



Today for tomorrow.

Corporate Report 2023

Editorial.....	05
TÜV Rheinland.....	06
Sustainability Report.....	08
Financial Report.....	56
Annex.....	92
About this Report.....	98
GRI Index.....	99
Organization TÜV Rheinland.....	107
Editorial information.....	110



Dear Readers,

Ensuring an adequate supply of clean water, producing affordable and climate-friendly electricity, protecting the world's climate – only technical progress can overcome the challenges of the future. Specialists at the United Nations surmise that the use of digital technologies can be a decisive factor in supporting more than two-thirds of the UN Sustainable Development Goals. We at TÜV Rheinland may not play a prominent role in that context, but our role is important nevertheless. Because our mission is to guide technical innovation and make it safe.

TÜV Rheinland has fulfilled that mission once again in the 2023 reporting year, as borne out by our strategic growth with ten corporate takeovers in Europe and our sales revenue growth. For this I would like to express my gratitude to our employees – and to our customers, who continue to place great trust in TÜV Rheinland's technical expertise. In the future, we want to work together with them to make technological innovations viable and thereby blaze the trail to a more sustainable economy.

As a testing and inspection company, our independent tests, inspections, certifications, audits, and training courses offer our customers high added value where sustainability is concerned. We help them establish transparency regarding achievement of their goals and help them pursue those goals even more coherently. And we assist them in placing effectively sustainable products and services on the market.

At the same time, a full range of ESG-related services has become an important mainstay of our business – and has potential for further growth. Moreover, we are working to make our own activities even more sustainable – and we're on the right track. With our achievement of EcoVadis Platinum status, we have even exceeded an essential goal. And we also celebrated successes in the areas of work safety of employees, diversity and non-discrimination.

"Today for tomorrow": Under this motto of the TÜV Rheinland sustainability initiative, we will also continue to develop in the future. We will continuously monitor our goals and our achievement thereof with a view to becoming better. To that end, we are documenting our greenhouse gas emissions in more and more areas. Because our goal is, and remains, to continuously reduce our emissions and to compensate remaining emissions as of 2025 and 2028, respectively.

Learn more about our objectives and programs, our successes, and challenges, in the present Corporate Report.

Yours,

Dr.-Ing. Michael Fübi

Chief Executive Officer of TÜV Rheinland AG



TÜV Rheinland. Precisely. Right.

As a testing and inspection services company, for more than 150 years TÜV Rheinland has stood for quality and safety in the fields of testing, inspection, certification and training. Our service promise: What we do, we do precisely and we do it right.

As an independent testing and inspection services company, since 1872 TÜV Rheinland has stood for quality and safety in the interaction between people, technology and the environment in almost all areas of the economy and life. Based in over 500 locations, the company's experts test and inspect technical plants, equipment and products, support innovations in engineering and business, train people, and certify management systems according to international standards. With more than 22,000 employees and annual revenue of over 2.4 billion euros, the company is one of the world's leading providers of testing and inspection services.



€2.44 billion

REVENUE



€103.9 million

EBIT



€174.2 million

ADJUSTED EBIT

REVENUE BY BUSINESS STREAM

26.2%

INDUSTRIAL SERVICES &
CYBERSECURITY

27.0%

MOBILITY

25.0%

PRODUCTS

11.4%

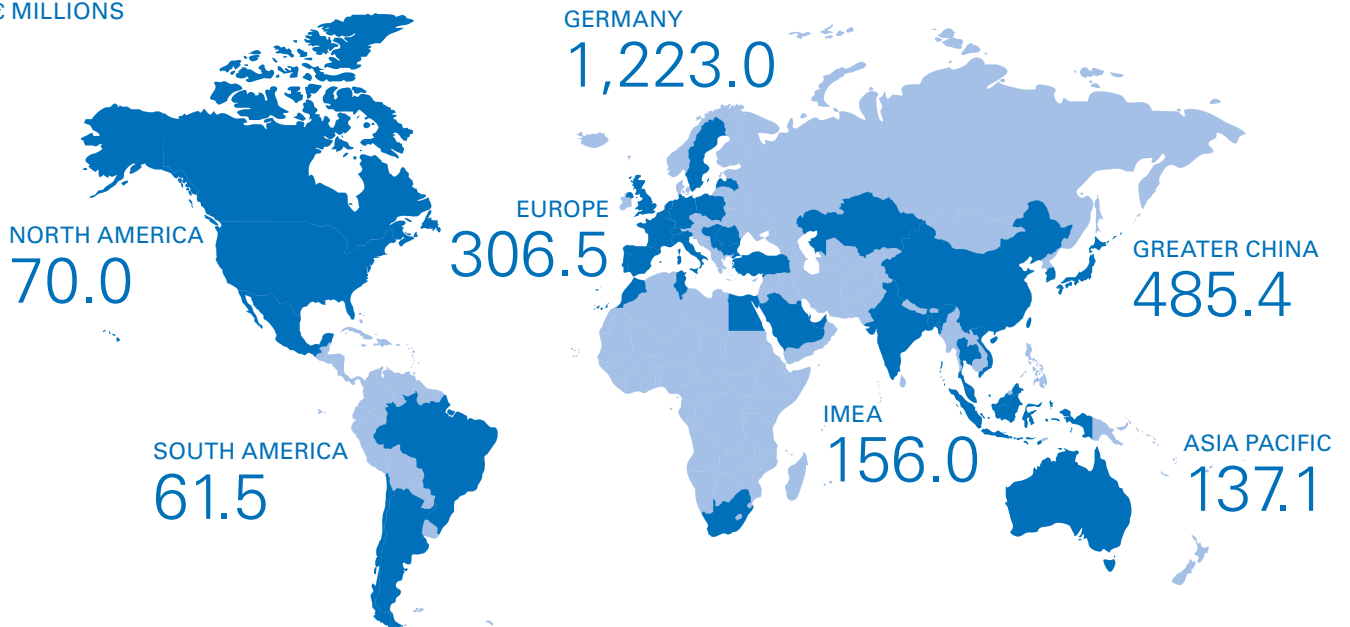
ACADEMY & LIFE CARE

10.4%

SYSTEMS



**GROUP REVENUE
BY REGION
IN € MILLIONS**



–8%

less
GREENHOUSE GAS EMISSIONS
in Scopes 1, 2, 3.3 and 3.6 as
compared with reference year 2018



22,092

is the number of
EMPLOYEES
(full-time equivalent, FTE)



28.5%

is the share of
**WOMEN IN
MANAGERIAL POSITIONS**



93.5%

is the share of employees
who received training in basic
COMPLIANCE requirements



–50.0%

is the percentage drop in the
LOST TIME INJURY RATE (LTI) as
compared with reference year 2019



53

is the NPS score for
CUSTOMER SATISFACTION

Sustainability Report

- Our focus on sustainability 10–15
- People 16–33
- Planet 34–43
- Profession 44–55



Our focus on sustainability

The transformation to a sustainable approach to economics is a global undertaking. As a provider of testing and inspection services at the interface of people, technology, and the environment, we want to seize the opportunities that this transformation offers and create added value – not only for our stakeholders and society, but also for our customers. To that end, we want to continue to position ourselves professionally and sustainably, in order to be successful.

Sustainability is a joint task of tremendous global significance for economic development. As a technical inspection and testing company, we can support this transformation at many points. In the development and application of new technologies, TÜV Rheinland wants to continue in the future to act with integrity as a reliable partner for safety and quality. We test and inspect technical plants, equipment, and products the world over, support innovations in engineering and business, train people in many professions, and certify management systems according to international standards – increasingly in relation to sustainability. As a key objective of the Group strategy, that makes sustainability essential to our success.

WHAT WE INTEND TO ACHIEVE

By anchoring it in the Group strategy, we want to raise sustainability to a new level, and thereby do justice to its increasing importance for society, the environment, and the economy. We are working continuously and proactively to identify risks early and to seize opportunities that open up a sustainable development for all of us. The Executive Board is promoting the achievement of sustainability goals through measures and programs with the active participation of our internal and external stakeholders.

With anchoring by “Drive for Sustainability” as one of the four strategic Group objectives, we are placing our focus on building up ESG services (ESG: Environmental, Social and Governance) in all Business Streams as well as on our goal of verifiably contributing to climate protection and improving and increasingly embedding sustainability in the Group and in the value creation chain – for a professionally and sustainably positioned company that is also economically successful.

- We want to significantly expand our ESG services in all Business Streams. We are focusing on the sustainability areas of energy, infrastructure, mobility, consumption, workplace, and corporate governance. We offer the services relating to these areas worldwide.
- We want to be greenhouse gas-compensated on a global basis starting from 2028 – and in Germany already by 2025. This means that, along with our actions for reducing GHG emissions, we will compensate for the remaining annual global GHG emissions from the Scopes where we have a major impact – namely Scopes 1, 2, 3.3 and 3.6 – with certificates from certified carbon offset projects (see chapter “Planet,” page 34).
- We want to incorporate sustainability even further – in the Group and in the value creation chain – and to transparently document it and verifiably improve it. Since 2019, we have had our performance audited by EcoVadis, a sustainability ratings provider with a worldwide reputation. Our goal of obtaining the EcoVadis Gold status was achieved already in 2022. During the recent financial year, we exceeded our objective and were awarded Platinum. That ranks us in the top 1 percent of the companies evaluated.

KEEPING TRACK OF WHAT MATTERS

We continuously analyze what constitutes the essential impact that our business activity has on people and the environment, and also what opportunities, risks and responsibilities derive from this. To that end, we conducted a comprehensive stakeholder survey already in 2020, to identify the expectations of our stakeholder groups and to determine the material topics for TÜV Rheinland. The subsequent materiality analysis based on GRI standards (GRI: Global Reporting Initiative) gave rise to ten categories that we use as guideposts with a view to further incorporating sustainability in the company (see graphic below). In this context, we have turned our attention to the three dimensions "Planet," "People," and "Profession." They correspond to the ESG criteria of environment, social, and responsible corporate governance. For all ten categories, we have set specific, measurable objectives for ourselves that we aim to achieve by 2025. At the same time, we are continuously pursuing the further development of our strategy. In 2022, we realized and evaluated developments at various levels. Regulatory requirements, customer expectations, voluntary commitments in our industry, shareholder expectations and other factors have led us to review, and in some cases modify, our objectives. Through the analysis of all our services with regard to their ESG impact, for example, we developed an overview of where we can leverage our business activity to make a positive contribution and take advantage of opportunities.

In the financial year, we further developed our duties of care processes related to human rights and the environment. Our main guidance in this regard comes from Germany's Supply Chain Due Diligence Act (LkSG). One key aspect of these processes is internal and external risk analysis. To fulfill our duties of care relative to human rights and the environment, we are developing a risk profile that we are

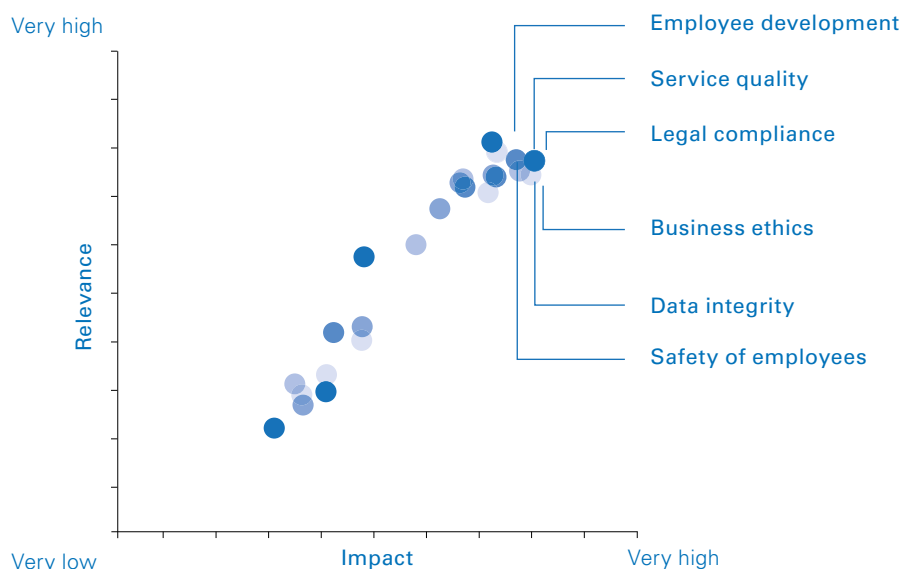
integrating into our internal processes. This concerns in particular our Supplier Management strategy, which falls within the purview of our Global Office Corporate Procurement. We have, for example, updated our Supplier Code of Conduct. In so doing, we give our business partners guidance about our understanding of sustainability and underscore our expectations regarding collaborative partnership.

For 2024, we are planning to update the materiality analysis to focus on the further development of our sustainability management. Accordingly, we also want to address new regulatory requirements such as the European Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

All indications are that the results of our materiality analysis retained their validity in the financial year, however. Findings bore out that our strategic objectives and material topics adequately reflect the industry as well as the size and global presence of our company. Consequently, the following aspects represent material topics for us: Our sustainability dimension "People" emphasizes human factors. We strive for equality, fair treatment, a diverse and inclusive corporate culture, personnel development, and occupational safety and health. Professional behavior and acting with integrity are no less essential for our success and our future viability. Our sustainability dimension "Planet" focuses on our greenhouse gas emissions; moreover, we voluntarily report our water and paper consumption. Our sustainability dimension "Profession" examines responsible corporate management (Good Governance) with an emphasis on service quality, data integrity, and legal conformity (Compliance) and business ethics.

The objectives that we intend to achieve by 2025 address all ten categories that we determined in our materiality analysis: we have formulated those objectives with requirements,

TÜV RHEINLAND MATERIALITY MATRIX AND ESSENTIAL CATEGORIES



Ranking according to the final materiality matrix

- | | |
|--------------------|------------------------|
| ■ Legal compliance | ■ Employee development |
| ■ Service quality | ■ Data integrity |
| ■ Business ethics | ■ Safety of employees |

Four other categories prioritized as essential

- | | |
|----------------------|----------------------------|
| ■ Non-discrimination | ■ Greenhouse gas emissions |
| ■ Labor rights | ■ Diversity |

defined them with measurement parameters, and assigned target values to those parameters. To document our progress and drive our continuous improvement, we developed measurable key performance indicators (KPIs) that apply to all locations worldwide. The results from over the course of the financial year are reported in the following chapters.

IN DIALOG WITH OUR STAKEHOLDERS

We maintain ongoing dialog with our internal and external stakeholder groups: This enables us to appreciate and take into account their requirements, expectations and motivations. Moreover, we make every effort to systematically include other relevant stakeholder groups, using suitable

formats for this purpose. Our employees are key stakeholders for us with whom we communicate regularly on various channels. For that purpose, our intranet provides access to a "Sustainability app" along with a newsletter where employees can also publicize their engagement. All relevant developments are regularly announced by the Executive Board in a Board chat to members of management and others, who then pass that information along to their employees in their companies and regions.

In 2023, we surveyed our employees' satisfaction using a global "People Pulse Check," which will be conducted again regularly in the future. At three-year intervals we also conduct our comprehensive employee survey "Together,"



STAKEHOLDERS

We define stakeholders as all persons, companies and institutions with whom we enter into a direct relationship in the course of providing services, but also 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.

from which we derive appropriate areas of activity and specific actions. Within the industry, we exchange information with the TÜV Association and the TIC Council (TIC: Testing, Inspection & Certification) to share experience and approaches to sustainability and champion shared industry issues. Since 2006, our active membership of the UN Global Compact Network Germany has enabled us to discuss sustainable and responsible corporate governance with other companies as well as non-governmental organizations, government agencies and the scientific community. In 2023, for example, our focus concerned the implementation of human rights duty of care. Furthermore, we regularly exchange ideas and information with experts and decision-makers from many other industries.

During the financial year, the following aspects were of particular interest to us and our stakeholders:

- Future German and European regulatory requirements for due diligence in the area of human rights and environmental aspects and the associated risk analysis of the Management, such as the CSRD and the ESRS and the Corporate Sustainability Due Diligence Directive (CSDDD).
- Customer requests for ESG-related services.
- Interest of customers and employees in the sustainability orientation of TÜV Rheinland – as an expectation of, or prerequisite for, a collaboration.

SUSTAINABILITY MANAGEMENT

Dr. Achim Ernst, Global Officer Corporate Development, is responsible for our sustainability governance. He reports directly to the Chief Executive Officer and keeps the Executive Board and the extended Group management informed on a regular basis. With the start of 2023, a Corporate Sustainability Team with two Senior Managers Corporate Sustainability was established in Corporate Development. Led by Katharina Riese as Head of Corporate Sustainability, the team focuses on, among other things, strategic and organizational further development, coordination, and consulting. In keeping with her function as a human rights officer, Katharina Riese also assures the monitoring of human rights-related and environment-related risk management and reports directly to the Executive Board in that function.

Various steering committees anchor the topic of sustainability organizationally in the Group. The Sustainability Committee, which comprises the upper management of the Group and was established in 2022, is basically involved with the evaluation of developments in the area of sustainability relative to the strategic direction of TÜV Rheinland. It convenes at least two times per financial year. Furthermore, the Executive Board uses the Sustainability Program established in 2022 to control the strategic direction. To that end, it regularly signs off in steering committees with Corporate Development and Global Business Improvement Management, which manage the program on the project side. The departmental heads, who serve as “Category Owners” of the individual material categories, are responsible for monitoring, managing, and reporting on sustainability-related projects and key performance indicators. The Sustainability Strategy Steering Committee meets regularly to provide coordination.

NETWORK FOR SUSTAINABLE TRANSFORMATION

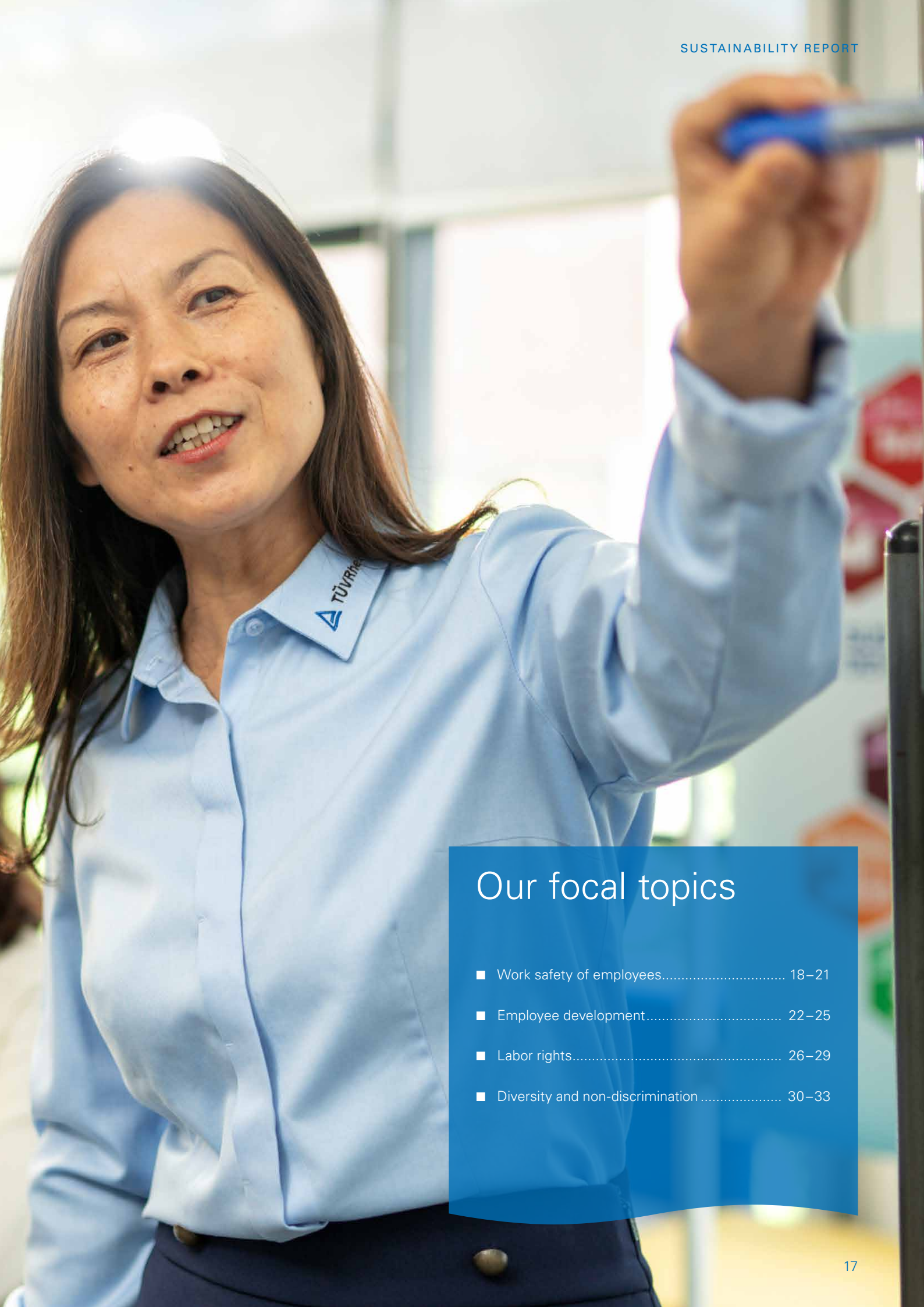
Global and national initiatives and alliances are essential in the transformation to a sustainable economy and society. TÜV Rheinland is committed to various organizations together with other social actors:

- As a signatory of the UN Global Compact, we are a member of the UN Global Compact Network Germany (UN GCD) and share the ten principles for sustainable and responsible business practices formulated by that organization. TÜV Rheinland's representative on the Executive Board of UN GCD in 2023 was Katharina Riese, Head of Corporate Sustainability.
- Our sustainability strategy is designed to help achieve the Sustainable Development Goals (SDGs) formulated by the United Nations.
- We are committed to the principles of the TIC Council, the international association of the testing, inspection, and certification industry. Dr.-Ing. Michael Fübi, CEO of TÜV Rheinland, is President of the TIC Council, and Dr. Achim Ernst represents us in the ESG Working Group.
- We participated in the climate conference of the United Nations (COP 28).
- We actively support the responsible corporate governance principles of the TÜV Association, the umbrella organization of the German TÜV companies, where Dr.-Ing. Michael Fübi, CEO of TÜV Rheinland is a member of the Executive Committee. TÜV Rheinland has also chaired the Sustainability Commission in that association since 2023.
- At the same time, we participate in the International Social and Environmental Accreditation and Labeling Alliance, which has set itself the goal of developing binding global sustainability standards. Here we are represented by Fallight Xu, Business Development Manager Cross Business - Sustainability, Corporate Sales, TÜV Rheinland.
- Fallight Xu is also a Board member in the Global Ecolabelling Network and Advisory Council Member in the Global Electronics Council.
- Rakesh Vazirani, Head of Sustainability Services, Business Stream Products at TÜV Rheinland, is a member of the Technical Advisory Board for Product Environmental Footprint of the European Commission as well as Chairman of the Product Sustainability Working Group in the TIC Council.
- Rakesh Vazirani is also part of the team of specialists of the United Nations Economic Commission for Europe (UNECE) in the area of ESG Traceability and on the Product Circularity Data Project of the United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT).

People

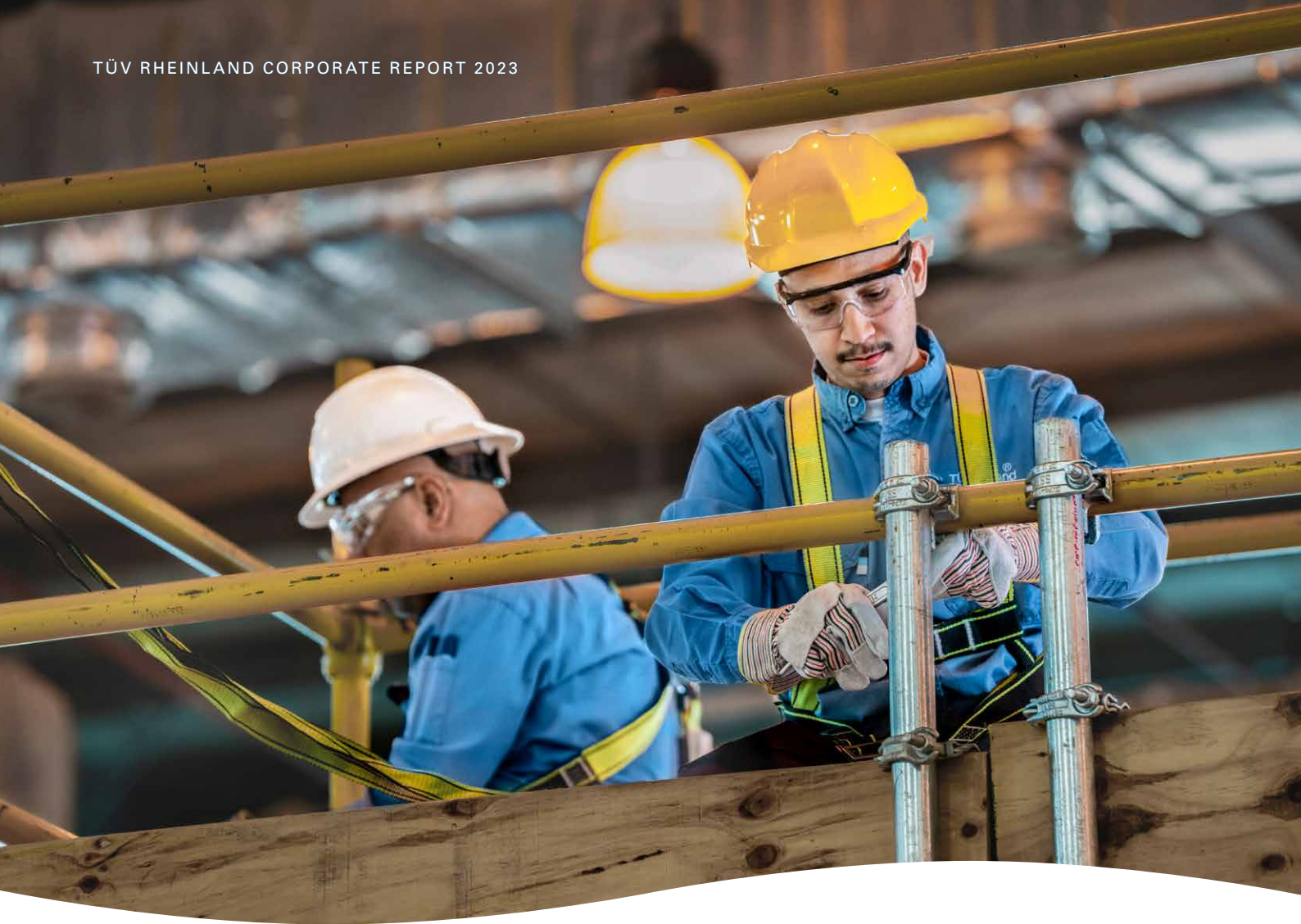
Successful together: More than 22,000 TÜV Rheinland employees worldwide make the world safer every day. Creating a safe and fair work environment for our employees corresponds to our understanding of sustainable corporate governance. That includes occupational safety and health, fair remuneration, equal opportunity, lifelong learning, and a diverse and open corporate culture. Accordingly, we support the following Sustainable Development Goals of the United Nations (SDGs): “Quality Education” (SDG 4), “Gender Equality” (SDG 5), “Decent Work and Economic Growth” (SDG 8) and “Reduced Inequalities” (SDG 10).





Our focal topics

- Work safety of employees..... 18–21
- Employee development..... 22–25
- Labor rights..... 26–29
- Diversity and non-discrimination 30–33



Work safety is our responsibility

Among the worldwide activities of TÜV Rheinland, improving work safety constitutes a major focus. We place extremely high priority on it in our own company as well. In keeping with our guiding principle “No incidents. No harm. No compromise” we ensure the health and safety of our employees in the workplace.

We want to create a work environment for our employees where they can do their job safely. Our goal is to reduce dangers in the workplace and keep the number of incidents as low as possible. We have set appropriate goals for ourselves, which we aim to achieve by 2025. TÜV Rheinland has established a comprehensive Health, Safety and Environment Management System (HSE Management System). Responsibility for occupational safety and health is in the hands of the Executive Board. The HSE Management

System and the implementation of our objectives are the responsibility of Michael Schneider, Global Officer Quality, Health, Safety & Environment (QHSE) and his team. Key components of the HSE Management System include the associated strategy, policy, and the definitive Standard Operating Procedure “HSE Main Process.” The HSE Management System is based on ISO standard 45001, according to which all TÜV Rheinland operating companies will be certified by 2025.

