



Add value.  
Inspire trust.

# THINK iNG AHEAD

**SUSTAINABILITY AT  
TÜV SÜD 2019**

# About this Sustainability Publication

Sustainable actions are built on a foundation of transparent, open communication. This Sustainability Report is designed to create that basis. For the first time, we are dedicating a separate publication to the ecological, economic and social impacts of our business operations.

This Sustainability Report covers our activities in the years 2018 and 2019 and clearly focuses on the main fields of TÜV SÜD's work. It shows how we fulfill our corporate responsibility at TÜV SÜD and proactively embed relevant topics in our business processes. The Sustainability Report complements our Annual Report. Annual updates are planned for the future. An English translation is also available. In the event of discrepancy the original German version shall prevail.

We based this Sustainability Report on the relevant standards without striving for full compliance. We are currently engaged in evaluating the best reporting structure for our company and the reporting criteria that we will adopt in the future.

The reporting period covers fiscal 2019 (January 1, 2019, to December 31, 2019). Fiscal 2018 was taken for comparison. The content of the report was produced in cooperation with the various responsible corporate functions and legal entities of TÜV SÜD Group.

Because of rounding, in the Sustainability Report sums of individual figures may not precisely equal totals and percentages may not reflect the precise absolute values to which they refer.

Where this Sustainability Report includes statements by TÜV SÜD concerning the future, they are based on current expectations, plans, goals and targets, and forecasts and estimates by management. Many of the assumptions and factors on which they are based are beyond the control of TÜV SÜD and are subject to numerous risks and uncertainties. Given this, actual developments may differ from projections given in this publication.

## Our Purpose

Enabling progress by protecting people, the environment and assets from technology-related risks.

## Our Vision

To be the trusted partner of choice for safety, security and sustainability solutions that add tangible value to our clients in a physical and digital world.

## Our Mission

We are passionate about people, the environment and technological progress. We anticipate technological developments and facilitate change – defining standards and going beyond regulatory compliance.

Staying true to our founding principle, we add value by creating a safer and more sustainable future.

## Our Objective

Add value. Inspire trust.

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## Ladies and Gentlemen,

Sustainability, climate protection, and corporate responsibility are crucial issues for the development of our society, despite somewhat receding from the headlines as the 2020 Covid-19 pandemic has emerged. The way that tomorrow's generations will live is determined by the actions we take today and the sustainability of our current economic direction and our lifestyle. Companies like ours have a duty to keep this in the forefront of our minds as we play our part in shaping the future.

At TÜV SÜD we have accorded high priority to sustainability in our actions as part of our strategy "The Next Level. Together." We are convinced that sustainability is a core element of our corporate purpose. We protect, people, the environment, and assets against technology-related risks – and thus pave the way for progress, because people are only willing to accept new technologies that are free from risks.

We have pursued this objective since the earliest beginnings of our company in 1866, when the first inspectors of the "Association for the Inspection and Insurance of Steam Boilers, Mannheim" quite literally went from factory to factory overseeing the safety of the machinery and systems there. By doing so they protected people and the environment from damage while ushering in the first Industrial Revolution – the triumphant advance of steam technology.

This social mandate still shapes our activities today, as our services and certification marks demonstrate with particular clarity. They provide people with safety, security, and guidance; they help to improve products, processes, plants, and systems; and they inspire trust – trust in technology, in products and services, and in business partnerships. For over 150 years our company has been virtually unparalleled in contributing toward enhancing sustainability of the environment, business and industry, and society as a whole.

Our enormously diverse range of services brings with it immense potential for growing sustainability. Many of our services ensure that resources are used with care, people are protected, and the benefits of technology are embraced to the full. A key element of our corporate responsibility is to direct our actions toward bringing sustainability to more areas of life.

The extent of this objective can be seen in the United Nations' Sustainable Development Goals, to which we subscribe. Wherever possible, we aim to contribute as a company to achieving these vital goals throughout the world.

Let me outline just a few examples. TÜV SÜD leads in testing, certification, and approval of medical devices. Our work ensures that medical devices work reliably and benefit the people who trust in them and whose health depends on them.

Our TÜV SÜD Academy supplies high-quality educational and training services. Our experts conduct tests and inspections every day that enable machinery and technology to be operated safely and reliably, from power stations to cars.



Our extensive array of services for sustainable buildings, climate protection, renewable energies, and sustainable transport and infrastructure development make a vital contribution towards careful use of resources, energy efficiency, and climate protection. The more responsibility we devote to constructing buildings and developing infrastructure today, the more people and the environment will benefit tomorrow: every day, for decades to come.

This applies especially to access to clean water and sanitation – an area in which we are making an extremely practical contribution toward improving the lives of around 4.3 billion people all over the world who currently have insufficient access to sanitation. Our activities in this context are based at our Singapore location and receive support from the Bill & Melinda Gates Foundation. As a technical service provider, we are supporting development of innovative sanitation technology that functions without connection to a sewage network, by developing a standard to ensure the technology is sustainable and safe for the environment and human health.

“Newton,” our new premises on Ridlerstrasse in Munich, Germany, is a further showcase for the opportunities that are opened up by sustainable construction. In 2018 the building received Platinum certification from the German Sustainable Building Council (DGNB) – the Council’s highest distinction. At Newton, heat pumps use groundwater for environmentally friendly cooling and heating while a comprehensive lighting concept saves energy and reduces operating costs. Charging points for electric vehicles show that even underground car parks can be a springboard for the future. In the capable hands of the TÜV SÜD pension fund, the property will also underpin secure old-age provisions for many employees. All in all, a truly sustainable investment.

As these examples show, we take our responsibility as entrepreneurs seriously. But our services are not the only aspects in the spotlight. We are also called upon within our company to constantly scrutinize our actions and to increase the sustainability considerations we apply in our day-to-day decision-making processes. Although we have achieved much in recent years, we believe there is still untapped potential to explore. For example, in environmental issues. A 2019 energy audit documented the current status at our German locations in terms of energy efficiency and climate protection.

We are currently working on honing the systematic approach of our sustainability commitment in every area of the company. As an important review of the current situation, this Sustainability Publication is designed to create the basis for this task. In the coming months we will draw up concrete goals and targets to bolster TÜV SÜD's main fields of action. In doing so we will focus on transparency and trustworthiness, on honest examination of our entrepreneurial activities and their associated impacts on the environment and society. And we will take any consequences necessary to achieve tangible improvements.

We have the clear objective of helping to shape a future worth living for the generations to come. To achieve this, we contribute our services, the wealth of knowledge and experience of our employees, and all the strength we have within us as a company.

I am delighted that you are interested in the road we are taking!

Kind regards,



**PROF. DR.-ING. AXEL STEPKEN**  
Chairman of the Board of Management, TÜV SÜD AG



## **TÜV SÜD AT A GLANCE**

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guarantees independence
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## Company portrait

**“Add value. Inspire trust.”** Since its foundation over 150 years ago, TÜV SÜD has been guided by this objective to enable progress by protecting people, the environment and assets from technology-related risks. In around 50 countries all over the world, more than 25,000 employees at over 1,000 locations work to provide safety, security, and added value for our customers.

We are a technical service provider operating in the global TIC (Testing, Inspection, Certification) market, a growth market with an estimated volume of approx. EUR 75 bn. The services we provide span testing and product certification, inspection, auditing and system certification, knowledge services, and training. As dedicated and responsible specialists, we design tailored solutions for individual customers as well as for industry, retail, trade, and public bodies. As experts, we optimize technology, systems, and know-how, always keeping the full extent of the value chain in view.

We are tackling the challenge of decisively shaping the world of tomorrow, particularly in a digitization-driven environment. As pioneers in digital transformation, we carve out changing framework conditions, develop new business models, and thus unlock opportunities and areas of potential both for our customers and for our own company. By doing so we fulfill our corporate purpose, embrace our social responsibility, and take sustainable action in the truest meaning of the word.

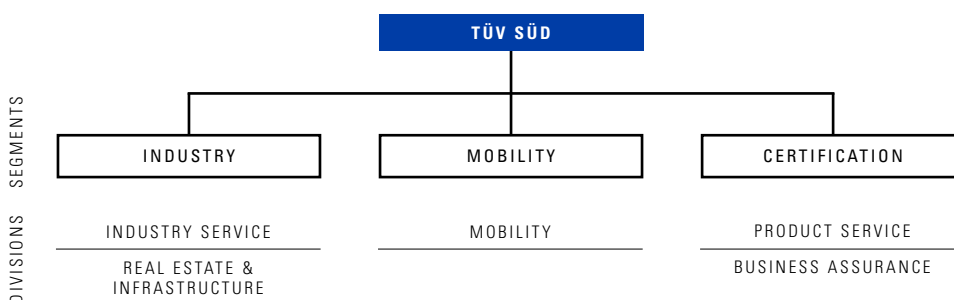
For more information about TÜV SÜD and the company’s economic and financial situation, see the latest Annual Report.

TÜV SÜD’s services are grouped into three segments: INDUSTRY, MOBILITY, and CERTIFICATION. Our services in the INDUSTRY segment range from support for safe and reliable operation of industrial plants and systems, buildings, and infrastructure to testing rolling stock, signaling systems and rail infrastructure. TÜV SÜD’s experts in the MOBILITY segment oversee periodic vehicle inspections and exhaust emissions testing, and also support vehicle manufacturers in the development and global approval of new models and components. In the CERTIFICATION segment, employees around the world verify products’ marketability and market access, provide certification for management systems in all areas of business and industry, and supply cyber security services. Beyond these activities, TÜV SÜD also supplies a broad range of training courses for employees in industry, trade, retail, and the public sector.

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### TÜV SÜD structure

„01



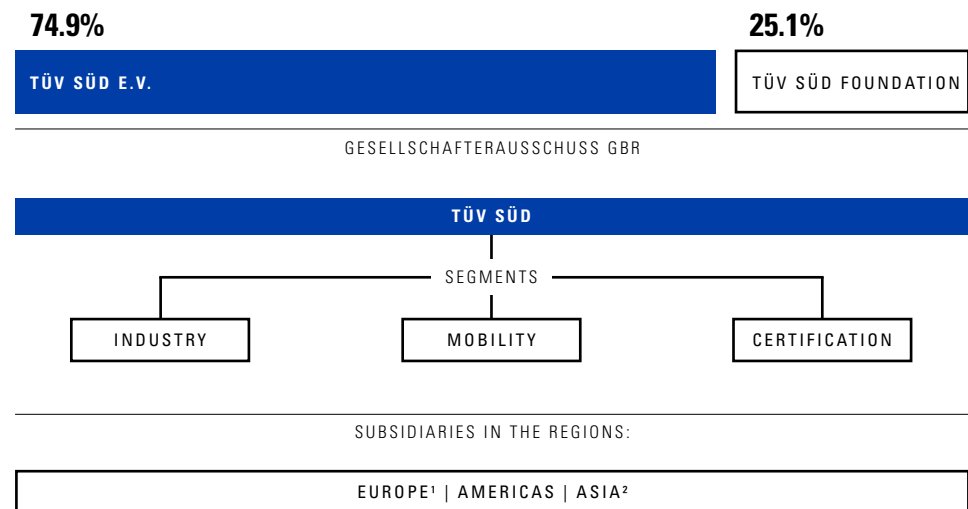
# Legal structure guarantees independence

TÜV SÜD stands for independence and impartiality, which are guaranteed by the specific structure of the Group. In its capacity as management holding company the parent company TÜV SÜD AG, with registered offices in Munich, manages its subsidiaries around the world.

The beneficial owners of TÜV SÜD shares are TÜV SÜD e. V., Munich, and the TÜV SÜD Foundation, Munich. Both have transferred their shares to the independent TÜV SÜD Gesellschafterausschuss GbR, a shareholder committee with registered offices in Munich. The purpose of the civil law association is to hold and manage this shareholding under stock corporation law.

The governing bodies of TÜV SÜD e. V., the TÜV SÜD Foundation and TÜV SÜD Gesellschafterausschuss GbR, are largely independent of the supervisory bodies of TÜV SÜD AG. Ji 02

## Legal structure Ji 02



1 \_ Germany, Western Europe, Central & Eastern Europe.  
2 \_ North Asia, ASMEA (South & South East Asia, Middle East & Africa).

## Our strategy

With our strategy “The Next Level. Together.”, which runs until 2025, we aim to reach the next level in the development of our company. This is because new trends and developments, driven in particular by digital technologies, offer additional opportunities, both for us and for our customers. We pursue four strategic angles in order to exploit this potential (see figure below). 03

### The Next Level. Together.

03



→ **Set up excellence and efficiency:**

We aim to offer our customers the best services at all times – and to ensure our customers notice the difference. This requires excellence in our services, distribution, processes and excellence in our employees.

→ **Re-invent TIC core business:**

Our expertise in almost every industry, combined with knowledge of the possibilities of digitization, enables us to develop data-based, continuous and automated testing services, and also develop standards for new fields of technology.

→ **Enrich with high-quality services:**

Based on our expertise, we aim to offer technical consulting with renewed focus while developing platforms to transform our operations into digital and customer-oriented business.

→ **Scale-up internationalization:**

We aim to be market leaders in our core countries. Our focus is always on offering services and skills across national boundaries. We plan to make our relationships with our customers increasingly global and build up our business activities around the world.

In order to implement these four strategic angles, we defined strategic priorities and initiatives at Group level and for each of our divisions, which we implement rigorously. This will enable us to be a partner for our customers in the future with respect to safety, security, and sustainability, in both the physical and the digital world.

But above all, we want to live up to the vision that we have been pursuing for more than 150 years: to protect people, property, and the environment against technical risks, facilitating technological progress in the process. For more information on our strategy and the activities of our business segments, see pages 25f and 40ff of our Annual Report.

