Corporate Responsibility Report

TÜV NORD GROUP

Expertise for your Success

GRI 102-46, 102-50, 102-52, 102-54

About This Report

In this Corporate Responsibility Report for 2018, we are for the first time offering information on the economic, ecological and social impact of our business activities and explaining how the TÜV NORD GROUP is integrating responsibility and sustainability (Corporate Responsibility) into its corporate processes. In the future, we are going to publish a corresponding report every year containing information about how our commitments are proceeding.

The TÜV NORD GROUP has always considered sustainability and responsibility to be the driving force behind its entrepreneurial vision, and these qualities are thus firmly embedded in our DNA. Two years ago, on the basis of this keystone concept, we launched the development of a systematic and Group-wide Corporate Responsibility Management strategy to be consistent with the expectations of our stakeholders. We have amalgamated our sustainable activities, created organisational structures and developed a CR Strategy and a roadmap. In this roadmap, our medium- and long-term objectives are laid down and backed up with actual measures (see also p. 13).

The publication of our 2018 Corporate Responsibility Report is an important milestone in the context of strategically-oriented Corporate Responsibility Management in our company. In it, we disclose where we currently stand, which processes we are developing for a structured implementation and the aims we aspire to fulfil. In this report, we place the goals and measures of our CR commitments in the overall social context of sustainability and in relation to the requirements arising from our Corporate Responsibility. In this way, we are seeking to enable our stakeholders (see also p. 11) and interested members of the general public to gain a comprehensive picture of our CR approach and CR activities.

In this report, we provide information on our responsibility to act sustainably in respect of value creation, our staff, the environment and society. We have defined these four fields of action and the associated questions in a materiality process, which also involves key stakeholders (see also p. 11 and 12). The report has been compiled in close collaboration with all responsible business units and central functions. By compiling the contents relating to our most important issues in accordance with a standard procedure, we have created a clear structure in the report chapters.

This report was created in accordance with the GRI-Standards: Option: core and the principal focus of the report is on the German companies and the sites of all the business units in the TÜV NORD GROUP. The reporting period is the TÜV NORD GROUP fiscal year, which runs from 1 January to 31 December 2018. In our first report, we have also included content from previous years to provide information on particular developments. In the next few years we will gradually expand the scope of the CR Report in accordance with the progress made in the Group-wide structuring of our CR Management.

We have included an abridged version of the present Corporate Responsibility Report in the current annual report of the TÜV NORD GROUP. We thereby seek to demonstrate the closeness of the relationship between our financial and non-financial results.

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“Corporate Responsibility is geared to the long term and requires balanced action from economic, ecological and social points of view.”

(from our Corporate Responsibility Strategy)

GRI 102-14

Preface by the Board of Management

Dear readers,

When a few engineers gathered together exactly 150 years ago to establish the "Norddeutscher Verein zur Überwachung von Dampfkesseln" in Hamburg, they were united by a shared vision: technology needed to be safe, and no man should be placed at risk by technical progress.

The initial motivation of the predecessors of the TÜV NORD GROUP has been continued by engineers throughout all industrial ages. And today's imperative is to make the new, digitalised world just as safe as the old analogue one. Our customers can be confident that we will work with them to shape the digital transformation and to develop sustainable solutions.

Major global developments will have a role to play in deciding how fit for the future we are. We need to factor the medium- and long-term interactions between our business activities, the environment and society into our decisions. In this respect, too, the TÜV NORD GROUP has nailed its colours to the mast: we have always acknowledged how important it is to take responsibility for the impacts of our business activities on people and the environment and to act accordingly.

Dr Dirk Stenkamp,
Chairman of the Board of Management

We are already using our knowledge to protect life and goods and to deal sparingly with natural resources. In the future we will assess the environmental impacts of our services and products, for example on the environment, from the development stage onwards. As far as climate protection goes, we have already adopted a particularly important stance: as a company, we are committed to the 2-degree target. In our first logical step, we are going to record the carbon footprint of our business travel and real estate.

One of the tasks we set ourselves in 2018 was to systematically hone our attitude to sustainability and our understanding of responsibility. From our mission statement we have derived targets in all the relevant fields, against which we will be measured in future. Our new Corporate Responsibility Roadmap brings together the most important activities. It is now providing guidance to 13,000 employees around the world, our customers and other stakeholders. Here are three specific examples:

- We are pushing ahead with sustainability assessments for our innovations and developing a standardised evaluation system for this purpose.
- We are using the potential of digitalisation to bring about positive sustainability effects. For instance, remote inspection is significantly reducing the amount our staff need to travel.
- Our employees will in the future be able to sign up for training at a time and place of their choosing. By 2020, we will be offering flexible digital learning formats.

The present Corporate Responsibility Report sheds light what has already been achieved and the next steps. If it succeeds in inspiring our employees, customers and partners to enter into dialogue, along with everyone who is interested in working with us to develop solutions for a world worth living in, it will have achieved its aim.

Kind regards,

Dr Dirk Stenkamp
Chairman of the Board of Management

The year 2018:
Corporate Responsibility at a glance

84

GROUP COMPANIES

of which

45

ARE ABROAD

24

DIGITAL EXPERTS
from all the business units trained at the TÜV NORD Digital Academy

1,067 €

TRAINING BUDGET
per member of staff

1,229.5

MILLION EUROS NET SALES

100 %

of new **SUPPLIERS** evaluated in line with sustainability criteria

OF PARTNERSHIP
with Europe's largest environmental award
GreenTec Awards

2.77 t CO_2

INTENSITY
of GHG emissions per member of staff
caused by business travel

100 %

OF EMPLOYEES
are covered by an internally audited
management system for occupational
health and safety

70

MEMBERS
of **»the network«,** an international network
of employees with the aim of enhancing
diversity in the TÜV NORD GROUP

6

BUSINESS UNITS
Industrial Services, Mobility, Training,
Natural Resources, Aerospace and IT

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-9

The Profile of the TÜV NORD GROUP

The TÜV NORD GROUP is a globally active technology group. Its workforce, which now numbers more than 13,000, has been the byword for safety, independence and quality for 150 years. The employees test, inspect, certify, offer advice and award qualifications in accordance with many globally applicable technological standards. This allows the TÜV NORD GROUP to offer unparalleled holistic support and care to its various customer groups in this networked world. Its customers include global players and small and medium-sized enterprises with a regional and local focus, alongside organisations, institutions and consumers.

The head office of the TÜV NORD GROUP is in Hanover. 73% of our audit, certification, engineering, consulting and training services take place on the German market. 16% of our business activities take place in the rest of Europe, 9% in Asia, 1% in America and 1% in Africa.

The TÜV NORD GROUP has divided its activities into six business units and the Holding/Services division and is active in the TICET (Testing, Inspection, Certification, Engineering, Training) market. Extensive consulting and training services are offered alongside the traditional testing business. The Group has a unique selling proposition in the sector as a whole with services in the natural resources and aerospace fields.

- The certification, service and testing portfolio of the companies in the Industrial Services business unit includes specific individual tests and the assessment from the safety point of view of complex systems and plants.
- The Mobility business unit offers numerous services, ranging from the inspection and approval of vehicle and driving tests to development-related inspection and consulting services for the automobile and automotive supply industry.
- The Natural Resources business unit offers engineering services in raw material exploration, mining and coking technology, construction and infrastructure, product testing and building safety as well as in industrial testing and measurement technology.
- The core activities of the Training business unit are vocational education and training for specialists and managers, along with publicly funded training measures.
- The Aerospace business unit is involved in activities concerning the procurement, modification, testing and certification of electronic components for the aerospace industry.
- The IT business unit focuses on IT security assessment services for hardware and software according to the common criteria evaluation system as well as testing and certification services for IT infrastructures for the validation of the security and availability of data centres and cloud providers.

In all six business units, we offer our products and services throughout the world, adapted to the respective markets and the regulatory requirements that apply in those markets. We are not currently aware of any general market-specific exclusions of our products and services.

As of 31 December 2018, the TÜV NORD GROUP had 84 companies, 39 of which are in Germany and 45 abroad, which are either directly or indirectly controlled by TÜV NORD AG as a management holding company. Its shareholders are TÜV Hannover/Sachsen-Anhalt e.V., TÜV NORD e.V. and RWTÜV e.V., the RWTÜV Stiftung and TÜV Thüringen e.V.

Corporate Responsibility Strategy

“We consider the impact of our decisions and our actions not only on our company, but also on society and the environment.”

In the Corporate Responsibility Strategy, the TÜV NORD GROUP is bringing together its different activities under the umbrella of sustainable and responsible economic management.

GRI 102-16, 102-44, 102-46

Our Corporate Responsibility Strategy

"We see it as the responsibility of the TÜV NORD GROUP to conduct business with a view to long-term success. We take into account not only the impact of our decisions and actions on our company, but also their effects on society and the environment."

LONG-TERM THINKING: OUR ATTITUDE

It is an integral part of our corporate identity to take responsibility for the impacts of our business activities on people and the environment and to act in a sustainable manner. We see the implementation of Corporate Responsibility as a long-term project that will lead us into the future. The destination has been set and the route planned, and the starting pistol has been fired. The challenge we face on this journey is to strive every day for balance between economic, ecological and social concerns in all that we do. The main coordinates for our Corporate Responsibility are our five guiding principles:

- The focus is on our customers.
- Our employees are the key to success.
- Our integrity is the basis of everything we do.
- Our diversity opens up new opportunities.
- Our culture of innovation is trend-setting.

NAVIGATING SAFELY: OUR STRATEGIC APPROACH

In 2018, we brought together the various different activities under the umbrella of acting sustainably and responsibly to form one single corporate responsibility strategy. Developed in close relation to our Corporate Strategy, this serves as our overarching route map.

In terms of value creation, we consider Corporate Responsibility (CR) to be an important success factor for our company. After all, we need sustainable services for our customers, integrity in respect of the environment and society and dedicated employees to make our business fit for the future. Our CR Strategy includes our attitude toward responsibility and sustainability, decisions on the management of Corporate Responsibility, the four main fields of action and a CR Roadmap with objectives, measures and targets.

DEFINING MATERIALITY: FOUR FIELDS OF ACTION

We identified the four main fields of action of our Corporate Responsibility Strategy in the context of a materiality analysis, taking into account our stakeholders (see the chapter entitled "Materiality of our CR Topics"). We are focusing our sustainable actions on the following four themes:

- Responsible Value Creation
- Staff Orientation
- Environmental Orientation
- Societal Orientation

We have combined the route for each of these four fields of action in our Roadmap 2020: this includes goals, measures and implementation activities (see the chapter entitled "Roadmap 2020 for Guidance"). Overarching objectives, such as the reduction of CO_2 emissions, are broken down to the level of business units and Group companies and implemented at that level. On the journey we will remain in regular dialogue with our stakeholders. We will practise full disclosure in relation to our sustainability achievements, both within the Group and externally. In this way we will ensure that key expectations, including those imposed on the TÜV NORD GROUP from outside, are recognised in good time and, where appropriate, taken into account.

GRI 102-18, 102-52

Management of Corporate Responsibility

GENERATING BENEFIT: OUR MANAGEMENT APPROACH

We will implement our long-term Corporate Responsibility Strategy in the context of our integrated management system. The focus of our Corporate Responsibility will be on the strategic and operational benefits for value creation in the TÜV NORD GROUP: covering the whole gamut of topics from attractiveness as an employer and the efficient use of resources through to pioneering innovations. We will work together at the highest management level and in the business units and Group companies to inject life into our Corporate Responsibility Strategy across a whole range of activities. At the same time, the business units and Group companies will set their own priorities for the implementation of the goals according to their specific activities and possibilities. In this way, individual mosaic tiles will combine to form one major work with which we will achieve the Group's overall objectives.

GENERATING TRANSPARENCY: ANNUAL REPORTING

We consider it important to reveal this mosaic and its objectives in a readily comprehensible way. Our first responsibility and sustainability report is a decisive step in this direction. In the future, we will report annually on the status quo in respect of the economic, ecological and social impacts of our business activities. In this context we will consider in detail how far we have already travelled and which obstacles may remain to be overcome. In terms of content, our reports will adhere to the following principles: involvement of stakeholders, sustainability context, materiality and degree of completion. We will report on the basis of clearly defined and implemented data sources which will at all times be freely available and verifiable.

TARGETED MANAGEMENT: CR ORGANISATION

The TÜV NORD GROUP has defined roles and responsibilities on three levels: the Group, the business units and the Group companies. This organisational structure will ensure the proper management of our Corporate Responsibility and the implementation of our objectives.

1

GROUP LEVEL

In the TÜV NORD GROUP, Corporate Responsibility is anchored at the highest level of corporate governance: the responsibility lies with the Group Executive Committee. A CR Steering Committee consults internally on all cross-cutting topics and activities. The Group has created the post of CR Manager for the coordination of CR activities and communications.

2

BUSINESS UNITS

The board of each business unit is in charge of Corporate Responsibility and nominates a CR coordinator. This member of staff is a member of the CR Steering Committee at Group level and supports the board of the business unit in the strategic coordination of the various activities.

3

GROUP COMPANIES

The management board of each of the companies in charge of Corporate Responsibility in that company. A management representative supports the board in its CR planning, implementation and reporting tasks.

GRI 102-16

Values and Responsibility

THE BINDING GUIDING PRINCIPLE OF OUR ACTIONS

Every employee of the TÜV NORD GROUP is bound by our corporate values and code of conduct as the defining principles which govern our personal actions in the company. At the same time, they are an integral part of our compliance management system (CMS).

The code of conduct lays down a fair and legally compliant code of behaviour for all employees. It prohibits, among other things, any form of corruption or the taking of undue advantage and calls for the observance of data protection laws as well as equality and respect. Our responsibility is an integral part of our corporate values, as it is the foundation on which our business is based, defines our actions and has an impact on the environment and society. Without responsibility, we would be unable to fully live out our corporate values. It is for this reason that we define our Corporate Responsibility in relation to our five values as follows:

The focus is on our customers

We consider it our responsibility to contribute to the success of our customers – today and tomorrow. We offer them services of the highest quality and efficiency in the context of a sustainable portfolio of services and new ideas to help them on their way into the future.

Our employees are the key to our success

As an employer, we are responsible for creating an attractive work environment which communicates our appreciation of our staff. We offer our employees the space they need to design a working life which is characterised by individual responsibility; we set great store by teamwork, support the reconciliation of work and family and offer individual training opportunities. The employees in turn have a responsibility to contribute to the success of the company.

Our integrity is the basis of all we do

We always act sustainably – economically, ecologically and socially. We cultivate a culture of openness which is firmly rooted in mutual respect and trust. On the basis of our mandatory code of conduct, we always act lawfully and transparently towards our business partners and the company. We consider this to be just as much our responsibility as consideration of the impact of our actions on the environment and society.

Our diversity opens up new opportunities

We consider diversity and internationality to be an enrichment for our company. We promote equal opportunities and respect the individuality of each and every individual. We set great store by mixed teams and interdisciplinary work as a way to fulfil our responsibility to offer tailored solutions to customers.

We have a forward-looking culture of innovation

We are continuously improving our products and processes, developing new ideas for our customers and driving innovation. We consider it our responsibility to develop sustainability-oriented services that are in harmony with the zeitgeist and to align ourselves with the Sustainable Development Goals of the United Nations.

GRI 102-40, 102-42, 102-43, 102-44

Crafting Stakeholder Relations

INVOLVING OUR STAKEHOLDERS

When it comes to aligning our business activities with economic, ecological and social criteria, we consider it important to involve our stakeholders, both internal and external. We engage in dialogue and familiarise ourselves with different expectations, making us very quick to respond to new creative ideas. We have identified the following stakeholder groups, both inside and outside our value chain, as relevant:

Internal	External
Supervisory Board (internal/external)	Customers
Board of Management, Group Executive Committee (GEC)	Suppliers and service providers
Heads of the business units	Cooperation partners
Companies in Germany (management and experts)	Financial partners
Regions and companies abroad (management and experts)	Shareholders (TÜV associations)
Central functions (management and experts)	Accreditation and certification organisations
Group and management officers	Authorities with the power to grant permissions
Representatives of employees (works councils and other representative instances)	Legislators and regulators
Employees	Competition
	Associations and NGOs
	Media and the public

In the context of the materiality analysis, we worked with selected stakeholders to identify economic, ecological and social interests and issues, assessed their relevance and allocated them with to four main fields of action. The relationships with the respective stakeholders and the assessment and consideration of their expectations are managed or implemented either centrally in the CR Management or locally via the business units and central functions.

DIALOGUE WITH INTERNAL STAKEHOLDERS

In 2017 and 2018, we entered into dialogue with around 600 employees in Germany and seven foreign companies in Asia (India, China, Taiwan, Malaysia, Indonesia and Korea) and two companies in Europe (Greece and Spain) (see also p. 18). In 2019, we will continue these dialogues and enter into yet more intensive discussions with our internal stakeholders from different parts of the world – both directly via Group audits and workshops and indirectly via the management representatives of the international sites (see also p. 28).

INTENSIFICATION OF DIALOGUE WITH EXTERNAL STAKEHOLDERS

With the release of our first Corporate Responsibility Report, we are seeking to intensify the dialogue with our external stakeholders (see also p. 18 and 56). To this end, a stakeholder conference is planned for 2019; in 2019 and 2020 we also intend to conduct written and personal interviews with selected stakeholders.

For this purpose we have assigned topics to the various groups which we aim to use as doorways to dialogue.

