to the small size of the body, both overarching strategic topics and detailed issues can be discussed and decided on intensively and without loss of efficiency by the Supervisory Board as a whole. We therefore do not consider the formation of committees beyond the legally required audit committee to be expedient. Rather, we see a strength in the fact that all members of the Supervisory Board are equally involved in all issues.

G.18: Remuneration of the Supervisory Board

The system of remuneration for the Supervisory Board of GESCO AG approved by the Annual General Meeting on 18 June 2020 includes a fixed component as well as a performance-related component, which is based on the consolidated net income for the year after minority interests. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement corresponds to a sustainable and entrepreneurial way of thinking and should also do justice to the orientation towards the long-term development of the company as required by the Code. However, since it cannot be ruled out that other opinions will be expressed in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

The Executive Board and Supervisory Board of GESCO AG also declare in accordance with § 161 of the German Stock Corporation Act (AktG) that the recommendations of the “Government Commission on the German Corporate Governance Code” in the version of 28 April 2022, published in the official section of the Federal Gazette on 27 June 2022, will be complied with in future, with the exceptions A.1, A.3, D.4 and G.18 justified above, as well as the following exceptions:

A.5: Description of the main features of the overall internal control and risk management system and opinion on adequacy and effectiveness

In accordance with legal requirements, the presentation in the management report is currently limited to a description of the key features of the internal control and risk management system with regard to the accounting process. In the future, GESCO AG intends to expand its reporting in accordance with the new, more extensive recommendation. However, due to the short lead-time since the new recommendation came into force, such an expansion cannot yet take place for the financial year 2022.

F.2, 1. half-sentence: Publication of financial information (90-day period)

The change of the auditor of the company on the basis of the resolution of the Annual General Meeting of 30 June 2021 and the associated additional voting effort mean that the consolidated financial statements and the Group management report for the 2022 financial year (1 January 2022 to 31 December 2022) cannot be published within 90 days of the end of the financial year. A DCGK-compliant publication is aimed at for the 2023 business year.

Wuppertal, December 2022

GESCO AG

For the Supervisory Board
Klaus Möllerfriedrich
Chairman of the Supervisory Board

For the Executive Board
Ralph Rumberg
CEO