→ ANNUAL REPORT 2019,  
MANAGEMENT REPORT,  
GROUP INFORMATION  
SEE PAGES  
25F AND 40 FF

## Our services

Our testing and certification services build trust worldwide between companies, customers, and business partners. The scope of our services is as wide-ranging as the activities of the global economy itself. Here is a brief overview:

### AUDITING AND CERTIFICATION OF MANAGEMENT SYSTEMS

We provide our global customers with support in the auditing, assessment, validation, and certification of management systems in virtually all specialist fields and industries. By doing so, we safeguard reliability, safety, security, quality, and profitability throughout the value chain.

### PRODUCT TESTING AND CERTIFICATION

TÜV SÜD has established its status among the world's leading impartial bodies for product certification. We provide testing and certification of a wide variety of products in accordance with statutory and voluntary standards. This support of our customers focuses particularly on placing new products on the market; as a globally renowned provider of solutions, TÜV SÜD works closely with regulatory authorities and national accreditation and standardization bodies in key markets. We can thus provide our customers with in-depth information about compliance requirements in individual markets and the latest statutory provisions in this context.

Our comprehensive testing regimes identify faults and regulatory compliance problems that could prevent a product from being placed on the market; as a result, adjustments can be made at an early stage and expensive recalls can be avoided from the outset. We also provide our customers with access to local representatives and certification bodies in their countries or regions. Where required, we train their personnel in technical and technological standards.

## CYBER SECURITY

Cyber Security and data protection are among our areas of core expertise. At TÜV SÜD we support our customers every step of the way, from risk analysis and remedying security vulnerabilities to overall business resilience. We supply employee training to provide the necessary expertise and skills. Based on our in-depth specialist knowledge of market-specific data regulations and the cyberthreat landscape, TÜV SÜD works with customers around the world to ensure they tap the full potential of their digital future.

## PROFESSIONAL CONTINUING TRAINING AND EDUCATION

TÜV SÜD helps people and organizations to raise company performance to outstanding levels. The highly effective global training programs we supply for individuals and entire organizations enable our customers to become experts in their specific industry, from occupational health and safety, management systems, and technical skills to high-caliber executive programs. Our training courses and personal qualification programs cover the entire field of health and safety and protection in accordance with relevant norms and standards. Today TÜV SÜD Academy is already a leading provider of professional qualification and continuing training courses in German-speaking countries, with over 600 seminar topics in the fields of management, technology, and healthcare.

## FUNCTIONAL SAFETY

Functional safety has emerged as a key topic in all fields of industry. As digitization and automation make strides throughout industry and society, functional safety must confront new challenges and demands. For manufacturers and operators, the quality and safety of products, machinery, and systems are paramount in protecting people, assets, and the environment from technological risks. We provide support in a variety of industries from chip design to overall assessment of a plant or system; we are familiar with the complex requirements of functional safety and have the necessary industry-specific expertise at our fingertips.

## INSPECTION

We adopt an integrated approach to testing factors with respect to responsibility, consistency and compliance. In our capacity as third party, we thus ensure that the systems and the business processes and methods of our customers are permanently in compliance with the applicable requirements, guidelines, and standards. Our services include inspection of infrastructures and buildings, production facilities, and installed systems and machinery. Hygiene-related topics and pre- and post-shipment inspections are likewise part of our portfolio.

## TECHNICAL ADVISORY SERVICES

TÜV SÜD experts from an array of disciplines are ready and waiting at 1,000 locations worldwide, to provide customers with in-depth technical advice for optimizing their safety, quality, and environmental programs and thus reducing their risk levels. We support companies from a wide range of industries, providing services from assistance with construction and construction projects to advisory services in energy management and business process optimization. In addition, we produce expert opinions and appraisals and reply to customers' inquiries about market access criteria.

## RISK MANAGEMENT

Companies seeking to minimize their risks must establish adequate risk control measures. With a dedicated service team and advanced technical expertise, we design high-quality risk analyses and in-depth risk management programs that support our customers.

# Our certification marks and certificates

TÜV SÜD certification marks stand for third-party verification performed in accordance with defined criteria. Our certification mark of a blue octagon is globally synonymous with quality, safety, security, and trust. Our objective is to supply customers, interested parties, and consumers with comprehensive and transparent information about the certification marks, testing procedures, and their contents. To achieve this, we introduced expanded certification marks with information tags and in the form of double octagons. From first glance, these designs offer more space for detailed information on the content and specifications of the test procedures.



→ **TÜV SÜD, PRODUCT CERTIFICATION**  
[TUVSUD.COM](https://tuvsud.com)

→ **TÜV SÜD, CERTIFICATE EXPLORER**  
[TUVSUD.COM](https://tuvsud.com)

→ **TÜV SÜD, CERTIFICATE FINDER**  
[TUVSUD.COM](https://tuvsud.com)

→ **TÜV SÜD, BLACK LIST**  
[TUVSUD.COM](https://tuvsud.com)

In addition, our online Certificate Explorer provides information about the most common forms of the TÜV SÜD certification marks. A certification mark database with search filters by category and topic supplies certification mark “profiles” with more details about the content and specifications of test procedures. The publicly available Certificate Finder also has information about all valid TÜV SÜD-issued certificates.

TÜV SÜD certification marks are registered as European certification marks at the European Union Intellectual Property Office in Alicante, Spain. To safeguard our customers’ trust and protect our brand, we take robust action against all misuse of our certification marks, pursuing an average of over 300 cases a year in our zero tolerance strategy. If we detect discrepancies in the way our certification marks are treated, we request clarification from the certification mark user. If misuse is found, we pursue action against the user under civil, trademark, and criminal law and place the user’s product on our blacklist, which can be publicly accessed on our website.

In individual cases, we reserve the right to refuse certification applications that contravene statutory provisions, TÜV SÜD’s brand values, our quality standard, our corporate image, or the TÜV Code of Ethics.



## **SUSTAINABILITY MANAGEMENT ATTÜV SÜD**

- 16** Sustainability – Our mission
- 17** Corporate sustainability management
- 18** Stakeholder dialogue

## Sustainability – Our mission

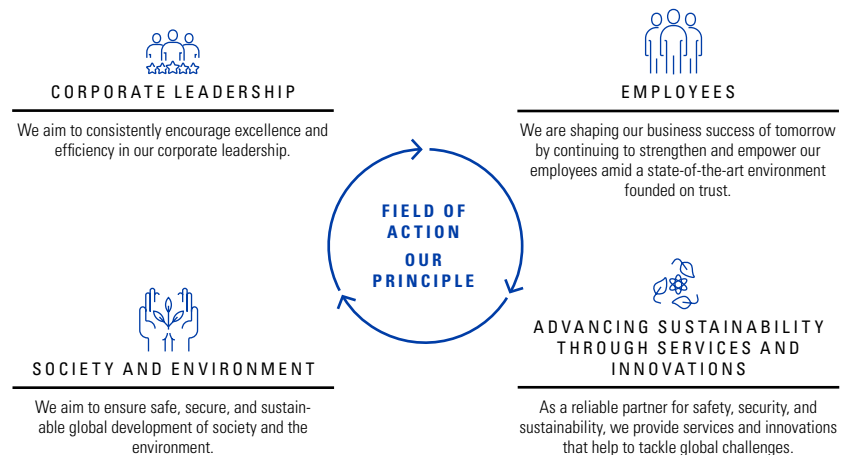
Sustainable, responsible action aimed at protecting people and the environment has been a pillar of TÜV SÜD's corporate objectives from the outset and has served the company as a guiding principle since its foundation over 150 years ago. From our inception, we have protected people, the environment, and assets against technology-related risks and thus fostered technical progress. We support and shape the march of technological change, constantly adjusting and aligning our services with the aim of guaranteeing optimum safety and security as we fulfill our task at all times.

Guided by our corporate strategy, "The Next Level. Together.", our corporate purpose, and our vision and mission, we defined four core areas of action in the field of sustainability: Responsible Leadership, Commitment to Our Employees, Advancing Sustainability through Services and Innovations, and Society and Environment. The four fields of action were subdivided into further topic areas. In the next phase, we aim to review the fields of action in a materiality analysis and draw up tangible objectives for them. Until this phase is complete, an overarching aim will set the strategic direction for the individual fields of action.

» 04

### Our principles for the individual fields of action

» 04



## Corporate sustainability management

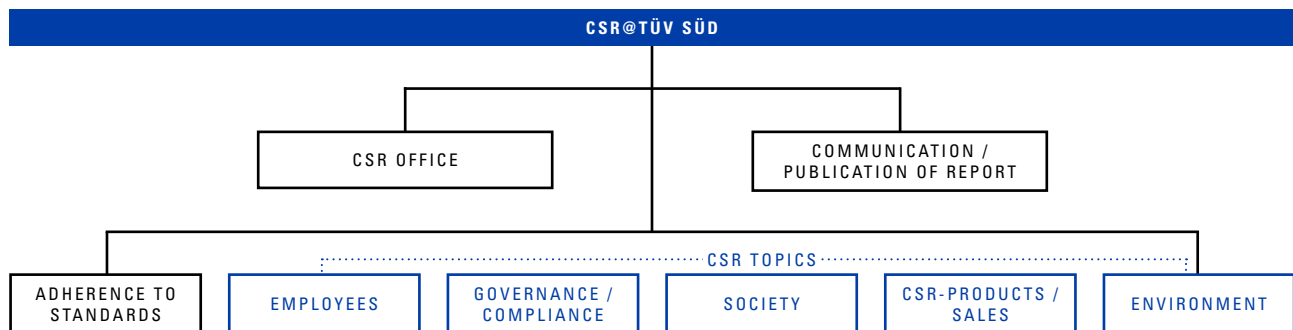
In the same way that our corporate purpose spans the company as a whole, we perceive sustainability as a task that is owned by each and every individual in the company. Every one of us is called upon to show conduct and actions that contribute toward achieving the goals and targets for our own area.

As part of a group-wide project, coordinated by the CSR Representative of the Board of Management and including the heads of the corporate functions of TÜV SÜD Group, the newly established CSR Working Group is laying the foundations for a targeted approach and group-wide reporting.

This will include analysis and evaluation of the main fields of action, involving key stakeholders, as well as definition of goals, targets, and performance indicators. The results from the working group will regularly be reported to the Board of Management. 11 05

### Project organization

11 05



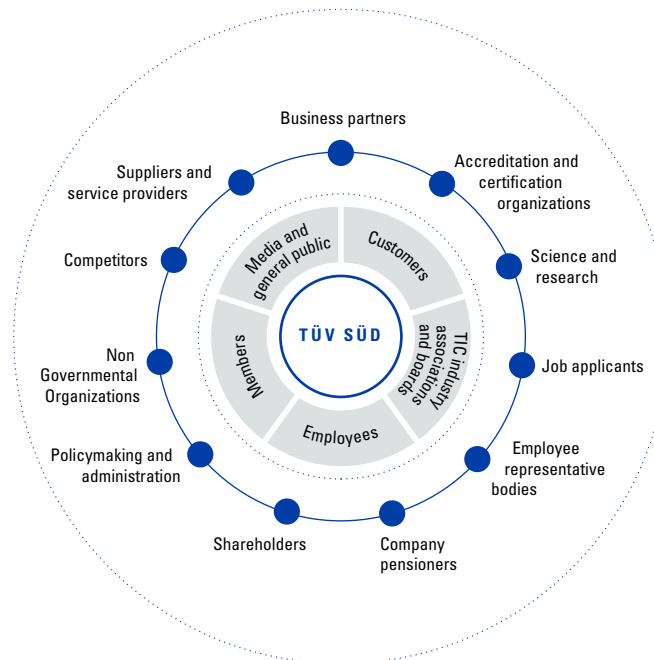
# Stakeholder dialogue

Systematic and ongoing dialogue with our internal and external stakeholders drives a constant flow of fresh impetus, both in daily routine business and in the long-term course of our business activities. We have identified the following stakeholder groups:

06

## Overview of key stakeholders

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Our Stakeholder Dialogue primarily focuses on the stakeholder groups that play the most significant roles for our company's success and for fulfilling our social responsibility. In addition, we aim to consider the specific interests of the individual stakeholder groups with respect to our activities and our sustainability performance.

In this context, the following target groups and forms of dialogue are particularly important in sustainability management at TÜV SÜD:

## DIALOGUE WITH OUR EMPLOYEES

- **Information and dialogue platforms:** In 2018 we reorganized our internal communication structures to reflect the results of a global employee survey. The goal was to ensure that industry- and country-specific features of the individual corporate units and entities were as clearly visible as the corporation as a whole. To achieve this, a cross-media publication entitled TÜV SÜD IN – comprising a quarterly magazine flanked by a digital platform on the microsite in.tuv-sud.com for extra content and for location-independent access – was initiated together with a regular email newsletter. In addition, an accompanying app was launched in the in-house app store at the end of 2018. Regular employee surveys ensure that TÜV SÜD always matches the interests and expectations of the target group. A web-based information platform acts as a collection point for relevant information. This serves as the most efficient method of communicating the corporate strategy “The Next Level. Together.” and concrete strategic measures to all employees.
- **Employee survey:** The regular employee survey provides a further channel where employees can give feedback anonymously and engage in follow-up dialogues with their line managers to initiate sustainable change.
- **Direct dialogue offerings:** An average of three to six central information events entitled “Let’s Talk About TÜV SÜD” are held annually at various locations in Germany. The events give all employees an opportunity to find out about the company’s current situation and plans for the future. In addition, the Board of Management is present at the events to answer questions. The topics addressed at the events, the speeches, and the main questions and answers are posted on the Intranet afterwards in German and English and can be accessed by all employees. At international companies, employee dialogue takes the form of individually tailored employee information announcements and information events, generally organized by local management.

## DIALOGUE WITH OUR MEMBERS

- **Annual General Meeting of TÜV SÜD e.V.:** TÜV SÜD e.V. is the majority shareholder of TÜV SÜD AG. Once a year the members of TÜV SÜD e.V. attend an Annual General Meeting. The event provides them with the opportunity to find out about the activities of the organization and the TÜV SÜD Group in the last financial year, to pass any resolutions required, and to discuss TÜV SÜD or issues of socio-political relevance with the Board of Management and the other members present.

