

2018

# Corporate Report



**TÜV NORD GROUP**

Expertise for your Success

# TÜV NORD GROUP at a glance

## KEY FINANCIAL RATIOS 2018

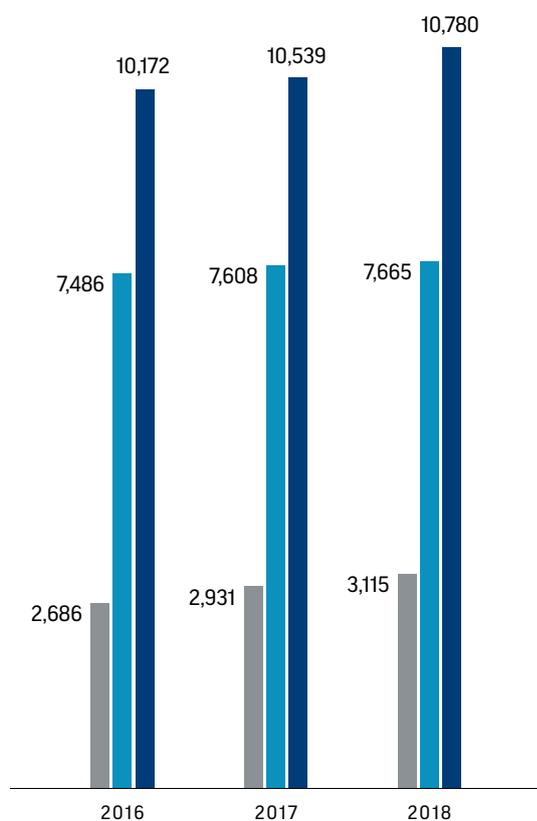
in € million

	2018	2017
EBIT*	80.2	77.5
EBT	80.5	76.6
Balance sheet total	924.0	888.4
Net financial position	21.9	32.9
Pension provision	507.2	484.9

\* before special effects

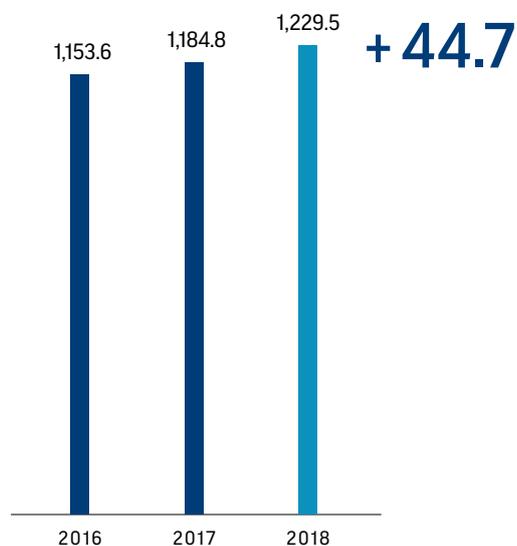
## TREND IN WORKFORCE NUMBERS

■ International ■ Domestic ■ Total



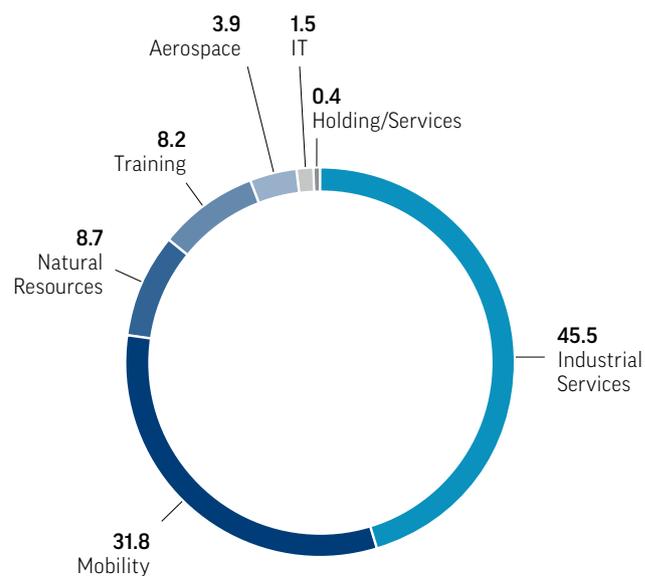
## SALES TRENDS

in € million



## SALES BY BUSINESS UNIT

in %



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The complete Corporate Responsibility Report  
and the complete Consolidated Financial Statements for 2018 can be found at  
[tuev-nord-group.com/en/company/facts-and-figures/annual-report-2018](https://tuev-nord-group.com/en/company/facts-and-figures/annual-report-2018)

# Letter from the Chairman of the Board of Management



Dear customers of the TÜV NORD GROUP,  
Dear colleagues and partners,

Exactly 150 years after our company was founded, we at TÜV NORD are witnessing, accompanying and co-creating the fundamental change in all areas of life and economic sectors that is being wrought by the digital transformation and the networking of the whole world. Over a period of fifteen decades, we have tested equipment, vehicles and products for mechanical and electrical safety. With digitalisation and the networking of things, IT security has become the third great field of knowledge and inspection to be fundamental to our work. Industrial robots, self-driving cars, hospitals, banks and the electricity grid need to function securely at all times and in all places and, at the same time, to be protected from cyber-criminals and hackers. We have developed customer-focused solutions for this new, extended responsibility to protect the products and processes of the Internet of Things:

- Worldwide IT certifications of Internet-enabled devices up to the highest levels of security and encryption for critical infrastructure and the large-scale data centres of industrial enterprises, utilities, banks, official bodies and ministries
- The inspection of the digital security mechanisms of digital identification systems, credit cards and health insurance cards
- A TrustCentre concept to protect digital user and driving data in vehicles that are at least partially autonomous

Our Group is also in the throes of transforming its own internal structures and processes. Using the methodology of the Digital Academy that we have developed in house, employees are undergoing a qualification programme aimed at the digital transformation and agile forms of development and cooperation. The Digital Academy has been so successful in the company that we are going to be offering this concept to customers as a standalone service as of 2019. Our magazine "Curiosity creates knowledge" offers a fascinating insight into the Digital Academy along with reports on our "Digital Minds" projects.

On the basis of our new mission statement, we also further refined our understanding of Corporate Responsibility (CR) in 2018 and are taking responsibility for the environment and society. To name just one example, we are already assessing the environmental impacts of our services and products from the development stage onwards. A CR roadmap brings together all our activities for the first time.

The TÜV NORD GROUP succeeded once more in boosting sales, earnings and other relevant financial ratios in 2018. The share of services offered abroad also increased once again.

In the name of the Supervisory Board, the Group Executive Committee and employee representatives, I offer my heartfelt thanks for your part in our successful collaboration and, especially, for the trust you have placed in the TÜV NORD GROUP. My special thanks go out to all our employees and partners world-wide who have been working with great dedication for our company and our customers. Our goal and our promise will remain what they have always been: to use our knowledge to contribute to the success of our customers.

Kind regards,



Dr Dirk Stenkamp  
Chairman of the Board of Management

# The Group Executive Committee



From left: **DIRK KRETZSCHMAR** IT business unit, **LUIS GÓMEZ** Aerospace business unit, **DR RALF JUNG** Industrial Services business unit, **HARTMUT ABELN** Mobility business unit, **JÜRGEN HIMMELSBACH** CFO, **DR DIRK STENKAMP** Chairman of the Board of Management and CEO, **HARALD REUTTER** Board Member Human Resources, **DR MAIK TIEDEMANN** Natural Resources business unit, **AXEL DRECKSCHMIDT** Training business unit.



# Report from the Supervisory Board



In the year under review, the Supervisory Board once again continuously monitored the management activities of the Board of Management and regularly advised them in the management of the company. In the year under review, four regular meetings of the Supervisory Board took place, on 22 March, 12 June, 25 September and 4 December. In the meetings, the Supervisory Board heard reports from the Board of Management concerning the current situation of the Group and the major Group companies as well as significant business events and relevant changes. The Board of Management also delivered assessments of the opportunities and risks that might present themselves in the further course of the year.

At the meeting of 12 June, the Supervisory Board considered the customer-focused organisation of the Industrial Services business unit and the ongoing development of the Strategy 2020plus. At the meeting of 4 December, the budget for 2019 was discussed and approved; in addition, the Board of Management reported at this meeting on developments at the Essen site (Am Technologiepark).

The Board of Management informed the Supervisory Board regularly, promptly and comprehensively by word of mouth and in writing about all relevant issues of business development and the risk situation and about the situation and strategy of the Group, including the Group's main companies. There were also regular exchanges between the chairman of the Supervisory Board and his counterpart on the Board of Management. In this way, the Supervisory Board was kept abreast of intended corporate policy, corporate planning and ongoing business transactions.

In order to carry out its tasks and prepare its deliberations and decisions, the Supervisory Board set up two committees which effectively support the work of the plenum.

Three meetings and a conference call of the executive committee/ personnel committee took place in the year under review. The discussions focused primarily on the preparation of the plenary sessions and of the personnel and compensation decisions to be made by the Supervisory Board. Where necessary, the Supervisory Board was furnished with recommendations for decision-making.

In 2018 the Finance Committee met four times in advance of the Supervisory Board meetings and paid particular attention to the

annual financial statement, earnings trends, risk and opportunities management and the challenges with which the Group is confronted, particularly in respect of pension obligations, arising from the low-interest environment. In its meeting of 27 November, the Finance Committee addressed the plans for the 2019 fiscal year. Key findings were in each case reported on in the following Supervisory Board meetings.