- Customers: Service, quality, price
- Suppliers, service providers, partners: Fair conditions, impact on customer-related processes
- Neighbours of the TÜV NORD sites: Transport infrastructure, noise, use of staff canteen etc.
- Accreditation organisations and authorities: Expectations and developments in the regulations which affect us
- Non-governmental organisations: Relevant environmental and social issues
- Associations and competitors: Joint positioning and cooperation on relevant issues that may have a positive impact on the economy, the environment and/or society
- Representatives of the media and the public: The adoption of positions concerning our Corporate Responsibility

GRI 102-43, 102-44, 102-46, 102-47

Materiality of Our CR Topics

IDENTIFYING THE KEY CR TOPICS

Which are the priority CR topics in the TÜV NORD GROUP? An in-depth answer to this question has been provided by the materiality analysis which we carried out 2018.

In the first step, we assessed the initial position. For this purpose we identified our previous CR activities and the expectations of our various stakeholders and arranged them thematically. With reference to the GRI Standards and the German Sustainability Code (DNK), additional CR topics were included in an overall list of possible topics.

In the second step, all the CR topics thus identified were put to the test: how relevant do our stakeholders consider the various topics to be? And how marked is the economic, environmental and social impact of our business in relation to the respective topics, such as, for example, "Employee health and safety" or "Resource economy and efficiency"?

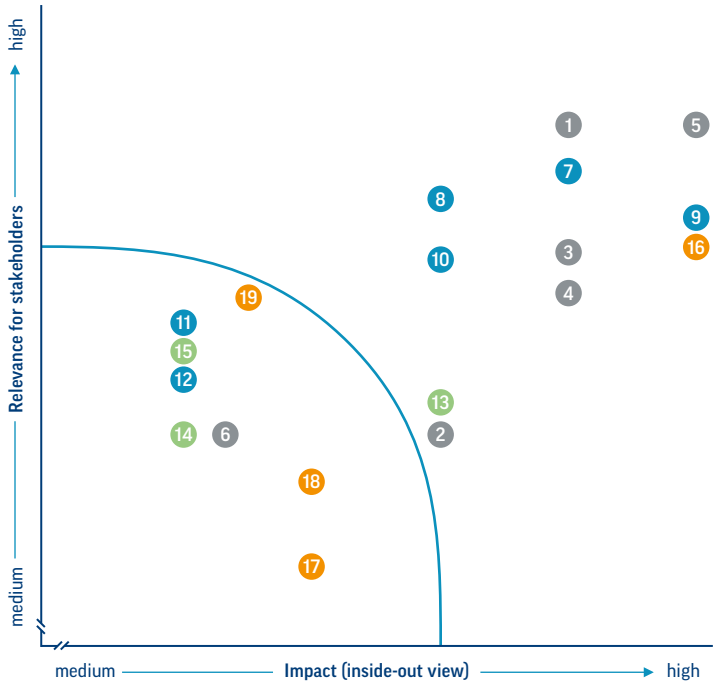
INSIDE AND OUTSIDE VIEW

We used the "materiality analysis" as a tool to precisely define the two factors, relevance and impact. The impact assessment was semi-quantitative. The CR Steering Committee of the TÜV NORD GROUP and the responsible internal experts rated the impact of the topics in accordance with a predetermined scale. We have also had intensive discussions with our stakeholders – for example with over 500 corporate employees – to determine the relevance of CR topics. The results were discussed in detail by the CR Steering Committee.

This has led to the emergence of a clear overall picture which maps our journey. Eleven key CR topics have emerged for the TÜV NORD GROUP which are also the focus of the present report. The other eight major topics are mentioned in passing for the sake of completeness.

MATERIALITY MATRIX OF THE TÜV NORD GROUP

Last revised 16. 2. 2018



Responsible Value Creation

- 1 Value-oriented, sustainable corporate management
- 2 Responsibility in the value chain
- 3 Sustainable innovations and services
- 4 Digital means and methods of value creation
- 5 Integrity and compliance
- 6 Integration on an equal footing of the foreign companies

Staff Orientation

- 7 Attractive employer
- 8 Health and safety
- 9 Value-oriented HR management
- 10 Individual development and promotion of employees
- 11 Appropriate working environment
- 12 Diversity and inclusion

Environmental Orientation

- 13 Eco-friendly travel patterns
- 14 Resource economy and efficiency
- 15 Energy efficiency of rented or fully-owned buildings

Societal Orientation

- 16 Societal role in accordance with our vision and mission
- 17 Involvement of stakeholders beyond the value chain
- 18 Targeted social engagement consistent with our value creation
- 19 Respect for human rights

GRI 102-44

Roadmap 2020 for Guidance

ROUTE MAP TO ACHIEVE OUR GOALS

The CR Roadmap 2020 offers us guidance on our journey to the systematic integration of responsibility and sustainability in all the business units. It contains an overarching long-term goal for each of the four fields of action. Objectives have also been defined for the key CR topics and the routes planned by which we aim to achieve these goals by 2020. Key performance indicators and measures have been set as guides. We aim to use specific targets to evaluate the degree of implementation.

The roadmap was developed by the CR Steering Committee. The kick-off event was a workshop held in July 2018 to define the roadmap, at which the long-term CR objectives were identified and discussed. Divided into working groups, representatives from the CR Steering Committee then discussed specific targets, indicators and measures in various workshops. Between October and November 2018, the CR Steering Committee carried out the last critical analyses before finally releasing the draft roadmap. The CR Roadmap 2020 was adopted by the Group Executive Committee at the end of 2018.

ROADMAP 2020

	Our expectation of ourselves	Our goal	Our KPI
Responsible Value Creation	"Our achievement of economic success considers the interests of both people and nature."	Perception of the TÜV NORD GROUP as a value-oriented and sustainable enterprise	CR certificate or listings by 2020 in sustainability ratings/rankings
Staff Orientation	"Our employees are at the heart of our company and the key to our long-term success."	Satisfaction of our employees	Maintenance of the high commitment index score of over 70% in the employee survey of 2020
Environmental Orientation	"Climate protection and the preservation of the natural basis of life are among the greatest challenges of our time, and we will either rise to them together or not at all."	Obligation to meet the 2-degree climate target	Significant reduction of our carbon footprint (total greenhouse gas emissions as CO_2 equivalent) by 2050, development of measures to reduce of our GHG emissions in line with the triad "Avoid, Reduce, Offset" and in that order
Societal Orientation	"To be truly meaningful, individual human development must take place in the context of society."	Societally committed through innovation	Our innovations will support the sustainable development of society in 2020 and beyond

The presentation of expectations, objectives and key performance indicators (KPI) in the individual fields of action is an excerpt from the CR Roadmap 2020 of the TÜV NORD GROUP.

Responsible Value Creation

"Our achievement of economic success considers the interests of both people and nature."

The TÜV NORD GROUP is perceived as a value-oriented and sustainable enterprise and will be officially recognised as such by 2020.

"Sustainability increases the (added) value of innovations."

In conversation with
Carsten Becker
Head of Innovation Management
at TÜV NORD Systems

You and your team are developing innovative services for the customers. What does innovation mean for the TÜV NORD GROUP?

Carsten Becker (CB) For us, being innovative means using modern methods to serve customers faster, less expensively and more effectively. We also want to offer the customers new services that will enhance their security or, for example, effectively respond to new threats, for instance through IT security. But innovations in the TÜV NORD GROUP also need to be sustainable in terms of their ecological and economic impact.

In other words, sustainability has a key role to play in the development of innovative services?

CB When we develop new products, we start by focusing on what the customers actually want. And, for many customers, sustainability is of major importance. By offering sustainable services, we'll also be complying with the demands of the law. And I think it's foreseeable that new political framework conditions will also have a sustainability component. And, last but not least, any innovation which doesn't contribute to sustainability is worth less than one which does.

Innovation and digitalisation are drivers of the TÜV NORD GROUP's sustainable development strategy. Which issues from this area are you currently looking at?

CB Virtual Reality training and remote audits have a particularly important role to play in sustainability. After all, these technologies are making a significant contribution to the reduction of our carbon footprint. At the same time, we're increasing the value of the service to the customer.

Let's take a look into the future now. Where is the service journey going to lead us?

CB Issues like Artificial Intelligence, Industry 4.0 and Virtual and Augmented Reality are increasingly going to impinge on our daily lives. At the same time, the demand for sustainable services is increasing. Meaning that we're ideally set up for the next ten years.

The CR Roadmap formulates specific goals until 2020. What will be next for the Innovation Center?

CB The quest to be the first to do something never ends. So innovations are always going to be important. Although current issues like digitalisation will eventually be fully resolved, we'll then be confronted with new challenges.

What are your personal goals as director of the Innovation Center?

CB If, in ten years' time, I can see that more people are working for the TÜV NORD GROUP than is the case now and that we're seizing our opportunities and identifying a lot of mistakes early on, then I will have achieved my goal. It would be ideal if our efforts to be sustainable were to be compatible with the wishes of the customers.

GRI 103-1, 103-2, 103-3

Management Approach, Topics and Control

RESPONSIBLY SHAPING VALUE CREATION, AVOIDING RISKS

We bear the responsibility for future-proofing the business of the TÜV NORD GROUP. This requires us to think in the long term and to know what impact our actions have: not just on our company and its employees, but also on society and the environment.

"Responsible Value Creation" is thus the key field of action in our CR strategy. It also serves as a foundation for all the others. This is because our goals are to ensure that our value creation is always responsible and sustainable and to avoid risks. Our business might adversely affect our reputation, along with society at large and the environment, if we were to maintain business relationships with entities lacking in integrity and to fail to make our products and services sustainable. It therefore follows that integrity and compliance, alongside sustainably designed and pioneering services, are of great importance when it comes to the prevention of risks. Because we take a holistic view of value creation in our company, we also include suppliers and service providers in our commitment. This amplifies the effects of our actions in the supply chain and with our customers.

In our "Responsible Value Creation" field of action, we accord particular significance to six thematic areas. The first five of these we have identified as essential. Another important topic is the "Integration on an equal footing of foreign companies".

Value-oriented, sustainable corporate management

Our management culture is characterised by values, trust and responsibility. This culture calls for prudent and sustainable action throughout the whole company.

Responsibility in the value chain

The TÜV NORD GROUP has links with many industries. This allows us to promote sustainability across corporate boundaries. For instance, we require our suppliers to act sustainably.

Sustainable innovations and services

The future viability of our company will depend on the extent to which we design our product and service portfolio in accordance with important ecological, economic and social concerns and generate innovations that create value added for society at large.

Digital means and methods of value creation

The use of modern, digital means of value creation is highly relevant for us. If we want to ensure that our core business remains marketable in the future, then it is of existential importance for us to switch to digital business models and technologies.

Integrity and compliance

Integrity and compliance are essential conditions for the maintenance of trust in our brand and its perception as being safe, credible and reliable – today and in the future.

Integration on an equal footing of the foreign companies

The integration on an equal footing of the foreign subsidiaries of the TÜV NORD GROUP is an important factor in our success in the domestic and international environments.

SETTING AN OVERALL GOAL, WORKING OUT INDIVIDUAL WAYS OF GETTING THERE

"Responsible Value Creation" is at the heart of our Corporate Responsibility, and all other fields of action arise from it. It is for this reason that the general control and management approaches (see the chapter entitled "Management of Corporate Responsibility", p. 11) apply also to this topic. It is in the context of the above that the CR Principals, CR Strategy and CR Roadmap set the overall direction. The business units and Group companies are free to implement all the overarching CR objectives according to their actual priorities; the same also applies to the "Responsible Value Creation" field of action. The implementation must in all cases feed in to the overall objective.

We are committed to meeting the requirements of the Global Reporting Initiative and the German Sustainability Code (DNK). At the international level, we are aligned with the ILO Labour Standards, the UN Global Compact and the OECD Guidelines for Multinational Companies.

EXCERPT FROM OUR ROADMAP 2020 IN THE "RESPONSIBLE VALUE CREATION" FIELD OF ACTION

Theme	Our goal	KPI
Value-oriented, sustainable corporate management	Our company is perceived by employees as acting sustainably and in accordance with values	• Perception of corporate activity to be rated as at least good in the 2020 employee survey
Responsibility in the value chain	Sustainability criteria are integrated into the procurement process	• Review of 100% of newly registered suppliers with technical and sales relevance • Overall share of purchase volume with this supplier to be at least 25% in 2020
Sustainable innovations and services	Responsibility and sustainability are established as evaluation criteria for our innovations and services	• Start of the evaluation of innovations and services
Digital means and methods of value creation	In 2020, Digital Experts ensure digitalisation knowledge is networked	• All business units have Digital Experts in 2018
Integrity and compliance	A training programme for integrity and compliance is introduced throughout the Group	• An e-learning-based, target-group-oriented training programme is introduced throughout the Group by 2020
Integration on an equal footing of the foreign companies	Foreign companies are integrated into the Group's network and application landscape	• The degree of integration of the fully consolidated companies is at least 80% by the end of 2020

GRI 103-1, 103-2, 103-3

Value-oriented, Sustainable Corporate Management

LIVING OUT VALUES, LEADING RESPONSIBLY

"We promote a culture of values, act responsibly at all times and take into account the economic, environmental and social impact of our actions. Alongside shareholder value, the interests of relevant stakeholders and the consideration of those interests are of major importance for our long-term success."

The aim

- **Our company is perceived by employees as acting sustainably in accordance with values.**

KPI

- **Perception of corporate activity to be rated as at least good in the 2020 employee survey.**

We are convinced that a corporate and management culture which is characterised by values, trust and responsibility constitutes an essential basis for our long-term success. At the same time, it will protect our Group from economic risks caused by a lack of sense of responsibility and lack of values.

Our corporate and management culture brings day-to-day corporate practice into line with our CR goals and reinforces individual responsibility and a sense of community in the TÜV NORD GROUP and in relation to society. It is honing the awareness of the impacts of our business activities and thereby promoting sustainable and prudent behaviour on the part of all employees.

The responsibility for value-oriented, sustainable corporate management lies with the Board of Management of the TÜV NORD GROUP and the Group Executive Committee. It is the task of the divisional heads to take this responsibility out into the Group companies. Embedded as they are in the overall control process, our mission statement, the new management guidelines and the CR Strategy set the direction for our sustainable development (see chapter entitled "Our Corporate Responsibility Strategy", p. 8 and 10).

A key question that will be decisive for our future course is this: how do our stakeholders perceive the TÜV NORD GROUP? We have garnered some initial insights from our dialogue with some 600 employees. By involving them closely in our process, we have been able to structure and refine our CR fields of action and questions. We aim to use our employee survey, which we carry out every three years across the Group, to collect more information. To this end, we are going to integrate the question of "Value-oriented, sustainable corporate management" into the survey. Our goal is to achieve scores ranging from good to very good. From April 2019, we aim to increasingly engage in dialogue with external stakeholders and to record in a structured way how they perceive the value orientation and sustainability of our company.

Our corporate culture is defined on the basis of values. In 2017, we involved the new generation of executives and employees on board in their further development and reformulated them in our mission statement. They were published throughout the Group in early 2018 as the basis for the future direction of our business.

Our corporate values:

- The focus is on our customers
- Our employees are the key to our success
- Our integrity is the basis of all we do
- Our diversity opens up new opportunities
- We have a forward-looking culture of innovation[1]

The new values are our company's calling card, both internally and externally. They are the expression of our value-oriented and sustainable management ethos and are based on what our employees have believed in for 150 years: independence, safety, trust. At the same time, they take account of social developments and the requirements of the digital transformation.

The focus is consistently on the customer. The dynamic behind current developments leaves us in absolutely no doubt that we

1) In the chapter entitled "Binding guiding principles of our actions" on p. 10, our values are elaborated in connection with our Corporate Responsibility.

have to nurture and expand our culture of innovation. We offer our employees creative room for manoeuvre and acknowledge the importance of autonomous and entrepreneurial action. Our values are not "soft factors"; rather, they are fundamental pillars which define our relationships with employees, customers and society. They clearly signal what matters to us: for instance, sustainability, transparent communication and diversity, internationality and the promotion of mixed teams.

The development and communication of the new mission statement and the corporate values it enshrines took place under the aegis of the Group Executive Committee. To involve the top and middle management tiers of the TÜV NORD GROUP and as many employees of the Group as possible in this process, numerous internal events were offered for executives at various levels and for other members of staff. These included workshops, presentations and discussions in the organisational units, as well as an internal survey organised by Corporate Communications. The Group-wide rollout of the new mission statement was launched with a letter from the Group Executive Committee to all staff and a multi-page presentation in the staff magazine internord 1/2018.[2]

Based on the corporate mission statement, the TÜV NORD GROUP also developed new management guidelines in 2018 to underscore our claim to practise value-oriented and sustainable corporate management. Their introduction began in December 2018 in accordance with a communication concept adopted by the Group Executive Committee.

Corporate Responsibility Management is also an important prerequisite for the utility and quality of our products and services. To ensure that the knowledge of our employees remains available to us in the long term, the "Digitalisation and Innovation" central function has initiated a cross-business-unit knowledge management system. We are preparing to roll out a collaboration platform, both domestically and internationally, which will make an active contribution to the mutual exchange of knowledge and cross-selling. Furthermore, the "Tandem" mentoring programme being run by HR development is promoting exchanges of knowledge and networking within the TÜV NORD GROUP and strengthening the bonds of loyalty between the Group and its next-generation executives.

OUTSTANDING CORPORATE CULTURE AT TÜV INDIA

TÜV India, one of the largest foreign companies in the TÜV NORD GROUP, was presented with an award for its corporate culture in August 2018: At the Employee Engagement and Experience Summit run by the "Transformance Business Media", the company took first place in the "Best Corporate Culture" category. The qualities which so impressed the jury included management culture, staff development, employee engagement, benefits and social responsibility.