## DIALOGUE WITH OUR CUSTOMERS AND THE PUBLIC

- **Customer events:** As direct points of contact to our customers, our local entities are also in the forefront of stakeholder dialogue. Organizing an array of events and activities, they help ensure our customers are always up to date concerning our service offerings as well as the latest technology trends or any upcoming requirements to be imposed by official bodies and standard owners.
- **Corporate magazine ABOUT TRUST:** : Our corporate magazine, ABOUT TRUST, is published three times a year in German and English. With a print run of over 50,000 copies, it is distributed free of charge to members of TÜV SÜD e.V., interested customers, media, and employees. The microsite [about-trust.tuv-sud.com](http://about-trust.tuv-sud.com), which is part of the TÜV SÜD website, contains the contents of the printed edition together with additional information. The magazine is printed in a climate-neutral process on paper sourced from sustainable forestry management.
- **Annual Report:** Our Annual Report is designed to report on our activities with the same transparency as is required of a capital-market-oriented company. It thus goes far beyond the statutory requirements for reporting. The in-depth financial report is complemented by a lavishly designed image section presenting our strategic directions and interesting projects from the reporting period in a highly readable style. All content from the printed publication is also available on the microsite [annualreport.tuvsud.com](http://annualreport.tuvsud.com).
- **Press and social media activities:** We publish between 250 and 300 press releases per year as part of our communication activities. Our media relations representatives act as central points of contact, providing fast and knowledgeable answers to inquiries from journalists. In addition to classic channels such as daily newspapers and magazines, radio, and TV, the content of our press releases is seeing increasing distribution on social media.

## DIALOGUE WITHIN THE TIC INDUSTRY

To represent and strengthen the interests of TÜV SÜD and of the testing, inspection, and certification (TIC) industry as a whole and drive the development of high quality standards and innovation in the sector, we engage in ongoing exchanges of expert opinions with other industry players. We are members of numerous national, European, and international boards and committees, proactively contributing our knowledge, experience, and technology. Our memberships include the following:

- As a member of the **TIC Council**, TÜV SÜD plays a major role in shaping the development across the entire TIC industry. The Council is an association of around 90 global leading companies and organizations providing international testing, inspection, and certification services. Founded in December 2018, it was created by the merger of the International Federation of Inspection Agencies (IFIA) – the former TIC umbrella organization – with the International Confederation of Inspection and Certification Organisations (CEOC). TÜV SÜD was a member of both organizations.

The TIC Council calls on governments and other key interest groups to work toward effective solutions that protect the public, facilitate trade, and support innovations. The Council highlights the added value to society delivered by TIC services and the associated advantages in terms of safety, security, certainty, quality, health, ethics, and sustainability.

As an assembly of specialists and experts, the Council is a valuable repository of information for political decision-makers all over the world. Its members pledge to make use of their knowledge to assist governments in protecting health, safety, security, and the environment, support manufacturers in negotiating the complex global trade landscape, and provide consumers with certainty about the safety of the products they purchase. In addition, all members of the TIC Council undertake to fulfill high standards of ethics and integrity. Membership of the TIC Council requires implementation of a compliance code which is reviewed annually in an external audit.

→ **MANAGEMENT SYSTEM STANDARDS**  
**ISO.ORG**

- TÜV SÜD plays an active role in national, regional, and international standard setting, e.g. in the **International Organization for Standardization (ISO)**. ISO is an impartial non-governmental international association of 164 national standards organizations and develops internationally valid norms and standards. ISO produces documents containing requirements, specifications, guidelines, or features which can be consistently applied to ensure that materials, products, processes, and services are fit for purpose. Through its members, the organization brings together experts in exchanges of knowledge for the purpose of developing voluntary consensus-based market-relevant international standards that support innovation and offer solutions to global challenges. As a committed member of the ISO CASCO Committee, TÜV SÜD contributes to the development and setting of international standards by ISO. The CASCO committee addresses issues of conformity assessment, developing guidelines and publishing conformity assessment standards. However, it does not perform conformity assessment.

→ **VDTÜV**  
**VDTUEV.DE/EN**

- Prof. Dr.-Ing. Axel Stepken, Chairman of the Board of Management of TÜV SÜD, represents the company in the **Verband der TÜV e.V. (VdTÜV)** in his capacity as vice-chairman of its board. VdTÜV organizes technical and scientific exchanges of ideas and experience and represents its' members political and specialist interests in the political, administrative, business, and public sectors at national level. It has the aim of preserving the high level of technical safety in society and developing safe and reliable framework conditions for technological change.



## **CORPORATE LEADERSHIP ANCHORED IN RESPONSIBILITY**

<b>24</b>	Corporate governance
<b>25</b>	Compliance
<b>28</b>	Risk management
<b>29</b>	Operational excellence
<b>30</b>	Quality management

## Our objective

The unceasing advancement of excellence and efficiency in our corporate leadership and our services

# Corporate governance

We consider good corporate governance to mean responsible, transparent and values-based management. This definition is explained in greater detail in clear guidelines and regulations that apply throughout the company. We regularly review these principles and adapt them in line with new findings, changed legal provisions, and national and international standards. This is how we succeed in our efforts to achieve excellence and efficiency and earn the trust placed in us and our services by our customers and other stakeholders. Profoundly aware of the value of this trust, we make every effort to preserve the transparency and integrity of our corporate governance.

The Board of Management and Supervisory Board of TÜV SÜD AG take their guidance from the provisions of the German Corporate Governance Code (DCGK) for capital-market-oriented companies, thus laying the foundations for a common understanding of responsible, transparent and value-oriented corporate leadership at all levels of the company.

Our management structure is designed to establish TÜV SÜD as an agile, efficient, transparent, and sustainable organization. The Board of Management of TÜV SÜD AG has three members. Including the functions of Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Operating Officer (COO), the Board of Management is responsible for running the company and manages its business. It is bound to act in the interest of the company and to increase its long-term enterprise value. It discharges its management duties as a collegial body with joint responsibility for managing the company.

The Supervisory Board of TÜV SÜD AG comprises 16 members. In accordance with German law, half of the members are employee representatives and half are shareholder representatives. TÜV SÜD's strategic direction is coordinated closely between the Board of Management and Supervisory Board of TÜV SÜD AG.

Further information on the Corporate Governance of TÜV SÜD and the Board of Management and the Supervisory Board can be found in the 2019 Annual Report.

→ ANNUAL REPORT 2019,  
MANAGEMENT REPORT,  
CORPORATE GOVERNANCE  
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# Compliance

Compliance with all applicable laws and international rules and dealing fairly with our business partners and competitors are among our company's most important principles. Ethical principles are an integral part of our corporate culture. The corresponding principles are set forth in the TÜV SÜD Code of Ethics which is binding for all our employees.

Our customers rely on the integrity of TÜV SÜD. To ensure the services they receive offer the maximum safety, security, and objectivity, TÜV SÜD takes a preventive approach to compliance and endeavors to achieve a corporate culture that proactively excludes potential breaches from the outset by raising employee awareness and educating the workforce.

TÜV SÜD's compliance management system provides the organizational basis for compliance with valid law. It is based on the principles of the IDW PS 980 auditing standard, is continually improved and comprises the following seven elements:

## COMPLIANCE CULTURE

- Our compliance culture is the bedrock of our compliance management system. Its shaping principles are "tone from the top" and our brand message of "Add value. Inspire trust." We are deeply aware that our success is materially dependent on our customers' trust in our impartiality and integrity. Because of this, compliance holds a particularly important status in TÜV SÜD's culture. We follow the precept that compliant conduct generates trust. The Board of Management impresses the topic of compliance on employees from the earliest opportunity, at the Welcome Days for new company members; heads of corporate functions are likewise instructed to address the subject regularly within their sphere of responsibility.

## COMPLIANCE OBJECTIVES

- The objective of our compliance management system is to make compliant conduct universal among TÜV SÜD employees and the third parties we commission to perform our services. The Corporate Compliance function thus focuses on avoidance of corruption and violations of competition law and on adherence to data protection laws and compliance with export control laws.

## COMPLIANCE RISKS

- We regularly perform risk analyses to identify risks that may result in violation of relevant laws and regulations, and thus in failure to meet our compliance objectives. In a globally operating company like TÜV SÜD, all functional areas need to be closely networked. Given this, compliance is also examined in financial and accounting risk assessments.

The Compliance Committee, whose members comprise the heads of the relevant corporate functions, meets regularly to discuss compliance developments in the group and evaluate potential new risks. Risk assessments are taken as a starting-point for drawing up basic principles and actions aimed at reducing compliance risks and avoiding violations.

## COMPLIANCE PROGRAM

→ TÜV SÜD, CODE OF ETHICS  
TUVSUD.COM

- TÜV SÜD introduced its Code of Ethics in 2008. The Code is the core of our compliance program and sets out the ground rules for compliance at TÜV SÜD. In addition, TÜV SÜD issues an annual slavery and human trafficking statement based on the British Modern Slavery Act of 2015. TÜV SÜD has established a total of eleven compliance-based guidelines designed to guarantee fair, responsible, transparent, and value-oriented conduct within and outside the company.

Our compliance program includes guidelines

- \_ specifying conduct in response to invitations and gifts,
- \_ for relations with business partners,
- \_ for avoidance of conflicts of interest and corruption,
- \_ for relations with competitors,
- \_ concerning trade and export control laws,
- \_ for data protection and privacy,
- \_ for relations with US subsidiaries,
- \_ for secure treatment of information,
- \_ for treatment of donations and sponsorships,
- \_ for archiving documents, and
- \_ for the correct procedure in cases of compliance violation.

These principles are regularly reviewed and aligned to new findings, amendments to laws, and national and international standards where necessary. By taking this action, we strengthen the trust placed in our work by our customers, our employees, and the public, and fulfill the constantly growing need for information on the part of national and international stakeholder groups.

## COMPLIANCE ORGANIZATION

- Our compliance organization is headed by our Chief Compliance Officer (CCO), who reports directly to the Chairman of the Board of Management. The CCO acts autonomously without instructions from above. In addition to the Chief Compliance Officer, there is a Global Compliance Officer (GCO), a Regional Compliance Officer (RCO) for each region, and a Local Compliance Officer (LCO) for each company in which TÜV SÜD has a holding of more than 50%. These actions enable us to maintain compliance at global level throughout all our companies.

## COMPLIANCE COMMUNICATION

- TÜV SÜD employees receive information on the compliance program during their induction and later undergo more in-depth training on the topic. E-learning courses and webinars have been a complementary part of our training portfolio since 2014. Employees find out about the basics of compliance in an initial e-learning course and take regular refresher courses to ensure they are always up to date on the subject. In addition, the latest information on compliance-related topics is regularly posted on the Intranet.

Our Code of Ethics training has been taken by a total of 25,780 employees since its introduction, while 20,911 have successfully completed the Compliance Refresher course. The target is for all TÜV SÜD employees to participate in a new compliance e-learning course annually.

## COMPLIANCE MONITORING AND IMPROVEMENT

- The TÜV SÜD compliance program is regularly reviewed for appropriateness and effectiveness. As standard procedure, our Corporate Auditing department holds audits in high-risk countries to verify adherence to compliance rules. Suspected violations of the rules are followed by special audits by the corporate auditing department and external auditors. Violations of laws or internal guidelines incur appropriate sanctions and may involve disciplinary actions or even dismissal for employees.

In some countries, employees and external third parties can report indications of violations or suspicious cases anonymously to [compliance@tuev-sued.de](mailto:compliance@tuev-sued.de). Asia also operates The Code, an online whistleblower platform. Launch of a new standardized and group-wide online whistleblower platform is planned for 2020.

Over the reporting period, procedures for processing personal data at TÜV SÜD were aligned to the data protection provisions set forth in the EU General Data Protection Regulation (GDPR); compliance risks in TÜV SÜD Group were subjected to repeated analysis and counter-measures were introduced where necessary. In addition, the compliance guideline for agreements with TÜV SÜD business partners and third parties and the due diligence process for commissioning third parties in high-risk countries were revised.

## Risk management

In our day-to-day work, we attach high importance to careful handling of potential risks for the company. Our risk management system is designed to identify risks, evaluate existing risk positions and optimize risks entered into. This is done in the risk committees set up for this purpose, comprising representatives of the divisions and segments.

The internal opportunity and risk management system undergoes continual optimization and alignment to changing framework conditions. We used 2019 to investigate processes and implement improvements. Against this backdrop, we conducted an adequacy assessment of the TÜV SÜD risk management system in accordance with the IDW PS 981 standard. In March 2020 the auditors assigned to conduct the assessment confirmed that our risk management system fully meets the requirements of the standard.

Our revision of the relevant opportunity and risk management guideline incorporated our own considerations as well as findings from external auditing. Among these, greater emphasis was placed on the responsibility of each individual in the TÜV SÜD Group to ensure successful opportunity and risk management outcomes. The Board of Management further established that willful withholding of identified risks and willfully false assessment of risks constitute significant violations of compliance and may incur disciplinary measures.

The objectives and targets of risk management and risk policy principles were likewise revised and incorporated in the guideline, including definitions of TÜV SÜD's risk-bearing capacity, risk tolerance, and risk acceptance. Additional quarterly comparisons of identified risks with risk-bearing capacity were introduced in TÜV SÜD at the end of 2019. To ensure opportunities and risks are identified to the fullest extent possible, regular risk workshops are held at business unit, regional, and corporate function level, and backed by appropriate risk checklists. The results complement the existing quarterly risk reports and are included in reporting to the Board of Management and Supervisory Board. Plans for 2020 provide for a risk training course for executives that will address issues related to practical application as well as examining the systems and processes implemented.

Further information on our risk management and control systems and on TÜV SÜD's current situation with respect to opportunities and risks can be found in the Opportunity and Risk Report in the current Annual Report.

