

Corporate Report 2021

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Dear Readers,



“In 2022, TÜV Rheinland is celebrating its 150th anniversary – a historic event – whereby our incorporation order of 1872 remains as up to date as ever: we support technical progress as an independent body providing testing, certification, consulting and training. Ever since, TÜV Rheinland has applied its expertise and experience to make equipment, products and processes safer for the benefit of people and the environment. Climate protection and sustainable business practices are the key issues of the years ahead and will determine the future viability of companies. With our services, we are supporting the conversion to a sustainable economy and society. At the same time, we are also aligning our business activities with social and ecological standards. Over the course of the past year, we put the new Sustainability Strategy into effect, defining ten key areas of activity to anchor it even more strongly in our organization. We issued a concrete road map for our sustainability goals through 2025, including auditable key performance indicators. This serves both to underpin our commitment to the UN Global Compact and to fulfill our obligation to integrate the underlying ten principles into our corporate strategy, our corporate culture and our daily operations. The present report will give you a clear understanding of the specific progress that we have achieved.”

Dr.-Ing. Michael Fübi,
Chief Executive Officer, TÜV Rheinland AG

Setting out in a new direction

We firmly believe that: Only companies that act ecologically and socially in the broadest sense are successful in the long term. With our new Sustainability Strategy, we turn our focus to the essential sustainability topics. In this way, we can make our contribution to the transformation process and help change the environment, the economy and society for the better.

Making life safe – it was with this message that TÜV Rheinland first appeared 150 years ago. Safeguarding people, material assets and the environment from possible technical risks, that remains our mission and our social contract to this day. In our daily work, we adhere to values anchored in our mission statement: integrity, customer orientation, excellence, performance and agility. We assume responsibility for the quality and integrity of our services and face the challenge of driving technological transformation in harmony with ecological and social interests. In so doing, we make our contribution to a future that will meet the needs of man and the environment.



Dr. Achim Ernst
Global Officer Corporate Development

"Trends come and go. In its 150-year history, TÜV Rheinland has experienced many change cycles. Sustainability is no passing trend, however – rather, it has served as the basis for our business activity for a very long time now. And sustainability will also remain one of our main guiding principles in the future. That's the purpose of our new Sustainability Strategy."

VALUES-BASED CORPORATE GOVERNANCE

With our commitment to the UN Global Compact, we underpin this claim. Since signing it in 2006, we have committed ourselves to aligning our strategies and activities with the generally accepted principles of responsible corporate governance. Moreover, we have pledged to adhere to the Diversity Charter, an initiative dedicated to recognition, respect and diversity in the workplace, and want our actions to contribute to the achievement of the Sustainable Development Goals (SDGs) of the United Nations. In the previous strategy cycle 2013/2014 to 2020, we have already achieved important milestones along the way to greater sustainability, including the international staffing of our corporate management, the significant increase in the share of women in management positions, and the clear reduction in energy consumption and greenhouse gas emissions. The specific measures and progress toward achieving our commitment are documented in detail in the Sustainability Report 2020.

SUSTAINABILITY STRATEGY 2025

A dynamic process: We continuously address urgent social and ecological challenges, our stakeholders' demands, and changing regulatory requirements. This reflects our new Sustainability Strategy, which summarizes our ambitions and objectives for the period from 2021 through 2025. In view of the continuous evolution of the societal environment as well as the changing demands, including those resulting from the so-called "Supply Chain Due Diligence Act" (*Lieferkettensorgfaltspflichtengesetz*) in Germany and the Corporate Sustainability Reporting Directive of the EU, we also expect to modify and fine-tune our strategic guidelines in the future.

ANALYSIS OF ESSENTIAL TOPICS

Based on an extensive catalog of current sustainability topics and our obligations from the stakeholder initiatives, we



Stakeholders

We consider stakeholders to be all persons, companies and institutions with whom we enter into a direct relationship in the course of providing services, as well as those indirectly affected by our business activities. It is particularly important to us that we provide our stakeholders with a clear picture of who we are, how we work, what we test and inspect, and who monitors our work. We use a broad spectrum of tools and channels to communicate regularly with our stakeholders.

Diagram based on: Stakeholder Survey 2013, analysis of interested parties according to ISO 9001:2015.

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performed a comprehensive preliminary materiality analysis. We turned to our relevant stakeholder groups, including customers, business partners, competitors, NGOs, and representatives from associations and the media as well as employees and asked them to assess the list of possible essential topics. A wide-ranging, worldwide online survey was used to determine the importance of the individual sustainability aspects from the respective stakeholder perspective and the impact of TÜV Rheinland's business activity on those aspects.

We performed a detailed analysis of the more than 1,500 responses and assessments and weighted them to smooth out imbalanced response rates among stakeholder groups and to take into account the unequal relevance of the various stakeholder groups for TÜV Rheinland. In addition, we conducted in-depth interviews with our key stakeholders – customers, business partners, competitors and employees – and also included the extended top management in the process with a separate survey.

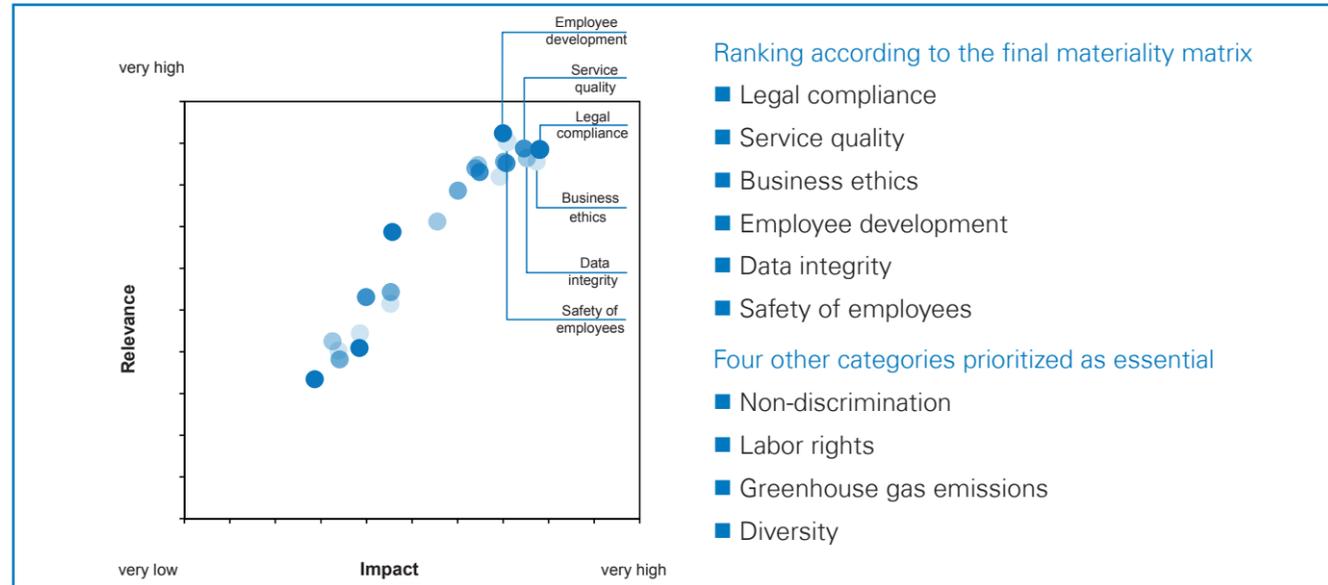
ORIENTATION ACCORDING TO TEN SUSTAINABILITY CATEGORIES

Our stakeholders rated the following topics as especially relevant for TÜV Rheinland: service quality, compliance, business ethics, data integrity, employee development and safety of employees. By adding anti-discrimination, labor rights, diversity and climate protection – categories arising from our values and from our aspirations as a member of the UN Global Compact, TIC Council, and as a signatory of the Diversity Charter – we obtain our new overall picture of the essential sustainability categories for TÜV Rheinland, which we have summarized in a materiality matrix pursuant to the sustainability reporting requirements of the Global Reporting Initiative (GRI). These categories form the pillars of the Sustainability Strategy 2025.

OUR SUSTAINABILITY MANAGEMENT

Responsibility for developing the Sustainability Strategy lies with the department TÜV Rheinland Corporate Development under the direction of the Global Officer Corporate Development. The latter coordinates closely with the CEO, the Executive Board and the extended top management. At

TÜV Rheinland materiality matrix and essential categories



the end of 2020, the new global Sustainability Strategy for 2021–2025 was adopted by the Executive Board. The Global Officer Corporate Development also monitors the implementation of the strategy in the Group and reports directly to the Chairman of the Executive Board. The monitoring, control and reporting of the sustainability-related projects, measures and key performance indicators in the individual categories are the responsibility of the respective Divisional Directors as Category Owners. Furthermore, in the year under review, a steering committee was appointed to consistently drive implementation of the strategy in consultation with the Executive Board. Along with the Global Officer Corporate Development, that body also includes the Category Owners, the Global Officer Finance & Accounting and the Global Officer Communications. The steering committee will convene for the first time and begin its work in the first quarter of 2022.

CONCRETE TARGETS

At the beginning of 2021, stakeholder survey-based thematic areas that orient the strategy according to concrete fields of action were defined for each of the ten categories. Adapting the triple bottom line sustainability framework, we assigned the individual categories to the dimensions People, Planet and Profession. In so doing, we emphasize our desire to help solve ecological and social challenges and to manage our value creation sustainably. Using ap-

propriate key performance indicators and parameters, we established concrete targets indicating what we want to achieve by 2025.

- Dimension People:** We assume responsibility for the people with whom we have a relationship. We have created a comprehensive package of measures to promote and develop our employees. Of vital importance to us is a work environment where we collaborate in a spirit of trust and cooperation, value fairness and diversity, and ensure the health and safety of the employees.
- Dimension Planet:** We assume responsibility for the environment in which we operate. To reduce our ecological footprint, we have raised and expanded our climate protection goals. For this reason, we have set our CO₂ reduction targets in line with the 1.5-degree target.
- Dimension Profession:** We assume responsibility for the services we provide. In every aspect of our business activity, we align consistently at high quality standards, thereby fulfilling the expectations of our stakeholders. In the year under review, we established many programs and processes to measurably improve service quality, enhance data protection, and comply with the requirements of compliance and business ethics.

Sustainability Strategy 2025

People

- Non-discrimination:** Respect all employees. Prevent discrimination.
- Employee safety:** Maintain a safe and healthy workplace. Reduce work-related injuries.
- Employee development:** Promote life-long learning – develop and retain employees the world over. Enable access to qualifications.
- Diversity:** Raise the share of women in management positions and fill management positions primarily with local resources.
- Labor rights:** Pay living wages in all countries where TÜV Rheinland operates. Achieve equal pay among genders.

Planet

- Greenhouse gas emissions:** CO₂ emissions reduction aligned with the 1.5-degree target.

Profession

- Service quality:** Reduce error and complaint rates. Improve on-time delivery.
- Data integrity:** Ensure data privacy and protect the transmission of data to third parties. Conduct data protection audits.
- Business ethics:** Live corporate values and train employees about compliance.
- Legal compliance:** Comply with local laws and regulations and reduce violations.

Detailed information about targets and progress are provided in the individual chapters on the respective categories. By applying this structured approach, we want to anchor the key sustainability elements even more deeply within the business and the organization. At the same time, we are helping to achieve the Sustainable Development Goals (SDGs) of the United Nations. Companies in particular are urged to use their expertise and potential to master the challenges of sustainable development. With our Sustainability Strategy, we are contributing specifically toward the goals of Quality Education (4), Gender Equality (5), Decent Work and Economic Growth (8), Reduced Inequalities (10), Responsible Consumption and Production (12), Climate Action (13) and Peace, Justice and Strong Institutions (16) and forming partnerships in the sense of goal 17, Partnerships for the Goals.

ECOVADIS GOLD RATING ACHIEVED

In the year under review, as in years past, we had our sustainability performance audited by the independent rating agency EcoVadis. Its evaluation is based on international CSR standards such as the requirements of the Global Reporting Initiative, the ILO and ISO 26000, and covers the environment, labor and human rights, ethics and sustainable procurement. Having earned a silver rating in 2020, we

17 SUSTAINABLE DEVELOPMENT GOALS



Agenda 2030 with its 17 Sustainable Development Goals (SDGs) is a global plan to promote sustainable freedom and prosperity and to protect our planet. Since 2016, all countries have been working

to translate this shared vision for fighting poverty and reducing inequalities into national development plans, which must go hand in hand with strategies to improve health and education and to strengthen economic development – all while fighting against climate change and protecting oceans and forests. Companies play an important part in this.

achieved gold status for the first time in 2021 – an award that confirms our strategic orientation while serving as a benchmark for our further continuous improvement. We aim to continuously improve our EcoVadis rating score and to maintain our gold status.

TOGETHER TOWARD A SUSTAINABLE FUTURE

In a globally networked world, achieving the transformation to a sustainable society requires close collaboration with other societal players. We maintain regular contact with our stakeholders and engage in global CSR initiatives and networks. In dialog with the various interest groups, we contribute our ideas while receiving valuable suggestions for the sustainable further development of TÜV Rheinland. This aligns with SDG 17, which calls for more shared efforts and reinvigorated partnerships to achieve the Sustainable Development Goals.

UN Global Compact Germany: In the year under review, we also worked as a member of the UN Global Compact Germany (also known as the German Global Compact Network – DGCN) on strategies and solutions for achieving the Sustainable Development Goals together with representatives from business, civil society, science and the public sector. Katharina Riese, Senior Manager CSR & Sustainability, represents TÜV Rheinland on the foundation advisory board of the DGCN. In fall 2021, Katharina Riese was also confirmed for an additional two years as an advisory member of the steering committee. In that role, with other members of the steering committee, our colleague took over sponsorship of the Sustainable Development Goals while continuing her commitment to corruption prevention. Moreover, the activities relative to the topic of integrity were expanded. To exchange ideas and information on strategies and best practices, the UN Global Compact Germany initiated a working group on the subject together with the Alliance for Integrity – a working group in which TÜV Rheinland is also active.

Global Reporting Initiative (GRI): The Multi-Stakeholder Initiative provides internationally recognized indicators and guidelines for sustainability reporting. As an advisory body, the internationally staffed Stakeholder Council makes a substantial contribution toward further developing the guidelines. Fallight Xu, CSR Expert in the Greater China region, represents TÜV Rheinland on the Stakeholder Council.

INTERNATIONAL TÜV RHEINLAND GLOBAL COMPACT AWARD 2021

Along with its work in the steering committee of the German network, one expression of the commitment of TÜV Rheinland to the UN Global Compact is its presentation of the International TÜV Rheinland Global Compact Award. It has been presented since 2008 by the TÜV Rheinland Foundation, whose sponsor is TÜV Rheinland Berlin Brandenburg Pfalz e. V. The award honors outstanding individuals whose work supports the goals of the Global Compact. In the year under review, the award was presented to mountain climber Reinhold Messner for his life's work. From his home base in South Tyrol, he has spent decades lobbying for sustainable policies with regard to the natural spaces and mountain peoples of the earth. Reinhold Messner is the fifth person to receive the International TÜV Rheinland Global Compact Award. Presented once every three years, the previous award was given to Dr. Auma Obama for her service on behalf of disadvantaged children and adolescents in Africa. Other award winners include Edda Müller as the former Chair of Transparency International Germany, the entrepreneur Dr. Michael Otto, and the former politician Volker Hauff.

Further engagement: We also participate in other working groups and bodies. TÜV Rheinland is a member of the Technical Advisory Board of the European Commission's Expert Group on Environmental Footprint, for example, as well as a member of the International Organization for Standardization's (ISO) Virtual Technical Advisory Group (VTAG) on ESG standards. Rakesh Vazirani, Head of Sustainability Services, Business Stream Products, represents us in both of these working groups.

INTENSIVE INDUSTRY DIALOG

Expanding prospects, identifying trends, taking advantage of future opportunities: We also receive important suggestions on further sustainable development in the course of exchange with professionals within the industry. Through membership in various organizations and institutions, we

agree on shared guidelines, bundle our interests and contribute our voice to help shape the economic and socio-political environment.

TIC Council: The global association of the testing, inspection and certification industry formed in 2018 from the merger of the international industrial associations IFIA and CEOC. Its member firms, some 90 in all, employ more than 300,000 people in over 160 countries and are committed to sustainable corporate governance. The president of this Brussels-based global association is Dr. Michael Fübi, Chief Executive Officer TÜV Rheinland.

ISEAL Alliance: The International Social and Environmental Accreditation and Labeling Alliance (ISEAL Alliance) has set itself the goal of developing globally binding sustainability guidelines. Fallight Xu, TÜV Rheinland CSR expert for the Greater China region, has been a member of the ISEAL technical committee since 2020. Fallight Xu also serves on the steering committee for the revision and approval of ISEAL guidelines.



Katharina Riese
Senior Manager CSR & Sustainability

"Sustainable development cannot be achieved by one social actor on its own. Many companies are taking their first steps, while others already have a learning curve behind them. Developing solutions together, cooperating with different actors, sharing knowledge and experience – the UN Global Compact Germany multi-stakeholder network and our work in the steering committee open up these opportunities."

TÜV Association: TÜV Association is the umbrella organization of the German TÜV companies. It represents the interests of TÜV companies and the other members of the association vis-à-vis government, business and society in Berlin and Brussels. TÜV Rheinland Chief Executive Officer Dr. Michael Fübi is a member of its executive committee.

TÜV Markenverbund: The "TÜV" brand is one of the best-known brands in Germany. It stands for safety, reliability

and quality. In order to protect and maintain the value and reputation of the brand, the German technical inspection and certification organizations joined together in 2010 to form the "TÜV Markenverbund" brand association. Ralf Scheller, Member of the Executive Board of TÜV Rheinland, also served as Second Chairman of this association in the year under review 2021.

People

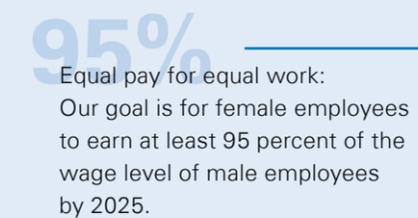
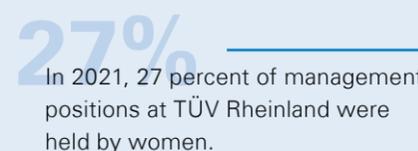


Focus on people: TÜV Rheinland relies on the expertise and dedication of its more than 20,000 employees. We take responsibility for everyone who works for our company the world over, and increasingly also include the supply chains along with them. Safety and fair opportunities, development of talent and lifelong learning, a diverse corporate culture that is open to the world: Our activities in these areas contribute to sustainably successful business growth – while supporting the Sustainable Development Goals of the United Nations at the same time, notably

SDGs 4 (Quality Education), 5 (Gender Equality), 8 (Decent Work and Economic Growth) and 10 (Reduced Inequalities).

Our main topics

- Employee safety 12 – 14
- Employee development 15 – 17
- Labor rights 18 – 19
- Non-discrimination 20 – 21
- Diversity 22 – 23



No compromises in occupational health and safety

In everything we do, the well-being of our employees has top priority. TÜV Rheinland is committed to providing a safe work environment – and its new HSE strategy supports the systematic reduction of risks in all business activities the world over. In conjunction with the Sustainability Strategy 2025, it thus makes a significant contribution toward achieving our goals.

No incidents. No harm. No compromise.

This is the HSE vision of TÜV Rheinland – and more and more employees throughout the Group are taking it to heart. Together, we want to create a safe work environment and a culture that promote mutual care and consideration. We cannot and will not accept incidents that lead to injuries or to the impairment of employees' health or well-being. The importance of employee safety to TÜV Rheinland is evidenced not least by the binding commitment of the company's management: All managers and the Executive Board pledge to effectively implement and continuously improve the HSE (Health, Safety and Environment) management system.

Our HSE management system is based on the international standards ISO 14001 for environmental management and ISO 45001 for occupational health and safety management. Essential components include our QHSE policy (Quality, Health, Safety and Environment), which is audited regularly, the HSE strategy, and the "Main Process HSE" standard operating procedure (SOP). This approach covers all areas of the HSE management system and serves as a road map for all relevant SOPs and documents. Our HSE management system falls under the responsibility of the Head of Corporate Health, Safety and Environment. One important validation of our work: In 2021, we successfully renewed our global certification according to ISO 45001:2018.

HSE STRATEGY 2021-2025

TÜV Rheinland's previous HSE strategy formed the basis for the development and implementation of an efficient HSE management system. In the year under review, in conjunction with its new Sustainability Strategy, TÜV Rheinland developed a new HSE strategy for the period from 2021 through 2025, which is designed to help achieve the company's sustainability goals. It was developed to support all business activities within TÜV Rheinland worldwide – that means: It applies to all legal entities in which the corporate parent company holds a stake of more than 50 percent and covers health and well-being, safety and environmental protection in equal measure. (This report covers the topic of environmental protection separately in the chapter on "Greenhouse gas emissions".)

With our new strategy, we want to promote the creation of a sophisticated HSE culture in collaboration with employees, suppliers and interest groups. We would like to ensure that our HSE management system helps all legal entities and business units take responsibility beyond mere compliance with regulations. For each of the three key strategic factors – HSE Culture, HSE Management System, and Workplace & Environment – there are defined goals and work packages. Every year we will audit, publish and monitor our goals and requirements. This also includes a continuous assessment of their feasibility and measurabil-

ity. All of these measures help satisfy our stakeholders' requirements and achieve the resulting sustainability goals: To create a safe and healthy work environment for the employees and to significantly reduce the number of accidents and injuries in connection with their work.

2021: FOCUS ON WORKPLACE INSPECTION

Important steps undertaken during the year under review included an increase in the number of inspections and management engagement tours, which not only enable the management to conduct on-site inspections, but also give the workforce the opportunity to speak directly with the management about all HSE matters. There were also many individual projects at national level. Due to the ongoing challenges arising from the coronavirus pandemic, one focus of those projects included Covid awareness campaigns, along with stress awareness and HSE training courses for managers and employees. The HSE Performance Dashboard provides transparency in the implementation of the measures across all of TÜV Rheinland's



Keith Taylor
Corporate Health, Safety & Environment

"In the year under review 2021, we developed our new HSE strategy.

In conjunction with the new Sustainability Strategy, it aims to establish a globally binding HSE culture. For us this means: All employees and all legal entities within TÜV Rheinland take due care and bear responsibility for the well-being of our colleagues – so we can further improve health and safety."

Occupational safety – Group

Relative to reported lost time injuries*

	2019	2020	2021
Number of employees covered in percent	100	100	100
Total work-related injuries	471	304	330
Lost time injuries	150	77	105
Total work-related injuries per million hours worked	13.30	8.21	9.21
Reported lost time injuries per million hours worked	4.2	2.08	2.93
Lost workdays	1,787	1,277	1,329
Total hours worked during the year under review	35,415,329	37,030,417	35,817,936

Occupational safety – Regions

Lost Time Injury Frequency Rate – reported accidents
Lost time injuries per million hours worked*

	2019	2020	2021
Asia Pacific	0.00	0.00	0.00
Greater China	0.28	0.00	0.15
Western Europe	2.76	2.91	3.66
Central Eastern Europe	0.72	0.00	0.52
India, Middle East, Africa	1.51	0.00	0.00
North America	0.00	0.98	0.00
South America	1.77	2.26	8.85
Germany	8.77	3.70	4.33

* Lost time injuries relate only to TÜV Rheinland employees and exclude commuting accidents. Lost time injuries are all accidents that occur at work and result in one or more lost workdays (calendar days) starting from the day after the accident. The number of hours worked is calculated on the basis of 7.7-hour days and 220 workdays per year. The occupational safety data relate to all employees (permanent employees, trainees and temporary workers), while the other data relate only to permanent employees.

Business Streams and Regions. The corresponding data set is reviewed monthly and communicated to all regions. In 2022, we will further improve our incident management system by introducing an online tool for reporting incidents and by conducting training courses on risk awareness. In 2020, the company was subjected to closures, shut-down locations, discontinued operations and reduced work hours. In 2021, our operations were less severely impacted by the coronavirus pandemic. Work conditions in 2021 resembled those of 2019 far more than those of 2020. As a result, although the number of injuries increased relative to the previous year, performance must also be compared with that of 2019.

Accordingly, we were able to achieve the following results in 2021:

- Overall rate of work-related injuries of 9.21, which represents an increase of 12% relative to 2020 (8.21), but a decrease of 31% relative to 2019 (13.30).
- Lost time injuries rate of 2.93, which represents an increase of 41% over 2020 (2.08), but a decrease of 31% versus 2019 (4.24).

- With 2,651 HSE workplace inspections, we exceeded the target for 2021.
- 740 Senior Management Engagement Tours were conducted in 2021.
- 1,967 danger points in the workplace were reported in 2021.
- An additional 192 managers attended the HSE management training course.

BY 2025: RAISE HSE AWARENESS AND REDUCE ACCIDENTS

Awareness of safety risks and knowing how to prevent hazards for employees and the environment are key factors for the successful implementation of our new HSE strategy. The goal is to train at least 98 percent of all managers in HSE by 2025. During that time period, we want to reduce the accident rate by 40 percent versus 2019. To achieve this on a global level, not only are we complying with the statutory HSE regulations, which vary from country to country, but we are also going far beyond them with targeted awareness campaigns and needs-based training programs.

Promoting talent – sustainably and globally

To enable TÜV Rheinland to be successful on the market also in the future, we help our employees realize their full professional and personal potentials. We invest in the Groupwide standardization of personnel management so all employees worldwide obtain the best possible individual support.

Our experts' know-how, efforts and diverse personal strengths make a decisive contribution to TÜV Rheinland's business success. That's why sustainable personnel management that strengthens the qualifications, motivation and health of the employees is extremely important to us. With the needs of the business in mind, we want to offer individual development opportunities to our employees while improving the transparency and global availability of our qualification programs at the same time. Moreover, it is equally important to us to ensure inclusive, equitable and high-quality training and to promote life-long learning opportunities for all.

STEP-BY-STEP HARMONIZATION OF ALL PERSONNEL-RELATED PROCESSES

In the year under review, TÜV Rheinland placed special emphasis on advancing the development and launch of the digital platform myHR, which enables the global harmonization of Groupwide HR processes for the first time – from recruiting and onboarding, to qualification and talent management, to performance management:

- The Employee Profile stores all of the employee's relevant data and qualifications.
- The global Learning Tool contains available learning activities such as training courses and e-learning courses, which can be booked by the employees and managers. It also stores the entire learning history.
- The Recruiting module provides optimal candidate relationship management as well as complete transparency in recruiting processes – from the job advertisement to onboarding.
- The personalized Onboarding Portal enables employees and new hires to become familiar with the company even before their first day on the job. All data are recorded in paperless form right from the start.
- The Development & Performance module supports

target management and development management along with continuous feedback between supervisors and employees. The development discussion is an opportunity to discuss skills and competencies, individual actions for further development, and the interest in talent and career developments. The employee can take an active part in setting targets and their own development.

- The Succession module enables the structured identification of talents. In the respective areas of responsibility, the search for talent and succession planning via talent pools are more transparent and predictable than before. In case of vacancies in the company, the newly implemented "talents first policy" is designed to favor in-house talent.

IN FOCUS: GLOBAL TRAINING MANAGEMENT

We have already made good progress in 2021 toward establishing a global training and qualification management system based on the myHR Learning module. In the year under review, the system already enabled TÜV Rheinland to offer its employees more than 1,100 training classes. With the international rollout of the platform, the technical training and continuing education are also integrated into the system. The harmonization of previously dissimilar processes will enable us to evaluate completed training days not only in Germany but also abroad in the future. The goal is to increase the average annual number of training days per person (including mandatory training courses) to over 2.3 days also globally by the end of 2025. In the year under review, that number of training days was already achieved in Germany.

In so doing, we not only ensure completion of mandatory training courses for the employees along with documentation of the completed programs, but also facilitate access to opportunity-based career development for the entire workforce.