2) Our mission statement has been available online since April 2018 for scrutiny by our external stakeholders and the general public at https://www.tuev-nord-group.com/guidingprinciples/

GRI 103-1, 103-2, 103-3, 308-1

Responsibility in the Value Chain

LOOK AT THE WHOLE VALUE CHAIN, ESTABLISH SUSTAINABILITY CRITERIA

"We are the byword for responsible and sustainable action along the entire length of the value chain, in respect of both our own processes and the involvement of third parties. Our responsibility extends from the procurement of products and services, the disposal of products and the testing and acceptance of our services through to the impact on society of our business practices."

The aim

- **Sustainability criteria are integrated into the procurement process.**

KPI

- **Review of 100% of newly registered suppliers with technical and sales relevance**
- **The total share of procurement volume from suppliers with technical and sales relevance, assessed in line with sustainability criteria, is at least 25% by 2020.**

Even as a company which does not produce goods, we still need a wide range of materials to carry out our work, ranging from PCs and testing equipment through to paper. We are increasingly applying sustainability criteria in the selection of our suppliers and goods. We want to develop this further to amplify the effects: we work with suppliers who can offer a guarantee that they adhere in all respects to the principles of ethical conduct; this further enhances the transparency and credibility of our brand. At the same time, we are making potential suppliers more aware of sustainability by imposing clear conditions on our collaboration. Last but not least, we are reducing our carbon footprint by choosing products which are as environmentally friendly as possible. Criteria concerning environmental compatibility in procurement processes are thus contractually laid down for 19 different groups of goods, including IT requirements and printed products (see also the chapter entitled "Resource economy and efficiency", p. 48).

All our procurement processes are based on the Group purchasing policy and the procedural instructions in our supplier management programme. In the design of this programme we have taken our cue from the CSR requirements of the Bundesverband Materialwirtschaft und Logistik e.V. Furthermore, the route we are to take and our target are set out in our CR Strategy and the CR Roadmap 2020.

The responsibility for ensuring that sustainability aspects are taken into account in procurement rests with the central purchasing department. In the future, we intend to broaden out the scope of this responsibility: anyone approving collaboration with a particular supplier will need to guarantee that compliance and sustainability principles are included in the contractual agreement with that partner. Among other resources, the TÜV NORD Compliance Code for business partners and suppliers, which requires the signature of relevant business partners, will be available for this purpose.

We obtain detailed information about any prospective supplier before we include it in our supplier portfolio. Prospective suppliers are sent a survey which covers sustainability aspects. This allows us to draw up a finely detailed picture of every provider in respect of questions such as their quality, environmental and energy management systems and concerning compliance and ethics. This process is not limited solely to prospective suppliers. Existing suppliers whose technical specialism or volume of business with us makes them relevant in this respect are also required to complete a survey every three years. The category of technical relevance includes, for instance, suppliers of testing equipment or specialist providers of calibration and official gauging services. Moreover, all of our core suppliers are reviewed every three years. As and when required, we also carry out supplementary supplier audits. The methods and the assessment criteria are defined by the central purchasing department and the quality management departments of the Group companies concerned.

The aim is to ensure that sustainability criteria will be applied in the future to the registration and assessment of all suppliers which are relevant in terms of either technical specialism or purchase volume. In 2018, we reviewed all our new, centrally registered suppliers on the basis of environmental criteria. By 2020 we aim to be sourcing

25% of our total purchase volume from suppliers which have been reviewed in accordance with our criteria. The present share of such suppliers in the total purchase volume is 10%.

Our requirements concerning compliance and ethics also extend to cooperation with our customers. If a Group company should be unsure as to whether such a cooperation might entail compliance risks for the TÜV NORD GROUP, the management and sales team of the company in question consult the Group's Compliance manager. In the process, binding measures to ensure compliance are agreed on where required. At the same time, our customers require of us that we act responsibly and sustainably in a manner that is reflected in our products and services. Responsibility for the logging, analysis and assessment of these requirements and expectations lies with the sales department. By involving the latter in the development of our products and services, we are generating added value for our customers and society and contributing to the achievement of the Sustainable Development Goals (SDG).

We also apply the principle of responsibility in the value chain to our own products and services (see chapter entitled "Relevance of sustainability to innovations and services", p. 22) and the selling thereof. In the context of the EMPOWER sub-project entitled "Sales / Cross-selling" in 2017 and 2018, we developed a Group-wide sales approach and optimised our targeting of customers with a focus on existing customers. In the next development phase we will be concentrating on new customers with prospects for the future and further synergies in sales across the boundary lines between Group companies and regions.

We evaluate our sustainable business practices in the value chain internally, especially in the form of Group audits in the Group areas and companies. In the process, we do not lose sight of the management approach implemented in those areas and companies and the implementation of CR-relevant measures (see also the chapter entitled "Management of Corporate Responsibility", p. 9). To allow us to carry out a targeted analysis and assessment, we revised the checklist for Group audits in 2018 and added questions concerning the implementation of the CR Strategy. Feedback from our stakeholders was also taken into account in the assessment of our business practices, and we intend to involve them more closely as of 2019 (see also the chapter entitled "Involvement of stakeholders beyond the value chain", p. 56). The aim is to use an annual analysis of the results to further develop the ethical and sustainability principles that underpin our business practices, thereby practically implementing our CR Strategy.

GRI 103-1, 103-2, 103-3, 203-2

Relevance of Sustainability to Innovations and Services

DEVELOPING INNOVATIONS, GENERATING SUSTAINABLE ADDED VALUE

"We're promoting the future viability of our company by designing our portfolio of products and services in a manner that is ecologically, economically and socially sustainable. We're identifying and moving into sustainable growth areas. In the way that we're defining, shaping and structuring our services, we're sending a positive message that communicates our responsible and socially-aware attitude both within the company and to the outside world."

The aim

- **Responsibility and sustainability are established as evaluation parameters for our innovations and services.**

KPI

- **Evaluation of innovations and services to start in 2020**

  A catalogue of criteria to assess the responsible and sustainable character of our innovations and services and the corresponding targets is to be defined in 2019.

  By the end of 2020, the assessment of innovation is to be established in all the business units, and the evaluation of existing services will have begun.

As a technology services provider, the TÜV NORD GROUP has always been the byword for security and trust. In all of our inspection and testing work we are concerned with taking responsibility: for people and the environment. Responsible action is at the heart of our business model, has been embedded in our DNA for the last 150 years and is also reflected in our innovations.

It's essential for us at the TÜV NORD GROUP to ensure that our services are sustainable and that we push ahead with innovative developments. We take part in committees to draw up standards and need to be able to carry out testing and inspections in line with the state of the art. Our customers expect us to keep pace with technological developments.

With our sustainably designed services, we are already helping to ensure that our value creation has a positive effect on the economy, the environment and society. We support innovative capabilities in our customer companies and have a role to play in enhancing their competitiveness. In the age of digital networking, we are not just protecting people from the impact of technology but also protecting technology from human manipulation. One example of this is our "Security4Safety" concept, in which we bring IT security and functional safety together to form a coherent whole. This makes it possible to identify and eliminate digital vulnerabilities in development, production and service processes and to guarantee the quality and security of networked products and systems.

A further example is the digital twin. This allows us to replicate in digital form the widest conceivable range of devices and installations: for instance, a turbine or a lift. Using sensor technology, the digital replica is continuously supplied with data from its real twin. This makes it possible to monitor the technical condition of a system, for instance a lift, and to inspect it remotely. In this way, we can also forecast when certain components are going to fail.

We have been systematically expanding our innovation work since 2015. This will allow us to secure our existing business in the long term and will pave the way to a successful and sustainable future. We are aware of the responsibility we bear when designing innovative services and products, and this awareness means that we avoid risks to the environment and society which might arise out of our business activities. The aim is to establish a systematic practice of evaluating the responsible and sustainable character of our innovations and services while taking our cue from the Sustainable Development Goals. To this end we are supplementing our innovation policy with responsibility and sustainability checks that we intend to use in the innovation process and the analysis of our portfolio. We have already developed the basic ideas to define and implement these checks and will be fleshing them out in the course of 2019. We will then start the checks with the aim of firmly establishing the innovation evaluation procedure in 2020. We intend to initiate a structured portfolio analysis in 2020 with a view to responsibility and sustainability.

We are also seeking to integrate our CR approach and the alignment of the TÜV NORD GROUP with the Sustainable Development Goals

in the upcoming strategy process (see our targets in "Social role in accordance with our vision and mission", p. 54).

At Group level, the body responsible for the sustainable design of innovations is the "Digitalisation and Innovation" central function. It is in this area that the framework conditions are defined and the development issues prioritised. In the business units, the responsibility for innovations rests with the management. Responsible for their implementation are the innovation managers and the innovation boards. The Group Executive Committee bears the responsibility for the sustainable design of the service portfolio; in the business units, this role falls to the management. Whether and to what extent the targets have been achieved will in each case be evaluated at the end of each year by the central "Digitalisation and Innovation" central function in consultation with the Group CR manager and, as of 2020, the business units.

In the way that we define, design and structure our services, we will be sending a positive message that communicates our responsible and socially-aware attitude both within the company and to the outside world. We will communicate the relevance to sustainability of our innovations and services internally via the Intranet and our staff magazine; our customer magazine and website will undertake the same task with regard to the outside world. Once we have structured our approach we will significantly develop these communication channels after 2020.

So that we can ensure that our innovations are sustainably oriented to the future, we are seeking to involve our employees at all levels in the innovation process: For example, employees are contributing their own proposals – relating, for example, to "Artificial Intelligence" – to the ideas management of the TÜV NORD GROUP. And with the series of events under the "Tech Experience" banner, we are offering staff the opportunity to actively familiarise themselves with and discuss pioneering technologies and trends. Issues raised in presentations, practical examples and discussions include the "Internet of Things", "Augmented Reality" and "industrial cyber-security".

GRI 103-1, 103-2, 103-3, 203-2

Use of State-of-the-art, Digital Means and Methods of Value Creation

USING DIGITAL TECHNOLOGIES, TRAINING DIGITAL EXPERTS

"We are striving for technological excellence and using state-of-the-art digital means and methods of value creation that are consistent with our corporate vision (technical, digital, networked)."

The aim

- **Digital Experts ensure that digitalisation knowledge is networked.**

KPI

- **All the business units have Digital Experts in 2018.**

  The business units are being networked through the development of an expert network (Digital Experts).

  In 2018, every business unit has at least one digital expert. In 2019 and 2020, the expert network is up and running and is effective.

The range of tasks of the TÜV NORD GROUP is increasingly expanding as the digital transformation unfolds. Digital business models require us to come up with new concepts, approaches, equipment and solutions to carry out our task. This is, and will remain, to ensure the safety of people, goods and the environment. And yet, digitalisation and networking are giving rise to a further goal: in addition to the protection of people from machines, we also increasingly need to protect machines from human manipulation. Particularly in the age of the digital transformation, the TÜV NORD GROUP, as an independent and objective technical testing body, is taking on an important role in society: to ensure that new, digital technologies are adequately protected. We know and understand new business models and methods and know exactly what inspection and testing are all about.

This is the background to the continuous and systematic development which the TÜV NORD GROUP is putting itself through. We took an important step in 2018 with the establishment of the "Digitalisation and Innovation" central function. Under the direct supervision of the Chairman of the Board of Management, the new central function brings together all the innovation and digitalisation projects of the business units and the central functions of the TÜV NORD GROUP, both in Germany and abroad. An innovation and digitalisation strategy is currently being drafted and a digital roadmap set up. The aim is to raise the profile of digital value creation while enhancing its transparency and efficiency. Various examples, such as real-time video audits, the MAP Cloud service for the monitoring of solar power plants or the digital inspection of pipelines are already showing how far our services have come in the context of digitalisation.

The "Digitalisation and Innovation" central function is responsible for digitalisation issues at Group level and sets the basic conditions. In the business units, the responsibility for innovations rests with the management of each business unit, supported in each case by the Digital Experts. By the end of 2018, our Digital Academy had already trained 24 Digital Experts from different countries; at least one digital expert is now at work in each business unit.

As the coordinator and initiator of the digital transformation and technical innovations at the TÜV NORD GROUP, the "Digitalisation and Innovation" central function is in control of the further development of the innovation and digitalisation strategy and new business models and solutions.

The area also functions as an interface: it coordinates and prioritises all the innovation and digital activities of the TÜV NORD GROUP and advises the Group's top management and the individual business units on the assessment, development and introduction of innovations. The area is currently setting up a partner network for regular exchanges of information and the shared development of innovations. Pooling all the above-mentioned issues and tasks in one central function underscores the significance that we and our customers ascribe to digitalisation. We act in an economical and sustainable way, as this is the only way to secure the future of our business. Anyone who wishes to take responsibility by rising to the challenges posed by digitalisation can actively help shape the future viability and competitiveness of their company.

We use the Digital Academy to communicate to our staff the expertise required to support and implement the digital transformation. Launched in 2017 as a Group-wide project, it has enhanced staff awareness of the digital transformation and supported all the business

units on their digital journey, offering members of staff the opportunity to actively get involved in shaping digitalisation in their companies. This empowerment of the staff is a key success factor for the future of the TÜV NORD GROUP. After all, the aim is to offer ever greater numbers of digital products and services for our customers around the world and thereby to reinforce our own competitiveness.

The Digital Academy is training Digital Experts, on the one hand, to take digitalisation out into the company and, on the other, to work on pilot projects in interdisciplinary teams. One such project is the "Digital Signature", which can be used both for internal processes and for inspection reports and certificates. This serves to speed up the conclusion of contracts and saves paper.

By networking our Digital Experts across the boundary lines between the business units, we are constructing a network of experts in the TÜV NORD GROUP to open the door to synergy effects and open up new future perspectives in respect of digitalisation. Our Digital Academy also sees a future role for itself as a qualification programme for those of our customers who are actively seeking to take their place in the digital world and the networking that goes with it. The long-term intention is to develop the existing website of the Digital Academy into a knowledge platform for all members of staff.

It goes without saying that the TÜV NORD GROUP has been digitalising its own business processes for many years. For instance, key central processes have already shifted away from paper documents to paperless electronic channels, including, for example, HR (payroll, applications for leave etc.) and procurement processes. Further optimisations are being undertaken in the business units with the aid of digital means and methods, thereby contributing to economic and ecological efficiency.

GRI 103-1, 103-2, 103-3

Integrity and Compliance

ENSURING LEGAL CONFORMITY, PROTECTING OUR REPUTATION

"Integrity and compliance are the fundamental principles that underpin our Corporate Responsibility and an essential condition for ensuring that we gain, keep and strengthen the trust of our customers and all our other stakeholders, both in us and in our services."

The aim

- **A training programme for integrity and compliance is introduced throughout the Group.**

KPI

- **An e-learning-based, target-group-oriented training programme is introduced throughout the Group by 2020.**

  The training programme has been conceived as an e-learning system and its introduction in 2020 is currently being discussed with the committees. Its rollout and use in the organisational units is likewise scheduled for 2020.

The TÜV NORD brand enjoys high levels of trust and is the byword for safety, reliability and quality. Integrity and compliance are essential preconditions for the brand to be seen in this light – and also for the future viability of our business. They are the cornerstones of our company and run through everything we do like a golden thread. After all, lawful conduct and adherence to all the rules and voluntary obligations need to be guaranteed at all levels in the TÜV NORD GROUP to head off any possible risks to our business.

One significant compliance risk is presented by infringements of the rules set by the accreditation bodies and the official and non-official approval bodies or authorities, for instance in the form of reports or certificates issued as favours. Such infringements would result in a massive loss of confidence among our customers and in society and would destroy the integrity of our products and services. So that we can permanently avert these and other risks, compliance is firmly integrated into our corporate governance structure. This structure is consistently aligned with the globally recognised Three Lines of Defence (TLoD) governance model and is the byword for responsible management and control with the aim of long-term value creation.

For the effective implementation of corporate governance, the TÜV NORD GROUP takes its cue from the requirements imposed by the German Corporate Governance Code on capital-market-orientated companies. Furthermore, we adhere to the relevant laws, such as the German Corporate Supervision and Transparency Act (KonTraG) and the German Accounting Law Modernisation Act (BilMoG). To ensure that all our staff satisfy these requirements to the letter, we are currently working on the introduction of an e-learning-based, target-group-oriented training programme for integrity and compliance. This training programme is going to be emphasised more strongly in our compliance activities, as it is a straightforward, regular and direct way of keeping in touch with all our staff. One of the key basic instruments in the corporate governance field is the compliance management system (CMS) pursuant to IDW PS 980 parts I, II and III, which has been established for over ten years and awarded multiple certifications. The aim of the CMS is to reinforce and safeguard the values and protection of the TÜV NORD GROUP, thereby to avert possible risks and damage to the TÜV NORD GROUP.

It is for this reason that the CMS features measures and instruments designed to support the employees of the TÜV NORD GROUP in dealing with legal risks and in their adherence to local and international statutory regulations. As a framework for this, we have created a Group-wide compliance organisation with clear responsibilities and controlling and supervision mechanisms.

Overall responsibility for adherence to compliance rules rests with the Board of Management of the TÜV NORD GROUP. In all the subsidiaries, it is the respective boards which are responsible for ensuring that compliance rules are observed in their companies.

The head internal audits/group compliance appointed by the Board of Management is a central point of contact and coordinator for all compliance issues and reports directly to the Board of Management. The boards of the business units and the subsidiaries each nominate one compliance manager. The specific management of compliance processes takes place in the context of a coordination group whose formation is on an ad hoc basis. In charge of the process is the head internal audits/group compliance and/or the head of Group Legal.