→ ANNUAL REPORT 2019,  
MANAGEMENT REPORT,  
OPPORTUNITY AND RISK REPORT  
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### DAM FAILURE IN BRAZIL

On January 25, 2019, a tailings dam at an iron-ore mine in Brazil tragically collapsed, causing a mud slide which left 270 people dead. Some months before this tragic incident, TÜV SÜD's Brazilian subsidiary, TÜV SÜD Brasil Engenharia e Consultoria Ltda. (formerly TÜV SÜD Bureau de Projets e Consultoria Ltda.), which TÜV SÜD had acquired in 2013, had completed some inspections at the dam on behalf of the mine operator. Technical analysis and legal investigations are ongoing. TÜV SÜD is still very much interested in clarifying the facts of the dam breach; we continue to offer our cooperation to the responsible authorities and institutions.

## Operational excellence

Our customers' trust is the cornerstone of our success. We aim to earn it anew every day by upholding the highest quality standards and by placing reliability, safety, and certainty at the center of our service offerings. Irrespective of whether we provide services directly on our customers' premises, at one of our test laboratories, or elsewhere in our organization, we are a reliable partner wherever safety, security, and sustainability are paramount. Our solutions deliver tangible added value for our customers.

We have introduced an integrated management system for managing and monitoring our processes, which focuses on added value for our customers and applies the zero defects principle. It takes in our central business processes and services and defines how they are to be efficiently implemented and improved (e.g. by means of process audits). Where necessary, individual processes are defined in more detail in further-reaching provisions.

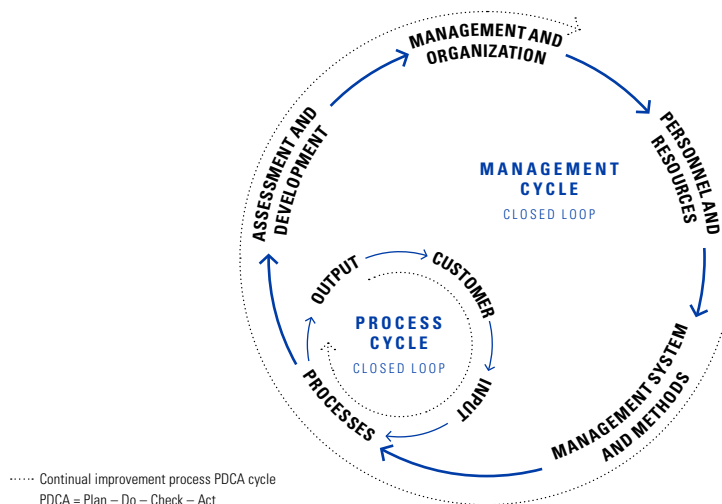
The Integrated Management System is described in detail in the TÜV SÜD Corporate Management Manual. The Manual can be accessed by all employees and is regularly updated. The heads of the TÜV SÜD Group divisions, regions, and legal entities accept the binding nature of the Corporate Management Manual as amended and implement it in their areas of responsibility. This safeguards interoperability in the TÜV SÜD Group and ensures that clear, compatible framework conditions apply throughout the entire group and that the applicable rules and processes are effectively implemented.

The Board of Management oversees implementation of the Integrated Management System and its ongoing development, assessment, and surveillance based on the PDCA (Plan-Do-Check-Act) process defining a continuous cycle of improvement, development, and advancement. By doing so, TÜV SÜD follows the process-focused approach of the ISO 9001 standard and establishes the customer as a direct partner at the center of entrepreneurial actions.

The implementation, suitability, and effectiveness of the Integrated Management System is assessed by internal auditing function, ongoing management reviews, and regular consultation by relevant working groups. These processes take place at both local and international level and drive the continual improvement process.

## Integrated Management System - Process Model

.07



## Quality management

Quality management is a core constituent of TÜV SÜD's Integrated Management System and is the mandatory prerequisite for all of TÜV SÜD's national, European, and international authorizations and qualifications that are essential for the company's recognition as a testing, inspection, and certification organization. It is based on regulations including the ISO/IEC 17000 family of international standards.

TÜV SÜD currently holds approx. 650 accreditations and further qualifications worldwide. These accreditations are evidence of the expertise underlying our services in areas including product testing and certification, management system certification, laboratory testing, and inspection and monitoring of technical systems, objects and vehicles.

It further includes occupational health and safety (see Employee Report), safety and security management, data protection and data security, and physical safeguarding of assets.

The company-wide interaction of these management systems under our overarching Integrated Management System is a factor in our ability to provide our services at a consistently high level of quality and ensures long-term continuous improvement of our quality standards.

→ SUSTAINABILITY PUBLICATION 2019,  
EMPLOYEES  
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## **GROWING SUSTAINABILITY THROUGH SERVICES AND INNOVATIONS**

- 32** Sustainability-related  
services by TÜV SÜD
- 36** Innovation management

## Our objective

As a reliable partner for safety, security,  
and sustainability, we provide services and  
innovations that help to tackle global challenges.

As part of our sustainability activities, we have established an individual field of activity dedicated to development and advancement of innovative and sustainable services, with a clear objective: as a reliable partner for safety, security, and sustainability, we aim to provide services and innovations that help to tackle critical challenges at global level while providing our customers, the environment, and society with tangible added value.

→ SUSTAINABILITY PUBLICATION 2019,  
OPERATIONAL EXCELLENCE  
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To achieve this we ensure our services are permanently in harmony with ecological, economic, and social aspects. We make sure our services always fulfill rigorous quality standards and are performed with reliability, safety, and security (see also “Operational excellence”). By doing so, we aim to confront global challenges in the field of sustainability in our capacity as pioneers in our industry, employing all our innovative strength and our drive to constantly learn and improve to this end.

Growing sustainability through  
services and innovations

# Sustainability-related services by TÜV SÜD

We already support our customers by helping them to integrate aspects of sustainability into their companies, production processes, and supply chains. These activities play a proactive role in shaping sustainable economic development. TÜV SÜD supports the 17 Sustainable Development Goals (SDGs) of the United Nations. We supply numerous services that enable the defined goals to be achieved.

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## TÜV SÜD Services – Our contribution to reaching SDGs

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In addition, we have singled out the services in which we can offer strategic added value with respect to sustainability for our customers and partners and made them our special focus. Examples are:

## MEASUREMENT, CERTIFICATION, AND TRAINING IN SUSTAINABILITY TOPICS

### → Management system certification and audits

Companies are responsible for the world of tomorrow, by their sustainable business operations and careful use of resources and energy. At the same time, they increase their efficiency, reduce costs, lower risks, and safeguard their own long-term viability. To achieve this, sustainability needs to be managed in a systematic and professional manner.

TÜV SÜD proactively supports companies in establishing and implementing sustainability-focused operations, e.g. by testing and certifying the relevant management systems in accordance with recognized standards. Relevant standards for this process include ISO 14001 for environmental management systems and ISO 50001 for energy management systems. We also conduct energy audits in accordance with EN 16247-1 and supply comprehensive advisory services in the field of energy efficiency.

### → Carbon management – Measuring carbon footprints

To prevent global warming, greenhouse gas levels must be reduced. Increasing numbers of companies are pledging their support for the Paris Agreement climate targets. They are striving to cut their carbon emissions or eliminate them altogether. Support provided by TÜV SÜD includes systematic and coordinated carbon footprint quantification. This carbon accounting can be produced at corporate level as a “corporate carbon footprint” (CCF) covering all emissions throughout the value chain, or as a product-specific “product carbon footprint” (PCF) for the life cycle of a product or service. Its objective is to create transparency, identify emission drivers, and provide impetus for innovations that can reduce consumption of energy and raw materials.

### → Water management – Using water responsibly

Responsible use of water as a resource is likewise becoming an increasingly important focus of sustainable company management. Here too, our experts support our customers in implementing efficient water management systems.

For example, a “product water footprint” quantifies the potential impacts of a product or service on the environment, human health, and resources in relation to water. Measurement covers the complete life cycle from raw materials procurement to final disposal of the product.

→ DGNB  
DGNB.DE/EN

→ BNB  
BNB-NACHHALTIGESBAUEN.DE

→ BREEAM  
BREEAM.COM

→ LEED  
USGBC.ORG

→ HCH  
HAFENCITY.COM

→ FSC  
FSC.ORG

→ PEFC  
PEFC.ORG

### → Building certification – Proof of enhanced sustainability

Sustainability certification of buildings is of vital importance for property valuations and transactions. The process guarantees compliance with appropriate standards and provides impartial and visible proof of quality for tenants and investors, thus improving property values. At the same time, certification requirements can be used as an action plan for continual improvement of the building and its management and operating processes with respect to sustainability. We supply certification to standards including DGNB, BNB, BREEAM®, LEED® and HCH to enhance sustainability of new or existing properties. We also provide inspection and advisory services for customers in the field of green due diligence, examining sustainability aspects of their existing property.

### → Certification of sustainable wood and paper products

TÜV SÜD's FSC and PEFC certifications contribute to ecologically sound, socially beneficial, and economically viable forestry management. The FSC and PEFC standards support sustainable forestry stewardship at global level. Their clear ecological, social, and economic criteria have set standards for forestry management.

### → Training

TÜV SÜD offers a wide range of sustainability-related training. Continuing training and awareness programs support manufacturers, suppliers, and consumers in developing and implementing processes that reflect the principles and values of the circular economy. In addition, TÜV SÜD offers training courses that help to tackle current challenges, e.g. on efficient planning and implementation of digital and sustainable urban models that focus on new technologies, sustainable energy generation, or energy efficiency programs.

## CONTRIBUTING TO SUSTAINABILITY BY FOCUSING ON SUSTAINABLE INDUSTRIES

Watching over our company's sustainable development and the ecological footprint of global society, we work proactively with shapers of ecological change. Our aim in this is to minimize the negative consequences of new technologies for people in line with our mission. We are thus among the leading suppliers of testing, inspection, and certification services for wind energy and work with e-mobility providers in areas such as testing of batteries and charging infrastructures. We provide support for many of our customers in designing sustainable production processes, and also offer services focused on the water economy. We are currently expanding our risk mitigation commitment as a lever for a growing hydrogen economy and are convinced this technology has a viable and valuable future.

## Innovation management

Innovations are the drivers of the success of our strategy. We aim to reinvent testing and inspection services and enhance them with new and additional services. Our long-established proactive Innovation Management System oversees this evolution. In 2019 and 2018 approximately EUR 20 million were invested each year in developing highly innovative projects. Many of the services that emerged from this address topics such as climate change, resource preservation, data protection and privacy, and shaping the personal mobility of tomorrow; in other words, boosting sustainability. By taking action in this way, we help our customers achieve their sustainability targets in our capacity as technical service provider. We support them in improving the social, economic, and ecological impacts of their services, managing sustainability risks, and improving the transparency of their actions.

For the past several years, members of TÜV SÜD's Singapore office have been working on designing non-sewered sanitation systems that do not require connection to water systems or power grids and are safe for people and the environment. Some 4.3 billion people all over the world still lack access to clean sanitation; waste often ends up in ground water or directly on the streets, giving rise to attendant infections. Every year, 350,000 children under the age of 5 die from diarrheal diseases including cholera, which are linked to poor sanitation and contaminated water.

In 2011, the Bill & Melinda Gates Foundation launched the "Reinvent the Toilet Challenge" and initiated a new phase of innovation in basic sanitation services. TÜV SÜD also receives support from the foundation to address the urgent gap in progressing innovative sanitary interventions. For several years now, TÜV SÜD employees at the Singapore office have been actively working on the development of two ISO standards for non-sewered sanitation systems and building up lab testing and certification capabilities in China, South Africa, and Singapore to ensure success in implementing safe and sustainable sanitation solutions for all.

In order to produce tangible results with flexibility and speed, the team first developed a private technical standard which was then transformed into the new ISO 30500 standard. The process of creating this technical guidance at such an early phase of innovation is unprecedented, as standardization does not normally occur until after technology has already achieved maturity. This pioneering early standardization effort for advancing emerging sanitation technologies has become a replicable model in the development of ISO 31800, a second standard for energy-independent community-scale fecal sludge treatment units that recover resources from human wastes stored in septic systems and pit latrines.

Both standards not only reflect the state of the art in sanitation, but also set a clear goal for the development of new concepts. They allow further innovations to grow from standards – and pave the way for safe living conditions for billions of people.

## EMPLOYEES

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and continuing training
- 46 Diversity management
- 49 Work-life balance
- 50 Occupational safety and  
health management

## Our objective

We are shaping our business success of tomorrow by continuing to strengthen and empower our employees amid a state-of-the-art environment founded on trust.

Over 25,000 people work for our company all over the world, around half of them outside Germany. The motivation, expertise and skills of our employees lay the foundation for the long-term development of the company.

The composition of our workforce is as international as our business: TÜV SÜD's workforce comprises more than 100 nationalities. The 250 Executives (Senior Management) are from 28 countries, about two thirds of them from Germany.

Regular employee surveys paint a clear picture: people enjoy working for TÜV SÜD and appreciate the opportunities offered to them by our company. Our intention is to continue building on this strength. As part of our HR Strategy 2025, we aim to promote a culture of collaboration at TÜV SÜD, and nurture it into a tangible benefit for our employees and managers in combination with a clear focus on our customers. In light of this, we launched a wide-ranging culture initiative in 2019. As our markets change, our way of working has to change too – across all borders and hierarchical levels, toward a corporate culture that is embraced by all employees. In a first step, we held almost 40 workshops in fiscal 2019 which were attended by approx. 600 employees from all divisions and regions. By year-end, this had produced a target vision that will shape future collaboration at TÜV SÜD.

This target vision is particularly important in view of our company's development in the future. Our planned expansion of capacity and average churn rate at a normal level will result in the need to recruit approximately 30,000 new employees over the coming ten years. The task of identifying these people, attracting them to TÜV SÜD, and integrating them and their skills and abilities into our company is a key challenge for our Human Resources operations.