Documented training and continuing education days in Germany

	2020	2021
Employees trained (classroom seminars*)	3,845	4,224
Training days for new experts	11,160	5,735
Seminar days for new employees	402	883
Continuing education days	16,721	14,132
Total training and continuing education days	28,283	20,750

* The table shows data for 2021 for seminars conducted in classrooms and alternatively online, which were registered within the Group through 28.01.2022. Standard e-learning courses are not included in this figure.

One example of successful new training formats is the “Management Essentials” manager training course developed by Global Business Improvement Management (GBIM) and Global Office HR Solutions. Designed for managers with responsibility for sales revenue and earnings, the course focuses on cost and resource management, financial reporting, performance and sales management, and how to use the applicable in-house processes and tools. The training sessions began in early 2021 and have since been conducted worldwide in all Business Streams. Particularly positive feedback from the participants emphasized the course’s high practical relevance in combination with the applications-based examples. In the future, the Management Essentials training course will be incorporated into the manager training curriculum as a mandatory module.

LEADERSHIP FUNDAMENTALS: GREATER FOCUS ON MOBILE WORK

In the year under review, a virtual format was added to the “Leadership Fundamentals” training series. It is offered in all regions via the myHR Learning platform. Moreover, we integrated new content to better prepare managers for the change in work as a result of increasing digitalization. Now they will learn how to consistently foster trust and a sense of belonging in the virtual daily work routine, for example. Mobile work has become an integral part of TÜV Rheinland’s corporate culture. Even before the coronavirus pandemic, the company developed a concept designed to give employees greater flexibility and enable them to work anywhere. In 2021, the positive results from that experience were also used to modify the Group collective bargaining agreement to address the new requirements even more effectively for Germany. For orientation, a phased model was developed from which managers can work together with

the employees to select suitable solutions whose full flexibility ensures loyalty to the company and the teams.

SYSTEMATIC PROMOTION OF TALENT FROM WITHIN THE RANKS

TÜV Rheinland also is realizing digitalization’s potential for the further development of its coaching offerings. Coaching is an important part of personnel development in the company – it gives employees individual support with their professional challenges, such as when they assume managerial functions. With the launch of a digital coaching platform, we are helping our employees find a professional and suitable coach while at the same time reducing all the administrative work associated with contract management, reporting and evaluation .

As an additional instrument of personnel development, reg-



Dr. Silke Wechsung
Global Officer HR
Development & Diversity

“With myHR, we are professionalizing and standardizing our personnel management. The goal is to establish uniform processes throughout the Group – but also above all to create better offerings for employees. More development opportunities, more intensive talent scouting and career advancement, optimized succession management and mentoring: We are a people organization – and our focus is on those people, including their desires, interests and potentials.”

ular talent placement conferences enable the systematic identification and promotion of potential candidates for career advancement in our company. The conferences raise the visibility of talented potential candidates and of key positions available to them. With each of the talented employees under discussion, an individual development plan is also created. By promoting junior staff from our own ranks, we make our company more attractive as an employer, foster the dedication and satisfaction of our employees – and thereby strengthen the loyalty of our workforce.

OUTLOOK: DIGITALIZATION AND PROFESSIONALIZATION OF THE ENTIRE HR LIFE CYCLE

In the coming years, TÜV Rheinland intends to forge ahead with the successive rollout of the global myHR platform. Among other things, the so-called Development Dialog will be introduced starting from May 2022: An annual employee performance review process that is standardized worldwide according to established guidelines and specifically designed to clarify continuing education needs, career preferences, objectives and individual development plans. Plans also call for harmonized curricula that apply throughout the Group – for manager development, for example, or for specific operational areas. From professional recruiting and onboarding to universally available training and learning materials through to transparent reporting based on centrally available data: This transformation will enable TÜV Rheinland to consistently ensure that the full range of personnel processes is professionally managed in the future.

Treating people fairly – securing the future

Not only are we morally and legally obligated to protect our employees, but our employees are the key to our success. Treating employees with respect and appreciation also includes fair remuneration, equal pay for equal work, and a communication and information culture characterized by transparency and trust.

Today TÜV Rheinland operates in some 500 locations in 60 countries on every continent around the globe. More than 12,000 employees work outside of the German home market, including in emerging and developing countries. Though most governments have set legal minimum wages, that remuneration is not always enough to provide for a reasonable standard of living.

TÜV Rheinland's international orientation contributes significantly to our sustainable growth, but at the same time it also imposes on us a special responsibility and duty of care vis-à-vis our employees the world over. As signatories of the UN Global Compact, we are committed to the Guiding Principles on Business and Human Rights of the United Nations. We see it as our obligation to implement fundamental employee rights within our area of influence – rights such as the guidelines and standards of the International Labour Organization, for example. This also includes paying living wages and salaries – an important lever for reducing social inequality and for fighting poverty and child labor. As the person in charge of the relevant personnel processes, our Global Officer HR Performance assumes this responsibility. In the new Sustainability Strategy 2025, clear objectives were formulated to achieve this.

LIVING WAGE – MORE THAN MINIMUM WAGE

We strive to pay our employees at all locations worldwide not just the legal minimum wage, but living wages that cover their cost of living and their basic needs for food, lodging and access to healthcare and educational institutions. As a first step, by 2025 we want to achieve this for at least 90 percent of all people employed by TÜV Rheinland.

Up till now, there has been no generally accepted calculation basis for determining a living wage. According to the

Global Living Wage Coalition, this represents a remuneration that employees receive for a standard work week at a certain location and which is enough to provide them and their family with a reasonable standard of living. To determine the living wage level, we rely on publicly accessible sources with living wage guideline values and benchmarks for individual countries and regions.

VALID DATABASE THROUGH GLOBAL HR PLATFORM

To survey the wage level at TÜV Rheinland, first we consulted the available data from the Service Functions, with nearly all employees of the Service Functions worldwide taken into account. The analysis shows that we pay living wages in these areas in nearly 100 percent of the cases – a result

A living wage is a human right. According to Article 23 No. 3 of the Universal Declaration of Human Rights of the United Nations: "Everyone who works has the right to just and favorable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection." (United Nations General Assembly, 1948).

Living wages are of major significance for the achievement of many Sustainable Development Goals, including the elimination of poverty (Goal 1) and hunger (Goal 2), and ensuring a healthy life for all people (Goal 3), as well as inclusive, equitable and high-quality education (Goal 4), access to water and sanitation (Goal 6), and the promotion of full employment and decent work (Goal 8).

that cannot simply be extrapolated and applied to other operating Business Fields, however. Our new global HR platform "myHR", the phased rollout of which will be completed by the end of 2023, enables us to record the salary data of all TÜV Rheinland's employees on a standardized basis. In the future, this database will enable us to conduct valid assessments for all locations. The goal is to identify existing pay gaps and use targeted programs to close them.

EQUAL PAY FOR EQUAL WORK

A performance-based, fair remuneration does not differ according to gender. For us it is only natural to pay equal wages for equal or equivalent work and to prohibit all unjustified wage differences. In the current Sustainability Strategy, we have turned our focus explicitly to the topic of equal pay for men and women and defined a clear objective. By the end of 2025, we want to ensure that female employees at TÜV Rheinland receive on average at least 95 percent of the wage level of male employees. The necessary wage transparency in this area will also be provided by the new global HR platform "myHR".

The platform makes it possible to review remuneration structures throughout the Group with regard to fair pay for men and women and to compare the average wages of employees by country.



Pamela Pfeiffer
Global Officer HR Performance

"Our long-term success depends on the professional and personal expertise and experience of the people who work here. Performance, motivation and personal initiative flourish only in a culture of respect and fairness. In that context, fair remuneration structures and transparent communication play a key role."

More detailed analyses according to salary grades and pay scale levels are also planned. Based on those findings, we will implement targeted measures to offset gender-specific wage gaps in the respective regions.

TRANSPARENT COMMUNICATION AND INFORMATION

Open, transparent communication is an essential factor in responsible employee management. We rely on dialog-oriented relationships and effective information flow. In so doing, we strengthen the dedication and motivation of our employees and promote team spirit at TÜV Rheinland. Particular attention is paid to communicating our long-term strategies. We try to keep our employees fully informed about relevant topics at an early stage, so they can develop a deeper understanding of TÜV Rheinland's main goals and actions and better comprehend our business decisions. The importance we place on constructive employee dialog was particularly clear once again with regard to our realignment in 2020 and 2021. Following the one in 2019, we will conduct another worldwide employee survey in 2022. Based on our employees' feedback, we will develop an action plan and target path to identify and eliminate weak points and to further improve internal communication.

For a culture of respect and tolerance

TÜV Rheinland's guiding principle includes a work environment that is free of discrimination. We are committed to treating all employees equally – regardless of gender, age, nationality, ethnic origin, religion, ideology, disabilities, sexual orientation or identity.

As a global Group, it is very important to us that every employee is treated with equal respect. Only in a work environment characterized by mutual respect and free of prejudice and discrimination can employees develop their full potential. That's why non-discrimination has such high priority in the context of our Sustainability Strategy. We foster a corporate culture of equal opportunity and tolerance. An ambition that is based on our own value system and inscribed in our Code of Conduct.

An important indicator of non-discrimination is the feedback of TÜV Rheinland's employees. In the global employee survey "together" – which is conducted at three-year intervals – the rate of agreement with the question about equal treatment regardless of gender, age, nationality, ethnic origin, religion or ideology, sexual orientation or identity was 81 percent in 2019.

We want to raise that share even higher in the future.

The goal is to reach a rate of agreement of more than 81 percent in 2025. We will already measure and verify this key performance indicator again in the next global "together" survey in 2022.

SHOWING OUR COLORS – FOR RESPECT, AGAINST DISCRIMINATION

There is no place for discrimination in our company – and we demonstrated that in 2021 with various initiatives, both at the headquarters in Cologne and abroad. In so doing, we emphasized actions that expressed our appreciation for the LGBTI* community. LGBTI* stands for "Gay, Lesbian, Bisexual, Trans and Intersex" – whereby the asterisk serves as a placeholder for other identities. To celebrate the International Day Against Homophobia (IDAHOBIT) on May 17, 2021, for example, TÜV Rheinland launched a social media campaign in which employees from various regions from Cologne to Colombia participated with personal statements against discrimination. At the same time, the LGBTI* Net-

work TÜV Rheinland clarified via our intranet that people in many countries today are victims of discrimination and persecution due to their sexual orientation. Wolfgang Schwarzhelm, Head of Local Procurement at TÜV Rheinland and spokesperson of the intra-group LGBTI* network, sums it up in a nutshell when he points out that he violates laws in 70 countries around the world simply because he is who he is. By contrast, within TÜV Rheinland's area of responsibility, no employee need fear repression due to their sexual orientation or identity. At our workplaces and in our teams, we treat one another with respect and maintain a fear-free environment.

In so doing, TÜV Rheinland makes a stand for mutual appreciation and solidarity – and against all forms of discrimination. At the corporate headquarters in Cologne, the iconic rainbow flag was raised to celebrate Christopher Street Day (CSD) in August 2021. With a group of some 70 employees, the company also took part in the CSD demonstration in Cologne. Under the motto "For human rights. Many. Together. Strong." TÜV Rheinland sent a clear message of solidarity with the LGBTI* community – and lent support to its employees the world over. Ruth Werhahn, Member of the Executive Board of TÜV Rheinland, also took part in the event in person.

PROMOTING INTERCULTURAL SKILLS

TÜV Rheinland's activities and campaigns emphasize not only the rejection of discrimination in all forms, but also the positive identification with a diverse workforce. People from more than 100 nations work together in our company – we see this as an opportunity and inspiration for our shared success. Stemming from an initiative of the workforce, a network known as International@TÜV Rheinland was established in 2021 – and in the year under review, well over 100 employees from all regions of the world already participated in it. This international network offers participants the opportunity to better understand the different

environments in which their colleagues live and to improve their own intercultural skills. This creates the conditions for harmonious coexistence and also ultimately facilitates professional exchange across national borders.

OUTLOOK: AWARENESS-RAISING TRAINING COURSES FOR MANAGERS

In the years ahead, TÜV Rheinland will also continue to work on improving awareness for a respectful, non-discriminating corporate culture. Plans call for implementing a global e-learning course on "Diversity and unconscious bias," for example. The Groupwide training course will teach managers how to recognize unconscious biases and gender roles – against women, for example – and how to avoid them in daily collaboration as well as in recruiting situations. As part of the rollout of myHR Learning, the digital training courses will be provided in several languages. Moreover, in the future, TÜV Rheinland intends to develop a new key performance indicator based on complaints involving discrimination or harassment in the company – thereby further improving transparent reporting with regard to progress in the area of non-discrimination.



Sabine Hager
Global Expert Diversity

"Equal opportunity and diversity awareness are key issues for us. Regardless of gender, age, nationality, sexual orientation or disabilities, we want to recognize the diverse accomplishments and experience of our employees and include them as potential. This also means modifying unequal treatment where it prevents fair participation."

Diversity – a key to business success

TÜV Rheinland values individual differences and promotes equal opportunity in the company. We firmly believe that diversity enhances our competitiveness, our performance and our attractiveness as an employer.

Diversity plays an important role in TÜV Rheinland's Sustainability Strategy – and is a formative feature of our corporate culture. As an international group with employees from more than 100 nations, we experience diversity as one of our greatest strengths. More than 20,000 employees contribute their experience, identities and cultural backgrounds. We assume that these various talents and perspectives are ones that can drive innovations in the company. That's why identifying and promoting such creative diversity is essential for the company's future viability. We firmly believe that in an increasingly complex business environment, diverse teams perform more successfully. In 2013, we signed the "Diversity Charter" and committed ourselves to promoting the recognition, respect and inclusion of diversity in the work world. We actively participate in networks, develop awareness-raising campaigns, and implement programs to foster diversity in the company. With concrete actions, we vigorously oppose all forms of discrimination in our company (more on that subject in the chapter on non-discrimination). At TÜV Rheinland, the diversity management function is anchored in the Global Office HR Solution, which reports directly to the CHRO.

WOMEN IN MANAGEMENT POSITIONS: OUR OBJECTIVES

One of TÜV Rheinland's core concerns is equal opportunity for women and men. Especially inasmuch as our company is a technology-oriented one where men still significantly outnumber women, we want to promote and enhance opportunities and career prospects specifically for women. Various studies show that companies with diverse management teams are more innovative and therefore generate up to 19 percent higher sales revenues (Boston Consulting, 2017). Companies with high gender diversity in particular are up to 25 percent more likely to sustain above-average profitability (McKinsey 2020). This confirms our belief that by promoting diversity, not only are we helping foster equal opportunity in society, but the company is also benefiting as well.

TÜV Rheinland sets concrete goals for itself to raise the share of women in management positions. By the end of 2025, for example, at least 20 percent of management positions will be staffed by women. We aim to achieve a 25 percent share of women on the Executive Board in the same time frame. In Germany, pursuant to the Law on the Equal Participation of Women and Men in Executive Positions, we have also set target figures for women in six of our companies. At the Executive Board/General Management level, those targets are consistently between 25 and 33 percent.

In 2021, 35 percent of the employees Groupwide were female; 27 percent of the managerial positions were held by women (comparability is limited due to a change in the calculation basis; see the section entitled "About this report"). To monitor progress and ensure target achievement, the gender-specific key performance indicators are reported annually to the Executive Board and top management. Moreover, greater attention will be paid to the gender ratio when filling managerial positions in the future. A policy covering gender-based staffing is being drafted. TÜV Rheinland will also continue to provide extra support to women who take parental leave and return to a specialist or managerial position. In the Germany region, this also includes the comprehensive Work & Family program, with its various offerings ranging from parental leave consulting to partnerships with company childcare providers to TÜVtel Kids daycare center places at the Cologne location. Those offerings are equally suited to the fathers in our company: We listen to their perspectives and needs with regard to better ways to combine career and family via an in-house fathers' network and we implement them in target group-specific offerings. The global expansion of the women@TÜV Rheinland women's network, with its special focus on women with supervisory responsibilities in all regions in which TÜV Rheinland operates, rounds out the activities in the area of Diversity and Women & Career.

SYSTEMATIC MONITORING

One program that is significantly improving career opportunities for women is our mentoring offering for female specialists and managers. Known by the German acronym TAFF ("TÜV-Mentoring-Angebot für künftige Fach- und Führungsfrauen"), this successful program gives female employees the opportunity to benefit from the experience of an executive in upper management. A new mentoring cohort is formed in Germany each year; as of today, 106 female mentees have participated in tandems with managers from all business units and locations. According to the mentees themselves, the most important benefits are:

- Expansion of their professional network: 91%
- Improved career planning: 86%
- Greater visibility in the company: 83%
- Fostering their own development: 74%

In March 2021, another edition of the TAFF program began. Twenty tandems regularly reflect on the participants' goals and prospects. The program features several meetings along with a workshop for the mentees. As in 2020, due to the pandemic, the experience exchange mainly took place virtually once again in the year under review.

NETWORKING WRIT LARGE

In collaboration with the European Women Management Development Network (EWMD), regular international business workshops are also held for women. They are intended for all female employees, but also support the mentees of the TAFF program. The subject of one online workshop in 2021, for example, was "Being the 'young woman' in senior meeting rooms." The online training course provided tips on how women can bolster their self-confidence so they can succeed in male-dominated work structures without losing their authenticity. TÜV Rheinland is also a member of the "Chefsache" initiative, as well as the Rhine-Ruhr Diversity Network, and participates continuously in projects to promote women in managerial positions. In a study by "Brigitte" magazine in 2021, TÜV Rheinland was rated with four out of five stars – which makes it one of the "best companies for women."

INTERNATIONALLY ANCHORED: PROMOTING TALENTED STAFF IN THE REGIONS

Another focus in connection with Diversity involves promoting and supporting the international spirit of our organization. As a global company, we believe it is important that



Ruth Werhahn
Executive Board member for Human Resources and Law, and Labor Relations Director

"The fact that female managers are an enrichment and a competitive

advantage for companies is now recognized as common sense – and so is the fact that there's a lot of catching up to be done in this regard. That's why we support a diverse corporate culture and the optimal promotion of all talented staff. Living equal opportunity in practice means securing our future."

we recruit specialists in the regions and that we staff managerial positions in-house from the local workforce. As a result, in accordance with TÜV Rheinland talent management standards, we want to involve local workforces even more actively and to promote talented staff in the regions where the company operates. In so doing, we also help sustainably strengthen the local labor market. By the end of 2025, on average, at least 75 percent of the managerial staff in the regions should come from the respective local region. To reach that goal, in the future TÜV Rheinland will, among other things,

- strengthen the participation of local employees in internal management training courses and programs,
- pay closer attention to local applicants when filling managerial positions, and
- initiate mentoring programs to promote the development of local managers.

As part of the rollout of the global myHR platform, TÜV Rheinland will also establish transparent reporting in this area.

Planet



As a provider of testing and inspection services, we help companies and organizations worldwide transition to climate-neutral business practices that conserve resources. In the future we will apply our expertise in even more targeted ways to reduce our own ecological footprint along the entire value chain as well. That is our contribution to “Climate Action” (SDG 13) of the Sustainable Development Goals of the United Nations.

Our main topics

- Fewer resources – greater range 25
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1.5-degree Celsius

Our contribution to the 1.5-degree Celsius goal: By 2025, we aim to reduce CO₂eq emissions in Scope 1 (natural gas, heating oil, pellets, automotive fleet in Germany) and Scope 2 (electricity and district heating in real estate) by about 30% relative to the reference year 2018. For Scope 3 (other business travel by passenger car, air and rail as well as upstream emissions), by 2025 we plan to reduce emissions by about 17.5% relative to 2018.

Protecting the climate and conserving resources – every contribution counts

Fighting climate change and protecting finite resources are right at the top of the global sustainability agenda. Even though our business processes require only limited quantities of raw materials and energy, we accept the challenge and undertake to leave our environment intact for subsequent generations. We are committed to that goal and use our expertise and our services every day to help achieve it.

Sustainable action in the sense of climate protection – for a service company like TÜV Rheinland, that means generating the smallest quantity of climate-damaging emissions possible and reportable on the balance sheet along the core processes within our sphere of influence. Our main focus is on the greenhouse gas emissions generated directly and indirectly from the operation of our buildings and testing facilities as well as from our business travel. Along with that, we also focus on the protection of resources along our supply chains. We want to conserve finite raw materials and minimize the corresponding environmental risks.

FEWER RESOURCES – GREATER RANGE

We have been systematically recording basic resource consumption rates in TÜV Rheinland’s regions and companies since 2015. In the year under review, we reduced water consumption on a global scale by about 20 percent and paper consumption by about 45 percent relative to 2018. In terms of consumption per capita, this also translates to a

reduction of about 20 percent for water and about 45 percent for paper (cf. table below).

Our Sustainability Strategy also increasingly includes our supply chain. This extends the range of our commitment. Since 2021, we have required all suppliers to comply with a Supplier Code of Conduct (SCoC) within the framework of our Sustainable Procurement Policy. Along with social criteria, ecological requirements also play an important role in our procurement activities. We expect our suppliers to meet the applicable environmental protection standards and to operate sustainably over the long term.

As a result of the pandemic, many other planned actions, including the energy-related renovation of self-managed buildings and improvements in travel management, had to be postponed or have yet to make any measurable difference. In the years ahead, we want to position ourselves systematically in this regard and work specifically to improve the comparability of the measures.

Evolution of resource consumption, TÜV Rheinland Group, global (paper, water) since 2018

	Water consumption global [m³]	Water consumption per FTE global [liters/FTE]	Paper consumption global [kg]	Paper consumption per FTE global [kg/FTE]
2018	393,613	19,274	405,892	19.9
2019	377,599	17,700	381,182	17.9
2020	337,172	16,275	243,952	11.8
2021	313,287	15,436	222,231	11.0
Reduction 2018 through 2021	-20.4%	-19.9%	-45.3%	-44.9%



Yiko Ye
Regional HSE Manager Greater China

“Climate change concerns every country on every continent. What motivates me: I would like to make a substantive contribution to TÜV Rheinland’s climate neutrality. After installing a photovoltaic system on the roof of our TÜV Rheinland subsidiary in Shanghai, we now produce our own solar electricity. That lowers not only our energy costs, but also our greenhouse gas emissions. Motivated by this success, we also want to install PV systems at our sites in Qingdao and Taicang.”

**OUR COMMITMENT TO CLIMATE PROTECTION:
1.5-DEGREE CELSIUS GOAL BY 2025**

According to the goals of the Paris Climate Agreement of 2015, global warming will be limited to significantly less than 2 degrees – and preferably to no more than 1.5 degrees, if possible – above pre-industrial levels. This first-ever climate protection agreement to be binding under international law sends a clear message of fundamental change and requires economic activity that takes the natural limits of the planet into account. With the tremendous challenges imposed by climate change, we too undertake to do our part and we have set our CO₂ reduction targets in line with the 1.5-degree target.

OUR GUARDRAIL: SCIENCE BASED TARGETS

In setting our target path, we are aligning ourselves with the requirements of the Science Based Targets initiative (SBTi), a partnership between Carbon Disclosure Project, the UN Global Compact, World Resources Institute and the World Wide Fund for Nature. The initiative offers indus-

try-specific calculation methods and helps companies set science-based CO₂ reduction goals in line with the Paris Climate Agreement. On that basis, we quantified how our greenhouse gas emissions must trend downward in absolute figures to conform to the 1.5-degree Celsius goal. According to current information from SBTi, our calculations show about 29.4 percent lower CO₂ emissions by 2025 relative to the reference year 2018 in Scope 1 and 2. For Scope 3, we calculated a reduction of 17.5% by 2025. The associated target path is shown below in connection with the CO₂ balance sheet. We are currently exploring the possibility having SBTi validate our findings.

REALIZING TARGETS TOP-DOWN AND BOTTOM-UP

Our CO₂ reduction goals require resolute action at all levels of the company. The challenge in this top-down approach lies in readjusting the targets in our local companies and, in so doing, taking the legal, technical and economic conditions into account. With that in mind, in 2021 we formulated global HSE (Health, Safety, Environment) goals for the first time factoring in the reduction of CO₂ emissions. With our global HSE management system under the responsibility of our Head of Corporate HSE, we have an effective lever to specifically control and track the implementation. Fortunately, 45 of our companies are already certified according to ISO 14001 – that covers nearly 70 percent of our worldwide workforce (in FTE). We want to extend that certification to nearly all value-adding TÜV Rheinland companies worldwide by 2024, which will then allow also for bottom-up optimization as we monitor our goals and measures. Another factor in our favor in this context is that our QHSE (Quality, Health, Safety, Environment) Policy, and with it the HSE management system, are already binding instruments for ensuring these processes and responsibilities.

MEASURABLE SUCCESSES IN CLIMATE PROTECTION

In the year under review, we agreed for the first time on binding goals for CO₂ emissions for individual regions and companies of TÜV Rheinland. Starting from 2022, we want to further improve on our annual reporting by collecting consumption data for energy-intensive real-estate properties at shorter intervals. Part of the reduction in CO₂ emissions achieved in 2020 and 2021, specifically from heating energy and electric power consumption as well as the number of kilometers traveled on business, was attributable to pandemic-related restrictions – resulting in the increased use of mobile workplaces, for example, or remote audits which have been established worldwide. Nevertheless, the TÜV Rheinland companies implemented a large number of improvements that had a

measurable impact on the CO₂ balance sheet’s bottom line.

- With a photovoltaic system operating on the roof of the TÜV Rheinland subsidiary in Shanghai, we are generating an average of 30,000 kWh of solar power per year, and thereby reducing our CO₂ emissions by 16,800 kg of CO₂ per year.
- In Germany, the fuel consumption and resulting CO₂ emissions per kilometer traveled by company car was verifiably reduced. An informative campaign to promote fuel-saving driving practices helped achieve that result.
- At TÜV Rheinland India, the conversion to renewable energy sources was on the agenda. As a result, a long-term agreement to supply solar electricity (a so-called “power purchase agreement” or PPA) was signed with a non-government energy provider – a success that will reduce our CO₂ footprint for electricity in India by nearly 85 percent.

WHAT WE HAVE ACHIEVED SO FAR – THE CO₂ BALANCE SHEET 2018–2021

For our CO₂ accounting pursuant to the Greenhouse Gas Protocol and in accordance with our newly established target path for 2018 through 2021, we once again recorded, validated and reported the following parameters concerning our companies on a worldwide basis:

- Consumption, electricity (kWh/year)
- Consumption, natural gas (kWh/year)
- Consumption, heating oil (kWh/year)
- Consumption, district heating (kWh/year)
- Business travel, by air (km/year)
- Business travel, by car (km/year)
- Business travel, by rail (km/year)

The CO₂ balance sheet for the period from 2018 through 2021 lists absolute emissions in t CO₂eq in Scopes 1–3.