The Group's mission statement with its values and management guidelines and the Code of Conduct of the TÜV NORD GROUP represent the central guiding principle for the activities and decisions of all the employees of the Group. The employees can call on specific instructions for support in their efforts to ensure that they always act in conformity with the law. The guidelines and the Code are regularly reviewed and updated, most recently in 2018. Information events and training sessions are organised to enhance staff awareness of the theme of compliance, as TÜV NORD aspires to a preventive compliance approach and a corporate culture in which heightened awareness among the staff precludes the possibility of breaches of the rules.

Compliance is also an important assessment criterion in the selection of suppliers and business partners and is guaranteed by a Compliance Code for suppliers and business partners which forms the basis of existing and future business relationships. By signing the agreement on the Compliance Code, the suppliers of the Group undertake to act in line with our compliance standards. These include the basic requirements of human rights, equal opportunities and non-discrimination, environmental protection, product and occupational safety, and the observance of the law and the extirpation of corruption.

Any information from employees, business partners or customers relating to possible breaches of the law or the guidelines is passed on to the ombudsman appointed by the TÜV NORD GROUP. The neutral attorney appointed as ombudsman treats the information in confidence and is bound by the rules of confidentiality that apply to attorneys-at-law. The point of contact for the ombudsman is the central point of contact for Compliance. As soon as breaches of compliance come to light in the TÜV NORD GROUP, appropriate sanctions are imposed.

To monitor compliance, the internal audits / group compliance department regularly logs breaches of compliance, the information and training measures of each target group, compliance queries and the degree of implementation of the measures agreed as a result of audits and violations of trade mark law. The results are collated in the Compliance status report. We also measure and document the awareness of our employees in respect of compliance issues.

The CMS and the effectiveness of the internal audit are assessed every year by an auditor in the final audit and confirmed in the annual report. Furthermore, the internal audits department subjects itself to an external quality assessment pursuant to the IIA / DIIR standards. We use the overall results for the continuous further development of the efficiency and effectiveness of our compliance management system and its instruments.

TRADEMARK PROTECTION

Our test mark communicates the values of technical safety, reliability and quality and serves our customers as a dependable guide and confidence-building element. In order to maintain our integrity, we therefore have to protect our brand from abuse and infringements. After all, any misuse of our brand damages the brand itself and minimises the confidence of our customers in the TÜV NORD brand. It is for this reason that we prosecute trademark infringements wherever they occur in the world and take legal action against any unauthorised use of our brand. In the case of import checks, products bearing fake test marks are confiscated and destroyed. This protects companies and consumers from buying and using unsafe or dangerous products.

Integration on an Equal Footing of the Foreign Companies

DOVETAILING SUBSIDIARIES, EXPANDING INTERNATIONALISATION

"With the integration on an equal footing of all TÜV NORD GROUP companies, both in Germany and abroad, we are making an important contribution to our success."

The aim

- **Foreign companies are integrated into the Group's network and application landscape.**

KPI

- **The degree of integration of the fully consolidated companies is at least 80% by the end of 2020.**

Subsidiaries of the TÜV NORD GROUP are active in over 70 countries. Our long-term aim is to integrate all the foreign companies into the Group's network and application landscape. This will make it possible for us to dovetail our operations even more effectively, allowing us to act in accordance with standard criteria, make better use of synergies and position ourselves yet more effectively on international markets. By 2020 we will also have identified suitable criteria and control instruments for the more thoroughgoing integration of our Group companies.

We have already taken an important step in the direction of increasing the internationalisation of our Group and integrating the foreign companies on an equal footing with their German counterparts. In the Industrial Services business unit, we have started to redesign our organisational structure. The unit has until now been divided by region, country and company. We have decided to break up this structure with the aim of realigning the unit with customer segments, in other words, to create a customer-focused organisation. The strategic customer segments are Energy, Industry, Infrastructure and Resouces4Life. Five Operative Business Segments (OBS) have been set up in the new structure in a pilot phase. The System Certification, Nuclear, Renewables, Rail and Food OBS have been in regular operation since June 2017. The first indications are that this alignment with customer segments is having a positive impact.

The new organisation features the joint international management and control of business activities of the same kind. In this way, we in the Industrial Services business unit are intensively dovetailing all the German and international companies, enhancing cooperation and boosting our international growth. The aim is to transfer all the remaining OBS into the new structure from 2019. These are Manufacturing Technology, Process Technology, Buildings and the competence cluster for Conventional Plants.

We are also making every effort to internationalise our procurement department and TÜV NORD Service portfolio in accordance with materiality criteria. In smaller pilot projects we are currently trialling both approaches with the aim of using the findings to draw up a framework for action.

Staff Orientation

“Our employees are at the heart of our company and the key to our long-term success.”

The satisfaction of our employees, measured across the Group using the staff commitment index, was above average for the sector in Germany in 2017. The intention for 2020 is to keep this high score of over 70%.

"We can only be competitive with a competent crew."

In conversation with
Triin Tint
Teamlead Employer Branding & Sourcing in the Talent Management Corporate Center, TÜV NORD AG

What does employer attractiveness mean for the TÜV NORD GROUP?

Triin Tint (TT) As a technical service provider, it's particularly important for us to have suitable talents on board. This is the only way to be and remain competitive, especially in the era of digital transformation.

Employee satisfaction is a barometer of whether an employer is attractive. What does this mean for recruiting?

TT What employees say or write about their employers has a greater effect than any planned and paid advertising campaign. That's why employer rating platforms like KUNUNU, Glassdoor and the like are so important. On these sites you find employees as brand ambassadors, and applicants look for authenticity when they're looking for work.

How do you as an employer manage to be attractive?

TT If we're going to stay attractive, we constantly need to work on ourselves. We need to know what expectations people have of us and how best to meet them. What makes us attractive, for instance, is our corporate culture: how managers and employees put our values into practice and what benefits we offer our employees. What distinguishes us is collegiality and trust. And the activities of the TÜV NORD GROUP are as diverse as our customers.

What are applicants particularly asking for these days?

TT In the critical talent segments in particular, they're asking for flexible working hours and models. We have quite a lot to offer here. Employees get paid overtime or time off in lieu. And hardly any other employers offer as many training days as we do. But there are some working models like job sharing that the TÜV NORD GROUP doesn't consider practical, for instance for auditors (in the IT field).

What is needed to further increase employer attractiveness?

TT We need to take the needs of our talents seriously, offer them advice on their career paths and always keep staff satisfaction in view. This much has become apparent from situations like the annual guidance interviews and staff surveys.

What do you yourself as an employee of the TÜV NORD GROUP appreciate about your employer?

TT I've been working for the TÜV NORD GROUP for more than eleven years and am still really enjoying it. I particularly appreciate the freedom I have and the confidence shown in my work. My superiors have always given me opportunities to develop. And I always find the range of activities in the TÜV NORD GROUP exciting. Impossible is nothing here, you might say. I'm particularly proud of the fact that our HR Board Member signed the diversity charter in December 2018 – this is a voluntary commitment to put even more effort into promoting diversity.

GRI 103-1, 103-2, 103-3

Management Approach, Topics and Control

BOOSTING EMPLOYEE SATISFACTION, ENSURING BUSINESS SUCCESS

The employees of the TÜV NORD GROUP are the key to our long-term business success. They are the face of our Group to the customer; they carry out inspections and announce successful certifications; they develop new products and innovations – in short: they are the crew that will steer the ship of TÜV NORD GROUP into the future. Without their raw power, no helmsman would ever make it to shore.

This is why it's so critical for us to bring on board and retain highly trained, reliable, forward-thinking, motivated, team-oriented and innovative employees for the TÜV NORD GROUP. If we are going to succeed in this, we as an employer need to both support and challenge our staff: in a healthy and appealing work environment and under conditions that motivate them and communicate our appreciation of them.

It's for this reason that we are focusing on the following six topics in the "Staff Orientation" field of action. The first four of these we have identified as essential. Other important topics include an "Appropriate working environment" and "Diversity and inclusion".

Attractive employer

We want our employees to be happy to work for us in the long term and to act responsibly. For this we offer attractive working conditions and a rich diversity of tasks and are supporting the emergence of new forms of work and a good work-life balance. By polishing our employer image to the outside world, we are drawing in new talents and have every chance of filling all our vacancies.

Health and safety

We see occupational health and safety as important aspects of the integrated management system of the TÜV NORD GROUP; after all, healthy employees are a key precondition for value creation. Within the framework of our corporate health management scheme, we are designing a work environment that promotes both health and performance and, at the same time, enhances our attractiveness.

Value-oriented HR management

Good cooperation between everyone in the company is a key success factor for a smoothly functioning business. We are laying the foundations for this kind of cooperation with a values-based work environment that promotes fairness in our dealings with each other and independent action.

Individual development and promotion of employees

We support our employees individually, develop them in accordance with their strengths, interests and skills and get them ready for future challenges. In doing so, we are contributing to their satisfaction, ensuring their loyalty to our company and meeting the expectations that clients have of professional experts.

Appropriate working environment

We are designing the working environment for our employees to enable them to work efficiently, effectively and healthily.

Diversity and inclusion

We use our social, ethnic and cultural diversity as a source of creativity and innovation.

RESETTING THE SAILS, MAINTAINING HIGH LEVELS OF ENGAGEMENT

How satisfied are our employees with the TÜV NORD GROUP as an employer? The employee engagement index in our employee survey provides us with an answer to this question. In 2017, this index was above average for the sector in Germany. We are proud of this, and our intention for 2020 is to maintain this high score of over 70%. It's for this reason that we are not restricting ourselves to standalone measures but but are instead proceeding in a holistic fashion. We have developed a new, group-wide programme called HR4Business and revised our HR Strategy, taking into account the CR Strategy. Five focus projects are planned, starting in 2019.

In this way, we want to reset our sails and prepare our crew effectively for future challenges. For control purposes, we are building on existing guidelines such as the Group Regulation "Personnel Development" and the Leadership Principles. Responsibility for issuing guidelines rests with TÜV NORD AG, whereas their implementation takes place in the decentralised HR divisions and the HR Shared Service unit. The Board of Management and the Group Executive Committee are the decision-making bodies, and the advisory committee consists of human resources managers. The effectiveness of the management approaches is evaluated within the framework of "Beruf und Familie" ("Work and Family") certification as well as other HR audit programmes and the annual Group audit.

EXCERPT FROM OUR ROADMAP 2020 IN THE "STAFF ORIENTATION" FIELD OF ACTION

Theme	Our goal	KPI
Attractive employer	Reputational criteria for TÜV NORD as an employer are defined, systematically collected, analysed and evaluated	• Evaluation of reputational criteria at Group level by 2020
Health and safety	The Occupational Health Management (OHM) programme promotes the health and increases the satisfaction of our employees	• Basic requirements for OHM complied with by 2020
Value-oriented HR management	The Leadership Principles of the TÜV NORD GROUP are established and executive development programmes introduced to promote our culture of values	• Perception of management guidelines and culture of values is rated at least "good" in the 2020 employee survey
Individual development and promotion of employees	Flexible options for the professional development of our employees are established	• Offers for flexible learning formats available by 2020
Appropriate working environment	The infrastructure provided and the working environment support innovative, creative and healthy work	• Analyses of the working environment for 80% of employees at German sites by 2020
Diversity and inclusion	Equality of opportunity is provided for all employees	• Indicators and target values defined in 2019 • Evaluation of goal attainment from 2020

GRI 103-1, 103-2, 103-3, 401-1, 401-3

Attractive Employer

BOOSTING EMPLOYER ATTRACTIVENESS, BRINGING TALENTS ON BOARD

"As an employer, we are both attractive and credible. We're boosting our attractiveness (particularly to people with the right sort of potential) both inside and outside the company with the aid of measures to improve employer quality and to ensure that we communicate appropriately with (potential) talents."

The aim

- **Responsibility and sustainability are established as evaluation parameters for our innovations and services.**

KPI

- **Evaluation of reputational criteria at Group level by 2020.**

  The process for the systematic Group-wide recording, analysis and evaluation of reputational criteria which began in 2018 is to become established in 2019.

  In Germany, systematic and thoroughgoing analyses and evaluations (for instance of top attractions in the Group and the most frequent reasons for leaving it) will be carried out as of 2020.

  Depending on the needs of the individual Group areas and companies, corresponding analyses may also be carried out outside Germany.

We are living in a dynamic and rapidly changing society. The labour market has evolved into an employee market, and the working world of tomorrow is going to demand new skills on the part of staff and managers. Which is why it is essential to the competitiveness of the TÜV NORD GROUP to be perceived as an attractive and credible employer. This is the only way in which we will be able to attract new talents and secure the loyalty of experienced staff to our company.

The criteria we use to assess our success as an employer include the numbers of new recruits and of those who choose to leave our company. In 2018 we welcomed 619 new recruits to our ranks, of whom 434 were men and 185 women. In the same period, 226 employees, 172 men and 54 women, left the TÜV NORD GROUP.

As the "war for talents" intensifies, recruitment and HR marketing are becoming ever more important in the TÜV NORD GROUP. Our aim is to realign both to enable us to find the right members of staff more effectively. In 2019, we are accordingly going to launch a new focus project, Join us. We aim to establish target-group-, market- and future-oriented HR marketing and recruitment strategies in this context. We are developing a Talent Relationship Management system and defining clear processes to safeguard our attractiveness as an employer. We also aim to redouble our efforts to communicate the staff benefits we offer, both within the company and to the outside world.

As well as recruiting new talents, we also have to act to retain those who are already working for us. With a standard Group-wide exit process and a database in which we will record the reasons for staffing fluctuations in a uniform way, we are in the future going to systematically identify the reasons people give for leaving us. This will allow us to find out what we as an employer can do better in the future.

We have already made good progress in respect of the issue of reconciling professional and family life. We align what we offer with the needs of different phases of life – such as the birth of a child or the need to care for a family member. All our staff are entitled to take parental leave. For instance, 47 women and 179 men took such leave in 2018. Flexible working hours, mobile work options, family services and other measures support the staff of the TÜV NORD GROUP in their efforts to establish a balance between their work, family and private lives.

For our commitment to the reconciliation of work and family life, we were certified as a "family-friendly company" in 2012 by berufundfamilie GmbH, a company operated by the charitable Hertie foundation. Recertification takes place every three years; in 2018 we were awarded a special accolade for the third time. With the sustainable development of an HR policy that is particularly aware of family needs and phases in life, we are enhancing our attractiveness and competitiveness. As a survey conducted by leading German commercial journal Wirtschaftswoche revealed at the end of 2018, the TÜV NORD GROUP scored particularly highly among young engineers and significantly boosted its attractiveness in comparison to the previous year.

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8

Health and Safety

SAFEGUARDING OCCUPATIONAL HEALTH AND SAFETY

"Only healthy and satisfied employees are motivated and capable of performing properly. Which is why occupational health and safety are so important for the companies in the TÜV NORD GROUP."

The aim

- **The occupational health management (OHM) programme promotes the health and increases the satisfaction of our employees.**

KPI

- **Basic requirements for OHM complied with by 2020**

  The basic requirements of an OHM, with reference to DIN SPEC 91020 ("Occupational health and safety"), must be fulfilled in German group companies by 2020.

  A review of the practical implementation of these requirements will take place in 2020 in the context of an internal management audit.

With their work, our employees contribute to protection at work, health and safety in society at large. In doing so, they satisfy stringent requirements every single day. The basis for their work and, with it, the success of our Group, is a work environment which guarantees their safety at work and promotes health. Health and safety accordingly constitutes one of our four strategic HR fields.

Occupational health and safety plays a major role in the TÜV NORD GROUP, because many of our staff have to work with technical equipment or machines. Health and safety at work is an integral part of the existing management system and covers both safety at work and health protection. Alongside national laws and regulations, mandatory provisions also apply to all the companies in the TÜV NORD GROUP, both to their employees and to all the individuals who work for us or spend time on our premises. The provisions include the Group policy on "Occupational health and safety", the rules in the management handbook and fire prevention regulations.

Each of the business units also has its own certified occupational health and safety management system. Responsibility for health and safety at work rests with the Board of Management of TÜV NORD AG and the general managers of the Group companies. Furthermore, all executives are responsible for the health and safety of their staff pursuant to the statutory provisions.

The TÜV NORD GROUP uses various instruments to prevent accidents. For instance, regular risk analyses are carried out in accordance with national laws and regulations. Line managers explain the health and safety measures to their employees in personal sessions. Moreover, the TÜV NORD GROUP ensures that all staff have access to the information they need on risks and hazards in the workplace and preventive measures. To this end, written procedural and work instructions are drawn up and published or handed directly out to the employees and operating instructions prominently displayed. Accidents are systematically logged and assessed and possible improvements sounded out.

A project team is currently working on developing a corporate health and safety management programme based on DIN SPEC 91020. The aim is to ensure that our company is a healthy place to work and to give the staff the information and freedom they need to act in a way that promotes good health. Our "Gesund(heit) (er)leben" project is already contributing positively to the aims of the OHM and is an important step in the direction of improving the health of all our employees and enhancing both their quality of life and their professional performance. Our offers in respect of occupational health and safety promotion are also a step in the direction of an OHM. Our employees can choose to take part in various company sports groups or vaccination programmes, such as the flu inoculations of 2018. We also offer our staff a seminar programme concerned with "occupational health and safety". We evaluate the effectiveness of our management approaches with internal and external audits and inspections, in the Group's annual report and in the management review which contains the annual "Occupational health and safety" report. Moreover, an evaluation forms part of the staff survey, and the "Occupational health and safety" Intranet page offers the opportunity to submit views, feedback and suggestions on the subject of health and safety at work. The employees have various formats and instances available to them should they wish to file complaints: meetings with their executives or the competent HR specialists, via the companies' management officers and the workforce representation bodies. Business partners can also use a feedback and complaints procedure to draw attention to grievances.