Against this backdrop, sustainability activities in our "Employees" field of action focus on the following topics: recruitment, pay and benefits, continuing training and development, diversity management, work-life balance, healthcare management, and occupational health and safety.

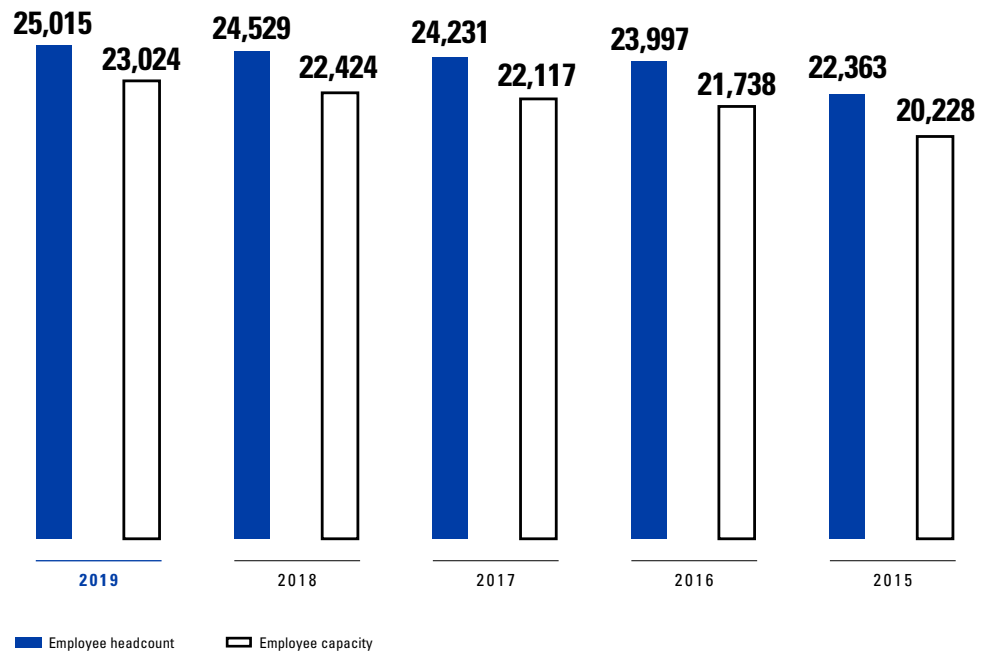
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## Employee development

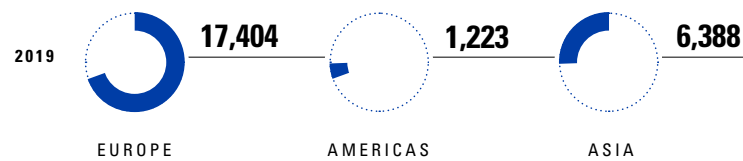
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EMPLOYEE HEADCOUNT AND EMPLOYEE CAPACITY ON AN ANNUAL AVERAGE



## Employee headcount by region

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## Employee headcount by segment

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41	Recruiting	46	Diversity management
42	Compensation and benefits	49	Work-life balance
44	Human resource development and continuing training	50	Occupational safety and health management

## ORGANIZATION AND MANAGEMENT

The majority of HR administration operations at TÜV SÜD are concentrated in shared service centers. This structure frees up capacity for HR business partners and enables them to act as strategic partners and provide comprehensive advisory services to the senior experts and executives in their care.

We systematically embrace the possibilities offered by digitization in order to ease the burden of routine work on staff in HR and offer management a reliable basis on which to make decisions in HR matters. In the most recent example, the HR Dashboard, established in 2019, provides an overview of the key indicators and shows the development of factors such as the churn rate or age structure. High levels of transparency allow potential problems to be detected at an early stage or even avoided altogether.

To support more precisely targeted planning and decision-making, we are currently establishing an integrated planning process for Human Resources. This systematic process, taking in both relevant internal data and external market data, forms the foundation of needs-based anticipatory planning through which appropriate employee recruitment and retention measures can be launched in good time.

For TÜV SÜD, adherence to various standards and laws relating to human rights, diversity, and combating discrimination is of paramount importance. Close collaboration with workers' representatives has been a key pillar of our corporate culture from our earliest beginnings. Inclusion of our employees in codetermination processes and establishment of employee representatives at intracompany level and above takes place in accordance with German law.

In Germany approximately 8,700 employees of the Group were covered by union-agreed working conditions as at year-end 2019. The interests of TÜV SÜD's German employees are additionally represented by the Group Works Council under the company's codetermination process.

In today's "World of Work 4.0," a collaboration between company and employees that is based on flexibility and trust needs both parties to work together on driving digitization and innovation in the company while protecting the individual rights of our employees. By doing so we ensure our employees can make use of the best possible technical equipment and working conditions while the protection and security of employee-related data remains the focus of our negotiations.

TÜV SÜD champions fair, reasonable pay for its employees that sufficiently reflects living costs. But our activities also extend beyond the active working age of our employees. For more information on the type and scope of pension schemes and similar provisions, see the TÜV SÜD 2019 Annual Report, Consolidated Financial Statement).

As a member of the German nonprofit association aba Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. (Association for Occupational Pensions), we and over 1,100 further companies work to maintain and expand Germany's company pension system.

→ ANNUAL REPORT 2019,  
NON-FINANCIAL PERFORMANCE  
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→ ANNUAL REPORT 2019,  
NOTES TO THE CONSOLIDATED  
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# Recruiting

To reach our growth objectives, we need to attract qualified recruits to TÜV SÜD across the world. To do so, we will focus on appealing to a global pool of candidates with wide-ranging skills and qualifications and attracting versatile and diverse talents at local and international level to our strong employer brand. Our HR Strategy 2025 sets out corresponding goals and targets to achieve this aim.

Optimized recruitment processes based on integrated HR planning and supported by digital technologies will likewise contribute. 21 countries have now introduced a central application platform offering an extensive range of positions. In 2018 we began to counter the impending shortage of specialist skills by setting up focused recruiter hubs to support executives at cross-regional and cross-division level in their search for new recruits.

A key role in the success of these activities is played by the strategic target-group-oriented positioning of TÜV SÜD as an employer brand. TÜV SÜD has been one of Germany's top-ranked employers for many years. The company is held in particularly high esteem by engineers, technical experts and technical graduates, as our consistently good results in relevant surveys and rankings clearly show. In recent years we have also built up an outstanding reputation abroad, with numerous awards and distinctions confirming the attractiveness of our employer brand – including in 2019 in Spain and China. We plan to continue consolidating and expanding this strong position. To foster a unified perception of TÜV SÜD as an employer, in 2019 we developed a fresh and professional employer brand to demonstrate our attractiveness for a variety of industries and target groups at global level. This brand profile is now communicated by appropriate campaigns at local and international level. December 2019 saw TÜV SÜD win Silver at the Employer Branding Award as “Best Employer Brand 2019” in the “Global Player” category.

## New employees

01

		2019	2018
Headcount	Number	25,015	24,529
New employees during the reporting period, total	Number	3,764	3,690
	%	15	15
Thereof joined in the Europe region	Number	2,160	2,044
	%	9	8
Thereof joined in the Asia region	Number	1,335	1,239
	%	5	5
Thereof joined in the Americas region	Number	269	407
	%	1	2

Employee churn<sup>1</sup>

02

		2019	2018
Employee churn during the reporting period, total	Number	1,762	1,686
	%	7	7
Thereof in the Europe region	Number	683	707
	%	3	3
Thereof in the Asia region	Number	942	918
	%	4	4
Thereof in the Americas region	Number	137	61
	%	1	0

1 \_ Voluntary churn

## TRAINING AND QUALIFICATIONS – SAFEGUARDING THE FUTURE

Training and qualifications for young people are traditionally a cornerstone of TÜV SÜD, serving to meet the company's future requirements for skilled employees. 127 trainees embarked on their careers at TÜV SÜD in Germany in 2019 (155 in the previous year). Many choose to combine theoretical and practical training in work/study programs (Duales Studium), primarily in the areas of mechanical, electrical, and vehicle engineering. TÜV SÜD's permanent aim is to offer positions to as many of its graduates as possible and to continue their training as testing engineers or officially approved experts.

## Compensation and benefits

Clearly defined pay policies are the foundation for an array of processes in Human Resources, from employer branding and talent recruitment to employee retention, motivation, continuing training, and change. They thus accompany our employees throughout their entire period with our company. Given this, pay policies must create a balance between market orientation, transparency, and flexibility within a straightforward and, above all, globally standardized structure, while taking individual factors into consideration as far as possible. All our pay policies are designed to strengthen TÜV SÜD as an employer brand and to recruit employees, retain them over the long term, and support their technical and professional development.

Our aim is to foster a corporate culture based on collaborative and innovative cooperation. To achieve this, an integrated picture of employees' performance is gained by means of annual objective setting and achievement reviews. In addition to individual goals and targets, employees are assessed in terms of their performance and its reflection of our corporate values and competence model. Conduct that reflects our values impacts both on the level of actual variable pay elements and on pay development in the future.

Our pay policy is based on binding rules that apply equally to all employees in the company. Pay is not influenced by nationality, origins, or gender. Our global, regional, and local payment policies and rules thus reflect the principle of equality of treatment and opportunity that applies across our company. We are currently working with our regions to develop pay standards that will represent a globally uniform procedure, thus further enhancing the sustainability of our pay policy principles.

Empirical experience and a range of studies by recognized consulting companies have shown that basic pay rates have the highest influence on employees' decision to stay at a company. TÜV SÜD thus aims to provide employees not covered by collective bargaining agreements with competitive basic pay rates at market levels plus market-oriented target bonuses. In areas covered by collective bargaining agreements and collective bargaining law, pay and bonuses are agreed with the bargaining partners. External market data from regional employment markets are collected annually; pay and benefits are based on the applicable market levels.

An impartial grading system at TÜV SÜD creates a uniform global understanding of job valuation and scopes of responsibility; at the same time, it builds the framework for a general pay system that is structured, competitive, well-balanced, objective, and market-oriented. Basic pay levels, variable elements, and benefits are permeable and cascaded down from top management to executives and specialists at management and professional level. They are based on the employees' pay grades, taking market conditions and business requirements into account.

Global, regional, and local plans for variable pay elements and the corporation-wide standardized continuous feedback process are mutually complementary and supportive. Short- and long-term incentive plans (profit-sharing, STI, and LTI) in the Group also take performance indicators into consideration that pay into stable, sustainable corporate development over a period of one or more years. To focus more closely on the strategic goals and targets of TÜV SÜD in addition to our purely financial success, non-financial performance indicators will be established in variable pay schemes in the future.

## Human resource development and continuing training

Technological progress, digital transformation, and an increasingly close-meshed global economy are drivers of continuous change in the tasks we face as a service provider, and thus in the requirements we ask our employees to meet. We aim to empower our employees to master these challenges by providing wide-ranging qualification and continuing training offers. By doing so, we fulfill the most important condition for successful implementation of our corporate strategy.

Our objective is to provide all of our employees with the optimum opportunities for their development based on their responsibilities, position, training, and knowledge. To achieve this, we aim to establish flexible possibilities for our employees' continuing specialist and multidisciplinary training and development. We regard integrated learning platforms and maximum personalization as key factors for the success of these offerings.

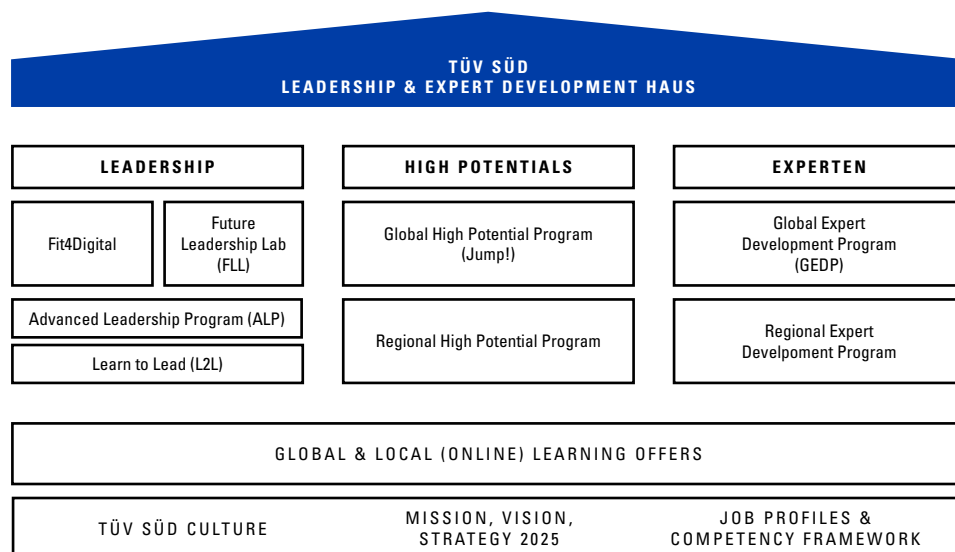
In 2019, TÜV SÜD employees around the world completed approximately 67,700 days of initial and continuing training (previous year 64,400 days). A total of EUR 18 million was invested in external training costs (previous year: EUR 18 million).

As well as offering training that is open to all employees, we also focus on targeted development of our executives and experts with the goal of enabling them to continuously grow their talent and knowledge – the bedrock of our success. Our longstanding Leadership & Expert Development (LED) program places systematic and continuous human resource development of specialists and executives at the heart of our international human resource operations.

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### Optimizing development opportunities for all

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## DIGITIZATION AS A LEARNING OBJECTIVE

Human resources have a key role to play amid the advancement of digitization. In this context, centralized human resource services in Germany, assisted by the employee academy must work hand in hand with support at managerial level with the common goal of supporting employees along the way to digital transformation and the new business areas unlocked by the process.