ANALYSIS USING VALID DATA SOURCES

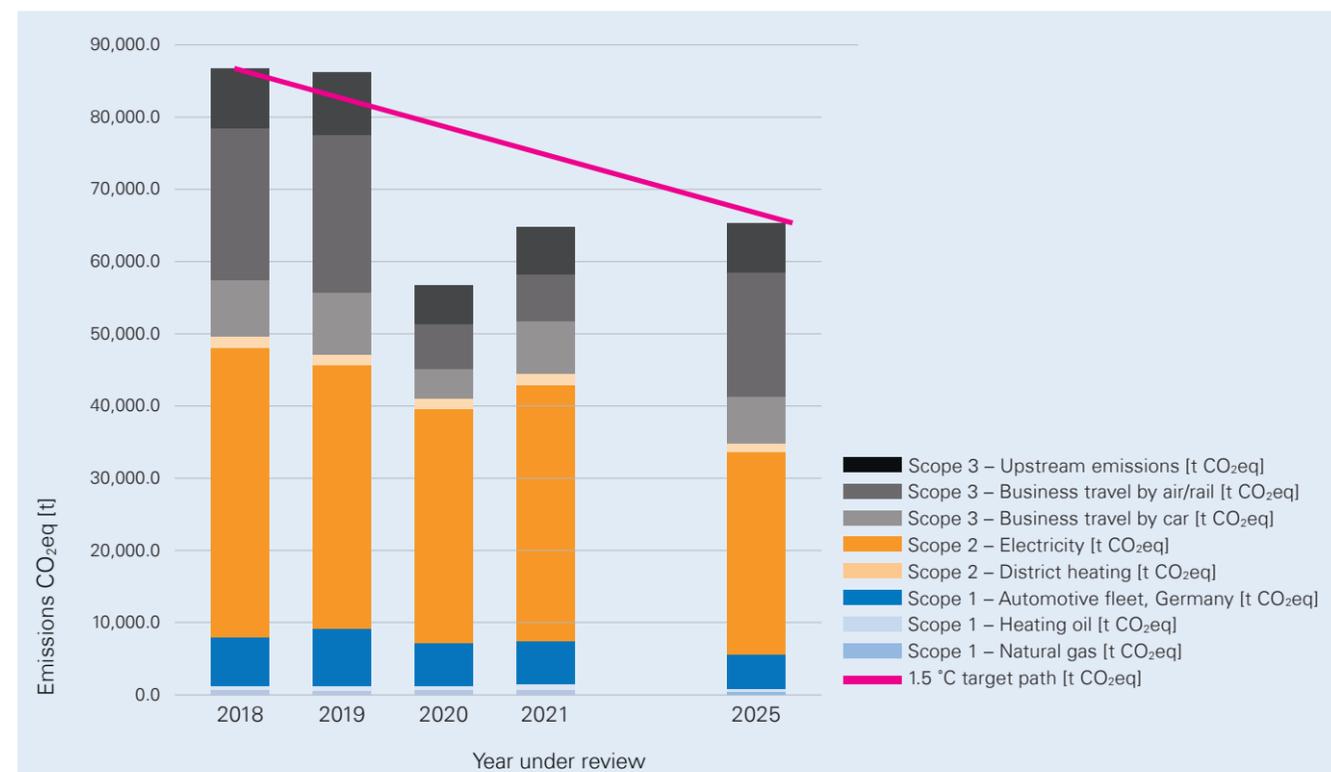
In calculating the consumption of energy and resources, we rely on valid data sources. We used original data from the reporting TÜV Rheinland companies, i.e. the consolidated companies, operating companies, or companies certified according to ISO 14001 outside of Germany. This includes invoices from energy providers, suppliers and Travel Management. For the non-reporting companies, the data were extrapolated, where meaningful, using appropriate variables such as headcount, so all TÜV Rheinland employees could be included.

In Germany, the consumption data for electricity, gas, heating oil, district heating and water were obtained from Real Estate Management, Travel Management (business travel by air and rail, use of rental cars), Fleet Management (com-

Accounting of emissions in t CO₂eq 2018–2021 and targets for 2025 (TÜV Rheinland Group global)

	2018	2019	2020	2021	2025 (Targets)
Scope 3 – WTT [t CO ₂ eq]	8,277.9	8,640.3	5,433.4	6,544.6	6,829.3
Scope 3 – Business travel by rail [t CO ₂ eq]	22.3	10.3	2.8	3.1	18.4
Scope 3 – Business travel by air [t CO ₂ eq]	20,985.9	21,698.7	6,142.0	6,484.6	17,313.4
Scope 3 – Business travel by car [t CO ₂ eq]	7,844.7	8,692.0	4,145.5	7,273.8	6,471.9
Total Scope 3	37,130.8	39,041.3	15,723.7	20,306.1	30,633.0
Scope 2 – District heating [t CO ₂ eq]	1,632.3	1,413.5	1,452.6	1,524.2	1,152.4
Scope 2 – Electricity [t CO ₂ eq]	39,656.6	36,403.0	32,310.6	35,613.0	27,997.5
Total Scope 2	41,288.9	37,816.5	33,763.2	37,137.2	29,149.9
Scope 1 – Automotive fleet, Germany [t CO ₂ eq]	6,810.6	7,044.5	6,080.1	5,901.9	4,808.3
Scope 1 – Heating oil [t CO ₂ eq]	599.9	694.8	567.8	681.6	423.5
Scope 1 – Natural gas [t CO ₂ eq]	598.5	545.9	601.6	731.6	422.6
Total Scope 1	8,009.0	8,285.2	7,249.5	7,315.1	5,654.4
Total Scopes 1–3 [t CO₂eq]	86,428.7	85,143.0	56,736.4	64,758.4	
Target path [t CO₂eq]	86,428.6	83,429.9	80,431.1	77,432.4	65,437.2

TÜV Rheinland Group – global CO₂eq emissions



Notes

- Scope 1: Direct emissions in CO₂eq from the use of natural gas, heating oil, pellets and fuels (fleet of own company cars in Germany)
- Scope 2: Indirect emissions in CO₂eq from the use of electricity and district heating in real-estate properties
- Scope 3: Indirect emissions in CO₂eq from the use of fuels for business travel (car, air, rail) and from upstream emissions (well-to-tank / WTT)
- The conversion to CO₂eq is based on country-specific / local emissions factors (electricity) and internationally

- set conversion factors (gas, district heating, heating oil, fuels) taking upstream emissions into account.
- Share of green electricity in Germany = 98.2 percent (certified/confirmed origin)
- Share of green gas in Germany = 96.5 percent (compensated by suppliers)
- Share of climate-neutral kilometers by rail (Germany) = 100 percent (confirmed by DB)

pany cars) and Procurement (paper consumption). Where consumption data from real-estate properties were not available or not completely available (e.g. for water) – from smaller leases, for example – they were extrapolated using appropriate variables such as headcount, so that 100 percent of the real-estate consumption could be documented accordingly.

ON THE RIGHT TRACK

For the year under review, the CO₂ balance sheet for 2018 through 2021 shows a slight rebound in Scope 1 emissions (gas, heating oil, company cars Germany) in 2021 following a COVID-19 pandemic-related decrease in 2019 and 2020. That rebound is also partly attributable to the fleet consumption of company cars in Germany, which is now included in this Scope – clearly a field of action for the near future (see below).



Nishani Jayawardhana
Regional QHSE Office IMEA (Dubai)

“In India, TÜV Rheinland operates the largest site in the India/Middle East/Africa region. Our goal is to significantly cut energy consumption and reduce greenhouse gas emissions. In the future, our headquarters in Bangalore will procure green electricity from verifiable sources with genuine ecological added value through a long-term power purchase agreement with a private renewable energy provider. This will enable us to reduce our CO₂ footprint for electricity in India by about 85 percent.”

Scope 2, which essentially concerns electricity consumption, shows a renewed rise in 2021. It is worth taking note of the regional highlights here: Germany, Greater China and IMEA (especially India) are the regions with the highest absolute electricity consumption, which explains why, along with efforts to increase energy efficiency, they also need to focus on procuring electricity generated from renewable energy sources. After a clearly pandemic-related decrease in business travel, Scope 3 posted a slight uptick in 2021 again. Following the reallocation of emissions from fleet consumption in Germany to Scope 1, the main contributions here now come from business travel in private cars in Germany and business travel by air – mainly in Greater China.

ACTION PLAN FOR THE STRATEGY TIME FRAME THROUGH 2025

The present CO₂ balance sheet 2018–2021 shows the progress achieved and also points out the improvements need-

ed in the future along with the main adjustment screws for further CO₂ savings. In 2022, we will consistently focus on the main sources of greenhouse gas emissions:

- Real estate with energy-intensive installations, especially laboratories, testing facilities and data centers, where we ourselves have a significant influence on the energy efficiency of the equipment operated.
- Business travel by air and by car, which we can either avoid altogether or arrange more efficiently and in a (more) climate-neutral way through our choice of the means of transportation.
- Procurement of energy from renewable energy sources, especially certified green electricity, green gas, solar panels and power purchase agreements.

In the future, we also want to help our employees become more capable of identifying and realizing savings potentials. Their active involvement is needed, especially to analyze the energy consumption of real-estate properties and to optimize the database and the monitoring. We are working on this in close cooperation with our Global Office Real Estate.

OUTLOOK: MORE SUSTAINABILITY IN THE SUPPLY CHAIN

In Scope 3, we anticipate increasingly demanding requirements with regard to supply chain sustainability analysis and assessment. Our focus here is not only on CO₂ reduction goals, but also concerns all sustainability aspects in the life cycle of purchased goods or services. In the future, we want to take on this challenging cross-sectional task in close consultation with TÜV Rheinland Global Corporate Procurement. In so doing, we benefit from the diverse expertise that TÜV Rheinland has gained while developing a large number of services, notably in the area of renewable energy, sustainability, life cycle assessment and supply chain management.

- The Industrial Services & Cybersecurity and Commercial Products Business Streams in the Greater China region offer a system for simulating and optimizing a CO₂ footprint in real time based on life cycle analyses. Here we want to investigate how well this system can be applied to our own processes.
- In Germany, the Industrial Services & Cybersecurity Business Stream established a Hydrogen Competence Center to bundle and interconnect the building blocks of a hydrogen economy. The use of hydrogen as a source of energy – must represent a long-term option for us in all Scopes – an option that we have to assess in a timely manner.

- In Germany, the Mobility Business Stream initiated a project to analyze the potential of photovoltaic systems on and in the rail infrastructure. Potential studies are important to us as a means of showing decision-makers in the companies of TÜV Rheinland the path toward a regenerative electricity supply.

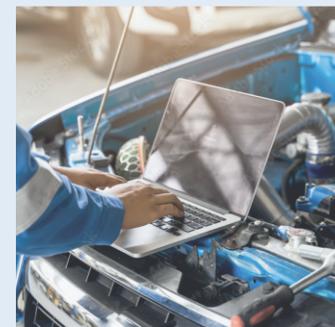
With our CSR activities related to greenhouse gas emissions, we want to set the course for climate neutrality. The transformation must be accompanied by appropriate political and economic conditions, however. Positive stimuli are coming from various directions, notably from the new federal government in Germany and from the European Commission. Initiatives for further decarbonization and for the establishment and expansion of a circular economy are making headway on a global level, as well. We want to do our part.



Steve Vogel
Regional Officer Germany Health,
Safety & Environment

“When we all make a small contribution to improving the CO₂ balance sheet, it all adds up. Our fuel-saving campaign is a very clear example of this. It enabled us to verifiably reduce fuel consumption versus 2020. The key to our success was to show the employees simple and concrete ways they can reduce their climate footprint. And we want to continue to build on this success in the future.”

Profession



True to our mission statement, we want to be the world's best sustainable and independent provider of testing and inspection services. With our services, the experts from TÜV Rheinland contribute to sustainable development. Moreover, we are working every day to improve the quality of our services, to act with integrity and transparency, and to fulfill our service promise to our stakeholders. With our strategic orientation in this area, we help achieve SDGs 12 (Responsible Consumption and Production) and 16 (Peace, Justice and Strong Institutions).

Our main topics

- Service quality 32 – 34
- Data integrity 35 – 37
- Legal compliance 38 – 39
- Business ethics 40 – 41

100%

By 2025, we want to raise the share of successfully completed internal data protection audits to 100 percent, and in at least 50 percent of those data protection audits we will audit external providers relative to data protection.

Binding Corporate Rules

With the introduction of Binding Corporate Rules, we achieve a new level of security in handling customer and employee data.

2021

In 2021, under the auspices of the Global Office QHSE, we established the Corporate Process Management function, which will measurably improve service quality throughout the Group.

95%

By 2025, we want to have trained at least 95 percent of all employees in the basic compliance requirements of TÜV Rheinland.

Compliance Management System

We have our Compliance Management System audited annually by external, independent auditors to identify improvement potentials and to implement specific improvements.

Pacesetter for sustainable value creation

Innovative technologies support climate protection – new services promote innovation: Consistently high service quality across all Business Fields and locations is a decisive factor for our long-term business success, but also for achieving our sustainability goals.

From the certification of alternative drives and renewable energies, to life cycle assessments, to the determination of corporate carbon footprints and the performance of supply chain audits: With our broadly diversified range of services, we help companies render their products, processes and business models not only safer and more reliable, but also mindful of ecological and social criteria at the same time. At practically all stations of the global production and process chains, we contribute our expertise and accompany the transformation to a climate-neutral, resource-efficient economy.

IN THE SERVICE OF TECHNICAL PROGRESS

The framework for the sustainable further development of our business activity is formed by the principles of the UN Global Compact, the UN Sustainable Development Goals (SDG) and the demands and expectations of our stakeholders. We have committed ourselves to performing our testing, inspection and certification services for the benefit of man and the environment. At the same time, we develop specific services and standards that drive technical progress and enable a decent, worthwhile future. With the Green Product certification, for example, companies can document the energy efficiency and eco-friendliness of their products. Keyword “mobility transition”: With a large number of services, we support vehicle and battery manufacturers that want to transform their value chain to protect the climate and conserve resources. Moreover, when the coronavirus spread around the globe, TÜV Rheinland provided a large share of its laboratory and testing capacities for the purpose of fighting the pandemic and actively participated in the development of services designed to help contain it, such as hygiene audits.

ADDED VALUE, STEP BY STEP

Today TÜV Rheinland offers about 2,000 services in 60 countries the world over. Whether technical plants and equipment, products or management systems: Our customers and the general public trust us to perform our services independently, objectively and reliably. Stakeholder surveys in the context of our materiality analysis confirmed this explicitly. Findings indicate that a high quality of service is very high on the list of requirements against which TÜV Rheinland must be measured.

Good is not good enough: Most TÜV Rheinland companies are certified according to ISO 9001 via group audits. In extensive annual audits, we prove that we meet the requirements for the testing, inspection and certification of equipment, machinery, plants and products. In addition, we established an internal quality assurance system that includes the regular monitoring of employees, testing laboratories and business processes. Moreover, in some work areas – in the context of accreditations and notifications, for example – we are subject to government inspections and authorities audit TÜV Rheinland’s work methods worldwide for regulatory compliance.

OUR SERVICE PROMISE:

EXCELLENT SERVICE QUALITY

Compliance with regulatory requirements is fundamental to our activity. But our ambition goes beyond that: We want to be a worldwide quality leader in testing and inspection services. This ambition is reflected in the key areas of activity that we have drawn from our stakeholders’ expectations.

- We want to offer excellent service quality in the Business Fields of testing, inspection, certification, consulting and training. Through high-quality, flawless and

punctual services, we raise customer satisfaction.

- With lean, efficient and scalable work processes, we can sustainably boost our value creation all along the supply chain.

To measurably and continuously enhance quality, we defined key performance indicators (KPIs) for the respective areas of activity, together with the associated targets. We want, for example, to reduce the error and complaint rate by 20 percent by 2025, and strive to achieve a Groupwide delivery reliability of more than 90 percent. At a yet-to-be-determined time in the future, we will establish a baseline for the KPIs complaint rate, error rate, and value creation share of work processes, as well as processing time and delivery reliability. We will ascertain and assess the necessary technical prerequisites by the second quarter of 2023. At the same time, we want to raise the value-creating share of work processes by 10 percent and reduce the operational risk potential associated with service provision by 20 percent. To that end, we will establish a baseline in the second quarter of 2022.

Areas of activity	KPI	Targets 2025
High-quality in the provision of services	Error rate	-20%
	Delivery reliability	+10% >90%
	Complaint rate	-20%
Sustainable value creation along the supply chain	Value creation share of work processes	+10%
	Processing time	-10%
	Operational risk potential in the provision of services	-20%

REORGANIZATION OF QHSE MANAGEMENT

Continuous improvement in the quality and value creation of our service portfolio is closely tied to high occupational safety, health and environmental protection standards. To better interlink these functions from an organizational and technical standpoint, we modified our internal organizational structure in 2021. The corporate functions Quality Management, Accreditation & Certification were merged with HSE (Health, Safety, Environment) and bundled under the umbrella of the Global Office QHSE.

DRIVING DIGITALIZATION AND DATA INTELLIGENCE (QUALITY MANAGEMENT 4.0)

The Global Office QHSE is relying more heavily on digital solutions to support the Business Streams as they confront increasingly complex conditions due to globalization,



Anastasios Michailidis
Head of Corporate Process Management

“By integrating quality and risk management directly into operational business processes, we not only fulfill our service promise. Through systematic improvements, we can also exploit digitalization’s opportunities and raise our sustainability profile.”

wide-ranging requirements and product diversification. The data quality and timeliness of business information play a decisive role here. In this context, media discontinuities – i.e. interruptions in the transmission chain – represent a major challenge for digitalization. Consistently preventing such media discontinuities consolidates quality data from many data sources, thereby pooling the insights gained from the various QHSE disciplines and channeling them into the production cycle in the form of information (value creation chain). In addition, digital analysis tools systematically process large volumes of data and provide them to the business directly and rapidly to enable decisions based on current information at all times. In this way, any deviations are identified early and disruptions are prevented, thereby enabling faster reaction times and more efficient utilization of resources, which represents a significant contribution to sustainable quality assurance. Moreover, the increasing digitalization of quality management strengthens our process-orientated approach – by allowing for more direct alignment of quality indicators with production figures, for example, to continuously improve our service processes at the interface with the customer. To provide even more active support for this development, we established a new unit in the summer of 2021.

NEW UNIT: CORPORATE PROCESS MANAGEMENT

Corporate Process Management covers the areas of process improvement, operational risk management and corporate fault management. Accordingly, service quality is con-

sidered and analyzed from various perspectives to

- improve process transparency,
- minimize existing process risks and weaknesses, and
- systematically record and remedy operational errors.

To track the KPIs, in the year under review we introduced a BPI (business process improvement) tool, which enables us to measure the complexity of work processes for the first time. We also developed an ORM (operational risk management) tool, which makes it possible to measure, categorize and assess the risk potentials of services. Work processes with high risk potential can be specifically optimized in this way. After successful completion of the test phase, the global rollout of the operational risk management is scheduled for spring of 2022.

LIVING PROCESS OPTIMIZATION

Along the way to establishing a globally networked quality organization, it is crucial to raise awareness of the importance of continuous process optimization and to integrate the employees of the operating units in the fault and risk management function. To that end, the Global Office QHSE provides the following services to the Business Streams:

- Governance: We set the regulatory framework and develop governance guidelines to ensure the conformity of our business processes and to establish an effective corporate fault and risk management system.
- Support: We provide tools and methods to measure the quality of work processes and to record and minimize error rates and operational risks. We also use training courses to ensure knowledge transfer.
- Operational support: We provide concrete operational assistance – ranging from the modeling of work processes to the assessment of quality gates to the performance of error analyses and risk audits.

Trust is the most valuable currency

The protection of personal data forms the basis for long-term and trusting business and work relationships. With the Groupwide implementation of Binding Corporate Rules, TÜV Rheinland is raising the security of customer and employee data to a new level.

With the breathtaking pace of the digital transformation, TÜV Rheinland too is developing new data-based service, business and work models. Bolstered by the COVID-19 pandemic, remote audits and certifications, online training courses, e-learning offerings and mobile work have become routine. Digital networking contributes to greater efficiency, flexibility and transparency and conserves scarce resources – but at the same time it also places high demands on legal compliance and the security of data processing operations.

DATA PROTECTION: AN INTEGRAL PART OF VALUE CREATION

As a global provider of testing and inspection services, we place very high priority on the protection of sensitive and personal data. Data protection is no extra feature, but rather an integral part of our value creation and tantamount to protecting people in the digital world. We are committed to the right to informational self-determination of our business partners and employees – a right that derives from the Charter of Fundamental Rights of the European Union and from the general right to privacy of the individual as established in the German constitution. According to our data protection guidelines, which apply throughout the Group, our actions are designed to process data responsibly and to identify and minimize security risks. This also includes international data transfer and the processing of personal data by service providers on our behalf.

Our ambition is clearly delineated: In an increasingly data-driven world, we shoulder our digital responsibility by operating our business processes in compliance with internal and external data protection regulations, to minimize the risks of a personal (and sensitive) data breach. That is the benchmark by which we are measured. By 2025, we aim to raise the share of successfully completed internal data protection audits to 100 percent of all annually scheduled internal data protection audits. In at least half of those data

protection audits, we will audit external service providers relative to data protection.

TÜV RHEINLAND DATA PROTECTION MANAGEMENT SYSTEM

The regulatory framework is set by the applicable national data protection laws. In Germany, for example, that means the EU General Data Protection Regulation (GDPR), the new German Federal Data Protection Act (BDSG) and other state-specific and technical requirements. From collection to utilization and archiving to deletion: Throughout the life cycle of personal data, the data protection standards set highly demanding requirements. Based on our internal data protection guidelines, we have established technical and organizational processes and rules to ensure the legally compliant processing of personal data. We monitor and document this continuously within the framework of our Groupwide Data Protection Management system. The Corporate Data Protection Officer is responsible for implementing and monitoring the global data protection strategies and processes. He is supported by Regional Data Protection Officers and Data Protection Officers of every accountable TÜV Rheinland company. Where national provisions do not explicitly require this, we have voluntarily assigned so-called Data Protection Coordinators. With this structure, TÜV Rheinland goes beyond the minimum legal requirements.

The Data Protection Officers use the plan-do-check-act cycle to coordinate and support the systematic further development and continuous improvement of the data protection measures. At the same time, they advise the senior managers – specifically the Executive Board and the General Managers of the individual companies – on all questions involving data protection. And last but not least, they ensure that data protection concerns are taken into account in the development of new services right from the start. Moreover,



Kai Rabenschlag
Corporate Data Protection Officer

“With the official verification of our Groupwide data protection rules, we are setting the standard in the TIC industry. Binding Corporate Rules provide the greatest possible transparency in the handling of personal data and support multinational business requirements through clear, standardized guidelines – a decisive factor for legal certainty in globally networked data traffic.”

the Data Protection Officers organize regular training courses for employees and raise their awareness of the importance of handling personal data responsibly and in a legally secure manner.

SUPPLIER AUDITS ARE PART OF THE PLAN

External service providers contracted by TÜV Rheinland are carefully selected and contractual agreements obligate them to comply with the data protection policies. We conduct regular data protection audits at our suppliers and their subcontractors that process personal data for TÜV Rheinland. Depending on the risk and type of service contracted, the audits are performed at intervals of between one and three years, or ad hoc due to an alleged data protection breach. In the year under review, we planned and executed 40 data protection audits. In addition to the scheduled data protection audits, eleven ad hoc audits were conducted as part of investigations related to specific events. In so doing, we not only completely fulfilled our audit program, but also already exceeded our goal: 76 percent of all data protection audits were supplier audits.

BINDING CORPORATE RULES: GROUPWIDE DATA PROTECTION STANDARD

Data protection standards that apply throughout the Group strengthen the trust of our customers, business partners and stakeholders, especially in new data-driven business models, thereby securing our future viability. We want to ensure a uniform level of data protection in line with the strict standards of the GDPR at all TÜV Rheinland locations worldwide by 2025. We laid the foundation for this at the end of the year under review 2021, by initiating a process to implement Binding Corporate Rules.

For a multinational Group like TÜV Rheinland, the transfer of personal data across borders is of crucial importance. In this context, Binding Corporate Rules can be seen as a suitable guarantee of legally compliant data transmission in third countries without a reasonable level of data protection. These binding internal data protection regulations are based on strict principles laid out in the GDPR and require formal approval by the responsible data protection regulatory authorities. Binding Corporate Rules also provide legal certainty with regard to the ruling of the ECJ, which declared transnational data traffic with the USA based on the Privacy Shield agreement illegal, or if, for example, the EU Commission repeals the adequacy decision for the UK pursuant to Art. 45 GDPR again.

MULTI-STEP APPROVAL PROCESS

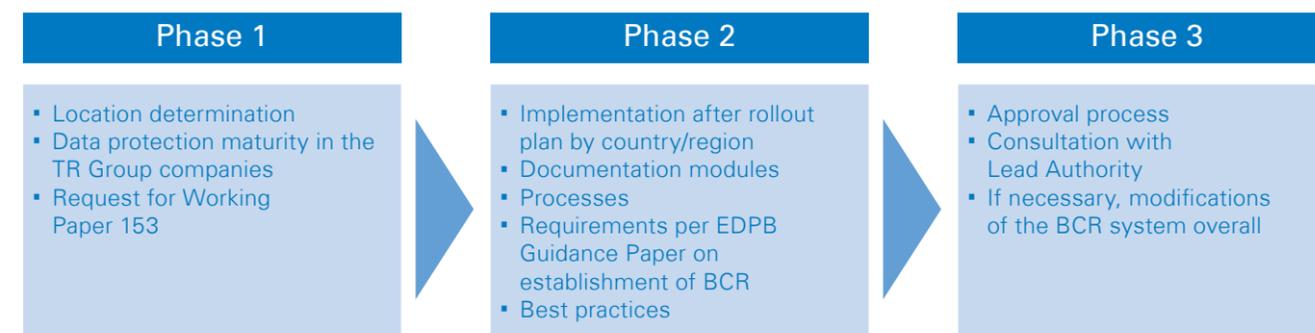
We have set a high bar: We are seeking the acceptance of our BCR regulations by the responsible German data protection regulatory authorities by the end of 2023. The latter will then decide, in the context of a consistency mechanism, i.e. with the participation and agreement of other European data protection authorities, whether to approve our application for authorization of the BCR. Taking a European approach of this kind in the approval process is of great interest to us, to ensure consistently high data standards worldwide in our Group. That means, at the end of 2021, we initiated a multi-step process for the implementation and approval of the Binding Corporate Rules, in order to

- determine the maturity level of data protection in the individual companies of TÜV Rheinland,
- add missing documentation, process descriptions, guidelines and work instructions, and
- start the rollout in consultation with the responsible Data Protection Officers.

The resulting data protection rules will ultimately be submitted to the regulatory authorities for review. We want to make the approval process as efficient and rapid as possible and to that end our own in-house experts are also involved. With the approval of the BCR, we underscore our ambition to ensure the world’s highest data protection standards.

STRATEGY, DATA PROTECTION CULTURE, AND SUPERVISION	Corporate Data Protection Officer	
	Introduction of data protection standards and implementation of the data protection strategy. Definition and guidance to TOMs. Support of Data Protection Officers	Development and review of data protection law requirements from Group companies. Supervision to ensure compliance with data protection-related legislation
MANAGEMENT, COORDINATION & REPORTING	Regional DPO & Business Stream DPO*	
	Information, guidance, document inspection, and monitoring of compliance with regulations along with contact for external participants	Assurance of compliance with data protection duties and regulations in the assigned area
OPERATIONAL DATA PROTECTION & MONITORING	Local DPO* & data protection representatives	
	Implementation of lawful processing and compliance with defined guidelines. Reconciliation with local statutory requirements together with the Regional DPO*	Provision of a standardized processing concept, which relates to the basic principles of the respective data protection law and is based on an approach to risk reduction and a set of technical and organizational measures

* DPO – Data Protection Officer



Clear compliance rules for the entire Group

Reliability and trust are basic prerequisites for our business success as a provider of testing and inspection services. We want to ensure that all employees comply with our internal standards and applicable law – throughout the organization and everywhere we work.

As a global testing, inspection and certification company, it is extremely important to TÜV Rheinland that all managers and employees act in accordance with statutory regulations and in-house rules. Failure to do so would prevent us from meeting the expectations of our stakeholders, ensuring the competitiveness of the company in the various markets, and avoiding economic losses. For that reason, legal compliance is a high priority throughout the Group. Our claim is that TÜV Rheinland complies with local laws and regulations in all countries, both as a company and in its actions as a contractual party. Within the framework of our new Sustainability Strategy, we have set ourselves the goal of further strengthening TÜV Rheinland in its ability to act in compliance with laws and processes. By 2025, measures should be in place to ensure that business agreements are harmonized in the form of general terms and conditions and always satisfy the internal requirements. For criminal offenses such as fraud, bribery or theft, the target is “zero.” We want to rapidly and thoroughly pursue 100 percent of any information we may receive concerning potential corruption, bribery or any other form of structural fraudulent behavior.