FOR A STRONG WORK SAFETY CULTURE AT ALL LEVELS

With our HSE Management System, we systematically determine health and work safety risks and minimize them as far as possible. Moreover, we emphasize the importance of an anticipatory work safety culture marked by mutual care and consideration. The HSE Management System applies for all employees in legal entities from within the TÜV Rheinland AG scope of consolidation in which TÜV Rheinland AG directly or indirectly holds more than 50% of the shares and therefore exercises management control.

The Management and the Executive Board are committed to occupational health and safety worldwide and have undertaken to effectively implement and continuously improve the HSE Management System. Specific legal requirements relative to occupational health and safety differ from one country to another. Compliance with those requirements is regularly and uniformly monitored worldwide, and all locations are periodically audited for their risks in view of the implementation of work safety regulations. The regional HSE organizations report progress and improvement potentials monthly to the Global Office QHSE. In addition, a cross-business and cross-region HSE Performance Dashboard is updated and sent to the Executive Board and the Executive Vice Presidents (EVPs) of the Business Streams and the Regions as well as the HSE team.

CLEAR RULES FOR HANDLING RISKS

At many locations and companies, we are already certified according to the international work safety standard ISO 45001. During the financial year, this was expanded with the goal of certifying all TÜV Rheinland operating companies by 2025. In financial year 2023, we further implemented our HSE strategy with a wide range of measures and initiatives. To strengthen the work safety culture in our company, we revised our existing nine "Golden HSE Rules" for a safe work environment. We are currently working on a revised edition of our Personal Commitment Card, which entitles all TÜV Rheinland employees, in the name of the CEO, to stop any work that cannot be performed safely. A statement has been added to the card prohibiting the performance of any task that conflicts with our Compliance principles or could damage the reputation of TÜV Rheinland.

GOLDEN HSE RULES FOR HEALTH AND SAFETY

We have documented our principles for work safety, health, and well-being at the workplace in nine Golden HSE Rules. In 2023, we revised those rules and published them in the form of comics, to help our employees retain them even better in their memory and follow them even better in their daily work routine. Over the course of the year, we published the rules and aspects in a series in our intranet blueeye.

THE GOLDEN HSE RULES RELATE TO:

- 1. Safety in the workplace
- 2. Traffic safety
- 3. Entering narrow spaces
- 4. Hazardous materials
- 5. Working at great heights
- 6. Working on current-carrying / electric equipment
- 7. Suspended loads
- 8. Explosive substances
- 9. Drugs and alcohol

We first published the nine Golden Rules in 2018. They are available for all locations worldwide, in various languages.

To strengthen the involvement of managers and the Management in occupational health and safety actions, and to train them on HSE-related problems and solutions, we will in future offer a digital training course for employees with managerial responsibilities. It raises their HSE awareness and informs them of their obligations. Furthermore, during engagement tours the Senior Management of TÜV Rheinland approached employees at their workplace and spoke with them about occupational health and safety.

GREATER SAFETY THROUGH REGIONAL OFFERINGS

We want to raise our employees' awareness for occupational health and safety even further. With that in mind, we implemented various regional activities during the financial year. For example, Nishani Jayawardhana, Regional Officer QHSE IMEA Region, was responsible for the development of seven new e-learning courses on HSE-related topics for our myHR platform for the IMEA and Asia-Pacific regions. myHR is a digital platform that enables global control of Groupwide HR processes, from recruiting and training management to talent and performance management. Aspects covered by the new e-learning courses include incident and risk management as well as various focal topics relative to accident prevention such as tripping and falling or safe driving.

Our employees in the US use an HSE app that they developed themselves. As a central point of contact for all HSE topics, the app provides a tool for reporting incidents, risk assessments, information about inspections, training courses and other HSE-related activities.

One important prerequisite for safety in the workplace is also mental health. With the campaign "Stay safe. Feel well. Be fit." we want to promote the mental health of our employees. In Germany, we are cooperating in this area with the Urban Sports Club, a network through which the employees can attend sport and wellness courses. Within the framework of the initiative "Mental Health" launched by Steve Vogel, Regional Officer QHSE Germany, we are also working together with psychologists from our company AMD TÜV Arbeitsmedizinische Dienste GmbH.

DIGITAL TOOLS FOR TRANSPARENCY AND INDIVIDUAL PROTECTION

During the financial year, we implemented our Incident Management Program (IMP) worldwide. Our employees can use this reporting system to report lost time injuries, near-miss incidents, unsafe conditions, and environmental incidents. Supervisors, responsible HSE experts and local authorities are automatically informed. This not only enables us to react faster to incidents, but also to achieve transparency with regard to accidents. Its sophisticated root cause analysis makes it possible to assess causes, gather findings, and derive appropriate measures that can be applied to further increase safety.

In Germany, we also continue to use our PERMIT program (Prevention Employee Risk Management Information Tool). The system enables employees to document individual risk assessments and to derive suitable measures from them, such as specific training courses, occupational health care or personal protective equipment.

AWARENESS FOR HEALTH AND SAFETY IN THE WORKPLACE

In 2024, we will continue to direct our main focus on strengthening the safety culture in the company. We want to raise the awareness for health, work safety, and well-being at all locations worldwide, and with even greater involvement by the Management. Accordingly, in 2024 we plan to study the German PERMIT program to see whether it can also be implemented in other countries outside of Germany. For the workplace inspections, we will test and implement an online inspection tool that will facilitate control and evaluation according to HSE criteria.

AT A GLANCE: FACTS AND FIGURES

Work safety of employees	Goal	KPI	Target value 2025	Status 2023
Safe and protected work environment	Maintaining a safe and healthy workplace for the employees	Share of managers training in health and safety	100%	56%
		Share of workplaces with a workplace inspection	100%	We conducted 3,835 workplace inspections in 2023. The share of workplace inspections cannot yet be reliably determined at this time but will be reported for the 2024 financial year.
		Share of Management Engagement Tours conducted over 5 years (1 per month per region)	420	957
Work-related injuries	Significant reduction in work-related injuries	Rate of work-related injuries with lost workdays (reference year: 2019)	-40%	-50%
		Number of lost workdays due to work-related injuries (reference year: 2019)	-40%	-24%
Work-related deaths	No deaths as a direct consequence of TÜV activities	Number of deaths of persons as a direct consequence of TÜV activities	0	0



Promoting talent and growing together

TÜV Rheinland has the expertise and dedication of more than 22,000 employees to thank for its success. To develop their talents, we offer them many opportunities to help shape their careers.

Selective talent promotion means a great deal to TÜV Rheinland. It takes a highly qualified and motivated workforce to fulfill our ambition to be a globally successful and sustainable provider of technical services. That's why we support our employees with individual training and continuing education offerings designed to develop their potential, for example, and reach out to future managers with special training programs. During the financial year, Employee Development was under the purview of Dr. Silke Wechsung, Global Officer HR Solutions (HR: Human Resources). The Global Officer HR Solutions reports directly to Katharina Baran, Member of the Executive Board for Human Resources and Director of Labor Relations.

TRAINING AND CONTINUING EDUCATION FOR EMPLOYEES

For training and continuing education, our employees have access to a standardized training system with many qualification offerings. The training courses can be booked on our myHR platform, and most of them are also accessible there. Courses are constantly added to the syllabus to meet the continuing education needs of the employees. During the financial year, a total of 2,461 courses were available. These include e-learning courses, virtual classrooms and in-person training on topics ranging from communication and customer orientation to agile working, as well as English and many other language courses. That brings TÜV Rheinland's total standard curricula to more than 78 Groupwide.



With the project “EXCITING” (EXCellence In Technical TrainING), we have started to work toward the stronger worldwide bundling of our training and continuing education offerings and to incorporate them under the responsibility of TÜV Rheinland Akademie GmbH. By harmonizing and further digitalizing our offerings, we seek to make optimal use of our capacities. We also want to reduce the number of classroom training days through the use of e-learning courses and modern learning methods. The further development of our training portfolio started in Germany and is being rolled out in phases in other countries – Spain, Chile and France will follow.

After its kick-off in February 2022, we successfully continued our program “Mentoring@TÜV Rheinland” during the financial year. The number of participants is constantly growing: myHR currently lists 118 mentors and 133 mentees. Across all countries, 71 tandems are active in the context of the mentoring program. Our “Fit for Future” was also launched in 2022: During the financial year, we continued it with a BarCamp. A BarCamp is an open meeting with workshops where the participants themselves develop the content and workflow at the start of the meeting and shape them over the course of the event. Some 30 participants from various locations in different countries met to exchange experiences on topics such as hybrid collaboration, negotiation tactics, and lifelong learning.

YOUNG PROFESSIONAL CONFERENCE (YPC) 2023 ON SUSTAINABILITY TOPICS

At our seventh Young Professional Conference, 48 young employees from various locations around the world met in Abu Dhabi to develop new business ideas. Their work focused on four business cases examining the topics of circular economy, regulation and research database, sustainable personnel management, and CO₂ reduction. After the three-day conference, all participants received individual feedback and a development plan for their next career steps at TÜV Rheinland.

The YPC seeks to identify and promote talent from within the company. It is aimed at employees with international development potential and between one and five years of company service. They can apply on their own or be nominated by their manager.

DISCOVERING AND PROMOTING TALENTED LEADERS

We encourage our employees to take on new challenges, and we support their professional and personal development with advanced training courses and coaching offerings. We prefer to fill leadership positions with talented individuals from our own ranks. That's why it is important to us to find and promote potential managers early on. Through digitalization, pressure for change, and new organization roles in connection with mobile or hybrid work, more is also expected from managers now. With that in mind, we want to prepare our young professionals for the complex challenges of this role in the most effective and expedient way possible.

The myHR module "Development Dialog" has been rolled out worldwide. In Germany, the roll-out will take place after the associated works agreement has been signed. This dialog format is an instrument for managers and their direct

subordinates to use when discussing the employee's development needs and career wishes. In 2023, it was standardized, digitalized, and integrated into our myHR personnel platform.

One highlight of the financial year was our "Young Professional Conference" (YPC). The conference format combines the intensive promotion of young professionals with the development of business ideas relative to the future of TÜV Rheinland. Participants work together on challenging business cases and then present their concepts on the following day to colleagues from many countries and from various Business Streams as well as HR. The YPC offers our talented young professionals the opportunity to build international networks and explore innovative business topics. At the same time, high-potential candidates for specialist and management careers can be identified to give them the best possible support for their next steps.

EMPLOYEE SATISFACTION

Once every three years, we survey our employees the world over on important business topics such as tasks and work processes or leadership and change culture. Among other things, we want our employees to tell us how satisfied they are with their situation at TÜV Rheinland, what development opportunities they envision, and what changes they would like to see.

In 2023, we also implemented a "People Pulse Check" for the first time. This survey will be conducted periodically in the future and complement the "Together" survey with feedback at shorter intervals. In this way, we aim to better understand our employees' needs and factor them into our decisions more than ever.

SUPPORTING DEVELOPMENT AND OPENING UP OPPORTUNITIES

How effective we are in delivering our development offerings for our employees and how successfully we build young professionals' loyalty to our company are parameters we measure with various key performance indicators. We have set ourselves the goal that by 2025 all employees

AT A GLANCE: FACTS AND FIGURES

Employee Development	Goal	KPI	Target value 2025	Status 2023
Training and career development	Developing and retaining employees through talent promotion and job-specific continuing education	Average annual training days per employee	> 2.3	1.5
		Percentage of employees who participate annually in a development discussion	100%	No data. The percentage of employees who participate annually in a development discussion can first be assessed in 2024 after completion of the process in myHR on a global basis (excluding Germany).
Re-training and continuing education of employees	Preparation of employees for new requirements	Completion rate of compulsory continuing education courses	100%	93.2%
Employee experience	Reduction of employee turnover due to voluntary departures to retain the experience of the workforce	Rate of annual employee turnover due to voluntary departures	11%	8%

will complete 2.3 training days per year on average and that all mandatory e-learning courses (Compliance and Data Protection Principles) will achieve 100% coverage. In the development discussions for employees, we aim to achieve a quota of 100% per year starting from 2025. We would like to limit the share of employees who terminate their employment with us to no more than 11% per year. During the financial year, we achieved that goal for the second consecutive time with a voluntary employee turnover of 8%.

For the coming financial year, we plan further measures to promote managers. With our Management Development Program (MDP), we systematically prepare middle managers who demonstrate the relevant potential to take over a role in top management. For the first time now, employees them-

selves can apply for the internationally oriented program. A leadership hub, which we want to set up in 2024, will likewise assist aspiring managers in their professional development and support their personal initiative. This platform will not only provide them with information that will help them advance along their career path, but also offer them a chance to converse and network with each other.

We also want to continue offering the BarCamp online conference format: The international meeting, where participants bring along their own topics and motivations and can learn from each other, has proven itself in our "Fit for Future" program. Based on that experience, we plan to organize further events that will be open to employees at all levels and from all business areas.



For a culture of fairness and reliability

Our employees are an important key to our success. With their competence and care, they stand for the reliable services that our customers appreciate the world over. As a company, we want to offer our employees fair conditions and an attractive work environment. Transparent communication and giving employees a voice are just as much a part of that as reasonable remuneration at all of our locations.

TÜV Rheinland has defined corporate values that we live in our daily interactions with one another: integrity, excellence, customer orientation, performance, and agility. Moreover, as principles for our collaboration we have established respect, tolerance, and fair treatment in our Code of Conduct. At our locations the world over, we want to ensure reasonable and fair remuneration. To that end, we have set goals regarding equal pay for equal work and in doing this want to help close the gender pay gap.

The person responsible for our requirements and standards relative to labor rights is Pamela Pfeiffer, Global Officer HR Performance, who reports directly to Katharina Baran, Member of the Executive Board and Labor Relations Director.

FAIR WAGES AT ALL LOCATIONS

In many countries and regions, the applicable statutory minimum wage is below the living wage. This assessment derives from data gathered by the Global Living Wage Coalition, which establishes living wage guide values and benchmarks for individual countries and regions. TÜV Rheinland has set itself the goal of structuring its remuneration practices such that all of its employees worldwide will be paid at least a living wage by 2025. With our commitment to paying living wages and gender-neutral remuneration, we also align ourselves with the core labor standards of the International Labour Organization (ILO) and its Decent Work Agenda.

One prerequisite for a fair remuneration structure is a solid information base. Our myHR platform enables the harmonization of HR data, structures, and processes. In the regions Central/Eastern Europe, Western Europe, and Greater China, and in Germany, myHR is already fully implemented.

In North America, South America, IMEA and Asia-Pacific, preparations for its implementation are currently underway. With the constant international expansion of myHR in all regions, we want to increase the range of our data analysis in each financial year, and thereby also make progress toward our goal of paying at least a living wage worldwide. In early 2023, for example, we also successfully implemented myHR in the Group region of Greater China. As a result, we have standardized documentation of the wage and salary data in the region. Now we are analyzing those data with regard to gender equality and living wage levels to close wage gaps.

Moreover, in the context of the analysis of the salary data in selected countries and based on initial available benchmark data, we have identified countries where action is needed. This has enabled us to determine wage gaps in Chile and Brazil and to determine measures to close them.

EQUAL PAY FOR EQUAL WORK

Another principle that we are committed to is the principle of equal pay for equal work. In our remuneration practices, we do not differentiate among genders. Accordingly, we would like to make an active contribution to closing the gender pay gap that still exists. To that end, we have set ourselves the goal that for the same or equivalent work, the same payment will be made irrespective of gender. An initial overarching analysis in the financial year indicated that in about one-third of the countries where we are represented, the unadjusted gender pay gap is above the average value of 17% determined by the firm Payscale, a US-based market research and software provider specializing in remuneration data. Overall, our gender pay gap is currently about 22%. That unadjusted value does not take into account the

different positions, vocational training, etc. We cannot determine whether we actually remunerate the same (or equivalent) positions differently until we complete a more detailed analysis of the dataset in a second step of the process.

In the financial year, we purchased and implemented the job evaluation tool Gradar. Using the tool to evaluate and categorize jobs for better comparability, we have launched initial projects in Chile, Mexico, Greater China, Italy, and Poland. Other countries will follow to further facilitate comparison and evaluation of roles. To establish gender equality also in the annual global remuneration review process, equal pay for men and women has been adopted into the communication of the process as a parameter for remuneration review by the managers.

OPEN COMMUNICATION AND EMPLOYEE PARTICIPATION

Open and transparent communication is a basic prerequisite for trustworthy collaboration. That's why we not only inform our employees regularly about relevant developments and decisions concerning the company, but also encourage them to participate in a constructive dialog.

Conducted at three-year intervals, our employee survey "Together" offers one such opportunity. In 2022 our response rate to the survey was 73%, already exceeding our goal of at least 70%. In the financial year, we started a project to implement proposals from the survey. Some of those

employee suggestions have already yielded initial successes by simplifying individual HR and procurement processes.

Moreover, we also encourage dialog with our employees through employee representatives and committees. Many locations have works councils or other employee bodies such as health and safety committees. Over the course of 2023, we collected data to document where we stand with regard to the dialog that serves to balance the interests of the employer and the employees. According to those data, 50% of TÜV Rheinland's workforce is covered by a collective bargaining agreement or is organized in a union or some other form of employee representation.

TRANSPARENCY FOR MORE FAIRNESS

In the coming year, we will continue working to systematically document wage levels in relation to positions in the company for as many of our international locations as possible, to ensure a valid basis for the analysis of gender-neutral remuneration. Once we have all the data on living wages, that analysis can also be completed. In so doing, we are laying the groundwork that will enable us to successively close any pay gaps we may find.

During the financial year, TÜV Rheinland earned multiple awards for outstanding performance as an employer. In Germany, we received the "TOP Employer" award and in Greater China we received the two awards "Excellence Employer of China" and "Excellence in HR Digital in China."

AT A GLANCE: FACTS AND FIGURES

Labor rights	Goal	KPI	Target value 2025	Status 2023
Employee remuneration (living wage)	To pay employees not just the minimum wage, but also no less than the living wage – in all countries where TÜV Rheinland operates	Regular remuneration per employee in the country as measured against the living wage per employee in the country	Assurance of a living wage for TÜV Rheinland employees	According to preliminary investigations in countries where we could carry out initial studies, we are already very close to achieving our goal of paying living wages because we defined actions to close the gaps found and in some cases were able to implement those actions immediately. Nevertheless, further analyses are required, whereby we must constantly monitor the market data (e.g. due to volatile economic developments). In some countries, the minimum wage is below the living wage. Especially in those countries, we will carry out further analyses and implement corrective measures as needed. With the launch of myHR (HR system) in all regions, we will review the wage data for each country and determine where gaps exist in the payment of a living wage, where we will rely on relevant market data and take market-economy developments into account.
Labor and management relationships	Encouraging a culture of open communication and discussion by regularly providing employees with the ability to give anonymous feedback	Percentage of employees who participate in the global employee survey "Together"	> 70%	In 2022, the global employee survey "Together" generated a response rate of 73%.
Equal pay	Equal pay regardless of gender	Ratio of the average total remuneration for women to the average total remuneration for men, evaluated on the basis of defined parameters	Eliminating the gender pay gap Equal pay for equal work, regardless of gender	Preliminary analyses indicate that there might be areas where wages will have to be modified. To do so, however, similar roles and their value and comparability must first be clearly identified and analyzed. Equality between men and women in terms of their remuneration can fluctuate from country to country, business sector to business sector, and region to region. With the introduction of myHR (HR system) in all regions, a process for further identifying roles and analyzing remuneration data is being developed. Based on that analysis, we will then define the specific improvements and actions necessary to achieve our goal.

TÜV Rheinland for diversity and respect

We are committed to diversity, respect, and appreciation. The strength of our international group of companies lies in its diversity. That's why we actively oppose all forms of discrimination. No one in our workforce should ever have to fear prejudice due to aspects such as their gender, age, or ethnic background. We are committed to maintaining an open and tolerant work environment and promote gender equality at TÜV Rheinland through various development programs.

Our goal is to create a work environment where no one experiences discrimination. By signing the "Diversity Charter" already in 2013, we have committed to promote diversity and to actively oppose discrimination in the business context. We have also established this in our Code of Conduct, which is binding for all TÜV Rheinland employees. We are convinced that the interaction of people from different social backgrounds and cultural groups drives innovation forward and enables us to be successful in an increasingly complex business environment. We have set ourselves goals that we aim to achieve by 2025 in the areas of gender equality, employee satisfaction, and discrimination tracking. During the financial year, the implementation and coordination of the relevant training courses, projects, and networking activities fell under the purview of Dr. Silke Wechsung, Global Officer HR Solutions.

TRAINING COURSES RAISE AWARENESS OF BIASES

With digital training courses on our Groupwide myHR platform and with additional information and training offerings,

we help our employees understand diversity and show them typical aspects of discrimination and misconduct. E-learning courses on "Sexism in the Workplace," for example, help identify forms of sexual harassment. Legal principles are also explained and specific contacts in the company are named in case incidents should occur. In the financial year, we expanded the training offering on myHR: It now includes e-learning courses on "Inclusive language" and "Psychological safety." Another e-learning course examines unconscious biases. Employees can learn how to avoid role attributions and thought patterns that often lead to discrimination. An e-learning course for managers on "Preventing discrimination and harassment," which is available only in English, shows how managers can create a respectful, appreciative work environment. All other diversity training courses can be accessed on the myHR platform in English and German and with subtitles in other languages. Our Diversity app provides a list of these training courses and simplified access to them.

DIVERSITY APP: DIVERSITY ALWAYS WITHIN REACH

A Diversity app uses our intranet to give employees continuous access to information and strategies for identifying and avoiding discrimination in their daily work. Along with videos and extensive background material, it also features toolboxes that suggest specific ways for teams to approach the topic in simple and playful ways. For users seeking further information, the app lists many helpful tips and resources.

"From Why to How: Gender Bias Basics" was also the title of a virtual masterclass on bias that we held in May 2023 together with the Swedish-German AllBright Foundation. The workshop used concrete examples to illustrate how unconscious thought patterns influence decisions and processes in companies – and how to avoid this. It was available in English and German for employees within and outside Germany. Another cooperative event was held under the auspices of the Diversity Network Rhine-Ruhr, of which TÜV Rheinland is a member. To mark the network's tenth anniversary, the partner companies hosted a presentation on German Diversity Day, May 23, 2023. Delivered by neuroscientist Dr. Laura Wünsch and titled "Neuro hacks for psychological safety," the lecture described how brain research findings could help improve cooperation in diverse teams. Our employees can access her talk in our intranet blueeye.

ACTIONS FOR PROMOTING AND ENCOURAGING WOMEN

We have set ourselves the goal of raising the share of women in supervisory positions throughout the Group to at least 30% by the end of 2025. That share is currently 28.5%. The share of women in our overall workforce is currently 32.5%. Among new hires, it is 31%. One-third of the positions on our Group Executive Board are held by women. As Member of the Executive Board for Human Resources, Katharina Baran succeeded Ruth Werhahn during the financial year and has been working together with her male colleagues Philipp Kortüm and Dr.-Ing. Michael Fübi (Chairman) on the Executive Board since October 15, 2023.

In Germany, six TÜV Rheinland companies have also set goals in the context of the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors. Accordingly, by 2025 at least 30% of the general management level positions of the following companies must be held by women (provided that level comprises at least three persons): AMD TÜV Arbeitsmedizinische Dienste GmbH, TÜV Rheinland Akademie GmbH, TÜV Rheinland AG, TÜV Rheinland Industrie Service GmbH, TÜV Rheinland Kraftfahrt GmbH, TÜV Rheinland LGA Products GmbH.

To provide support specifically to women in the company and to strengthen gender equality at TÜV Rheinland, we have launched a range of programs designed to encourage female employees to achieve their personal career goals, take on responsibility, and work on their professional development. In the context of our "Women & Career" program, we hold workshops that provide them with specifically tailored support. An online "Lunch & Learn" format on self-efficacy and advancement skills suggests specific ways that participants can plan and empower their career path. In the 90-minute

TOUGH MENTORING: TANDEM FOR WOMEN WITH LEADERSHIP POTENTIAL

TÜV Rheinland's "TOUGH Mentoring" program is intended for female employees in Germany. The principle: In mentee-mentor tandems, employees benefit from a year-long exchange with experienced managers and gain insight into leadership roles. Social Media Manager Nancy Leuteritz reports positive results as a mentee: "I think it's incredibly valuable to see that we all have to face similar challenges and self-doubts." Her advice: "Find people who give you encouragement: A strong entourage is the key to success." In 2023, the program was held for the ninth time already. It will also be continued in the coming years.

workshop "#IamRemarkable" they learn why cultural norms and unconscious biases often make it hard for women to perceive their strengths and speak about their own successes. Practical exercises on communication and self-marketing round out the session. With our "TOUGH Mentoring" program, we also specifically address female employees who want to advance in their career. It pairs them up with experienced managers.

In 2023, TÜV Rheinland also supported the cross-industry initiative "Chef:innensache," which promotes equal opportunity for men and women and places special focus on management positions. In addition, individual Business Streams started their own diversity projects as well.

WORLDWIDE ACTION WITH LOCAL EXPERTISE

We at TÜV Rheinland are proud of the fact that our team comprises people from different nations and cultural groups who work together and learn from one another. In our “International@TÜV Rheinland” network, employees all over the world stay in contact and exchange information with each other. At the same time, we know the importance of relying on local specialists at our locations to be successful worldwide. This also enables us to help broaden and strengthen equal opportunity. We recruit talented young professionals from the region and want to fill managerial positions from the local in-house workforce. For 2025, we have set ourselves the goal of filling 75% of managerial positions with professionals from within the respective regions. With management training courses and mentoring programs at our locations, we are preparing them specifically for managerial positions. In the financial year, 90% of managerial positions were filled by local employees. In 2024/25, we want to tailor our diversity programs even more closely to the regions and align them to the specific requirements there.

TAKING A STAND: TOGETHER FOR DIVERSITY

TÜV Rheinland as a company pushed for greater diversity in society once again this year. For International Women’s Day on March 8, 2023, we launched the social media campaign “#Embrace Equity.” Many employees took a stand here with personal statements and advocating for equal opportunity and diversity. On July 9, 2023, TÜV Rheinland celebrated Christopher Street Day (CSD) in alliance with LGBT+ Netzwerk Rhein-Ruhr and also actively encouraged the workforce to join them. At Cologne Pride in Cologne, Germany, many of our employees marched with LGBT+ Netzwerk Rhein-Ruhr. Two days before CSD, Wolfgang Schwarz-Heim, spokesperson for the LGBT+ Network of TÜV Rheinland, and Sabine Hager, Global Expert Diversity, participated along with 150 other guests in the official CSD reception held by Cologne’s Mayor Henriette Reker.

IN DIALOG WITH THE WORKFORCE

The fact that we at TÜV Rheinland work together to promote an open corporate culture is borne out by our global survey “Together.” Among other things, the survey asks our employees if they feel that all colleagues on their teams and in their Group company are treated equally irrespective of age, gender, culture, ethnic origin, nationality, religion, disability, or sexual orientation. Although the rate of agreement with this proposition was already 81% in 2019, it was 85% in the latest survey. That means we have already achieved our target for 2025, which was to improve the 81% rate of agreement even further. All relevant values from the Diversity area – the respective share of women in the workforce, in managerial positions, and among new hires, for example – can be accessed at all times by the management via our Business Intelligence portal. Therefore the separate report on gender diversity, which was heretofore submitted annually to the Executive Board, is no longer necessary.

UN GLOBAL COMPACT: COMMITMENT TO SHARED VALUES

Creating a work environment for our employees that is free of discrimination is an integral part of our corporate self-image. Moreover, a workplace without unequal treatment is a basic human right. We signed the UN Global Compact in 2006. The initiative of the United Nations is based on Ten Principles and committed to the UN Sustainable Development Goals for a fairer globalization. In our declaration of principle on duties of care related to human rights and the environment, which we published in December 2022, we commit ourselves once again to upholding human rights, and to preventing human rights violations, in our business activity and in our supply chain.

ACTIVELY FIGHTING DISCRIMINATION: INVESTIGATING INCIDENTS CONSISTENTLY

Our ambition is to create a work environment where no one experiences unequal treatment. Even though we have already achieved a great deal together, we still have a long way to go before discrimination becomes a thing of the past. All the more reason for us to maintain our commitment to prejudice-free interaction with one another. We encourage our employees to report relevant violations in the company, because that is the only way to improve matters. Our global whistleblower platform is available, not only to employees

but also to external whistleblowers, to report possible violations or incidents – anonymously if they so wish. In all cases, the reports are handled confidentially. In Germany we also have our General Equal Treatment Act (AGG) officers who serve as qualified contact persons in the Business Streams.