Global human resource operations provide a range of programs designed to achieve “digital maturity.” Middle and top management levels can take part in the global programs “Future Leadership Lab (FLL)” and “Fit4Digital.” The FLL training workshop enables participants to experience the complexities of leadership in a VUCA world – one driven by volatility, uncertainty, complexity, and ambiguity. The Global Expert Development Program (GEDP) is targeted at the senior technical experts in our company and prepares them for the coming challenges in key areas of core competence. Here the focus is on innovation, product development, and customer orientation, but also on change management and exchange of knowledge. Around 100 senior technical experts have completed the international program since 2014.

Further, all global employees can access the Digital Learning Page with information and training opportunities on core topics related to digitization. The Intranet offers resources including Learning Nuggets and a multilingual web-based training course providing insight into selected digital projects at TÜV SÜD and practical information on topics such as highly autonomous driving and IT security. We work with partners including Digital Service GmbH to select and provide new learning content on an ongoing basis.

## EVALUATING PERFORMANCE

We aim to assess the performance of our employees with the maximum possible objectivity in accordance with uniform corporation-wide standards. To achieve this, we have established a global structured process for target agreements, feedback, and assessments, further supported in some countries by a standardized IT-based procedure. The online process enables executives and employees to compare goals and targets against their achievement at any time. But the process extends far beyond agreeing and assessing targets. Wherever they are in the world, our employees always have the chance to discuss their performance status and development opportunities with their supervisors. This includes on-the-job development or training for higher positions, but also – and primarily – measures such as job rotation and working abroad, which can enable employees to expand personal knowledge and skills and gather international experience within the company.

Many countries in which TÜV SÜD operates engage in performance assessment that is explicitly and/or implicitly based on performance and conduct benchmarks. With continuous advancement, sustainability, and strengthening collaboration in mind, we take an integrated view of performance; this goes beyond specific targets to take in the development and application of skills and competencies and the practice of TÜV SÜD values. Regular dialogue between employees and executives strengthens and supports our strategic objectives of continuous further development, qualification, and preparation for constantly changing and new roles and challenges.

## SETTING HIGH POTENTIALS ON THE RIGHT COURSE

Identification and encouragement of high potentials is a further key strand of our human resource strategy. We plan to use dedicated measures and programs to support these employees in their professional and personal development and strengthen their loyalty to our company, thus preparing them for cross-division and cross-regional leadership roles. Spring 2019 saw the fifth year of “JUMP!” – our global high potential scheme with 18 participants from seven countries.

The scheme is made up of several modules held at various TÜV SÜD locations worldwide and focuses on the core competencies that will be essential for these executives of the future. Leadership & Business, Team, Culture. In addition to the participants' routine responsibilities, they spend the interim periods between modules working in international teams on projects of high strategic importance. In addition, mentoring and digital learning provide support for the participants as they progress their personal and skills development.

TÜV SÜD's CHAMP (Corporate High Achievers' Management Program) also offers regional high potential schemes for the support and advancement of employees showing high potential as future executives. CHAMP programs have already been enormously successful in Asia and the Americas, and this year marked the successful completion of the European pilot. The program focuses on three areas of development: Leading Self, Leading Team, and Leading Business. It combines face-to-face learning, interactive simulations, learning projects, and mentoring.

TÜV SÜD also provides high potentials with the option of joining the PEP! personal development program, founded in 2017. Available at all TÜV SÜD companies in Germany, PEP! is tailored to employees with the potential to take on their first functional or disciplinary leadership role in the next one to three years.

## Diversity management

→ DIVERSITY AT TÜV SÜD  
FUTURE IN YOUR HANDS

TÜV SÜD promotes diversity and equality of opportunity. We signed the German Diversity Charter (Charta der Vielfalt) as early as 2017 and pledge to uphold its principles of creating a working environment that is free from prejudice. All employees deserve to be appreciated, regardless of their gender, nationality, and ethnic origin, religion or worldview, physical and mental ability, age, and sexual orientation and identity. All members of our company should have equal opportunities for personal and professional development. Our goal is to nurture a corporate culture of appreciation in which our individual employees can fully develop their personal talents and thus contribute jointly to the success of our company.

We work ceaselessly to optimize our diversity management and root its themes even more firmly in our company. We believe that successful diversity management begins with commitment from the top management level and is reflected in corporate values and corporate culture. At the same time, we aim to create appropriate framework conditions and strong structures in the fields of recruitment, human resource development, and working conditions. High levels of transparency are a primary factor in the success of these measures.



We have made great strides, particularly in the past two years; new reports and performance indicators have been introduced in HR management and diversity factors have been added to existing observation parameters to ensure our progress is quantifiable.

To flesh out the concept of diversity for our employees, an issue of the quarterly employee magazine TÜV SÜD IN was devoted to the subject in collaboration with our internal Corporate Communications function. The magazine, entitled “BUNT” (COLORFUL), was published in the fall of 2018 and contained articles on the inhouse Women’s Network, ways to address unconscious stereotyping, interviews with responsible members of the company and researchers, and numerous portraits of employees.

In March 2019, we welcomed DiversityParcours® to our Munich location for five days. A blend of touring exhibition, information hub, and experimental lab, DiversityParcours® casts light on the topic of diversity at a series of themed information points. Over 300 people took the opportunity to explore the “parkour” course independently or by taking one of the twelve guided tours available, or attended the opening speech addressing diversity in the company.

We provide proactive support for networks set up as individual employee initiatives aiming to foster diversity and equal opportunity in our company. Networks play various roles, including representing the interests of the employees who are their members, providing them with a common voice, and serving as strengthening influences and demonstrations of appreciation. TÜV SÜD currently has two such employee networks: the Women’s Network and prOut.

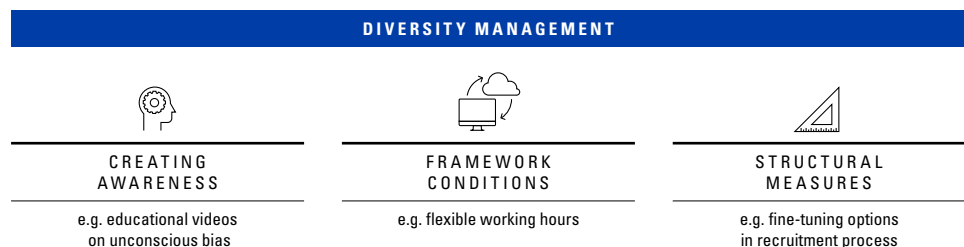
Founded in 2019, prOut provides a center for general LGBTIQ-focused dialogue and activity planning at TÜV SÜD. The group is open to anyone interested in the topic or in providing support.

At the same time, as a company we support the international Women’s Network, founded in 2017 as an individual initiative. A center for dialogue and organizer of regular meetings and a mentoring program launched in 2018, the network fosters transparency and raises awareness of relevant topics within the company.

» 13

## Challenges and trends for TÜV SÜD

» 13



## ADVANCEMENT OF WOMEN IN OUR COMPANY

In our capacity as employer, we have also designated the advancement of women in our company as a major priority. We face the challenge that in Germany especially, the proportion of women specialists and graduates in STEM (Science, Technology, Engineering, Mathematics) subjects is relatively low, but that TÜV SÜD recruits the majority of its workforce from these areas.

In the Group's Gender Balance initiative, which is part of our efforts to promote diversity at the company, we have been working since 2016 to significantly increase the proportion of women in specialist and management careers.

For more information on equal opportunities and specifically on the advancement of women in the company, see our 2019 Annual Report.

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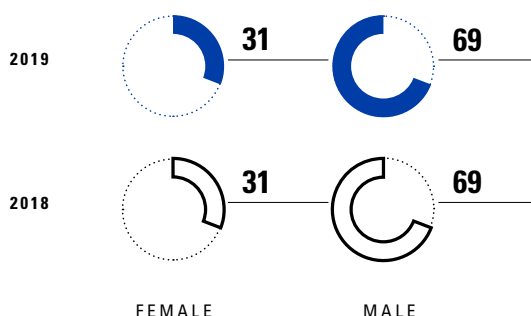
→ ANNUAL REPORT 2019,  
DECLARATION ON THE EQUAL  
REPRESENTATION OF WOMEN AND  
MEN IN MANAGEMENT POSITIONS  
SEE PAGE  
36

→ ANNUAL REPORT 2019,  
MANAGEMENT REPORT,  
NON-FINANCIAL PERFORMANCE  
INDICATORS,  
EMPLOYEE REPORT  
SEE PAGE  
78

### Employees by gender

11 14

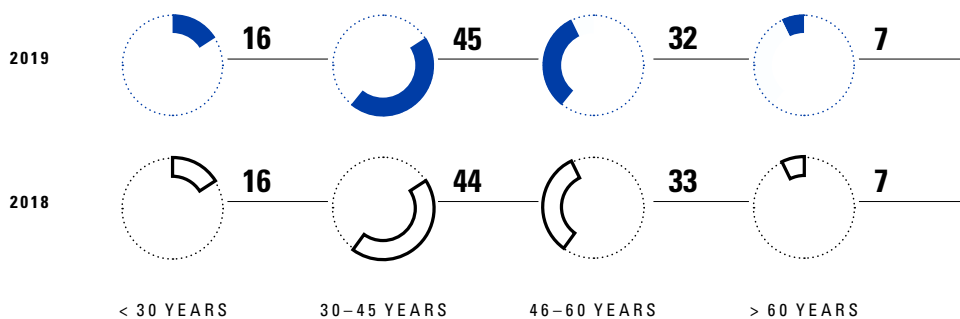
Group, in %



### Employees by age

11 15

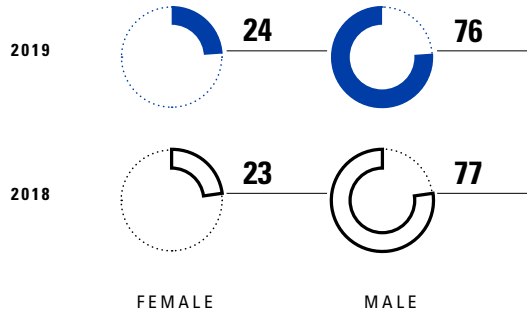
Group, in %



### Management executives by gender

di 16

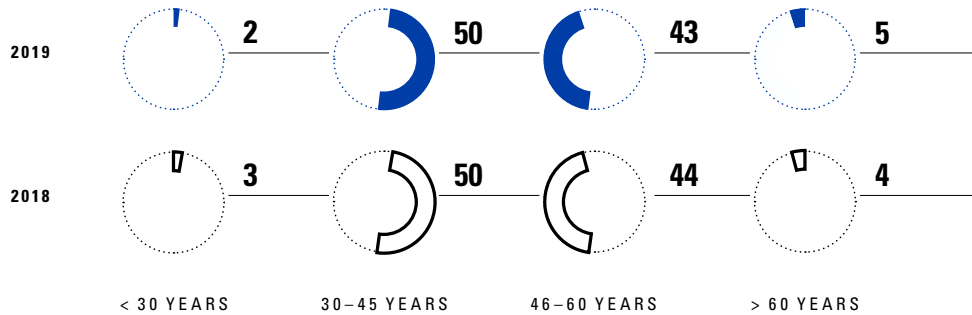
Group, in %



### Management executives by age

di 17

Group, in %



## Work-life balance

Reconciling the demands of career and family is a key element of our corporate culture and simultaneously an important aspect of our corporate social responsibility. To this end, for some years now we have offered our employees a wide range of programs. The services offered range from generally accessible information and specific support such as reserved daycare and kindergarten spaces to a large number of working hours models and mobile working.

Employees can access this range of offerings through a dedicated online portal. In 2019 we extended our range of working hours models by adding specific offers for home carers, catering to growing demand from employees seeking possibilities to combine caring with professional duties. To do so in Germany, we embarked on a partnership with a company specializing in home care support, which provides our employees with information and practical assistance services at all times.

Since 2009 we have regularly participated in the “berufundfamilie” (career and family) audit to safeguard the high quality of the services we offer; the audit took place for the fourth time in 2018. It focused on how we communicate the range of services we provide to support our employees in optimizing their work-life balance – particularly in families with children – while enabling them to advance professionally at the same time. As an increasingly important topic, career and care played a foremost role in our recertification.

**Reconciling the demands of career and family<sup>1</sup>**

≡ 03

	2019	2018
Employees on parental leave	801	700
Percentage of employees in part-time employment during parental leave	25.1%	25.1%
Total percentage of employees in part-time employment	19.6%	19.6%
Average duration of parental leave	4.0 months	4.6 months
Thereof women	14.7 months	12.4 months
Thereof men	1.3 months	1.8 months

<sup>1</sup> \_ Germany only.**YOUTH EXCHANGE AND INTERNSHIP PROGRAM**

We marked our company's 150th anniversary in 2016 by launching the successful international youth exchange program "Horizonte" (Horizons). Since then, every year we have invited children of our employees aged 14 to 18 to experience the variety of different cultures in the countries where TÜV SÜD operates. The program is designed to boost these young people's personal development and build links between our employees and their families beyond all borders.

TÜV SÜD covers the costs of the exchange and works with AFS Interkulturelle Begegnungen e.V., a nonprofit intercultural relations organization, to provide professional program management and support. Acceptance of "Horizonte" has remained high, with a total of 40 families taking part in the program in 2019 (38 in 2018), half of them from Germany.

Students from employees' families aged between 18 and 25 can also join the "Explore" program, where they complete a paid internship of up to eight weeks at an international TÜV SÜD location. The arrangement provides the opportunity for them to gain work experience in an international setting. 15 students took part in the program in 2019 (14 in 2018), around one-third from Germany and two-thirds from our international locations.

**Occupational safety and health management**

TÜV SÜD has traditionally prioritized our employees' occupational health and safety. As a responsible employer, we ensure that our employees around the world can work in a safe and healthy occupational environment. To achieve this, we focus on all aspects of their responsibilities, from classic desk-based duties to physically challenging activities and work with complex equipment or hazardous materials.