LEGAL COMPLIANCE – A SHARED RESPONSIBILITY

As described in the chapter “Corporate values,” the topic of compliance is firmly anchored in our corporate structure. Every year, the general management of all subsidiaries, together with our managers the world over, are required to explicitly confirm that they have acted in accordance with our compliance program and reported any violations to the responsible Compliance Officer. The legally compliant behavior of the entire Group also fundamentally requires a shared awareness on the part of the workforce. For that reason, raising the employees’ awareness plays a key role in our Legal Compliance activities. All employees have access to the basic content of our compliance program via a centralized platform. In Germany, we instruct new employ-

ees on the relevant compliance documents as soon as they start work. This includes the 2020 update of the Code of Conduct of TÜV Rheinland, the Compliance Guideline, the Guideline for the Prevention of Conflicts of Interest and Corruption, the Business Partner Management Guideline, and the Sponsoring Guideline. For interested business partners and third parties, we have also published the Code of Conduct and a compliance leaflet on our website.

OUR FOCUS IN 2021: PROFESSIONALIZATION OF THE TRAINING LANDSCAPE

To raise awareness, work together to detect deviations and suspected misconduct early, and initiate appropriate countermeasures, we invest consistently in training for all employees. In 2021, we revised, expanded and professionalized our compliance training courses. As part of the global rollout of the digital platform myHR, future mandatory compliance training will be provided systematically to all employees at all locations. Our goal is that by 2025 we will be training at least 95 percent of all employees every year and systematically tracking the success of the training. A few obstacles to technical implementation and access in the various regions have yet to be resolved. In the year under review, some 18,000 employees already managed to successfully complete the mandatory new compliance e-learning course, however. Other practical courses are also available to the employees on a voluntary basis, covering topics ranging from the compliance management system and anti-corruption to conflicts of interest and how to handle invitations and gifts.

Measures are taken to consistently ensure that all Regions and Business Streams meet their training obligations. Direct supervisors are responsible for implementing the training courses, for example – an obligation that helps raise the completion rate. To overcome possible language barriers, in 2021 TÜV Rheinland translated the compliance training



André Friede
Global Expert Compliance

“Especially in the global context, it is important to raise all employees’ awareness of regulatory and legal compliance issues. In the future, TÜV Rheinland will increasingly rely here on digitalized corporate training formats.”

course into seven more languages. Along with English and German, now the e-learning program is also officially available in Spanish, French, Brazilian Portuguese, and traditional and simplified Chinese. Moreover, the Compliance Officer Network provided local support in many cases, translated the training materials into additional local languages, and also conducted many classroom training courses.

But TÜV Rheinland also takes steps to safeguard it against compliance risks beyond the boundaries of the company itself. In Germany, for example, TÜV Rheinland requires suppliers to acknowledge its general terms and conditions of purchase and business. By accepting them, the suppliers agree to adhere to applicable laws and ordinances and to the principles of the UN Global Compact in the areas of human rights, labor standards, environmental protection, and anti-corruption measures. Other steps toward greater sustainability in the supply chain include our Supplier Code of Conduct and the Sustainable Procurement Policy.

CONSISTENT MEASURES IN RESPONSE TO VIOLATIONS

Despite all preventive measures, we cannot exclude the possibility that TÜV Rheinland might violate compliance or

at least come under suspicion of such a violation. In 2021, our worldwide Compliance Officer Network processed a total of 1,413 issues. The Corporate Compliance Office handled 263 of those inquiries and cases of suspected misconduct. Specifically, these issues involved the following major topics:

- Potential conflicts of interest
- Integrity of service
- Potential corruption

Following a standardized process, which is specified and published in a guideline applicable throughout the Group, we reserve the right to take legal action – under both criminal and labor law – in cases of misconduct by employees and third parties. Most of the information concerning those compliance issues came directly from the employees.

To provide information about possible violations or abuses in the company, employees, business partners and third parties can access a special compliance platform that TÜV Rheinland has implemented specifically for this purpose. Here they can draw attention – also anonymously if they so wish – to violations of laws or internal company guidelines. The system is available in English, German, Chinese, Spanish, Portuguese and Japanese.

COMPLIANCE AUDIT – STARTING POINT FOR CONTINUOUS IMPROVEMENT

Since 2009, we have had our Compliance Management System audited annually to identify improvement potentials and to systematically develop our capacities in this area. As in the previous year, the 2021 audit was conducted in two stages. First all relevant basic documents were submitted to the TIC Council for verification; then an external auditing firm audited TÜV Rheinland AG. The findings from that audit are incorporated into the continuous improvement process. In 2022, we will focus on the worldwide harmonization and implementation of the Compliance Management Tools and a database with all relevant procedures and evaluation options.

Our values – our commitment

TÜV Rheinland acknowledges its social, ecological and economic responsibility – and acts in accordance with binding business ethical values. Beyond economic profit, this enables us to create added value for the people in the company, for society and for the environment.

For TÜV Rheinland, long-term profitable growth is inseparably linked to responsible, value-oriented corporate governance. That is why a clear commitment to our ethical principles – which are the basis for our Code of Conduct, where they also take concrete form – is a basic cornerstone that we and our stakeholders consider essential to a viable sustainability strategy. Integrity and reliability characterize TÜV Rheinland as a company. It is all the more important, then, that all employees act accordingly. The goal is to establish a new integrity mentality throughout the organization. We want to create and consolidate a shared understanding of values at TÜV Rheinland – and to foster unbiased dedication to the integrity of our services. This will enable us to sustainably strengthen our reputation as a reliable, conscientious provider of testing and inspection services.

ALIGNMENT WITH THE UN GLOBAL COMPACT AND THE PRINCIPLES OF THE TIC COUNCIL

The new Sustainability Strategy of TÜV Rheinland – with Corporate Ethics as a core category – and our Compliance Management System (CMS), which applies throughout the Group, help meet the requirements of responsible corporate governance. The Compliance Management System establishes binding principles and demands ethical and law-abiding conduct from all employees and managers. It is based on the principles of the UN Global Compact as well as our Mission Statement, in which the values of Integrity, Excellence, Customer Orientation, Performance and Agility are firmly anchored. In 2020, we updated our Code of Conduct and aligned it even more explicitly with the principles of the TIC Council (the global umbrella organization of the testing and inspection industry). In its current form, the Code of Conduct of TÜV Rheinland covers the following areas:

- Integrity
- Conflicts of interest

- Confidentiality and data protection
- Anti-corruption
- Fair business practices
- Health and safety
- Fair work

From business ethics to law-abiding conduct in all markets where we operate:

By 2025, 95 percent of all employees will be trained annually in the basic compliance requirements of TÜV Rheinland. We report on the specific activities in this area in the chapter “Legal compliance”.

A GLOBAL NETWORK: OUR COMPLIANCE ORGANIZATION

Our Compliance Management System, which applies throughout the Group, is actively supported by the management. The Executive Board and the Supervisory Board are committed to the principles of transparent, responsible cor-

UN GLOBAL COMPACT

Since 2006, TÜV Rheinland has supported the international alliance between companies and the United Nations. The goal of this pact on Corporate Social Responsibility (CSR) and sustainable development is to achieve a form of globalization that is fair, environmentally compatible and socially responsible. Its adherents undertake to uphold fundamental values concerning issues such as human rights, labor standards, anti-corruption and environmental protection.

porate governance and control. The Compliance organization of TÜV Rheinland is led by the Global Officer Compliance, who reports directly to the Chief Human Resources Officer of TÜV Rheinland AG and acts independently in that function. As a member of the Groupwide risk unit, the Global Officer Compliance works closely with the Service Function Legal as well as with the internal services Corporate Audit, Quality Management, and Finance and Accounting.

To ensure that the Groupwide-applicable requirements are implemented at all levels, in 2021 the staffing of the Corporate Compliance team’s Compliance Investigations group was reinforced. The team also further ramped up dialog at the Executive Board level. Corporate Compliance meets monthly with the Compliance Committee. The full Executive Board is represented in that body; its members not only examine reports of current information and cases, but also discuss shared needs for change and possible options for further development. Another platform for exchange and evaluation is the Audit Committee of the Supervisory Board of TÜV Rheinland. Here the Global Officer Compliance reports annually about compliance issues, objectives, risks and the status of the Compliance Management System.

Our highly dedicated Compliance Officers help to adequately transpose the applicable guidelines at all TÜV Rheinland locations. This global network includes our full-time Global Experts Compliance in the Corporate Service Function – as well as regional and local full-time staff for legal and compliance matters, who are now assigned in all regions. In the year under review, an additional Local Compliance Officer was assigned for Mexico. Furthermore, our Compliance Ambassadors also serve as professional contacts for the employees. They regularly discuss day-to-day business operations with the respective Regional and Local Compliance Officers in their fixed meetings. In 2021, due to pandemic-related restrictions, our global meeting for all Compliance Officers was held virtually. In all, 33 people at-



Björn Clüsserath
Global Officer Corporate Legal
and Corporate Compliance

“TÜV Rheinland is a Trust Selling Organization – integrity is

the core of our service promise. That’s why establishing a shared understanding of “integrity first” and strengthening all employees’ commitment to the trustworthiness of our services are not the least of our Sustainability Strategy’s basic goals.”

tended the online meeting, where the agenda covered a range of subjects, including discussions with the CHRO on strategic topics and investigative methods.

RAMPING UP DIALOG – FOR TRANSPARENT IMPLEMENTATION THROUGHOUT THE GROUP

Well-established communication processes and a trusting exchange across all hierarchical levels strengthen the compliance culture at TÜV Rheinland. We also want to continue to develop this in the future and to increase the continuous flow of information among the various Regions and Service Functions. The digitalization and standardization of all HR processes and a further professionalization of compliance training courses will make a significant contribution in this regard.

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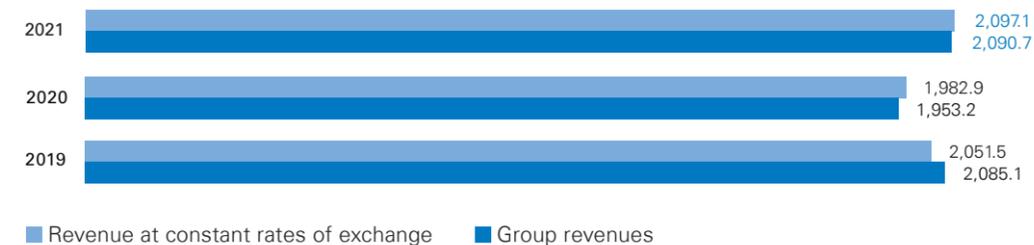
TÜV Rheinland at a Glance

GROUP REVENUES

- Following the downturn in the global economy in 2020 due to the coronavirus pandemic, and despite further constraints due to the pandemic, Group revenues (incl. changes in inventories) for the TÜV Rheinland AG Group (hereinafter referred to as "TÜV Rheinland") recovered in the 2021 financial year and totaled to €2,090.7 million; this corresponds to a 7.0% increase. TÜV Rheinland thus outperformed the Group-revenue target of roughly 4.0% that it had set for itself in 2020. By comparison – i.e. adjusting for effects due to foreign-currency exchange rates – Group revenues stood at around €2,097.1 million.
- The €137.4 million year-over-year upturn in total revenue was attributable to both domestic and international busi-

ness. Revenue for domestic business was 5.5% higher. €997.5 million of total revenue was ascribable to the international regions. This corresponded to a total revenue share of 47.7% (previous year: 46.9%) In revenue terms, the Greater China region (Mainland China, Hong Kong and Taiwan) remains the strongest international region, with growth of 14.6%. Higher revenue figures were also reported by the regions of Europe (excluding Germany), which grew by 8.6%, as well as by India Middle East/Africa (IMEA) at 4.1% and South America at 25.0%. The Asia Pacific (East Asia, Southeast Asia and Australia, excluding Greater China) experienced a slight downturn in revenue of 0.8%, while North America reported a 4.3% revenue decline.

Group revenues in € millions

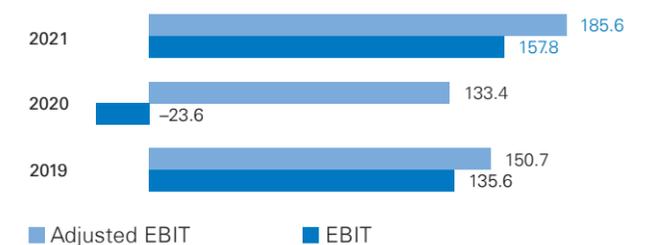


OPERATING RESULT (EBIT)

- The operating result (EBIT) stood at €157.8 million in the 2021 financial year; this was well higher than the previous year's figure of €-23.6 million. The 2020 reporting year was influenced by the judgment issued in the conformity assessment procedure for the French company, Gesellschaft Poly Implant Prothèse (PIP).
- After adjusting for special effects totaling €-27.8 million, EBIT stood at €185.6 million. The main special effects were personnel and restructuring measures of €-22.5 million, effects from past purchase price allocations (PPA) of €-8.7 million and €3.4 million in effects from changes in the scope of consolidation.
- Amortization of intangible assets and depreciation of property, plant and equipment was €10.9 million higher year-over-year and totaled to €153.1 million.
- With investments of €57.7 million in intangible assets and property, plant and equipment in the 2021 financial year, the investment volume was lower than the previous year's volume of €68.8 million.

- The EBIT margin in the 2021 financial year was 7.5%, up 8.7 percentage points compared to the previous year. TÜV Rheinland thus visibly outperformed the Group-revenue target of an EBIT margin between 5.5% and 6.0% that it had set for itself in 2020. Taking special effects into account, this resulted in an adjusted EBIT margin of 8.9%, which was some 2.1 percentage points higher than the previous year's figure.

EBIT in € millions



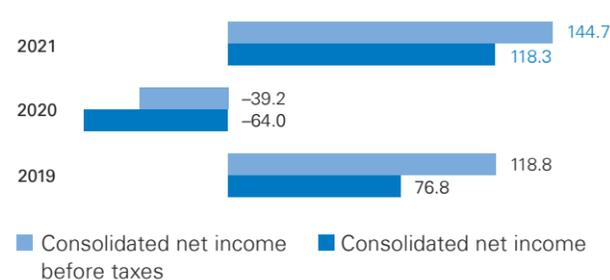
CONSOLIDATED NET INCOME

- TÜV Rheinland generated a total of €118.3 million in consolidated net income for the 2021 financial year; this was €182.3 million higher than the previous year's value. A €181.4 million year-over-year increase in operating result (EBIT) was the main reason for the significant upturn in consolidated net income.
- The negative financial result was 16.3% higher year-over-year and stood at €-13.1 million in the 2021 financial year.
- At €26.4 million, income tax expenses were nearly at the previous year's level of €24.7 million.
- The consolidated net income attributable to non-controlling interests totaled to €10.6 million in the 2021 financial year (previous year: €8.8 million).

CASHFLOW

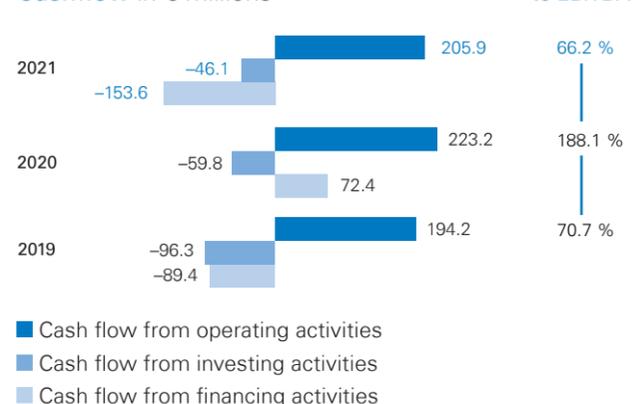
- The positive cash flow from operating activities amounted to €205.9 million in the 2021 financial year (previous year: €223.2 million); this represents a decrease of 7.7%.
- The consolidated net income of €118.3 million contrasted with non-cash depreciation and amortization of €153.1 million (previous year: €145.0 million). The increase in net working capital, which went from 4.2% in the previous year to 4.8% in 2021, had a negative impact on cash flow from operating activities.
- Due to material, non-cash special effects, the ratio between cash flow from operating activities and earnings before interest, taxes, depreciation and amortization (EBITDA) was normalized from 188.1% in the previous year to 66.2%.
- The negative cash flow from investing activities decreased by €13.7 million compared to the previous year. As in the previous financial year, there were no significant payouts for corporate acquisitions in the current 2021 reporting year.
- The negative cash flow from financing activities in the 2021 financial year stood at €153.6 million (previous year:

Consolidated net income in € millions



positive cash flow of €72.4 million). This negative cash flow was chiefly the result of loan repayments totaling €86.6 million, particularly for early repayment of a variable tranche of the promissory note of €70.2 million as well as €60.3 million in leasing payments within the scope of IFRS 16 (previous year: €56.9 million).

Cashflow in € millions



Presentation of the Business Streams

As an independent testing company, for 150 years, TÜV Rheinland has stood for quality, efficiency and safety in the interaction between people, technology and the environment in almost all areas of the economy and life. As a neutral and independent third party, TÜV Rheinland inspects and tests technical equipment, products, as well as services, and monitors projects and processes for companies. The Group does so on the basis of recognized standards as well as national and international legal provisions. Added to this are services relating to information security, occupational health and safety, as well as training, professional qualifications and continuing education. With fresh ideas, expertise and a network that encircles the globe, TÜV Rheinland helps make products, services, systems and processes safer, more secure, more competitive and more sustainable. This contributes toward the protection of people and their environment. The work carried out by TÜV Rheinland is based on the conviction that societal and industrial development is not possible without technical progress. That is precisely the reason why the safe and responsible use of technical innovations, products and systems is of decisive importance for future development. TÜV Rheinland monitors, inspects, tests, trains and certifies. This is how it helps build a future

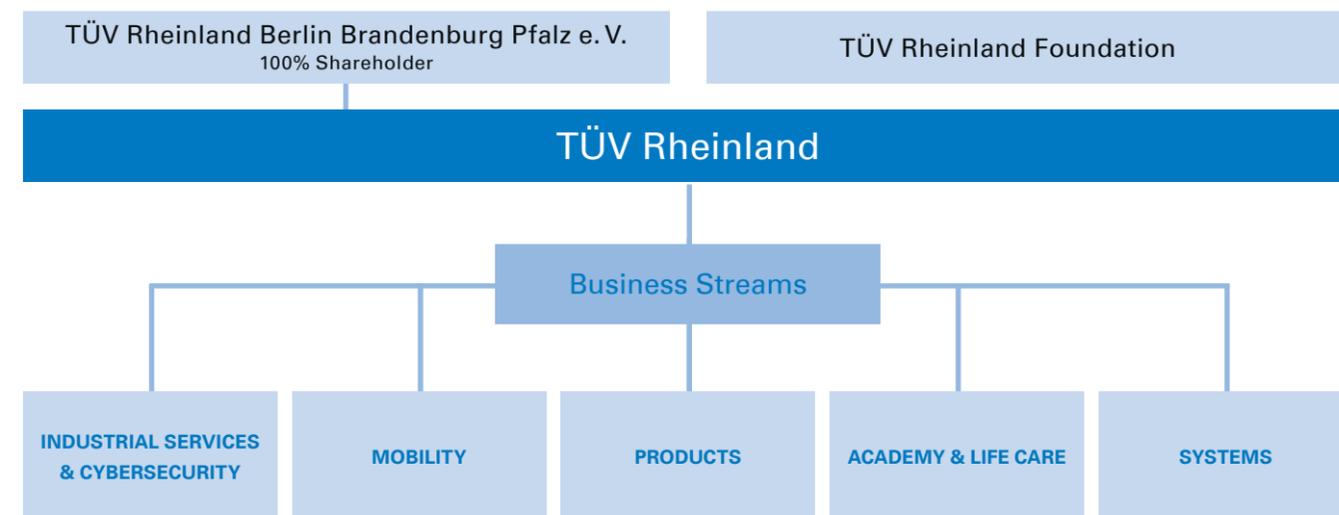
that sustainably does justice to the requirements of humankind and the environment. TÜV Rheinland is organized into five Business Streams:

INDUSTRIAL SERVICES & CYBERSECURITY

This Business Stream comprises the Business Fields of Pressure Equipment, Elevators & Lifting Equipment, Electrical Engineering & Building Technology, Industrial Inspection & Materials Testing, Infrastructure & Project Supervision, Energy & Environment and Cybersecurity & Functional Safety. The services include, for example: testing of pressure vessels, elevators and lifts, and systems in building technology; monitoring of industrial and infrastructure projects; engineering as well as materials inspection and testing; environmental and pollutant analysis; and everything having to do with the topic of cybersecurity.

MOBILITY

This Business Stream comprises periodic technical inspections, with its network of testing centers in Germany, Spain, France, Latvia, Chile and, soon, China as well; theoretical and practical testing for driver's licenses; damage and valuation reports; car services and services in the field of after-sales; eligibility inspections (homologation) and



testing of vehicle components and vehicles as well as the rail sector emphasizing test execution/monitoring, assessment and certification. Because this Business Stream views itself as an “enabler of better mobility,” it is involved in developing new services for safety and the conservation of resources in the networked mobility of the future.

PRODUCTS

Among other things, this Business Stream conducts testing for product safety, functionality, serviceability, ergonomics and lifecycle assessments, as well as product certification. This is often a prerequisite to ensuring that manufacturers, importers or trading companies can offer their products in certain markets. The Products Business Stream tests everyday articles such as consumer electronics, construction products, furniture, textiles, toys, leisure articles or household appliances. Added to this are further tests for aspects such as electromagnetic compatibility (EMC) of electrical and electronic products, machinery and medical devices as well as testing of solar-energy systems and modules, batteries and fuel cells.

ACADEMY & LIFE CARE

This Business Stream combines the expertise and services of TÜV Rheinland applicable to the field of “individuals

and organizations” in the digital transformation setting. This Business Stream combines the technical skills of TÜV Rheinland with expertise in the fields of occupational health & safety, the labor market, contemporary learning solutions and competence development as well as consulting and project services that directly address the topic of “sustainable organization.”

SYSTEMS

This Business Stream certifies management systems and processes, certain services or entire enterprises as an independent third party based on internationally recognized standards or performance criteria. These include, in particular, quality management systems (ISO 9001) and environmental management systems of numerous businesses (ISO 14001 and the European EMAS system), as well as service quality, compliance management and energy management. Services in supply chains, particularly in the field of corporate social responsibility (CSR), are an additional focus. TÜV Rheinland acts as an independent body to provide conformity assessments for international movements of goods within the scope of government programs. This ensures that imported goods and the related documentation are in compliance with national regulations and any requirements stipulated by contract.

General Conditions

GENERAL ECONOMIC CONDITIONS

While the global economy is increasingly recovering from the coronavirus crisis, the impacts of the pandemic continue to leave their mark on the economic development. Following the previous year’s historic downturn, the 2021 reporting year produced an overall business recovery of 5.9%. The recovery in private consumption in the more developed economies began in the 2nd quarter in the wake of declining numbers of virus cases and rapid progress in vaccination programs. Mounting bottlenecks in delivery and capacity since the start of the year, however, led to disruptions in global value chains and slowed industrial production in many countries. As a result, the robust economic growth seen in the 2nd half of 2020 could not be sustained into the 1st half of 2021. Regional business trends varied widely, however. In many of the developed economies of the world – the Eurozone, the UK and Japan in particular – the recovery came to a halt during the 1st quarter of 2021 as a consequence of rising infections. In the wake of a relaxation in the pandemic situation and gradual reopening, however, these economic regions in some cases began experiencing strong growth again in the 2nd quarter. Rapid progress in vaccinations in many of the advanced economies also contributed to a situation in which consumer reluctance was less pronounced than it had been in 2020, despite occasionally high rates of infection. Still, in some of the emerging economies – India foremost among them – the pandemic situation was worse by spring than it had been early in the year. Economic activity there was consequently on the decline in the 2nd quarter of 2021. The rapid spread of the Delta variant augmented this effect. Rising global demand and the related supply-side bottlenecks led to rising prices for raw materials and energy – and, in turn, to a pronounced increase in inflation. In some of the world’s advanced economies, steep increases in the rates of inflation fueled discussions of rolling back expansive monetary policy. The reaction to date has been very reserved, however, and monetary policy remains decidedly expansive. The situation in labor markets has increasingly normalized. But the recovery process is halting in some areas and still influenced by the pandemic and to date has fallen short of an overall economic recovery.

What follows is a presentation of economic growth, expressed in percentages, in the key markets of TÜV Rheinland:

USA

Economic activity in the US economy was 5.6% higher in 2021. In the US, the economic recovery from the coronavirus pandemic continued unabated during the 1st half of 2021. Private consumption in particular was nearly 3.0% higher year-over-year, contributing significantly to growth. The US labor market continued to recover even as the impacts of the pandemic remained clearly visible. The economic recovery was slowed somewhat during the summer due to the rapid spread of the Delta variant, but there was a return to stronger growth when the impact of the pandemic declined in the final quarter. Inflation in consumer prices was high year-over-year and again rose to 5.4% in September following a slight easing in price pressure in August before climbing to a new record of around 7.0% in December.

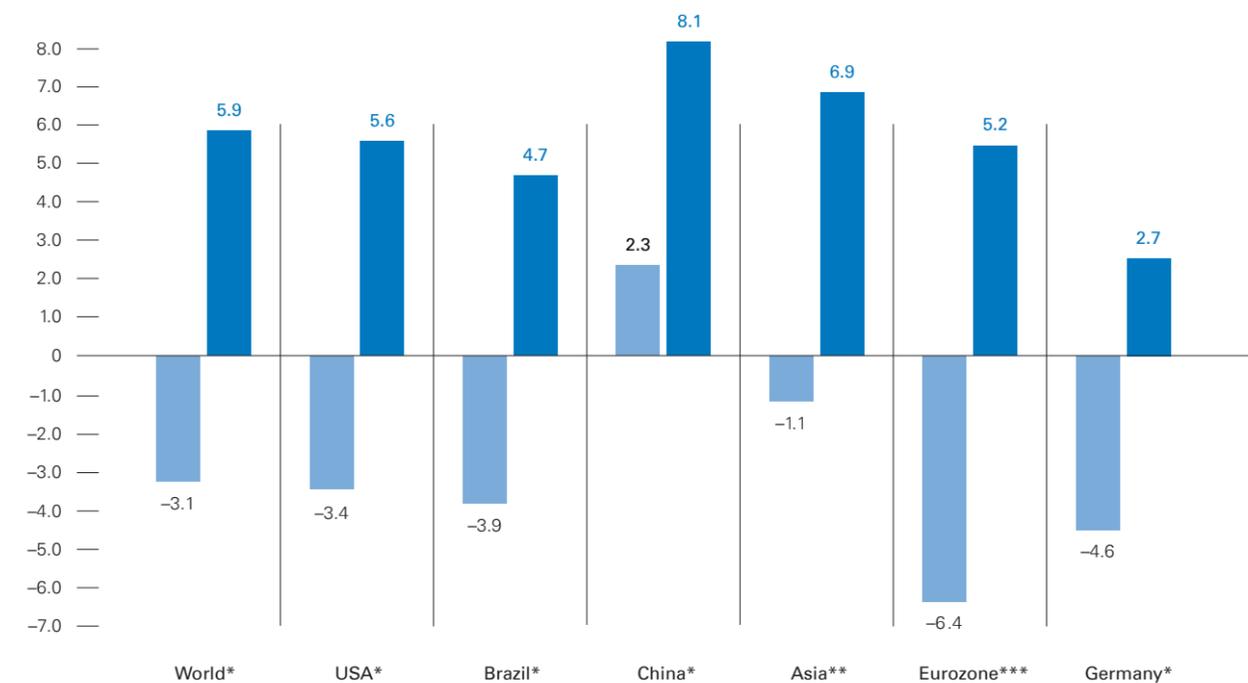
China

The Chinese economy reported 8.1% overall growth in its economy in 2021 (previous year: 2.3%). Growth in gross domestic product in China slowed significantly in the first quarter of 2021 compared to the previous quarter, but gained momentum noticeably again in the second quarter of the reporting year. This was largely a result of the recovery in the service sectors that had been hard-hit by the pandemic at the beginning of the year. The retail sector exhibited significant weakness again in July and August; this was attributable to a drop in consumer confidence. Industrial production saw robust overall expansion in the past year but then lost some of its momentum in the second and third quarters of 2021. This was caused by sustained bottlenecks in pre-products, temporary production stoppages due to rising local infection rates and rationing of power across large parts of energy-intensive production operations. A downturn in the pandemic-driven special economic situation for exports of personal and medical protective equipment also contributed to the slowdown in growth. The Chinese economy cooled down significantly during the second half of the year as a result. In light of the rapid recovery of the Chinese economy over the past year, monetary and fiscal policy is now taking a less expansionary course and has withdrawn some of the pandemic-related liquidity assistance. In a global comparison, inflation in consumer prices is very low and stands at just 1.0%.