GRI 103-1, 103-2, 103-3, 406-1

Value-oriented HR Management

IMPLEMENTING GUIDELINES, LEADING IN ALIGNMENT WITH VALUES

"We consider the ethical conduct of our executives to be of crucial significance. Our value-oriented HR management attracts people for the long term who fit in with our corporate culture and has a positive influence on the decision of potential customers to work with our company."

The aim

- **The management guidelines of the TÜV NORD GROUP are established and executive development programmes introduced to promote our culture of values.**

KPI

- **Perception of management guidelines and culture of values achieves at least good reviews in the 2020 employee survey.**

The expectations that the next generation of employees have of potential employers have risen significantly over the last few years. It therefore follows that the way employees are managed in our company is of crucial important when it comes to reinforcing our brand as an employer. At the TÜV NORD GROUP we set great store by a management culture which is defined by a strong sense of identification with values.

Our understanding of management is built on the management guidelines which were developed in 2018. They will be a future source of guidance for every manager in the Group. In December 2018, the top executives in the Group worked out some practical approaches for the implementation of the new guidelines. Further measures are due to be rolled out in 2019. The guidelines are complemented by the HR strategy, the HR4Business programme and various works agreements within the Group.

We evaluated the management question, among other ways, in our employee survey of 2017. At the same time, we also identified the potential for improvement, on which we worked intensively in the development of our management guidelines and which we aim to increase further in the coming years. With the implementation of the new management guidelines in 2019 we will be launching a new round of evaluation, and the next staff survey is scheduled for 2020. This will contain questions on every aspect of the conduct of the executives, for instance in respect of our values such as trust, openness, communication and motivation.

As soon as we start selecting candidates, we use targeted questions and tasks to ascertain the extent to which the candidate is already acting in accordance with values and is suitable for a management position. We have defined 13 core skill areas which we consider indispensable for executives, one of which is credibility.

In the future we aim to establish executive development programmes to promote our culture of values. At the same time, it is important to us to work with the executives to create a climate in which mistakes are tolerated. We are also planning a system of incentives for value-oriented management which will include both monetary and non-monetary elements.

In respect of executive development and equality of opportunity, the implementation of the new management guidelines and the consolidation of a culture of values within the TÜV NORD GROUP is being controlled centrally under the aegis of the HR4Business programme's PErspekt and Diversus projects. Responsibility for the specific implementation of our ambitious, value-oriented HR management system in the individual organisational units is shared among all the executives in the Group. The fundamental understanding of value-oriented HR management in the TÜV NORD GROUP revolves around the equal treatment of all our employees. The number of cases of discrimination and the remedial measures taken thus serve us as measurement values and key ratios for control purposes in accordance with GRI.

The central point of contact for all complaints associated with equality of treatment is our "AGG" officer, where AGG is the acronym for the "Allgemeines Gleichbehandlungsgesetz", the German act which governs equality of treatment. This officer works within the HR central function of the holding company, where it collects and reviews complaints and suggests possible remedies. In 2018 one complaint was filed concerning the conduct of one person in a team; it was determined, however, that there was no case for invoking equal treatment legislation. The AGG officer reviewed the case and held discussions with the individual in question, their superior and the other team members to clarify the facts of the matter.

We will in the future also use other supporting measurement values in accordance with the CR Roadmap. In this way we aim to review whether and when there might be a correlation between levels of absenteeism and staff turnover rates and particular behaviours on the part of managers. After all, executives have quite a lot of latitude in their work and have an impact, both deliberately and unconsciously, on the working conditions of their staff. For example, attentive and value-oriented conduct on the part of the executives has a positive effect on the robustness and job satisfaction of their staff.

GRI 103-1, 103-2, 103-3, 404-1, 404-2

Individual Development and Promotion of Employees

PROMOTING INDIVIDUAL DEVELOPMENT, REINFORCING PROFESSIONAL EXPERTISE

"We're convinced that knowledge and skills are the foundation on which the success of the TÜV NORD GROUP is built. It's for this reason that we both promote and call for the disciplinary and interdisciplinary development of our employees."

The aim

- **Flexible options for the professional development of our employees are established.**

KPI

- **Offers for flexible learning formats available by 2020**

  As of 2020, a pool of offers of flexible learning formats will be available to our employees for their individual development and promotion.

Our customers can rely on our technical expertise and neutrality. For instance, employees of TÜV NORD Mobilität carry out periodic vehicle inspections to promote safety on the road. And experts from TÜV NORD Systems play a major role in ensuring that complex industrial installations are safe. All the professional services offered by the TÜV NORD GROUP depend on expert and well-trained staff. For this reason, we consider it important to continuously support and encourage their professional and personal development.

There are a number of policies in our company in relation to human resources development, annual guidance interviews, orientation and assessment centres, in which the various competencies and jurisdictions are also laid down.

The TÜV NORD GROUP is certified in accordance with DIN EN ISO 9001 and has also undertaken in this respect to systematically identify the need for training and to arrange for internal and external initial and further training measures to cover the need that is thus determined. In 2018, the average budget for training was €1,067 per member of staff.

The annual guidance interview with their line manager is an important starting point for the further development of all members of staff. It is the task of the Talent Management department in the annual HR development conferences of the business units to determine the need for personnel development measures not covered by the professional training already in place. The board of management, HR development team and HR directors also participate in these conferences. The measures for the coming year are planned on the basis of the conference results. In future, the intention is for the conferences to be even more closely aligned with the individual needs of the business units.

The Talent Management team works with the Internal Qualification department of the TÜV NORD Akademie to develop interdisciplinary qualifications. The annual planning meeting between the HR development and Internal Qualification teams serves as a control instrument. In 2018, the decision was made to focus more intensely on digital learning formats, with the aim of making more extensive interdisciplinary use of them. There is currently a training format for middle management which features digital learning formats, and an international pilot project was carried out in 2018. Negotiations are still ongoing concerning a Group-wide works agreement on the use of e-learning materials.

We develop our executives at all levels in a target-group-specific manner. In this development programme, we place a particular emphasis on innovation and digitalisation. Middle managers, for example, heads of department, who function as a link between operational staff and the top tier of management, have a key role to play in the successful implementation of strategy. It is for this reason that we have teamed up with our cooperation partner, the European School of Management and Technology in Berlin, to

design a programme especially for this target group. The first 30 participants from 13 countries and several business units successfully completed the programme in mid-2018. The 8 women and 22 men had to work through a total of three modules spread over three months. In future, the programme for middle management will be offered once or twice a year. For junior management, we are going to launch a pilot project for our JUMP programme, both in Germany and internationally, in 2019.

We are also conducting regular potential analyses to determine its suitability for the junior and senior management levels. An assessment and an orientation centre serve as instruments in this regard. No specific potential analysis programme is currently in place for the upper and top level management tiers; these form part of the PErspekt programme under the auspices of the new HR4Business programme. Another new initiative is concerned with the design of alternative career paths.

Appropriate Working Environment

DESIGNING A POSITIVE WORKING ENVIRONMENT, SUPPORTING INNOVATIVE POWER

"We're both promoting and pushing for an environment which allows for creative and innovative work, offers good conditions for effective and efficient communication and collaboration and generates positive impetus for an increase in added value."

The aim

- **The infrastructure provided and the working environment support innovative, creative and healthy work.**

KPI

- **Analyses of the working environment for 80% of employees at German sites by 2020.**

Whether our employees work on tasks on their own, develop concepts in teams or engage in dialogue with other sites, we want to offer them the right kind of infrastructure and working environment in which they can work creatively, innovatively and healthily. We are, for instance, supporting creative working by offering digital communication channels and reducing business trips, thereby minimising the stress they entail, to enhance quality of life.

Internal messaging, audio and video services are accordingly being integrated into the working environment. It is also possible to stage larger video conferences at many of our sites. At the end of 2018, the TÜV NORD GROUP had over 120 video conferencing systems (compared to about 100 at the start of the year) and 18 CISCO Spark Boards. We will continue to develop the infrastructure by procuring additional equipment and making the room booking system more efficient.

Our first step on the path to designing the work environment across the board in line with the needs of our employees will be to subject it to systematic analysis. We plan to have examined the work environment of 80% of the workforce by 2020. We will then draw conclusions from the results and, if needed, make adjustments. We have already identified a few starting points for further investigation. These include ergonomic furniture, the development of leisure and quiet areas at our sites and a free choice of work station within our buildings. We are already working on more flexible working time models in an interdisciplinary project group. Our aim is to formulate the minimum requirements which we will then use as a basis for the promotion of flexibility and open discussions. We have also already come up with an initiative concerning local public transport. The task in hand here is to consider whether it might be possible to improve regular schedules and connections.

The idea is to come up with strategic specifications for the design of a more appropriate work environment only after the planned analyses have taken place. However, there are internal policies in the form of work regulations, for instance on occupational health and safety, general equality of treatment and risk assessments. A few approaches to mandatory provisions are contained in some of the works agreements of the Group companies and in Group-wide works agreements, for instance in the Group works agreement on fair and socially acceptable interactions in the workplace and the local and Group-wide works agreements concerning flexibility in the workplace. This issue will be managed in the period until 2020 via the Diversus focus project under the auspices of the central HR department.

GRI 405-1, 405-2

Diversity and Inclusion

PROMOTING EQUAL OPPORTUNITIES, PRACTISING DIVERSITY

"We promote diversity as a key element of our corporate culture."

The aim

- **Equality of opportunity is provided for all employees.**

KPI

- **Indicators and target values are defined in 2019.**
- **Evaluation of the attainment of the targets from 2020.**

The TÜV NORD GROUP draws its life force from the diversity of the people who work in our company. Every single individual contributes their experience, qualifications and strengths. This allows us to offer a wide range of services and to work creatively and innovatively in mixed teams.

In December 2018, we signed the Diversity Charter. In this way, we have nailed our colours to the mast in respect of the significance of practising diversity in the TÜV NORD GROUP. After all, the Diversity Charter is shorthand for the recognition and appreciation of social diversity, irrespective of nationality, sex, ethnic origin, religion or world view, disability, age, sexual orientation and identity.

Commitments to diversity are already enshrined in various programmes in the TÜV NORD GROUP. Examples include the Gender Balance Programme and, since 2019, the HR focus project, Diversus. All members of staff can consult the AGG officer if they have questions and concerns about equality of opportunity (see also "Value-oriented HR management", p. 36–37). Our job vacancies use gender-neutral language, and there is no pay gap between the sexes. All the German companies have collective agreements which set out all the jobs along with their financial remuneration.

Key markers for the success of our diversity policy are the organisation's management bodies and those individuals with HR responsibility or special authority. In 2018, 14% of these positions were occupied by women and 86% by men; 34% of these individuals were aged between 30 and 50, and 66% were over 50. The share of severely disabled people with HR responsibility was 2%. Of the TÜV NORD GROUP's total workforce, 28% are women and 72% men; of these employees, 9% are under 30, 47% are between 30 and 50, and 44% are over 50 years of age. A total of 4% of the workforce is disabled.

It will only be possible to fully exploit the potential offered by diversity if all employees enjoy the same opportunities. In order to promote equal opportunities across the Group, we have developed the Diversus focus project in the context of our HR4Business programme. The project management team is in place, and the project will kick off in 2019. The project has a major role to play, not just in our own internal development but also in the way the TÜV NORD GROUP is perceived by the outside world. After all, the aim is to promote equality of opportunity, to prevent discrimination against minorities and to identify and amplify valuable potential. For this purpose, we are looking at the entire workforce rather than just focusing on minorities. For instance, we are seeking to determine which target groups need which conditions for equal opportunities to become a living reality. We are also closely considering the question of which benefits will accrue to our organisation from a systematic diversity management programme. In 2018, a gender-sensitive mentoring scheme was implemented in the form of the Gender Balance Programme. To this we will add a talent relationship management programme in 2019 which we will aim from the outset at next-generation members of staff with a diverse profile.

Environmental Orientation

“Climate protection and the preservation of the natural basis of life are among the greatest challenges of our time, and we will either rise to them together or not at all.”

The TÜV NORD GROUP is committed to the 2-degree climate target and aspires to decarbonise as fully as possible by 2050.

"Our sustainability strategy must work for our grandchildren."

In conversation with
Tanja Klar
Management systems officer at
the TÜV NORD Akademie

In the face of climate change, many people associate the sustainability issue particularly with emissions and responsibility for the environment. How do you perceive this responsibility?

Tanja Klar (TK) Taking environmental responsibility is one of our values and part of our company's development. As a service provider, we may not be a particularly big emitter, but there is nonetheless some potential for savings that we want to achieve in line with the threefold principle of avoid, reduce and offset.

And how are you implementing this principle?

TK Digitalisation is offering us some promising opportunities to connect electronically with our customers, partners and suppliers. As a result, we're cutting down on journeys and saving valuable resources, not just in our area but throughout the whole TÜV NORD GROUP. Many colleagues are now avoiding business travel by using video conferencing in place of actual face-to-face meetings. With electronic workflows, we're also saving paper, particularly in the HR field.

Is this already working across the board?

TK You can always make improvements. We management officers in the TÜV NORD GROUP in particular are holding intensive discussions to discover what's working in the different business units with a view to introducing successful ideas into the other units too. Corporate Responsibility emerges from the personal responsibility of those involved. The more people are involved, the more responsibility we can take by making ongoing positive changes in our dealings with the environment. Environmental and energy seminars are part of the business of the TÜV NORD Akademie.

How can you ensure that the high standards are being adhered to not just by your customers but also by your staff?

TK We're telling our employees about the measures and also gathering up their ideas. Environmental protection is a high priority for us and is addressed regularly in meetings. Good examples include the climate-neutral production of our printed products and the shipping of our conference documents in the context of the GoGreen environmental protection programme. How environmentally friendly the TÜV NORD GROUP is as a whole and what we can improve is shown by our environment management system, which is evaluated and certified on our behalf by a neutral third party. The more you identify with an issue, the more credible it is for you to be seen to represent it.

What drives you personally in your commitment to environmental protection?

TK Changes to the climate of our Earth won't be reversible. I want our contribution to be an example for other companies too. When I watch my kids play, I feel really strongly that their children and grandchildren should also have the chance to grow up in a natural environment that's worth living in. In the TÜV NORD GROUP, we speak in terms of the "suitability for our grandchildren" of our sustainability strategy. I think that's a very fitting term. To preserve the natural world, we all need to contribute, and there's no time to waste. I talk to a lot of colleagues who are committed to environmental causes. A major concern for me is for us to work together to effectively implement their ideas for our Group.

GRI 103-1, 103-2, 103-3

Management Approach, Topics and Control

REDUCING RESOURCE CONSUMPTION, SHRINKING OUR CARBON FOOTPRINT

Our daily aspiration and the aim of our work is to guarantee technical safety and reduce risks to people and the environment to the absolute minimum – and this goes for real estate, vehicles and industrial plant alike. We also apply the high standard of our audits and inspections to ourselves. We want to reduce to a minimum the negative impact that our business activities have on the environment. After all, although we neither operate production lines nor trade in goods around the world, our business still uses resources – especially energy. Which is why we are already using renewable energy and working with an environmental management system which is certified in accordance with ISO 14001.

We aim in the future to further reduce our energy consumption and increase our resource and energy efficiency. It's for this reason that we scrutinise the environmental impact of our business activities very closely and also take the expectations of our stakeholders into account in the process. Our carbon footprint, which provides information on the carbon dioxide emissions we produce, is an essential indicator of the status quo. Our declared objective, which is also consistent with the expectations of our stakeholders, is to significantly reduce this carbon footprint from the 2018 baseline by 2050. This because CO_2 is having a significant impact on global warming and will in the long term destroy our ecological balance.

We have identified "eco-friendly travel patterns" as an effective lever to reduce the environmental impact of our business and recognise this as an essential topic. We also attach a high priority to our use of resources and energy efficiency in our buildings.

Eco-friendly travel patterns

Today Kassel, tomorrow Copenhagen: TÜV NORD GROUP employees travel a lot because audits and inspections mainly take place at customer premises, in no small part due to statutory regulations. To reduce the environmental impact of our travel, we are relying, on the one hand, on the digitalisation of processes. On the other, innovative solutions will allow us to avoid unnecessary journeys. Where travel is necessary, we are working to make our travel patterns more climate-friendly.

Resource economy and efficiency

Where and to what extent we conserve resources is influenced by both procurement procedures and the use of environmentally-friendly technologies. Which is why we have added sustainability criteria to our purchasing policy and developed innovative technologies.

Energy efficiency in buildings

We are constantly working to make our real estate more energy-efficient, for instance through the purchase of carbon-neutral electricity, as a way of contributing to climate protection.

PLAN ROUTES, TAKE THE WHEEL

The TÜV NORD GROUP is voluntarily committed to the 2-degree climate target and aspires to the most comprehensive decarbonisation possible by 2050. To achieve this goal, we are following the principle of avoid, reduce, offset. Wherever possible, we are implementing measures for the complete avoidance of greenhouse gas emissions. In addition, we are striving to reduce our CO_2 emissions. In this respect, digitalisation is opening up new opportunities. Only when the best possible balancing of ecological and commercial aspects means that emissions cannot be avoided or reduced do we then turn as an alternative to offsetting.

The overarching management system of the TÜV NORD GROUP includes sustainability management plus elements and objectives of environmental protection. The Group Executive Committee bears responsibility for this management system, which is controlled centrally. In the subsidiaries, the respective general managers are responsible for the implementation of the fundamental principles stipulated by the Group.

The Board of Management has appointed a management representative for the substantive design and coordination of all superordinate quality-, environment- and energy-efficiency-related measures. At the individual company level, the general manager in turn appoints a management representative for the exercise of these functions.