The auditors appointed by the General Meeting of 22 March 2018, BDO AG from Essen, audited the annual financial statements of TÜV NORD AG and the consolidated financial statements, including the associated reports on the situation of the company and the Group, published by the Board of Management on 31 December 2018. The auditors issued an audit opinion that was without reservations. The auditors noted that the Board of Management had established an appropriate information and monitoring system whose design and management rendered it suitable for anticipating developments that might pose a risk to the continued existence of the company.

The financial statement documents and the audit reports for the 2018 fiscal year were discussed at length in the meeting of the Finance Committee on 2 April 2019 and the Supervisory Board meeting of 9 April 2019. The Board of Management and the auditors were present at the deliberations on the annual and consolidated financial statements. The auditors reported on the main findings of their audit and their findings concerning the internal control system and risk management. They also made themselves available to the Supervisory Board should the latter require additional information.

On the basis of its own audit of the annual and consolidated financial statements and the management reports and on the basis of the report and the recommendation of the Finance Committee, the Supervisory Board felt able to concur with the auditors' conclusions. No objections were raised. The Supervisory Board approved both the annual and the consolidated financial statements.

The period of office of the members of the Supervisory Board came to an end on 22 March 2018, and the Board was reconstituted by appointment of the Annual General Meeting and election by the staff. The newly reconstituted Supervisory Board met for the first time on 22 March 2018. Prof. Karl Friedrich Jakob was elected as chairman.

The Supervisory Board would like to thank all the employees worldwide, the company's managers, the Board of Management, the Group Executive Committee and the employee representatives for their dedicated and successful work in 2018.

The Supervisory Board



Prof. Dr. Karl Friedrich Jakob  
Chairman

Hanover, April 2019

# 01 Corporate Responsibility

- 09 Responsibility and Sustainability
- 10 Our Corporate Responsibility Strategy
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# Responsibility and Sustainability

For the 2018 reporting period, we offer information for the first time on the economic, ecological and social impact of our business activities and explain how the TÜV NORD GROUP is integrating Corporate Responsibility into its corporate processes and managing those twin key elements.

The TÜV NORD GROUP has always considered sustainability and responsibility to be the driving force behind its entrepreneurial vision, and these qualities are for that reason firmly embedded in our DNA. On the basis of this keystone concept, two years ago we launched the development of a systematic and Group-wide Corporate Responsibility Management. We have amalgamated our previous activities, created organisational structures and developed a Corporate Responsibility Strategy and a related roadmap. In our Corporate Responsibility Roadmap our medium- and long-term objectives are laid down and backed up with actual measures. It is now providing guidance to 13,000 employees around the world, our business partners and other stakeholders. Here are three specific examples:

- We are pushing ahead with Responsibility and Sustainability Assessments for our innovations and developing a standardised rating 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 of travel on the part of our staff.
- 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 Corporate Responsibility chapter of this corporate report offers readers an abridged version of the first Corporate Responsibility Report drafted by the TÜV NORD GROUP. In it, we disclose where we currently stand, which processes we are developing for a structured implementation and the aims we aspire to fulfil. The chapter contains strategic information and statements on the topics which the TÜV NORD GROUP has identified as important. We provide information on our responsibility to act sustainably in respect of value creation, our staff, the environment and society, thereby throwing light on how closely interwoven our financial and non-financial services are. We defined these four fields of action and the associated topics in a process, which also involved key stakeholders, that ranked their relative materiality.

The publication of our 2018 Corporate Responsibility Report to which we refer in this chapter is an important milestone in the context of strategically-oriented Corporate Responsibility Management in our company. The content presented in this report is supplemented by other aspects and details in accordance with GRI Standards, Option: core. The principal focus of the report is on the German companies and sites of all the business units in the TÜV NORD GROUP.

# 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<sub>2</sub> 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.

# 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.

# 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, “Employee health and safety” or “Resource economy and efficiency”?

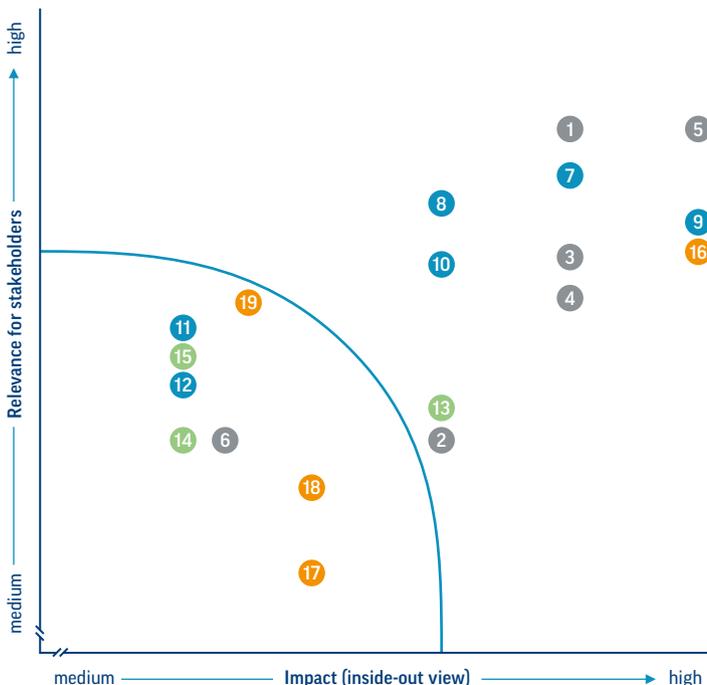
## INSIDE AND OUTSIDE VIEW

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

# 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

	<b>Our expectation of ourselves</b>	<b>Our goal</b>	<b>Our KPI</b>
<b>Responsible Value Creation</b>	"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
<b>Staff Orientation</b>	"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
<b>Environmental Orientation</b>	"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 <sub>2</sub> equivalent) by 2050, development of measures to reduce of our GHG emissions in line with the triad "Avoid, Reduce, Offset" and in that order
<b>Societal Orientation</b>	"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.”

**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.



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

**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.

# 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 imple-

ment 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	<ul style="list-style-type: none"> <li>• Perception of corporate activity to be rated as at least good in the 2020 employee survey</li> </ul>
Responsibility in the value chain	Sustainability criteria are integrated into the procurement process	<ul style="list-style-type: none"> <li>• Review of 100% of newly registered suppliers with technical and sales relevance</li> <li>• Overall share of purchase volume with this supplier to be at least 25% in 2020</li> </ul>
Sustainable innovations and services	Responsibility and sustainability are established as evaluation criteria for our innovations and services	<ul style="list-style-type: none"> <li>• Start of the evaluation of innovations and services</li> </ul>
Digital means and methods of value creation	In 2020, Digital Experts ensure digitalisation knowledge is networked	<ul style="list-style-type: none"> <li>• All business units have Digital Experts in 2018</li> </ul>
Integrity and compliance	A training programme for integrity and compliance is introduced throughout the Group	<ul style="list-style-type: none"> <li>• An e-learning-based, target-group-oriented training programme is introduced throughout the Group by 2020</li> </ul>
Integration on an equal footing of the foreign companies	Foreign companies are integrated into the Group's network and application landscape	<ul style="list-style-type: none"> <li>• The degree of integration of the fully consolidated companies is at least 80% by the end of 2020</li> </ul>

The individual management approaches and measures in the “Responsible Value Creation” field of action are set out in full online in the TÜV NORD GROUP's Corporate Responsibility Report.



# 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.”

## 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



In conversation with  
Triin Tint

Teamlead Employer Branding & Sourcing in  
the Talent Management Corporate Center,  
TÜV NORD AG

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.

# 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 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

More information on the "Staff Orientation" field of action can be found in the TÜV NORD GROUP's Corporate Responsibility Report.



# 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 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



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

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.

# 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<sub>2</sub> 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<sub>2</sub> 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	<ul style="list-style-type: none"> <li>The carbon emissions from business travel are recorded across the entire Group from 2020</li> </ul>
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	<ul style="list-style-type: none"> <li>Material and energy consumption are recorded from 2019</li> </ul>
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	<ul style="list-style-type: none"> <li>The carbon footprint of the real estate is continuously recorded from 2019, at least for the main German sites</li> <li>Targets to reduce the carbon footprint are pursued from 2021</li> </ul>

The individual management approaches and measures in the “Environmental Orientation” field of action are set out in full online in the TÜV NORD GROUP’s Corporate Responsibility Report.



# 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.”

**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



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

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.

# 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 “SOCIAL 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	<ul style="list-style-type: none"> <li>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</li> </ul>
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	<ul style="list-style-type: none"> <li>Initial dialogue with relevant representatives of external stakeholder groups in 2019</li> <li>Systematic procedures for dealing with external stakeholders by 2020</li> </ul>
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	<ul style="list-style-type: none"> <li>By 2020, the total commitment of the Group and its companies is centrally recorded, and 80% of the volume is consistent with the criteria</li> </ul>
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	<ul style="list-style-type: none"> <li>As of 2020, risk analyses and resulting measures are carried out on a continuous basis and the resulting measures implemented</li> </ul>

The individual management approaches and measures in the “Social Orientation” field of action are set out in full online in the TÜV NORD GROUP’s Corporate Responsibility Report.