Asia

In addition to countries such as Indonesia, Thailand, Malaysia, Japan and the Philippines, the Kiel Institute for the World Economy also subsumes large emerging markets

Development of the global economy in 2021 and 2020 (in %)



■ 2020 ■ 2021 * Source: IMF World Economic Outlook, Update January 2021 & ** Source: IFW Kiel, Global Economy in Winter 2020 & 2021 *** Source: IMF World Economic Outlook Update January 2021 & 2022; Group of EU states with the euro as their official currency

such as China and India under the Asia region. China in particular contributed 8.1% to growth in the current reporting year, but India also contributed 7.6%, leading to 6.9% overall growth in the Asia region. The other four countries mentioned also managed to recover from the previous year's impacts of the coronavirus pandemic but reported total growth of just 2.9%. This was due to other considerable constraints in the tourism sector on which countries such as Thailand and Malaysia in particular are economically heavily dependent. Economic activity was subdued in Japan in 2021, where modest economic growth of 1.6% was achieved.

Eurozone

Many Eurozone Member States were hit by a fresh upturn in infections in early 2021. This necessitated restrictions that, unlike spring of 2020, were mainly confined to portions of the services sector. Relaxation in the pandemic situation and a loosening of the restrictions led to an upswing in the second quarter of 2021, supported in turn by the services sector. The second half of the year was characterized by renewed containment measures, with opportunities for consumption curtailed – particularly for the unvaccinated population. Overall, gross domestic pro-

duct recovered in 2021 and rose by 5.2%. But the heterogeneous picture across Eurozone Member States remains very pronounced. The countries specifically hardest-hit by the coronavirus crisis in 2020 reported significant growth in 2021. These countries included France (6.7%), followed by Italy (6.2%) and Spain (4.9%). The dynamic economic recovery in the Eurozone overall is accompanied by a sharp rise in consumer prices. The inflation rate reached 4.1% in October 2021 – the highest it had been since July 2008 – as a result of the unexpectedly steep rise in the prices of energy and raw materials. To date, monetary policy has been cautious in its response to the upturn in consumer price inflation. Unemployment was slightly lower than the previous year and stood at 7.6% (previous year: 7.8%).

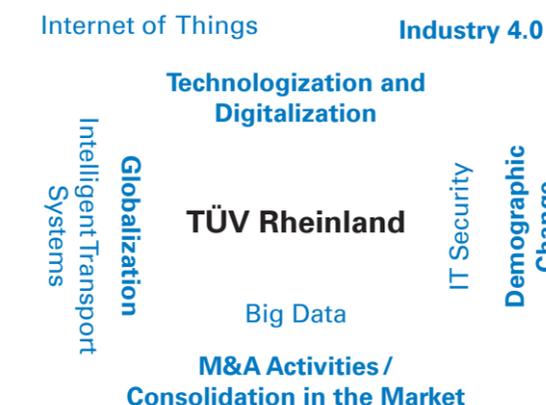
Germany

After the pandemic-related setback in the winter half of 2020/21, the German economy resumed its recovery, beginning in the second quarter of 2021. Increasing vaccinations by large swaths of the adult population promoted a rapid downturn in new infections, permitting sweeping first steps toward opening previously restricted sectors of the economy. This led to a partial normalization in pandemic-driven household behaviors that, when considered

together, stabilized consumer demand in particular. Nonetheless, the short-term prospects of further recovery clouded since the spring. Specifically, bottlenecks in global supply and capacity hit German industry, which plays a very prominent role in worldwide value chains. Germany achieved overall economic growth of 2.7% during the reporting year. Fiscal policy remained expansive in 2021. Consumer prices rose significantly over the course of the year. At 5.2%, the rise in price levels in November was the highest it had been since the boom following German reunification. The trend in the jobs market had been positive since the beginning of 2021; at 5.7%, the rate of unemployment was slightly lower (previous year: 5.9%).

MARKET-SPECIFIC DEVELOPMENT

TÜV Rheinland offers its testing, inspection, certification and training services through numerous companies on six continents operating in the global TIC (Testing, Inspection, Certification) market. This gives the Group the ability to fully serve clients' often worldwide value chains. Clients from economically strong industrialized countries continue to exhibit high demand for services by TÜV Rheinland, accompanied by growing demand in the emerging markets. By and large, the global TIC market, and hence the business of TÜV Rheinland as well, are influenced by the following market factors and trends:



Globalization

Issues such as energy supply, infrastructure, international division of labor and mobilization are of major importance to a globalized society. For the TIC market, globalization entails opportunities and risks at the same time. Increasing liberalization efforts in individual markets strengthen global trade and open up opportunities to enter new markets. Worldwide supply chains render high-quality and, wherever

possible, globally uniform testing standards and certification services indispensable. Due to its strong international orientation and its presence on nearly all continents, TÜV Rheinland is very well positioned here and can thus offer product approvals for most of the world's markets.

Technologization and Digitalization

The advance of new information technologies is changing society as well as the global markets and products. Against the backdrop of digital transformation, TÜV Rheinland ensures the quality, safety and controllability of the technologies involved. The following technology trends are of particular importance here:

- **Intelligent transport systems**
The vehicles of tomorrow will drive autonomously in some instances, permitting remote diagnostics and offering a host of systems for safety and comfort. These increasingly complex components and systems, along with the communication infrastructure they require, pose key challenges for the mobility market and offer opportunities for expanding TÜV Rheinland's business.
- **Industry 4.0**
In the future, the shape of industrial production will be characterized by strong customization of products under conditions of highly flexible production. In production systems like these, complex data networks will link customers and suppliers with production along the entire value chain. Labor-intensive and monotonous activities in production are increasingly being taken over by robots, and networking of machinery will increase. The resulting requirements in terms of the availability, functionality and security of data and networks will be systemically important.
- **Big Data**
The fast pace of growth seen in the use of the internet, coupled with the rapid increase in data generated by automation and digitalization, are making it increasingly important to ensure that data are handled responsibly and put to beneficial use.
- **Internet of Things**
Through the networking of technologies of everyday life with the internet, in the area of smart home solutions or industrial components and products, for instance, the physical and online worlds are converging. This gives rise not just to far-reaching new opportunities for providers and consumers, but to security risks as well.
- **IT Security**
Round-the-clock availability and transmission of data – with mobile payments, for instance, or data storage in the cloud or in industrial plants – provide a textbook case of the importance of IT security. The hazards of hacker attacks and cybercrime are constantly on the rise. The

IT security experts at TÜV Rheinland provide support to businesses, including with the “APT Defense Service” (APT – Advanced Persistent Threat), which comprises a sensor-based review of network traffic. In addition, solutions are offered for the essential security issues of networked production facilities, smart home systems or the continuing rise in cloud data storage. Finally, legislation such as the German IT Security Act or the EU Cybersecurity Directive includes obligations to comply with minimum standards with regard to IT security. In this context, TÜV Rheinland offers services worldwide that range from strategic consulting and process optimization to implementation or certification of secure IT systems and telecommunications networks.

Demographic Change

TÜV Rheinland also views the demographic trend toward a globally aging population structure as an opportunity. There is already an increased demand for TIC services in markets such as those for healthcare and nursing.

Sustainability

For 150 years, TÜV Rheinland has stood for quality, efficiency and safety in the interaction between people, technology and the environment. Our core business has always comprised services that today are undoubtedly a part of what we understand by “sustainability.”

In our view, sustainability encompasses the content of the ESG categories (Environment, Social, Governance), combined with economic profitability sufficient to ensure long-term sustainability and business success and thus to contribute toward achieving the SDGs (Sustainable Development Goals) of the United Nations.

Many of the developments throughout the world demonstrate that taking all aspects of sustainability into account is more important today than it has ever been before. This is particularly true with regard to the steps taken to protect the climate. We leverage our services in the effort to actively help clients achieve their sustainability goals. Through our own activities, we also strengthen the idea of sustainability in-house.

M&A Activities / Consolidation in the Market

Trends toward consolidation continue in the market for technical services, and in the TIC market in particular. These are speeding up the transformation in the TIC market, offering companies an opportunity to acquire enterprises that match up with their core business. TÜV Rheinland provides TIC services in and for different markets and industries all over the world. The macroeconomic trend in these markets is fundamentally important for TÜV Rheinland, but in ordinary years it has only an indirect

and delayed impact on business success as a result of cross-sector and regional diversification. Both the previous as well as the current reporting year were extraordinary in this respect and differed significantly from previous years. Many regions, countries and industries were affected by the coronavirus pandemic to varying degrees, and this created changed economic conditions for TÜV Rheinland in its global and local markets. These coronavirus-related changes in macroeconomic and market-specific conditions affected the business of TÜV Rheinland in 2021 as follows:

European Business

The trend in TÜV Rheinland’s European business (incl. Germany) was very positive in the financial year under report, growing 6.0% in 2021 to outperform the general pace of 5.2% economic growth. Central and Eastern Europe registered a robust upturn of 9.9%, due mainly to business in Poland. Western Europe also reported a significant increase in revenue of 8.3%, with particularly noteworthy contributions by the UK, Italy, France and Spain. Business in Germany was also 5.5% higher, driven mainly by the **Mobility** Business Stream.

Greater China

Given the rapid economic recovery in China, with an upturn of 8.1%, TÜV Rheinland’s business there plays a significant role in the Group. TÜV Rheinland actually reported a revenue increase of 14.6% in the region, driven particularly by the **Products** Business Stream at the locations in Shenzhen and Shanghai.

Asia Pacific

Performance in the Asia Pacific region was slightly down for TÜV Rheinland, with a decline in revenue of 0.8% compared to the general economy in this region. This development is attributable solely to the trend in the exchange rates of the region’s principal currencies. In currency-adjusted terms, Asia Pacific managed to generate approx. 3.0% in additional revenue. The positive developments in the **Systems** Business Stream in Indonesia and in Malaysia only partially offset the steep declines in countries such as Japan and Vietnam.

IMEA

Revenue for TÜV Rheinland’s IMEA business increased by 4.1% in spite of ongoing challenges relating to the coronavirus pandemic. A strong driver for this was the development in the **Systems** Business Stream in the United Arab Emirates.

North America

The US experienced economic growth of 5.6%, but revenue for the business of TÜV Rheinland was down by a total of 4.3%. Currency-adjusted revenue was some 1.3% lower; it remains below the 2019 level (prior to the coronavirus pandemic) and previous reporting years for the region.

South America

The economy in South America recovered well from the coronavirus pandemic in 2021 and grew by some 6.8%. TÜV Rheinland recorded a significantly stronger overall increase of 25.0% in the region, with Brazil far and away the strongest contributor to this trend, with revenue up by 39.8%. The positive trend is attributable to the good

Corporate Management

The area of corporate management relies on a Group-wide management information and controlling system, creating cost and income transparency in all areas and thus contributing to profitable earnings performance. Reporting is standardized worldwide and is based on the International Financial Reporting Standards (IFRS).

The focus is on annual financial targets and control parameters such as revenue, earnings before interest and taxes (EBIT) as well as specifications for optimized working capital management. In addition to this, workflows are managed based on key process indicators. The Group’s value-oriented management is further strengthened by making these performance and management figures a fixed component of the executive-level compensation structure.



The company’s long-term objectives and its strategic alignment are laid out in the TÜV Rheinland TR+ strategy. Profitable growth, reduced complexity, expansion in scalable businesses, accelerating digitalization and maintaining quality leadership are core elements of the current Group strategy. The development of the Group TR+ strategy consisted of several stages. Working from environmental and strategy scenarios, a strategic direction was developed that defines the Group’s basic strategic logic. This ensures that TÜV Rheinland remains sustainable and successful in a

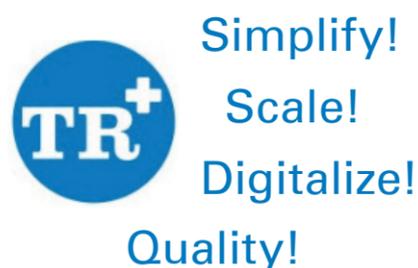
results of all the Business Streams. Only the Peru company was not able to recover in the wake of the coronavirus pandemic, closing the reporting year with a revenue downturn of 15.0%.

As a globalized service company, the goal of TÜV Rheinland is to systematically strengthen its operations worldwide. TÜV Rheinland focuses its efforts in this regard particularly on expanding its operations in the markets in which the company can optimally develop its competitiveness. Overall, TÜV Rheinland views itself as extremely well-positioned compared to the international competition, and is confident that it will succeed in expanding its position in the global TIC market.

TIC market characterized by continued consolidation and will reach the target vision set for itself by 2024. A portfolio analysis was also carried out in which the economic setting in the service segments was analyzed, with trends and risk profiles examined and growth forecasts derived. Based on this, the businesses in which TÜV Rheinland wants to operate were identified, along with the ways in which these businesses should develop, both individually and collectively, and over both the short and long term. Finally, following the strategic thrust and based on the results of the portfolio analysis, the strategies for all of the Business Streams and Business Fields were reviewed and revised where necessary.

TÜV Rheinland views its target vision for 2024 as one of an essential global provider in the industry. Providing excellent services will keep the Group profitable and independent in the long term. Areas of investment focus for sustainable organic and inorganic growth will be found in scalable services and in measures to boost the quality and efficiency of service delivery. Investments in digitalization will continue to be at a higher level than before. The workforce will be prepared for increasing digitalization and advances in automation.

A top priority alongside these targets will remain to protect the TÜV Rheinland brand and its reputation. In addition, it remains the Group’s mission to further reduce the number of accidents.



TÜV Rheinland's strategic thrust is based on strategic guidelines, four of which are particularly important as they define the key levers for growth:

Simplify!

This guideline has multiple facets, all of them dedicated to the goal of reducing complexity. **Simplify!** thus defines the focus of its activities around the service categories of testing, inspection, certification, consulting and training. **Simplify!** also includes a regular review of our services with the goal of keeping the complexity of our service portfolio narrow and manageable. Services that generate losses, are not promising in the long term or are not part of the core business will be discontinued or sold in an effort to consistently focus on services from a single source that are sustainably profitable and ideally scalable. **Simplify!** also stands for simplifying the internal organizational structure and harmonizing processes. This applies not just to processes in the IT system landscape but to all of the Group's structures and processes – in the Business Streams, in the regions and in the service functions.

Three Group projects illustrate the successful practical implementation of the guideline:

- As early as autumn 2019, the SPRING project was initiated for the **Products** and **Systems** Business Streams, with the main goal of sustainably bolstering profitability; the project was brought to successful completion during the financial year under report.
- For the **Mobility** Business Stream, similar to SPRING, the **Mobility 2022** project was created. The aim of this global project is to simplify structures in this Business Stream, strengthen leadership and responsibility, and promote a culture of performance in an effort to act more efficiently and thus gain significantly more financial leeway. The project was largely completed during the 2021 financial year.
- The JUMP project completes an organizational transformation phase that began in 2016; its aim is to realign the service functions through gradual transition to a "Strate-

gic Management Holding." This results in improved overhead costs and increased efficiency in internal services, through simplified management and service structures with increased responsibility on the part of overhead functions and Business Streams. This project was already largely implemented during the reporting year and is set for completion in the 2023 financial year.

Scale!

Scaling is an approach or a basic strategic principle designed to increase returns with increasing business volume, particularly in areas with high levels of investment. Expanding scalable services is an essential lever to help place us among the leading providers in the world in our Business Fields.

Investments are made primarily in businesses that offer the greatest scaling potential. These potentials are identified across Business Streams, particularly in the case of inspections and laboratory testing. Significant acquisitions are a tried-and-tested means of consistently pursuing economies of scale, provided the relevant opportunities present themselves in the market.

Digitalize!

The goal of Digitalize! is to accelerate the digital transformation within TÜV Rheinland. We make a distinction among three topics under this heading:

- Transferring analog and physical processes into digital processes. This applies specifically to communication with our customers, which will grow more efficient and customer-friendly through innovations such as digital test reports and invoices. Our goal is to achieve standardized data management that uses only a single central source for important customer or material data while also enabling operation of shared service centers at the Group level. We depend on standard solutions and harmonization wherever possible; ideally, this leaves us with just a single solution for each process, so that we can consistently continue to pursue the path of process automation and data-driven analyses.
- Effective evaluation of existing data and the derivation of information in order to generate added benefits, e.g. in the form of customer benchmarks.
- Expansion and development of new digital business models and services. One offer here is the "myCompetence" platform for online training for use not just by TÜV Rheinland but by third-party providers as well.

Quality!

TÜV Rheinland's positioning as a leading provider of high-quality services will be maintained and expanded. The goal is to consistently meet the requirements of clients,

standard-setters and regulators as well as strict internal requirements. To this end, processes in service provision are standardized and automated wherever possible, advancing the understanding of the quality standard in service

provision and with quality indicators – if not yet put in place – systematically introduced, recorded and used for control. These measures will also contribute to a reduction in risk.

Earnings Situation

GROUP REVENUES

Consolidated revenue (including inventory changes) of TÜV Rheinland rose from €1,953.2 million in the previous year to a total of €2,090.7 million in the 2021 financial year; this represented an increase of €137.4 million or 7.0%. TÜV Rheinland thus outperformed the Group-revenue target of roughly 4.0% that it had set for itself in 2020. Of the total revenue, €997.5 million was attributable to countries abroad; this accounted for a 47.7% share of total revenue. Due to fluctuations in exchange rates, currency-adjusted values are shown below in addition to unconsolidated revenues per Business Stream, as well as intra-group revenues and the central functions in a separate item:

Group Revenues by Business Streams

in € millions	2021	2021*	2020
Industrial Services & Cybersecurity	560.7	557.0	538.1
Mobility	595.4	592.8	554.0
Products	604.1	588.3	557.0
Academy & Life Care	244.7	244.2	228.8
Systems	239.9	236.3	214.3
Other (Intra-group revenues and central functions)	-154.1	-121.5	-138.9
Group revenues	2,090.7	2,097.1	1,953.2

* Revenue at constant rates of exchange

The 7.0% year-over-year increase in total revenue was mainly due to recovery from the profound impacts of the coronavirus pandemic that had been experienced in 2020. The PRODUCTS and MOBILITY Business Streams made particular contributions to this development. The pre-tax return on sales in the 2021 financial year stood at 6.9% (previous year: -2.0%)

Germany

Germany had a 52.3% share of total revenue and was able to increase its revenue over the previous year. The year-over-year increase in domestic revenue, from €56.7 million, to €1,093.2 million, was mainly attributable to the MOBILITY Business Stream, which contributed €28.1 million, with revenue increasing at the same time in all of the remaining Business Streams.

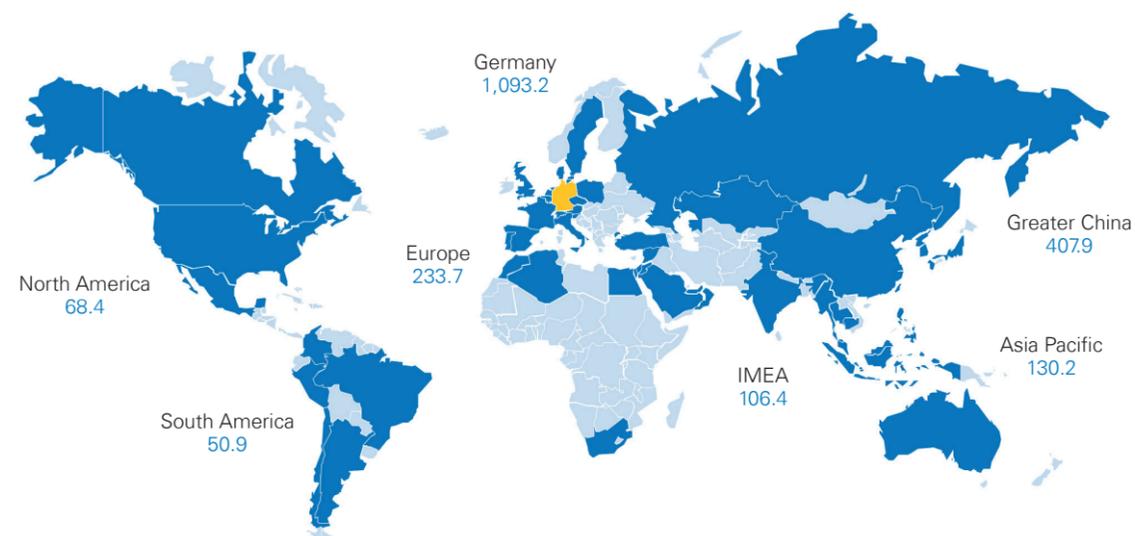
International

International revenue totaled to €997.5 million and was 8.8% higher than the previous year (previous year: €916.8 million). The Greater China region accounted for 19.5% of total Group revenues, followed by the regions of Western Europe (9.3%) and Asia Pacific (6.2%). Each of the remaining regions accounted for less than 6.0% of revenue. There were marked increases in revenue, ranging from 4.1% to 25.0%. This did not include Asia Pacific or North America, which experienced a downturn in revenue of 0.8% and 4.3%, respectively. During the 2021 financial year, changes in currency exchange rates resulted in a €6.4 million decrease in Group revenues. The currencies particularly contributing to this decrease were the Argentine peso – as in previous reporting periods – along with the Japanese yen, US dollar, Turkish lira, Brazilian real and UAE dirham. The positive trend for the Chinese yuan was not enough to compensate for this effect. What follows is a global overview of revenue by region in € millions.

Industrial Services & Cybersecurity

This Business Stream reported a 4.2% year-over-year upturn in revenue. As in the years before the coronavirus pandemic, Germany reported solid growth, particularly in regulated business. The Infrastructure & Project Supervision Business Field recorded good overall growth following the sale of a company in Germany. In many countries of the Western Europe region – which in the previous year was still significantly influenced by the pandemic – this Busi-

Overview of revenue by region in € millions



ness Stream reported a positive trend with robust growth. Momentum for growth was also seen in the regions of Eastern Europe, Greater China, IMEA and South America. The Cybersecurity & Functional Safety Business Field fell short of expectations for 2021, in large measure as a result of the Cybersecurity sub-area.

The Industrial Inspection & Materials Testing Business Field managed to generate significant revenue growth, particularly toward the end of the year. The North American region was the only one that fell well short of forecasts, as the focus there was on reorganization and stabilization. The Energy & Environment Business Field, on the other hand, reported a clear double-digit percentage increase year-over-year; this is due, among other things, to the solid trend for the region of Western Europe. The Electrical Engineering & Building Technology Business Field, on the other hand, experienced a slight downturn in revenue.

Mobility

The trend in revenue for this Business Stream remained under the influence of the Business Stream- and region-specific impacts of the coronavirus pandemic. Nevertheless, a significant improvement was achieved year-over-year. With total revenue of €595.4 million and 7.5% growth, the annual target was outperformed.

TÜV Rheinland generated 7.1% growth, with €346.3 million in revenue in its largest Business Field, Periodical Technical Inspection. While testing activities in Germany and Latvia returned to normal levels, the vehicle testing business

in Spain and France remained below expectations as a result of market and coronavirus conditions. Chile generated significant growth with optimized activities in client acquisition. As part of the nationwide service campaign, the German franchise organization once again reported a significant increase in partners.

The pandemic presented major challenges for the Driver's License Business Field once again this year. The high level of demand following the six-month lockdown at the beginning of the year led to capacity bottlenecks in some cases. This was counteracted by a significant increase in overtime hours and in opening and examination times, more than compensating for the examinations that had been missed. The decline in traffic and accidents brought on by the coronavirus pandemic reduced the number of claims in the Car Services & Appraisal Business Field; this was in line with general developments in the overall market. Due to the chip shortage and the related production bottlenecks among car makers, the number of new registrations fell during the second half of the year, with a correspondingly negative impact on the revenue trend in the area of vehicle-registration services.

Revenue for the Engineering & Type Approval Business Field, which is broadly positioned internationally, was 7.6% higher. Pandemic-related revenue downturns in Asia Pacific and South America were more than offset by positive trends in the other regions. As part of the expansion of the service portfolio and the laboratory network, in Germany the entry to vehicle-drive-battery testing occurred as part

of a joint venture. The commissioning and further expansion of the laboratory will make it possible to cover the entire value chain for vehicle-traction batteries.

The Rail Business Field managed to continue its international expansion and reported 20.0% revenue growth. New and long-term projects were acquired, both nationally and internationally, and the international share rose to roughly 63.3%.

Products

Despite the coronavirus crisis, this Business Stream nearly doubled its revenue growth year-over-year, to 8.5%, and at €604.1 million made the largest contribution to revenue of any of the Business Streams. The Germany and Greater China regions were the main drivers behind this performance.

The Business Fields of Softlines (which includes the testing of toys, cosmetics and textiles) and Solar & Commercial Products (including the testing of machinery, components and solar modules) managed to bolster their revenue growth to more than 10.0%. The Medical Business Field also registered solid growth, with revenue growth of 7.1%. With more than 6.0% in revenue growth, Hardlines (furniture and household goods, together with testing of mechanical products) and Electrical also contributed to a strong overall result.

Academy & Life Care

Continued development of this Stream was hampered again in 2021 by the global effects of the coronavirus pandemic, but it was nevertheless possible to generate year-over-year revenue growth together with another significant improvement in profitability. Once again, the investments Academy & Life Care had made in its digitalization strategy clearly paid off.

The basic market situation in the first half of 2021 was almost unchanged compared to 2020. The Occupational Health & Safety Business Stream continued to experience increasing demand and helped implement the national vaccination strategy, but lockdowns in the Training & HR Development Business Field repeatedly prevented implementation of face-to-face business involving seminars, vocational training, further education and other training sessions. Consequently, with demand for digital offerings high throughout the reporting period, it was possible to generate disproportionate growth here. With incidence rates decreasing, opportunities to conduct business in person began to return, beginning in China, and sales revenues reached pre-crisis levels, particularly in the autumn (under "3G" [vaccinated, recovered, tested] / "2G" [two of these three] rules).

Previous restructuring in the Digital Transformation Business Field produced good success. While sales revenues are still below prior-year levels, they will exceed the targets set. The Business Field also benefited from federal and state funding programs to expand digital infrastructure in Germany.

All in all, these developments led to €244.7 million in total revenue. Adjusted for restructuring effects, this corresponds to 10.3% growth over 2020.

Systems

In spite of continuing uncertainty due to the coronavirus pandemic, this Business Stream managed to outperform its growth targets and reported a 11.9% overall year-over-year upturn in revenue.

The largest Business Field, Certification of Management Systems, reported revenue of €143.6 million (previous year: €129.1 million), which was considerably higher than the previous year's level. The disproportionate increase in revenue was driven by a greater number of recertifications (including ISO 9001, IATF). The year-over-year comparison is particularly positive as a result of the pandemic-related downturn in revenue in 2020 and associated catch-up effects in 2021.

