



CompuGroup Medical

Combined separate
non-financial report 2020

Synchronizing Healthcare



CompuGroup
Medical

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Explanation

Combined separate non-financial report (hereinafter: Non-Financial Report) of CompuGroup Medical SE & Co. KGaA for the 2020 financial year.

About this report

As an active player in the healthcare field with a worldwide customer base, we consider our responsibility for people's health to be part of our company's DNA. Our business activities focus on health in general and on inter-connecting health-related information in particular. For CompuGroup Medical, this results in taking a positive approach to corporate social responsibility (CSR), or sustainability, and striking a balance between financial, environmental and social requirements in the context of our business activities.

This Report is therefore aimed at all of our stakeholders, including customers, employees, business partners, shareholders, political decision-makers, scientific institutions, colleges and universities, media representatives and, ultimately, any interested reader.

In addition, we would like to point out that, for reasons of better readability, only the masculine form is used. In the following chapters, we use either mEUR (million euros) or kEUR (thousand euros) as units.

Reporting principles and general report information

Reporting period

The reporting period is the 2020 calendar year. Unless otherwise indicated, this is the same as the reporting period for the Annual Report.

Date of the current report

The Non-Financial Report of CompuGroup Medical SE & Co. KGaA was published on March 25, 2021.

Reporting cycle

The Non-Financial Report was first issued in 2017 and is published annually.

General report information

Unless otherwise indicated, the information in the Non-Financial Report of CompuGroup Medical SE & Co. KGaA and the group refers to the 2020 financial year and was prepared in accordance with sections 315b and 315c in conjunction with sections 289b to 289e of the German Commercial Code (HGB) and published separately from CompuGroup Medical's Management Report.

The parent company of CompuGroup Medical SE & Co. KGaA is headquartered in Koblenz, Germany. The group's operations are carried out by independent subsidiaries in Germany and abroad. These group companies are managed centrally at the group level. For this reason, the following statements and descriptions of concepts apply equally to CompuGroup Medical SE & Co. KGaA and to the group, unless otherwise indicated. An exception to this approach is the companies first acquired in the fourth quarter of 2020, because in this case it must be assumed that the shift in corporate culture will be delayed, and concepts already established throughout the group will not be applied until the following year. This relates to the companies acquired in the USA as at December 31, 2020: Schuyler House Inc. and eMDs, Inc. with its subsidiary in India.

In accordance with section 171 (1) sentence 4 of the German Stock Corporation Act (AktG), the Supervisory Board is required to audit the Non-Financial Report. In compliance with this requirement, the Supervisory Board therefore commissioned the audit firm KPMG AG Wirtschaftsprüfungsgesellschaft to conduct an audit to obtain limited assurance in accordance with ISAE 3000 (Revised).

For each of the five non-financial aspects required to be covered by the German Commercial Code (employee-related matters, social-related matters, respect for human rights, anti-corruption and bribery matters, and environmental matters), the reporting in the present Non-Financial Report is based on the material topics identified in the materiality analysis with the exception of respect for human rights, which was identified as a non-material topic as per the German Commercial Code (HGB). We used the GRI standards as a basis for preparing the materiality analysis. The Non-Financial Report does not meet the "core" requirements for GRI reporting and applies no other standard framework to produce reporting tailored to the company's needs. References to disclosures made outside of the Combined Management Report/financial statements constitute supplementary information and are not an integral part of the Non-Financial Report.

After applying the net method, CompuGroup Medical has not identified any reportable risks in accordance with section 289c (3) no. 3 and 4 German Commercial Code (HGB) associated with the company's business activities, business relationships, products or services that are very likely to have a significantly negative impact on the material aspects now or in the future. The Risk and Opportunity Report is part of the Combined Management Report and located in section 4.

Description of the business model

As one of the world's leading eHealth companies, CompuGroup Medical SE & Co. KGaA generated annual revenues of mEUR 837 in financial year 2020. Its software products supporting all medical and organizational activities in medical practices and hospitals, its information services for everyone involved in the healthcare sector, and its web-based personal health records serve to make healthcare safer and more efficient.

CompuGroup Medical's services are based on a unique customer base worldwide, including physicians, dentists, pharmacies and other service providers in both outpatient and inpatient facilities. With its own sites in 19 countries around the world, CompuGroup Medical is an eHealth company with one of the most extensive reaches.