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The complete Consolidated Financial Statements for 2018 can be found at  
[tuev-nord-group.com/en/company/facts-and-figures/annual-report-2018](https://tuev-nord-group.com/en/company/facts-and-figures/annual-report-2018)

# Group Management Report

## FUNDAMENTAL PRINCIPLES OF THE GROUP

### Business activity

The TÜV NORD GROUP is a globally active technology group. Its workforce, which now numbers more than 10,000, has been the byword for safety, independence and quality for 150 years. The employees test, inspect, certify, offer advice and qualify 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. These include renowned global players and small and medium-sized enterprises with a regional and local focus, alongside organisations, institutions and consumers.

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 management of complex security solutions.
- The **Mobility** business unit offers numerous services, such as vehicle and driving tests, vehicle assessments, solutions for used car management and development-related consulting for the automotive sector.
- The **Natural Resources** business unit offers engineering services in raw material exploration, mining, engineering, construction and infrastructure, product testing and building safety business fields as well as 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.

As of 31 December 2018, the Group with its management company TÜV NORD AG embraced a total of 84 fully consolidated companies, 39 of them domiciled in Germany and 45 abroad. The TÜV NORD AG consolidated financial statement includes all major companies in Germany and abroad in which TÜV NORD AG either directly or indirectly holds the majority of voting rights.

## ECONOMIC REPORT

### General economic and sector-specific conditions

As 2019 gets underway, there are major uncertainties concerning future trends in the global economy. The global economic growth of 3.8% in 2018, which represented an improvement on the previous year (2017: 3.4%), was driven in particular by a global expansion of production which was sustained until the summer before significantly tailing off in the second half of the year. On the one hand, the withdrawal of international investors led to a deterioration in the financial conditions in the emerging economies; in Turkey and Argentina this development took on crisis proportions. On the other, development was also affected by ongoing trade disputes.

The differences in the economic dynamics between countries have grown since the beginning of 2018. While the US economy picked up speed due to the strong impetus delivered by tax cuts and additional expenditure by the individual states, and growth in India quickened, the economies of China and the Eurozone faltered. The slowdown was particularly evident in France and Italy.

The upturn in Germany continued in 2018 before tailing off significantly at the end of the year. One of the mainstays here was the domestic economy, which was positively influenced by strong job creation figures and low interest rates. At 1.5%, growth failed to match that of the previous year (2017: 2.2%), a development which was essentially down to a loss of dynamism in the export sector. Moreover, the economic picture was affected in the summer by major fluctuations in production and supply in the automotive sector

associated with the introduction of the new WLTP testing procedure on 1 September 2018. Due to the huge importance of the automotive industry, this had a macroeconomic impact.

A study carried out by MARKETS & MARKETS estimated the worldwide market for TICET services in 2017 at 185 billion US dollars, and consistent growth is anticipated over the next few years. The key growth markets are in the Asia-Pacific region, particularly in China and the equally fast-growing regions of India and South-east Asia.

With a market volume of about 47 billion US dollars (of which Germany's share is approx. 30%), Europe continues to command a significant proportion of the global market (approx. 25%). However, comparatively low growth rates, due among other things to weak growth in the automotive market and the current skills shortage, require increased investments in innovation and the internationalisation of the business.

As a recognised technology service provider, the TÜV NORD GROUP is the global byword for security and trust. Independent engineers and IT security professionals provide excellent solutions for security and quality and an outstanding competitive position from which to meet the extra requirements imposed by digitalisation, global networking and ever shorter production cycles.

## Business Trends

The TÜV NORD GROUP continued to grow in the 2018 reporting period in spite of the slowdown in the domestic economy and intense competition on the German TICET market. Notwithstanding the expenditure on future and growth projects, earnings improved slightly across the board.

The sales and earnings trends announced in the 2017 management report and the forecast for 2018 were slightly exceeded. With the exception of Training, all the business units contributed to the growth in sales. All the business units made a positive contribution to earnings as planned.

The planned further sales increases in the Industrial Services business unit were fully achieved abroad and, due to the intensity of the competition, partly realised on the domestic market. As a result of operative improvements abroad and, to some extent, cost reductions in Germany, earnings rose in the reporting period.

The strategy of market positioning throughout the whole of Germany and increases in turnover in the areas of periodic vehicle inspections, damage appraisals and valuations in the Mobility business unit was consistently pursued. The business unit has shown a pleasing growth rate and exceeded the plan in terms of both sales and the positive earnings trend. This positive state of affairs was mainly attributable to enhanced cooperation with partners and increases in sales.

The slight increase in sales and earnings expected for the Natural Resources business unit was achieved on the back of the improved order situation in geo- and systems engineering and the seismology business.

The Training business unit failed to achieve the planned increase in sales, essentially due to a decline in orders in the training voucher business. Earnings exceeded the plan and the previous year, driven in particular by the increase in turnover in the Academy business.

Sales in the Aerospace business unit were in line with the planned volume. The planned slight increase in earnings was achieved on the back of projects with a higher rate of return.

The IT business unit has grown steadily in line with the plan. The planned decline in earnings was due to start-up losses in the consulting business.

The number of full-time employees of the Group in 2018 almost reached the planned figure. The increase in the workforce is accounted for by recruitment in the course of the planned innovation and digitalisation projects and in internationalisation and growth projects, principally in the Industrial Services business unit.

The Group innovation projects decided upon in the context of Strategy 2020plus were continued as planned with the aim of developing new services.

The trends within the Group in the 2018 fiscal year in comparison with the previous year were as follows:

- Turnover increased by 3.8% from €1,184.8 million to €1,229.5 million. The rise in sales of €44.7 million was essentially due to the Mobility and Natural Resources business units.
- Before special items, earnings before interest and taxes (EBIT) rose by 3.5% from €77.5 million to €80.2 million. The increase of

€2.7 million can primarily be attributed to the positive development in earnings in the Industrial Services and the Mobility business units and to savings derived from a Group-wide efficiency project.

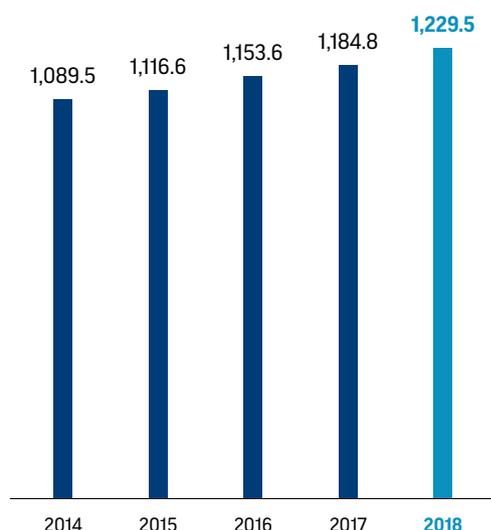
- The return on sales, measured by EBIT, was 6.5% as in the previous year.
- Earnings before tax (EBT) increased by €3.9 million to €80.5 million.
- The number of employees, converted to full-time equivalent, increased from 10,485 to an average of 10,735 in 2018. Productivity also increased.

### Earnings

The 2018 fiscal year came to an end with a turnover of €1,229.5 million (2017: €1,184.8 million).

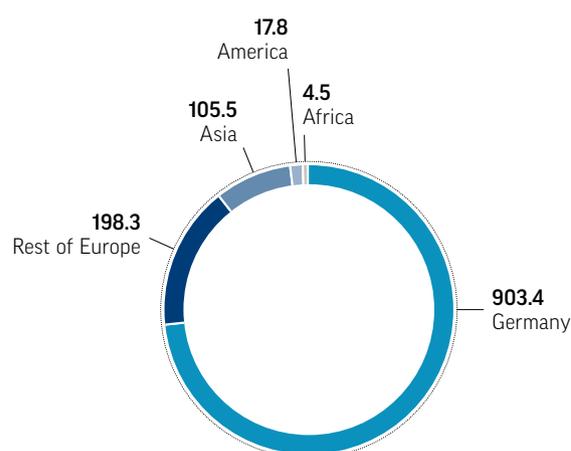
The following figure shows the trend of sales in the Group (€ million):

#### TREND OF SALES



The following figure shows the breakdown of sales by region (€ million):

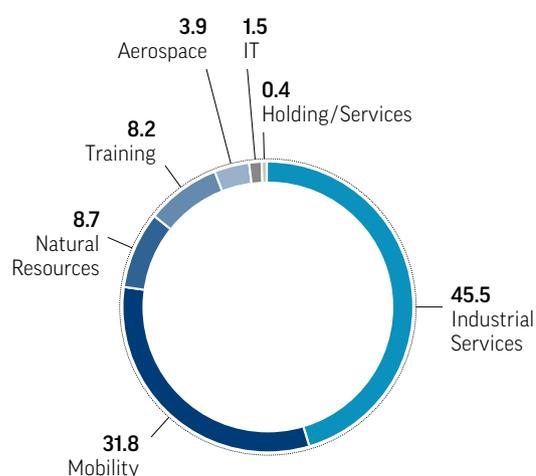
#### SALES BY REGION



The Group's domestic revenue in 2018 amounted to €903.4 million (2017: €872.2 million). Turnover from the international business amounted to €326.1 million (2017: €312.6 million) and achieved a share of 26.5%.

Broken down by business units and Holding/Services, the following overall picture emerged for the year 2018:

#### REVENUE BY BUSINESS UNIT



Due to the heterogeneous nature of their market presence, their various product spectra and their regional alignments, the individual business units developed very differently.