The Customized Services Business Field (auditing in accordance with internal regulations and companies' individual requirements of suppliers and business partners) managed to grow revenue by 8.2%, to €50.6 million. Significant growth was achieved in supply-chain audits, particularly in Greater China and Asia Pacific, in customer-specific audits (e.g. eCommerce) and in the Automotive field.

The Government Inspections & International Trade Business Field reported 19.1% growth in spite of a global deterioration in framework conditions; it generated €45.6 million in revenue. The IMEA region once again reported the greatest growth in revenue, ahead of the future markets of Europe and Asia-Pacific. The main drivers for growth were the Iraqi Certificate of Registrations (CoR) program and conformity assessments for Morocco, followed by the pre-shipment inspection business in Indonesia and the SALEEM certification scheme in Saudi Arabia.

OPERATING RESULT (EBIT)

The operating result stood at a total of €157.8 million in the 2021 financial year; this was well above the previous year's figure of €-23.6 million. After adjusting for special items, which included personnel and restructuring measures of €-22.5 million, effects from the change in the scope of consolidation of €3.4 million and €-8.7 million in effects from past purchase-price allocations (PPA), adjusted EBIT totaled to €185.6 million (previous year: €133.4 million). The EBIT margin in the 2021 financial year was 7.5%, up

by 8.7 percentage points compared to the previous year. TÜV Rheinland thus visibly outperformed the Group-revenue target of an EBIT margin between 5.5% and 6.0% that it had set for itself in 2020. In the previous year, EBIT was negatively affected, mainly due to €-90.3 million in undercoverage from ongoing legal proceedings and €-56.0 million in personnel and restructuring measures.

The following is a presentation of the year-over-year trend in operating result:

Operating Result

in € millions	2021	2020
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	310.9	118.7
Amortization of intangible assets and depreciation of property, plant and equipment	-153.1	-142.2
Operating result (EBIT)	157.8	-23.6
Financial result	-13.1	-15.6
Earnings before income taxes	144.7	-39.2
Taxes	-26.4	-24.7
Consolidated net income	118.3	-64.0

At €310.9 million, earnings before interest, taxes, depreciation, and amortization (EBITDA) for the financial year were 161.9% higher than the previous year's total of €118.7 million.

The operating result and earnings before taxes significantly exceeded the previous year's level. The EBIT margin for the 2021 financial year totaled to 7.5% (previous year: -1.3%) In addition, the operating result of €157.8 million included expenses from currency translation on balance of €0.4 million, compared to the previous year's value of €7.0 million. The following presentation of operating results (EBIT) by Business Stream or by region does not take consolidation and special effects into account.

Industrial Services & Cybersecurity

Due to the positive revenue trend and a continued focus on optimizing cost structures, this Business Stream managed a further upturn in earnings, which now stood at €73.7 million (previous year: €55.6 million); this resulted in an improved profit margin of 13.1%, which also outperformed projections. The sale of a company in Germany also led to a significant gain on disposal. With the exception of the Infrastructure & Project Supervision Business Field, which was weakened due to the sale of the unit in Germany, all of the Business Fields had a positive result to report.

Mobility

The Business Stream generated a total profit contribution of €42.5 million (previous year: €32.5 million). Consequently, following the previous year's downturn, the result rose again and, in spite of the effects of the coronavirus pandemic specific to the Business Field and region, concluded the year just slightly below the annual target. The Car Services & Appraisal Business Field still suffers the most from the pandemic. Overall, the Mobility 2022 project set up in the previous year to optimize management levels and manager-to-staff ratios had a positive impact on profitability in 2021. As a result, the EBIT margin improved from 5.9% to 7.1%.

Products

All in all, this Business Stream continued to report healthy demand, even if the earnings targets set were not reached in all markets. The Stream generated earnings of €115.4 million (previous year: €92.8 million) and thus continued to make the largest contribution to earnings at TÜV Rheinland. All of the Business Fields managed to increase their contribution to earnings year-over-year. Thanks to completion of the SPRING project for restructuring, structures were consistently adapted and efficiency gains realized. A similar picture emerged for EBIT margins, which were higher overall, going from 16.6% to 19.1% and thus also slightly exceeding expectations. The lockdowns caused by the coronavirus pandemic, together with interruptions in global supply chains and the difficult framework conditions associated with these, led to regional differences; for Southeast Asia in particular, the result was not as strong as in the previous year.

Academy & Life Care

The difficult framework conditions resulting from the coronavirus pandemic continued to be met with extensive countermeasures and cost control as well as restraint in investing activities. On the other hand, important digitalization projects such as those in the Occupational Health & Safety Business Field and the modernization of the IT landscape in the Training & HR Development Business Field were carried out as planned.

As a result of this, and thanks to strong business growth in the autumn, an operating result of €10.5 million was achieved. This clearly outperformed the previous year's figure (€4.0 million). This result was subject to extraordinary charges as a result of a prior-period expense of €6.1 million. At €9.5 million, the Occupational Health & Safety Business Field made the highest contribution to earnings. The Training & HR Development and Labor Market Services Business Fields also posted positive results of €3.3 million

and €0.4 million, respectively. In the Digital Transformation Business Field, successful development in research management and the closure of the temporary employment placement business also led to an upturn in earnings, which went from €-1.0 million to €1.8 million.

Systems

The structural and process adjustments carried out the previous year in this Business Stream continued to have a positive impact. In the Certification of Management Systems Business Field, the high cyclical revenue from recertifications led to an above-average increase in earnings in parallel with significant improvement in profitability across all regions. The Customized Services Business Field reported a project-related drop in revenue and earnings in IMEA, while earnings and returns were significantly higher in all other regions. Earnings growth in the Government Inspections & International Trade Business Field was achieved once again, with a consistently high return. Totalling to €40.2 million, earnings in this Business Stream were significantly higher than in the previous year (€30.0 million), and the margin rose from 13.9% to 16.8%.

Regions

With the exception of Asia Pacific, all of the regions managed to increase earnings before interest and taxes over the prior-year level. Particularly noteworthy is the Greater China region, where earnings before interest and taxes were 26.8% higher and stood at €91.0 million.

Third-Party Services

Third-party services totaled to €324.5 million in the 2021 financial year; this was €26.1 million higher than in the previous year. The third-party services ratio was 15.5% and thus nearly equal to the previous year's level of 15.3%.

Personal Expenses

Personnel expenses were a slight 0.7% higher year-over-year and stood at €1,167.5 million. The personnel expense ratio was 55.8% and fell by 3.6 percentage points in comparison to the previous year. The average number of (full-time) employees on payroll decreased to a total of 20,241 employees in the 2021 reporting year, representing a 2.0% year-over-year decline.

Amortization and Depreciation

Amortization of intangible assets and depreciation of property, plant, and equipment totaled to €153.1 million and were 7.6% higher than the previous year. Not taking

amortization of rights of use under IFRS 16 into account, depreciation and amortization stood at €94.4 million (previous year: €87.4 million).

Expenses

Other expenses in the 2021 reporting year were a marked 45.6% lower year-over-year and amounted to €366.7 million. The reason for the decline is that there were €306.8 million in expenses for ongoing legal proceedings, representing a heavy burden on the item in the past reporting year. If not for this special effect, other expenses in the current reporting year would have been at the previous year's level. Other taxes were €8.3 million higher; this amount was fully offset by €6.8 million less in individual valuation allowances on receivables and a €6.1 million reduction in exchange-rate losses.

Income

Other income was considerably lower, falling by €218.7 million to a level of €78.9 million. The reason for the decrease is that the item was significantly improved in the past reporting year due to income of €216.4 million from recourse claims against insurance companies that had not yet come into existence as a matter of law. If not for this special effect, other income in the current reporting year would have almost reached the previous year's level. The €2.7 million increase in income from reversals of provisions was fully offset by a €3.2 million decrease in income from subsidies and allowances.

Financial Result

The negative financial result in the 2021 reporting year amounted to €13.1 million, representing an improvement of €2.5 million. In contrast to the previous year, there was no depreciation of financial assets in the 2021 reporting year. Interest expenses from financial liabilities amounted to €12.8 million; this amount includes €3.5 million in interest expenses arising from the application of IFRS 16.

Taxes

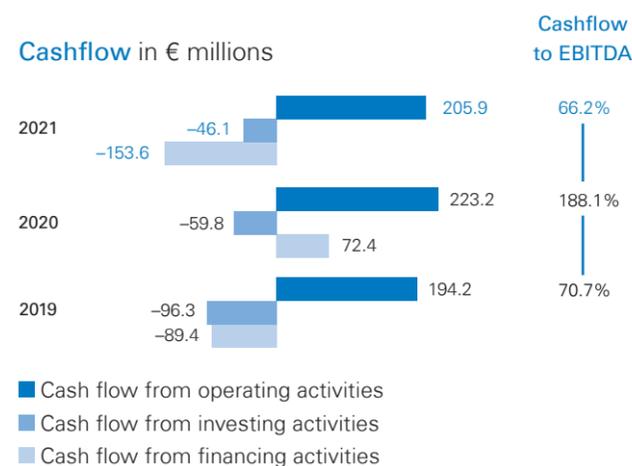
Earnings before income taxes stood at €144.7 million, which was €183.9 million higher than the previous year's figure of €-39.2 million. Income tax expenses amounted to €26.4 million in the financial year under report. The relatively low effective tax burden is mainly due to the fact that higher tax loss carryovers had a tax-reducing effect in comparison to the previous year.

Consolidated Net Income

Consolidated net income totaled to €118.3 million (previous year: €-64.0 million).

Financial Position

The financing activities of TÜV Rheinland are designed in such a way as to provide sufficient liquidity at all times and to permit all payment obligations to be met. In this connection, TÜV Rheinland made an even more concerted effort toward continuous effective management of currency risk and interest-rate optimization in the 2021 financial year. One reason for this was, among other things, long-term and sustainable coverage of pension obligations, which totaled to €714.4 million as of December 31, 2021, thus representing 28.9% of total assets. What follows is a presentation of the trend in cash flow from operating activities and from investing and financing activities.



Cash flow from Operating Activities

At €205.9 million, the positive cash flow from operating activities in the financial year was lower than the previous year's figure of €223.2 million, representing a decrease of €17.3 million. Consolidated net income of €118.3 million was €182.3 million higher than the figure for the previous year. In addition, non-cash depreciation and amortization increased from €145.0 million to €153.1 million in the reporting year. By comparison, the increase in net working capital to 4.8% (previous year: 4.2%) had a negative

effect on the cash flow from operating activities. The ratio between cash flow from operating activities and earnings before interest, taxes, depreciation and amortization (EBITDA) was normalized from 188.1% to 66.2% as a result of material, non-cash special effects in the reporting year.

Cash Flow from Investing Activities

The negative cash flow from investing activities decreased by €13.7 million year-over-year. As in the previous reporting year, since no material corporate acquisitions were made again this year, there were no major payouts either. Investments in property, plant and equipment and intangible assets totaled to €57.7 million in the year under report; this is lower than the previous year's level.

Cash Flow from Financing Activities

Cash flow from financing activities was negative in this financial year; it amounted to €153.6 million, which was €226.0 million lower than the previous year. The change resulted mainly from issuance of a green promissory note in the amount of €200.0 million in the previous year. Greater repayments of loans, in the amount of €86.6 million (previous year: €49.7 million), placed additional downward pressure on cash flow from financing activities.

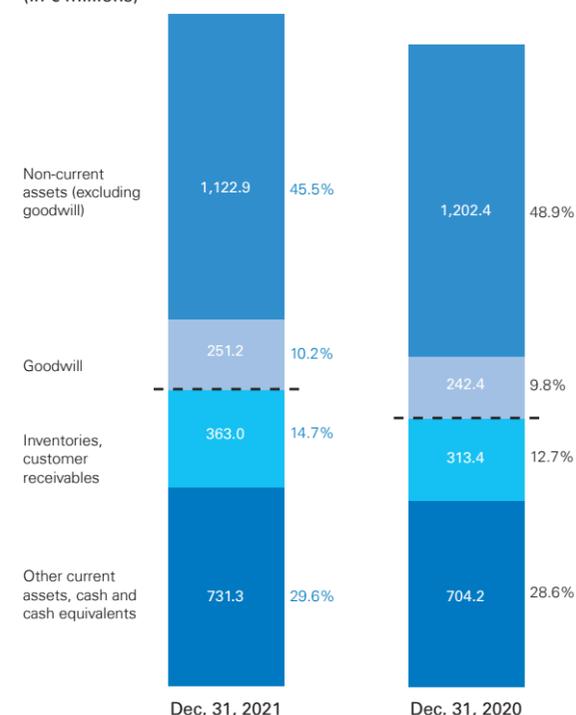
Cash and Cash Equivalents

Cash and cash equivalents amounted to €451.9 million as of the balance sheet date; due to loan repayments, this was only slightly higher, €7.1 million, than the previous year. Restrictions affecting the availability of capital totaled to €174.6 million as of the balance sheet date of December 31, 2021. These mainly affected cash and cash equivalents that were subject to restrictions on movements of capital in China.

To ensure ongoing solvency, TÜV Rheinland also has a line of credit of €155.0 million syndicated for five years. This line of credit was signed in March 2020 and granted until 2026. The line of credit had not been used as of the balance sheet date.

Net Assets

The assets of TÜV Rheinland at a glance (in € millions)



Non-current Assets

In the 2021 financial year, total assets increased minimally by €6.0 million or 0.2% and stood at €2,468.4 million (previous year: €2,462.4 million). Non-current assets (excluding goodwill) were €79.5 million lower and totaled to €1,122.9 million. Of the decrease, €39.1 million is mainly attributable to actuarial reserve quotas in consequence of reinsurance policies. Goodwill as of the balance sheet date of December 31, 2021, amounted to €251.2 million (previous year: €242.4 million) and accounted for 18.3% of non-current assets. The year-over-year change in goodwill was mainly the result of initial consolidation of two German companies with €4.2 million and from currency translation.

Current Assets

Inventories and customer receivables increased by a total of 15.8% year-over-year, mainly due to a €29.7 million upturn in trade receivables. The contract assets reported above within customer receivables amounted to €103.1 million (previous year: €82.6 million) and thus exceeded the

previous year's level. Other current assets increased by a total of €20.0 million year-over-year. Income tax receivables recognized under current assets were €12.0 million higher year-over-year. Assets classified as held for sale, which were also reported in other current assets, were €5.4 million higher year-over-year. Cash and cash equivalents totaled to €451.9 million as of December 31, 2021, which was slightly higher than the previous year's figure of €444.8 million.

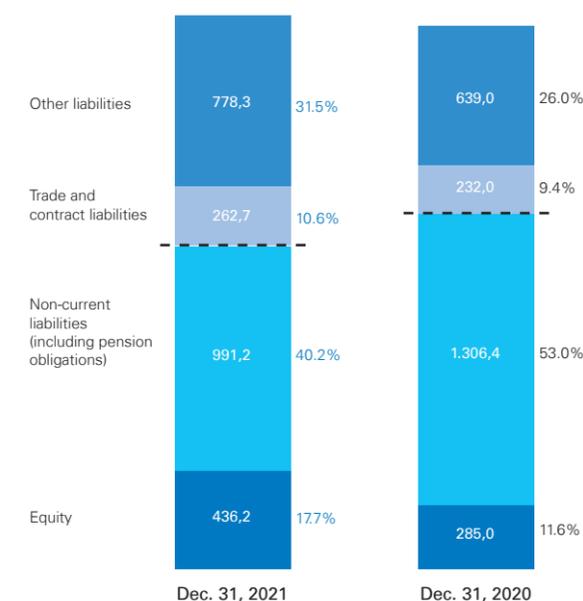
Equity

Equity was €151.2 million higher and totaled to €436.2 million. This increase was the result not only from the positive consolidated net income of €118.3 million but also from a total of €33.1 million in actuarial gains from the valuation of pension obligations. €11.3 million in exchange-rate gains also boosted the level of equity. The equity ratio rose from 11.6% in the 2020 financial year to 17.7% in the current reporting year.

Non-current Liabilities

Within non-current liabilities, pension provisions were down from the prior-year value of €820.7 million and stood

The liabilities and equity of TÜV Rheinland at a glance (in € millions)



at €714.4 million in the current financial year. Pension provisions thus accounted for 28.9% of total assets. Pension provisions were offset by an actuarial reserve quota in the form of reinsurance policies with a total value of €288.1 million and stated under non-current assets. The decrease in pension obligations is attributable, among other things, to an increase in the interest rate, which went from 0.50% in the previous year to 1.00% as of the balance sheet date of December 31, 2021. There were non-current financial liabilities totaling €88.7 million as of the balance sheet date of December 31, 2021, representing a decrease of €211.2 million. In connection with a promissory note, a tranche of €70.2 million was repaid ahead of time, in July 2021. In addition, due to a tranche of another promissory note falling due in 2022, €63.4 million was reclassified from non-current to current financial liabilities. In addition, in consultation with the bank, in January 2022 an additional

early repayment of a promissory note of €70.0 million was agreed, effective as of the balance sheet date of December 31, 2021.

Changes in pension provisions and financial liabilities were the main drivers of the 24.1% year-over-year decrease in non-current debt. Non-current liabilities also included €132.0 million in non-current lease liabilities (previous year: €125.6 million).

Current Liabilities

Current liabilities were €170.0 million higher year-over-year. The increase was mainly due to the increase in current financial liabilities, which went from €26.3 million to €156.0 million in the current reporting year as a result of the reclassifications of the now-current promissory notes as previously described. Contract liabilities were also €34.0 million higher.

Investments

Total investment volume in intangible assets and property, plant and equipment in the 2021 financial year stood at €57.7 million.

Since 2019, TÜV Rheinland has increasingly focused on its innovative capacity and has future and digitalization topics (such as wireless, cybersecurity or autonomous driving). In contrast to the previous reporting year, in which – despite the coronavirus pandemic – the investment volume held nearly constant at its 2019 level, investing activity in the current reporting year was cautious.

The largest investments were made in the central functions and the **Products** and **Mobility** Business Streams.

Part of a major strategic investment in the **Products** Business Stream was the opening of a new testing laboratory in Budapest. There are now 5,000 m² of space available for 13 laboratory sections; this facilitates the use of additional industrial measurement technology. Investments totaling €5.0 million were made for the laboratory, with €2.8 million of this amount accounted for in the current reporting year. The Business Stream also invested €13.8 million worldwide in testing equipment and fixed installations in testing facilities.

In late 2019, the Supervisory Board approved the construction of a new office building in Belval (Luxembourg). The investment planned there totals to roughly €34.0 million. Approximately €4.8 million was invested for this purpose in 2021. The project is set for completion in early 2024.

Already approved in 2019, in the previous year the renovation and rehabilitation of the canteen in the TÜV Rheinland Tower had to be postponed to 2021 due to the coronavirus pandemic. A total of €2.4 million was invested in the current reporting year. The canteen is scheduled to reopen in the second quarter of 2022.

As in the previous reporting year, TÜV Rheinland additionally strengthened the performance of the IT infrastructure, particularly through investments in improved hardware, targeted increases in server capacity and higher-performing telecommunications equipment. This includes expanding and strengthening the IT infrastructure and acquiring highly specialized testing software and technology. Approximately €1.6 million was invested in this in the financial year under report.

In addition to the €3.4 million in replacement investments in testing equipment, the **Mobility** Business Stream invested €1.5 million in the introduction of a user-friendly, modern and new driver's license portal in the Driver's Licenses Business Field. In addition, €1.4 million was invested in new PTI stations in South America, €1.2 million in hardware in France and €1.2 million in a new battery laboratory for the testing of traction batteries for battery-powered electric vehicles in the Engineering & Type Approval Business Field in Aachen.

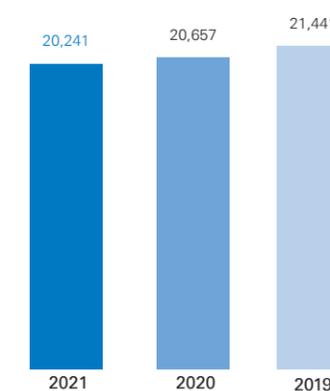
Employees

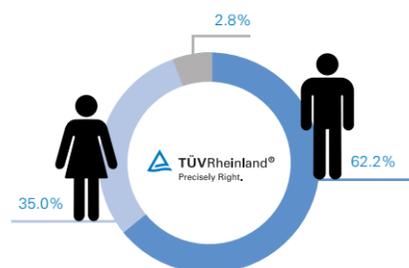
As of the end of the year 2021, a total of 20,300 employees (full-time) or 20,962 employees (headcount) were employed at TÜV Rheinland. The average number of employees (full-time) in the reporting year was 20,241; in a year-over-year comparison, due to global restructuring projects, this represented a decline of 416 employees or 2.0%.

While 62.2% of the employees at TÜV Rheinland were male, the share of women was 35.0%, with the remaining 2.8% of employees not reporting a gender.

The average workforce size abroad stood at 11,755 employees (full-time), which corresponded to a share of around

Total staff (average) FTE





58.1%. The number of employees abroad declined slightly, by 1.3%. The average number of employees in Germany was also lower and went from 8,745 to 8,486; this represented a decline of 3.0%.

The decrease in the number of employees in Germany was mainly the result of a significant decrease in personnel in the central service functions. Outside Germany, the region of Western Europe in particular contributed to the decline in personnel.

Information in connection with the law mandating equal participation by men and women in management positions in the private sector and in civil service

Diversity, employee development & non-discrimination are focal points of TÜV Rheinland's Sustainability Strategy. This also means that, by 2025, we intend to fill at least 30.0% of the management positions in the Group, and 20.0% of

the top management positions internationally, with candidates who are women. During the reporting year, the share of women in management positions in the Group already stood at 27.0%; internationally, 32.0% of top managers were women. In the future, TÜV Rheinland intends to focus even more on filling local management positions in the regions and seeks to increase the share of managers drawn from the local workforce to an average of 75.0% by 2025. A quota of 30.0% by the end of 2025 was set for the proportion of women on the Supervisory Board of TÜV Rheinland AG. With 4 out of 16 positions filled by women, this quota was not met in the financial year under report. The Supervisory Board had set a quota of 25.0% for the proportion of women on the Executive Board of TÜV Rheinland AG by the end of 2025. This was also the current level during the reporting year.

The target for the share of women in the top level of management at TÜV Rheinland AG totals to 30.0% by December 31, 2025. We achieved 19.0% at this level during the current reporting year. There is no second level of management set up at TÜV Rheinland AG.

Targets have been defined to take effect by December 31, 2025, for the five German Group companies subject to quotas under the law mandating equal participation by men and women in management positions. These are set forth on the website: www.tuv.com.

Risk Management System and Corporate Governance

For a globally active company like TÜV Rheinland, a comprehensive internal control system (ICS) – in relation to IT-assisted business processes, and paired with effective and efficient risk management – are indispensable control elements that define the framework for management and monitoring. The ICS is mainly intended to ensure compliance with statutory requirements, TÜV Rheinland-specific guidelines, and its corporate objectives. The primary goal of risk management is for the Executive Board to take appropriate measures to identify and evaluate, at an early stage, potential threats to the companies, to permit initiation of suitable precautionary, control and protection measures as well as proactive countermeasures to be initiated. A detailed description in the quality management system and explicit treatment in the management framework manual define the risk management process of TÜV Rheinland. In addition, risks are recorded as process characteristics in the sense of quality-management documents (Standard Operating Procedure (SOP)) in the Group-wide quality-management system "EtQ." These documents are available around the world on the company's intranet. Risk assessments of our service are conducted based on uniform criteria and give the Business Fields an opportunity to develop targeted risk-reducing measures in the provision of services. In addition, TÜV Rheinland has a long-standing interdisciplinary risk-management unit consisting of the service functions of Corporate Audit, Corporate Controlling, Finance & Accounting (including Insurance), Legal & Compliance, QHSE (Quality Management, Health, Safety and Environment as well as Accreditation & Certification), Human Resources (HR) and IT.

The coronavirus crisis team introduced at the beginning of the 2020 financial year played a major role in the current reporting year as well. German managers are regularly informed about legal regulations in effect, based on the SARS-CoV2 occupational safety and health standards issued by the German Federal Ministry of Labor and Social Affairs for the various fields, and about overall numbers of cases of infection and suspected infection at TÜV Rheinland. This crisis team also has the role of issuing instructions on the current protective measures for daily operations and consistently observing these for the protection of our employees and clients. The team also helped organize vaccinations for TÜV Rheinland employees in 2021. There is also a corresponding crisis team in place in each region abroad, regularly

analyzing the situation and defining, coordinating and communicating any necessary measures internally. In keeping with international standards, the Corporate Sector Supervision and Transparency Act (KonTraG) requires the Executive Board to take suitable steps to ensure that developments which might pose a threat to the company's continued existence are made identifiable at an early stage. This requirement is taken into account in the companies and Business Fields by an effective ICS and TÜV Rheinland's early risk warning system. The Group's internal Corporate Audit Department also works on the basis of a risk-oriented audit approach and based on internationally recognized auditing standards to check the ICS of the TÜV Rheinland companies around the world. In addition, information derived from quarterly risk reporting by the executives in charge of the Business Streams (Executive Vice Presidents) is subject to detailed analysis in connection with the regions involved. Material risks are also reported to the Executive Board on an ad hoc basis. Based on the information obtained, all of this information is then aggregated into a single risk report. This report is then appraised from portfolio and Group viewpoints. Risk determination is based on areas of risk that are specific to TÜV Rheinland. These areas comprise the categories market/customer, processes, employees, finances, accreditations/standards/regulatory framework and miscellaneous. Risks are quantified based on the anticipated impact on earnings as well as the likelihood of the risk's occurrence. Designating planned countermeasures and assigning monitoring and implementation responsibility is also a central element of the risk-management process. Dealing with risks is also a part of the ongoing reporting process. Reporting follows the requirements of the matrix structure and, in addition to regularly updating the economic outlook, also takes business-specific early indicators into account. This forms an essential foundation for recognizing risks as well as introducing and consistently pursuing specific efforts to avert possible damage to TÜV Rheinland. In the case of transactions that may have a significant impact on the performance of a Business Stream or Business Field, an approval process established worldwide provides transparency and reduces risk.

Risk management thus forms an integral part of the Group's standard planning, reporting and control processes and is thus tightly incorporated into TÜV Rheinland's information and communication system. It is continuously enhanced

and adapted to changing framework conditions. Risk management is therefore suitable for identifying risks at an early stage that pose a threat to the Group's continued existence and for taking appropriate countermeasures. TÜV Rheinland abides by the basic principles of good corporate governance, which place a focus on the legal and practical framework of managing and monitoring the company. In particular, the Group utilizes a professional compliance management system that is designed with prevention in mind and sets the relevant framework for TÜV Rheinland. Specifically, this framework includes the Code of Conduct, a compliance guideline, a guideline for avoiding conflicts of interest and corruption, a guideline for donations and sponsoring, and an external helpline for matters concerning compliance. An active worldwide network of compliance officers has been established who are available to our employees as competent points of contact. TÜV Rheinland is convinced that proper corporate governance is of great importance to its long-term success and that the implementation of and adherence to the corresponding guidelines play a key role in permanently strengthening the trust placed in the Group by all stakeholders.

VALUE MANAGEMENT AND BUSINESS-RELATED ENVIRONMENTAL AND SOCIAL FACTORS

TÜV Rheinland is committed to conducting itself in accordance with the principles of the UN Global Compact and the world group for testing, inspection and certification service providers, the TIC Council. These principles specifically entail explicit consideration of human rights, labor standards, the concerns of environmental protection and the fight against corruption as well as the implementation of these in practice.