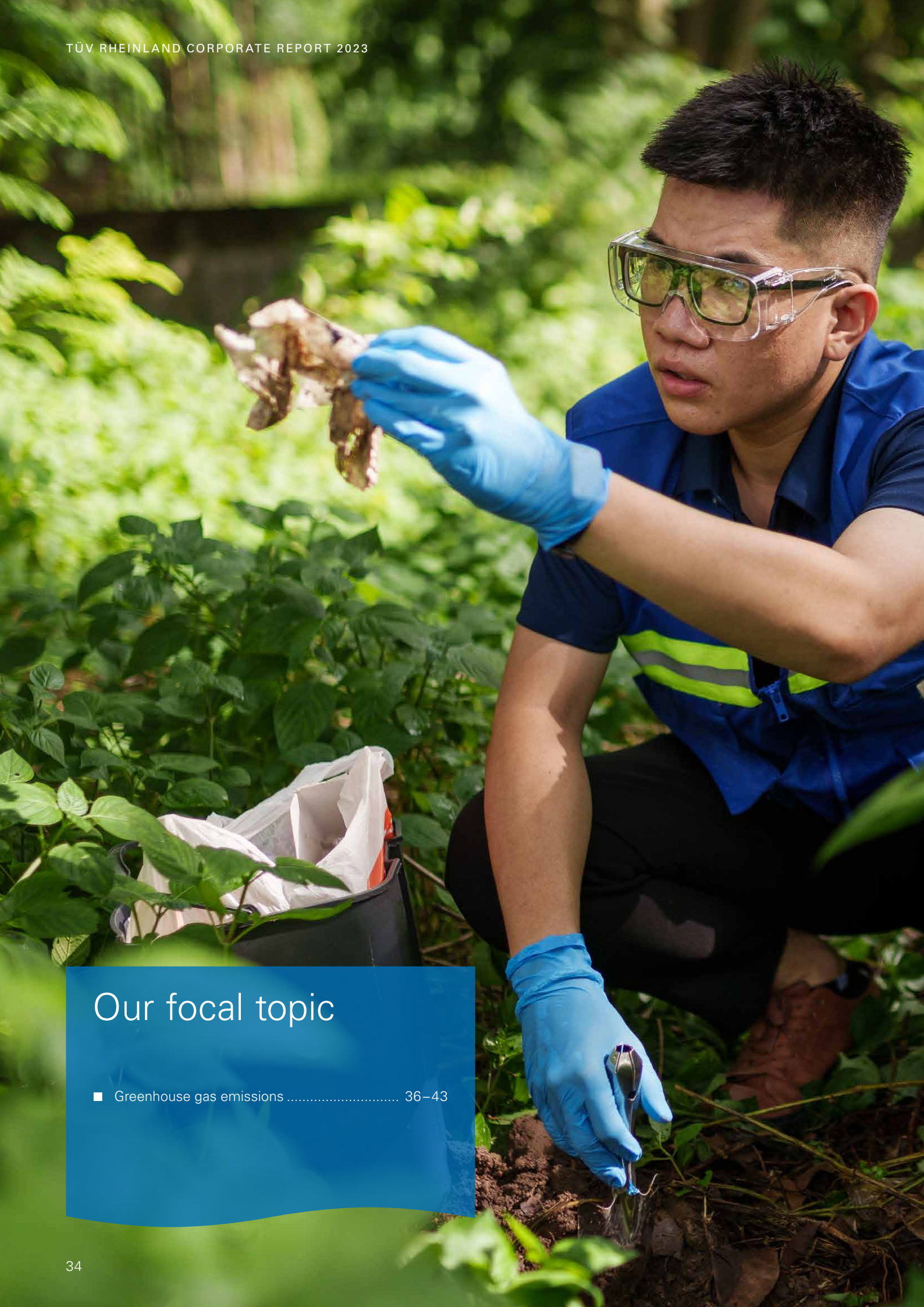
We take discrimination tip-offs very seriously. We also let ourselves be measured by how we respond to such reported cases. Our goal for 2025 is to fully investigate 100% of reported complaints. In the financial year, we received a total of seven confirmed cases of discrimination, 100% of which were subject to full investigations.

AT A GLANCE: FACTS AND FIGURES

Diversity	Goal	KPI	Target value 2025	Status 2023
Gender balance in decision-making positions	Increasing the share of women in supervisory positions	Share of women in supervisory positions (manager-to-staff ratio ≥ 1)	$\geq 30\%$	28.50%
		Share of women on the Executive Board	$\geq 25\%$	33.30%
Demographic change	Work satisfaction levels among the different age groups show no significant differences.	The difference in the overall satisfaction index of the "Together" employee survey from one age group to another does not exceed 0.3.	< 0.3	$= 0.3$ according to the global "Together" employee survey in 2022
Local communities and local professionals	Filling managerial positions primarily with local professionals	Share of local managers in the regions	$\geq 75\%$	90%

AT A GLANCE: FACTS AND FIGURES

Non-discrimination	Goal	KPI	Target value 2025	Status 2023
Equal opportunity	Job applicants are treated equally irrespective of their background.	Share of women new hires	Share of women new hires $>$ share of women in the workforce	31%
Non-discrimination (gender, ethnic origin, cultural identity)	Respectful treatment of all employees, irrespective of gender, nationality, ethnic origin, religion or ideology, sexual orientation, or identity	Number of confirmed cases of discrimination	0	7
		Investigation rate of reported complaints	100%	100%
		Rate of agreement about diversity in the "Together" survey	$\geq 81\%$	85.60%



Our focal topic

- Greenhouse gas emissions 36–43

Planet

Measurable climate protection: We want to shrink the ecological footprint of our business undertakings by effectively reducing the emission of greenhouse gases (GHG) due to our business activity. We also apply our expertise as providers of testing and inspection services within our own company to make a measurable contribution to climate protection. TÜV Rheinland has set itself the goal of being greenhouse gas-compensated in Scopes 1, 2, and 3.6 worldwide by 2028 – and already by 2025 in Germany. In so doing, we are helping to achieve the UN Sustainable Development Goal “Climate Action” (SDG 13).

Effectively reducing greenhouse gas emissions

We test, inspect, certify, and advise our customers about sustainability in mobility, energy supply, infrastructure, and many other areas. At the same time, we assume responsibility for the environmental impacts of our own actions. In the course of financial year 2023, we set up a greenhouse gas (GHG) management system and started processes that will help us reduce our GHG emissions.



Climate change is one of the most daunting and urgent challenges of our time. As a company with international operations based in more than 50 countries, TÜV Rheinland is also directly impacted by the effects of climate change. Because we cause and discharge GHG emissions of our own as a result of our business activity, we bear an obligation to minimize the negative impact of our actions on the climate and the environment. To that end, we document and inventory GHG emissions associated with our business activities, based on the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol is a series of international standards for the accounting and reporting of GHG emissions. It divides directly and indirectly generated GHG emissions into Scope 1 (direct GHG emissions), and Scopes 2 and 3 (indirect GHG emissions), respectively. Our GHG inventory currently covers GHG emissions generated from sources such as our electrical energy consumption (Scope 2), heating and cooling (Scope 1), our German automotive fleet (Scope 1), fuel- and energy-related upstream emissions ("well-to-tank" or WTT, Scope 3.3), and business travel activities (Scope 3.6, Business travel). For GHG emissions, already in 2020 we set concrete GHG reduction goals for 2025. Moreover, at the end of 2022 TÜV Rheinland set itself the goal to be greenhouse gas-compensated for these GHG emissions at all locations worldwide by the end of the 2028 financial year – and in Germany already by the end of 2025.

We use the term "greenhouse gas-compensated" rather than "climate-neutral" because we want to describe our goal precisely and also define exactly what we are doing and how we want to be measured. GHG-compensated means that, in parallel to our GHG reduction measures, we will compensate for the remaining annual GHG emissions from the scopes where we have a major impact – namely Scopes 1, 2, 3.3 (Fuel- and energy-related upstream emissions), and 3.6 (Business travel) – with certificates from certified carbon offset projects.

To ensure our ability to achieve both goals – reduction and compensation – and to implement the required measures worldwide as agreed, in 2023 we created a new role in the Global Office QHSE: Dr. Susanne Gorny is responsible for coordinating our global GHG management activities.

GHG MANAGEMENT: DOCUMENT, REDUCE, COMPENSATE

GHG management at TÜV Rheinland includes the continuous documentation and reduction of GHG emissions and, in parallel with those reduction measures, compensation for our GHG emissions in Germany starting from 2025 and worldwide starting from 2028.

DOCUMENT

Reliably documenting and taking accurate inventory of our GHG emissions are the preconditions that will enable us to reduce them effectively. To take inventory, for our businesses worldwide the consumption figures from the consumption parameters of relevance to Scopes 1, 2, 3.3, and 3.6 will be compiled in centralized records, validated, converted to GHG emissions using emissions factors, and inventoried. In addition to the consumption parameters of relevance to the GHG inventory, we also document the annual consumption of paper and water. The GHG emissions associated with those consumption figures are not currently included in the GHG inventory, however.

The tabular comparison of GHG emissions for the period from 2018 to 2023 lists the absolute emissions in t CO₂eq (metric tons of CO₂ equivalents) from Scopes 1, 2, 3.3, and 3.6 of the global TÜV Rheinland companies in the scope of consolidation. We calculate GHG emissions mainly using original data of the underlying consumption parameters from the reporting TÜV Rheinland companies. The data

originate from documentation such as invoices issued by energy providers and suppliers as well as from the Travel Management department. For a few, generally smaller TÜV Rheinland companies that do not have to report consumption data for the GHG inventory-taking process, the consumption data are based on assumptions and extrapolated using appropriate variables (cf. the information relative to the reporting scope in section “About this report”).

One important task in GHG management is the continuous further development of our GHG inventory. The focus here is on enhancing the data quality and the transparency to other GHG emission sources. To enhance data quality, on the one hand we are working to improve our own ability to measure important consumption parameters, such as electricity consumption, to make us less dependent on external consumption records. We will also automate our data collection and GHG inventory-taking processes, to make them more efficient and reduce the risk of manual transfer errors. In addition, we are developing training courses and concepts for sharing best practices, to improve the knowledge of our colleagues involved in data collection and GHG inventory-taking. To enhance transparency to other GHG emission sources along the entire upstream and downstream supply chain (Scope 3), together with our internal experts from the Industrial Services & Cybersecurity Business Stream we started a project that identifies the other relevant GHG emission sources, quantifies the associated GHG emissions, and implements processes for their continuous documentation and inventory-taking.

GHG INVENTORY 2023

In the financial year, TÜV Rheinland's global business activities emitted greenhouse gases totaling 79,435.8 t CO₂eq. That represents an 8% reduction as compared with the reference year 2018. As compared with 2022 on the other hand, GHG emissions from the accounted Scopes 1, 2, 3.3, and 3.6 increased by 11%. That increase resulted largely from GHG emissions generated by fuel consumption and business travel activities (Scope 1 – German automotive fleet, Scope 3.3 – Fuel- and energy-related upstream emissions, and Scope 3.6 – Business travel by rail, air, car). Those emissions increased by 40% over the previous year and account for a 56% share of our total GHG emissions worldwide in 2023.

Within the category of GHG emissions from business travel by rail, air, and car, we see the largest global increase in the emissions from air travel (79% more than 2022), followed by emissions due to kilometers traveled for business purposes in private cars, rental cars, taxis, and buses (56% more than 2022). With regard to kilometers driven by the German company car fleet (German automotive fleet as a subcategory of Scope 1), emissions increased by 12% over the previous year.

Emissions from Scope 2 (Electricity and district heating) fell by 6% versus the previous year. The reduction in GHG emissions is almost fully attributable to the category of electricity consumption. Due to growth, however, our worldwide electricity consumption in the financial year increased versus the previous year. The decrease in GHG emissions despite increased consumption is attributable to an increased share of regenerative energy sources (purchase of green electricity and own energy production using photovoltaic modules) as well as enhanced data quality and transparency in our GHG inventory. For the first time,

ACCOUNTING OF EMISSIONS IN T CO₂EQ 2018–2023 AND TARGETS FOR 2025

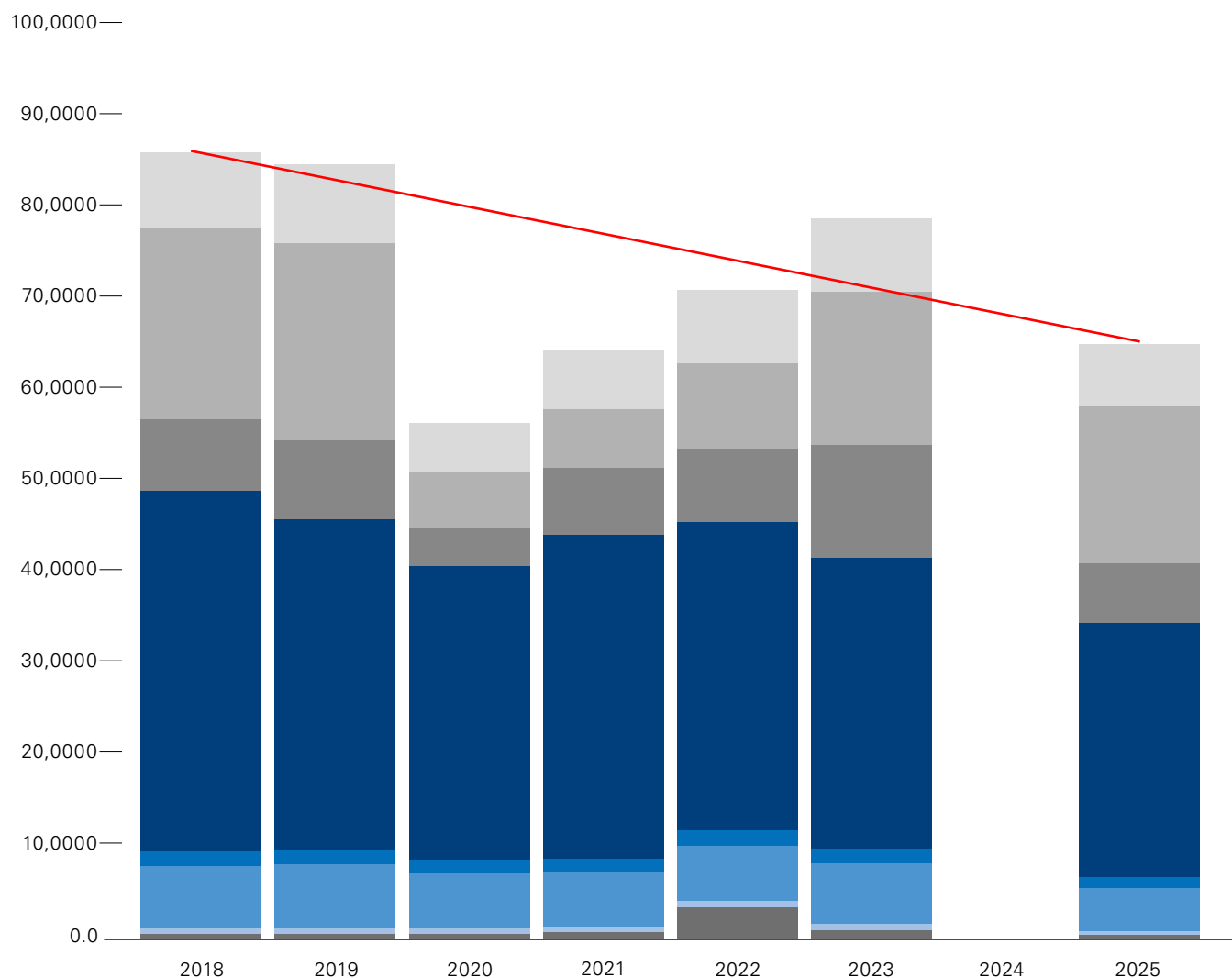
	2025 (Targets)	2023	2022	2021	2020	2019	2018
Scope 3 – WTT [t CO ₂ eq]	6,829.3	8,099.26	8,064.7	6,544.6	5,433.4	8,640.3	8,277.90
Scope 3 – Business travel by rail [t CO ₂ eq]	18.4	196.29	45.4	3.1	2.8	10.3	22.3
Scope 3 – Business travel by air [t CO ₂ eq]	17,313.4	16,767.40	9,358.9	6,484.6	6,142.0	21,698.7	20,985.90
Scope 3 – Business travel by car [t CO ₂ eq]	6,471.9	12,493.75	8,079.4	7,273.8	4,145.5	8,692.0	7,844.70
TOTAL SCOPE 3	30,633.0	37,556.70	25,548.5	20,306.1	15,723.7	39,041.3	37,130.80
Scope 2 – District heating [t CO ₂ eq]	1,152.4	1,590.90	1,729.5	1,524.2	1,452.6	1,413.5	1,632.30
Scope 2 – Electricity [t CO ₂ eq]	27,997.5	31,887.91	33,883.7	35,613.0	32,310.6	36,403.0	39,656.60
TOTAL SCOPE 2	29,149.9	33,478.80	35,613.2	37,137.2	33,763.2	37,816.5	41,288.90
Scope 1 – Pellets [t CO ₂ eq]	–	7.02	4.7	0.0	0.0	0.0	0.0
Scope 1 – German Automotive fleet [t CO ₂ eq]	4,808.30	6,744.46	6,025.7	5,901.9	6,080.1	7,044.5	6,810.60
Scope 1 – Heating oil [t CO ₂ eq]	423.5	737.19	752.6	681.6	567.8	694.8	599.9
Scope 1 – Natural gas [t CO ₂ eq]	422.6	911.59	3,453.8	731.6	601.6	545.9	598.5
TOTAL SCOPE 1	5,654.40	8,400.26	10,236.8	7,315.1	7,249.5	8,285.2	8,009.00
TOTAL SCOPES 1–3 [T CO₂EQ]		79,435.76	71,398.4	64,758.4	56,736.4	85,143.0	86,428.70
Target path [t CO ₂ eq]	65,437.20	71,434.79	74,433.6	77,432.4	80,431.1	83,429.9	86,428.60

in the context of a pilot project and based on a relevant quality assurance validation process, we applied locally applicable emissions factors for China in calculating GHG emissions from electricity consumption. This more transparent and more precise view of our energy consumption enables us to improve the accuracy of the GHG emissions data in our greenhouse gas inventory and thereby enhance its quality and make it more meaningful.

Similarly in the other, non-mobility-related categories in Scope 1 (GHG emissions from the consumption of natural gas, heating oil, and pellets), the global emission of greenhouse gases also decreased in the financial year versus the previous year. Most of that reduction resulted from lower

natural gas consumption due to, among other things, site closures for space consolidation purposes.

Although efficient systems and processes for digital meetings have emerged and proven themselves in recent years, since the elimination of nearly all pandemic-related travel restrictions we have seen a return to pre-pandemic travel patterns (financial year 2019). In view of the high share of total global GHG emissions that they represent, those business travel-related GHG emissions also carry a high reduction potential for TÜV Rheinland. We will turn our focus to that potential in the coming years, not only with actions to raise awareness for climate-friendly travel practices, but also by implementing suitable reduction measures.

ACCOUNTING OF EMISSIONS IN T CO₂EQ 2018–2023 AND TARGETS FOR 2025

Notes concerning the table on page 39 and the graphic:

- Scope 1: Indirect emissions in CO₂eq from the use of natural gas, heating oil, pellets, and fuels (own fleet of 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 (natural gas, district heating, heating oil, fuels) taking upstream emissions into account.
- Share of green electricity in Germany = 97.79% (certified/confirmed origin)
- Share of green gas in Germany = 94.2% (3,749.2 t CO₂eq 2023, compensated by suppliers)
- Share of climate-neutral kilometers by rail (Germany) = 100% (confirmed by Deutsche Bahn rail service)

- Scope 3 ▶ Upstream emissions [t CO₂eq]
- Scope 3 ▶ Business travel by air/rail [t CO₂eq]
- Scope 3 ▶ Business travel by car [t CO₂eq]
- Scope 2 ▶ Electricity [t CO₂eq]
- Scope 2 ▶ District heating [t CO₂eq]
- Scope 1 ▶ Automotive fleet, Germany [t CO₂eq]
- Scope 1 ▶ Heating oil [t CO₂eq]
- Scope 1 ▶ Natural gas [t CO₂eq]
- Scope 1 ▶ Pellets [t CO₂eq]
- 1.5-°C-target path [t CO₂eq]

REDUCE

Our GHG reduction targets stipulate that by 2025 we will reduce our Scope 1 and 2 emissions by 29.4% each and our Scope 3.6 (Business travel) emissions by 17.5% as compared to the reference year 2018. In setting those targets, we followed the guidelines on annual GHG emission reduction percentages for near-term targets issued by the Science Based Targets initiative (SBTi). An international organization incorporated as a charity, the SBTi helps companies contribute to achieving the 1.5-degree Celsius goal of the Paris Agreement and independently validates the relevant targets and target paths.

COORDINATING EMISSIONS REDUCTION WORLDWIDE

In the financial year, we started developing a global GHG master plan that integrates the GHG emissions reduction tasks and processes at various levels of the company. At the international level, in a first step we initiated the identification of local and regional reduction potentials and measures through the responsible HSE managers. They worked together with other colleagues from local management, including managing directors and business managers, to draft initial versions of regional GHG reduction plans with specific actions. For Germany, the responsible stakeholders from the Service Functions and the Business Streams will develop and implement reduction potentials and possible actions under the coordination of Dr. Susanne Gorny and her team.

In September 2023, the first reduction measures derived from the regional GHG reduction plans were approved for implementation in China, South Africa, the United Arab Emirates, Thailand, Malaysia, and Taiwan. Together these have the potential of reducing our GHG emissions by 730 t CO₂eq. About 90% of the measures will also pay for themselves within the foreseeable future, because the resulting reduction in TÜV Rheinland's operating costs, for example, will amortize the required investments.

In financial year 2023, the company also implemented its plans for a project already described in the previous Sustainability Report. Many Spanish motor vehicle inspection stations are now equipped with solar panels to generate most of their own electricity needs from a renewable energy source (see info box)

SOLAR ENERGY FOR TÜV RHEINLAND SPAIN

In the financial year, TÜV Rheinland Spain installed 1,125 solar panels on 29 motor vehicle inspection stations. The modules generate an output of 512 kWp. That means renewable sources can now cover up to 52% percent of the energy consumed on site (consumption baseline: 2021). That represents an annual emissions reduction of around 260 t CO₂eq (relative to 2021). Moreover, the use of energy that we generate ourselves also reduces our operating costs.

To monitor and coordinate GHG reduction potentials and measures, we use our globally oriented HSE Management System. It provides a 99% environmental risk assessment of all locations, thereby assuring the continuous evaluation of our climate-related activities. The external certification of this HSE Management System in accordance with ISO 14001 covers, as measured by the number of our employees, the major portion of our consolidated companies under majority shareholding.

Building on the initial steps implemented in the financial year to determine GHG reduction potentials and measures, we will develop new, effective targets and target paths that extend beyond 2025. In that development, we will apply the SBTi criteria, to ensure that our reduction targets and paths conform with the 1.5-degree Celsius goal. To undergird our GHG emission reduction ambitions, we will also seek SBTi validation of our future targets.

EVOLUTION OF RESOURCE CONSUMPTION (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
2022	306,575	14,072	229,338	10.5
2023	320,609	14,513	262,074	11.9
Reduction 2018 through 2023	– 18.55%	– 24.70%	– 35.43%	– 40.31%

CONSERVING RESOURCES AND REDUCING WASTE

At TÜV Rheinland, protecting the climate and the environment also includes the systematic documentation and control of resource consumption. Basic key performance indicators here include paper and water consumption. In the financial year, we were able to lower the total consumption of water at our locations worldwide by 18.5%, and by nearly 25% per capita, versus the reference year 2018. Global paper consumption fell by more than 35%, and even by more than 40% per capita, versus the reference year 2018. In both cases, however, absolute values increased slightly over the previous year. Along with our growth, this is also attributable to post-pandemic effects ("back to the office").

While our HSE management with regard to the environment is currently focused on GHG management, in the future we will broaden our attention to other aspects of environmental protection and conservation of resources – aspects involving issues such as water management, land use, protection of biodiversity, and circular economy concepts. In this context, it is important to us to follow an inclusive and holistic approach that incorporates the entire value creation chain. Key topics here will be the material topics for TÜV Rheinland, which derive from the materiality analysis in connection with the Corporate Sustainability Reporting Directive of the EU.

In 2024, we will begin to systematically document our waste quantities and types to enable more effective development of reduction potentials. We have already achieved initial

successes in the reduction of waste quantities in the financial year. In 2023 at our Cologne location, we worked together with the partner Vytal to introduce an arrangement that helps prevent waste. Vytal markets a reusable packaging system for transporting food and beverages. We have signed on to this service because disposable food and beverage packaging creates tons of waste every year. Thanks to our employees' enthusiastic response, this has enabled us to avoid more than 7,000 disposable containers since early 2023. According to Vytal, that represents more than 9,000 liters of trash.

RAISING SUSTAINABILITY AWARENESS

We will not be able to reach our goal of effectively helping to limit global warming to 1.5 degrees Celsius solely through financial investments in GHG reduction. Another important success factor is that all TÜV Rheinland employees must also be aware of the importance of protecting the environment, resources, and the climate, and willing to question and permanently change their own habits. In 2022, we launched a global information campaign calling for energy conservation. In 2024, we will continue that campaign with a focus on environmental protection, conservation of resources, and climate protection. During the financial year, local initiatives were launched. In Japan, the "ECO Circle" initiative was established. This involves a group of employees who use creative projects to actively promote resource conservation and environmental protection (see info box, page 43).

CLIMATE COMMITMENT FOR THE LONG HAUL

Effective GHG management that conforms to the 1.5-degree Celsius goal is a demanding and long-term undertaking. The scientific calculations on which the SBTi methodology is based stipulate that the majority of companies, including our own, must reduce GHG emissions by at least 90 to 95% of the current level by no later than 2050 to prevent the man-made global rise in temperature due to the greenhouse effect from exceeding 1.5 degrees Celsius. The remaining 5 to 10% must be permanently removed from the atmosphere (neutralization).

TÜV Rheinland is taking on this task. To do our part to help achieve the 1.5-degree Celsius goal, in the financial year we launched a dedicated GHG management system. We will continue to pursue, consolidate, and intensify not only the developments started here, but also even more importantly the implementation of reduction measures, to continuously learn more and improve ourselves with regard to our GHG management practices in the years to come. We are setting out on this path as TÜV Rheinland together with our customers and suppliers.

ECO CIRCLE: WORKING TOGETHER FOR RESOURCE CONSERVATION AND ENVIRONMENTAL PROTECTION

In the “ECO Circle” initiative, employees of TÜV Rheinland Japan have joined forces to promote resource conservation and environmental protection. They look for opportunities to save energy in their everyday work and organize community activities to raise awareness for specific environmental problems. In the Kanagawa Prefecture, the location of our Japanese head office, a large number of colleagues joined their family members and friends in a clean-up day on the beach. “ECO Circle” uses such actions to raise awareness, within the workforce and beyond, for environmental protection and conservation of resources. The initiative also develops concrete proposals that the company can implement to make its business operations even more eco-friendly.

AT A GLANCE: FACTS AND FIGURES

Greenhouse gas emissions	Goal	KPI	Target value 2025	Status 2023
Scope 1 emissions (greenhouse gases/ GHG, direct)	Reduction of absolute Scope 1 emissions compared to the reference year	CO ₂ eq emissions in metric tons (reference year 2018) (based on the consumption of natural gas, German automotive fleet, pellets, and heating oil)	–29.4%	+ 4.89%
Scope 2 emissions (greenhouse gases/ GHG, indirect)	Reduction of absolute Scope 2 emissions compared to the reference year	CO ₂ eq emissions in metric tons (reference year 2018) (based on the consumption of electricity and district heating)	–29.4%	– 18.92%
Scope 3 emissions (greenhouse gases/ GHG, indirect)	Reduction of absolute Scope 3 emissions compared to the reference year	CO ₂ eq emissions in metric tons (reference year 2018) (based on travel by car [excluding German automotive fleet], air, rail) and upstream emissions from Scope 1 emission sources)	– 17.5%	+ 1.12%

Profession

Excellence and integrity: As an independent provider of testing and inspection services, we want to offer our customers the world's best service, and thereby contribute to sustainable development. We strive to continuously improve the quality of our services, to act with integrity and in keeping with our voluntary commitments at all times, and to handle the sensitive data of our customers, business partners and employees responsibly. In so doing we support the UN Sustainable Development Goals "Responsible Consumption and Production" (SDG 12) and "Peace, Justice and Strong Institutions" (SDG 16).