The Industrial Services business unit generated a turnover of €559.9 million (2017: €551.5 million), where the development of foreign business was especially positive. In Germany, sales of €361.0 million slightly surpassed the previous year's level (2017: €355.8 million). The increase in foreign sales to €198.9 million (2017: €195.8 million) was principally accounted for by the healthy development of the companies in China and India. The turnover of the Mobility business unit, at €390.5 million, was 6.6% higher than the figure of the previous year, €366.2 million. The increase in sales was primarily accounted for by transactions with cooperation partners and the realisation of higher sales for all the key services. In the Natural Resources business unit, a turnover of €106.5 million (2017: €96.0 million) was generated, the increase being mainly due to growth in geo- and system engineering and the seismology field. In the Training business unit, sales declined to €101.2 million (2017: €102.1 million) because of a fall in orders in the training voucher business. The sales of the Aerospace business unit, at €47.6 million, surpassed those of the previous year (2017: €45.8 million). The sales of the IT business unit increased to €18.6 million (2017: €17.4 million) due to higher project volumes in the IT security area.

Group expenses increased by 3.5% to €1,189.1 million during the year under review. The cost of materials reached a peak of €216.1 million in comparison to €198.4 million in the previous year. This is primarily attributable to higher costs for services bought in.

Personnel expense increased by 1.9% to €712.5 million.

Further information on expenses can be found in the Notes to the Consolidated Financial Statements, under No. 3, Consolidated Income Statement disclosures.

As in the previous year, all the business units contributed to the positive result of the Group. Earnings before tax (EBT) amounted to €80.5 million and were thus €3.8 million above the previous year's result of €76.6 million.

Net profit, at €51.2 million, exceeded that of the previous year by 7.0% (2017: €47.8 million).

## Assets

The TÜV NORD Group balance sheet reveals a sound structure. Total assets increased to €924.0 million during the year under review, as against €888.4 million in 2017.

Non-current assets rose from €542.9 million to €548.2 million. This was primarily due to an increase in property, plant and equipment levels as a result of higher investment. The rate of coverage of non-current assets (equity plus pension provisions divided by non-current assets) amounts to 112.4% (2017: 107.9%).

Current assets, which make up 40.7% of total assets, are recognised at €375.8 million (2017: €345.5 million). The increase is due to a growth in receivables, which is essentially attributable to increased sales in the last quarter of 2018. Cash and cash equivalents decreased to €73.5 million (2017: €84.7 million).

The Group has additional hidden reserves, which primarily take the form of property ownership and investments.

Equity capital, at €108.7 million, is above the level of the previous year (2017: €101.2 million). The equity ratio amounts to 11.8% (2017: 11.4%). Due to the lowering of the discounting interest rate for pension obligations, actuarial losses in the Other equity positions amounting to €36.6 million in 2018 (2017: €33.6 million) were offset, thereby affecting the consolidated income statement.

In the 2018 fiscal year, €766.8 million (2017: €754.3 million) of plan assets were netted against pension provisions. The proportion of the provisions for current and future pension obligations that is not covered by plan assets amounted to €507.2 million (2017: €484.9 million). The cause of this increase was the significant reduction in the discount rate of pension provisions.

Reinsurance coverage of pension provisions increased by €9.9 million to €783.0 million. Through this allocation of funds, the degree of coverage adjusted for the effects of a change in the discount rate increased once again in comparison with the previous year.

Further information on the asset situation can be found in the Notes to the Consolidated Financial Statements, under No. 5, "Consolidated Balance Sheet disclosures".

## Financial situation, cash flow

Notwithstanding the high amount of investment in, and expenditure on, innovations and digitalisation projects, the TÜV NORD Group still recorded a net positive financial position on 31 December 2018 and was thus not indebted as of the record date. The most important objectives of the conservative financial policy remain the further maintenance of the Group's good rating and the safeguarding of an adequate level of liquidity for the centralised financing of the subsidiary companies by the Group at a level that meets their needs. In addition, it is fundamental to the Group's financial strategy to ensure a broad measure of financial flexibility along with transparent risk and opportunity management.

The Deutsche Bundesbank, having investigated important financial metrics such as profitability, internal financing strength, liquidity and capital structure on the basis of audited financial statements, has for the twelfth year in succession awarded the TÜV NORD Group the accolade of eligibility for rediscount with the central bank. The Group thus belongs to the round of companies whose credit liabilities can be used by commercial banks as collateral with regard to the Deutsche Bundesbank. This guarantees the TÜV NORD GROUP a preferred position in terms of access to financial resources.

The cash flow (see "Consolidated Cash Flow Statement") amounted to €65.9 million and was essentially applied to investments in intangible assets and in property, plant and equipment, and to the reinsurance of pension liabilities. Capital expenditure excluding corporate acquisitions amounted to €57.6 million in the year under review as against €43.0 million in 2017. Of this, €51.8 million was invested by the German companies, and €5.8 million abroad. The focus was on the construction of real estate in Hamburg, physical investment in testing equipment, vehicle fleets and computer hardware and software. No material capital expenditure obligations existed as of the reporting date. The Group spent a total of €2.2 million (2017: €6.7 million) on the acquisition of companies and equity holdings during the year under review. All projects were assessed by value creation criteria; every potential acquisition or capital investment project was scrutinised and analysed both with regard to the return it would bring and also from the point of view of its impact on the consolidated balance sheet.

The Group's net financial position amounted to €21.9 million at the end of the year under review, a figure which, due to the high investments, was below that of the previous year (2017: €32.9 million).

The existing syndicated loan for the Group in the amount of €100.0 million had not been used as of 31 December 2018.

In 2018 the Group was in the position to meet its payment obligations at all times.

## Overall situation

In view of the macroeconomic situation, the TÜV NORD GROUP is satisfied with the way the year under review progressed. However, notwithstanding the very good operating profit of the Group, every effort continues to be made to optimise the company's position in terms of its earnings, assets and finances. TÜV NORD GROUP assumes that the earnings, asset and financial positions will remain stable in the future.

## NON-FINANCIAL PERFORMANCE INDICATORS

### Innovation report

The TÜV NORD GROUP is in the throes of the digital transformation. This is having a significant impact on its business. The growth in networking in our digital world presents new opportunities and challenges. The Group needs a vibrant and purposeful culture of innovation, the targeted promotion of innovation and an established and active innovation management as the basis of its success if these opportunities are to be exploited and the challenges mastered. Digitalisation and innovation are therefore key drivers for the growth of the TÜV NORD GROUP.

The know-how of the TÜV NORD employees and its global presence form the ideal basis for the digital transformation and the Group's innovation process, both of which are needed to underpin the success of TÜV NORD GROUP's customers in the digital age. For this purpose, the TÜV NORD GROUP is also involved in universities and cooperates with research institutions. In addition, employees of the TÜV NORD GROUP are to be found in all relevant committees for the domestic and international development of industry-specific regulations.

The necessary culture change is being actively promoted from within the company by the work of the Digital Academy. This successful programme is in its second year and has met with a great deal of interest, including from beyond the TÜV NORD GROUP. Just under

20 digitisation projects have already emerged from the Digital Academy and are either being implemented or have already been completed. Employees from all the business units have been trained as digital experts and successfully re-integrated into the operational business. Due to the project's success and the demand for its services, the TÜV GROUP GROUP will continue to offer the Digital Academy to its customers in 2019.

Projects implemented by the individual business units in the reporting period included the following:

In the field of additive manufacture (3-D printing), a project to determine the properties of metal powder was carried out in the **Industrial Services** business unit. There were also new findings concerning the approval of pressure vessels produced using additive technology. The "remote services" topic continued to dominate in 2018. With the active marketing and expansion of its Digital Monitoring System, the Industrial Services business unit is now able to offer its customers continuous systems monitoring around the clock. At the beginning of 2019, TÜV NORD Systems won the German Excellence Award in the "Digital Services B2B" category for this innovative approach. In the remote audit field, trials were carried out to make it possible to provide optimal conditions to the customers at lower cost.

In the **Mobility** business unit, the holistic development of official services is taking place in working groups or companies set up for that purpose. Vehicle data in car dealerships and workshops will in the future be automatically transferred and recorded by scanners and voice recognition systems. As a result, the digitalisation project will provide a streamlined process with greater transparency for the customer. With the introduction of the TÜV NORD real-time damage report in 2018, TÜV NORD has digitalised the damage reports business and is positioning itself as a first mover in the vehicle valuation market. The remote technology in use means that the service can now be speedily accessed throughout Germany. Within the framework of defined sub-projects and intensive committee work on the subject of automated and networked driving, TÜV NORD is developing test requirements and working on requirements for security and safety. TÜV NORD is participating in the development of guidelines for type tests and test procedures with the aim of approving such vehicles for road use and is also involved in the development of test fields for automated driving functions.

The digitalisation trend is also continuing in the **Training** business unit, and the importance of continuing education and lifelong

learning is increasing. The focus is on blended learning – a hybrid of face-to-face learning and self-study – as well as on the development of the proJobTraining learning platform. Furthermore, simulation-based training using Virtual or Augmented Reality goggles for trainee professional drivers and train drivers is now also being introduced.

The **Natural Resources** business unit carried out many different research and development projects in 2018. Many such projects are focused on the fields of geotechnical engineering, energy distribution and energy storage, new concepts for extraction and use in mining, nuclear waste repositories, guarantees of origin for raw materials, intelligent sensor networks, model engineering and process control in mining. Particularly worthy of note is the already very successful participation of DMT in the Knowledge and Innovation Community EIT Raw Materials research and development consortium of the European Institute of Innovation & Technology and many other platforms, including mFUND, the modernity fund of the Ministry of Transport and Digital Infrastructure (BMVI), and EU Interreg and RFCS (Research Fund for Coal and Steel). Project funds just short of €2 million were raised in 2018 in the context of R&D subsidisation.