TÜV Rheinland systematically continued its activities in regard to social responsibility and sustainability during the 2021 financial year. TÜV Rheinland manages the topics of Corporate Social Responsibility (CSR) and compliance on the basis of sustainability management and a compliance management system. With its three dimensions of "People, Profession & Planet," the Sustainability Strategy for 2025, which was developed and adopted in 2020 on the basis of an extensive materiality analysis, helps strengthen key success factors and thus meet the goal of becoming the world's best sustainable and independent service company in the fields of testing, inspection, certification, consulting and training. The targets set for TÜV Rheinland – in the areas of employee safety, labor law, non-discrimination, diversity, employee development, legal compliance, business ethics, data integrity, service quality and greenhouse-gas emissions – were at the root of the substantive continuation of the program for CSR and sustainability again in 2021. The Sustainability Report provides detailed information on this.

Opportunities and Risks

In connection with risk management, special attention is paid to opportunities and risks that are not explicit elements of planning. Important aspects result from TÜV Rheinland's global orientation and primarily relate to customers and markets as well as to legal and political framework conditions.

As part of our strategic planning, we regularly identify and evaluate the opportunities and risks that arise in our numerous Business Fields and take actions accordingly. Below is a description of our material opportunities and risks. Unless indicated otherwise, the opportunities and risks relate to all of our Business Streams.

OPPORTUNITIES

The sequence of the opportunities presented reflects the current assessment of the relative extent for TÜV Rheinland and therefore provides an indication of the current significance of these opportunities for us. The opportunities described are not necessarily the only ones we have. Moreover, our assessment of opportunities is subject to change, as TÜV Rheinland, our markets and technologies are constantly evolving. It is also possible that some of the opportunities we see today will not materialize. TÜV Rheinland continues to see its opportunities in service innovations, in international growth, in the regulatory environment and in M&A activities.

Service Innovations

Opportunities are still mainly associated with service innovations, as in the case of automation and digitalization, for instance. We continue to drive innovation by investing in new technologies, particularly to develop sustainable solutions for our clients while strengthening our own competitiveness at the same time.

As part of our services, we leverage our expertise and experience to make plants, products and processes safer for the sake of people and the environment, and to dedicate our services to facilitating the transformation into a sustainable economy and society. Climate protection and sustainable business management are the decisive issues for the coming years and will determine the future viability of TÜV Rheinland. We align our business activities and services around social and environmental standards. We also launched a new Sustainability Strategy in the past financial year and anchored it even more firmly in the TÜV Rheinland organization by defining ten key fields of activity.

One of our goals is to be an innovative corporate group that constantly offers new service technologies that meet our

clients' current and future requirements. The expansion of our digital client platforms will improve the availability of digital products and systems for our clients, further boosting their productivity and efficiency in the process. Investments in new laboratories, in energy, environmental and sustainability services, and in digital data security will continue unchanged from previous years. The institutionalized, close coordination between business-specific and regional expertise results in additional opportunities – for example, in identifying new fields of activity as well as the effective and efficient handling of cross-border projects (e.g. innovative IT applications based on customer requests). The opportunities through digitalization or Industry 4.0 are presented in the "Market-Specific Development" section (page 12 et seq.).

A positive aspect of the coronavirus pandemic is the demand for new services in which it results. The digitalization strategy in the **Academy & Life Care** Business Stream, for instance, was given a significant boost and clients are exhibiting unprecedented acceptance of digital services, formats and service models. New consulting services for the implementation of occupational safety and health standards or consulting services for the expansion of digital networks have also been successfully placed and will continue to offer opportunities in the future. In the **Systems** Business Stream, a trend toward digital audit procedures emerged in the accredited area and was put to successful use through the offer of remote audits. New audit services with the potential for expansion are offered in the areas of safe tourism and the implementation of health and hygiene requirements.

International Growth

Through sales initiatives and client-oriented support, we continuously strive to expand our services in established markets. We are also opening up new markets in an effort to generate long-term growth potential in our core business. We also see great potential in the increased acquisition of large orders in international markets, such as support for infrastructure projects. We continue to focus strongly on the Greater China region, where ongoing growth in our presence and continuous diversification of the range of services will continue.

Regulatory Environment

In the geopolitical environment, we see opportunities for improvement that will quickly contribute to a more positive climate for investment in industry, thus driving demand for

our inspection and testing services. State initiatives – for example in the area of infrastructure, energy (e.g. hydrogen) or digitalization and sustainability in particular – will generate demand potential as well.

M&A Activities

As TÜV Rheinland, we continuously monitor our current and potential markets with an eye to opportunities for strategic mergers, acquisitions, shareholdings and partnerships with which we can complement our organic growth. Activities like these can help us strengthen our position in our current markets, develop new or underserved markets, or complement our service portfolio in strategic areas. In collaboration with a partner in regard to a testing laboratory for drive batteries for use in battery-powered electric vehicles in Germany, both the laboratory network and the range of services will be expanded.

RISKS

Below, we describe risks that may have an adverse impact on our business, assets, financial position, profitability and reputation. The sequence of the risks presented within the four categories reflects the current assessment of the relative extent for TÜV Rheinland and therefore provides an indication of the current significance of these risks for us. Additional risks of which we are not yet aware, or risks that we currently consider to be insignificant, may also negatively impact our business activities and objectives. Unless indicated otherwise, the following risks apply to all TÜV Rheinland companies.

STRATEGIC RISKS

We continue to see uncertainties surrounding the global economic outlook. The latest events around the Ukraine-Russia conflict pose a heightened global and geopolitical risk. According to the German Economic Institute, the Russian attack on Ukraine threatens to trigger steep inflation in Germany. The threat of supply restrictions could also lead to further price increases, with corresponding impacts for gross domestic product (GDP).

As already explained in the previous year, another major risk to the global economic cycle lies in the further course of the coronavirus pandemic. There is a risk of further lockdowns that can have a direct impact on our business in terms of the demand for our services, but an indirect impact as well, including production bottlenecks (see, among other things, the Forecast on page 51 et seqq.).

We also identify risks associated with significant changes in the structures, policies, or management of the company in an effort to improve our speed, agility or corporate culture. This includes increased costs, missed financial

or performance targets, loss of qualified personnel, loss of synergy effects and the loss of trust on the part of our clients. We see a risk that we might not be flexible enough to adapt our organization and testing laboratories to changing market conditions in a timely manner. Necessary restructuring might fail to be carried out to the extent and time frame planned (due, for example, to local co-determination laws); this could delay expected improvements on the cost side and lead to a loss of qualified personnel. We minimize risks like these by planning and monitoring the implementation of measures in detail, maintaining strict cost management and conducting ongoing discussions with all stakeholder groups concerned. Late issuance of accreditation, or its possible withdrawal, poses a risk for us as well. In addition to this, in various markets, there is also the challenge of finding skilled workers in numbers sufficient to enable further innovation and growth or qualifying personnel while avoiding high rates of turnover. Particular mention should be made here of the difficult search for occupational physicians in Germany and specialized engineers.

FINANCIAL RISKS

At TÜV Rheinland, the financial risks are broken down into foreign-currency, interest-rate, translation and liquidity risks.

Foreign-Currency Risk

TÜV Rheinland is exposed to risks arising from fluctuations in exchange rates if a TÜV Rheinland company concludes transactions with international contractual partners, if loans are made within the Group, or if profit distributions are collected and will result in future cash flows in foreign currencies that do not correspond to the functional currency of the respective TÜV Rheinland operating company. Foreign-currency risk is largely considered to be low, as the individual Group companies carry out their operating activities predominantly in their respective functional currency. Operating companies are not permitted to accept or invest funds in foreign currencies for speculative reasons. Intra-group financing or investments by the TÜV Rheinland companies are preferably carried out in the respective functional currency, or on a currency-hedged basis. Sensitivity analyses are always performed as of the reporting date in an effort to identify possible risks at an early stage. In trade receivables and liabilities, an appreciation of the euro by 10.0% against all currencies as of the end of the reporting period would have only a minor effect on the result for the year and on equity capital.

Interest-Rate Risk

Interest-rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in the market rate of interest. The risk always occurs when

the conditions governing the rate of interest differ from financial assets and liabilities.

Among other things, there is a risk of interest rate changes in the pension obligations, which constitute the largest item in the consolidated balance sheet.

Using derivative financial instruments where appropriate, we perform comprehensive, group-wide management of interest rate risks with the goal of managing the company's interest rate risk, interest income and interest expense. In the absence of country-specific regulations to the contrary, intra-group financing takes the form of loans or intra-group fixed income clearing accounts. As of the reporting date, derivative financial instruments are of rather subordinate importance in terms of their volume and risk potential; a shift in the yield curve of +100 (-100) base points would change the market value of the interest-rate swaps by €0.1 million (€0.1 million).

Translation Risk

Many TÜV Rheinland companies are located outside the Eurozone. Because the reporting currency at TÜV Rheinland is the euro, when it draws up its consolidated financial statements, TÜV Rheinland converts the financial statements of these companies into euros. In order to take translation-related foreign currency risks into account in risk management, the general assumption is that investments in foreign companies are long-term, and that the earnings will be continuously reinvested. The effects of fluctuations of exchange rate in the translation of net asset positions into euros are stated in the Equity item and/or the Other comprehensive income item of the consolidated financial statements of TÜV Rheinland.

Liquidity Risk

The liquidity risk for TÜV Rheinland is the risk of being unable to meet its financial obligations. As TÜV Rheinland, we follow a well-considered financing policy that is geared towards a balanced financing portfolio, a diversified maturity profile and a comfortable buffer of liquidity. We circumscribe liquidity risk through effective management of net current assets and cash and cash equivalents, through lines of credit agreed with financial institutions with high ratings, and through long-term promissory notes. Supplemental to this, we continuously monitor the financing opportunities that present themselves in the financial markets and monitor trends in the availability and costs of these financing opportunities. An essential goal is to secure the financial flexibility of TÜV Rheinland. Financing within TÜV Rheinland is provided by means of cash pooling and in-house banking.

COMPLIANCE RISKS

As TÜV Rheinland, our global business has an obligation to comply with a variety of service- and country-specific regulations, laws and policies that have an impact on our business activities and processes. We monitor the political and regulatory situation in all our important markets in order to anticipate potential problem areas with the aim of quickly tailoring our business activities and processes to changes in framework conditions. Nevertheless, changes in regulations, laws and policies can adversely affect our business activities and processes as well as our assets, financial position and profitability. TÜV Rheinland now faces, and may continue to face, a variety of legal disputes or proceedings in different jurisdictions; ultimately, risk can arise from companies' own entrepreneurial actions and from external factors as well. For example, in the case of breast implants by the French manufacturer Poly Implant Prothèse (PIP), TÜV Rheinland is mentioned as a notified body in connection with conformity-assessment procedures performed under the now-superseded European Medical Devices Directive. PIP continuously and deliberately deceived the notified body TÜV Rheinland LGA Products GmbH (TRLP) by using, in some cases, a silicone gel for the production of the implants which was not approved for this purpose and was not covered by the certification by TRLP.

To date, the German courts have consistently confirmed that TRLP fulfilled the duties of a notified body responsibly and in compliance with all laws and legal norms applicable in Europe. In one case, the German Federal Court of Justice [Bundesgerichtshof – BGH] referred questions regarding the interpretation of the Medical Devices Directive to the European Court of Justice (ECJ) for a preliminary ruling. In its judgment of February 16, 2017, the ECJ essentially confirmed the legal position of TÜV Rheinland and found that a notified body does not have a general obligation to carry out unannounced inspections, to examine products and/or to view a manufacturer's business records. Only if the notified body has indications that a medical device does not meet the requirements set out in the Directive must the notified body follow up upon these indications. In the case of PIP, to date the German courts have always found that the notified body of the TRLP had not been presented with such evidence. On the basis of the ECJ's replies, in its judgment of June 22, 2017, the German Federal Court of Justice [BGH] finally rejected the petitioners' appeal. The judgment of the BGH is final. As a result, a number of other German courts have issued rulings in favor of TRLP in the first and second instances. TÜV Rheinland's legal view was also declared correct in a judgment of the appellate court in Aix-en-Provence, France, handed down in 2015. The appellate court found that

TRLP fulfilled its duties as the notified body in line with the applicable laws and norms and that the notified body had no indications of a lack of conformity. Other courts in France have repeatedly issued divergent decisions in the first instance, granting compensation claims to plaintiffs. TÜV Rheinland appealed against these decisions handed down by the courts of first instance. The matter was considered for the first time by the top French civil court (Court of Cassation) in 2018. In six decisions issued on October 10, 2018, it held that the grounds for the 2015 decision by the Court of Appeal in Aix-en-Provence were incorrect or inadequately justified in three respects. The Court of Cassation referred the case to the Court of Appeals in Paris. In a decision issued May 20, 2021, the latter found that TÜV Rheinland was in breach of its obligations to monitor the implementation of PIP's quality management system beginning September 1, 2006. Consequently, there is liability for damages to those plaintiffs who had received one of the implants in question after September 1, 2006. TÜV Rheinland has lodged an appeal against this judgment with the Court of Cassation.

By two judgments handed down on January 20, 2017, the Toulon Commercial Court of First Instance had upheld the liability of Notified Body TRLP and TÜV Rheinland France SAS in the PIP case vis-à-vis women who claimed to have received silicone gel breast implants from PIP. TÜV Rheinland had appealed against these judgments to the Aix-en-Provence Court of Appeal.

The Court of Appeals in Aix-en-Provence in France was another court of appeal to issue a judgment on February 11, 2021, in proceedings against TÜV Rheinland in connection with silicone gel breast implants by French firm Poly Implant Prothèse. In a departure from its previous decision on appeal, the appeals court in Aix-en-Provence found liability on the part of two TÜV Rheinland companies. TÜV Rheinland then immediately commissioned its lawyers to lodge an appeal. In the present proceedings, the Court of Appeal confirmed the liability of the two companies concerned in more than 13,000 cases. On the other hand, the court dismissed a lawsuit by more than 6,000 women. In these cases, it could not be demonstrated that breast implants used by PIP were the subject of the fraud and were covered by the certificates issued by TRLP.

In other proceedings, in its judgment of January 14, 2021, the Versailles Court of Appeal ruled in TÜV Rheinland's favor when it found that TRLP "did not violate its duties to exercise care and conduct inspections in the performance of its certification tasks." According to the findings of the Versailles Court of Appeal, at no time did the Notified Body, TRLP, have evidence that PIP's breast implants may not have been in conformity. The judgment concludes that TRLP "responded adequately to the information available to it."

In its decision of October 19, 2021, the Court of Appeals in Poitiers reached much the same conclusion as had been reached by the Versailles Court of Appeals; an individual action against TRLP was dismissed as a consequence.

On January 13, 2022, on the other hand, the Toulon Commercial Court of First Instance sentenced TÜV Rheinland once again to make advance payments for damages to approx. 1,500 plaintiffs. TÜV Rheinland has lodged an appeal before the Court of Appeals in Aix-en-Provence in these proceedings as well.

Because a future burden on TÜV Rheinland was highly probable as a result of the aforementioned judgments in the judicial districts of the Courts of Appeals in Aix-en-Provence and Paris, provisions for ongoing legal proceedings were constituted in the consolidated financial statements as of December 31, 2020. Taking the latest developments in the case into account, these provisions were remeasured and maintained in consolidated net income in the context of the consolidated financial statements as of December 31, 2021.

These provisions total to €255.7 million as of December 31, 2021. This stands against €166.9 million in recourse claims against insurance companies that have not yet come into existence as a matter of law. These are virtually certain to come about, in our opinion, when the stated charges from pending legal proceedings materialize. Further possible recourse claims within the meaning of IAS 37.53 were not recognized, as they cannot be considered as virtually certain at this point in time. There is no radiating effect on other cases in other countries or other court jurisdictions (e.g. due to statutes of limitations), or such an effect is unlikely.

Material uncertainties affect the effort to determine the risk position of the TÜV Rheinland companies involved, as this is a function of the total number of claims made, the amount of damages awarded and existing recourse claims. Meanwhile, due to a lack of inhibition on enforcement and the de facto consequences, any advance payments made in the interim can lead to an economic burden, even in the event of victory.

In a worst-case scenario, TÜV Rheinland could face a cost burden in the mid-triple-digit million range. Conversely, however, it is also possible that TÜV Rheinland will not incur any burden – or, if so, only a very modest one. In the event of the theoretical worst-case scenario, the funds currently available and additional opportunities for financing are such that the liquidity of TÜV Rheinland would not be in jeopardy.

OVERALL ASSESSMENT

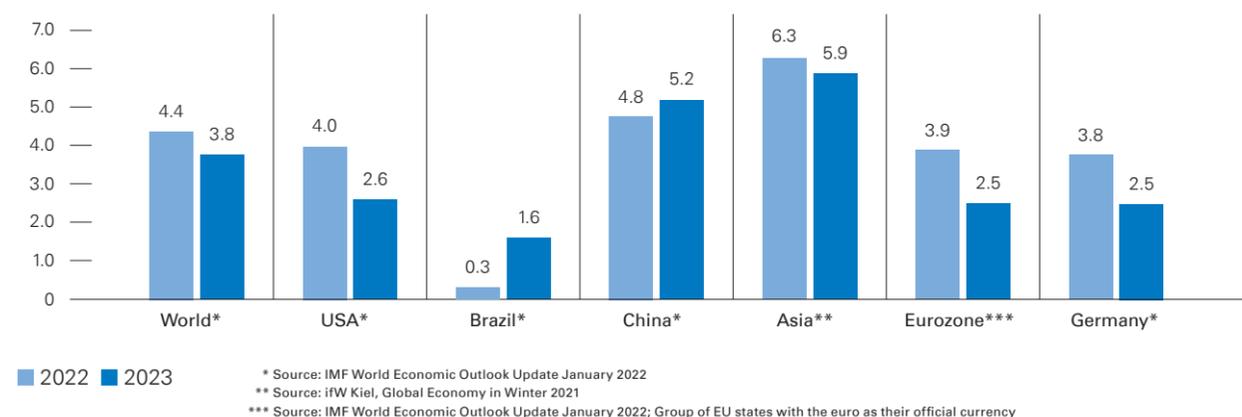
Due to the integration of risk management into the management information system of TÜV Rheinland, risk is

controlled by appropriate weighting consistently in all Business Streams and companies as well as at the Group level. Targeted countermeasures are undertaken comprehensively at an early stage to minimize risks. Focusing measures for risk management on the quality of the services forms a central element of corporate strategy. The point, not least, is to prevent negative repercussions for the reputation of the TÜV brand. This applies not only to market, client and competition issues but also to internal processes in particular, such as systematic integration following M&A transactions. Continuous tracking of measures and updating of risk reports in the course of the year are obligatory. The Executive Board has installed a risk-management unit that covers the Corporate Audit, Corporate Controlling, Finance & Accounting (including Insurance), Legal & Compliance, QHSE (Quality Management, Health, & Safety and Environment and Accreditation & Certification), Human Resources (HR) and Information Technology (IT) functions. Its task is to analyze and evaluate risks. In summary, it can be observed that all of the above-mentioned risks can have an impact on the company's goals, and thus accordingly on the TR+ corporate strategy, and are thus continuously analyzed and evaluated by the Executive Board with the aid of the risk-management unit.

The overall risk situation of TÜV Rheinland remained unchanged year-over-year, including with regard to liability risks in connection with legal proceedings against PIP. Even in the previous year, the Group had addressed a potential liquidity risk owing specifically to the ongoing pandemic situation by making selective reductions in expenses and raising new financing. TÜV Rheinland remains financially sound and well-positioned. An important key figure in the context of capital management at TÜV Rheinland AG Group is the net financial position. This compares cash and cash equivalents, which total to €451.9 million as of the balance sheet date, and current financial assets to financial liabilities and total to €207.1 million as of December 31, 2021 (previous year: €118.6 million). TÜV Rheinland also has firm commitments for lines of credit that have not yet been utilized. With the coronavirus pandemic still ongoing, the point at which a return to normalcy will be possible cannot be predicted at this point in time. Thus, a conclusive and doubt-free risk assessment is not possible at this time. The same holds true for the current conflict between Russia and Ukraine. Nevertheless, there has been no change in the fact that we discern no risks that could jeopardize TÜV Rheinland's ability to continue as a going concern.

Outlook

Future Economic Outlook: Outlook 2022 to 2023 in %



While the global economy recovered significantly from the coronavirus pandemic in 2021 and reported growth of 5.9%, in its World Economic Outlook published in January 2022, the International Monetary Fund forecasts only moderate growth of 4.4% in 2022 and 3.8% in 2023. The global economic recovery slowed significantly in 2021 due to new flare-ups of COVID-19 and problems with supply chains. Due to the recurring variants of the virus, such as the Delta and Omicron variants, new waves of infection must also be assumed for 2022. The economic impacts are likely to continue to diminish over time, however, whether because vaccination rates are high or because a large proportion of the population has already come into contact with the virus, such that the health impacts and any further social and economic restrictions will be limited as a result. Hence, although presumably slower and less steady than forecast, the effort to reach a normal level of business activity in areas still lagging behind the current macroeconomic recovery – such as tourism, travel and entertainment – is likely to continue beyond the forecast period. Supply bottlenecks have turned out to be an increasingly strong restraining factor in recent months but are likely to be overcome gradually in the course of the year as production capacities and value chains adjust to these circumstances. The overall outlook is subject to high uncertainty, as it does not yet take the impacts of the current Ukraine-Russia conflict on the global economy fully into account. The war in Ukraine has created new burdens for the world economy.

Fears that deliveries of Russian commodities will fail to materialize have led to a sharp rise in commodity prices and aggravated already substantial risks to price stability. The sanctions imposed by the countries of the West will not only create a considerable burden for the Russian economy but will also lead to at times severe downturns in exports to the countries that instituted the sanctions. Mounting problems in supply chains also pose a renewed threat to production. Uncertainties about further developments will dampen investing and consumer sentiment.

USA

Following another sharp rise in the fourth quarter, economic growth in the US is projected to reach 4.0% in 2022. Following this upturn, a slowdown in growth, to 2.6%, is expected in 2023. Financial policy in that country remains expansive. Unemployment is expected to continue falling, reaching around the same low level it stood at before the pandemic by the end of the forecast period. Even though inflationary impulses due to energy prices are set to dissipate during the forecast period, rising utilization of overall economic capacity will help keep price increases higher than targeted by the US Federal Reserve.

China

After a strong economic upswing of 8.1% in 2021, economic growth is expected to flatten out in the following years. Growth of just 4.8% is forecast for 2022 and 5.2% in 2023.

Consolidation of the real-estate sector is viewed as a key driver behind a dampening of overall economic output. Monetary and fiscal policy will become more expansionary in an effort to support the economy. Consumer prices in China will rise only moderately during the forecast period, in part because consumer-side energy prices are subject to greater state regulation there than elsewhere. With growth in the Chinese economy less robust than forecast, the central bank lowered the key interest rate at the beginning of 2022.

Asia

The upward trend seen in 2021 is forecast to flatten out to 6.3% in 2022 and again to 5.9% the following year. The Chinese economy is the main driver for this forecast. If the Asia region is considered apart from the two major emerging economies of China and India, and if the focus is solely on Indonesia, Thailand, Malaysia and the Philippines, a significant increase in gross domestic product of 6.1% is expected for the year 2022, with further growth of 6.4% forecast for 2023. In Japan, economic growth is forecast to increase to 3.3% due to high rates of vaccination and the associated easing of measures to stem the pandemic. Economic growth is expected to slow to 1.8% in 2023 as the thrust from catching up gradually levels off.

Eurozone

The forecast for the Eurozone assumes that supply bottlenecks will gradually resolve to make room for strong value growth in the manufacturing sector over the course of the year. Growth of 3.9% in 2022 and 2.5% in 2023 is projected. The upward pressures of rising energy prices are forecast to subside in the coming year, but prices for industrial goods are likely to increase.

Germany

The German economic recovery slowed again at the end of 2021 due to infections in the winter half of the year. This will result in a setback in expenditures for household consumption, likely accompanied by slight declines in gross domestic product. If the burdens of the pandemic begin to ease in spring of 2022, a strong recovery is expected, similar to 2021. In the event, economic activity is likely to be particularly buoyant as the supply bottlenecks that currently weigh heavily on industrial production are likely to subside. If this is the case, a 3.8% increase in gross domestic product is projected for 2022 before dropping back down to 2.5% in 2023. The events surrounding the Ukraine-Russia conflict will also affect the German economy. In addition to rising inflation, the threat of supply restrictions could also lead to further price increases, with corresponding impacts for gross domestic product (GDP).

FUTURE DEVELOPMENT OF TÜV RHEINLAND

The future development of TÜV Rheinland is based on the TR+ strategic plan, which was adopted by the Executive Board in the 2019 financial year and acknowledged in support by the Supervisory Board in December 2019. It should be noted that the following projections for the 2022 financial year for the development of TÜV Rheinland may differ from the actual results, due, among other things, to the fact that the global coronavirus pandemic is not completely over yet and continues to pose an unpredictable planning risk as a result.

Sub-goals have been derived from the strategic plan, which extends up to 2024, and correspondingly incorporated into the forecast for 2022. Global macroeconomic trends were analyzed, evaluated and factored into the expectations for 2022 for the individual Business Streams.

The coronavirus pandemic will continue to challenge us in the 2022 financial year. In our view, however, TÜV Rheinland remains well-positioned to survive this situation. The coronavirus pandemic has also created opportunities to place new services in the market. As we demonstrated in the 2021 financial year, our global presence permits us to partially offset temporary regional problems, particularly problems resulting from the coronavirus pandemic, in a favorable way. Added to this is the fact that the reorganization we began in recent years and largely completed in the 2021 financial year (with minor residual measures remaining in 2022) will furnish additional support toward meeting our growth targets for 2022. This means that we expect to translate the benefits of a lean and efficient organization into competitive advantages. Given the impacts it will have for the global economy, the conflict between Ukraine and Russia will affect TÜV Rheinland as well. Because the Group's business activity in Russia accounts for just a very small share of Group revenue, this is not expected to have a major impact on future business and earnings trends.

Once again in the 2022 financial year, changes in exchange rates for major currencies will remain a macroeconomic premise for TÜV Rheinland, which has operations worldwide, and we have factored these changes into the 2022 forecast to the best of our knowledge.

For the 2022 financial year – which also marks our 150th anniversary – we expect moderate revenue growth of around 2%. Further improvements in earnings are expected as a result of the essentially complete global group projects; these improvements stand in contrast to rising cost effects in personnel costs and rising material costs, alongside investments in long-term growth and innovation projects, and we anticipate an EBIT margin on the same order of magnitude as that for the current reporting year. SIMPLIFY!, SCALE!, DIGITALIZE! and QUALITY! are the

focal points of our TR+ strategic orientation. Nevertheless, sustainable profitability and independence remain indispensable to us as TÜV Rheinland – as an efficient and digital provider of services worldwide. Where the five Business Streams at TÜV Rheinland are concerned, we project the following developments:

Industrial Services & Cybersecurity

The positive revenue trend, in addition to the restructuring and stabilization measures instituted in the financial year under report, helped elevate the Business Stream to stable, double-digit margins. This positive trend permits increased investment in long-term growth and innovation projects in 2022. Revenue growth in the lower single-digit percentage range is forecast, with a focus on the long-term growth strategy, along with a stable profit margin of around 12%.

Mobility

It can be assumed that the coronavirus pandemic will continue to have an impact on this Business Stream in 2022. Nevertheless, as TÜV Rheinland, we expect revenue growth in the mid-single-digit percentage range in this Business Stream for the 2022 financial year. All of the Business Fields are projected to contribute to revenue growth, with a focus on the Periodical Technical Inspection and Engineering & Homologation Business Fields, along with further international expansion in the Rail field. An improved market situation is expected in the Car Services & Appraisal field. Growth in earnings in line with revenue growth is also projected across all Business Fields. Despite the pandemic, the Business Stream consistently pursues its growth strategy, investing in both expansion and innovation projects. A profit margin of around 8% is projected for the 2022 financial year.