The status of "corporate environmental conservation and the environmental performance of the organisation" is presented in the annual management review of TÜV NORD AG. This includes reports on both Group-wide results and the activities of the individual companies.

EXCERPT FROM OUR ROADMAP 2020 IN THE "ENVIRONMENTAL ORIENTATION" FIELD OF ACTION

Theme	Our goal	KPI
Eco-friendly travel patterns	A process for the recording and evaluation of carbon emissions from business trips is established for the entire Group	• The carbon emissions from business travel are recorded across the entire Group from 2020
Resource economy and efficiency	A process for the recording and evaluation of performance in respect of resource economy and efficiency is established for the entire Group	• Material and energy consumption are recorded from 2019
Energy efficiency in buildings	A process for recording and a concept for the reduction of the carbon footprint of the real estate used by the TÜV NORD GROUP is established	• The carbon footprint of the real estate is continuously recorded from 2019, at least for the main German sites • Targets to reduce the carbon footprint are pursued from 2021

GRI 103-1, 103-2, 103-3

Eco-friendly Travel Patterns

ECO-FRIENDLY BUSINESS TRAVEL, DIGITAL ALTERNATIVES

"We currently provide a lot of our services at customer premises. The journeys this requires our employees to make represent the lion's share of the overall impact on the environment of our business activities. It's for this reason, among others, that we're making every effort to use the digitalisation of our services to reduce the amount of travelling we do. We're also working on making sure that our travel patterns are as eco- and climate-friendly as possible: through our choice of appropriate means of transport and a forward-looking fleet management system."

The aim

- **A process for the recording and evaluation of carbon emissions from business trips is established for the entire Group.**

KPI

- **The carbon emissions from business travel are recorded across the entire Group from 2020.**

  The CO_2 emissions from the above-mentioned business travel are recorded and assessed. Appropriate reduction targets per kilometre per employee are set and monitored.

  The basic methodology for this is to be defined in 2019.

  Implementation begins at selected German sites in 2019 and is to be realised throughout Germany by the end of 2020.

All the regulations concerning the business travel of employees of the TÜV NORD GROUP are laid down in the business travel policy. Also set out in this policy is the need to select the most economical travel solution. Until now, the policy has had nothing to say on the issue of "sustainable transport choices". But even without such explicit reference, the employees and the companies alike are still required to be mindful of the need for eco-friendly travel. Here, the employees can turn for support to the TÜV NORD service company for their area. Responsible travel patterns are being promoted by the promise of a railcard for members of staff and by both online and offline publications – for instance, the newsletter with its tips on how to save fuel. As far as the daily commute is concerned, the TÜV NORD GROUP operates a system of incentives to promote the use of public and alternative means of transport, for instance in the form of job tickets. Whether our management approach is achieving the desired results in terms of environmental protection is something we can analyse using the travel data. The top management assesses the developments in the context of annual management reviews.

In order to bring targeted measures to bear on reducing the carbon footprint generated by our travel, we aim to establish a process in the TÜV NORD GROUP to record and assess the CO_2 emissions generated by business travel. To this end we will analyse all the travel data, because CO_2 emissions are a direct consequence of the work we do at the premises of our customers: How much CO_2 do we emit annually by flying? What level of CO_2 emissions is accounted for by the use of cars for business travel? And what will it mean for our carbon footprint if our employees take the train?

By measuring and evaluating the CO_2 emissions from business travel by train, plane or car, we will get a clear picture of the requirements on our business travel and the means of transport we use. We have started work on this in Germany. We aim to use the results to work out solutions to make our business travel more climate-friendly and, in the process, to establish the best possible relationship between customer expectations, economic viability and environmental protection. Our fleet offers some development

potential, for instance. We are already ensuring that all 1,100 company vehicles are sourced from the best efficiency classes and come equipped with state-of-the-art exhaust gas scrubbing technology. We have also integrated hybrid and electric cars into the fleet.

As a company which continuously improves its products and services and provides innovative solutions, we are also working on the digitalisation of our services. Digital solutions will change our travel patterns and help us avoid CO_2 emissions.

In the course of our daily business, we are also increasingly holding internal meetings via the Internet to reduce the number of journeys between the sites, to save journey times and, in the light of the fact that they take up less time, to give us the option of organising meetings more flexibly.

Recording and evaluating the CO_2 emissions generated by our travel is accordingly an important step on our sustainability journey. In this way, we are making a contribution to climate protection, which we see as a task for the whole of society, and fulfilling our voluntary commitment to meet the 2-degree target.

Integrated into this process is the Group-wide recording, calculation and monitoring of all the CO_2 emissions generated by our business activities. The basic methodology for a system of this kind is being defined, and we aim to start implementing it at selected sites as of 2019. The plan is to roll out the system step-by-step throughout the entire TÜV NORD GROUP by 2024, starting in Germany and taking in the other EU member states on the way to global implementation.

CALLING FOR ALTERNATIVE MOBILITY CONCEPTS

As a service provider, we are also advising other actors in matters of environmentally sound mobility and are, for instance, implementing electromobility concepts in collaboration with cities and local authorities, such as the city of Hamburg and its HafenCity. Here, carsharing and electromobility are essential elements of a mobility strategy that is compatible with an urban environment. The intention is to ensure that 40% of the residential parking spaces in the HafenCity are in the future equipped with charging infrastructure for electric cars. So that the requirements on this kind of infrastructure may be included in the planning of new buildings at an early stage, we have worked out technical specifications for charging infrastructure for HafenCity Hamburg GmbH.

Resource Economy and Efficiency

SAVING RESOURCES, DEVELOPING DIGITAL SOLUTIONS

"We're always mindful of the need to use resources sparingly and efficiently, for instance by realising various digital projects and working at the most advanced technological level."

The aim

- **A process for the recording and evaluation of performance in respect of resource economy and efficiency is established for the entire Group.**

KPI

- **Material and energy consumption to be recorded from 2019.**

The central purchase department is responsible for the procurement of work equipment, such as paper, printers and work clothing. The Group's purchasing policy defines standard specifications for various groups of goods. When we award contracts, we take into account economic viability and environmental protection in association with sustainability aspects, also in relation to the entire life cycle of a product. We also require our suppliers to apply sustainability criteria. For instance, on the basis of the standard specifications, the TÜV NORD GROUP buys only 100% recycled paper. Clear regulations also apply to the purchase of printer cartridges, furniture and monitors. For instance, any furniture purchased must contain FSC-certified wood. And in our staff canteens, we set great store by the deliberate selection of regional and seasonal organic products. It was for this reason that L&D, the operator of the canteen in Hanover, won first prize in the state-run "Betriebliche Esskultur 3.0 – nachhaltig gut essen" ("Dining culture at work 3.0 – eating well sustainably") competition in Lower Saxony.

Alongside the selection of environmentally friendly resources in our procurement processes, we are also working on continuously reducing the use of resources in the TÜV NORD GROUP. We have applied ourselves consistently to implementing this ambitious goal in our data centre in Hanover, into which all the data generated by our global business processes flow. In planning, we pursued two objectives: one of them was to create an efficient IT landscape with one central data centre, and the other was to achieve as high a level of energy efficiency as possible with our choice of construction and in the operation of the network infrastructure and server systems. With its alignment with the Green IT standard, the data centre is now one of the most energy-efficient of its kind in Germany.

To enable us to assess our use of resources even more accurately, we aim to record and evaluate it in a targeted manner as of 2019. The results will help us derive reduction targets and measures to save resources and increase resource efficiency, such as the switch from paper to digital processes. Internally, we are already increasingly using digital documentation, especially in the HR division, thereby saving large volumes of paper. We are also mapping some workflows, such as our procurement procedures, exclusively electronically.

We are now defining the methodological principles required to implement a system to record and evaluate our use of resources. We aim to implement this process step-by-step at our sites, firstly in Germany, as of 2022 in the other EU member states and, as of 2024, around the world.

Energy Efficiency in Buildings

BOOSTING ENERGY EFFICIENCY IN BUILDINGS, USING RENEWABLE ENERGIES

"We're systematically enhancing the energy efficiency of TÜV NORD buildings to save our planet's resources and protect the environment and our climate."

The aim

- **A process for recording and a concept for the reduction of the carbon footprint of the real estate used by the TÜV NORD GROUP are established.**

KPI

- **The carbon footprint of the real estate is continuously recorded from 2019, at least for the main German sites.**
- **Targets to reduce the carbon footprint are pursued from 2021.**

At its different sites, the TÜV NORD GROUP works both in its own buildings and in rented spaces. The responsibility for ongoing operations in the properties of the TÜV NORD GROUP rests with the service company. This company attends to the energy-efficient and sustainable design of the infrastructure in the buildings along with all the necessary services. Furthermore, the companies which use the buildings keep an eye on their use of energy and other resources.

In our own properties, we can use modernisation measures, such as thermal insulation, to boost energy efficiency and economy of operation. In the rented properties our freedom to act is more restricted, but even here we can make a few adjustments in consultation with the landlords. These include, for instance, the use of carbon-neutral electricity or the installation of LED lighting. The TÜV NORD GROUP is already using carbon-neutral electricity from alternative energy sources at nearly all its German sites. For instance, in the Große Bahnstraße in Hamburg, the building is connected to a district heating system, a measure which delivers savings of 500 to 600 tonnes of CO_2 per annum in comparison to gas central heating.

It is in new construction projects that we can have the greatest influence on the optimal combination of energy efficiency, economy and customer requirements. All new buildings, such as office buildings and test stations, are built on the basis of the standards for sustainable construction; energy efficiency plays a major role here, as does the use of regional utilities.

Last but not least, the careful approach of our employees is contributing to saving energy, for instance through shock ventilation in winter, by turning lights off when leaving the office and switching PC monitors off at the end of the day.

To enable us to assess and control the energy efficiency of the buildings more effectively, we intend to define and implement a system for the recording, calculation and monitoring of Group-wide carbon emissions at the level of the entire TÜV NORD GROUP. We will then use this as a springboard for a Group-wide concept for the optimisation of energy consumption and the minimisation of carbon emissions through the use of renewable, carbon-neutral energy. We have already started recording consumption at some of our own properties in Germany and intend to include other German sites as of 2019; in 2022 we plan to expand the scheme to include buildings at foreign sites. In the long term, we plan to record and assess all the major buildings in the Group. The key parameters in the buildings include gas, heat, electricity and water consumption. Finally, we will use the results to reach conclusions as to how we can specifically save more energy or use carbon-neutral energy, thereby reducing our carbon footprint.

Societal Orientation

“To be truly meaningful, individual human development must take place in the context of society.”

Our innovations will demonstrably support the sustainable development of society in 2020 and beyond.

"I want to contribute my engineering knowledge in a meaningful way."

In conversation with
Simon Piotrowski
Member of staff at
TÜV NORD Systems

You work with "Ingenieure ohne Grenzen e.V." (Engineers without Borders). What does this charity do?

Simon Piotrowski (SP) "Engineers without Borders" has been collaborating in international development projects since 2003, taking care of basic services infrastructure in crisis areas. We solve acute problems in the water, sanitation and energy supply fields and in hygiene and bridge building.

The TÜV NORD GROUP encourages specific voluntary social commitment initiatives on the part of its employees. How is it supporting your work with "Engineers without Borders"?

SP The TÜV NORD GROUP is helping us first and foremost to fund the projects. In both 2017 and 2018, the company donated €10,000 to a project that I am personally supporting. In 2018, I was also given two days' special leave for my journey to the project site in Uganda.

What do the donations mean for the project work?

SP Donations are essential for the projects that we carry out in "Engineers without Borders". Project volumes typically run to several tens of thousands of euros. Without donations it would be impossible for us to offer help.

Where have you helped out most recently?

SP We took on the task of improving food hygiene in a school in Uganda. We built a dining room and a more efficient kitchen. Before that, we built two 60-cubic-metre cisterns from what are known as ISSB bricks to supply the school with water. These bricks are not fired but compressed. This saves firewood, thereby conserving resources.

Are there any follow-up projects?

SP We're currently planning a follow-up project at a neighbouring school with the aim of improving its water supply and sanitation.

Does your work at TÜV NORD have a bearing on your project work at the school in Uganda?

SP The project doesn't have much to do with my actual work at TÜV NORD. The special challenge of this kind of project lies in intercultural communication and the use of adapted technologies. After all, it's important for the measures to continue after completion of the project. The local partners need to be able to resolve potential problems, such as repairs, on their own.

What motivates you to get involved in such projects?

SP I started looking for a meaningful way to contribute my engineering knowledge as soon as I left college. Which is one of the reasons why I work at TÜV NORD. In the "Engineers without Borders" projects, it's possible to make a difference with relatively modest means. This is also a great incentive to work for them. I'm already involved in planning new projects.

GRI 103-1, 103-2, 103-3

Management Approach, Topics and Control

GUARANTEEING SECURITY, SHAPING THE FUTURE

Whether we're involved in mobility, energy or health, in all our business segments, we have one clear aim: we want to make life safer and more secure and develop technological solutions for the important global topics of the future. We use our services and products accordingly to generate added value for our customers and society. Outside the immediate bounds of our own work, we're working on security-related topics in various bodies and promoting future-oriented developments, including innovative IT security methods and climate-friendly transport concepts. We see security as a key prerequisite for sustainable development in our society.

So it follows that we relate "Societal orientation" to our work and the opportunities that arise from ensuring that it takes responsible forms: for our company, society and the environment. With the targeted management of sustainability topics in our company, we can identify possible undesirable developments and proactively address them. We're demonstrating our commitment outside the company by supporting the voluntary work done by our employees.

In the "Societal orientation" field of action, we're looking especially at four topics. We've identified our "Societal role in accordance with our vision and mission" as a key theme. This is also associated with three other important topics.

Societal role in accordance with our vision and mission

In our vision and mission, we formulate our role in society and the aspiration that guides our actions. In this way, we're having a positive impact on the activities in our company and generating a direct or indirect effect on our environment. We're developing solutions in line with the state of the art and contributing our expertise to public discussions in committees and projects.

Involvement of stakeholders beyond the value chain

What is the societal effect of our service portfolio? And what do we need to develop further? We're getting answers to these questions through the feedback from our stakeholders.

Targeted social engagement consistent with our value creation

The TÜV NORD GROUP encourages social engagement which has a direct bearing on its value creation and/or plays an active role in those local and regional communities where it or its employees are present. In doing so we act in accordance with the binding specifications laid down in our Group Regulation "Donation and Sponsoring within TÜV NORD GROUP".

Respect for human rights

The TÜV NORD GROUP respects human rights and is committed to the voluntary implementation of important policies, including the UN Guiding Principles on Business and Human Rights, the sustainable Development Goals and the German CSR Directive Implementation Act. We are also committed to the structured exploration of this subject within the company and in relation to our business partners.

SEIZING OPPORTUNITIES, SHAPING SOCIETAL COMMITMENT

We want to avoid risks and exploit opportunities. To this end, we are systematically focusing on the societal impact of our business decisions. In our actions, we adhere to our vision and mission.

All business units and subsidiaries are contributing to the achievement of the Group-wide objectives in the "Social Orientation" field. They are acting within the framework of the integrated management system and following the overarching CR control instruments (see the chapter entitled "Management of Corporate Responsibility", p. 11). We're working in all our business units and subsidiaries to ensure that our innovations support the sustainable development of society.

Our guide on this journey is the Roadmap 2020, in which we have set the following objectives for the "Social Orientation" action field:

EXCERPT FROM OUR ROADMAP 2020 IN THE "SOCIETAL ORIENTATION" FIELD OF ACTION

Theme	Our goal	KPI
Societal role in accordance with our vision and mission	Corporate responsibility is part of the Group strategy and serves as a guide for the strategies of the business units	• As of 2020, the CR Strategy is a solidly integrated component of the Group's strategy and the strategies of the business units and functional areas
Involvement of stakeholders beyond the value chain	The involvement of stakeholders beyond the value chain has taken place and the knowledge gained in the management of Corporate Responsibility has been taken into account	• Initial dialogue with relevant representatives of external stakeholder groups in 2019 • Systematic procedures for dealing with external stakeholders by 2020
Targeted social engagement consistent with our value creation	The donations and sponsorship projects in the Group are systematically recorded. The engagement takes place in accordance with our value creation or in association with local or regional projects	• By 2020, the total commitment of the Group and its companies is centrally recorded, and 80% of the volume is consistent with the criteria
Respect for Human Rights	The processes for the assessment of and adherence to human rights have been implemented in line with the National Action Plan for Human Rights of the German government	• As of 2020, risk analyses and resulting measures are carried out on a continuous basis and the resulting measures implemented

GRI 103-1, 103-2, 103-3

Societal Role in Accordance with our Vision and Mission

BRINGING IN EXPERTISE, PROMOTING DEVELOPMENT

"We take responsibility for the impact of our decisions and activities on society while considering at the same time the requirements on transparent and ethical conduct. We see safety as a key condition for the sustainable development and welfare of society, the economy and the environment. We see ourselves as a partner for the safety of our customers and bigger groups in society and take social responsibility in harmony with our vision and mission and our corporate values."

The aim

- **Corporate Responsibility is part of the Group strategy and serves as a guide for the strategies of the business units.**

KPI

- **As of 2020, the CR Strategy is a solidly integrated component of the Group's strategy and the strategies of the business units and central functions.**

  The Group's CR Strategy and CR Roadmap 2020 are drafted and adopted by the end of 2018.

  The CR Strategy and CR Roadmap 2020 have been widely communicated and influence the setting of targets in the management systems at operational level as of 2019.

  As of 2020, the CR Strategy is a solidly integrated component of the Group's strategy and the strategies of the business units and central functions.