The project for a specialised information, ordering and service platform is still being implemented in the **Aerospace** business unit. In this Big Data project, key technical data are being made available to customers and partners. Over 1,100 users are already registered. Another innovation project is the development of a virtual laboratory that will allow customers to observe test processes and help design them in real time. On top of that, the companies of the business unit are also working in power technologies for semiconductors for high reliability, automotive and other industrial applications. Furthermore, the companies are developing photonics technologies to be used in quantum computing and quantum communications, both of which technologies are considered pillars of the next technological revolution.

The **IT** business unit is specifically examining the disruptive potential of new technologies, such as Blockchain and Artificial Intelligence (AI), for the purpose of identifying new business fields. TÜVIT is a member of the Working Committee for Artificial Intelligence of the German Institute for Standardisation (DIN) with its twin aims of influencing the development of norms and standards in the AI field and pioneering related services. Although the Internet of Things is increasingly gaining in significance in the context of digitalisation and networking, too little attention has thus far been paid to security aspects in the manufacture of IT products and systems. The IT business unit is therefore actively participating in

the creation of protection profiles, security concepts and technical guidelines in the area of the Internet of Things that will form the basis of future, innovative services.

## Employees

The compatibility of work and family life is an important issue in the TÜV NORD GROUP. Its family-conscious personnel policy is reflected, among other things, in flexible working hours, holiday activities for children and possible avenues for offering advice on particular challenges, such as those faced by employees in the care of family members. The TÜV NORD AG and many of its subsidiaries have been certified according to the "berufundfamilie" ("work and family") audit since 2009. The re-audit of this certificate was successfully completed in the 2018 reporting period. The TÜV NORD GROUP was for the first time audited as a whole, and the individual certificates issued to the various companies were thus combined into one single certificate for the Group.

The Gender Balance Programme launched in 2017 also continued in 2018. In the 2017 reporting period, initial measures were implemented with the aim of removing obstacles from employee career paths and providing equal opportunities for women and men in the technical professions. Other measures included those to balance the numbers of all sexes in the TÜV NORD GROUP workforce and at managerial levels. Further sub-projects were implemented in 2018. For example, a talent relationship management approach was created. The external talent pool to be integrated into this is being established with an equal share of candidates of all sexes matching the company's target group. The inclusion of gender and language as a foundational element in the corporate wording underscores the intention to use gender-neutral language in all corporate communications from now on. In 2019, the aims and objectives of the Gender Balance Programme will be pursued as before as part of a new diversity project.

A gender balance will also contribute to the attractiveness of the TÜV NORD GROUP as an employer. The Group aspires to be equally attractive to good applicants of all sexes. The Group is an interesting and attractive employer, in particular for engineering and natural science graduates. According to the UNIVERSUM study, the TÜV NORD GROUP is one of the "TOP 100 employers" for young professionals and students. The TÜV NORD GROUP was also singled out by Kununu for a similar accolade, that of "Top Company". As an employer, the TÜV NORD GROUP is, moreover,

the byword for open and authentic public communication. Since 2012 the Group has been the proud bearer of the Kununu "Open Company" seal of quality, which is confirmation of the implementation of this guiding principle.

With the aim of engaging with and promoting these values, a global employee survey was once again carried out in 2017. This led to the identification and implementation of some specific improvement measures in the 2018 reporting period. The objective of the new employee survey was to review the success of the measures undertaken as a result of its predecessor in 2014. It also included new questions, concerning, for example, the issues of innovation and digitalisation. The 6,593 employees who took part in the employee survey amounted to 63.5% of the total workforce, a significant increase on 2014 (57.2%). When it came to the most important parameter – the Commitment Index, which expresses the strength of employee bonds with the company – the high level of commitment achieved in the previous survey was successfully maintained.

As of 31 December 2018, the domestic and foreign companies of the TÜV NORD GROUP employed an average of 10,735 staff (converted to full-time equivalent) in comparison to 10,485 in the previous year.

Including the experts provided by the associations, the average number of full-time employees was 10,780 (2017: 10,539). On the sampling date of 31 December 2018, the absolute number of employees was 13,693. The proportion of women working in the Group is approximately 28%.

7,665 of the employees work in Germany. The number of employees abroad increased in 2018 to 3,115. The largest business unit is Industrial Services, with 5,768 employees in Germany and abroad, followed by the Mobility business unit with 2,660 employees.

With its dual system of vocational training in tandem with dual courses with integrated training and practice, the Group offers attractive opportunities for school-leavers and young professionals. This has been rewarded with success: In 2018, a trainee was awarded the accolade of the state's best IT specialist in system integration.

Roughly 40 new recruits are currently preparing themselves for their future positions of responsibility in the TÜV NORD GROUP in the context of their dual studies. In the 2018 reporting period,

the focus was on the recruitment of six new members of staff in (applied) information technology. Various models of the training and this dual curriculum are being offered at many sites in the Group.

With the aid of inter-regional partnerships with academic institutes, the TÜV NORD GROUP has been sponsoring students from Germany and abroad since 2008. The partners include the Leibniz University of Hanover, the University of Hanover, the Hamburg University of Applied Sciences and the Technical University of Braunschweig.

Since 2014, the TÜV NORD GROUP has been sponsoring school students. With the START scholarship we made it possible for a grant recipient from a migrant background to prepare properly for her higher school-leaving exam.

It is the know-how and technical expertise of the staff that form the basis for the long-term success of the TÜV NORD GROUP. For this to be maintained, a comprehensive portfolio of measures for the training and development of staff and managers alike is indispensable. Over the next few years, preparation for the digital transformation will be at the heart of the training measures, involving the staff in shaping this change process in order to exploit the existing opportunities and value-creation options.

In 2018, €8.0 million was spent on internal and external training events (2017: €7.0 million). The promotion programmes to prepare staff for management tasks were further developed and adapted to the needs of the individual target groups. A major goal of these programmes was to enhance the networking of managers from different business units and international companies. For instance, the new international middle-management programme with 30 participants from 13 countries was carried out for the first time to very positive acclaim; this programme incorporated alternative learning forms such as e-learning and blended learning. A mentoring programme was also introduced in which managers from the Group were recruited to offer support and advice to promising young executives over a period of twelve months. The focus here is on the targeted transfer of professional and personal experience and knowledge in a protected and non-hierarchical relationship.

The TÜV NORD GROUP offers its staff a wide range of health-promoting options in the context of its occupational health management policy. The measures are free of charge to the employees, who can make use of them in accordance with their individual needs

and interests. Various sporting activities are also offered at many of the sites.

The safety of the employees is a major concern for the Board of Management. Due to the large number of cross-border activities carried out in the TÜV NORD GROUP, a concept was developed to improve on the previous travel risk management policy. The aim is to offer preventive measures and automated information processes to prepare members of staff as thoroughly as possible for foreign trips in respect of health and safety issues and to continue to support such employees when they are away from home. The concept was implemented in two companies in the 2018 reporting period and is still being trialled. The expansion of this concept to cover the whole Group is envisaged.

The average length of service in TÜV NORD GROUP, at over ten years, is higher than the comparable figures from the competitor companies. This shows just how important it is for the Group to have a culture that strengthens the bonds of loyalty between the employees and their companies.

The Board of Management would like to thank all the staff and company managers, both at home and abroad, for their commitment. The success achieved in the year under review would have been impossible without their dedication to their work. Their thanks also go out to the employee representatives for their trusting and constructive cooperation.

## REPORT ON EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS

### Report on expected developments

The leading German economic research institutes expect significantly weaker growth in the global economy as a whole in 2019. This forecast is due in particular to the ongoing trade dispute between the United States and China and declining growth in the latter. Likewise, after growth of 1.9% in the Eurozone in 2018, significantly lower rates of growth are also predicted here for the next two years. Brexit represents the biggest short-term economic risk, as it is currently difficult to gauge the negative economic impact of the UK's departure from the EU. According to the current forecasts of leading German economic research institutes, the heavily export-dependent German economy will also grow significantly more

slowly than in previous years. Growth forecasts for 2019 are expected to average out at 1.5%; by way of contrast, in forecasts made at the end of 2017, real GDP was expected to rise by just under 2% in 2019. A slowdown in the domestic economy, caused among other things by a growing skills shortage, could also inhibit growth.

A further growth driver in the dynamic global TICET market in addition to the harmonisation of standards and guidelines is the introduction of new legal frameworks and standards. Growth is being further stimulated by rising consumer demand in the emerging markets. The increasing number of product recalls and the rise of piracy and plagiarism are leading to a growing demand for testing services and certificates. In contrast, relatively low growth rates on the domestic and European markets, high levels of competitive pressure and the existing skills shortage may have a negative impact on the growth of the European market participants.

For the 2019 reporting period, the TÜV NORD GROUP thus expects a moderate increase in sales with a rate of growth slightly in excess of the level achieved in 2018. This does not take into account possible effects from the acquisition and sale of companies. The major growth drivers are the Mobility, Natural Resources and IT business units.

The TÜV NORD GROUP anticipates as before that all the business units will continue to contribute positively to earnings. A positive operative result is anticipated for the Group as a whole, albeit one which, due to high levels of expenditure on future projects, will be slightly below the operative level of the 2018 reporting period.

For the **Industrial Services** business unit, moderate organic sales growth is expected in the classic business fields, both in Germany and abroad. In international business, the China and India regions are likely to make a particular contribution to the increase in sales. In 2019 reporting period, the costs of digitalisation and internationalisation projects will continue to have a dampening effect on earnings, with the consequence that an operative result on a par with that of 2018 is anticipated.