Products

We project low-single-digit percentage growth in revenue for the 2022 financial year. All of the Business Fields and regions are projected to contribute to this growth. Pressing ahead with various digitalization projects will permit additional gains in efficiency. With major investments in

laboratory locations planned or already in progress (e.g. the expansion of the chemical laboratory in the US), our sights are set on securing future growth, particularly in the Asian region. The focus on new hires in fast-growing areas, and particularly in the Medical Business Stream, is also meant to build upon TÜV Rheinland's solid market position. With cost controls remaining in place, these growth activities can be expected to permit a profit margin of about 20%.

Academy & Life Care

The need for qualifications will continue to grow, as will an awareness and need for workplace health and safety. Business is projected to continue to grow in 2022 in Germany and internationally, particularly in Europe, Asia and the IMEA. The premise here is that virus mutations, such as the current Omicron variant, will not require long-lasting lockdowns of the seminar business or services in the labor market. In principle, however, pandemic-related restrictions must be expected. Overall, revenue growth is expected to be in the middle single-digit percentage range, with a profit margin of around 8%.

Systems

Following a recertification year that featured disproportionate revenue growth, the goal for the Certification of Management Systems Business Field will be to expand new business in an effort to keep revenue at its current level in the following year. In the Customized Services Business Field, further recovery can be expected in the "Social Compliance Audits" segment. Growth in Europe will be significantly influenced by services around the new Supply Chain Act. As a result of upcoming major projects, the most robust growth is expected to occur in the IMEA region. Competition in the Government Inspections & International Trade Business Field is set to increase through various government programs (Morocco, SALEEM/Saudi Arabia). The plan is to compensate for the resulting effects and to continue the positive revenue trend seen in recent years. For the financial year 2022, we anticipate revenue at approximately the level seen in 2021, together with a profit margin of around 15%.

Consolidated Balance Sheet

€ thousands	Dec. 31, 2021	Dec. 31, 2020
ASSETS		
Intangible assets	347,740	360,274
Property, plant and equipment	592,803	601,265
Investments accounted for using the equity method	2,564	3,033
Other financial assets	294,201	332,443
Other assets	18,274	24,489
Deferred tax assets	118,520	123,276
Non-current assets	1,374,103	1,444,780
Inventories	2,352	2,945
Contract assets	103,094	82,607
Trade receivables	257,555	227,861
Income tax receivables	30,167	18,195
Other receivables and other assets	241,379	238,648
Cash and cash equivalents	451,879	444,827
Assets classified as held for sale	7,878	2,522
Current assets	1,094,304	1,017,605
TOTAL ASSETS	2,468,407	2,462,385
EQUITY AND LIABILITIES		
Issued capital	35,000	35,000
Capital reserves	23,802	23,802
Other reserves	351,140	200,185
Non-controlling interests	26,270	25,981
Equity	436,212	284,968
Provisions for pensions and similar obligations	714,366	820,749
Other provisions	23,997	22,674
Liabilities to banks	88,750	299,928
Other liabilities	145,008	141,799
Deferred tax liabilities	19,041	21,202
Non-current liabilities	991,161	1,306,352
Provisions	386,217	381,794
Income tax liabilities	11,620	10,515
Contract liabilities	125,694	91,687
Trade payables	136,996	140,358
Liabilities to banks	156,014	26,338
Other liabilities	222,797	219,892
Liabilities classified as held for sale	1,696	481
Current liabilities	1,041,034	871,065
TOTAL EQUITY AND LIABILITIES	2,468,407	2,462,385

Consolidated Statement of Comprehensive Income

€ thousands	2021	2020
Revenue	2,090,453	1,951,566
Inventory changes	198	1,684
Cost of purchased services	-324,531	-298,389
Operating performance	1,766,120	1,654,861
Personnel expenses	-1,167,468	-1,159,465
Amortization of intangible assets and depreciation of property, plant and equipment	-153,050	-142,227
Other expenses	-366,699	-674,388
Other income	78,942	297,644
Operating result (EBIT)	157,845	-23,576
Interest income	5,016	6,095
Interest expenses	-17,214	-18,130
Other financial result	-899	-3,604
Financial result	-13,097	-15,640
Earnings before income taxes	144,748	-39,216
Income taxes	-26,417	-24,744
Consolidated net income	118,331	-63,960
Thereof attributable to:		
TÜV Rheinland Aktiengesellschaft equity holders	107,718	-72,761
Non-controlling interests	10,612	8,801
Earnings per share (in €), undiluted and diluted	3,078	-2,079

Consolidated Statement of Cash Flows

€ thousands	2021	2020
Consolidated net income	118,331	-63,960
Amortization, depreciation and impairment / Reversal of impairment of intangible assets and property, plant and equipment	153,050	142,227
Impairment/Reversal of impairment of financial assets	0	2,799
Change in non-current provisions	-27,194	-33,018
Change in deferred tax assets and deferred tax liabilities	-12,537	-13,830
Profit/Loss from the disposal of intangible assets and property, plant and equipment	-2,826	2,716
Other non-cash income/expenses	43	609
Change in inventories, receivables, and other assets	-64,893	-121,768
Change in liabilities and current provisions	41,972	307,412
Cash flow from operating activities	205,946	223,186
Payments for investments in		
intangible assets and property, plant, and equipment	-57,700	-68,811
financial assets	-16,008	-15,341
shares in fully consolidated companies (less cash and cash equivalents taken over)	-3,305	0
Receipts from disposal of		
intangible assets and property, plant, and equipment	0	6,553
financial assets	26,928	17,816
shares in fully consolidated companies (less cash and cash equivalents handed over)	3,936	0
Cash flow from investing activities	-46,149	-59,783
Payments to shareholders of TÜV Rheinland Aktiengesellschaft	0	-15,000
Payments to non-controlling shareholders	-10,188	-7,872
Receipts from bank borrowings	5,360	201,859
Payments from lending from banks	-86,598	-49,682
Payments from repayments of leasing liabilities	-60,293	-56,923
Acquisition of shares in subsidiaries	-1,878	0
Cash flow from financing activities	-153,597	72,382
Change in cash and cash equivalents	6,200	235,784
Cash and cash equivalents related to currency translation and consolidation	852	8,906
Cash and cash equivalents at beginning of period	444,827	200,135
Cash and cash equivalents at end of period	451,879	444,827

Independent Auditor's Report

The auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, has audited the consolidated financial statements prepared by us – consisting of the Consolidated Balance Sheet as of December 31, 2021, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the financial year from January 1 to December 31, 2021, together with the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. The Group Management Report of TÜV Rheinland Aktiengesellschaft for the financial year from January 1 to December 31, 2021, was also audited. The content of our statement on corporate governance pursuant to Section 289f (4) of the German Commercial Code (disclosures on the women's quota) was not reviewed by the auditor.

Following the final results of the audit, we were issued an unqualified audit opinion.

Limited Assurance Report of the Independent Auditor regarding Sustainability Information*

TO THE EXECUTIVE BOARD OF TÜV RHEINLAND AG, COLOGNE

We have been engaged to perform an independent limited assurance engagement on qualitative and quantitative sustainability disclosures in the chapter "Sustainability Report" in the Corporate Report 2021 (further: "Sustainability Report") for the period from January 1 to December 31, 2021 of TÜV Rheinland AG, Cologne (further: "Company").

It was not part of our engagement to review product and service-related information, references to external websites and information sources, as well as future-related statements in the Sustainability Report.

MANAGEMENT'S RESPONSIBILITY

The legal representatives of TÜV Rheinland AG are responsible for the preparation of the Sustainability Report in accordance with the Reporting Criteria. TÜV Rheinland AG applies the principles and standard disclosures of the Standards of the Global Reporting Initiative (GRI) (option "Core") as Reporting Criteria (further: "Reporting Criteria").

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the Sustainability Report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of Sustainability Report that is free of – intended or unintended – material misstatements.

PRACTITIONER'S RESPONSIBILITY

It is our responsibility to express a conclusion on the Sustainability Report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published by IAASB. Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the Sustainability Report of the Company for the period from January 1 to December 31, 2021, has not been prepared, in all material respects, in accordance with the Reporting Criteria. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of personnel who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries of TÜV Rheinland AG
- A risk analysis, including a media research, to identify relevant information about sustainability performance of TÜV Rheinland AG in the reporting period
- Evaluation of the design and implementation of the systems and processes for the collection, processing and monitoring of the qualitative and quantitative disclosures within the scope of the engagement, including the consolidation of data
- Inquiries of personnel who are responsible for determining and consolidating disclosures as well as for performing internal controls for the data, including the accompanying explanations
- Evaluation of selected internal and external documents
- Analytical evaluation of data and trends of quantitative

* Our engagement applied to the German version of the Sustainability Report. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

redefined in the reporting year. Comparability with previous years is possible only to a limited extent. The goal set for 2025 will probably be amended as a result of the modified parameters; no resolution was available at the time that the present report went to press.

The table of days spent in training and continuing education shows data reported for 2021. E-learning sessions are not included in this figure.

GRI Content Index

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
GRI 100 Universal Standards		
GRI 101: Foundation		
GRI 102: General Disclosures		
Organizational Profile		
102-01 Name of the organization	TÜV Rheinland AG	
102-02 Primary brands, products and services	45 – 46 www.tuv.com , About us	
102-03 Headquarters of the organization	Am Grauen Stein, 51105 Cologne, Germany	
102-04 Countries where the organization operates	50 – 51 TÜV Rheinland worldwide	
102-05 Nature of ownership and legal form	45 – 46	
102-06 Markets	47 – 49 Overview of Business Streams	
102-07 Size of the organization	58 – 60, 61 – 62 TÜV Rheinland at a glance	
102-08 Employee structure	22, 61 – 62	The workforce figures are not subject to seasonal fluctuations. 84.6% of our workforce comprises permanent employees. 63% of those permanent employees are male. 57% of the employees with fixed-term employment contracts are male. The share of permanent employment contracts in each region is as follows: D – 92.9%; WE – 97.0%; CEE – 94.5%; AP – 97.1%; GC – 47.7%; NA – 99.8%; SA – 95.4%; IMEA – 87.9%. 93.6% of men and 82.4% of women in the Group work on a full-time basis. This involves a headcount calculation, cf. section "About this Report"
102-09 Description of the supply chain	29 – 30, 39	The basic product groups for TÜV Rheinland are energy, information and communications technology, testing and inspection equipment, and office furnishings. In addition, marketing services and advertising materials are procured from suppliers and service providers. TÜV Rheinland strives for an extremely reliable supply strategy and a stable procurement system, and wants to ensure that all suppliers and manufacturers deliver the agreed price-performance ratio of the products and services. In the selection of its suppliers and service providers, TÜV Rheinland concentrates on suppliers in the geographic vicinity of the consuming locations and takes care to ensure that they engage in ethically correct conduct.
102-10 Significant changes in the organization's size, structure or ownership	53 – 58	
102-11 Explanation of how the precautionary principle is addressed	62 – 69	
102-12 Participation in and endorsement of externally developed charters, principles and initiatives	8	

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
102-13 Important memberships	9 – 10	
Strategy		
102-14 Foreword by the Chairman of the Executive Board	3	
102-15 Key impacts, risks and opportunities	5 – 6, 64 – 69	
Ethics and integrity		
102-16 Values, principles and code of conduct	4, 38 – 39, 40 – 41	
Management		
102-18 Governance structure of the organization	89 – 91	
Stakeholder engagement		
102-40 Overview of stakeholder groups	5	
		The compensation for about 88% (per-capita disclosures as of December 31, 2021) of our employees in Germany (excluding temporary employees, interns, employees in limited part-time employment, retirees) is subject to a collective bargaining agreement.
102-41 Employees covered by collective bargaining agreements		
102-42 Basis for identification of stakeholder groups	5	
102-43 Engagement of stakeholder groups	4 – 6	
102-44 Consideration of key concerns raised by stakeholder groups	4 – 6 CSR and Sustainability	
Reporting practice		
102-45 All entities included in the organization's consolidated financial statements	CSR and Sustainability	
		In defining the report content, we relied on the essential categories and associated topics of the Sustainability Strategy 2025, which is based on a stakeholder survey.
102-46 Process for defining report content	6 – 8	
102-47 Material aspects	4 – 8	
102-48 Effects of any re-statements of information	79 – 80	
102-49 Change in the scope, boundary or measurement methods	79 – 80	
102-50 Reporting period	79 – 80	
102-51 Date of most recent previous report	79 – 80	
102-52 Reporting cycle	79 – 80	
102-53 Contacts	Contacts CSR & Sustainability	
102-54 Claims of reporting in accordance with the GRI Standards	79 – 80	
102-55 GRI Content Index	81 – 88	
102-56 External audit of the report	77	
Data integrity		
103-1 Explanation of the material topics and their boundaries	35 – 37	
		Violations of the Code of Conduct of TÜV Rheinland, guidelines or regulations can be reported worldwide via the "Whistleblowing Platform." That system is backed up by a standardized process that involves Compliance and – as needed – HR.
103-2 The management approach and its components	35 – 37	
103-3 Evaluation of the management approach	35 – 37	

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
		No justified complaints regarding the violation of customer data privacy or the loss of customer data are known to have been reported during the period under review. TÜV Rheinland operates a Data Protection Management System that uses strict standards and guidelines to enforce data protection compliance in business processes throughout the Group. In the reporting year, rights of persons affected and queries from the regulatory authorities responsible for data protection were clarified and concluded in due time, resulting in no measures being undertaken against the company by the regulatory authorities. To comply with specific state and national statutory regulations, the accountability relative to data integrity is placed under the responsibility of the respective legal entity; Group-wide reporting is therefore dispensed with during the period under review.
418-1 Complaints regarding customer data privacy		
Employee safety		
103-1 Explanation of the material topics and their boundaries	12 – 14	
103-2 The management approach and its components	12 – 14	
103-3 Evaluation of the management approach	12 – 14	
		We have implemented a management system for Occupational Health and Safety in all legal entities of the Group. It covers all jobs, employees and activities of the Group. The system was developed on the basis of ISO 45001 and ISO 14001 as well as the statutory requirements in each country in which we operate, and applies for all employees who work for or on behalf of TÜV Rheinland.
403-1 Management system for Occupational Health and Safety		
		The HSE Risk Management SOP is part of the HSE Management System and defines how HSE risks are identified, evaluated and managed. This includes the performance of risk assessments and the implementation of control measures. All employees who work for the company are authorized by the Executive Board to interrupt work when they feel that something is unsafe, and then to discuss the situation with their manager or supervisor. Personal Commitment Cards (PCCs) are used to communicate this authorization to the employees. HSE incidents are documented, reported and – in compliance with the HSE Incident Management SOP – investigated.
403-2 Hazard identification, risk assessment and investigation of incidents	12 – 14	
403-3 Occupational health services	12 – 14	
		The HSE Risk Management SOP includes the assessment and management of risks that can affect the health of employees.

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
403-4 Employee participation, consultation and communication concerning occupational health and safety		<p>The employees' consultation and participation in the company's HSE Management System are described in the HSE Communication and Awareness SOP.</p> <p>In Germany, there is a network of occupational safety committees (OSCs) in the divisions, and HSE committees at company level outside of Germany. The OSCs represent all employees in Germany. Throughout the Group, an HSE committee was set up in the reporting year for each company with more than 50 employees; these committees are to meet quarterly.</p>
403-5 Employee training on occupational health and safety		<p>We train our employees regularly in the area of occupational health and safety, whether through personal training courses such as instruction classes or through e-learning programs via the myHR platform (in compliance with the HSE Competence and Training SOP).</p>
403-6 Promoting the health of the employees		<p>The health of the employees is promoted in the Group companies at country level. In Germany, flu and COVID vaccinations are offered and an emphasis is also placed on the mental health of our employees.</p> <p>Once again in the reporting year, against the background of the COVID-19 pandemic, all companies focused specifically on protecting the health of the employees.</p>
403-7 Prevention and mitigation of occupational health and safety effects directly associated with business relationships		<p>The HSE Risk Management SOP and the HSE Emergency Response SOP contain detailed prevention and mitigation plans for health and safety on the job.</p> <p>On both regional and Group levels, crisis management teams were established to prevent and/or mitigate effects on the health and safety of our employees, such as with the COVID-19 pandemic.</p>
403-8 Employees covered by a management system for occupational health and safety		<p>We monitor 100% of our employees through our Occupation Health and Safety Management System.</p>
403-9 Work-related injuries		<p>Work-related injuries are recorded for all employees and contractors. Inasmuch as we do not record the number of hours worked by contractors, the rates relate only to employees. The rates are calculated per 1,000,000 hours worked. The number of hours worked is based on 7.7 hours per day and 220 workdays per year. The 3 main types of work-related injuries in 2021 are: Abrasions or lacerations, bruises, and sprains/strains. The three main causes for injuries are traffic accidents, slips, and being pinched in/ by an object.</p> <p>Work-related dangers are inspected on a local level in the context of the risk management process, as described in detail in the HSE Risk Management SOP. The measures for minimizing and potentially eliminating dangers are implemented at the local level, because the activities and conditions on site or in the respective country differ.</p>

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
403-10 Work-related illnesses		<p>There were no deaths due to occupation-related illnesses. The only occupation-related illness reported this year was one COVID case where it was determined that the person concerned became infected with SARS-CoV-2 while at work. These cases are included in the figures for work-related injuries and are not currently counted separately. No employees are excluded from the figures. Occupation-related illnesses of other groups of people are not included here because no such reports were received.</p>
Service quality		
103-1 Explanation of the material topics and their boundaries	32 – 34	
103-2 The management approach and its components	32 – 34	<p>There are no special guidelines in this regard at the Group level, nor any additional responsibilities.</p>
103-3 Evaluation of the management approach	32 – 34	
416-1 Product and service categories for which health and safety impacts are assessed	32 – 34	<p>Analyzing products and services with regard to their effects on health, safety and the environment is TÜV Rheinland's core area of expertise. Because all of TÜV Rheinland's services have the objective of contributing to an improvement in health, safety or environmental compatibility, the percentage of the significant product and service categories whose effects on health and safety are analyzed with regard to improvement potentials is not systematically documented. An overview of our services can be found at www.tuv.com.</p>
417-1 Requirements for product and service information and labeling	www.certipedia.com	<p>Our companies have no specific requirements for the labeling of products or services. There is a catalog for our test marks, however, that provides transparency about the underlying testing services.</p>
417-2 Violations in connection with product and service information and labeling		<p>We are not aware of any significant violations during the reporting year.</p>
Employee development		
103-1 Explanation of the material topics and their boundaries	15 – 17	
103-2 The management approach and its components	15 – 17	
103-3 Evaluation of the management approach	15 – 17	
404-2 Programs for skills management and lifelong learning	Development & Career TÜV Rheinland	<p>TÜV Rheinland offers numerous personnel development programs for different hierarchical levels within the company. Detailed information is available on our website.</p> <p>The Development & Performance dialog enables continuous feedback worldwide between supervisors and employees. The development discussion is an opportunity to discuss skills and competences, individual actions for further development, and interest in talent and career development activities. The employees can take an active part here in setting targets and their own development. With the successful transformation into the standardized IT system myHR, a global assessment will be possible in the future. The system cannot generate an assessment by gender or employee category for the reporting year 2021.</p>
404-3 Regular performance and career development reviews	Development & Career TÜV Rheinland	

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
Business ethics		
103-1 Explanation of the material topics and their boundaries	40 – 41	
103-2 The management approach and its components	40 – 41	
		Employees and business partners can use a TÜV Rheinland information platform to report – also anonymously – possible misconduct or abuses in the company. This concerns information about the violation of laws, internal company guidelines or our compliance program. The system is specifically designed for reporting compliance violations and not for general complaints (such as customer satisfaction or quality problems). Those reports are processed in the respective business units and regions and recorded using a standardized methodology worldwide.
103-3 Evaluation of the management approach	40 – 41	
		Information analyzed according to employee category and business partner category is not available at this time. We follow a standardized approach for the entire Group, irrespective of employee category or region.
205-2 Percentage of employees trained in anti-corruption policies and procedures		
		Due to the relative descriptive content, compliance-related violations are not processed or recorded separately with regard to corruption.
205-3 Incidents of corruption and actions taken		
		According to our donation and sponsoring guidelines, political parties may not be supported without the prior written authorization of the Executive Board. Corporate GO Compliance must be informed about political contributions. No known contributions were made to political parties during the reporting year.
415-1 Contributions to political parties		
Legal compliance		
103-1 Explanation of the material topics and their boundaries	38 – 39	
103-2 The management approach and its components	38 – 39	
103-3 Evaluation of the management approach	38 – 39	
		To our knowledge, there were no known significant legal actions due to anti-competitive behavior during the reporting year.
206-1 Legal actions due to anti-competitive behavior		
		To our knowledge, there were no such significant breaches and resulting fines across the entire Group in the reporting year.
307-1 Fines for non-compliance with environmental laws and regulations		
		We are not aware of any significant fines or other sanctions for non-compliance with social and economic laws and/or regulations during the reporting year.
419-1 Non-compliance with laws and regulations in the social and economic area		
Labor rights		
103-1 Explanation of the material topics and their boundaries	18 – 19	
		The TÜV Rheinland Code of Conduct contains clear information concerning our policy relative to labor rights in the foreword and in the section “Fair work.” In our Code of Conduct, we have laid out how violations can be reported under “Violations and Sanctions.”
103-2 The management approach and its components	18 – 19	
103-3 Evaluation of the management approach	18 – 19	

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
		Based on statutory regulations (§§ 111, 112 German Labor-Management Relations Act [BetrVG]), in Germany the responsible works council is fully informed on a timely basis about planned operational changes which might result in significant disadvantages for the workforce or for significant parts of the workforce, and the works council is consulted regarding the planned operational changes.
402-1 Minimum notice periods regarding operational changes	18 – 19	
405-2 Equal remuneration for women and men	18 – 19	
		At TÜV Rheinland, an employee's wage is oriented to the employee's work activities, qualifications, and professional experience.
Non-discrimination		
103-1 Explanation of the material topics and their boundaries	20 – 21	
		Violations of the Code of Conduct of TÜV Rheinland, guidelines or regulations can be reported worldwide via the “Whistleblowing Platform.” That system is backed up by a standardized process that involves Compliance and – as needed – HR.
103-2 The management approach and its components	20 – 21	
103-3 Evaluation of the management approach	20 – 21	
		TÜV Rheinland consistently pursues all reports of discrimination and punishes them with disciplinary measures. No discrimination cases that were pursued legally were reported worldwide during the reporting period. In Germany, two employees consulted the HR department regarding sexual discrimination. In one case, the discriminator received a warning; in the other case, the person affected only wanted advice. TÜV Rheinland is a supporter of Germany's nationwide campaign “Together Against Sexism” and during the reporting year we published additional information pages in the intranet about raising awareness relative to sexual harassment in the workplace. Those pages contain clarifying information as well as recommended actions and advice to both internal and external contacts for persons affected.
406-1 Incidents of discrimination and corrective actions taken		
Diversity		
103-1 Explanation of the material topics and their boundaries	22 – 23	
		There are no explicit restrictions relative to delimiting the topic of diversity.
		Violations of the Code of Conduct of TÜV Rheinland, guidelines or regulations can be reported worldwide via the “Whistleblowing Platform.” That system is backed up by a standardized process that involves Compliance and – as needed – HR . Also the biannual survey of the question concerning “Equal treatment regardless of gender, age, nationality, ethnic origin, disability, religions or ideology, sexual orientation or identity” in the context of the employee survey “together.”
103-2 The management approach and its components	22 – 23	
103-3 Evaluation of the management approach	22 – 23	

GRI standard and description	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2021
405-1 Composition of governance bodies and employee structure		<p>The age distribution of the total workforce breaks down as follows (headcounts): up to 30 years old: 21.5% 30 to 50 years old: 55.5% over 50 years old: 23.0%</p> <p>The age distribution among managers breaks down as follows (headcounts): up to 30 years old: 5.9% 30 to 50 years old: 63.9% over 50 years old: 30.2%</p> <p>Three members of the Executive Board are male, one is female. All members of the Executive Board are German. One member is between 30 and 50 years old, and three members are over 50 years old.</p>
Greenhouse gas emissions		
103-1 Explanation of the material topics and their boundaries	24 – 29	Violations of the Code of Conduct of TÜV Rheinland, guidelines or regulations can be reported worldwide via the “Whistleblowing Platform.” That system is backed up by a standardized process that also involves QHSE.
103-2 The management approach and its components	24 – 29	
103-3 Evaluation of the management approach	24 – 29	
305-1 Direct greenhouse gas emissions – Scope 1	25 – 29	<p>Direct greenhouse gas emissions according to Scope 1 amounted to 7,315.1 t CO₂eq in the reporting year.</p> <p>Breakdown of Scope 1 emissions: a) from natural gas (global): 731.6 t CO₂eq; b) from heating oil (global): 681.6 t CO₂eq; c) from the company car fleet (GER): 5,901.9 t CO₂eq.</p>
305-2 Indirect greenhouse gas emissions – Scope 2	25 – 29	<p>Indirect greenhouse gas emissions according to Scope 2 amounted to 37,137.2 t CO₂eq in the reporting year.</p> <p>Breakdown of Scope 2 emissions: a) from electricity (global): 35,613.0 t CO₂eq; b) from district heating (global): 1,524.2 t CO₂eq.</p>
305-3 Other indirect greenhouse gas emissions – Scope 3	25 – 29	<p>Indirect greenhouse gas emissions according to Scope 3 amounted to 20,306.1 t CO₂eq in the reporting year.</p> <p>Breakdown of Scope 3 emissions: a) from business travel (global): 13,761.5 t CO₂eq; b) from upstream emissions (global): 6,544.6 t CO₂eq.</p>
305-4 Intensity of greenhouse gas emissions	25 – 30	In 2021, the annual specific emission of CO ₂ eq per employee in the sum of all Scopes amounted to: 3.19 [t/a FTE]. This figure took 20,295.7 employees into account.
305-5 Reduction of greenhouse gas emissions	25 – 30	From reference year 2018 to 2021, reductions were made in Scope 1 (direct), Scope 2 (indirect) and Scope 3 (indirect). As compared with the previous year 2020, in 2021 no reductions were made in Scopes 1–3.

Supervisory Board and Executive Board of TÜV Rheinland AG

The current Supervisory Board of TÜV Rheinland AG consists of 16 members. The Chairman of the Supervisory Board is Prof. Dr. Michael Hüther, Director and Member of the Presidium at the German Economic Institute.

The members of the Executive Board of TÜV Rheinland AG manage the company jointly and under their own responsibility. The Executive Board includes Dr.-Ing. Michael Fübi (Chief Executive Officer) along with Philipp Kortüm and Ruth Werhahn.

Chairman of the Supervisory Board



Prof. Dr. Michael Hüther

Executive Board



Dr.-Ing. Michael Fübi
Chief Executive Officer



Philipp Kortüm
Chief Financial Officer



Ruth Werhahn
Executive Board member for Human Resources and Law, and Labor Relations Director

Organization of TÜV Rheinland

The responsibility for results lies with the global heads of the Business Streams. The regional heads are the top representatives of TÜV Rheinland in the respective regions and coordinate activities there which concern all Business Streams. The heads of the Business Streams and of the regions prepare the content of important decisions of the Executive Board together; they reach agreement in the Group Executive Council, the top operative management

team of TÜV Rheinland AG below the Executive Board. The operational parent company of the subsidiary belonging to the Group is TÜV Rheinland Berlin Brandenburg Pfalz e.V. In accordance with Germany's right of co-determination, the workforce is represented by employee representatives on the Supervisory and Management Boards.

Heads of Business Streams



Industrial Services & Cybersecurity
Petr Láhner



Mobility
Dr. Matthias Schubert



Products
Kimmo Fuller



Academy & Life Care
Markus Dohm



Systems
Andreas Höfer

Regional heads



Germany
Dr.-Ing. Michael Fübi



Western Europe / Central Eastern Europe
Kirsten Raapke



India, Middle East, Africa
Benedikt Anselmann



Asia Pacific
Jennelle Petit



Greater China
Yushun Wong



North America / South America
Chris Koci