At the same time, we rely on our employees to take personal responsibility for their health and aim to raise their health-consciousness in professional and private settings by offering a broad range of measures. Specific prevention-based services improve our employees' motivation and performance and help to counteract sickness-related absenteeism and the consequences of demographic change. The measures we provide often extend far beyond the requirements of the law.

## GLOBAL HEALTH POLICY IS THE FRAMEWORK

Reflecting the internationalization strategy of our company, our corporate health management (CHM) follows an international approach by combining the concepts of statutory healthcare (including occupational health and safety) and voluntary health promotion.

Our Global Health Policy, adopted in 2017, provides the framework for this. Internationally oriented, it defines company-wide minimum standards and key indicators in areas including first aid and emergency management, risk assessment, and workplace hygiene. It is thus complementary to our corporate health management agreement developed in 2014 with our Group Works Council.

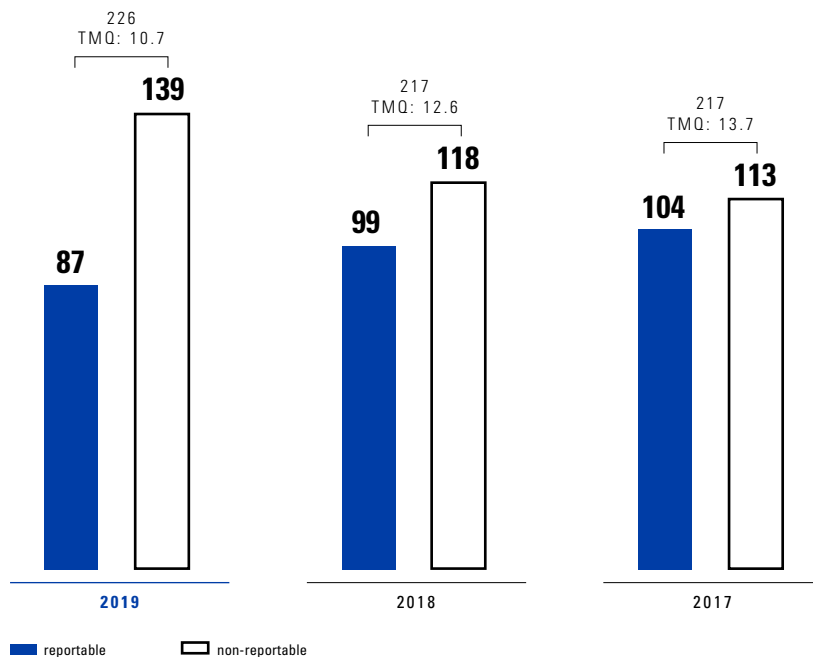
Local TÜV SÜD legal entities are responsible for implementing occupational health and safety measures in compliance with the legal framework in place in their country. Under central coordination and management, over 30 Regional Health & Safety Managers are in charge of workplace health and safety and implement our healthcare management principles at local level. Working with specialists in occupational health and safety and occupational physicians, they perform hazard assessments for all areas of work, develop concrete measures based on their findings, and oversee their implementation. They are also responsible for regional campaigns and provide support for Group-wide healthcare programs by organizing appropriate local activities. Our local employee representatives are always part of these processes; with their assistance we initiated a mental health risk assessment process in Germany in 2019, to name just one such example.

Occupational health management performance is tracked by applying the Health Index, a performance indicator determined from the regular global employee surveys. Covering various factors, it assigns ratings from 1 (best) to 7. Based on the 2018 employee survey, the Health Index is currently at 2.83 (2015: 2.95). Virtually all its categories showed improvement, from working conditions and quality of responsibilities to work-life balance; only the volume of work increased from the viewpoint of the employees. The Health Index is fleshed out with local performance indicators and indexes such as accident and sickness rates and health program participation rates.

Given the widely differing conditions at our locations all over the world, Group-wide collection of performance indicators is a complex process. We are nevertheless working on establishing a standardized reporting procedure for occupational health and safety. However, this report focuses on Germany as the country where most of our employees are based.

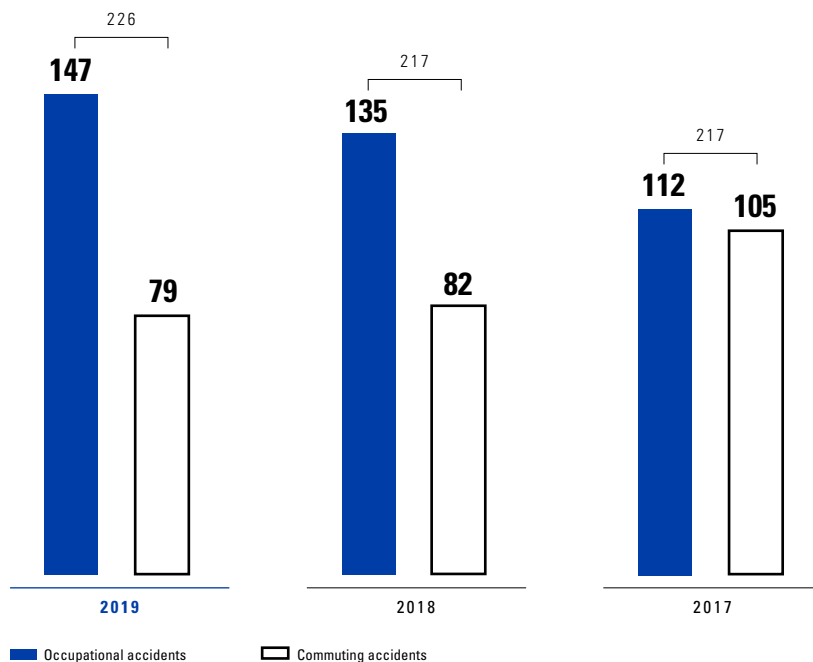
Reportable accidents<sup>1</sup>

18

NUMBER AND TMQ<sup>2</sup>Commuting and occupational accidents<sup>1</sup>

19

NUMBER



<sup>1</sup> \_ Company doctors and safety engineers from ias health & safety GmbH provide services for the majority of our subsidiaries. These figures therefore focus on this cooperation. Individual companies also use local service providers to tailor services more closely to their individual needs. These cases are not yet included in the figures. Our objective is to establish a general reporting system that takes in all TÜV SÜD employees in Germany.

<sup>2</sup> \_ TMQ = Relative accident frequency per 1000 full-time equivalents, all reportable accidents

#### Further occupational health and safety figures<sup>1</sup>

04

	2019	2018	2017
Employees surveyed in Germany (full-time equivalents)	8,171	7,853	7,604
Average days of absence per accident	7.6	11.2	9.7
Percentage of trained first aiders at TÜV SÜD locations in Germany	9.5%	7.6%	7.3%

#### Participation rates for selected healthcare campaigns in Germany

05

	2019	2018	2017
Flu vaccination	8.0%	9.3%	7.6%
Colorectal cancer screening	37.0%	35.0%	34.0%

As a technical service provider we supply our customers with day-by-day support with certification, including the areas of occupational health and safety and healthcare management. We are familiar with the requirements and also follow them in our own activities – although we are naturally not permitted to certify ourselves. At our customers' request or where required by law – for example, in sub-areas of Industry Service, Chemical Service, Product Service, or Automotive – our laboratories, processes, and management systems are certified in compliance with the relevant standards or are currently undergoing certification.

In Germany, a centrally coordinated first aid and emergency management system was set up in 2016 to ensure safety in all procedures along the emergency response chain and efficient management of first-aiders appointment and training. Our engagement in proactive emergency response management extends beyond the requirements of the law. For example, many of our German locations have installed automated external defibrillator (AED) sets.

We also set high standards for the safety of our employees during business travel. We further emphasized our commitment by signing the 2017 Singapore Declaration of the International SOS Foundation. Since then, all TÜV SÜD employees traveling on business can rely on a global network of assistance centers providing fast professional help for medical emergencies or security-relevant issues. They operate around the clock and are currently available in around 70 countries and over 90 languages.

## FOCUS ON PREVENTION

TÜV SÜD subsidizes individual health prevention measures. Well-established offers of influenza vaccination, colorectal cancer screening, and health campaigns at individual locations have had high employee takeup rates for many years. Our activities have also been recognized outside the company; in 2018 our decade-plus of commitment to colorectal cancer screening won us second place at the prestigious Felix Burda Award in the category "Prevention at Work."

<sup>1</sup> \_ Company doctors and safety engineers from ias health & safety GmbH provide services for the majority of our subsidiaries. These figures therefore focus on this cooperation. Individual companies also use local service providers to tailor services more closely to their individual needs. These cases are not yet included in the figures. Our objective is to establish a general reporting system that takes in all TÜV SÜD employees in Germany.

Our “Company Bike” campaign, launched in 2017, provides employees at various German locations with the option of hiring a bicycle to boost their physical fitness. A similar initiative, “Cycle to Work,” was launched at TÜV SÜD locations in the UK in 2017.

Group-wide campaigns are a cornerstone of our health management activities. They encourage our employees to embrace preventive measures in their personal healthcare. In 2019, we successfully wrapped up the two-year campaign “Listen to your heart.” All TÜV SÜD employees were invited to take part in the Global Step Challenge. In this Group-wide informal competition, individual employees or teams could track and save the intensity levels of their daily physical activities on a central platform and compare them to other coworkers or teams. The Challenge encouraged our employees to increase their exercise levels and also fostered team spirit and solidarity at international level. Over a 60-day period, more than 3,400 entrants notched up a total running distance of 900,000-plus kilometers – equivalent to 22.5 times the circumference of the earth or around 21,330 marathons. This campaign also earned public recognition, was nominated for the 2019 Duty of Care Award (category Communication) and won the HR Excellence Award in the category “Corporations/Wellbeing.”

Moreover, 2019 saw the launch of a Germany-wide prevention campaign for diabetes, issuing free blood sugar test kits to employees and their families and arranging consultation with a doctor in the event of any irregularities. Continuing our commitment to employee healthcare, our next global health campaign will focus on the topics of sleep and resilience.

### CURRENT HEALTHCARE ACTIVITIES – PROTECTIVE MEASURES AGAINST CORONAVIRUS

Shortly after the end of the reporting period, the coronavirus pandemic swept through all parts of the world. To provide the very best protection for employees and their families, an emergency pandemic team was set up as early as the end of February. Initially meeting daily, the team now meets weekly at national and international level. The company’s existing pandemic plan was implemented under the control of Corporate HR and Global Health & Safety, defining clear roles and responsibilities and setting out the necessary actions. In parallel, findings were used to draw up a revised version of the pandemic plan. Regular consultation with the CEOs of the regions/legal entities and the Regional Health & Safety Managers forms the basis of a coordinated Group-wide approach that also takes specific local needs into consideration, such as procurement of appropriate personal protective equipment for field and in-house employees with close customer contact. Employees that are able to work from home can continue to do so, particularly if they fall into an at-risk category. The teams organize rotating shifts to ensure office spaces are occupied by only one employee at a time. In-person meetings have been replaced by MS Teams video meetings. Business travel outside national borders continues to be subject to strict conditions. Cleaning cycles in our premises were naturally adjusted to reflect the situation and additional measures were set in place in line with our cleaning and sanitation plan.



## **COMMITMENT TO SOCIETY AND THE ENVIRONMENT**

- 56** The TÜV SÜD Foundation
- 57** Social engagement
- 60** Environmental commitment

## Our objective

We aim to ensure safe, secure,  
and sustainable global development  
of society and the environment.

Companies bear responsibility for the sustainable development of society and the environment, and this applies particularly to technical service providers like TÜV SÜD. Our corporate purpose – to protect people, the environment, and assets from technology-related risks – has reflected this objective since our company was founded over 150 years ago. Since 1866 our work has focused on minimizing the risks associated with the latest forms of technology in order to increase acceptance of scientific and technological innovations by society and allow them to develop for the benefit of people and the environment. For example, as a company we play a major role in shaping the rapid development of digitization, together with its impacts on virtually all areas of life worldwide, as a driving force for sustainable evolution of society and the environment.

Our commitment to the common good takes many different forms, from donations and collaborations to our own project initiatives. A particular area of focus comprises our wide-ranging activities promoting training and education for young people in technical and scientific areas. These projects are initiated by the TÜV SÜD Foundation as well as directly by the member companies of the TÜV SÜD Group.

## Inspiring passion for technology – the TÜV SÜD Foundation

→ SUSTAINABILITY PUBLICATION 2019,  
LEGAL STRUCTURE  
GUARANTEES INDEPENDENCE  
SEE PAGE  
9

The TÜV SÜD Foundation is one of the two owners of TÜV SÜD AG (see also “Legal structure guarantees independence“ ) Its work funds an array of projects throughout Germany focusing on education and training for young people in STEM (Science, Technology, Engineering, Mathematics) subjects. All activities of the Foundation are directed toward the overarching goal of generating enthusiasm for modern technology and natural sciences among young people.

Since its foundation in 2009, the TÜV SÜD Foundation has invested a total of approximately 4.2 million euros in these projects. The majority of the Foundation’s funding is derived from dividends from TÜV SÜD AG and donations from companies in the TÜV SÜD Group.

Its projects serve to open up cutting-edge technologies for young people, improve educational equality, and drive technological change, offering funding in a wide range of areas. The Foundation plays an active role in furthering continued economic success in Germany. The scope of its project funding in 2019 spanned primary and secondary school projects, activities in technical and commercial training, support for new methods of training student vocational teachers, and guest professorships at German universities for scientists of international repute. In 2019 alone the TÜV SÜD Foundation funded almost twenty projects in Germany, allotting over one million euros to their realization. The TÜV SÜD Foundation also coordinates the youth training and education activities it funds if requested to do so by TÜV SÜD member companies, based on its dedicated experience in the sector.

For further information on the projects and activities of the TÜV SÜD Foundation, visit the website or see the latest Annual Report of the TÜV SÜD Foundation.