For the **Mobility** business unit, the growth trend in sales and earnings is expected to continue. This is mainly due to the expansion of the partner organisation as well as the digitalisation and further development of services e.g. in the damage report and valuation fields.

The **Natural Resources** business unit expects the investment climate in the international commodity markets to stabilise. Moderate growth in revenue and earnings is anticipated, especially in the Industrial Engineering segment. At the same time, the business unit is striving to reduce its dependence on the commodities markets by shifting business activities into international markets. To this end, the intention is to develop new products and services in the context of innovation projects.

The **Training** business unit expects sales and earnings to decline in 2019, mainly due to the closure as planned of the training and education system for the mining industry. Moreover, a slight decline in the Academy business is likely. In 2019, the lucrative seminar business spurred by the General Data Protection Regulation (GDPR) will tail off.

The **Aerospace** business unit does not anticipate an increase in sales and earnings for 2019. The planned expansion of engineering services will be counterbalanced by a decline in the components business, due in particular to a reduction in the number of contracts being awarded by the ESA.

The **IT** business unit is planning significant sales increases, particularly in the IT security field. However, the relatively high start-up costs mean that earnings in 2019 will remain at the level of the previous year.

The planned increases in turnover in the Group go hand in hand with a scheduled increase in the number of employees for 2019. The Group will focus on the productivity of its staff, taking into account growth opportunities on both domestic and foreign markets. The increase in the workforce is accounted for by recruitment in the course of planned innovation, digitalisation, internationalisation and growth projects, principally in the Industrial Services, Mobility and IT business units.

The innovation projects identified in the context of the Strategy 2020plus should contribute to the organic growth of the Group in the long term. These projects will continue in 2019 with the aim of developing new services. In their innovation projects, all the business units are engaging with global megatrends such as Industry 4.0, the Internet of Things, critical infrastructure and connected cars, with the aim of adopting these developments in innovative and profitable business models.

## Risk and opportunity management system

Its international presence means that the TÜV NORD GROUP is exposed to a wide range of risks but also well-positioned to take advantage of opportunities. The risk and opportunity management system is therefore an important element of corporate governance. Early identification and forward-looking management form the basis of a systematic risk and opportunity management policy.

Regular analyses of market and competition data (market intelligence) are an important element in the risk and opportunity management system. Market potentials are continuously monitored to identify overall economic and sector-specific opportunities in good time. At the same time, the TÜV NORD GROUP is concentrating simultaneously on established markets in the industrialised nations and growth markets in the emerging economies. The recording and management of risks to the future development of business activities takes place in the context of the risk management system. The strategy of the existing risk management system consists in the systematic identification, evaluation, aggregation, monitoring and notification of the existing risks across the Group and implementation of the corresponding measures for risk reduction or elimination in all the companies in which the TÜV NORD GROUP holds a majority stake. These risks are identified by the end of each quarter in all the business units in a standardised, IT-based, periodic process. As no single instrument is capable of identifying all the risks, the risk management system provides for a combination of different instruments and methods for risk identification. The identified risks are analysed and evaluated, taking into account the potential levels of damage and likelihood of occurrence, so that countermeasures for risk mitigation or elimination can be coordinated or developed to complement existing measures. On the basis of the risks that continue to exist after the implementation of countermeasures, a report is sent to the risk management department of the TÜV NORD GROUP. Key risks that might jeopardise the very existence of the Group are reported immediately as ad-hoc notifications outside the regular reporting schedule.

The risk management system is so structured as to ensure that the individual risks and their impact on the Group are determined in order to accurately map the risk situation of the Group.

Where necessary, financial provision is made for individual risks. Furthermore, the Group has a centralised insurance management system, which uses appropriate insurance contracts to limit the possible financial impact of risks to a defined excess.

The Group Executive Committee, the Board of Management and the Supervisory Board are kept informed at regular intervals of the current risk situation of the Group. They discuss at length the causes of the risk situation and any measures taken in response to it. Additionally, the effectiveness of the risk management system is verified by the corporate audit department and external auditors. The results of these audits are also reported to the Board of Management and the Supervisory Board.

## Risks and opportunities for TÜV NORD GROUP

With its diversified services, the Group is subject to a wide range of risks but well-positioned to take advantage of a whole raft of opportunities. None of these have significantly changed in a year-on-year comparison.

In the 2018 reporting period, no risks were identified which might either individually or collectively endanger the survival of the Group or substantially impair its asset, financial and earnings position. As far as can be seen at present, there are no risks in the foreseeable future which might jeopardise the survival of the Group.

Interest rate risks can arise in connection with pension obligations. The plan assets intended to finance the pension obligations are managed in a fiduciary capacity by the TÜV NORD PENSION TRUST e.V., which was founded in 2008. Changes to the actuarial interest rates in the valuation of pension obligations can have an impact on the cash value of the discounted pension obligations and thus influence the equity capital and overall earnings.

The Group is not exposed to any material price, credit loss or liquidity risks, or to risks arising from fluctuations in cash flow. The Group's financial assets are invested in such a way that, as far as can be seen at present, no material risks exist.

Digitalisation and global networking – with all their manifestations such as Industry 4.0 and autonomous driving – are both an opportunity for, and a challenge to, the TÜV NORD GROUP.

The individual business units report the following risks and opportunities in their business activities:

The **Industrial Services** business unit expects its business to continue to develop positively in the coming years. The business unit is exposed to risks, above all in its core European market. Intense price

competition in tandem with equally intense competition with regard to the recruiting of staff, especially engineers, may have a negative impact on the achievement of its objectives. Digitalisation offers the opportunity both to mitigate the skill shortage threat posed by demographic developments and to slim down processes. However, there is a real risk in Germany that regulations will be amended with the effect that previously mandatory tests will no longer be required and/or other specialist companies will be granted permission to conduct tests alongside the experts currently charged with the responsibility for doing so. Opportunities for the expansion of business activities lie in offering new services and in the expansion of existing services: for example, the Group's market presence in the fields of wind energy, railway technology, food and medical devices is being geared to international markets. To realise these opportunities, we set in train the implementation of an organisational structure that focuses even more single-mindedly on the customers. Using this structure, all the companies within the business unit will from January 2019 be controlled using a standardised process. In addition, the sales activities of the business units are being intensified. Alongside the emphasis on the acquisition of major national and international projects, a strong focus is being placed on the expansion of cross-selling activities.

As a result of the amendment of the Atomic Energy Act in 2011, the nuclear business is confronted with the medium- to long-term risk of declining orders in Germany. Opportunities are presented by activities in the domestic decommissioning and waste management market and, in the long term, in connection with final nuclear waste disposal. The integration of German and international companies into the new customer-focused organisational structure in the nuclear field is opening up new possibilities for participation in tenders on international markets.

In the certification business, changes to the statutory base make it impossible to rule out the possibility that individual services will become obsolete or be cut back. However, due to the high level of diversification and the heterogeneity of the customer structure, this risk is manageable. The risk remains that accreditation bodies will impose drastic sanctions, up to and including the revocation of accreditation for certain areas, in the event of violations of the rules by individual employees of the certification company. In the Industrial Services business unit, a centralised accreditation management system is being installed to minimise the risks through targeted redundancies and internal auditing. Opportunities will arise through process optimisation and investments in the areas of

digitalisation alongside energy management, social standards and consumer protection.

For the **Mobility** business unit, the previous premises and conditions remain largely unchanged. The development of the business is thus expected to be stable in the coming years. The customer-group-oriented strategy of the Mobility business unit fundamentally revolves around the recognition of sector-specific risks and changes in market conditions in the segments and regions in the context of market and competition analyses.

The process of concentration in the car dealership market requires the Group to offer services throughout Germany. This trend is being countered with increasing success by the establishment of a national market presence in the form of franchise partners.

The Group is courting the staff of its competitors just as assiduously as it is new customers, although this strategy gives rise to a risk that top performers will be lost. Targeted measures are being implemented to find suitable applicants for vacant positions and to enhance the loyalty to the company of top performers.

The risk remains that the lack of evidence of calibration of the test equipment in car dealerships and workshops will make it impossible to carry out testing activities on site. The ongoing expansion of capacities for calibration services on the market will contribute to the solution of this temporary challenge. To meet the demands of the market, the Mobility business unit has implemented the construction of DAKkS-accredited calibration laboratories. TÜV NORD's own equipment at technical inspection centres is gradually being calibrated by TÜV NORD employees when the due date for calibration arrives. There are thus no risks associated with the Group's own equipment.

No discernible risks to the Mobility business unit have arisen out of the exhaust emissions scandal that was uncovered in the 2015 reporting period. Neither a slump in sales nor a loss of reputation have been identified. The scandal has impacted on the type approval process in the form of changes to testing and measurement procedures and the increased use of appropriate measuring technology. Measures were successfully taken to ensure the implementation of exhaust gas type testing in accordance with the WLTP standard. As of 2018, tailpipe emissions measurements will be made mandatory once again for all vehicles to ensure the maximum effectiveness of the periodic exhaust emissions tests.

Technological developments in the automotive sector are resulting in changes in the requirements on data protection and data security. The increasing complexity of equipment and vehicles requires that the existing tests be supplemented by the testing of software for security management purposes. The Group sees opportunities to expand business activities in the manufacturing business in the form of the further development of methods to test systems installed in vehicles. The offer of vehicle valuations in growing second-hand car markets around the world presents further opportunities. Penetration of the market will be facilitated here by the use of new technologies and the development of targeted collaboration.