Operating segments

CompuGroup Medical is a provider of medical information technologies for healthcare markets around the world. The company's business activities comprise four business units that develop and deliver smart IT solutions:

- **Ambulatory Information Systems (AIS):** CompuGroup Medical serves physicians of all fields and practice sizes. To make their work easier, we develop software in our Ambulatory Information Systems division that can do more than manage data and provide information in a timely manner.
- **Pharmacy Information Systems (PCS):** Running a pharmacy successfully presents its owners with new challenges every day. Stocks need to be optimized on an ongoing basis, key figures have to be interpreted, documentation obligations fulfilled and, last but not least, personnel managed. A wide range of IT solutions facilitate this work and help with information, analysis, documentation and organization.
- **Hospital Information Systems (HIS):** During a hospital stay, a patient passes through many different areas of a hospital, from admissions, inpatient care and medication, surgery and being discharged. Our software supports not only medical professionals, but also the management to ensure the hospital is run economically.
- **Consumer & Health Management Information Systems (CHS):** The Consumer & Health Management Information Systems division addresses customers in the health care sector, whose business is conducted outside of the other three health care provider segments. Key customer groups include pharmaceutical companies, health insurers, other healthcare IT companies, and consumers.

Description of the business model continued

Our vision

“Nobody should suffer or die because at some point medical information was missing.”

Frank Gotthardt – founder and chairman of the Administrative Board

CompuGroup Medical effectively provides healthcare professionals and patients with helpful medical information for the benefit of all stakeholders in the healthcare system, anytime, anywhere. To this end, we develop software to optimize the medical and administrative processes of service providers, including electronic communication with the patient.

We enable all people to access relevant medical information and services regardless of location and time, and focus on intuitive user experience, state-of-the-art technologies and uncompromising security for medical data.

Our mission

In order to ensure that we, CompuGroup Medical, successfully implement our vision, we have laid it down in three mission statements:

► Forerunners in digitization in medical care

We provide a perfect working environment. We make medical and administrative data available anytime, anywhere. With our large platforms and our extensive market experience, we are a driving force for closer cooperation with the aim to provide the best and most efficient care.

► Helpers for individual health care management

Everyone should be able to help determine their treatment and enjoy contributing to staying healthy. Each person should be well informed and be able to participate actively. With our apps and personal electronic health records, everyone can play an active role in their preventive health care and treatment. CGM makes patient-centered care possible – holistically and safely.

► Drivers of interoperability

We connect people, facilities, and processes to enable diagnosis and therapy to have an optimal affect. To this end, we provide interoperable platforms and pioneering technologies. We use artificial intelligence to enable people and machines to communicate and to develop flexible and learning smart network topologies.

Description of the business model continued

CGM in figures

in kEUR (IFRS) (*)	2020	2019
Consolidated revenues	837,259	745,808
EBITDA	197,476	178,126
EBITDA adjusted	214,882	198,132
Investments	457,116	139,444
thereof: research and development	70,696	55,304
Income taxes for the period	37,006	41,594
Operational performance	363,729	327,575
thereof: salaries and wages	298,957	270,868
thereof: social charges	42,858	38,470
thereof: pension plan	21,914	18,237
Equity	638,937	259,916
Total assets	1,565,772	1,065,862

Additional information on the company's business activities is provided in the CompuGroup Medical Annual Report, which is available at: <https://www.cgm.com/cg-en>. Please refer in particular to the supplementary information in section "1. Foundations of the group" and "2. Economic Report" of the Combined Management Report.

(*) The contents of this table are not part of the separate limited assurance engagement in accordance with ISAE 3000 conducted by KPMG AG Wirtschaftsprüfungsgesellschaft.

Determination of materiality

Understanding of CSR and management approach

For CompuGroup Medical, corporate social responsibility (CSR), or sustainability, means striking a balance between financial, environmental, and social requirements in the context of our business activities. At their core, these efforts aim to integrate material aspects of sustainability into all areas and processes in the company.

CompuGroup Medical's understanding of CSR can be summarized in the following guiding principles:

- + We advocate for our customers and users.
- + We treat data as strictly confidential and communicate professionally.
- + We value diversity and the dedication of our employees. We do not tolerate discrimination.
- + In all of our business activities, we never forget the importance of our responsibility to society.

These values are expressed in our code of ethics and our Corporate Governance Statement as well as our privacy policy, which are publicly available on our website. The standards and principles listed there constitute a binding framework for action for all employees of CompuGroup Medical. It goes without saying that this includes the management.

In operational and strategic terms, the Group Risk Management unit, led by the Chief Financial Officer until December 2020, prepares the non-financial reporting. Following some restructuring within the organization, Group Risk Management was assigned to the newly established Legal and Compliance division under the Chairman of the Management and CEO with effect from December 1, 2020. In addition, the units responsible for the non-financial reporting regularly exchange information on strategic decisions with the executives in relevant departments such as HR, Legal, Purchasing, Marketing, Products, and IT.