→ **TÜV SÜD FOUNDATION,**  
**ANNUAL REPORT**  
**TUEV-SUED-STIFTUNG.DE**

## Social engagement by TÜV SÜD

TÜV SÜD focuses its social engagement on projects with close links to our role in society as a technical service provider. We provide targeted funding for educational and training activities in the field of technology and science and support initiatives designed to improve safety and security and minimize risks. In 2019, TÜV SÜD AG and its member companies invested approximately EUR 500,000 for this purpose. These expenditures and funding are systematically recorded. We apply a donation allocation policy to ensure that implementation of our social engagement plans is effectively coordinated and legally compliant. An Annual Report provides the necessary transparency.

### STIFTERVERBAND – A JOINT INITIATIVE FOR EDUCATION, SCIENCE, AND INNOVATION

TÜV SÜD has been a member of Stifterverband for many years and supports its activities. This German initiative has companies and foundations as its members. Its core issues and fields of activity are education, science, and innovation. The organization actively promotes equal opportunities in education, excellent universities, and internationally competitive research institutions. The instruments it employs to do so range from extracurricular talent promotion and higher education structural programs to detailed analyses of the scientific and innovation systems that serve as a basis for policymaking recommendations. TÜV SÜD is a member of the management board of the Stifterverband and has been involved in numerous education and innovation projects of the organization in recent years. In addition, since 2013 TÜV SÜD has funded the Foundation Chair for Reliability and Safety of Technical Systems at Tongji University, Shanghai.

→ **STIFTERVERBAND**  
**STIFTERVERBAND.ORG/ENGLISH**

## SAFE ROUTES TO SCHOOL – INNOVATIVE ROAD SAFETY EDUCATION AWARD

→ BAVARIA'S ROAD SAFETY  
ASSOCIATION  
TÜV SÜD FOUNDATION AWARD  
VERKEHRSWACHT-BAYERN.DE

Bavarian schools apply imaginative approaches to making their pupils' journey to school safer. The primary aim is to increase children's personal awareness and responsibility as road users. Landesverkehrswacht Bayern, Bavaria's road safety association, has organized the annual Innovative Road Safety Education Award since 2012. The objective of the award is to support and increase awareness of outstanding road safety education projects by schools and to inspire as many as possible to take up the ideas. The Award is funded by TÜV SÜD AG.

## BE SMART CAMPAIGN: HANDS ON THE WHEEL – EYES ON THE ROAD

→ "BE SMART"  
BESMART-MOBIL.DE

The "Be Smart" campaign a joint project by TÜV SÜD and the German automobile association Mobil in Deutschland e.V., highlights the risks of using a cellphone while driving. When launched in 2015, it was Germany's first nationwide campaign designed to create a new awareness of responsible cellphone use among drivers. This groundbreaking commitment has received multiple awards.

## JOBLINGE – TACKLING YOUTH UNEMPLOYMENT TOGETHER

→ JOBLINGE INITIATIVE  
JOBLINGE.DE/ENGLISH

The nonprofit initiative Joblinge supports disadvantaged young people in the world of employment, helping to provide them with genuine job opportunities and ensure their sustainable integration into the employment market and society as a whole. The support given by the initiative spans tailored qualifications, voluntary mentoring schemes and assistance during training. The results achieved by Joblinge participants are well above average for such schemes; over 70% of young people go on to gain training qualifications as a successful start to a career. TÜV SÜD provides a wide variety of support to the Joblinge initiative; as a long-standing shareholder of the nonprofit joint stock company Joblinge Munich, TÜV SÜD provides financial support, and over 20 TÜV SÜD employees all over Germany are currently acting as mentors for young people undergoing training. In addition, in 2017 the TÜV SÜD Foundation and TÜV SÜD Auto Service joined forces with partners to launch the project "Kfz-Joblinge" in the automotive sector, which offers disadvantaged young people the chance to train for the attractive career of auto mechanic.

## HOCHSCHULE MANNHEIM – BOOSTING NEW STUDENTS' CHANCES OF SUCCESS

→ HOCHSCHULE MANNHEIM  
ENGLISH.HS-MANNHEIM.DE

Many universities and colleges struggle with high drop-out rates among engineering students in their first few semesters. In Germany, Mannheim University of Applied Sciences has successfully tackled this problem by establishing an interfaculty learning center for basic engineering science (LIG). The institution provides foundational knowledge to support first-year engineering students with any weaknesses in their specialist subjects. In addition, it aims to improve students' personal skills and competencies in the areas of self-assessment, perseverance, determination, and self-motivation. LIG achieves this by providing online services such as tutorials and study platforms as well as in-person events. Completed in 2019, the project was largely funded by TÜV SÜD Auto Service.

## KISS MINT – INNOVATIVE EXPERIMENTS

→ **HTW DRESDEN**  
[HTW-DRESDEN.DE/EN](https://www.htw-dresden.de/en)

Launched in 2018, this STEM-based project (“MINT” is the German acronym for STEM) is a collaboration between Dresden University of Applied Sciences and further partners with funding from TÜV SÜD Auto Service. It aims to inspire enthusiasm for scientific topics in school students and familiarize them with the basic principles of digitization. The project develops materials and experiments for use in schools which appeal to the students’ creative, playful, and experimental sides. The interdisciplinary materials are suitable for school projects as well as for complementary extracurricular work.

## UNIVERSITY SCHOOL DRESDEN – SCHOOL OF THE FUTURE

→ **UNIVERSITY SCHOOL DRESDEN**  
[TU-DRESDEN.DE](https://www.tu-dresden.de)

The University School Dresden brings together three educational institutions under one roof. It is home to a primary and secondary school for children in Dresden as well as a research center and a training and further education college of Technische Universität Dresden (TUD). The School provides the opportunity to develop innovative concepts for learning and teaching and trial them in scientific conditions. Innovative forms of teaching, learning, and coexistence are developed, tested and scientifically evaluated. All students learn side by side in groundbreaking teaching/learning settings forming an individualized and collaborative environment. The individual learning processes are digitally driven by dedicated software, developed over the past two years with the support of TÜV SÜD AG and TÜV SÜD Industrie Service.

## TECHNOSEUM MANNHEIM – THE THRILL OF ENERGY

→ **TECHNOSEUM MANNHEIM**  
[EN.TECHNOSEUM.DE](https://www.en.technoseum.de)

Energy – what is it, and what forms does it take? Soon Mannheim’s Technoseum one of Germany’s largest technological museums, will enable its visitors to explore the answers to these questions in a series of interactive research stations. The research stations are a groundbreaking new concept for the exhibition designers and focus on interaction and conscious experience. The curators seek to communicate the need for care and awareness in using energy, particularly against the backdrop of climate change. Opening in 2020, the three new interactive stations on the topics of pump storage plants, heat and power generation, and “the Transparent Consumer” were realized with the support of TÜV SÜD Industrie Service.

## SPAIN: TÜV SÜD SUPPORTS “YOUNG SCIENTIST OF THE YEAR”

In 2019 TÜV SÜD Spain supported the regional heats of “Jugend forscht Iberia,” a Spanish version of “Young Scientist of the Year” for students from German schools on the Iberian peninsula. Organized by Madrid German School, the competition attracted 27 entrants seeking to go through to the German national competition. “Young Scientist of the Year” is Europe’s biggest youth competition in the science and technology sector. TÜV SÜD Spain has supported the event for several years and also provides a member for the regional judging panel.

## Environmental commitment

As a non-manufacturing company, TÜV SÜD has lower energy and resource consumption levels than companies in other industries. We are nevertheless determined to contribute toward climate and resource protection and to take responsibility for the ecological consequences of our business activities. Our work in our offices and test centers, our business travel, and our employees' daily journeys to and from work all consume resources and generate emissions.

Providing services and innovations (see "Advancing Sustainability through Services and Innovations") we help our customers to drive environmental and climate protection in line with our corporate purpose. At the same time, we strive to make our own business activities as eco-friendly as possible. We seek to keep TÜV SÜD's negative environmental impact to an absolute minimum and to reduce it further year by year.

To do so, we aim to systematically track TÜV SÜD's positive and negative environmental impact, develop goals and actions to foster climate and environmental protection in the company, and implement them successfully in the years to come. To further systematize our activities, we also plan to gain environmental certification for as many of our locations as possible.

In 2019, our German locations underwent energy auditing in accordance with EN 16247-1. The process identified concrete areas of potential savings that we plan to leverage for TÜV SÜD in the coming years with methods such as raising employee awareness, introducing LED lighting, and replacing conventional heating systems with infrared "dark radiators" in our technical service centers.

We also aim to further increase transparency in our reporting of environmental topics. Previously, coordinated recording of environmental impacts in the TÜV SÜD Group was limited to selected locations, such as energy audits in Germany and sustainability reporting at the Spanish company TÜV SÜD ATISAE. By introducing systematic sustainability activities, we plan to review the efficacy and practicality of Group-wide environmental reporting under consideration of the relatively low overall consumption and emission levels of TÜV SÜD. We can already present selected environmental indicators for Germany, with the aim of expanding the scope of reporting to include parameters such as CO<sub>2</sub> emissions from business travel in our considerations.

### Selected environmental indicators for TÜV SÜD Germany

≡ 06

FORM OF ENERGY	Consumption, KwH/year	Percentage of total consumption	Costs in €/KwH
Fuel	807,015	1.02%	0.098
Heat	43,405,659	54.74%	0.060
Power	35,082,497	44.24%	0.190

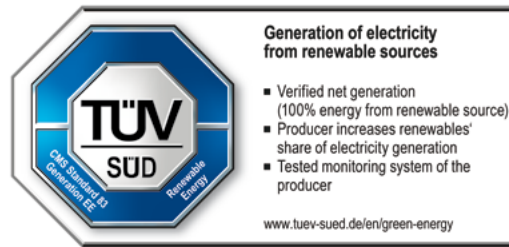
## EXAMPLES OF OUR ENVIRONMENTAL PROJECTS IN THE REPORTING YEAR

Although the impact of our activities on the environment may be relatively low, we aim to contribute to environmental and climate protection by introducing targeted measures. To encourage our employees to play an active role in environmental protection, in 2019, we created guidance communicating eco-aware behavior at the workplace and published it throughout the global TÜV SÜD Group in early 2020.

Various German locations provide electric vehicle charging points for customers and employees. As a pioneer of electric mobility, we aim to shape the future of personal mobility.

An appropriate purchasing agreement ensures that the German locations owned by TÜV SÜD only use power from renewable sources. We already use green power for the majority of our electricity needs in Germany, and are supplied with over 30 GWh of power generated from renewables with TÜV SÜD Generation EE certification by our energy providers.

→ TÜV SÜD,  
GENERATION OF ELECTRICITY  
FROM RENEWABLE SOURCES  
CERTIFICATION  
TUVSUD.COM



In addition, we are gradually introducing roof greening at our German locations. The process uses highly biodiverse planting that creates habitats and food for a maximum number of insects. As the most recent example, the roof of our company headquarters in Munich is now home to a swarm of bees, which will be tended by a beekeeper in future.

## GREEN HRM – ECO-FRIENDLY HUMAN RESOURCES

TÜV SÜD has been part of the international research project “Comparative Green HRM” since October 2018. The project is a partnership between the University of Augsburg and Vienna University of Economics in which ecological strategies and practices in the human resources field are subjected to international comparison. The study, funded by the Deutsche Forschungsgemeinschaft (German Research Foundation) and the Austrian Science Fund (FWF), is aimed at gaining a better understanding of eco-friendly conduct in the workplace and implementation of environmentally oriented strategies in organizations. It focuses closely on the roles played by teams and management executives and their impact on environmentally responsible behavior. The results of the research project are hoped to provide a framework for employees and management to implement environmentally oriented strategies and help to manage conflict in this context.

→ UNIVERSITY OF AUGSBURG  
COMPARATIVE GREEN HRM  
UNI-AUGSBURG.DE

→ VIENNA UNIVERSITY OF ECONOMICS,  
COMPARATIVE GREEN HRM  
WU.AC.AT

TÜV SÜD is participating in the international comparison with over 300 employees from China, the USA, and Germany. By doing so we are actively supporting research into environmentally sustainable leadership and fostering future-facing and sustainable economic development. At the same time we gain the opportunity to scrutinize our own HR strategy more closely in ecological terms and to collaborate with prestigious research institutions on shaping it in a more environmentally friendly manner.

### CONSTRUCTION PROJECT NEWTON – THE PERSPECTIVE OF SUSTAINABILITY

Sustainability was the clear central focus of TÜV SÜD's construction project at 57, Ridlerstrasse in Munich, which is groundbreaking in many different aspects. Begun in mid-2015, NEWTON – as the project is known – was completed on time and on budget at the end of 2018 and placed into operation. The design, construction, and operation of a future-facing and sustainable building had been TÜV SÜD's aim from the outset. The entire planning process was directed toward gaining DGNB Platinum certification, which succeeded in 2019.

NEWTON's convincing environmental concept is based on using existing and renewable resources. It spans an integrated energy concept, large-scale photovoltaic system, and automatic LED lighting. The whole building is triple-glazed with external sunshades. The connection to a district cooling system is a particular highlight. Heat pumps use groundwater for eco-friendly cooling and heating of the building. The heated or cooled water can be returned to the groundwater within a specified temperature range. The various environmental measures result in an impressively low primary energy consumption level of 72 kWh/m<sup>2</sup>a, showcasing the building's efficiency and placing NEWTON among Munich's most economical office premises.

The project's financial sustainability is further underpinned by TÜV SÜD Pension Trust's involvement as developer and funder. The rent revenues will be used as long-term security for pension commitments for former employees of TÜV SÜD.

1,800 people now work in the state-of-the-art offices. NEWTON has a gross floor area of 35,000 m<sup>2</sup> over five upper floors and a further 25,000 m<sup>2</sup> in two basement floors. The location offers direct links to metro and rapid transit trains and to several bus routes. The underground car park is equipped with charging points for electric vehicles and cycle spaces with changing-rooms and showers. In fact, NEWTON leaves nothing to be desired in terms of sustainability.



# IMPRINT

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