The expectation in the **Natural Resources** business unit is of an improvement in the investment climate in both the international commodities and infrastructure and plant construction markets and of an increase in demand for services related to commodities. The business unit's project business is subject to special complexity risks as well as to risks that arise from increasing competitive pressure. New services and products to compensate for the loss of sales in the German coal-mining industry are being developed in the framework of the innovation projects. Opportunities are arising from the increasing demand in the engineering, exploration and plant and product testing fields in Germany. The infrastructure and plant construction and exploration markets in India also offer growth opportunities.

For the companies of the **Training** business unit, falling unemployment could give rise to risks in the coming years, as it may lead to a substantial reduction in the number of contracts for training measures financed from public funds. The companies are mitigating the risk of regionally uneven reductions in order volumes with temporary training sites and the approval of new qualification measures to allow them to respond flexibly to needs as they emerge. Nursing and healthcare are two areas which will in the future offer increasing opportunities, as the need for caregivers is increasing due to demographic trends. The training centres for healthcare and nursing offer initial and retraining measures alongside training and qualifications in geriatric care in the form of state registered seminars for care of the elderly. The greatest risk is currently to be found in the shortage of registered course heads in the field of healthcare and nursing. Constant training and information requirements are to be expected as a result of technical developments or changes to rules and regulations, especially in the TÜV-specific areas.

The companies of the **Aerospace** business unit are partially dependent upon successful partnership with the electronic component

manufacturers. In the market for satellite construction there is a risk that the component manufacturers may enter into direct business relationships with the builders of satellites or systems, which could affect part of the business. A specialised information, ordering and service platform has been developed to minimise the potential negative impact. The idea behind the project is to improve the partnership with the component manufacturers and at the same time to create a marketing platform for customers. Prospects for business expansion are also offered by increased growth in Europe and other emerging markets as well as the expansion of existing services and their marketing for other high reliability sectors.

Particular risks for the companies in the **IT** business unit arise from the ever intensifying shortage of IT security experts. Competition for the services of qualified specialists will continue in the coming year. As there are very few trained IT security specialists on the market, further investment will be required in the search for employees with potential and their subsequent training and retention.

Risks to the IT business unit might also arise through the burgeoning market for private IT security seals. Consumers cannot distinguish these seals from official rules which are based on approved standards. Neither the depth of the testing nor the testing methods themselves are discernible for the consumer. These seals are being awarded by unqualified providers of IT security seals despite deficiencies in the performance of the tests. Successful cyber-attacks on these inadequately tested products with their putative "TÜV guarantee" might have a negative impact on the perception of IT security seals or the reputation of the TÜV brand. It is thus imperative to play a positive role in the development of appropriate quality seals and to establish an appropriate testing regime which can meet the demands of an increasingly networked environment. Numerous opportunities for the IT business unit may arise from the increasing investment of companies in information and cyber-security.

Further opportunities may also arise from the draft bill for the creation of a central European authority for cybersecurity, which is represented by the European Agency for Network and Information Security (ENISA). The IT business unit has been liaising intensively with ENISA for some time and aspires to closer collaboration with it in the future. As far as is currently known, ENISA is to be granted sovereign authority over IT security in Europe as well as over the testing procedures, with the exception of high security, which will remain in the domain of the nation states. National procedures

will thus remain in place. The principle of conformity assessment will expand the evaluation business field in which TÜViT has specialised. The number and complexity of the products to be certified could increase significantly due to changing security requirements.

## CORPORATE GOVERNANCE

For the effective implementation of corporate governance, the TÜV NORD GROUP takes its guidance from the requirements imposed by the German Corporate Governance Codex on capital-market-orientated companies. The governance structure is thus 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. With its three connected lines of defence, of which the first is operative management, the second risk management, controlling, law, compliance etc., and the third internal auditing, the TÜV NORD GROUP guarantees the lawfulness of all its business processes and organisational structures along with the efficiency and effectiveness of its established internal control system (ICS).

The Compliance Management System (CMS) of the TÜV NORD GROUP, which was established over 10 years ago and has been awarded multiple certifications, is an essential element of corporate governance as stipulated by TLoD. Taken together with the realignment of the Group's mission statement and values, these strategies are a means of effectively preventing potential risks and averting damage to the TÜV NORD GROUP. The central CMS in TÜV NORD AG, with its Compliance point of contact which coordinates compliance issues and tasks, has a key role to play here. This central Compliance point of contact is available to all employees. Appropriately conceived and clearly formulated policies and regulations, accessible to all staff at all times via the Intranet, are fundamental factors when it comes to ensuring good corporate governance. The adoption of a corporate philosophy and a binding code of conduct have given employees a concrete framework of guidelines for their actions, thus reinforcing good business practices in compliance with the law. The corporate philosophy and code of conduct are regularly reviewed and updated. Information events and training sessions are organised to enhance staff awareness of the significance of compliance; this is because 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.

The key principles of the TÜV NORD compliance strategy are adherence to applicable law, respect for ethical values and sustainable action. Compliance is also an important assessment criterion in the selection of its 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 the spirit of the TÜV NORD compliance standards. These include the basic requirements of human rights, equal opportunities and non-discrimination, environmental protection, product and occupational safety, the observance of the law and the extirpation of corruption.

Members of staff, business partners and customers have a further opportunity in the form of an ombudsman system, bound by principles of confidentiality and anonymity, to communicate compliance issues or draw the Group's attention to breaches of the compliance regulations of the TÜV NORD GROUP. A renowned lawyer, appointed as an external point of contact for all employees, customers and business partners, gathers information on any violations of the law or policy to which he is alerted.

Compliance with the corporate governance rules and regulations is continually monitored by the internal audit department through its risk-orientated audit planning. The quality management system implemented by the Group's internal audit department aims to guarantee the efficiency and effectiveness of its auditing work. The effectiveness of the established processes is regularly confirmed by an external and voluntary audit in accordance with the DIIR (German Institute of Internal Auditing) standard.

The CMS has been tested by external auditors on the basis of the IDW auditing standard PS 980. The audit report deemed the implementation and orientation of the CMS to be appropriate. The verdict of the audit confirms with sufficient confidence that the compliance management system is suitable for both the identification of risks of major violations of the rules and the prevention of such violations in the first place.

Awareness and sensitivity concerning compliance at corporate management level and among the employees have been deemed exemplary across the Group over a sustained period. Regular compliance queries submitted by the employees and the recommendations for conduct issued in reply in advance of active business transactions are effective and efficient measures for the

prevention of damage. Risk-based process controls, such as, for instance, a compliance check for business partners, systematically reduce potential compliance risks. The tracking, sanctioning, evaluation and documentation of breaches of compliance represent an integral part of the continuous improvement process. In addition to the continuous supply of up-to-date information, the Group's point of contact for compliance presents a compliance report to the Board of Management and to the Group Executive Committee. These measures will further strengthen the tried-and-tested compliance structures and permanently reinforce awareness of the mandatory nature of TÜV NORD compliance in the Group's day-to-day business.

## STATEMENT ON CORPORATE GOVERNANCE

### Findings on the promotion of the participation of women in leadership positions according to Article 76 (4) and Article 111 (5) German Stock Corporation Act

The TÜV NORD GROUP pursues a strategy of diversity and is striving to increase the percentage of women in managerial positions<sup>1</sup>.

The Supervisory Board resolved back in 2017 that it was not seeking to increase the number of women in the Board of Management and the Supervisory Board for the period ending on 30 June 2022. Should any subsequent appointments become necessary, women will, as always, be offered the same opportunities as men in both bodies.

The targets were either met or exceeded by 30 June 2017. For the first and second tiers of management below the Board of Management, the target of 30% was met. For both targets, the deadline set for implementation was 30 June 2022.

For the other affected companies in the Group, the targets for the proportion of women in the Supervisory Board, the Board of Management and the next two tiers of management and implementation deadlines were set on time.

## FURTHER INFORMATION

TÜV NORD AG is deemed to be directly dependent within the meaning of Sec. 17 of the Stock Corporations Act (Aktengesetz – AktG) upon TÜV Nord Holding GmbH & Co. KG of Hamburg and TÜV HSA Holding GmbH & Co. KG of Hanover, and indirectly dependent upon TÜV Nord e.V. and TÜV Hannover/Sachsen-Anhalt e.V. For the period from 1 January to 31 December 2018 and in respect of relevant special transactions during the 2018 fiscal year, the Board of Management of TÜV NORD AG has drawn up a report pursuant to Sec. 312 of the AktG regarding relations between the company on the one hand and TÜV Nord Holding GmbH & Co. KG, TÜV HSA Holding GmbH & Co. KG, TÜV Nord e.V., TÜV Hannover/Sachsen-Anhalt e.V. and the affiliated companies on the other.

This report ends with the following declaration:

“We hereby declare that, in respect of every legal transaction with affiliates, TÜV NORD AG received consideration that was appropriate in the light of the circumstances known to us at the time when such transactions were performed.

Beyond the activities reported on herein, there were no further reportable transactions, measures or omissions.”

Hanover, 28 February 2019

TÜV NORD AG  
The Board of Management

1) Pursuant to the act on the equal participation of women and men in managerial positions in the private and public sectors, certain companies in Germany are committed to setting targets for the proportion of women on their supervisory boards, executive boards and in the following two management tiers and to set a date for the achievement of these targets. The TÜV NORD GROUP pursues a strategy of diversity and is striving to increase the percentage of women in managerial positions.