Our focal topics

- Service quality 46–48
- Data integrity 49–51
- Legal compliance and business ethics 52–55

Reliability and excellence for our success

As TÜV Rheinland, we place high expectations on our service quality. So do our customers. That's why we never stop working to satisfy customers' needs to the greatest extent possible. And that also includes supply chain considerations. For example, we address fair labor conditions and ecological standards. To that end, we analyze sustainability risks in order to be able to effectively minimize them.

Safety and quality are our mission. Accordingly, our customers expect us to deliver reliable and innovative solutions for sustainable value creation. Our Global Office QHSE works together with many Business Streams and service facilities of the Group to ensure that TÜV Rheinland's service quality improves continuously. Together with the Global Office Corporate Procurement, we establish the relevant agreements with our suppliers. The QHSE Management function is the responsibility of Michael Schneider, Global Officer QHSE, who reports directly to the CEO.

SUSTAINABILITY IN THE SUPPLY CHAIN

As a company with global operations and locations on six continents, TÜV Rheinland procures goods from numerous suppliers through global supply chains. For many of our customers, sustainability in the supply chain is a crucial factor in building and maintaining trust in our service quality. Moreover, companies are increasingly subject to ever more demanding statutory requirements establishing duties of care relative to human rights and the environment. Since January 1, 2023, for example, the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) obliges us to establish appropriate duties of care within our supply chains. That is why it is important to us to identify and manage sustainability risks associated with our suppliers' operations. We work together with the suppliers to detect, analyze, and assess potential risks related to human and labor rights as well as the environment. If suppliers have information about possible violations, they have access to appropriate communication channels where they can report them.

Our goal is to continuously expand and refine our ESG risk management function and to develop a shared understanding of sustainability: internally, and also externally with our

suppliers. Our Global Office Corporate Procurement is working constantly on this and integrating its findings into the procurement strategy. In the financial year, all new suppliers have already acknowledged our applicable ESG supplier requirements. In addition, we hold ESG training courses for the employees in the Global Office Corporate Procurement, which also coordinates and bears responsibility for our collaboration with suppliers. 45% of our purchasers in management positions worldwide have completed at least one ESG training course.

With the expansion of our Sustainable Procurement Guideline in the financial year, we want to ensure that the Procurement organization shares a uniform understanding worldwide of our sustainability requirements as they apply to procurement processes and suppliers. To make procurement more transparent at global level, we have integrated several IT tools into our procurement processes. For example, we have our suppliers and product groups undergo screening by EcoVadis IQ. The EcoVadis IQ platform prepares an evidence-based risk assessment of our suppliers using such tools as AI-driven sustainability data mining. We also integrated SAP Ariba Supplier Risk software into our processes during the financial year. That software complements the results of the supplier risk analysis according to EcoVadis IQ and enables early identification and minimization of risks in the supplier management process through proactive monitoring and running compliance audits. We conducted detailed examinations of suppliers whose preliminary analysis presented a very high risk profile and engaged in dialog with them if necessary. Despite standardized data requirements of our risk management IT tools and the associated partial limitation of data availability, 99% of our relevant suppliers and product groups were analyzed during the financial year for potential risk factors relative to human rights and the environment.



MANAGING RISKS

TÜV Rheinland offers some 2,000 services in various Business Streams. With a comprehensive operational risk management system, we identify and assess the specific operational risks of our services and initiate measures to minimize them if necessary. In this way, we provide greater security for our customers and partners, for our employees, and for the company. The primary objective remains the elimination or minimization of risk factors in order to improve service quality and increase customer satisfaction. To that end, the operational risk scorings were further reduced also during the reporting period.

BETTER SERVICE THROUGH COMPLAINT MANAGEMENT

Critical feedback helps us make progress and also meet the needs and expectations of our customers even better in the future. With our complaint management system, we follow

not only the applicable laws but also our accreditation guidelines and have established quality management processes at regional and local company levels. For service complaints, a Groupwide standard operating procedure using designated communication channels is defined. Launched in 2022, our Salesforce database enables us to register and systematically follow up on customer complaints, in order to ultimately implement concrete corrective measures.

Our goal is to reduce the complaint rate by 20% by 2025, based on the reference year 2022. Complaint management coordination is the responsibility of the Global Office QHSE, and implementation falls under the purview of the individual Business Streams.

By systematically evaluating complaints, we can continuously improve our service quality. Our quality teams in the Business Streams use the information from these analyses to achieve specific improvements in their areas. Among other things, in the financial year they made their processes

more efficient and reduced wait times for customers (Systems Business Stream), provided specifically tailored training courses for employees (Industrial Services & Cyber-security Business Stream), developed a customer portal where customers can download required documents on their own and check the status of their projects (Products Business Stream) and already three years ago launched the major project “Mobility in Action,” which aims to foster a cultural transformation and, for example, strengthens communication with associations for drivers and driving schools (Mobility Business Stream). In the financial year, the complaint rate was at the very low level of 0.01%. As compared to reference year 2022, however, we posted an increase of about 15%.

INSIGHT INTO OUR CUSTOMERS’ WISHES

Another indication of what we can do to further improve our service is provided by our annual customer satisfaction survey. Corporate Sales coordinates and structures that survey and then issues a report. The Business Streams derive necessary measures and implement them. We aim to increase customer satisfaction by at least 10% by 2025. The NPS reports customer satisfaction on a scale of –100 to +100. Our current value for 2023 is 53. At present, all countries and companies that contribute more than 1% of the total sales revenue must invite their customers to participate in the survey. To generate even more meaningful findings, in the future we will expand the survey to include additional countries and companies. In the financial year, Australia and Romania voluntarily took part in the survey for the first time.

AT A GLANCE: FACTS AND FIGURES

Service quality	Goal	KPI	Target value 2025	Status 2023
High service quality	Compliance with specifications, accuracy, and adherence to delivery deadlines	Improvement of NPS scores (customer satisfaction survey) (reference year 2021)	+10%	+33%
		Complaint rate (share of delivered services with complaints) (reference year 2022)	–20%	+15%
		ESG screening:	100%	99%
Sustainable value creation along the supply chain	Reduction of risks in operations and supply chain	All SAP suppliers with a procurement volume ≥ 10k euros over which Procurement has influence		
		Operational risk management: Risks assessed as risk level 4/5 will be reduced to no higher than risk level 3	100%	91%



Handling data responsibly

Data have become a key component of the global economy. As a global provider of testing and inspection services, that means we bear a responsibility for data integrity. Moreover, the increasing shifting of communication, business, and employment relationships to the digital sphere places high demands on the protection of personal rights. We have established numerous processes to professionally ensure the responsible and secure handling of all data, both digital and analog, of our company, our customers, business partners, and employees.

International data transfers as well as the increased use of cloud services to process personal data and the use of AI technologies impose additional risks. Added to this are ever more serious threats from outside, such as hacker attacks that can result in unauthorized disclosure, manipulation, or loss of sensitive data.

As we confront the challenges raised by current and future digital transformation processes, we want to merit the trust that customers, business partners, and employees place in us, also where data integrity is concerned. The most important prerequisites for this are secure digital infrastructures and services that comply with statutory requirements at all times. Furthermore, TÜV Rheinland has a comprehensive

management system to ensure data protection at all of our locations and to comply with the relevant accountability and record-keeping duties.

The Global Office QHSE is responsible, together with Corporate Data Protection, for the governance and monitoring of our data protection regulations. Kai Rabenschlag, Corporate Data Protection Officer in the Global Office QHSE, coordinates the activities of the function worldwide and assists our Data Protection Officers and Data Protection Representatives at regional and local levels in the performance of their tasks. Operationally, positions or persons engaged in processing personal data are legally responsible for data protection. As a rule, these are the relevant companies and their general management.

MANAGEMENT OF PERSONAL DATA

To ensure data protection at all times, TÜV Rheinland set up a Groupwide Data Protection Management System (DPMS). At the core of the DPMS are our Groupwide Data Protection Guidelines as well as the associated standard operating procedures. The handling of personal data is also subject to national data protection laws and data protection-related special legislation. For a globally active company like TÜV Rheinland, it is a challenge to harmonize global data protection standards with the relevant requirements from the national legislation.

The growing influence of digital media on work procedures, economic processes and social relationships also places new demands on the protection of personal rights in the digital sphere. The more people with a presence there through their digital identity, the more their informational self-determination – which derives from the constitutionally established right to privacy – becomes an asset particularly worth protecting.

Employees and customers can report complaints about data protection violations via our freely accessible contact and complaint channels or through the responsible data protection regulatory authorities. Data protection-related complaints are settled by the responsible Data Protection Officers or the Data Protection Representatives in discussion with the affected individuals. We investigate every complaint to determine whether it relates to a possible data protection violation, irrespective of whether or not it is subject to compulsory reporting.

TOOLS AND RULES FOR BETTER PROTECTION

Effective data protection is nearly impossible without functional IT security. We implement strict security measures and use appropriate technologies to protect personal data to the greatest extent possible in every processing step and to guarantee the data's integrity. In the financial year, we continued to push ahead with our work on our interactive data protection portal. This service portal will enable the processing of the rights of affected individuals such

as the right to information, disclosure, deletion, or opposition, and the reporting of potential data protection violations. It will also give interested parties more transparent, more comprehensible, and easier access to data protection-related information.

To raise our employees' awareness of the importance of data protection and data integrity, we are investing in regular training courses. For our workforce, we have provided an internal tool in the form of a data protection bot that automatically responds to data protection queries and information, thereby providing around-the-clock access to information documents such as FAQ lists, checklists, work instructions, and contract templates. We also started using IT-assisted administration tools on our DPMS: This technology will help us to better monitor compliance with data protection obligations and identify potential risks early on.

Our goal is to keep the risk of a data protection violation as low as possible at all times. In the financial year, no loss or theft of data came to our attention, and all complaints submitted to us were processed and substantively settled in due time. In 2024, we want to place more emphasis on raising employees' awareness for the handling of personal data in compliance with data protection regulations, especially with regard to AI technology. To ensure that our protection measures are always up to date, we conduct regular audits. By 2025, we want to increase the number of data protection audits that we conduct, not only within our own company, but also at other service providers. All service providers that process personal data on our behalf will be contractually bound to comply with our data protection standards.

With the rise of an increasingly complex data processing landscape, we seek to create an environment where data integrity and data protection go hand in hand, and where the data that we handle in our business processes are safeguarded from unauthorized access and misuse. This is not only a legal obligation, but also a question of responsibility – to our customers, employers, and partners. Effective data protection helps to build trust in our organization and reinforce our relationships with the stakeholders. And that is of crucial importance to the company over the long term.

AT A GLANCE: FACTS AND FIGURES

Data integrity	Goal	KPI	Target value 2025	Status 2023
Protection of data	Guaranteeing a high level of security for personal data	Number of internal data protection violations that were reported to the national data protection authorities (reference year 2020)	–50%	<p>To comply with specific state and national statutory regulations, the accountability relative to data protection is placed under the responsibility of the respective legal entity.</p> <p>A central reporting system is currently under development, so no data can be provided for reference year 2020.</p> <p>In the financial year, seven internally identified cases of only minor data protection violations concerning personal data were reported to the responsible regulatory authorities. Those cases did not incur sanctions, however, because they presented no high risk or no serious harm to the rights and freedoms of the affected individuals.</p>
		Share of internal data protection audits conducted	100%	98.1%
Transmission of data to third parties	Guaranteeing a high level of security in the transmission of data to third parties	Number of data protection violations by suppliers that were reported to the national data protection authorities (reference year 2020)	–50%	<p>To comply with specific state and national statutory regulations, the accountability relative to data protection is placed under the responsibility of the respective legal entity.</p> <p>A central reporting system is currently under development, so no data can be provided for reference year 2020.</p> <p>In the financial year, one data protection incident by a processor was reported to the responsible data protection authorities.</p>
		Share of external suppliers audited by TÜV Rheinland	50%	<p>To comply with specific state and national statutory regulations, the accountability relative to data protection is placed under the responsibility of the respective legal entity; at present, no information is collected on a centralized basis for this purpose.</p>



Bound by shared values and rules

The basis for our actions are applicable laws and our voluntary commitments that we have specified in our Code of Conduct and other guidelines. We audit ourselves regularly in this regard with the help of a comprehensive Compliance Management System.



Integrity and reliability form the basis for our business relationships and are a basic prerequisite for our entrepreneurial success. That's why we have established a series of behavioral rules that go beyond mere compliance with statutory regulations and are binding for all our employees and managers. Our Code of Conduct and our Compliance Guideline provide guidance. To monitor compliance with these rules, we have established a comprehensive Compliance Management System, which is audited annually by an external auditor according to the requirements of the TIC Council. We use

that audit for the continuous improvement and adaptation of our system.

We also expect our business partners and suppliers to act in accordance with applicable laws, acknowledge our guiding principles for responsible collaboration, and put them into practice. In the financial year, we revised our Supplier Code of Conduct. Specifically, stricter language was applied to human and labor rights topics as well as environmental topics, and precision was added regarding the requirements

of the Supply Chain Due Diligence Act (LkSG) that applies in Germany.

RAISING AWARENESS FOR RULES AND VALUES

Our behavioral rules are based on the core corporate values defined in the mission statement of TÜV Rheinland. Along with integrity, they include excellence, customer orientation, performance, and agility. Since 2006, TÜV Rheinland has been committed to the United Nations Global Compact and its basic principles concerning the protection of human rights, compliance with labor standards, environmental protection, and fighting corruption.

To inform employees and managers about our corporate values and the applicable regulations, and to raise their awareness for compliance and ethical behavior, we regularly conduct training courses. For our employees, we conduct annual compliance training courses, which all employees must attend. In the context of duties of care processes, we revised the training course in the thematic area of human and labor rights as well as environment in 2023. By 2025 we want all employees worldwide to complete these training courses annually. In the financial year, more than 90% of all employees attended these courses. We also held a compliance training week in Brazil and conducted a business partner training course in our Group region Greater China. In addition, all managers are asked to sign a Voluntary Declaration of Commitment to Compliance, which is submitted annually as an integral part of the Compliance Management System.

BUSINESS ETHICS VALUES OF TÜV RHEINLAND

- Alignment with the UN Global Compact and the principles of the TIC Council
- Sustainability strategy with business ethics as material category
- Compliance Management System
- Our mission statement with the core corporate values: Integrity, Excellence, Customer Orientation, Performance, and Agility

GUIDELINES OF TÜV RHEINLAND

- Code of Conduct
- Compliance Guideline
- Guideline for the Prevention of Conflicts of Interest and Corruption
- Business Partner Management Guideline
- Guideline on Donations and Sponsoring
- General Terms and Conditions of Procurement and Business
- Supplier Code of Conduct
- Sustainable Procurement Policy

MANAGING AND MONITORING COMPLIANCE

At TÜV Rheinland, a worldwide compliance network helps ensure compliance with laws and with our rules. Björn Clüsserath, Global Officer Legal and Compliance, heads the Corporate Legal & Compliance department and reports directly to the Executive Board. In that function, he acts independently and is a member of a Groupwide risk management unit. André Friede coordinates our international compliance activities as Head of Global Compliance. We created that role in the 2023 financial year. Moreover, regional, and local compliance officers, compliance experts, and compliance ambassadors in the various countries and regions are also involved in the management and further development of our Compliance Management System.

In the financial year, we held two Integrity Board meetings, which will also be held at least twice per year in the future. In that forum, the Executive Board and the senior managers discuss matters such as the monitoring of the compliance strategy, examine questions of implementation and communication, and identify possible new fields of action. For the coming years we have planned to continue development of our reporting via the Business Intelligence (BI) portal

and our whistleblower platform, and also to digitalize our Business Partner Management Process. In the regions of Greater China and IMEA, we also conduct integrity monitoring. We use this supplemental measure to track our own service performance, in order to proactively ensure integrity.

INVESTIGATING VIOLATIONS CONSISTENTLY

For alleged compliance violations and other cases of suspected misconduct, TÜV Rheinland already set up a whistleblower management system in 2007. Employees

and external stakeholders can use it to report information about criminal offenses such as corruption, bribery, and fraud as well as other violations of our corporate values. This also includes the topics of human and labor rights as well as environmental protection. A digital platform for confidential information has also been available since 2018. In addition, information about possible misconduct can also be submitted through other channels such as our central compliance e-mail address. Our goal is for no compliance cases to occur. Reports of suspected misconduct will continue to be consistently accepted and processed and a 100% level of investigation will be assured by 2025.

AT A GLANCE: FACTS AND FIGURES

Legal compliance and business ethics	Goal	KPI	Target value 2025	Status 2023
Ethical corporate values	Ethical corporate values	Share of TÜV Rheinland employees who receive annual training in basic compliance requirements	100%	93.5%
Honesty and integrity of employees	Establishment of "Integrity Boards"	Number of Integrity Board meetings held per year	2	2
Corruption and bribery	Confirmed cases and follow-up investigation	Number of confirmed cases	0	0
		Investigation rate of reported complaints	100%	100%
Local laws and regulations	Full signing of the Declaration of Corporate Governance	Percentage of managers who signed the annual Declaration of Corporate Governance	100%	91%

Financial report

■ TÜV Rheinland at a glance	58–59
■ Presentation of the business streams.....	60–61
■ General conditions.....	62–67
■ Corporate management.....	68–69
■ Earnings situation.....	70–75
■ Financial position.....	76
■ Results of operations	77–78
■ Investments.....	79–80
■ Employees.....	81
■ Risk management system and Corporate Governance.....	82–83
■ Opportunities and risks	84–87
■ Outlook.....	88–91



TÜV Rheinland at a glance

GROUP REVENUE

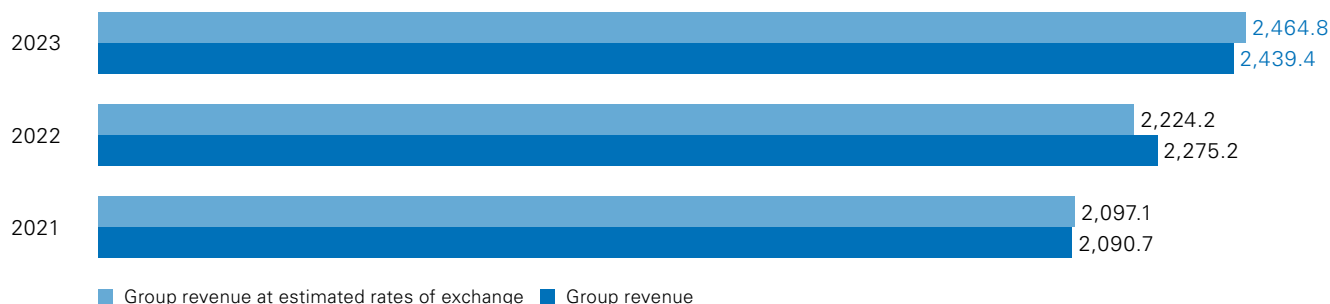
■ Despite worldwide inflation and the ongoing energy transition, TÜV Rheinland Group (hereinafter referred to as "TÜV Rheinland") managed to remain on a course for growth in the 2023 financial year and achieved group revenues (including the changes in inventories) totaling to €2,439.4 million; this represents a year-over-year increase of 7.2%. The forecast specified for 2023 – to generate revenue growth in the mid-single-digit percentage range – was exceeded in spite of exchange-rate losses on the year. Viewed in adjusted terms – i.e. revenue at estimated rates of exchange – group revenue

totaled to €2,464.8 million, which corresponds to a rate of growth of 10.2%.

■ The €164.2 million year-over-year upturn in total revenue was attributable to both domestic and international business. Organic revenue growth stood at €138.0 million. Revenue for domestic business was 6.2% higher. Foreign business even increased by 8.2% year-over-year. Revenue generated in the international regions totaled to €1,216.4 million, representing 49.9% (previous year: 49.4%) of total revenue.

GROUP REVENUE

in € millions



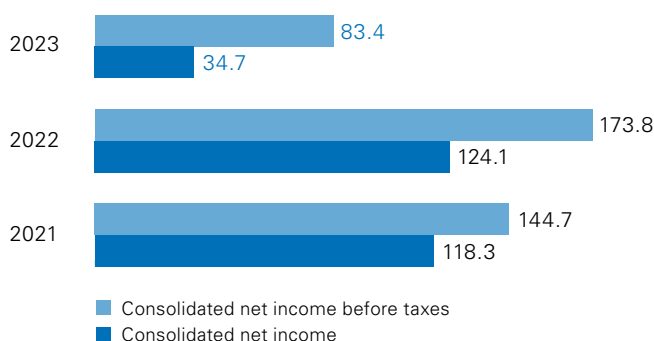
CONSOLIDATED NET INCOME

- TÜV Rheinland generated a total of €34.7 million in consolidated net income for the 2023 financial year; this was €89.4 million less than the previous year's value.
- Income tax expenses were €1.0 million lower year-over-year and totaled €48.7 million. The tax rate, on the other hand, was around 58.4%, which was well above the previous year's level. This was the outcome of a reduced operating result and unusable loss carryforwards.
- The negative financial result was €14.0 million worse year-over-year and stood at € –20.5 million in the 2023 financial year. This development was attributable to a higher rate of interest on pension obligations as well as higher interest expenses from leasing obligations.

■ Consolidated net income attributable to non-controlling interests totaled to €8.8 million in the current financial year (previous year: €8.3 million).

CONSOLIDATED NET INCOME

in € millions



OPERATING RESULT (EBIT)

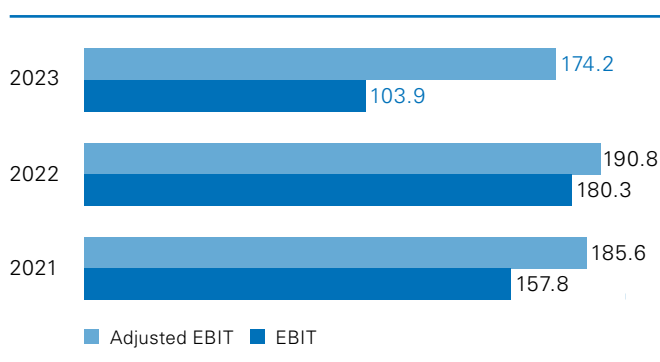
- The operating result (EBIT) in the 2023 financial year totaled to €103.9 million, thus falling significantly short (by €76.4 million) of the previous year's figure. The adjustment in provisions in connection with ongoing legal proceedings reduced the Group's operating result by €47.2 million.
- After taking negative special effects totaling €70.3 million into account, adjusted EBIT stood at €174.2 million. Special effects resulted particularly from €47.2 million in adjustments to provisions for ongoing legal proceedings, €12.6 million in restructuring measures, €9.9 million in effects from purchase-price allocations (PPA) and €0.7 million owing to a change in the scope of consolidation.
- Amortization of intangible assets and depreciation of property, plant and equipment were close to prior-year levels and stood at €145.4 million.
- With investments of €87.9 million in intangible assets and property, plant and equipment in the 2023 financial year, the investment volume was slightly lower than the previous year's volume of €90.8 million.

CASH FLOW

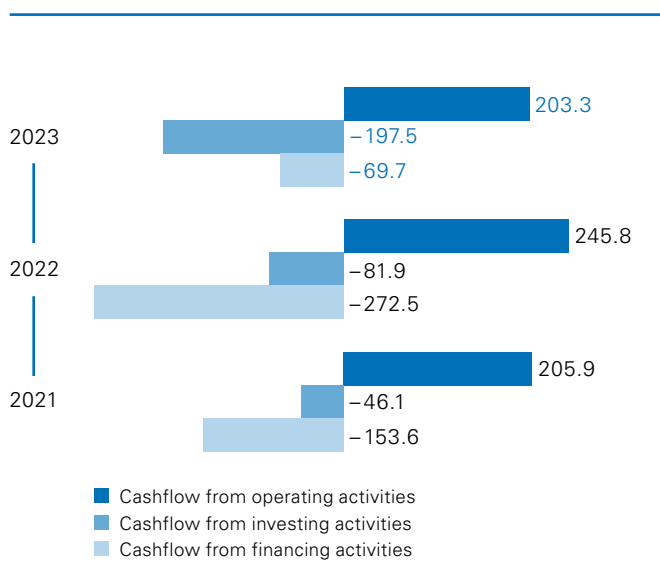
- The positive cash flow from operating activities amounted to €203.3 million in the 2023 financial year (previous year: €245.8 million); this represents a decrease of 17.3%.
- The consolidated net income of €34.7 million contrasted with non-cash depreciation and amortization of €145.4 million (previous year: €144.6 million).
- The negative cash flow from investing activities was €115.6 million higher compared to the previous year. The main drivers for this were investments in a non-current financial asset as well as payments from the acquisition of consolidated companies.
- The negative cash flow from financing activities in the 2023 financial year amounted to €69.7 million (previous year: € –272.5 million). The decline in negative cash flow from financing activities was the result of the taking-out of a long-term bank loan and of lower repayments of bank loans, as significant portions of the promissory notes taken out had been repaid during the previous year. Lease payments under IFRS 16 stood at €68.4 million (previous year: €62.7 million). Payments to equity holders of TÜV Rheinland AG amounted to €48.1 million in the financial year under report (previous year: €7.0 million).

- The EBIT margin, which expresses EBIT in proportion to Group revenue, stood at 4.3% in the 2023 financial year; this was 3.7% lower than the previous year. Hence, the target of generating an EBIT margin of around 7.0% for 2023 was not achieved. Taking the above-mentioned special items into account, the adjusted EBIT margin stood at 7.1% (previous year: 8.4%).

EBIT in € millions



CASH FLOW in € millions



Presentation of the business streams

For more than 150 years, TÜV Rheinland has stood for improvements in technical safety and quality in the ways in which people, technology and the environment interact. Its mission rests on the conviction that social and technical progress are inextricably intertwined and must be made sustainable. At TÜV Rheinland, this modern understanding of progress manifests itself in the active monitoring and testing of innovations, services, products and systems in the fields of technology and industry in an effort to permit their safe and responsible use. This helps make clients more successful while boosting trust in products and processes along global value chains.

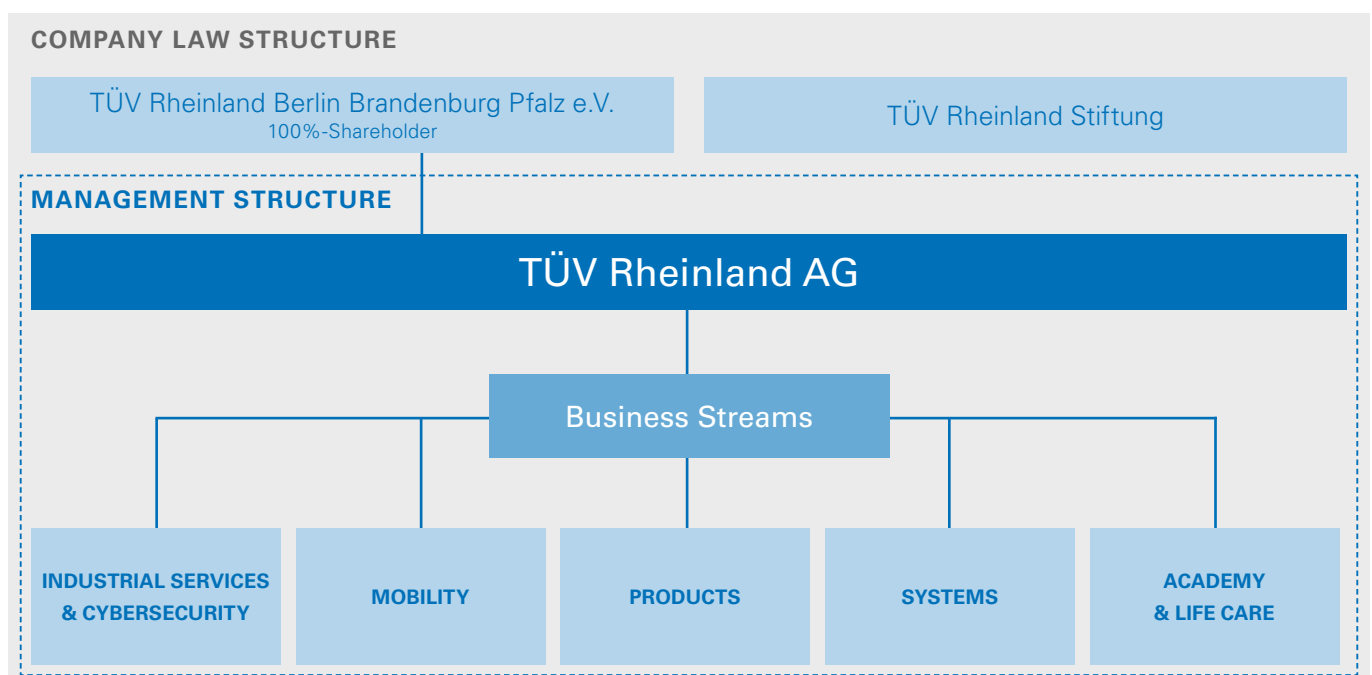
TÜV Rheinland offers its testing, inspection, certification, consulting and training services in more than 50 countries around the world, chiefly for companies and private clients, and also, to a lesser extent, for the public sector. The regions with the highest revenue are Germany, China and the remaining countries of Europe. Most of the services performed are based on recognized standards and on the requirements of national and international laws – always in pursuit of the company's purpose: "We make the world safer and more sustainable."