"Safety, security and success through knowledge" is one of the key planks of our vision. Technological excellence, viability for the future and knowledge are three of the core concepts of our mission. By pooling our knowledge, we are generating added value for our customers and society.

Our vision and mission and our corporate values are crucial markers for our social responsibility. Corporate Responsibility is to become part of the Group strategy and to serve as a guide for the strategies of the business units. In this way, we are seeking to connect sustainability with corporate development. Once we have introduced and communicated our CR Strategy and the CR Roadmap in 2019, we want to start with the integration process in 2020.

We have defined some key markers for our journey to that point. As of 2019, the CR Strategy and CR Roadmap should be considered when it comes to target setting in the management systems at operational level. We are implementing processes for strategic development, ideas management and innovation management in the Group and the business units. In this way we are seeking, for instance, to promote the innovations of tomorrow. The Group guidelines on "Innovation management" regulate the basic procedures for the planning, development and implementation of innovations and the development of products and services.

We are already fulfilling our social responsibility in many areas. We are, for instance, involved in national, European and international bodies for the further development and design of safety-related rules and regulations. Experts from the TÜV NORD GROUP are working on viable mobility concepts for the future in committees run by the federal and state ministries in Germany, in relevant EU bodies and at the United Nations. In the "Sustainable Transport Division" of the Economic Commission of the United Nations (UNECE), we are advocating the creation of uniform regulations in road transport and are working with others to promote the cause of technical innovations in the automotive sector to make vehicles safer and more environmentally friendly.

We are also actively engaged in national and international bodies for the safety of industrial plants, energy, food and raw materials, mining and IT. Two key issues which we are campaigning for in the context of digitalisation are IT- and cyber-security. These issues affect almost everyone in our society. The necessary steps include protecting critical infrastructure, such as power grids and hospitals, against hacker attacks. We are continuously flagging these issues up in the political sphere to ensure that the required framework conditions are created and developed. We are also working with standardisation bodies and committees on specific implementation standards.

In addition to its committee work at the political level, the TÜV NORD GROUP is a member of various business organisations, regional initiatives and international associations. These include the British Chamber of Commerce in Germany, the Institut der Norddeutschen Wirtschaft (Institute of the North German Economy) and the Innovationszentrum Connected Living e.V., a working syndicate involved in the development of partnerships and solutions for the Internet of things and smart homes. The TÜV NORD GROUP is also represented on the board of Bitkom (Germany's digital association) by TÜViT General Manager Dirk Kretzschmar.

We are also bringing our expertise in data security, connectivity and sustainable mobility to bear on public and scientific discussion in the form of studies and research projects: examples include our collaboration on the plant safety report for 2018 of the Verband der TÜV e.V. (VdTÜV), the granting of a scholarship for the author of a study on security risks in networked medical technology and a study on the subject of digitalisation in the auto trade. We are working with partners in funding and research projects to develop holistic security solutions. We are, for example, supporting a junior professor of IT at the University of Münster (see also "Targeted commitment consistent with our value creation", p. 57).

For the TÜV NORD GROUP, social responsibility is closely correlated with our own ability to innovate. We generate additional added value for society by bringing innovative solutions to bear on challenges such as climate change or the Internet of Things. This also allows us to open up new market fields and boost our competitiveness.

Our strategy for enhancing our capacity for innovation includes investing in new equipment and test equipment and deploying our technical expertise in various fields of business. With our calibration laboratory, for instance, TÜV NORD Mobilität is the only testing organisation which can currently offer a complete package for on-site calibration. And our Competence Center Innovation in the Industrial Services business unit analyses new technologies and methods. Its employees work with various experts from around TÜV NORD to determine if and how these new technologies and methods can be implemented in our services and processes and to develop ideas for new services. Tech experience events in the Competence Center Innovation also have a role to play in contributing to both internal awareness and awareness-raising.

Involvement of Stakeholders Beyond the Value Chain

FINDING OUT HOW PEOPLE SEE US, DEVELOPING OUR CR STRATEGY

"In the fulfilment of our Corporate Responsibility, we set great store by intensive regular dialogue with those internal and external stakeholders, both within and outside the value chain, who are relevant to our corporate direction."

The aim

- **The involvement of stakeholders beyond the value chain has taken place and the knowledge gained in the management of Corporate Responsibility has been taken into account.**

KPI

- **Initial dialogue with relevant representatives of external stakeholder groups in 2019**
- **Systematic procedures for dealing with external stakeholders from 2020**

We have used surveys and dialogue to find out how our employees see the TÜV NORD GROUP and its Corporate Responsibility. We would like to engage in more intensive dialogue with external stakeholders and, in the process, also involve those who are not directly involved in our value chain. In this way, we aim to identify the economic, ecological and social interests and expectations of the stakeholders in respect of our company and to take these into account in the development of our CR Strategy and CR Roadmap. This process is to be coordinated by the Group's Corporate Responsibility Manager.

To get the ball rolling, we are planning a stakeholder conference for the second quarter of 2019 after the publication of the first CR Report. By 2020, we aim to establish a systematic procedure for dealing with external stakeholder groups so that the insights we glean from the dialogue and other formats can be included in the further development of our CR Strategy and the CR Roadmap. The stakeholder groups are to be selected thematically. With suppliers, for instance, we can work on the issue of fair conditions; with customers we will look at quality, with authorities, their expectations, and with non-governmental organisations, we will consider environmental issues.

We are already to some extent identifying the requirements and levels of satisfaction of our stakeholders by means of surveys and studies. For instance, customer satisfaction surveys are being conducted in all the business units. As a member of the TÜV association, VdTÜV, we have been working with the Bitkom digital association to sample the views of Germans on autonomous driving. We are also using events to get into direct dialogue with the participants. In May 2018, for example, TÜV NORD EnSys invited representatives from business, politics, administration and civil society to Hanover to the ninth symposium on "The Final Disposal of Radioactive Waste", with the aim of discussing shared challenges and approaches to their resolution. We want to enter into more specific dialogue with our external stakeholders concerning how they perceive our corporate social responsibility, where they consider us to be doing well and what other expectations they have of us.

GRI 413-1

Targeted Commitment Consistent with Our Value Creation

ALIGNING ADVOCACY WITH OUR BUSINESS ACTIVITIES, ENGAGING AT A LOCAL LEVEL

"We're specifically promoting the kind of social engagement which is either consistent with our fields of activity within the value chain or which we can use to support the local or regional communities at our relevant sites."

The aim

- **The donations and sponsorship projects in the Group are systematically recorded. The corresponding commitment takes place in accordance with value creation or in association with local or regional projects.**

KPI

- **By 2020, the total commitment of the Group and its companies is centrally recorded, and 80% of the volume is consistent with the criteria.**

Cistern construction for the water supply of a school in Uganda: With the financial support of the TÜV NORD GROUP, one of our staff was able to take part in this project run by "Engineers without Borders". The project fits in well with our social orientation, because it is closely related to our business and one of our employees is working with it on a voluntary basis. Alternatively or in addition, the projects which we support should be located in the vicinity of our relevant sites. We have also set out in our donations directive that organisations for which employees of the TÜV NORD GROUP are volunteering should be given preferential treatment. This directive is part of the Group's policy on donations and sponsoring, which sets the rules and conditions for those activities. All domestic and foreign companies are required to document their spending in this area. From 2019, we want to bring the Group policy into line with our strategic CR objectives and ensure that the commitment is consistent with the established criteria. Our aim is to ensure by 2020 that at least 80% of our donation and sponsoring projects satisfy the criteria of "Relevance to the business activities" or "local anchoring".

As a partner of the GreenTec Awards, our voluntary commitments have for a number of years been closely aligned with our business activities for the environment. The GreenTec Awards are among the most important environmental awards in the world. The focus of the awards is on inventions and ideas that support a more sustainable and environmentally-friendly lifestyle. Since 2013, Dr Dirk Stenkamp, Chairman of the Board of Management of the TÜV NORD GROUP, has been a member of the 70-strong jury consisting of representatives from business, science, associations and the media. In 2018 Dr Stenkamp gave the eulogy for the winner of the "Galileo Knowledge Prize" GreenTec Award, GeoLab from Eberswalde. GeoLab has developed a natural material made from mushrooms which is being used in fast-food packaging or car dashboards as pollutant-free alternative to plastic. In his eulogy, Dr Dirk Stenkamp stressed how important it is for creative scientists to dare to think laterally and to come up with environmentally-friendly innovations.

The TÜV NORD GROUP is involved, for example, in the nationwide corporate network of the Wissensfabrik, an initiative of companies, associations and foundations which are campaigning for the technical education of children and entrepreneurship. As a member of the steering committee, Dr Stenkamp is working on the strategic direction of the Wissensfabrik.

Promoting entrepreneurial thinking among young people is a further primary goal of the World Robot Olympiad, which was supported once again by TÜV NORD in 2018. In this international robotics competition for children and young people, TÜV NORD joined forces with SAP to initiate a new category entitled "Future Innovators". At this event, young people develop and present business models for their home-built robots. The winning project in 2018 was concerned with the recycling of organic waste from residential buildings in Vietnam.

In addition, the TÜV NORD GROUP supports academic institutes and professorships, for example in the Cybersecurity Think Tank of the ESMT International Business School in Berlin. And our Aerospace business unit, the ALTER TECHNOLOGY GROUP, is funding two teaching positions at universities in Madrid and Seville (see also the chapter entitled "Social role in accordance with our vision and mission", p. 55).

The allocation of funding in the TÜV NORD GROUP is controlled by a donations commission at Group level. The commission is composed of representatives of the Corporate Communications and Legal key central functions, the central CR Management of the Group and two executives from different companies of the TÜV NORD GROUP. The commission advises the Group Executive Committee on donations and sponsorship activities and works out proposals for the use of the central sponsorship budget. Furthermore, any subsidiary of the TÜV NORD GROUP can make donations independently as long as it has been granted permission to do so in accordance with the rules of procedure and made an appropriate budget allocation.

We document all donations and sponsorship projects using records compiled by the donations commission and annual donations reports.

Human Rights

PROTECTING HUMAN RIGHTS AND IMPLEMENTING REQUIREMENTS

"Human rights are, of course, a live issue for us. We respect and promote them in our business activities in developing countries and emerging economies, as well as in Germany."

The aim

- **The processes for the assessment of and adherence to human rights have been implemented in line with the national action plan of the German government.**

KPI

- **As of 2020, risk analyses and resulting measures will be carried out on a continuous basis and the resulting measures implemented**

The TÜV NORD GROUP is aware of its Corporate Responsibility to respect human rights. We take our cue in this area from the relevant laws, regulations and guidelines, such as the ILO's core labour standards, the UN Guiding Principles on Business and human rights, and the National Action Plan for Business and Human Rights (NAP). The Group's holding company (TÜV NORD AG) is responsible for the coordination of all activities related to human rights.

The cabinet of the German Government adopted the National Action Plan for Business and Human Rights in December 2016. The aim of the action plan is the implementation of the guiding principles on business and human rights that were unanimously approved by the United Nations in 2011. In the NAP, the German Government has for the first time anchored the responsibility of German companies to respect human rights in a defined framework.

As we are not a production company with extensive supply chains or high levels of consumption of resources, we consider the risks of human rights violations in our business activities to be low. Nor do we carry out raw materials extraction work in conflict zones. There is, however, a residual risk of human rights violations in our business. We are therefore approaching this issue systematically and transparently. The aim is to ensure that human rights are respected in our value chain at all times.

In accordance with the fourth core labour standard of the ILO, we do, of course, afford our employees freedom of association and the right to collective bargaining, for example, in the form of employee representatives or the free organisation of workers known as "the network", which is supported by the Group Executive Committee. The clear aim of "the network" is to increase diversity in the Group and thereby to encourage innovation, growth and internationality. Ways of achieving this will include ensuring that each sex accounts for no less than 30 percent of the staff at every tier of management and boosting the number of international managers.

Additionally, in the implementation of the GDPR, the privacy regulation that entered into force in May 2018, all the employees in the Group are called upon to uphold the right to the protection of personal data and to process these data only with the active consent of users. The Group data protection officer monitors compliance with the GDPR and is consulted in all data protection issues. A uniform Group-wide data protection statement has been drafted in simple language that everyone can understand.

From 2019, we will expand our commitment and gradually implement the five core elements formulated in the NAP for the implementation of the legal duty of care in respect of human rights. These are:

- The creation of a statement of principles for the respect of human rights
- The development of a process to identify actual and potential adverse effects on human rights in the value chain
- The implementation of measures to prevent potentially negative effects and to assess the effectiveness of these measures
- The establishment of complaint mechanisms
- Regular reporting

In our foreign subsidiaries, we are going to establish processes to safeguard human rights which follow the same lines as our approach in Germany. We will at the same time act in accordance with regional and local requirements.

Annex

61 Memberships and Awards of the TÜV NORD GROUP (a Selection)
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GRI 102-13

Memberships and Awards of the TÜV NORD GROUP (a Selection)

MEMBERSHIPS

Bitkom e.V.
Bundesdeutscher Arbeitskreis für Umweltbewusstes Management (B.A.U.M.) e.V.
Connected Living e.V.
Deutsches Netzwerk Wirtschaftsethik – EBEN Deutschland e.V.
DIN e.V.
Deutsche Gesellschaft für Personalführung e.V.
Forum für Zukunftsenergien e.V.
Leibniz Universitätsgesellschaft Hannover e.V.
Schmalenbach-Gesellschaft für Betriebswirtschaft e.V.
Studien- und Fördergesellschaft der Schleswig-Holsteinischen Wirtschaft e.V.
Tarifgemeinschaft Technischer Überwachungs-Vereine e.V.
TÜV Markenverbund e.V.
VDE Verband der Elektrotechnik Elektronik Informationstechnik e.V.
VdTÜV e.V.
Wissensfabrik Unternehmen für Deutschland e.V.
Zentrale zur Bekämpfung unlauteren Wettbewerbs Frankfurt am Main e.V.

AWARDS

Existing certifications 2018: ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007

Recertification in 2018 for entire Group (Germany)

Voluntary commitment signed in 2018

Evaluation in 2018 by employees and applicants

Key Figures

For the sake of greater transparency and comparability, the key figures for the previous year (2017, where available) have been stated in addition to those for 2018.

	Unit	2017	2018	GRI specification
Group management[1]				
Employees[2] (total number)	Number	13,908	13,693	102-7
Employees[3] (full time equivalent)	Number	10,539	10,780	102-7
Group companies[4], total	Number	84	84	102-7
of which in Germany	Number	39	39	102-7
of which abroad	Number	45	45	102-7
Net sales	Million €	1,184.8	1,229.5	102-7
Capitalisation, total	Million €	888.4	925.2	102-7
of which Liabilities and Provisions	Million €	787.2	816.5	102-7
of which Equity	Million €	101.2	108.7	102-7
Scope of products and services provided[5] as number of business units	Number	6	6	102-7
Responsible value creation				
Minimum notice period typically granted to employees and their representatives, before significant operational changes that may have a noticeable effect on them are implemented[6]	Weeks	4	4	402-1
New suppliers validated on the basis of environmental criteria[7]	Proportion	50%	100%	308-1
Proportion of suppliers[8] validated on the basis of environmental criteria, by total purchase volume	Proportion	Unspecified	10%	308-1
Members of the controlling body who have received information about the strategies and measures of TÜV NORD GROUP to combat corruption[9]	Number Proportion	Unspecified	130 100%	205-2
Employees who have received information about the strategies and measures of TÜV NORD GROUP to combat corruption[10]	Number Proportion	Unspecified	13,563 100%	205-2
Business partners who have received information about the strategies and measures of TÜV NORD GROUP to combat corruption[11]	Number Proportion	Unspecified	10 100%	205-2

1) The information relates to the entire TÜV NORD GROUP.

2) This includes all employees of the Group.

3) This includes all employees of the Group, calculated as full-time equivalent.

4) The information relates to all affiliated companies included in the consolidated financial statements. In addition there are 73 affiliates not included in the consolidated financial statements, 5 affiliates valued at equity, 9 affiliates and joint ventures not valued at equity, 7 other holdings.

5) This includes all services provided in the Industrial Services, Mobility, Training, Natural Resources, Aerospace and IT business units.

6) In Germany, there are individual statutory regulations, which are only partially specifically defined in weeks/months. In the event of a change in operations, art. 111 of the German Works Constitution Act (BetrVG) requires that the staff council be informed "in good time".

7) The information relates to suppliers with technical and sales relevance pursuant to supplier management in the Group's central purchase department of group, currently limited to German companies.

8) The information relates to suppliers with technical and sales relevance pursuant to supplier management in the Group's central purchase department of group, currently limited to German companies.

9) This includes the Board of Management and the Supervisory Board, along with the senior executives of the Group.

10) This includes all other employees of the Group.

11) This includes all deliveries with technical and sales relevance which were newly registered by the central purchase department. All newly registered key suppliers are told about the TÜV NORD GROUP's Business Code for suppliers and required to abide by it.