The complete Consolidated Financial Statements can be found at  
[tuev-nord-group.com/en/company/facts-and-figures/annual-report-2018](https://tuev-nord-group.com/en/company/facts-and-figures/annual-report-2018)

# Consolidated Income Statement

€k	Note	2018	2017
Revenue	3.1.	1,229,470	1,184,755
Change in inventories of finished goods and work in progress		0	-1,462
Other internally generated additions to assets		69	776
Other operating income	3.2.	39,376	41,106
Cost of materials	3.3.	-216,122	-198,406
Personnel expense	3.4.		
a) Wages and salaries		-580,389	-565,942
b) Social security contributions, post-employment and welfare benefits		-132,137	-133,548
Depreciation, amortisation and impairment losses	3.5.	-34,329	-34,468
Other operating expense	3.6.	-226,125	-216,889
<b>Operating profit</b>		<b>79,814</b>	<b>75,922</b>
Income from investments consolidated at equity		671	729
Income from other equity investments		385	125
Interest income		956	2,198
Interest expense		-981	-2,194
Other financial items		-364	-143
<b>Financial items</b>	3.7.	<b>666</b>	<b>715</b>
<b>EBT (earnings before tax)</b>		<b>80,480</b>	<b>76,637</b>
Taxes on income	3.8.	-29,286	-28,806
<b>Consolidated earnings after tax</b>		<b>51,195</b>	<b>47,831</b>
The consolidated earnings after tax are attributable to			
owners of TÜV NORD AG		48,019	44,017
non-controlling interests		3,176	3,814

# Consolidated Balance Sheet

ASSETS €k	Note	31. 12. 2018	31. 12. 2017
<b>A. Non-Current Assets</b>			
Intangible assets	5.1.	94,192	93,802
Property, plant and equipment	5.2.	236,289	226,429
At equity consolidated investments	5.3.	6,471	6,262
Other financial assets	5.4.	27,189	35,339
Trade and other receivables	5.6.	143	158
Other assets	5.7.	5,050	4,160
Deferred tax assets	3.8.	178,851	176,730
<b>Total Non-Current Assets</b>		<b>548,185</b>	<b>542,880</b>
<b>B. Current Assets</b>			
Inventories	5.5.	3,394	53,477
Trade and other receivables	5.6.	265,363	181,178
Other assets	5.7.	15,541	12,149
Current tax assets		10,209	9,545
Cash and cash equivalents	5.8.	73,512	84,708
<b>Total Current Assets</b>		<b>368,019</b>	<b>341,057</b>
<b>C. Assets Held For Sale</b>	5.9.	<b>7,813</b>	<b>4,460</b>
<b>Total Assets</b>		<b>924,017</b>	<b>888,397</b>

<b>EQUITY AND LIABILITIES</b>			
€k	Note	<b>31.12.2018</b>	31.12.2017
<b>A. Equity</b>			
Subscribed capital	5.10.	10,000	10,000
Capital reserves	5.10.	114,413	114,413
Subordinated registered debenture	5.10.	50,000	50,000
Retained earnings	5.10.	220,916	171,135
Other equity items	5.10.	-297,159	-254,631
Non-controlling interests	5.10.	10,557	10,263
<b>Total Equity</b>		<b>108,727</b>	<b>101,180</b>
<b>B. Non-Current Liabilities and Provisions</b>			
Provisions for pensions and other post-employment benefits	5.11.	507,195	484,851
Other provisions	5.12.	35,682	37,867
Financial liabilities	5.13.	456	567
Trade and other payables	5.13.	8,545	8,524
Deferred tax liabilities	3.8.	9,407	9,763
<b>Total Non-Current Liabilities and Provisions</b>		<b>561,285</b>	<b>541,572</b>
<b>C. Current Liabilities and Provisions</b>			
Provisions	5.12.	51,071	50,801
Financial liabilities	5.13.	263	330
Trade and other payables	5.13.	191,488	184,822
Current tax liabilities		11,183	9,692
<b>Total Current Liabilities and Provisions</b>		<b>254,005</b>	<b>245,645</b>
<b>Total Equity and Liabilities</b>		<b>924,017</b>	<b>888,397</b>

# Governing Bodies

## MEMBERS OF THE BOARD OF MANAGEMENT:

**Dr. rer. nat. Dirk Stenkamp** Chairman and CEO  
**Dipl.-Kfm. Jürgen Himmelsbach** CFO  
**Harald Reutter M.A.** Human Resources

## MEMBERS OF THE SUPERVISORY BOARD:

**Prof. Dr. Karl Friedrich Jakob**  
 Chairman (from 22.3.2018)  
 Vice Chairman (until 22.3.2018)  
 Chairman of the Board of Directors of RWTÜV e.V.

**Dr. rer. nat. Georg Schöning** (until 22.3.2018)  
 Chairman

**Dipl.-Ing. Rüdiger Sparfeld**  
 1st Vice Chairman  
 Chairman of the Group Staff Council of TÜV NORD

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 Chairman of the Board of TÜV Nord e.V. and  
 TÜV Hannover/Sachsen-Anhalt e.V.

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 Regional representative Special Services, ver.di Hamburg

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**Prof. Dr.-Ing. Hans-Jürgen Ebeling** (until 22.3.2018)

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 Technical employee, TÜV NORD CERT GmbH

**Dr. Wolfram von Fritsch** (until 22.3.2018)

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 Chairman of the Executive Board of Salzgitter AG

**Dipl.-Ing. Raimund Gemballa** (until 22.3.2018)  
 Chairman of Group Staff Council of TÜV NORD (until 3.7.2018)

**Ludger Halasz** (until 22.3.2018)  
 Human Resources Developer of TÜV NORD AG

**Kurt Hay** (until 22.3.2018)  
 Regional Director of IG BCE Westphalia region

**Andreas Henniger** (from 22.3.2018)  
 Head of Department IG BCE head office Hanover

**Ursula Jedberg** (from 22.3.2018)  
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 Vice Chairman of the Staff Council of TÜV NORD

**Dr. rer. pol. Elmar Legge** (from 22.3.2018)  
 Vice Chairman of the Board of Directors of RWTÜV e.V.

**Dipl.-Wirtschaftsjur. (FH), MBA Tuesday Porter** (from 22.3.2018)  
 Head of the Group Representative Office TÜV NORD AG

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 Chairman of the Board of Management of DGMK e.V.  
 (until 31.12.2018)

**Roland Rudolph** (from 22.3.2018)  
 Vice Chairman of the General Staff Council at  
 TÜV NORD Mobilität GmbH & Co. KG

**Dr. jur. Jürgen-Johann Rupp**  
 Member of the Executive Board, RAG Aktiengesellschaft

**Dipl.-Ing. Stephan Schaller**  
 Director of BMW Motorcycles (until 28.2.2018)  
 Chairman of the Group Management Board of  
 VOITH GmbH & Co. KGaA (until 30.10.2018)

**Barbara Schipp**  
 Attorney-at-law, Regional Legal Department of the ver.di trade union

**DV-Kfm. Michael Schnoor** (until 22.3.2018)  
 Chairman of the Joint Staff Council of TÜV NORD Systems GmbH &  
 Co. KG/TÜV NORD EnSys GmbH & Co. KG Augsburg-Berlin-  
 Greifswald-Hamburg

**Prof. Dr. Peter Schörner** Schörner (until 22.3.2018)  
Lecturer at EBZ BUSINESS SCHOOL

**Uwe Schulze** (until 22.3.2018)  
Chairman of the Joint Staff Council of TÜV NORD AG/  
TÜV NORD Service GmbH & Co. KG Hamburg-Bremen-Kiel

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Vice Chairman of the Board of TÜV Nord. e.V. and  
TÜV Hannover/Sachsen-Anhalt e.V.

**Elisabeth Terodde** (from 22.3.2018)  
Head of Group Strategy and Organisational Development,  
TÜV NORD AG

**Ute Thiel** (from 22.3.2018)  
Vice Chairman of the General Staff Council at  
TÜV NORD Systems GmbH & Co. KG

**Dipl.-Kfm. Lars Velde** (from 22.3.2018)  
General Manager of LAMARA Holding GmbH

**Dipl.-Ing. Lothar Velde** (until 22.3.2018)  
Consultant of the General Management of  
VKK Standardkessel Köthen GmbH

**Dipl.-Ing. Albert Veldmann** (until 22.3.2018)  
Officially recognised expert,  
Member of the Group Staff Council of TÜV NORD

Hanover, 28 February 2019



Dr. Dirk Stenkamp



Jürgen Himmelsbach



Harald Reutter

## LEGAL NOTICE

### Publisher

TÜV NORD AG  
Am TÜV 1  
30519 Hanover  
Germany

tuev-nord-group.com  
info@tuev-nord-group.com

### Editor (Responsibility and Sustainability)

Scholz & Friends Reputation, Berlin

### Concept and design

3st kommunikation, Mainz

### Illustrations and pictures

Shutterstock (Cover)

Henning Scheffen (P. 2, 4, 5)

Udo Geisler (P. 4)

Frauke Schumann (P. 6, 19, 23)

Patrick Ohligschläger (P. 15, 27)

### Printed by

Ortmeier Medien GmbH, Saerbeck







TÜV NORD AG  
Am TÜV 1  
30519 Hanover  
Germany  
Telephone +49 511 998-0  
[tuev-nord-group.com](http://tuev-nord-group.com)  
[info@tuev-nord-group.com](mailto:info@tuev-nord-group.com)