To implement this formative role at operational level, TÜV Rheinland was structured into five business areas through December 31, 2023:

Effective January 1, 2024, the SYSTEMS and ACADEMY & LIFE CARE Business Streams were merged to create a new Business Stream: PEOPLE & BUSINESS ASSURANCE. Since then, operational implementation of the company's purpose has been carried out in four 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, the testing of vessels, elevators and lifts, and systems in building technology; monitoring of industrial and infrastructure projects; and building technology. Services for the protection of the climate are offered as well and include environmental and contaminant analysis; these services are intended to help TÜV Rheinland's clients reduce their CO₂ footprint. The verification of greenhouse-gas emissions, and the certification of green gas, green electricity and hydrogen, are among the services of this Business Stream. Of note, finally, are the provision of testing, audit and certification services in the field of industrial automation, and functional security and cybersecurity in particular, as well as consulting, testing and administrative services in information technology (IT) and operational technology (OT) for companies.



MOBILITY

In the Business Field of Periodical Technical Inspection, this Business Stream consists of classical motor-vehicle inspection, with its network of testing centers in Germany, Spain, France, Latvia, Chile and China. The Driver's Licenses Business Field offers theoretical and practical testing for driver's licenses. Damage and valuation reports, car services and after-sales services are part of the Car Service & Appraisal Business Field, whereas testing of road eligibility and vehicle components can be found in the Engineering & Type Approval Business Field. The Rail Business Field (expertise in the field of railway technology) comprises technical and economic consulting, test execution and monitoring, and assessments including independent safety assessments. This Business Stream views itself as an "enabler of better mobility" and is involved in developing new services for safety and the conservation of resources in the networked mobility of the future.

PRODUCTS

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. Among other things, in its Softlines Business Field, the Products Business Stream inspects toys, cosmetics and textiles; in the Hardlines Business Field, it offers inspections of furniture and household goods as well as mechanical products. The Electrical Business Field provides inspections of consumer electronics, among other things, along with tests of the electromagnetic compatibility (EMC) of electrical and electronic products. The Solar and Commercial Products Business Field concentrates on the testing of components, solar systems and modules, batteries and machinery. Added to this is the auditing, testing and certification of medical products and manufacturers of medical devices; this is the work of the Medical Business Field.

ACADEMY & LIFE CARE

Until December 31, 2023, this Business Stream combined the expertise and services of TÜV Rheinland applicable to the field of "individuals and organizations" against the backdrop of the digital transformation. The Business Stream combined TÜV Rheinland's technical competence with its

expertise in occupational health and safety, theoretical and practical learning solutions and the implementation of the digital transformation. With its services around occupational medicine, occupational safety and occupational health management, the Occupational Health & Safety Business Field helped foster employees' effectiveness and their readiness to perform. Implementation of online and in-person business through seminars, training and further education, including contemporary learning solutions and skills development, were the mission of the Training & HR Development Business Field. Labor-market services were provided through the Labor Market Services Business Field; consulting and project services, which include the topic of "sustainable organization," were offered through the Digital Transformation Business Field.

SYSTEMS

Up until December 31, 2023, the offerings of this Business Stream included, among other things, the Certification of Management Systems Business Field; as an independent third party, this Business Field certified a wide range of management systems along with processes, services and companies in line with internationally recognized standards. This effort extended to quality-, environmental- and energy-management systems and a large number of other management systems, e.g. in the areas of information, food or occupational safety. Audits along the value chain, focusing on social responsibility and environmental or sustainability requirements, were the main service offered through the Customized Services Business Field. Another area of focus was on client- or sector-specific audit procedures. As part of government programs or based on industry and client requirements, TÜV Rheinland served as an independent body, offering conformity assessments and inspections in the international movement of goods. This ensured that imported goods and the related documentation were in compliance with national regulations and any requirements stipulated by contract. These services were bundled in the Business Field for Government Inspections & International Trade.

On January 1, 2024, the latter two Business Streams mentioned above were merged to create the "People and Business Assurance" Business Stream. This did not affect the aforementioned Business Fields or their designations and business models, and these will remain in operation, unchanged, in the new Business Stream.

General conditions

GENERAL ECONOMIC CONDITIONS

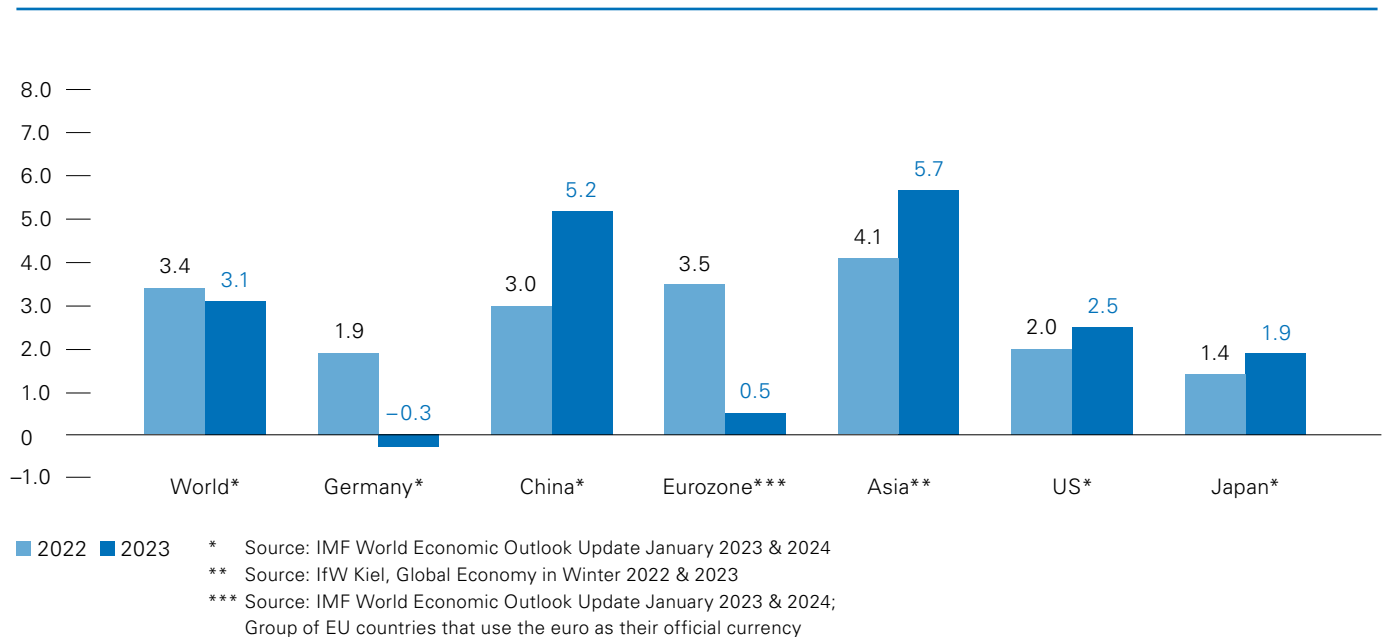
Although economic expansion was moderate, the global economy performed better than expected overall in 2023, in spite of the shock of inflation and a massive tightening in monetary policy. The economy grew by 3.1% during the financial year under report (previous year: 3.4%). This marks the second consecutive year in which a slowdown was seen in global economic growth. The recent conflict in the Middle East has elevated geopolitical risk as well as the sense of uncertainty in commodity markets. All of this is taking place as the global economy continues to struggle with the sustained impacts of the overlapping shocks of the past three years – the coronavirus pandemic, the invasion by the Russian Federation in Ukraine, and the rise in consumer prices and the subsequent profound tightening of global currency conditions. On the other hand, it is encouraging to note that inflation rates are declining overall, and that makers of monetary policy could begin cutting rates of interest during the 2024 financial year. Expansion in gross domestic product was relatively robust in some of the advanced economies, such as the US and Japan,

whereas growth in the Eurozone was markedly weaker. Compared to the US, the rate of inflation in Europe was still higher until the autumn of 2023; this placed a burden on private consumer demand as real disposable incomes fell accordingly. Private households in the US have also drawn down much more of their savings from during the coronavirus pandemic than has been the case in many other advanced economies. Among the emerging and developing economies, the economic dynamism of the Chinese economy remained subdued when compared to pre-coronavirus levels in the face of structural problems. India, on the other hand, experienced robust growth. Generally speaking, services had a supportive effect in many economies, where they partly offset declines in production in the manufacturing sector. The change in the consumer price index in 2023 fell to 8.0% (previous year: 9.4%). Still, core inflation (which excludes energy and unprocessed food) remains high in many countries.

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

DEVELOPMENT OF THE GLOBAL ECONOMY IN 2022 AND 2023

in %



Germany

The developments arising out of the Russia-Ukraine conflict, which began in 2022, had a significant impact on the German economy again in 2023. The consequences involved the sharp increase in energy prices, which led to a downturn in production in energy-intensive sectors of the economy, as well as high inflation, which has deprived households of considerable amounts of their purchasing power. Extensive relief packages from the German government to cushion the economic impacts of the energy crisis succeeded in preventing an even more severe recession. The slight economic growth seen in the first half of the year was offset by the downward trend of the second half of the year. Many branches of industry experienced weak levels of new business alongside declining capacity utilization. The construction industry was particularly hard-hit when the key rate of interest was raised by more than 4 percentage points as a result of inflation. This situation is compounded by fresh geopolitical uncertainties brought about by the conflict in the Middle East. While exports to Israel are low, Israel has long been an important economic partner for Germany. A positive development worth emphasizing in the 2023 financial year was that the phase of high inflation now seems to have been overcome. The prices for energy commodities are now significantly lower than they were at their peak in the summer of 2022. Real wages increased slowly in Germany during the second half of the current financial year; employees benefited from salary increases while inflation weakened. The German economy contracted during the financial year under report, ending the year with an overall decline of -0.3% (previous year: 1.9%). The significant decline in consumer prices continued throughout the year, but they remained at a high level of 5.9% at year's end. The economic weakness was noticeable in the jobs market, where the unemployment rate rose to 5.7% (previous year: 5.3%).

China

The Chinese economy reported overall growth of 5.2% in 2023 (previous year: 3.0%), thus growing at a significantly slower pace than in the past and less than had been expected following the end of the zero-Covid policy. Since the burst of the real-estate bubble, China has found itself in a crisis of structural growth as the size of the working population declines and the unemployment rate rises. When China lifted its zero-Covid policy in early 2023, a burst in consumption led to a short-lived economic recovery.

Over the course of the year, however, difficulties in the real-estate market slowed the economy down. Housing prices began falling in the spring, there was a steep drop in the number of construction projects, and additional major real-estate firms encountered payment difficulties. Weak demand from the world's advanced economies also placed a burden on Chinese foreign trade. The central government introduced multiple measures in an effort to boost the economy, and specifically to offer support to a real-estate sector in crisis. Private consumption recovered toward the end of the year. Overall, the rate of inflation in China in 2023 stood at just 0.4% amid frequent discussions, throughout the year, of the risk of deflation.

Eurozone

After the robust recovery in economic performance in the Eurozone last year, initially regaining pre-coronavirus levels for the first time, the economy was stagnant during the first half of 2023. This development owed to the lack of an increase in private consumption – as real wages continued to fall until the spring – and to the downturn in exports of goods. High rates of interest also continue to weaken the level of investment in housing construction. There was an upward trend in investments in equipment and in non-residential construction as a result of state measures undertaken in many places under the aegis of the NextGenerationEU recovery plan. Overall, gross domestic product in the Eurozone was just 0.5% higher in the reporting year (previous year: 3.5%). The heterogeneity among Eurozone Member States was particularly pronounced during the current financial year. Apart from Germany, some countries, such as Ireland (-2.1%; previous year: 9.6%), concluded 2023 in a state of recession, whereas numerous other countries managed to report slight growth. These included France, for example (0.8%; previous year: 2.5%), Italy (0.7%; previous year: 3.8%) and in Spain (2.4%; previous year: 4.6%). In spite of weak economic growth, the jobs market remained robust. The ranks of the employed continued to increase, and at 6.5%, the unemployment rate was lower year-over-year (previous year: 6.7%). The uptick in consumer prices fell to 5.4% during the financial year under report, following a peak that had been reached the previous autumn. Since the middle of last year, the European Central Bank has worked to combat high inflation with a steep increase in the key interest rate. The last increase, to 4.5%, was made in September 2023.

Asia

In addition to countries such as Indonesia, Thailand, Malaysia and the Philippines, the Kiel Institute for the World Economy also subsumes large emerging markets such as China and India under the Asia region. Economic growth in the region climbed to 5.7% during the current reporting year. China reported an increase of 5.2%. As in the previous year, India's economy experienced very robust expansion, as seen in a 7.3% increase in gross domestic product. The other emerging markets of Asia contributed toward economic growth as well but reported overall growth of just 4.5%. This is mainly the result of a steep downturn in economic growth in Malaysia and the Philippines. Consumer prices in Asia were 2.2% higher overall.

USA

The US economy grew by around 2.5% in 2023 (previous year: 2.0%) and proved particularly robust in spite of sharp increases in interest rates. This was driven mainly by private consumption, which was aided by growth in real incomes and continued use of surplus savings from the coronavirus pandemic. Third-quarter growth was significantly accelerated, but the trend failed to continue in the final quarter. The US jobs market had recovered significantly in the previous year and remained unchanged in the current financial year. The consumer price index dropped markedly, from 8.0% the previous year to 4.2% in 2023.

Japan

Japan's gross domestic product recovered in 2023 and reported 1.9% growth (previous year: 1.4%). This was the result of pent-up consumer demand following the coronavirus pandemic, a recovery in automobile exports and domestic tourism. Inflation exceeded target levels for more than a year, yet the Bank of Japan continued to pursue its highly expansionary monetary policy but gradually relaxed its policy of yield-curve control and permitted a rise in longer-term rates of interest. This led to a peak in the change in the consumer price index in the summer of 2023, which stood at 3.3%, and a massive devaluation of the Japanese currency. The situation in the Japanese employment market is tighter: The country's unemployment rate rose from 2.7% to 3.0% in 2023.

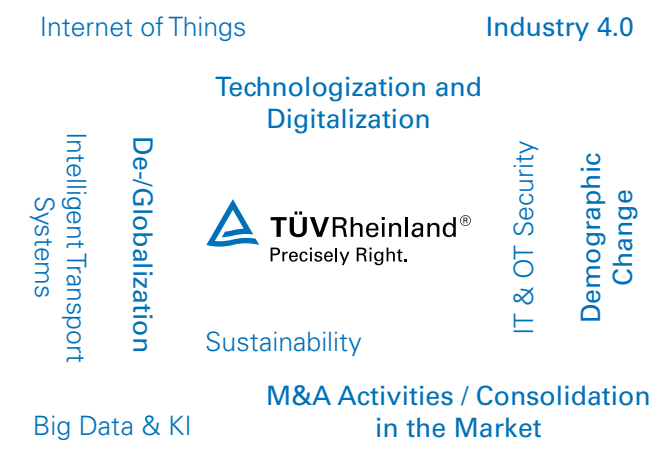
MARKET-SPECIFIC DEVELOPMENT

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. Demand for the services of TÜV Rheinland remains high among clients from countries such as Germany, China, the US, UK, Spain, Italy, Japan, Korea, India, Saudi Arabia and Brazil; demand for these services is increasingly developing in emerging markets as well.

Market influences

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:

MARKET PARAMETERS AND TRENDS



De-/Globalization

Issues such as energy supply, infrastructure, international division of labor and mobilization are of major importance to a globalized society. In spite of occasionally clear protectionist tendencies, globalization continues to present the TIC market with opportunities and risks at the same time. Liberalization efforts in individual markets are strengthening global trade and opening up opportunities to enter new markets. Worldwide supply chains and their ongoing transformations and shifts call for uniform testing standards and certification services. Due to its strong international orientation and worldwide presence, in this regard TÜV Rheinland is very well positioned in more than 50 countries and is thus in a position to offer, among other things, product approvals for most of the world's markets.

Technologization and Digitalization

The advance of new information technologies is changing society as well as global markets and products. TÜV Rheinland uses the services it performs to make and keep technologies secure and to ensure that they meet the quality requirements established, including in the context of the digital transformation. The following technology trends are of particular importance here:

■ Intelligent transport systems

Some of the modern vehicles in use today drive (semi-) autonomously, permit remote diagnostics and offer 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

Industrial production under Industry 4.0 is characterized by a high customization of products under conditions of highly flexible production. Production systems such as these use complex data networks to link customers and suppliers over the entire value chain. Labor-intensive and monotonous activities in production are (in some cases) taken over by robots, and there is a great deal of networking of machinery. The resulting requirements for data and network availability, functionality and cybersecurity are systemically essential and an important area of activity for TÜV Rheinland.

■ Big Data & AI

The collection, analysis and use of vast amounts of data is an important prerequisite for efficient business today.

What matters is to identify data, understand the data correctly, evaluate them accordingly and put them to profitable use. The application of Artificial Intelligence (AI) in particular facilitates the use of large amounts of data in an effort to identify patterns and achieve performance targets. Users of AI-supported systems must be in a position to have faith that the risks involved – owing to factors such as faulty AI applications or intrusions into privacy – will be kept to a minimum. TÜV Rheinland is committed to establishing verifiable security standards that will make AI applications transparent and secure at the same time. TÜV Rheinland also strives to enlist AI to create a smart and seamless customer experience in its own services and to promote greater efficiency and productivity in its internal processes.

■ Internet of Things (IoT)

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 results not just in far-reaching new opportunities for providers and consumers, but in security risks as well. TÜV Rheinland leverages its expertise in the field of security and quality testing to help create the conditions for IoT devices that are reliable and secure.

■ IT & OT Security

The availability and transmission of data at all times, whether in mobile-payment processes or data storage in the cloud, offer examples of the importance of IT security. The risk of hacker attacks and cybercrime is constantly on the rise – as are the requirements for information technology (IT) and the security of IT in the business setting. Incidents in modern plant and process control systems in operational technology (OT) have increased in recent years as well. A holistic approach to security design is required here to ensure not only that accidental or systematic technical failures can be avoided, but also that cyber attacks on networked production facilities can be fended off.

Demographic change

When compared to technological progress, demographic change is a slow and steady trend – but it, too, has a significant impact. It influences the supply of qualified workers – the key term here being “shortage of skilled workers” – and leads to a change in the demand for certain TIC services, such as in the market for healthcare and nursing. It also shifts the approach taken to service provision, e.g. through increased demand for digital and remote-controlled services.

Sustainability

For more than 150 years, as described above, TÜV Rheinland has stood for quality, efficiency and safety in the interaction between people, technology and the environment. Hence, the core business has always comprised services that today are undoubtedly linked to what we understand by “sustainability.”

In TÜV Rheinland’s view, sustainability comprises the contents of the ESG categories (Environment, Social, Governance) in conjunction with sufficient economic profitability. This ensures long-term continuity and business success while at the same time helping achieve the United Nations Sustainable Development Goals (SDGs).

As many of the developments throughout the world have shown, taking all aspects of sustainability into account is more important today than ever before. This is particularly true with regard to the steps taken to protect the climate. Through the services it provides, TÜV Rheinland actively helps its clients achieve their sustainability goals. Our own activities in-house are also geared toward strengthening the idea of sustainability.

M&A activities / Consolidations 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. An exceptionally large number of M&A activities were pursued in the 2023 financial year.

Regional influences

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; due to cross-sector and regional diversification, however, this has only an indirect and delayed impact on business success.

European business

The trend in TÜV Rheinland’s European business (incl. Germany) was a positive one in the financial year under report, with an 8.3% (€ + 117.6 million) increase in revenue; this significantly outpaced the general economic environment, which registered just 0.5% growth in gross domestic product. Central and Eastern Europe generated a year-over-year revenue increase of 22.8% (€ + 12.1 million). Western Europe also reported an encouraging 16.4% (€ + 34.0 million) upturn in revenue. Only the countries of Belgium, the Netherlands and Hungary reported slight declines in revenue. Business in Germany, on the other hand, climbed by 6.2% (€71.5 million), outperforming the overall German economy, which closed 2023 in a recession. The increase at TÜV Rheinland is due mainly to the MOBILITY, INDUSTRIAL SERVICES & CYBERSECURITY and ACADEMY & LIFE CARE Business Streams. Projects in connection with the energy transition gained traction in the EU market in 2023, bolstered by robust EU regulations and initiatives. This included acquisition of a UK-based technical consultancy in early 2023, as the newly acquired company offers a broad range of technical consulting services, both locally and to international clients, with a focus on the chemical, oil and gas, energy and pharmaceuticals sectors. Through two acquisitions in Italy, TÜV Rheinland strengthened its position in the non-regulated market, gaining services such as environmental studies, assessment and management of safety and health risks as well as functional safety and cybersecurity in the field of machinery and systems. TÜV Rheinland has also acquired an engineering, inspection and technical consultancy in Spain that offers turnkey projects in the fields of quality control, product inspection and technical audits, support and control of occupational and industrial safety, as well as engineering and project management at international level.

Greater China

Despite a weak macroeconomic recovery in the wake of the coronavirus pandemic, China's economic output rose by 5.2% in the past financial year. TÜV Rheinland business in China far outperformed the economic forecast, with a revenue increase of 12.1% before currency conversion. Also, in an international comparison, Greater China remained the strongest foreign region, accounting for 19.9% of total revenue in the 2023 financial year. The growth in the PRODUCTS Business Stream at the locations in Shenzhen, Guangdong and Shanghai was particularly noteworthy.

Asia Pacific

TÜV Rheinland reported a 2.1% (€ –2.9 million) downturn in overall revenue in the Asia Pacific region. Only Indonesia at 8.0% and Singapore at 3.7% experienced year-over-year growth in revenue. After adjusting for exchange rates, however, revenue in the region rose by approx. 6.4%.

IMEA

TÜV Rheinland's India/Middle East/Africa (IMEA) business achieved a strong 25.7% (€ +31.9 million) upturn in revenue. A robust and consistent trend in Saudi Arabia, as part of the "Kingdom of Saudi Arabia Vision 2030" – 25.7% revenue growth year-over-year – secured TÜV Rheinland a considerable order volume across all Business Streams. During the current financial year, the SYSTEMS Business Stream in particular reported strong revenues compared to the previous year. Double-digit growth was also experienced in India, Oman and the United Arab Emirates.

North America

While economic growth in the US stood at around 2.5% during the reporting year, TÜV Rheinland's business in this region saw an 11.2% (€ –8.8 million) downturn in revenue. In an effort to promote growth in the coming years, capacities and capabilities in the PRODUCTS Business Stream were significantly expanded during the last quarter of the reporting year.

South America

TÜV Rheinland is active in South America in Brazil, Chile and Argentina; its revenue figures in these countries were nearly identical to the previous year's. This is due primarily to the continued high inflation and currency devaluations with which Argentina continues to struggle. Driven by the agricultural sector and supported by household and government consumption, Brazil experienced revenue growth of 6.2% in 2023; Chile saw revenue growth of 7.0% in 2023. The TIC market continues to grow at a moderate pace in South America as well. Adjusted for the sale of the activities in Colombia and Peru, revenue in the region in 2023 was 8.7% higher year-over-year.

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

Corporate management

Corporate management entails 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 each year is on the financial target and management figures. The most important of these are revenue and the EBIT margin. 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.

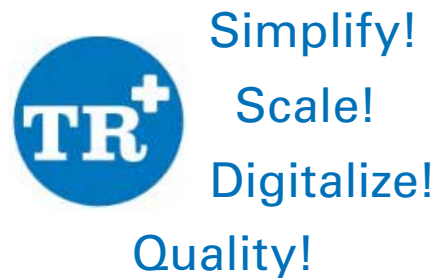
The Group's (1) long-term target image and (2) strategic direction are defined in TÜV Rheinland's TR+ strategy. Profitable growth, the reduction of complexity, expansion of scalable businesses, acceleration of digitalization and consistent implementation of quality leadership are all core elements of the current Group strategy. During the past year, the TR+ strategy was subjected to a stress test (3) and updated along with strategic financial planning.

(1) The target image of TÜV Rheinland defines the level of future aspirations. With this in mind, the company will remain a dependable and integral partner looking as far ahead as 2030 for safety, quality, new technologies and sustainability for its clients – a professional, sustainably positioned and economically successful company with highly satisfied clients and employees. With excellent services, the Group will continue to operate profitably, shaping its own future, retaining its independence and thus positioning itself as a significant global provider in the sector. Global expansion will continue to be driven, subject to the condition that it does not grow too dependent on individual markets (countries and/or services) while at the same time avoiding the emergence of fragmentation and complexity. Given the high technological expertise of its employees, TÜV Rheinland will also consistently establish itself as the preferred TIC partner for selected new technologies.

The effort to protect the TÜV Rheinland brand and its reputation has top priority within the context of the target image. Above and beyond this, the objective of TÜV Rheinland remains to further reduce the number of accidents and to offer clients ESG services for effective assistance toward achieving their sustainability goals.

(2) The strategic direction of TÜV Rheinland defines the key levers used to achieve the goals described. It specifies the

direction in which the Group should develop in the long term in its effort to secure competitive advantages and promote sustainable success. The strategic thrust includes a set of defined and binding guidelines that the Group's organizational units uniformly and consistently observe. In this connection, there are four strategic guidelines that should be emphasized:



Simplify!

This guideline has multiple facets, all of them dedicated to the goal of reducing complexity. SIMPLIFY! thus locates the core business of TÜV Rheinland in the service categories of testing, inspection, certification, consulting and training. SIMPLIFY! also comprises a regular review of services with the goal of keeping the complexity of the 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 structures and processes throughout the Group – in the Business Streams, in the regions and in the service functions.

Scale!

Scaling is 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 world's leading providers in the 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!

Three levers can be distinguished in the effort to accelerate the digital transformation:

- Transferring analog and physical processes into digital workflows. This applies specifically to communication with the clients, which grows more efficient and client-friendly through innovations such as digital test reports and invoices. The goal is to achieve standardized data management that uses only a single central source for important client or material data while also enabling operation of shared service centers at Group level.
- Evaluating existing data in useful ways and deriving information from which to generate added value, e.g. in the form of client benchmarks.
- Developing and establishing new digital business models and services. One offer here is the successful "myCompetence" platform that offers online training for use not just by TÜV Rheinland but by external providers as well.

Quality!

TÜV Rheinland's positioning as a leading provider of high-quality services will be maintained and expanded. The effort is to consistently meet the requirements of clients, legislative bodies and regulators as well as the high demands we place on ourselves. With this in mind, processes in service provision are standardized and automated wherever possible, an appreciation of the standard of quality in service provision is continuously promoted, and quality indicators – if not yet in place – are systematically introduced, recorded and used for control purposes. These measures also help minimize risk.

of external and strategic scenarios. These made it possible to imagine the future in an open-minded way while integrating unconventional constellations into the strategy process. This resulted in a consistent expectation of the future as well as preferred strategy principles.

The assumptions that underlie these expectations and guidelines came in for critical, in-depth and comprehensive review during the past financial year, taking into account the dynamic changes in geopolitical, social and technological factors along with more immediate considerations of TIC clients and competitors. These expectations and strategy principles were subjected to a stress test to review their validity and to assess their resilience to plausible as well as extreme conditions.

Under the possible future scenarios, the stress test found that TÜV Rheinland's strategic direction can continue to be judged as competitive and for the most part robust in the face of future uncertainties. It is flexible enough to permit suitable responses to a large number of possible future developments and to proactively address the resulting opportunities and risks. The four central guidelines – Simplify!, Scale!, Digitalize! and Quality! – have proven themselves to be value drivers and are being pursued and accelerated. These are the basic principles around which the Group's decision-making and behavior are oriented.