	Unit	2017	2018	GRI specification
Staff orientation[12]				
Employees, total	Number	Unspecified	6,801	102-8
of whom female	Number	Unspecified	1,741	102-8
of whom male	Number	Unspecified	5,060	102-8
Fixed-term employees, total	Number	Unspecified	314	102-8
of whom female	Number	Unspecified	131	102-8
of whom male	Number	Unspecified	183	102-8
Full-time employees, total	Number	Unspecified	6,044	102-8
of whom female	Number	Unspecified	1,183	102-8
of whom male	Number	Unspecified	4,861	102-8
Part-time employees, total	Number	Unspecified	1,071	102-8
of whom female	Number	Unspecified	689	102-8
of whom male	Number	Unspecified	382	102-8
Employees covered by collective bargaining	Proportion	100%	100%	102-41
	Proportion	7,0%	8,8%	
New employees during the reporting period[13], total	Number	475	619	401-1
of whom female	Number	142	185	401-1
of whom male	Number	333	434	401-1
of whom aged 30 and below	Number	198	215	401-1
of whom female	Number	53	68	401-1
of whom male	Number	145	147	401-1
of whom 31–50	Number	236	334	401-1
of whom female	Number	73	95	401-1
of whom male	Number	163	239	401-1
of whom aged 51 and over	Number	41	70	401-1
of whom female	Number	16	22	401-1
of whom male	Number	25	48	401-1

12) The information under "Staff orientation" relates, unless otherwise explicitly stated, to the permanent staff in region 1 (Germany) of the SAP-HR led companies, according to workforce statistics of December 2018, including the non-consolidated companies. Of the German companies, the following are omitted: TÜV NORD Bildung and its subsidiaries, TÜV Thüringen Anlagentechnik and TÜV Thüringen Fahrzeugtechnik. In the case of companies with German and international sites, only the employees at the German sites are taken into account. The number of employees, unless explicitly shown otherwise, is specified as a head count (number of persons).

13) This includes: Newly appointed and rejoined permanent staff presented as a headcount. Appointments and takeovers of trainees and temporary staff are not included. The evaluation applies to SAP-HR led companies, including non-consolidated companies, excluding, however, TN Bildung and its affiliates, TÜV Thüringen Anlagentechnik, TÜV Thüringen Fahrzeugtechnik and Dr. Ing. Wesemann.

	Unit	2017	2018	GRI specification
	Proportion	2.5%	3.2%	
Employee turnover during the reporting period[14], total	Number	169	226	401-1
of whom female	Number	57	54	401-1
of whom male	Number	112	172	401-1
of whom aged 30 and below	Number	37	38	401-1
of whom female	Number	13	14	401-1
of whom male	Number	24	24	401-1
of whom 31–50	Number	105	157	401-1
of whom female	Number	38	32	401-1
of whom male	Number	67	125	401-1
of whom aged 51 and over	Number	27	31	401-1
of whom female	Number	6	8	401-1
of whom male	Number	21	23	401-1
Employees who have taken parental leave, total	Number	224	226	401-3
of whom female	Number	64	47	401-3
of whom male	Number	160	179	401-3
of whom, employees who returned to work at the end of the parental leave, total	Number	Unspecified	220	401-3
	Number	Unspecified	46	
of whom female	Proportion	Unspecified	98%	401-3
	Number	Unspecified	174	
of whom male	Proportion	Unspecified	97%	401-3
of whom, employees who returned to work at the end of the parental leave and were still employed 12 months after their return to work, total	Number	Unspecified	194	401-3
	Number	Unspecified	40	
of whom female	Proportion	Unspecified	85%	401-3
	Number	Unspecified	154	
of whom male	Proportion	Unspecified	86%	401-3

14) This includes external departures / turnover (voluntary resignations) of permanent staff presented as a headcount. Scope of evaluation as for "New employees ...".

	Unit	2017	2018	GRI specification
Employees who are covered by an internally audited management system for occupational health and safety	Proportion	100%	100%	403-8
Employees who are covered by an externally certified management system for occupational health and safety[15]	Number Proportion	1,926 27%	1,962 28%	403-8
Average budget for training per member of staff[16]	€	920	1,067	404-1
Employees by sex				
female	Proportion	28%	28%	405-1
male	Proportion	72%	72%	405-1
Employees by age group				
under 30 years of age	Proportion	8%	9%	405-1
30–50 years of age	Proportion	48%	47%	405-1
over 50 years of age	Proportion	44%	44%	405-1
Proportion of employees with a major disability (employees)	Proportion	4%	4%	405-1
Individuals in management bodies by sex[17]				
female	Proportion	15%	14%	405-1
male	Proportion	85%	86%	405-1
Individuals in management bodies by age group				
under 30 years of age	Proportion	0%	0%	405-1
30–50 years of age	Proportion	30%	34%	405-1
over 50 years of age	Proportion	70%	66%	405-1
Proportion of individuals with major disabilities (individuals in management bodies)	Proportion	5%	2%	405-1

15) Number of employees within the scope of the Group certification of management system for occupational health and safety according to OHSAS 14001, which have thus been validated both internally and by an external party. Does not include individually certified companies (e.g. according to SCC – safety certificate contractors). There are no workers without employee status who come within the scope of certification according to OHSAS 14001 whose work and/or workplace are nonetheless controlled by the TÜV NORD GROUP.

16) The information refers to full time equivalent (FTE), the projected number of full-time employees.

17) This includes directors, general managers and executives with special power of attorney.

	Unit	2017	2018	GRI specification
Environmental orientation				
Gross volume of direct GHG emissions (scope 1) from combustion processes mobile equipment in tonnes of CO_2 equivalent[18]	t CO_2e	12,986	13,906	305-1
Gross volume of other indirect GHG emissions (scope 3) for business travel of employees that arise earlier in the chain or in means of transport which do not belong to the company, in tonnes of CO_2 equivalent[19]	t CO_2e	11,501	7,332	305-3
Intensity of GHG emissions per member of staff[20]	t CO_2e	3.22	2.77	305-4
Intensity of GHG emissions per square metre[21]	t CO_2/m²	0.059	0.033	305-4
Extent of the reduction of GHG emissions as a direct result of initiatives for emission reductions[22]	t CO_2e	Unspecified	3,249	305-5
Total weight of paper consumed[23]	T	779	836	301-1
of which printed products	T	631	696	301-1
of which copier paper	T	148	140	301-1
of which from renewable materials	T	779	836	301-1
Total consumption of water from all areas[24]	m³	47,000	44,664	303-5
Total energy consumption within the organisation[25]	MWh	42,642	40,902	302-1
of which power consumption, total	MWh	17,279	17,205	302-1
of which heating energy consumption, total	MWh	25,363	23,696	302-1

18) This includes: Company vehicles, service km by private car, car rental; only for Germany: source of emission factors and the consumed values for global warming potential: Defra guidelines 2017; consolidation approach: operational control; using the Greenhouse Gas Protocol.

19) This includes: Company vehicles, service km by private car, car rental, flights and rail travel; only for Germany: source of emission factors and the consumed values for global warming potential: Defra guidelines 2017; for leased vehicles, direct calculation based on fuel consumption, for private and rental cars, based on kilometres travelled, for flights based on Defra guidelines 2017 and for rail travel based on DB environmental indicators.

20) The information refers to emissions of GHG (CO_2 only) scope 1 and 3; for the calculation of related parameters: 7,665 FTE.

21) The information refers to emissions of GHG (CO_2 only) scope 1, 2 and 3; concerns electricity, gas, water and sewerage; for the calculation of related parameters: 231,863 m² in 2017 und 230,096 m² in 2018.

22) The information refers to emissions of GHG (CO_2 only) scope 1 and 3; baseline year for the calculation is 2017; for leased vehicles, direct calculation based on fuel consumption, for private and rental cares, based on kilometres travelled; using the Greenhouse Gas Protocol.

23) Paper consumption data are recorded (in Germany) by the central purchasing department. The amounts that arise as a result of local orders are not included here. The process of switching to central paper purchasing ran for 3 years and was 99% implemented by the end of 2019. The lower figure for 2017 compared to 2018 is equivalent to the centrally procured quantity at that time, which this year represents an even smaller proportion of centrally and locally procured total consumption.

24) The information refers to German sites which are under the management of TN Service (22 sites). The measurement corresponds to fresh water consumption, determined by water meters. We assume that the total amount of waste water will be the same.

25) The information refers to German sites which are under the management of TN Service (22 sites). Cooling energy consumption is included in the power consumption; source for used conversion factors: GEMIS 4.95 (EL-KW-Park-DE-2015).

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GRI Content Index

GRI Standard	Disclosure	Reference	Omission / Reason / Explanation
GENERAL INFORMATION			
GRI 102: General Disclosures 2016	102-1 Name of the organization	The Profile of the TÜV NORD GROUP, p. 6	
	102-2 Activities, brands, products and services		
	102-3 Location of headquarters		
	102-4 Location of operations		
	102-5 Ownership and legal form		
	102-6 Markets served		
	102-7 Scale of the organization	Table of Key Figures: Group Management, p. 62	
	102-8 Information on employees and other workers	Table of Key Figures: Workers, p. 63–65	
	102-9 Supply chain	The Profile of the TÜV NORD GROUP, p. 6	
	102-10 Significant changes to the organisation and its supply chain		As the present report is the TÜV NORD GROUP's first Corporate Responsibility Report, no information on changes can be provided.
	102-11 Precautionary principle or approach		The recording and management of risks to the future development of TÜV NORD GROUP takes place in the context of the risk management system. The objectives of the risk management system are the complete and reliable identification throughout the Group of existing risk potentials, the comprehensive summary and evaluation of risks, the quest for and development of efficient measures to reduce risk, continuous risk monitoring and comprehensive risk reporting.
	102-12 External initiatives		Global Reporting Initiative (GRI), German Sustainability Code (DNK), ILO labour standards, Global Compact of the United Nations, OECD guidelines for multinational enterprises, Sustainable Development Goals of the United Nations (UNO Global Goals)
	102-13 Membership of associations	Memberships and Awards, p. 61	
	102-14 Statement from senior decision-maker	Preface of the Board of Management, p. 3	
	102-16 Values, principles, standards, and norms of behavior	Our Corporate Responsibility Strategy, p. 8 Values and Responsibility, p. 10	
	102-18 Governance structure	Management of Corporate Responsibility, p. 9	See also the 2018 annual report of the TÜV NORD GROUP
	102-40 List of stakeholder groups	Crafting Stakeholder Relations, p. 11	
	102-41 Collective bargaining agreements	Table of Key Figures: Workers, p. 63	
	102-42 Identifying and selecting stakeholders	Crafting Stakeholder Relations, p. 11	
	102-43 Approach to stakeholder engagement	Crafting Stakeholder Relations, p. 11 Materiality of Our CR Issues, p. 12	

GRI Standard	Disclosure	Reference	Omission / Reason / Explanation
	102-44 Key topics and concerns raised	Our Corporate Responsibility Strategy, p. 8 Crafting Stakeholder Relations, p. 11 Materiality of Our CR Issues, p. 12 Roadmap 2020 for Guidance, p. 13	
	102-45 Entities included in the consolidated financial statements		See also the 2018 annual report of the TÜV NORD GROUP. The 2018 Corporate Responsibility Report is focused on the consolidated companies in Germany.
	102-46 Defining report content and topic boundaries	About This Report, p. U2 Our Corporate Responsibility Strategy, p. 8 Materiality of Our CR Issues, p. 12	
	102-47 List of material topics	Materiality of Our CR Issues, p. 12	
	102-48 Restatements of information		As the present report is the TÜV NORD GROUP's first Corporate Responsibility Report, no information on changes can be provided.
	102-49 Changes in reporting		
	102-50 Reporting period	About This Report, p. U2	
	102-51 Date of most recent report		As the present report is the TÜV NORD GROUP's first Corporate Responsibility Report, there is no prior report cycle to refer to
	102-52 Reporting cycle	About This Report, p. U2 Management of Corporate Responsibility, p. 9	
	102-53 Contact point for questions regarding the report	Legal Notice, p. 73	
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report, p. U2	
	102-55 GRI content index	GRI Content Index, p. 67–72	
	102-56 External assurance		Such a procedure will be defined in time for publication of the first progress report.

MATERIAL AND IMPORTANT ISSUES

Indirect economic impacts

GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary		
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 203: Indirect Economic Impacts	203-2 Significant indirect economic impacts	Sustainability Relevance for Innovations and Services, p. 22–23 Use of State-of-the-art, Digital Means and Methods of Value Creation, p. 24–25	

GRI Standard	Disclosure	Reference	Omission / Reason / Explanation
Combating corruption			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Responsible Value Creation: Management Approach, Issues and Control, p. 16–17 Integrity and Compliance, p. 26–27	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 205: Anti-corruption	205-2 Communication and training about anti-corruption policies and procedures	Table of Key Figures: Responsible Value Creation, p. 62	Training courses are carried out individually in the companies and have not been centrally documented to date. With the achievement of the goal of setting up an e-learning-based, target-group-oriented training programme on integrity and compliance and rolling it out worldwide from 2020 (see also our CR Roadmap 2020), it will also become possible to record the key data concerning the trainings.
Materials (allocated to a non-essential subject)			
GRI 301: Materials	301-1 Materials used by weight or volume	Table of Key Figures: Environmental Orientation, p. 66	
Energy (allocated to a non-essential subject)			
GRI 302: Energy	302-1 Energy consumption within the organisation	Table of Key Figures: Environmental Orientation, p. 66	Energy consumption cannot yet be broken down by renewable and non-renewable energy sources. Steam is not used as an energy carrier. No energy is sold.
Water and wastewater (allocated to a non-essential subject)			
GRI 303: Water and Effluents 2018	303-5 Water consumption	Table of Key Figures: Environmental Orientation, p. 66	
Emissions			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Environmental Orientation: Management Approach, Issues and Control, p. 44–45 Eco-friendly Travel Patterns, p. 46	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	Table of Key Figures: Environmental Orientation, p. 66	
	305-3 Other indirect (Scope 3) GHG emissions	Table of Key Figures: Environmental Orientation, p. 66	
	305-4 GHG emissions intensity	Table of Key Figures: Environmental Orientation, p. 66	
	305-5 Reduction of GHG emissions	Table of Key Figures: Environmental Orientation, p. 66	

GRI Standard	Disclosure	Reference	Omission / Reason / Explanation
Environmental assessment of suppliers			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Responsible Value Creation: Management Approach, Issues and Control, p. 16–17 Responsibility in the Value Chain, p. 20–21	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 308: Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Responsibility in the Value Chain, p. 20 Table of Key Figures: Responsible Value Creation, p. 62	
Employment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Staff Orientation: Management Approach, Issues and Control, p. 32–33 Attractive Employer, p. 34	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401: Employment	401-1 New employee hires and employee turnover	Attractive Employer, p. 34 Table of Key Figures: Staff Orientation, p. 63–64	
	401-3 Parental leave	Attractive Employer, p. 34 Table of Key Figures: Staff Orientation, p. 64	
Employee-employer relationship			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Responsible Value Creation: Management Approach, Issues and Control, p. 16–17 Value-oriented, Sustainable Corporate Governance, p. 18–19	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 402: Labor / Management Relations	402-1 Minimum notice periods regarding operational changes	Table of Key Figures: Responsible Value Creation, p. 62	There are no regulations governing such notice periods, rights to a hearing and negotiations in the existing collective bargaining agreements.

GRI Standard	Disclosure	Reference	Omission / Reason / Explanation
Occupational health and safety			
GRI 403: Occupational health and safety 2018 – Management approach disclosures	403-1 Occupational health and safety management system	Health and Safety, p. 35	
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
GRI 403: Occupational health and safety 2018 – Topic-specific disclosures	403-8 Workers covered by an occupational health and safety management system	Health and Safety, p. 35 Table of Key Figures: Staff Orientation, p. 65	
Initial and further training			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary	Staff Orientation: Management Approach, Issues and Control, p. 32–33 Individual Development and Promotion of Employees, p. 38	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Individual Development and Promotion of Employees, p. 38 Table of Key Figures: Staff Orientation, p. 65	As it is our view that the information relates more to perceived employer responsibility than times, the budget is stated here. No distinctions are made between the sexes or by employment status for the budget for further training.
	404-2 Programs for upgrading employee skills and transition assistance programs	Individual Development and Promotion of Employees, p. 38	In addition to our comprehensive training programme, the following programmes for (next-generation) executives were carried out in 2018: Orientation Centre (57 participants), middle management programme (30 participants), the management school (31 participants) and the mentoring program (11 participants). Transitional support programmes which promote the continuation of employability and career advancement on the basis of retirement or termination of employment are not offered.

GRI Standard	Disclosure	Reference	Omission / Reason / Explanation
Diversity and equality of opportunity (allocated to a non-essential subject)			
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Diversity and Inclusion, p. 41 Table of Key Figures: Staff Orientation, p. 65	
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and Inclusion, p. 41	All German companies have a collective agreement which shows the job and the remuneration associated with it in monetary terms. No distinction is made between the sexes or according to other characteristics.
Equal treatment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Staff Orientation: Management Approach, Issues and Control, p. 32–33 Value-oriented HR Management, p. 36–37	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	Value-oriented HR Management, p. 36–37	
Local communities (allocated to a non-essential subject)			
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Targeted Commitment Consistent with the Value Chain, p. 57–58	Measures to involve local communities, impact assessments and funding programmes are implemented throughout Germany in accordance with our site structure. Corporate donations are made after review or hearing by the donation commission of TÜV NORD AG. For detailed information, see donation report.
Political influence (allocated to a non-essential subject)			
GRI 415: Public Policy	415-1 Political contributions		In the code of conduct of the TÜV NORD GROUP it is laid down that no monetary or non-monetary donations may be made to political parties.
Use of state-of-the-art, digital means and methods of value creation (no issue-specific GRI standard exists)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Responsible Value Creation: Management Approach, Issues and Control, p. 16–17 Use of State-of-the-art, Digital Means and Methods of Value Creation p. 24–25	
Social role in accordance with our vision and mission (no issue-specific GRI standard exists)			
GRI 103: Management Approach	103-1 Explanation of the material topic and its boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	Societal Orientation: Management Approach, Issues and Control, p. 52–53 Societal Role in Accordance with Our Vision and Mission, p. 54–55	

GRI 102-53

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