In keeping with these basic principles, the strategies of TÜV Rheinland's Business Streams and Business Fields were reviewed last year as well and – where necessary – updated and revised. This ensures that organizational units' operating activities will remain sustainable and successful in a dynamic TIC market marked by further consolidation and will consistently contribute to TÜV Rheinland's target image. Against this backdrop, the strategic financial plans of the Group, the Business Streams and the Business Fields were also updated and projected forward over the next three years until 2026.

(3) The strategic thrust of TÜV Rheinland's TR+ strategy, in its initial stages, was systematically developed on the basis

Earnings situation

GROUP REVENUE

TÜV Rheinland's group revenue (including inventory changes) rose to €2,439.4 million in the 2023 financial year (previous year: €2,275.2 million). The presentation below shows unconsolidated additional revenue per Business Stream, including at estimated rates of exchange in light of exchange rate fluctuations:

GROUP REVENUE PER BUSINESS STREAM

in € millions	2023	2023*	2022
Industrial Services & Cybersecurity	686.8	687.5	614.2
Mobility	709.7	712.5	633.6
Products	657.6	679.1	657.2
Academy & Life Care	298.4	298.0	274.5
Systems	274.3	278.1	263.1
Other (Intra-group revenues and central functions)	-187.4	-190.3	-167.4
GROUP REVENUE	2,439.4	2,464.8	2,275.2

* Revenue figures at estimated rates of exchange

All of the Business Streams succeeded in increasing their revenue figures compared to the previous year. The Business Streams of MOBILITY, with an increase of 12.0%, and INDUSTRIAL SERVICES & CYBERSECURITY, which grew by 11.8%, contributed significantly to the overall 7.2% growth in revenue.

Germany

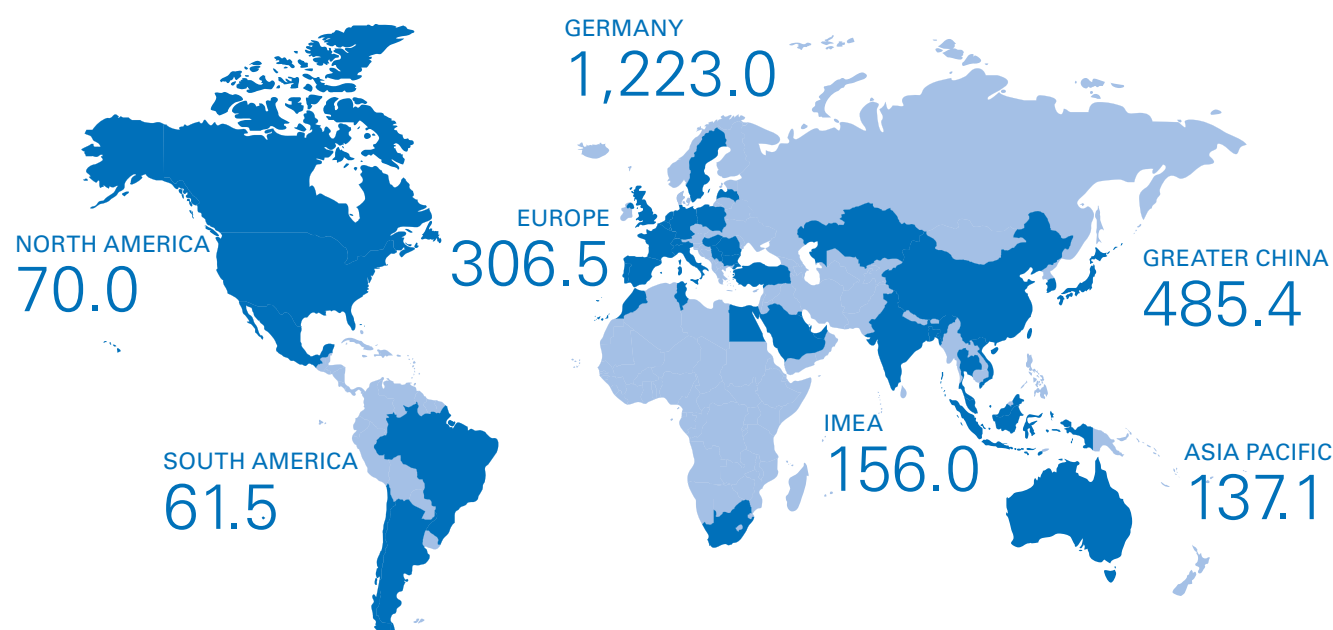
Germany had a 50.1% share of total revenue and was in a position to increase its revenue over the previous year. The year-over-year increase in domestic revenue, from €71.5 million, to €1,223.0 million, was mainly attributable to the MOBILITY Business Stream, which contributed €45.9 million. With the exception of the PRODUCTS Business Stream, which recorded an 11.6% downturn in revenue, all other Business Streams increased their year-over-year revenue figures by double-digit percentages.

International

International revenue totaled to €1,216.4 million and was 8.2% higher than the previous year (previous year: €1,123.7 million). The Greater China region accounted for 19.9% of total Group revenues, followed by the regions of Western

GROUP REVENUE BY REGION

in € millions



Europe (9.9%), IMEA (6.4%) and Asia Pacific (5.6%). North and South America each accounted for less than 3.0% of revenue. There were significant increases in revenue across all of the Business Streams, ranging from 2.1% to 24.3%. Changes in currency exchange rates led to a €34.2 million decrease in overall Group revenues during the 2023 financial year. The Chinese yuan and the Argentine peso were prominent among the significant currencies with a considerable negative effect on Group revenue. What follows is a global overview of revenue by region:

Industrial Services & Cybersecurity

This Business Stream reported an 11.8% year-over-year increase in revenue; 3.2% of this growth was inorganic. The region of Germany as well as the international regions contributed toward the exceptional growth in this Business Stream. In absolute terms, the Energy & Environment Business Field generated the largest share of added revenue and made a significant contribution to the increase in revenue. This was achieved through stable organic as well as inorganic growth (in the regions of Germany and Western Europe). The Industrial Inspection & Materials Testing Business Field also made an important contribution to the upturn in revenue; this was the result of projects with high order volumes in Saudi Arabia and other major projects in Kazakhstan and Greater China, among other things. Together with the Cybersecurity & Functional Safety Business Field, the Infrastructure & Project Supervision Business Field also contributed to revenue growth for the Business Stream, which was particularly the result of intensive expansion of business activities in Germany, United Kingdom (acquisition) and IMEA (organic growth). The remaining Business Fields that form part of the regulated testing and certification market – including Electrical Engineering & Building Technology, Elevators & Lifting Equipment and Pressure Equipment – accounted for solid shares of absolute growth in revenue for the Business Stream.

Mobility

This Business Stream reported a successful financial year with a 12.0% increase in revenue. With revenue of €709.7 million, revenue targets for all of the Business Fields were significantly exceeded. With €40.8 million in revenue growth (representing an upturn of 11.2%), the Periodical Technical Inspection Business Field accounted for the absolute largest share of revenue growth in this Business Stream. All of the markets in which TÜV Rheinland offers vehicle inspections contributed to growth in revenue in 2023 and resulted in total revenue of €406.2 million. A shortage of skilled workers and high absenteeism due to illness posed major challenges for the Driver's License

Business Field. Revenue was higher by a total of 3.7%. High numbers of tests were carried out during the second and third quarters of the year in particular, the rise being partly attributable to high rates of repeat tests. An economically strong year was seen in the Car Services & Appraisal Business Field as well. Revenue grew by 13.7%. The Franchise organization contributed a significant portion of the revenue growth in this Business Field, which benefited not only from improved economic conditions but also from the successful expansion of the partner network. The highest relative revenue growth, 21.0%, was achieved in the Engineering & Type Approval Business Field. All of the regions made a positive contribution to revenue growth in this Business Field as well. The region of Germany, and particularly the laboratory for the testing of traction batteries, along with the Greater China region, benefited from the successful construction and ramp-up of the new testing laboratory in Taicang. The area of Automated Driving Systems (ADS) also ranked among the drivers for growth in 2023, thanks to major projects and several pilot projects with renowned carmakers. ADS is a segment within the Engineering & Type Approval Business Field that deals with projects and service developments relating to technologies in the automobile industry. The Rail Business Field also outperformed its revenue targets during the financial year under report and registered a slight increase in revenue over the strong previous year. Robust revenue growth in the Western Europe and Asia Pacific regions more than compensated for the loss of revenue in the German infrastructure business and the downturn in volume on the American continents.

Products

This Business Stream maintained its overall revenue year-over-year during the financial year just completed. With revenue of €657.6 million, the PRODUCTS Business Stream is the third largest Business Stream at TÜV Rheinland. The IMEA and Greater China regions were key growth drivers in the financial year under report. The Solar & Commercial Products Business Field – which includes the testing of machines, components and solar modules, among other things – achieved the largest absolute revenue growth, followed by the Medical Business Field, which also reported strong revenue growth, particularly in Greater China and in Germany. The Softlines and Hardlines Business Fields faced a significant downturn in revenue, especially in Germany, as the market situation of important retail clients worsened.

Academy & Life Care

This Business Stream continued on its steady trend of success in the past financial year and reported 8.7% year-over-year revenue growth. All in all, this led to €298.4 million in total revenue. Factors that warrant particular mention are, first, its business in further education in the home market of Germany. Training and further education registered continuing growth in demand during the first half of the financial year under report for both in-person seminars and digital offerings. The increasing economic uncertainties in the wake of the Russia-Ukraine war, the Israel conflict and the increased cost pressures companies face as a result of inflation diminished the initially very dynamic development seen during the first half of the year. The IMEA region experienced robust growth as well. There was a high demand for vocational training in TÜV Rheinland-run training centers such as the “National Industrial Training Institute” (NITI) or the “Saudi Arabian Drilling Academy” (SADA). The Occupational Health & Safety Business Field remains the second-strongest Business Field in this Business Stream; it reported a continuing, year-over-year increase of 8.6% in organic growth. Growth was boosted inorganically thanks to acquisition of the Ametes Group. In the Digital Transformation Business Field, the Research Management segment benefited from the extension or commissioning of large-scale projects, as seen in the federal and state programs to fund expansion of digital infrastructures in Germany. Additional consulting mandates of a larger scale in the IMEA region successfully advanced internationalization in this Business Field; consulting services in the infrastructure management segment in Germany, on the other hand, fell short of expectations. In the wake of the dramatic downturn brought on by the coronavirus pandemic in 2020, demand in the Labor Market Services Business Field still has not regained its 2019 level. High priority is being devoted to a comprehensive reorientation and restructuring of the content and sales of this Business Field. Investments in the digitalization strategy of this Business Stream paid off positively once again in the financial year under report. These included, for example, projects to improve inspections in occupational health and safety, or “CAMP3” – the virtual TÜV Rheinland world where clients can interactively and playfully experience topics relating to workplace health and safety. Nonetheless, there are many areas in which the shortage of skilled workers and the resulting challenges for recruitment continue to hamper even more robust growth.

Systems

During the financial year under report, the economic environment was shaped by the energy crisis, geopolitical tensions and the persistently high inflation to which these factors lead. Nevertheless, the Business Stream managed to outperform its growth targets to record an overall, year-over-year increase in revenue of 4.2%. Revenue exceeded expectations in all the service groups and nearly all the markets served by the Certification of Management Systems Business Field. Revenue with major clients also successfully grew in this largest Business Field. The Customized Services Business Field also outmatched the targets set for it, building on the growth momentum of the previous year, even though the business trend in Germany remained significantly short of expectations. Greater China proved the largest contributor to growth and remains, by far, the region with the highest revenue, propelled by a significant upturn in the reinvigorated area of supply-chain audits following the coronavirus pandemic. The IMEA region – now the second largest in the Business Field – added to its global significance by successfully completing newly acquired major projects in Saudi Arabia. Sustainability services are playing an increasingly important role in both Business Fields – Certification of Management Systems and Customized Services – and are already making significant contributions to growth. The Government Inspections & International Trade Business Field reported a 13.7% downturn in revenue. The unplanned termination of a state certification agreement in the IMEA region at short notice led to corresponding losses in revenue here and in all of the other regions involved; other services were not in a position to offset the loss. This was due in part to the fact that new state certification agreements permitted approvals later than originally planned. As in previous years, the trend in the Commercial Inspections service was markedly positive and presented double-digit rates of growth. Among other things, thanks to personnel recruitment in Dubai, a first major project for steel inspection was realized. The areas of focus and potential can be found in Turkey, Indonesia, China and the IMEA region. The Competence Center is located in Dubai, and strategic additions to personnel have also been made in various countries besides Dubai.

OPERATING RESULT (EBIT)

The operating result totaled to €103.9 million in the 2023 financial year (previous year: €180.3 million). After adjusting for special effects totaling € –70.3 million, EBIT stood at €174.2 million (previous year: €190.8 million). Special items generally comprise four categories: past purchase-price allocations (PPA), changes in the scope of consolidation, restructuring measures and exceptional provisions. During the 2023 financial year, special items include effects stemming mainly from € –47.2 million in adjustments to provisions for ongoing legal proceedings. Other special items placed a significant burden on EBIT, such as € –12.6 million in restructuring measures, € –9.9 million in effects of past purchase-price allocations (PPA), and € –0.7 million due to the change in the scope of consolidation.

The EBIT margin in the 2023 financial year stood at 4.3%, down 3.7 percentage points compared to the previous year. The target that had been set for 2023 – to generate an EBIT margin of around 7.0% – was thus not achieved. Taking the above-mentioned special items into account, on the other hand, the adjusted EBIT margin stood at 7.1% (previous year: 8.4%).

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

OPERATING RESULT

in € millions	2023	2022
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	249.3	324.9
Amortization of intangible assets and depreciation of property, plant and equipment	–145.4	–144.6
OPERATING RESULT (EBIT)	103.9	180.3
Financial result	–20.5	–6.5
Earnings before income taxes	83.4	173.8
Taxes	–48.7	–49.7
CONSOLIDATED NET INCOME	34.7	124.1

At €249.3 million, earnings before interest, taxes, depreciation, and amortization (EBITDA) for the financial year were lower than the previous year's total of €324.9 million. Year-over-year, the operating result and earnings before taxes were €76.4 million and €90.4 million lower, respectively.

The changes in EBIT are as follows:

Third-party services

Third-party services totaled to €423.5 million in the 2023 financial year; this was €43.7 million higher than in the previous year. The third-party services ratio was 17.4%, which was 0.7 percentage points higher than the previous year's level of 16.7%.

Personnel expenses

Personnel expenses were 7.2% higher year-over-year and totaled to €1,336.8 million. The increase of €89.6 million is mainly the result of a larger workforce. The average number of (full-time) employees on payroll increased to a total of 22,092 employees in the 2023 financial year, representing a 5.9% year-over-year increase. The average level of personnel expense per average (full-time) employee stood at €60.5 thousand (previous year: €59.8 thousand), representing just a slight increase of 1.3%. As in the previous year, the personnel expense ratio was 54.8%.

Amortization and depreciation

Amortization of intangible assets and depreciation of property, plant, and equipment totaled to €145.4 million, 0.6% higher than the previous year. Not taking amortization of right-of-use assets under IFRS 16 into account, depreciation and amortization stood at €79.9 million (previous year: €84.5 million).

Expenses

Other expenses were 24.4% higher year-over-year in the 2023 financial year and totaled to €539.7 million (previous year: €433.7 million). The increase was mainly the result of the €47.2 million addition to provisions for ongoing legal proceedings. In addition to this, travel expenses were €16.7 million higher, reaching levels similar to before the coronavirus pandemic. Rental and leasing costs were €12.9 million higher during the financial year under report, due to recognition of increased software costs for new SAP features and Microsoft licenses. Exchange-rate losses were lower year-over-year by a total of €3.6 million and stood at €19.8 million in the financial year under report.

Income

Other income was slightly lower, falling by €0.5 million to a level of €109.9 million. Exchange-rate gains and income from the disposal of assets declined by €7.5 million and €7.1 million, respectively, during the financial year under report. The decrease was chiefly the result of a €4.7 million increase in rental income and a €6.4 million increase in other operating income from previous years.

The following presentation of earnings (EBIT) by Business Stream or by region does not take consolidation and special effects into account.

Industrial services & cybersecurity

In a challenging market environment, this Business Stream invested great efforts to achieve the forecast EBIT, in the low double-digit percentage range. Macroeconomic trends, particularly as a result of high inflation and global political developments, had a negative impact on the ability to achieve targets. Due to investments in business expansion and service development, and due as well to one-off, unplanned special effects, the earnings level held steady but fell slightly short of targets in a year-over-year comparison. The Business Stream generated an operating result of €72.4 million, which is 1.3% above the previous year's figure (previous year: €71.4 million). All of the regions achieved a positive result – with the exception of the North America region, which is undergoing restructuring. The trend in the Industrial Inspection & Materials Testing Business Field was particularly positive. This Business Field managed to boost its operating result significantly year-over-year. The Energy & Environment, Infrastructure & Project Supervision and Cybersecurity & Functional Safety Business Fields also managed to slightly increase their contribution to earnings. The Pressure Equipment, Elevators & Lifting Equipment and Electrical Engineering & Building Technology Business Fields, on the other hand, reported a downturn.

Mobility

This Business Stream generated an operating result of €44.8 million. This exceeded the forecast amount and significantly outperformed the previous year's result (previous year: €36.9 million). Along with the solid orders situation and the recovery in the market, the restructuring measures initiated in the previous year, together with price adjustments, had a positive effect on earnings and compensated for cost increases brought about by inflation. The Periodical Technical Inspection, Engineering & Type Approval and Car Services & Appraisal Business Fields significantly exceeded not only their forecast values but also the previous year's results. The Driver's License Business Field managed to exceed these figures only slightly. In the Rail Business Field, as a consequence of project delays and fluctuations in capacity utilization in Germany as well as the reorganization in America, the projected result was not achieved, and the result was lower year-over-year.

Products

This Business Stream generated an operating result of €91.0 million, which was significantly lower than the previous year's result of €118.8 million. The targets that had been set for 2023 were not reached. The main drivers underlying this development were the downturn in revenue with retail clients in Germany and, among other things, the ensuing necessary restructuring measures – which placed an additional burden on the result. In addition, the upturn in a wide array of operating costs, such as labor costs, placed the margin under heavy pressure. The excellent trend for the Solar and Commercial Products Business Field, particularly in China as well as in Germany, only managed to compensate for this development to a limited extent. Nevertheless, the PRODUCTS Business Stream remained by far the largest contributor to the overall result at TÜV Rheinland.

Academy & life care

The focus during the reporting year remained on the implementation of regional strategy. Digitalization projects in the Business Stream are assigned high priority and were supplemented by business-development projects to bolster international presence, global key account management and the product portfolio. Projects to improve employer attractiveness and employee retention were also initiated in the context of “New Work” and “Empowering Work Excellence.” A significant, positive influence on the earnings trend stemmed from robust developments in the seminar business in Germany as well as growth in the IMEA region. This offset lower-than-expected developments in the Labor Market Services and Digital Transformation areas. All in all, earnings of €17.0 million were generated; this corresponds to an 8.1% increase in earnings. The Training & HR Development Business Field for the first time made the greatest contribution to earnings within the Business Stream, where it delivered another significant boost to the strong earnings of the previous year; like the Occupational Health & Safety Business Field, it is generating double-digit earnings for a steady contribution to the success of the Business Stream.

Systems

As part of the implementation of strategy, the main focus here was on further expanding sustainability services in the Certification of Management Systems and Customized Services Business Fields, and on continuing to diversify the portfolio in the Government Inspections & International Trade Business Field. This Business Stream reported earnings of €33.4 million; this was 12.1% lower than the previous year's earnings. The decline in earnings is due to an unexpected loss of revenue in connection with the unplanned termination, at short notice, of a sizable certification contract in the Government Inspections & International Trade Business Field. The Certification of Management Systems and Customized Services Business Fields, on the other hand, managed to increase their earnings beyond original targets due to revenue growth in both areas. Earnings for the Customized Services Business Field also benefited from the exceptionally positive trend in the Greater China and IMEA regions and offset the Business Field's weak earnings in Germany.

Regions

Due to high adjustments in provisions for ongoing legal proceedings, Germany concluded the financial year with a negative EBIT of € –47.1 million; this represented a €17.2 million downturn year-over-year. Foreign business, on the other hand, recorded a positive EBIT of €150.5 million, but this was €59.7 million lower than the previous year's earnings. The Greater China, IMEA and North America regions were able to increase or improve earnings before interest and taxes compared to the previous year. The remaining regions reported decreases in EBIT. This particularly affected Western Europe, where high adjustments to provisions for ongoing legal proceedings also placed a heavy burden on earnings.

Financial result

The negative financial result in the 2023 financial year amounted to € –20.5 million, representing a year-over-year downturn of €14.0 million. Interest expenses from financial liabilities amounted to €13.9 million, with €6.7 million of this amount related to leasing. Interest income was €0.4 million higher year-over-year and stood at €6.9 million. Interest expenses from pension obligations were €5.8 million as well and totaled to €9.5 million (previous year: €3.7 million).

Taxes

Earnings before income taxes amounted to €83.4 million (previous year: €173.8 million). Income tax expenses amounted to €48.7 million, which was €1.0 million lower than in the previous financial year. The tax rate was 58.4%, 29.8 percentage points higher than the previous year's level. The increase is brought about by loss carryforwards that are unusable for tax purposes, against which no deferred tax assets could be taken into account.

Consolidated net income

Consolidated net income totaled to €34.7 million (previous year: €124.1 million).

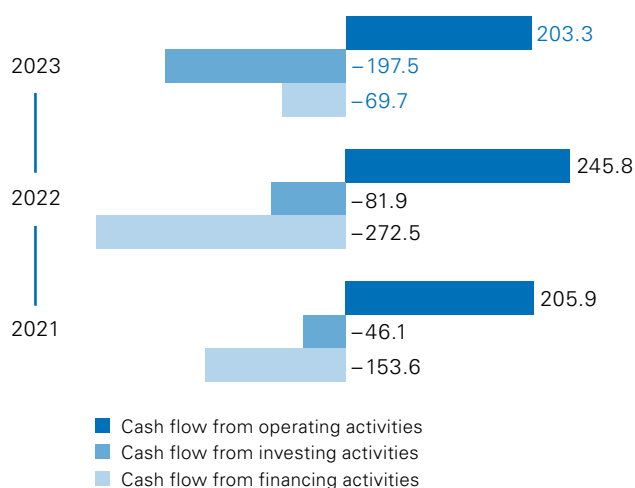
Financial position

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. One reason for this is, among other things, long-term and sustainable coverage of pension obligations, which totaled to €537.8 million as of December 31, 2023, thus representing 21.4% 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

in € millions



Cash flow from operating activities

At €203.3 million, the positive cash flow from operating activities in the financial year was lower than the previous year's figure of €245.8 million, representing a decrease of €42.5 million. The downturn in cash flow from operating activities was due particularly to the lower consolidated net income of €34.7 million, which fell €89.4 million short of the previous year's level. This was offset by changes in inventories, receivables and other assets and non-current provisions and had an overall positive impact of €37.3 million on cash flow from operating activities. Non-cash depreciation and amortization increased only slightly during the financial year under report, going from €144.6 million to €145.4 million.

Cash flow from investing activities

The negative cash flow from investing activities increased by €115.6 million year-over-year. The main drivers for this were investments in a non-current financial asset as well as payments from the acquisition of consolidated companies. Investments in property, plant and equipment and in intangible assets totaled to €87.9 million, nearly matching the previous year's level of €90.8 million.

Cash flow from financing activities

Cash flow from financing activities was negative again in this financial year and stood at €69.7 million (previous year: €-272.5 million). The decline in negative cash flow from financing activities was the result of taking out a long-term bank loan and of significantly lower repayments of bank loans, as significant portions of the promissory notes taken out had been repaid during the previous year. Lease payments under IFRS 16 stood at €68.4 million (previous year: €62.7 million). Payments to equity holders of TÜV Rheinland AG amounted to €48.1 million in the financial year under report (previous year: €7.0 million).

Cash and cash equivalents

Cash and cash equivalents amounted to €277.7 million as of the balance sheet date; this amount was €66.3 million lower than the previous year, particularly due to high purchases of shares and a long-term investment. Restrictions affecting the availability of capital totaled to €153.9 million as of the balance sheet date of December 31, 2023. These mainly concerned cash and cash equivalents subject to restrictions on movements of capital, among other places in China, the United Arab Emirates, Saudi Arabia, Taiwan and Korea.

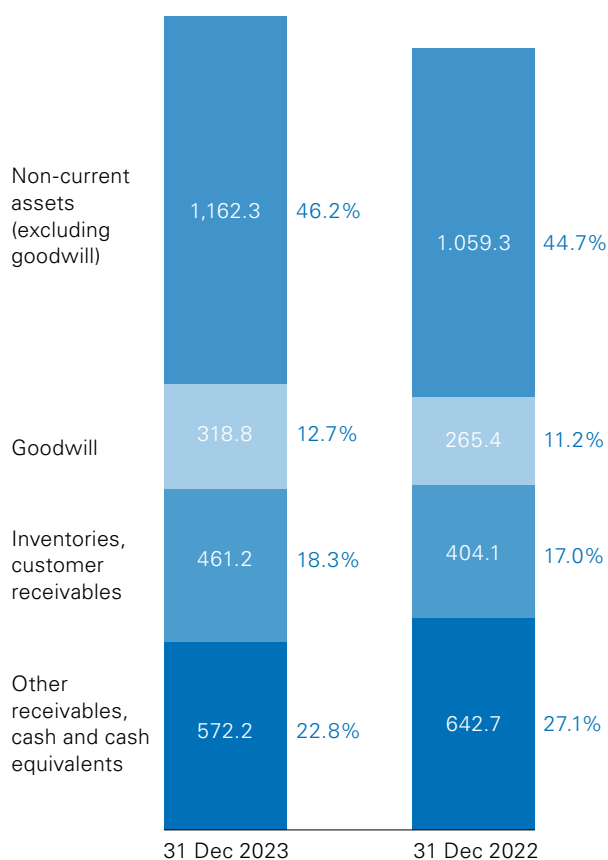
To ensure ongoing solvency, TÜV Rheinland also has a line of credit of €155.0 million syndicated for five years. This line of credit was signed in March 2020, was extended by one year in 2021 and 2022, respectively, and is granted until 2027. The line of credit had not been used as of the balance sheet date.

Results of operations

In the 2023 financial year, total assets increased by €143.1 million or 6.0% and totaled to €2,514.6 million (previous year: €2,371.5 million). An overview of TÜV Rheinland's assets is presented below:

ASSETS

in € millions and share in %



Non-current assets

Non-current assets (excluding goodwill) rose €103.0 million and totaled to €1,162.3 million. Property, plant and equipment in particular were €52.4 million higher as a consequence of the high investment volume as seen in the previous year, and also as a result of long-term financial investments of €55.0 million, due to the taking-out of a back-to-back loan. Goodwill as of the balance sheet date totaled to €318.8 million (previous year: €265.4 million) and thus accounted for 12.7% of total assets. Acquisitions made in the 2023 financial year increased goodwill by €53.4 million, with €3.7 million of this amount attributable to currency translation.

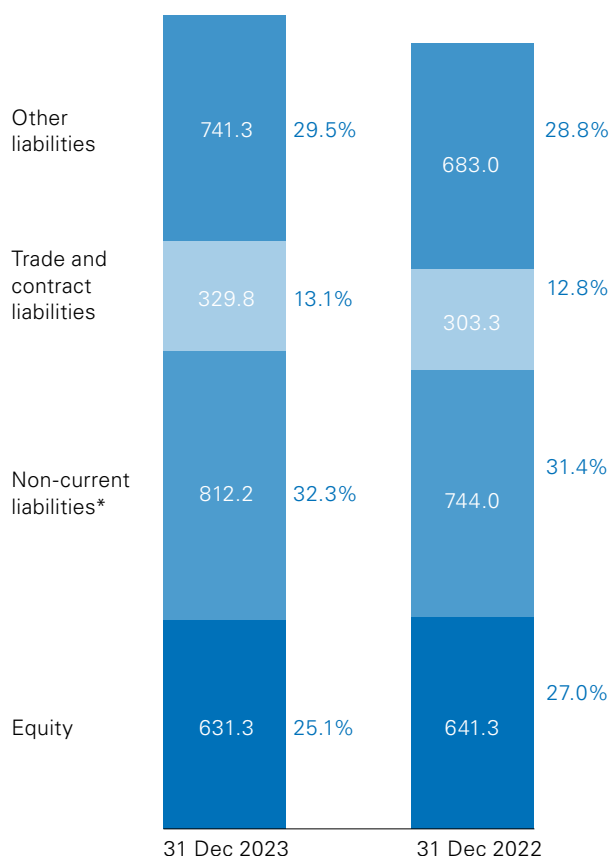
Current assets

There was a €42.3 million year-over-year increase in the volume of trade receivables; this led to a 14.4% total year-over-year increase in inventories and client receivables. Contract assets reported within client receivables stood at €120.6 million, exceeding the previous year's value of €108.7 million. Other current assets, on the other hand, fell by €4.1 million year-over-year, mainly as a result of lower receivables from other taxes. Assets classified as held for sale, which were also reported in other current assets, were €1.9 million lower year-over-year. Cash and cash equivalents totaled to €277.7 million as of December 31, 2023. Acquisitions of companies during the 2023 financial year, together with the aforementioned long-term investment, were the main drivers for the €66.3 million decline in cash and cash equivalents.

The liabilities and equity of TÜV Rheinland at a glance:

LIABILITIES AND EQUITY

in € millions and share in %



*including pension obligations

Equity

Equity was 1.6% (€ –10.0 million) lower in the financial year and totaled to €631.3 million as of the balance sheet date. Exchange-rate losses totaling €16.9 million, actuarial losses of €14.5 million from the measurement of pension obligations and dividend distribution of €7.0 million to the equity holder are the main reasons for the decrease in equity. This was offset to a certain extent by lower, yet still positive, net income of €34.7 million (previous year: €124.1 million). The equity ratio fell from 27.0% in the 2022 financial year to 25.1% in the 2023 financial year. The minority interest increased by €2.1 million and totaled to €33.3 million as of the balance sheet date.

Non-current liabilities

Within non-current liabilities, pension provisions increased from €526.5 million in the previous year to €537.8 million in the 2023 financial year, thus representing 21.4% of total assets. Pension provisions were offset by an actuarial reserve quota in the form of reinsurance policies with a total value of €258.6 million and stated under non-current assets. The increase in pension obligations is attributable, among other things, to a decrease in the interest rate, which fell from 3.8% in the previous year to 3.3% as of the balance sheet date. Non-current financial liabilities stood at €52.8 million as of the balance sheet date. The year-over-year increase of €25.6 million is mainly the result of the taking-out of a back-to-back loan in China along with a reclassification of €10.0 million from non-current financial liabilities to current financial liabilities. The final tranche of a promissory note valued at €10.0 million and dating to 2014 is set to be repaid as planned during the 2024 financial year.

Current liabilities

Current liabilities were higher year-over-year by a total of €84.9 million. The increase was mainly the result of the rise in current provisions from €361.3 million to €405.1 million. Provisions for ongoing legal proceedings were increased by €47.2 million during the 2023 financial year. Contract liabilities and trade payables increased by a total of €26.6 million. Financial liabilities were higher as well and increased from €20.9 million to €48.0 million.

Investments

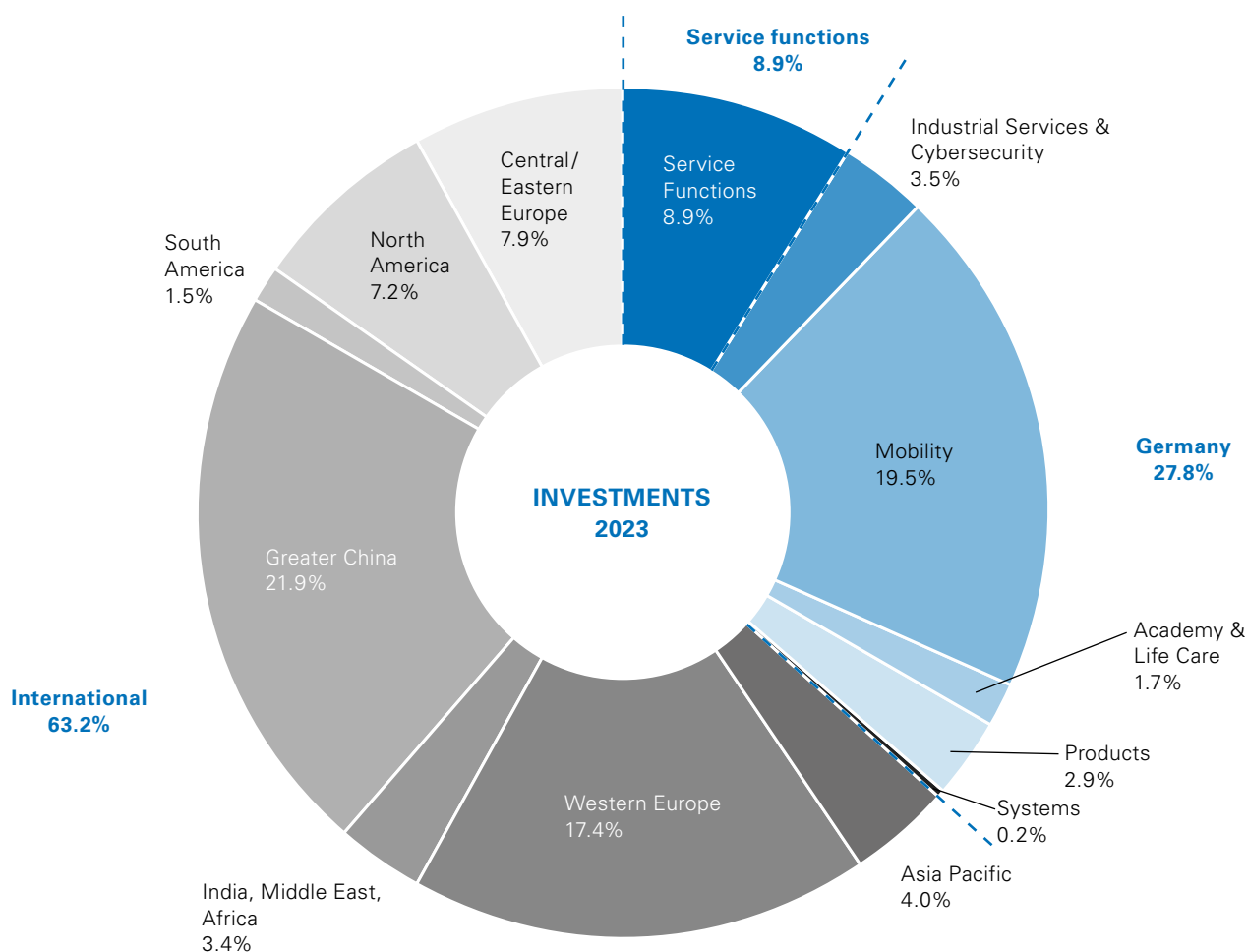
The total investment volume in intangible assets and property, plant and equipment in the 2023 financial year stood at €87.9 million (previous year: €90.8 million). As the general allocation into intangible assets (14.8%) and property, plant and equipment (85.2%) continues to clearly demonstrate, the largest investment volume lies in the area of property, plant and equipment. The overall investment volume held steady at the previous year's level. TÜV Rheinland

continues its increased focus on innovative capacity and is investing in future- and digitalization-related topics such as electromobility and autonomous driving.

Significant investment areas in the financial year 2023 consist of the following regions, Business Streams and functions:

INVESTMENTS BY REGION | GERMANY OPERATIONS | SERVICE FUNCTIONS

in %



Germany

At €24.3 million, 27.8% of the total investment volume was invested in Germany, making it the country with the highest investment in an international comparison. The MOBILITY Business Stream remained the most capital-intensive line of business in Germany. The €17.0 million in investments in major projects made here included, among other things, the purchase of particle sizers in compliance with the amended legal requirement for the counting of exhaust particles in diesel engines. A second major item involved the acquisition of testing equipment for use in classic periodical technical inspections of motor vehicles and in the field of automobile-battery laboratories.

International

At international level, with a total investment volume of 63.2%, the largest investment volumes can be found in the Greater China (21.9%) and Western Europe (17.4%) regions. In addition to the MOBILITY Business Stream, the PRODUCTS Business Stream is the second most capital-intensive.

Greater China

Across Business Streams, the largest investments continue to be made in the Yangtze River Delta (YRD) Operation Hub. A total of €8.5 million was invested for the YRD in the 2023 financial year. The YRD Operation Hub in Taicang, which was already opened during the 2022 financial year, entered its next phase in the 2023 financial year. Completion is expected in the second quarter of 2024 when the laboratories will be set up and the move from Shanghai will begin. The latest phase will comprise the following areas:

- Softlines including laboratories for textiles, toys and chemicals
- Laboratories for hardlines
- Electrical laboratories
- Specialized laboratories (including the innovative lidar ("light detection and ranging") laboratory for optical measurements of distance and velocity)
- Dedicated warehouse

Western Europe

Construction of a new office building in Belval (Luxembourg) was approved in the 2019 financial year. The investment volume is projected to total to €34.0 million. An additional €10.3 million was invested for this purpose during the 2023 financial year. The project is set for completion by mid-2024. In addition to this, €0.5 million was invested in photovoltaic systems in Spain.

North America

The volume of investment in North America accounted for 7.2% of total investment volume in the 2023 financial year and consisted mainly of construction of the new softlines laboratory in Bentonville, Arkansas, and the northeast laboratory center in Boxborough, near Boston, Massachusetts. Begun the previous year, the project to expand the chemical laboratory in Bentonville reported further investments of €2.7 million during the 2023 financial year. Total costs are devoted to further expansion of the laboratory and include costs for equipment and further renovation work. In Boxborough, funds were invested in a new service center, which recorded an investment volume of €2.9 million in the 2023 financial year.

Service Functions

Accounting for 8.9% of the total investment volume, €3.3 million was invested in the Cologne location in Germany and included the purchase of real estate already in use as well as energy rehabilitation and operating equipment.

TÜV Rheinland thus continues to invest in new laboratories; in services around energy, the environment and sustainability, and in digital data security.

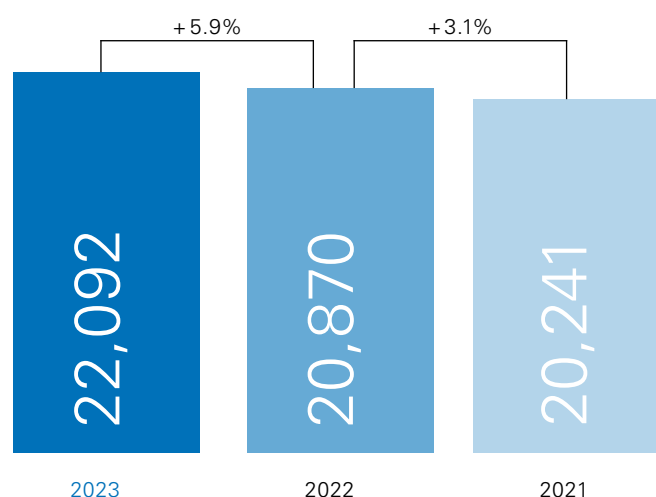
Employees

A total of 22,622 employees (full-time) or 23,335 employees (headcount) were employed at TÜV Rheinland as of the balance sheet date of December 31, 2023. On average, there were 22,092 full-time employees (full-time equivalents in FTE) during the reporting year; in a year-over-year comparison, this represented an increase of 1,222 employees or 5.9%.

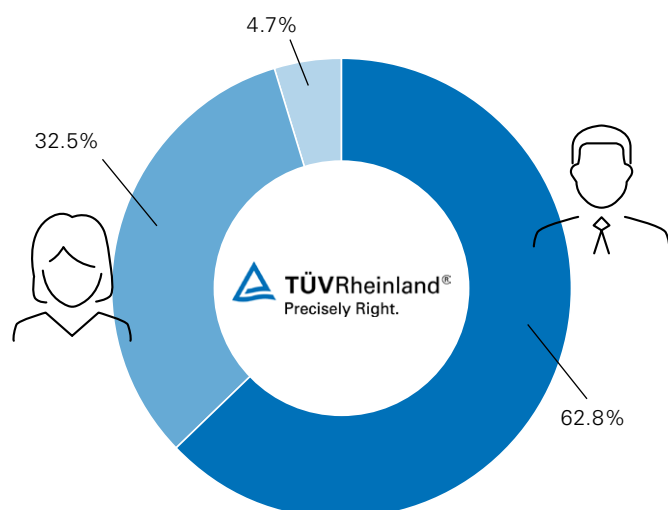
While 62.8% of the employees at TÜV Rheinland were male, the share of women was 32.5%, with the remaining 4.7% of employees not reporting a gender.

Abroad, there were an average of 13,407 employees (full-time); this represented a share of approx. 60.7% and a year-over-year increase of 6.9%. The average number of employees in Germany rose from 8,323 to 8,686; this represented an increase of 4.4%.

TOTAL STAFF (AVERAGE) based on FTE



EMPLOYEES BY GENDER in %



Risk management system and Corporate Governance

For an internationally active company such as TÜV Rheinland, a comprehensive internal control system (ICS) in relation to IT-assisted business processes, paired with effective and efficient risk management, are indispensable control elements that define the framework for management and monitoring. The ICS is intended to ensure compliance with statutory requirements, TÜV Rheinland-specific guidelines, and its corporate objectives. The 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. 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 Development, Controlling, Finance & Accounting (including Insurance), Legal & Compliance, QHSE (Quality Management, Health, Safety and Environment as well as Accreditation & Certification), Human Resources (HR) and IT.

Section 91 of the German Stock Corporation Act (AktG), entitled "Organization; accounting," consistent with international standards, requires the Executive Board to take suitable steps to ensure that developments which might pose a threat to the company's continued existence are identified at an early stage. The Group's Corporate Audit Department also works on the basis of a risk-oriented audit approach and based on internationally recognized auditing standards to check ICS and risk management at TÜV Rheinland companies around the world. In addition, information derived from semiannual 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 specific to TÜV Rheinland. These areas comprise the categories of market/clients, processes, personnel, finances, accreditations/standards/legal cases and miscellaneous. In short- and medium-term views, risks are quantified based on the anticipated impacts on the EBIT of TÜV Rheinland as well as the associated likelihood that a risk will occur. Designating planned countermeasures and assigning monitoring and implementation responsibility are also central elements 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 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 general 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.

For TÜV Rheinland, protecting the brand is the top priority. In particular, the Group utilizes a professional compliance management system that is designed with prevention in mind and delineates 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 also been established and is available to our employees as qualified 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.

Above and beyond this, TÜV Rheinland systematically and continuously prepares for potential exceptional situations. Its Corporate Crisis Management ensures that the Group will respond professionally and appropriately to unforeseen events. This also ensures the fastest possible return to normal operations in tandem with appropriate utilization of experience gained in addressing exceptional situations. The Group applies an all-hazards approach to ensure responsiveness and deploys preventive and preparatory measures that sustainably strengthen the resilience of TÜV Rheinland.

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 2023 financial year. TÜV Rheinland has specific sustainability- and compliance-management systems in place to manage issues in these two areas. 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 sustainability again in 2023. 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.

The opportunities and risks that arise in the numerous Business Fields are regularly identified and assessed in the context of strategic planning. The following describes the main opportunities and risks of TÜV Rheinland. Unless indicated otherwise, the opportunities and risks relate to all the 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. Moreover, our assessment of opportunities is subject to change given that, as TÜV Rheinland, our markets and technologies are constantly evolving.

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 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.

One of our goals is to be an innovative corporate group that continuously 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 boost-

ing their productivity and efficiency in the process. 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 client requests).

International expansion

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 continue to evolve over the long term 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 are continuously growing our presence in countries such as China, the US, the UK or Saudi Arabia, accompanied by constant the diversification of the range of services we offer.

Regulatory environment

A calming in the geopolitical environment can 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, in particular, sustainability – 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 markets, develop new or under-served markets, or complement our service portfolio in strategic areas.

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. Based on the feedback within the Group (Business Streams and central functions) and weighted with the respective likelihoods of occurrence, we see earnings risks in the lower double-digit million range.

STRATEGIC RISKS

We continue to see considerable uncertainties relating to the global economic outlook. The ongoing events that surround the Russia-Ukraine conflict continue to pose a significant increase in global and geopolitical risk, particularly with regard to the resulting trend in energy costs. Due to the low level of business in energy-intensive testing services and existing supply contracts at TÜV Rheinland, this risk was manageable during the financial year under report.

There are also persistent geopolitical risks to take into account, due not only to the conflict in the Middle East sparked in October 2023 but also to the tensions mounting further in areas along the South China Sea. While China continues to regard Taiwan as part of the People's Republic of China, Taiwan seeks to retain political autonomy and democratic freedoms and receives support in this effort from Western countries, including the US. Further intensification of ongoing tensions between the major powers can have a significant impact on the global economy and thus on TÜV Rheinland as well, for which the Chinese market is essential.

Demographic change represents another dimension of concern to TÜV Rheinland. A study by the Nuremberg Institute for Employment Research (IAB), for instance, found that the German labor market in particular will lose seven million workers – one-seventh of today's labor market – by 2035 due to demographic change. The principal backdrop for this forecast is the fact that many employees born during what are referred to as the "baby boomer years" (1955 to 1969) will retire from the job market. Given its employee structure, this development also poses a risk for TÜV Rheinland.

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 training personnel while avoiding high rates of turnover. German engineering is held in high regard worldwide for its quality and innovation. According to a study by the Federal Statistical Office of Germany, the number of young people electing to pursue studies in STEM subjects – science, technology, engineering and mathematics – is falling. The situation on the labor market and the search for qualified personnel also pose challenges for TÜV Rheinland.

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.

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. An interest-rate risk exists particularly with regard to 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. There are no derivative financial instruments outstanding as of the balance sheet date.

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 these companies' financial statements 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 that it might be 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 and through a syndicated line of credit of €155.0 million with a pool of six banks. 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 business activities and processes to changes in general 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, legal disputes; ultimately, risk can arise from our 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 under the now-superseded European Medical Devices Directive. PIP intentionally 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.

The German courts consistently confirm that TRLP fulfilled the duties of a notified body responsibly and in compliance with applicable laws and legal norms. Additional German courts of first and second instance issued rulings in favor of TRLP again in 2023.

TÜV Rheinland's legal view was also declared correct in a judgment handed down by the appellate court in Aix-en-Provence, France, in 2015. The appellate court found that TRLP fulfilled the tasks as Notified Body in keeping with applicable law and standards. This judgment was overturned on appeal (in the "Court of Cassation"), however, in 2018. Consequently, the case law pronounced by the appellate courts in France was inconsistent, with appellate courts in Aix-en-Provence and Paris in particular allowing the plaintiffs' compensation claims, whereas appellate courts in Versailles and Poitiers did not recognize any liability on the part of the Notified Body. Appeals have been filed against multiple of the appeals rulings. Against this backdrop, in 2023 the French Court of Cassation vacated all appeals rulings and remanded these to courts of second

instance. In its rulings, the Court of Cassation has assumed that the Notified Body is liable in principle. These rulings led to a need to reassess the opportunities and risks involved in the context of these cases brought for damages. Specifically, it is now overwhelmingly likely that convictions could be handed down in all French judicial districts in the future. TÜV Rheinland continues to adhere to its legal position and will continue to defend itself in all respects where the reasoning and amounts are concerned.

Further decisions are expected in the course of 2024 and in the following years. As early as January 2024, the commercial court of first instance of Nanterre, in the Versailles judicial district, awarded damages to more than 600 (out of some 1,400) plaintiffs against the Notified Body and TÜV Rheinland France and proceeded to dismiss the remaining lawsuits. This decision is neither provisionally enforceable nor final. This French ruling has not spilled over to proceedings in other countries to date, and such a scenario remains unlikely.

There were provisions in the amount of €277.5 million for ongoing legal proceedings recognized with regard to this matter as of December 31, 2023. This stands against €162.8 million in recourse claims against insurance companies that have not yet come into existence as a matter of law.

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, possible invocations of the statute of limitations, the amount of damages awarded and the amount of existing recourse claims. Irrespective of this, TÜV Rheinland's liquidity is ensured at all times through currently available funds as well as by additional financing opportunities.

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. Finally, TÜV Rheinland sees opportunities in the field of service innovations and continues to invest in technologies to develop sustainable solutions for clients while strengthening competitiveness at the same time. This is designed not least to prevent negative repercussions for the reputation of the TÜV Rheinland 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 risk-management unit installed by the Executive Board is tasked to perform a regular analysis and assessment of the risks identified and stated through a structured process and to report these to the Executive Board. In summary, it can be observed that all of the above-mentioned risks can have an impact on the company's goals, and thus correspondingly on the TR+ corporate strategy, and are thus continuously monitored, analyzed and evaluated by the Executive Board with the aid of the risk-management unit.

In spite of the geopolitical risks involved, there has been no material year-over-year change in the overall risk situation of TÜV Rheinland (Russia-Ukraine conflict, conflict in the Middle East, tension in the relationship with China). At the same time, TÜV Rheinland continues to monitor the current and potential market situation with regard to M&A activities. Opportunities and risks must be weighed as well with respect to acquisitions of major orders in international markets. TÜV Rheinland is financially sound and well positioned and, among other things in addition to its own liquid assets, also has firmly committed and unused lines of credit. Notwithstanding current geopolitical conflicts, an energy crisis that has begun to abate and the situation with inflation, there is no change in the assessment that there are no risks that could materially jeopardize TÜV Rheinland's ability to continue operating as a going concern.

Outlook

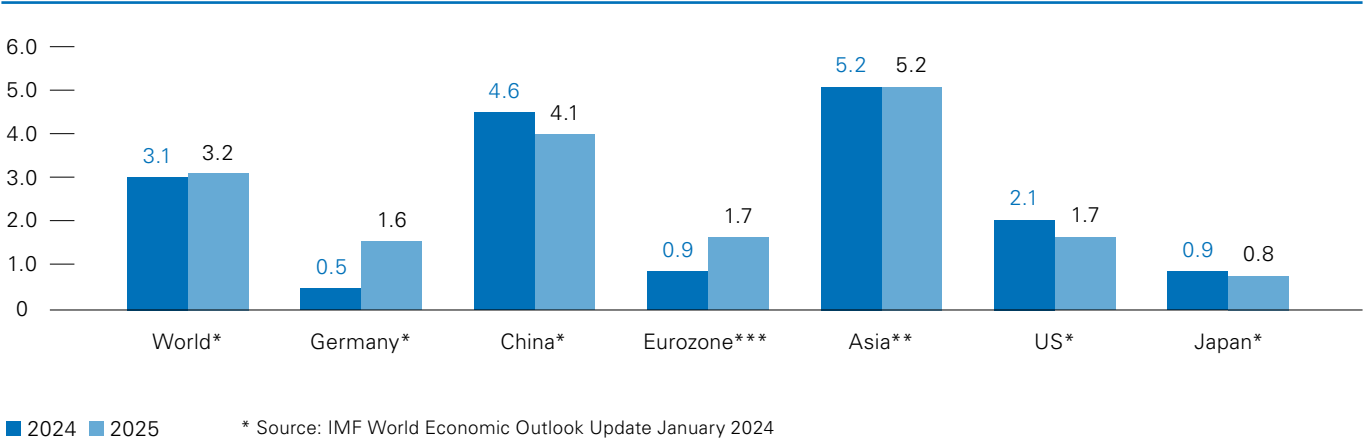
The global economy is expanding at a moderate pace for the time being, and is only gradually gaining momentum. In its IMF World Economic Outlook published in January 2024, the International Monetary Fund forecast economic growth of 3.1% in 2024 and 3.2% in 2025. The year 2024 will be the third year in a row to present a slowdown in global economic growth. While a cooling in economic growth is projected for the US and China following an encouraging year, the European economy is expected to register moderate growth. The relevant institutes expect leading central banks to begin lowering their key interest

rates again during the current year. This should lend some fresh momentum to investing activities. Global inflation is projected to stand at around 7.3% in 2024 and 4.8% in 2025. Inflation rates are thus gradually approaching the targets established by the central banks.

What follows is the forecast for economic growth, expressed in percentages, in the key markets served by TÜV Rheinland:

FUTURE ECONOMIC OUTLOOK: OUTLOOK 2024 TO 2025

in %



* Source: IMF World Economic Outlook Update January 2024
** Source: ifW Kiel. Global Economy in Winter 2023
*** Source: IMF World Economic Outlook Update January 2024 | Group of EU countries that have the euro as their official currency

Germany

The outlook for the German economy is subdued, not least due to the upcoming budget consolidation. One buttress for the economy, however, can be found in private consumption, which is expected to recover in light of a resumed rise in real incomes. High financing costs will continue to place a burden on the construction industry and squeeze investing in construction. A 0.5% increase in gross domestic product is projected for 2024, with somewhat stronger economic growth of 1.6% expected in 2025. The assumption is that the change in the consumer price index will continue to decline, ultimately returning to a healthy level of around 2.0% during the period covered by the forecast. The unemployment rate will initially rise due to a continuing decline in companies' willingness to hire. The upturn in economic activity in the coming year is then projected to lead to a further decline in the unemployment rate to 5.6% in 2025.

China

The Chinese economy is expected to experience a significant downturn in momentum during the forecast period, not least as a result of Beijing's geopolitical goal of reducing dependency on the West. Economic growth is estimated at 4.6% and 4.1% over the next two years, making this – with the exception of the years of the coronavirus pandemic (2020 and 2022) – the lowest economic growth in 30 years. The subdued climate is expected to put downward pressure on consumption, while ongoing tensions in the real-estate sector are expected to inhibit investing. A restrained start to construction in late 2023 pointed to further weakness in real-estate activity. Growth in trade is expected to remain weak in 2024, as subdued global demand weighs on exports and slower growth in domestic demand inhibits imports. Growth is projected to decline further in 2025 in view of the continuing slowdown in potential growth and in light of demographic trends. Increasing indebtedness, which is set to limit investing, together with demographic headwinds and worsening opportunities to catch up in terms of productivity are all projected to impede potential growth. Consumer prices are forecast to rise again slightly by an annual rate of 1.3% or 2.0% over the forecast period.

Eurozone

The clearly discernible downturn in inflation and the robust situation on the job market are expected to lead to higher real wages and thus to an upturn in private consumption. Hence, economic growth in the Eurozone is forecast to recover, with expected growth of 0.9% initially in 2024 followed by an upturn of 1.7% in 2025. Consumer prices are expected to fall further over the forecast period before leveling off at a healthy level of increase of around 2.0%. The situation on the jobs market will remain robust at first and improve somewhat again in 2025 in response to economic conditions, with the unemployment rate in the Eurozone dropping to 6.2%.

Asia

Slightly lower yet stable economic growth of 5.2% is projected for the next two years. India is the main driving force in this connection, with growth forecast at 7.0% over both years. At 4.8%, growth in gross domestic product in Indonesia, Thailand, Malaysia and the Philippines is projected to be slightly higher in 2024 and 2025 than in the financial year under report. Consumer prices across the region of Asia will increase somewhat over the period in question, and an inflation rate of 2.7% is forecast in 2025.

USA

Economic output in the United States is expected to decrease during the forecast period when compared to the financial year under report, mainly as a result of declining consumer spending. Corporate investing is also likely to experience further slowing as businesses remain cautious in the face of economic and political uncertainties. The upcoming presidential election on November 5, 2024, also presents considerable uncertainties both in the political realm and in economic policy, depending on the outcome of the election. Economic growth is projected to decline to 2.1% in 2024 and to 1.7% in 2025. Unemployment is expected to rise slightly during the forecast period from its current low level, reaching 4.3% and 4.4%, respectively. It is assumed that the inflation rate will continue to decline, but not as steeply as in the financial year under report. The increase in the consumer price index is projected to fall to 2.7% in 2024 and 2.3% in 2025.

Japan

The expansion of the Japanese economy is expected to slow again in the coming two years as one-off effects that have bolstered gross domestic product in the current financial year subside. Domestic demand will decline again, for example, in response to an expected recovery in real wages in the face of labor-market tensions and slowing inflation. As a consequence, growth is expected to drop to 0.9% in 2024 and 0.8% in 2025. Still, these figures are slightly higher than Japan's potential growth, which describes long-term utilization of production capacities.

FUTURE DEVELOPMENT OF TÜV RHEINLAND

The outlook for the future development of TÜV Rheinland is presented against the backdrop of the TR+ strategy, which includes market influences, among other things; the presentation also takes current global economic conditions into account. It should be pointed out that the following projections concerning the development of TÜV Rheinland in the 2024 financial year may deviate from actual results if there is a significant change in global economic conditions.

Sub-goals for the 2024 financial year were defined based on the updated TR+ strategy and strategic financial planning with a time horizon until 2026. Specifically, the findings from the stress test of the TR+ strategy as described in the "Corporate management" section were taken into account. This stress test examined changes in the geopolitical, social and technological environment and changes in considerations involving TIC clients and competitors and assessed the impacts of these on TÜV Rheinland. As a result, for example, changes in the exchange rates of major currencies, rising key interest rates and sustained global inflation will remain in place as macroeconomic premises in the 2024 financial year.

In our view, TÜV Rheinland is financially sound and well positioned. The effort to protect the TÜV Rheinland brand and its reputation will remain a top priority for us again in the 2024 financial year. At the same time, where sustainability is concerned, we will provide effective support to our

clients' attainment of their sustainability targets while significantly increasing revenue with ESG services. All in all, we project revenue growth of 5.0% and an improved EBIT margin of between 6.5% and 7.0% for the 2024 financial year.

With regard to the four Business Streams of TÜV Rheinland as of January 1, 2024, we expect the following trends:

Industrial Services & Cybersecurity

The positive revenue trend in connection with the inorganic investments made in the past financial year contributed to ensuring that timing in the Business Stream is outperforming the strategic plan in revenue terms. Based on this encouraging development, the Business Stream will continue its focus on steady revenue growth in the mid-single-digit percentage range in 2024 and place added emphasis on the trend in returns. The main driving factors here are the integration expenses that will influence the year 2024 in particular, thanks to the successful implementation of last year's acquisition pipeline. Investments will also continue to be made to expand digitalization activities (particularly the harmonization of the global application landscape) and to broaden the service portfolio as a holistic partner for the energy transition; and all of this will be financed from ongoing business operations. At the same time, attention will continue to be devoted to a balanced portfolio of Business Fields and geographic footprint in the effort to bolster resilience to market events.

Mobility

The strategic direction of this Business Stream – which at all times is to keep its finger on the pulse of the market and the prevailing demand for mobility topics of tomorrow – will continue in the coming financial year as well. The prerequisite for this is that the speed of innovation and transformation in the mobility sector will remain high, with the overall system reacting dynamically to the influence of macroeconomic and political factors. In addition to the establishment and maturation of innovation projects that have already been initiated, additional positive revenue and earnings effects are expected as a result of the stabilization measures initiated last year, which, alongside the expansion projects, are designed to counteract any margin pressures due to increasing costs. TÜV Rheinland will continue investing in the expansion, digitalization and future viability of this Business Stream again in 2024. For the 2024 financial year, we forecast revenue growth in the mid-single-digit percentage range and a stable EBIT margin also in the mid-single-digit percentage range.

Products

We project revenue growth in the mid-single-digit percentage range for this Business Stream in the 2024 financial year. Investments in laboratory locations continue to be pursued, particularly in Southeast Asia. In the US, the expansion of the chemical laboratory and the opening of the laboratory location in Buxton, near Boston, Massachusetts, is expected to provide significant impetus for growth in the double-digit percentage range. China will experience significant efficiency gains through the two relocation projects – one relocating large portions of the operating units from Shanghai to Taicang and the other relocating operations within Shenzhen. Completion of the restructuring measures in Europe will contribute toward an improvement in earnings. The service potentials in the area of sustainability will be expanded further and developed into an even more important pillar of the Business Stream. An improvement in EBIT margin in the lower double-digit percentage range is forecast for this Business Stream.

People & Business Assurance

When the SYSTEMS and ACADEMY & LIFE CARE Business Streams merged on January 1, 2024, TÜV Rheinland expressed its intention to strive for joint positioning, market approach and portfolio development through this consolidated Business Stream, operating under the name “People & Business Assurance.” This will make better use of growth opportunities and channel investment projects more effectively. This potential is confirmed by recent shared sales successes in the Middle East. The focus of the strategy is on sustainability (i.e. topics relating to climate change, renewable energies, energy management, safety culture, supply chain and compliance), the digital transformation and international markets. Additional opportunities for future joint market development can be found not least in the different geographical areas of emphasis: While the former ACADEMY & LIFE CARE Business Stream generated a large share of its business volume in Germany, the former SYSTEMS Business Stream has a strong presence in the Greater China, Asia Pacific and IMEA regions. The impartiality of the Certification of Management Systems Business Field will continue to be fully guaranteed in the future, thanks to its own management structures and functions. In addition, new certification standards will be encouraged in selected regions during the 2024 financial year, particularly in Germany, the US, Spain and China. At the same time, the expansion of commercial inspection services with a focus on the IMEA and Asia Pacific regions will continue. In the field of further education and training, experience has shown that uncertainty and cost pressures in the market lead to hesitant purchasing behavior. A countervailing effect should emerge out of the general shortage of skilled workers, demographic trends and the continuously increasing awareness and need for workplace safety and health. The overall forecast for these Business Fields envisions revenue growth in the mid-single-digit percentage range and an EBIT margin at the level of the previous financial year.

Consolidated balance sheet

€ thousands	2023	2022
ASSETS		
Intangible assets	400,508	352,218
Property, plant and equipment	671,070	618,689
Investments in entities accounted for using the equity method	199	191
Other financial assets	317,116	264,217
Other assets	16,135	20,213
Deferred tax assets	76,150	69,166
Non-current assets	1,481,178	1,324,695
Inventories	5,349	2,485
Contract assets	120,563	108,688
Trade receivables	335,249	292,962
Income tax receivables	19,654	25,089
Other receivables and other assets	272,215	269,057
Cash and cash equivalents	277,748	344,068
Assets classified as held for sale	2,619	4,473
Current assets	1,033,397	1,046,822
TOTAL ASSETS	2,514,575	2,371,517
€ thousands		
EQUITY AND LIABILITIES		
Issued capital	35,000	35,000
Capital reserves	23,802	23,802
Other reserves	539,137	551,286
Non-controlling interests	33,337	31,201
Equity	631,276	641,289
Provisions for pensions and similar obligations	537,762	526,533
Other provisions	22,266	22,000
Liabilities to banks	52,892	27,255
Other liabilities	177,270	151,178
Deferred tax liabilities	21,964	17,036
Non-current liabilities	812,154	744,002
Provisions	405,109	361,281
Income tax liabilities	16,355	18,227
Contract liabilities	168,637	146,328
Trade payables	161,173	156,880
Liabilities to banks	47,997	20,939
Other liabilities	271,701	279,902
Liabilities classified as held for sale	173	2,670
Current liabilities	1,071,145	986,226
TOTAL ASSETS	2,514,575	2,371,517

Consolidated statement of comprehensive income

€ thousands	2023	2022
REVENUE	2,439,535	2,274,658
Inventory changes	– 125	511
Cost of purchased services	– 423,476	– 379,730
Operating services	2,015,934	1,895,439
Personnel expenses	– 1,336,838	– 1,247,214
Amortization of intangible assets and depreciation of property, plant and equipment	– 145,429	– 144,624
Other expenses	– 539,718	– 433,709
Other income	109,928	110,447
OPERATING RESULT (EBIT)	103,877	180,338
Interest income	17,368	9,588
Interest expenses	– 33,884	– 16,561
Other financial result	– 3,989	450
Financial result	– 20,506	– 6,523
Earnings before income taxes	83,371	173,815
Income taxes	– 48,666	– 49,686
Consolidated net income	34,705	124,129
Thereof attributable to:		
TÜV Rheinland Aktiengesellschaft equity holders	25,908	115,830
Non-controlling interests	8,796	8,299
EARNINGS PER SHARE (IN €), UNDILUTED AND DILUTED	740	3,309

Consolidated cash flow statement

€ thousands	2023	2022
Consolidated net income	34,705	124,129
Amortization, depreciation, and impairment / Reversal of impairment of intangible assets and property, plant and equipment	145,429	144,624
Impairment/Reversal of impairment of financial assets	0	185
Change in non-current provisions	-19,254	-29,579
Change in deferred tax assets and deferred tax liabilities	4,195	5,050
Profit/Loss from the disposal of intangible assets and property, plant and equipment	-501	-4,491
Other non-cash income/expenses	1,049	-5,500
Change in inventories, receivables and other assets	-35,539	-62,549
Change in liabilities and current provisions	73,174	73,919
CASH FLOW FROM OPERATING ACTIVITIES	203,257	245,789
Payments for investments in		
Intangible assets and property, plant and equipment	-87,945	-90,794
Financial assets	-71,898	-21,262
Shares in fully consolidated companies (less cash and cash equivalents taken over)	-62,459	-9,661
Receipts from disposal of		
Intangible assets and property, plant and equipment	1,421	11,332
Financial assets	23,410	27,922
Shares in fully consolidated companies (less cash and cash equivalents taken over)	0	569
EQUIVALENTS HANDED OVER	-197,472	-81,895
Cash flow from investing activities	-48,112	-7,000
Payments to equity holders of TÜV Rheinland Aktiengesellschaft	-5,919	-7,820
Payments to non-controlling shareholders	67,072	9,369
Receipts from bank borrowings	-14,385	-205,938
Payments from repayments of lending from banks	-68,369	-62,710
Payments from repayments of leasing liabilities	0	1,586
ACQUISITION OF SHARES IN SUBSIDIARIES	-69,713	-272,513
Cash flow from financing activities	-63,928	-108,619
Change in cash and cash equivalents	-6,303	-985
Exchange rate-related change in cash and cash equivalents	3,912	1,793
Consolidation-related change in cash and cash equivalents	344,068	451,879
Cash and cash equivalents at beginning of period	277,748	344,068
Cash and cash equivalents at end of period		

Auditor's Report

The auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, has audited the consolidated financial statements prepared by us – consisting of the Consolidated Balance Sheet as of December 31, 2023, 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, 2023, 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, 2023, was also audited.

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

Limited Assurance Report of the Independent Practitioner Regarding the Sustainability Reporting for the Financial Year from January 1 to December 31, 2023

To TÜV Rheinland AG, Cologne/Germany

OUR ENGAGEMENT

We have performed a limited assurance engagement on the chapters "Sustainability Report" and "GRI Index" of the Corporate Report 2023 of TÜV Rheinland AG, Cologne/Germany (hereafter referred to as "the Company"), for the period from January 1 to December 31, 2023 (hereafter referred to as "sustainability reporting").

Our assurance engagement does not cover the references to external sources of documentation and websites, including their contents, contained in the sustainability reporting, disclosures relating to prior periods as well as disclosures and risks resulting from proprietary TÜV products and services and statements relating to proprietary TÜV products and services.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors of the Company are responsible for the preparation of the sustainability reporting with reference to the Sustainability Reporting Standards of the Global Reporting Initiative (hereafter referred to as "Reporting Criteria").

These responsibilities of the executive directors of the Company include the selection and application of appropriate methods for sustainability reporting and the use of assumptions and estimates for individual sustainability disclosures which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of a sustainability reporting that is free from material misstatement, whether due to fraud (i.e. fraudulent sustainability reporting) or error.

The preciseness and completeness of the environmental data in the sustainability report is subject to inherent existing limitations resulting from the manner in which the data was collected and calculated and from assumptions made.

INDEPENDENCE AND QUALITY ASSURANCE OF THE INDEPENDENT PRACTITIONER'S FIRM

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our firm applies the national legal rules and professional pronouncements – in particular the "Professional Charter for German Public Auditors and German Sworn Auditors" (BS WP/vBP) and of the Quality Management Standards issued by the Institute of Public Auditors in Germany (IDW) – and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional rules of conduct, professional standards, as well as relevant statutory and other legal requirements.

RESPONSIBILITIES OF THE INDEPENDENT PRACTITIONER

Our responsibility is to express a conclusion on the sustainability reporting based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention that cause us to believe that the sustainability reporting – other than the references to external sources of documentation and websites, including their contents, disclosures relating to prior periods as well as disclosures and risks resulting from proprietary TÜV products and services and statements relating to proprietary TÜV products and services – has not been prepared, in all material respects, in accordance with the relevant Reporting Criteria.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the independent practitioner's professional judgment.

Within the scope of our limited assurance engagement, which we performed between December 2023 and March 2024, we notably performed the following procedures and other work:

- Gaining an understanding of the structure of the Group's sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved in the preparation process about the preparation process, about the internal control system related to this process and about disclosures in the sustainability reporting,
- Identification of likely risks of material misstatements in the sustainability reporting,
- Analytical evaluation of selected disclosures in the sustainability reporting,
- Examination of processes for collecting, controlling, analyzing and aggregating selected data from different locations of the Company on a sample basis,
- Evaluation of the presentation of the sustainability report.

PRACTITIONER'S CONCLUSION

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the sustainability reporting for the period from January 1 to December 31, 2023, has not been prepared, in all material respects, in accordance with the Reporting Criteria.

We do not express a conclusion on the references to external sources of documentation and websites, including their contents, contained in the sustainability reporting, disclosures relating to prior periods as well as disclosures and risks resulting from proprietary TÜV products and services and statements relating to proprietary TÜV products and services.

RESTRICTION OF USE

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 2024, of the Institute of Public Auditors in Germany). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it.

Our responsibility is to the Company alone. We assume no responsibility with regard to any third parties. Our conclusion is not modified in this respect.

Düsseldorf/Germany, March 21, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Max Schürtz
Wirtschaftsprüfer
(German Public Auditor)

Sebastian Dingel

About this Report

In 2023, the TÜV Rheinland Corporate Report once again contains the Financial Report and the Sustainability Report. The Financial Report is based on the International Financial Reporting Standards (IFRS) and the Sustainability Report has been prepared in reference to the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The GRI Content Index lists which GRI criteria have been addressed in the TÜV Rheinland Corporate Report. The content of the Sustainability Report reflects the sustainability strategy of TÜV Rheinland. In the ten categories defined as material, we report on goals, measures, and status quo.

The Corporate Report 2022 was published in May 2023. It will also continue to be published on an annual basis in the future.

An introduction to the Corporate Report and examples of our ESG services will be made available under www.tuv.com/corporate-report.

METHODOLOGY USED IN THIS REPORT

The reporting period is the 2023 financial year.

GERMAN COMPANIES

In the financial year, all locations and Group companies in Germany were included within the reporting scope for electricity consumption, business travel, and paper consumption. All consumption of natural gas, heating oil, pellets, and district heating was documented at the locations that actually consumed the energy. For the water consumption figures recorded, the collected data were extrapolated for the total workforce in Germany, whereby FTE (full-time equivalent) figures were applied. In extrapolating for the remaining locations, the location type/usage was also taken into account (mainly locations with low per capita consumption).

Other bases for calculation are stated separately. Estimates and assumptions are identified as such in the source data.

FOREIGN SUBSIDIARIES

To achieve global coverage in the collection of key environmental impact figures, data were collected across all TÜV Rheinland regions (75 foreign subsidiaries in all). Company-level reporting took into account each of the consolidated foreign subsidiaries with an average of more than ten employees (FTEs) during the financial year. For the foreign subsidiaries, this resulted in data collection that allowed us to cover at least 98.4% of employees (FTEs), e.g. for the consumption of electricity, paper, and water. For other key environmental figures such as gas consumption or business travel, coverage is less in some cases or there was no consumption. Where appropriate, data were extrapolated to the total workforce of the foreign subsidiaries or a region. In so doing, the annual average FTE value was used. Other bases for calculation are stated separately. Estimates and assumptions are identified as such in the source data.

EMPLOYEE KEY FIGURES

Unless otherwise indicated as headcounts, disclosures concerning employee structure relate to FTEs. Both types of data represent closing-date disclosures as of December 31, 2023, unless otherwise stated. The data collected covers 97.3% of the total. When collecting information about workforce age and nationality, the Group region of North America is excluded, as this information is not recorded for that region.

GRI Index

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
The organization and its reporting practices		
2-1 Organizational details	p. 60–61 p. 70–71	TÜV Rheinland AG Am Grauen Stein, 51105 Cologne, Germany
2-3 Reporting period, frequency and contact point	p. 98	
2-4 Restatements of information	p. 98	
2-5 External assurance	p. 96–97	
Activities and workers		
2-6 Activities, value chain and other business relationships	p. 60–67, p. 76–78	
2-7 Employees	p. 30–33, p. 81	The workforce figures are not subject to seasonal variations. 84.8% of our workforce comprises permanent employees. 63.0% of those permanent employees are male. 57.6% of the employees with fixed-term employment contracts are male. The share of permanent employment contracts in each region is as follows: D – 94.1%; WE – 97.0%; CEE – 93.1%; AP – 97.8%; GC – 47.8%; NA – 100.0%; SA – 95.6%; IMEA – 89.0%. 93.3% of the men and 82.7% of women in the Group work on a full-time basis. This involves a headcount calculation; cf. the section entitled “About this Report.”
Governance		
2-9 Governance structure and composition	p. 107–109	
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	p. 5	
2-23 Policy commitments	p. 52–55 p. 82–83	
2-27 Compliance with laws and regulations	p. 52–55	The cases of suspected compliance violations reported in the year under review involved minor cases, and we thoroughly investigated all of them.
2-28 Membership associations	p. 15	

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
Stakeholder engagement		
2-29 Approach to stakeholder engagement	p. 10–15	
Disclosures on material topics		
3-1 Process to determine material topics	p. 10–15	In defining the report content, we relied on the material categories and associated topics of the Sustainability Strategy 2025, which is based on a stakeholder survey.
3-2 List of material topics	p. 10–15, p. 98	
Data integrity		
3-3 Management of material topics	p. 14, p. 49–51	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 14, p. 49–52	There were no complaints from external parties or data protection authorities regarding breaches of customer privacy or loss of customer data that incurred sanctions during the reporting year. We have filed reports with the relevant supervisory authorities with regard to seven internally identified cases of only minor breaches of personal data; these cases did not incur sanctions, as they do not pose a high risk or significant harm to the rights and freedoms of data subjects.
Employee safety		
3-3 Management of material topics	p. 14, p. 18–21	
403-1 Occupational health and safety management system	p. 14, p. 18–21	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 it applies for all employees who work for or on behalf of TÜV Rheinland.
403-2 Hazard identification, risk assessment, and incident investigation	p. 14, p. 18–21	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.

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
403-3 Occupational health services	p. 14, p. 18–21	The HSE Risk Management SOP includes the assessment and management of risks that can affect the health of employees. In Germany, there is a medical officer who offers an independent occupational medical service for employees. Information about consultations with the individual employees is confidential.
403-4 Worker participation, consultation, and communication on occupational health and safety	p. 14, p. 18–21	The employees' consultation and participation in the company's HSE management system are described in the HSE Communication and Awareness SOP. In Germany, there is a network of occupational safety committees (OSCs) in the Business Streams, 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.
403-5 Worker training on occupational health and safety	p. 14, p. 18–21	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).
403-6 Promotion of worker health	p. 14, p. 18–21	The health of the employees is promoted at country level. Flu and COVID vaccinations are offered in Germany, and emphasis is also placed on employees' mental health. Against the backdrop of the COVID-19 pandemic, during the reporting year all of the companies again placed a systematic focus on protecting the health of the employees.
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 14, p. 18–21	The HSE Risk Management SOP and the HSE Emergency Response SOP contain detailed prevention and mitigation plans for health and safety in the workplace.
403-8 Workers covered by an occupational health and safety management system	p. 14, p. 18–21	We monitor 100% of our employees through our occupational health and safety management system.

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
403-9 Work-related injuries	p. 14, p. 18–21	Work-related injuries are recorded for all employees and contractors. Because we do not keep records of the number of hours worked by contractors, the rates shown refer only to the 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 three main causes of injury are slipping, bumping into objects, and car accidents. Work-related hazards are inspected at local level in the context of the risk management process, as described in detail in the SOP for HSE Risk Management. All employees are encouraged to report hazards when they see them. The measures for minimizing and possibly eliminating hazards are implemented at local level, because the activities and conditions on location or in the respective country differ.
403-10 Work-related ill health	p. 14, p. 18–21	There were no deaths due to occupational diseases. Cases of occupational disease are included in the figures for work-related injuries and are not currently counted separately. No employees are excluded from the figures. The occupational diseases of other groups of people are not included here, as no reports to this effect have been received.
Service quality		
3-3 Management of material topics	p. 14, p. 46–48	
416-1 Assessment of the health and safety impacts of product and service categories	p. 14, p. 46–49	Analyzing the effects of products and services with regard to their repercussions for 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 for which the 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

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
417-1 Requirements for product and service information and labeling	p. 14, p. 46–50	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.
417-2 Incidents of non-compliance concerning product and service information and labeling	p. 14, p. 46–51	<p>The supervisory authority for trademarks in New Zealand has filed a complaint regarding the use of the China National Accreditation Service for Conformity Assessment (CNAS) accreditation symbol in Audit Report 50312496 001. One of the investigations mentioned in the report was conducted outside the scope of CNAS, yet the CNAS logo was mistakenly used in the report.</p> <p>Measures: The report was corrected, and the engineers were accordingly given relevant training. Spot checks of CNAS-related reports from last year were also performed, and an extension of the scope of application was requested. The authority accepted the measures we took.</p>
Employee development		
3-3 Management of material topics	p. 14, p. 22–25	Violations of the Code of Conduct of TR, or of guidelines or regulations, can be reported worldwide using the “Whistleblowing Platform.” That system is backed up by a standardized process that involves Compliance and, as needed, HR.
404-2 Programs for upgrading employee skills and transition assistance programs	p. 14, p. 22–26	TÜV Rheinland offers numerous personnel development programs for different hierarchical levels within the company. Detailed information is available on our website.
404-3 Percentage of employees receiving regular performance and career development reviews	p. 14, p. 22–27	<p>The Development & Performance Dialog facilitates continuous feedback between managers and employees and is offered globally (except in Germany). The development discussion is an opportunity to discuss skills and competences, individual actions for further development, and interest in talent- and career-development activities. Here, employees can play an active role in setting targets and their own development.</p> <p>A system-based evaluation by gender and employee category is not yet possible for the reporting year 2023, as the process was implemented during the course of the reporting year. Initial analyses are planned for 2024.</p>

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
Business ethics		
3-3 Management of material topics	p. 14, p. 52–55	Employees and external stakeholders can use an online platform and our central compliance e-mail address to anonymously submit reports of potential misconduct or criminal offenses such as corruption, bribery, fraud, and other violations of our corporate values.
205-2 Communication and training about anti-corruption policies and procedures	p. 14, p. 52–56	Information analyzed on the basis of employee and business partner categories is not available at this time. We follow a standardized approach for the entire Group, irrespective of employee category or region. The training topic of “Anti-Corruption” is addressed within the mandatory annual compliance training. Consequently, there is no separate collection of data here in addition to the main compliance training rate of 93.5%.
205-3 Confirmed incidents of corruption and actions taken	p. 14, p. 52–57	Due to the relative significance, there is no separate preparation or recording of compliance-related violations with regard to corruption.
415-1 Political contributions	p. 14, p. 52–58	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.
Legal compliance		
3-3 Management of material topics	p. 14, p. 52–55	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	p. 14, p. 52–56	To our knowledge, there were no known significant legal actions due to anti-competitive behavior during the reporting year.
Labor rights		
3-3 Management of material topics	p. 14, p. 26–29	The TÜV Rheinland Code of Conduct contains clear information concerning our policy regarding labor rights in the foreword and in the “Fair Work” section. In our Code of Conduct, we have laid out how violations can be reported under “Violations and Sanctions.”

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
402-1 Minimum notice periods regarding operational changes	p. 14, p. 26–30	Based on statutory regulations (Sections 111, 112 of the German Works Constitution Act [BetrVG]), in Germany the responsible works council is fully informed on a timely basis of any planned operational changes that 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. The notice periods for termination at least satisfy or exceed the requirements of law. We comply with the national or local notification deadlines and obligations applicable to us.
405-2 Ratio of basic salary and remuneration of women to men	p. 14, p. 26–31	At TÜV Rheinland, an employee's salary is based on his or her work, qualifications, and professional experience, regardless of gender. Our remuneration policy does not distinguish by gender – and for that reason, we are actively working to close the gender pay gap.
Non-discrimination		
3-3 Management of material topics	p. 14, p. 30–33	
406-1 Incidents of discrimination and corrective actions taken	p. 14, p. 30–34	TÜV Rheinland resolutely investigates all indications of discrimination. Internationally, there were three cases of discrimination that were investigated during the reporting period. In Germany, four persons consulted the company or its HR department with regard to discrimination. In three cases, the individuals engaging in discrimination were subject to disciplinary measures (dismissal, warning, withdrawal of management responsibility). In one case, a conversation held with the individuals affected succeeded in clarifying the situation.
Diversity		
3-3 Management of material topics	p. 14, p. 30–34	
405-1 Diversity of governance bodies and employees	p. 14, p. 30–35	<p>The age distribution of the total workforce breaks down as follows (headcounts):</p> <p>up to 30 years old: 18.6%</p> <p>30 to 50 years old: 54.8%</p> <p>more than 50 years old: 22.1%</p> <p>no data: 4.5%</p> <p>The age distribution among managers breaks down as follows (headcounts):</p> <p>up to 30 years old: 1.2%</p> <p>30 to 50 years old: 62.2%</p> <p>more than 50 years old: 29.9%</p> <p>no data: 6.7%</p> <p>Two members of the Executive Board are male, one female. All members of the Executive Board are German. Two members are between 30 and 50 years old, and one is more than 50 years of age.</p>

Key topics and GRI Indicators	Page reference in the Corporate Report and on the internet	Disclosure in GRI Index 2023
Greenhouse Gas Emissions		
3-3 Management of material topics	p. 14, p. 36–43	
305-1 Direct (Scope 1) GHG emissions	p. 14, p. 36–44	<p>Direct greenhouse gas emissions according to Scope 1 amounted to 8,400.3 t CO₂eq in the reporting year.</p> <p>Breakdown of Scope 1 emissions:</p> <p>a) from natural gas (global): 911.6 t CO₂eq;</p> <p>b) from heating oil (global): 737.2 t CO₂eq;</p> <p>c) from company car fleet (CEFR) 6,744.5 t CO₂eq;</p> <p>d) from pellets (GER): 7.0 t CO₂eq.</p>
305-2 Energy indirect (Scope 2) GHG emissions	p. 14, p. 36–45	<p>Indirect greenhouse gas emissions according to Scope 2 amounted to 33,478.8 t CO₂eq in the reporting year.</p> <p>Breakdown of Scope 2 emissions:</p> <p>a) from electricity (global): 31,887.9 t CO₂eq;</p> <p>b) from district heating (global): 1,590.9 t CO₂eq.</p>
305-3 Other indirect (Scope 3) GHG emissions	p. 14, p. 36–46	<p>Indirect greenhouse gas emissions according to Scope 3 amounted to 37,556.7 t CO₂eq in the reporting year.</p> <p>Breakdown of Scope 3 emissions:</p> <p>a) from business trips (global) 29,457.4 t CO₂eq;</p> <p>b) from upstream emissions (global) 8,099.3 t CO₂eq.</p>
305-4 GHG emissions intensity	p. 14, p. 36–47	<p>In 2023, the annual specific emission of CO₂eq per employee in the sum of all Scopes amounted to: 3.60 [t/a FTE]. This figure took 22,091.6 employees into account.</p>
305-5 Reduction of GHG emissions	p. 14, p. 36–48	<p>From reference years 2018 to 2023, reductions were made in Scope 2 (indirect). There was an increase in Scope 1 (direct) and in Scope 3 (indirect).</p> <p>Compared to the previous year 2022, reductions were made in Scope 2 (indirect) in 2023, and not in Scope 1 (direct) or Scope 3 (indirect).</p>

Supervisory Board and Executive Board of TÜV Rheinland AG

The Executive Board of TÜV Rheinland AG leads the company jointly and under its own responsibility. Members of the Executive Board include Dr.-Ing. Michael Fübi (Chairman of the Executive Board), Katharina Baran and Philipp Kortüm.

The current Supervisory Board of TÜV Rheinland AG comprises 16 members. Chairman of the Supervisory Board is Prof. Dr. Michael Hüther, Director and Member of the Executive Board of the Institute of the German Economy.

Chairman of the Supervisory Board



Prof. Dr. Michael Hüther

Executive Board



Dr.-Ing. Michael Fübi
Chairman of the Executive Board



Katharina Baran
Member of the Executive Board for
Human Resources and Legal Affairs
Director of Labor Relations



Philipp Kortüm
Member of the Executive Board for
Finance and Controlling

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 jointly prepare the content of important decisions taken by the Executive Board; they reach agreement in the Group Executive

Council, the top advisory body of TÜV Rheinland AG below the Executive Board. The operational parent company of the subsidiaries belonging to the Group is TÜV Rheinland AG, the shares of which are wholly owned by 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 the Business Streams



Industrial Service & Cybersecurity
Petr Láhner



Mobility
Dr. Matthias Schubert



Products
Kimmo Fuller



People & Business Assurance
Markus Dohm

Regional Heads



Germany
Katharina Baran



**Western Europe/
Central and Eastern Europe**
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