Identification and inclusion of key stakeholders

Relationships with customers and employees are the top priority for CompuGroup Medical. As a company listed on the Prime Standard of the Frankfurt Stock Exchange and, since September 23, 2013, also on the TecDAX index, which is a subindex of the leading DAX index comprising the 30 largest German companies in the technology sector by market capitalization and trading volume, CompuGroup Medical moved up to be listed on the MDAX on September 23, 2019. As a result, the capital market and its players are also key stakeholder groups. Identifying the most important stakeholders and their interests is vital for a successful stakeholder dialog. Stakeholders were categorized and prioritized according to the following criteria:

- + Stakeholder interests.
- + Stakeholder influence.
- + Stakeholder expectations for CompuGroup Medical.
- + Dependence of stakeholders on CompuGroup Medical.
- + Relevance of CompuGroup Medical to engage a dialogue with this stakeholder.

Given that stakeholders may change due to new technologies, markets, customers, regulations, and societal developments, the list of key stakeholders and their categorization will be reviewed and – if necessary – updated regularly.

Particularly in its capacity as a group operating internationally, CompuGroup Medical maintains reciprocal relationships with the environment and various stakeholders based on its research and development activities as well as the sale and servicing of its products. CompuGroup Medical regularly exchanges information through many different types of dialog with key stakeholders: customers, employees, shareholders, suppliers, the government and politicians, the media, scientists, and researchers.

The dialog between CompuGroup Medical and its stakeholders is intended to help the company understand their points of view, build trust-based relationships, and reinforce existing collaborations and partnerships. This in turn enables CompuGroup Medical to identify which expectations require assessment and active management, and which measures are possible and necessary to address the interests of stakeholder groups. Regular dialog with stakeholder groups also provides an opportunity for the company to demonstrate the scope for action it sees in social issues and environmental matters, and what prerequisites or conditions are important for this to happen.

Determination of materiality continued

The following table outlines the dialog conducted by CompuGroup Medical with its stakeholder groups: In many cases, the exchange with stakeholders listed below as examples took place digitally, virtually or in hybrid formats in 2020.

Stakeholder groups	Form of dialogue
	(Virtual) meetings and conferences Quarterly reporting Annual financial statements and Annual report Annual general meeting Ad hoc notifications ESG reporting
Capital market	
	Expert advice CompuGroup After Sales Product requirements Common development with the customer Fairs and conferences
Customers	
	Evaluation of suppliers Purchasing principles
Suppliers and Business partners	
	Guided tour of the company Conversations with politicians
Political Decision-Makers	
	Intranet Staff meetings Internal publications
Employees	
	Own program of study "Medical Software Engineering" Research projects Events
Scientific institutions and universities/colleges	
	Interviews Press releases Business reception
Media Representatives	

Determination of top CSR action areas

CompuGroup Medical based the selection of aspects and issues for this Report and the sequence thereof on both the materiality analysis conducted based on GRI and the impact of its business activities on the aspects of CSR covered in this report.

The most important sustainability issues for CompuGroup Medical were identified and prioritized in the materiality analysis conducted for the first time in November 2017. In prior years surveys involving representatives of relevant group functions were carried out to determine any changes to material issues; in this reporting year, CompuGroup Medical decided to conduct a new materiality analysis. This was carried out in November 2020 with representatives from Human Resources, Finance, Tax, Real Estate Management, Purchasing, Investor Relations, External Communications, IT, and Data Protection. This time round, the main economic, environmental, social, and ethical matters were outlined on the basis of the GRI standards and vigorously discussed in order to ensure that a complete and unbiased view of the relevant issues was obtained.

Subsequently, the non-financial topics for sustainability reporting were prioritized, taking into account the legal requirements for the double materiality perspective as per section 289c German Commercial Code (HGB).

The results pertaining to our key action areas are assigned to the aspects of employee-related matters, social-related matters, environmental matters, anti-corruption and bribery matters, and respect for human rights, and are mentioned accordingly in this Report.

Determination of materiality continued

Aspects (According to HGB)	Issues/Key Activities in accordance with HGB by CompuGroup Medical
Employee matters	Growth; stability; productivity; equality and diversity Work-life balance
Social concerns	Data protection and information security Free video consultation solution during the coronavirus pandemic
Environmental issues	Energy usage
Fight against corruption and bribery	Corruption, bribery and trading in influence
Respect for human rights	Respect for human rights (not material within the meaning of HGB)

The above description shows the aspects in accordance with the German Commercial Code (HGB) and the material areas of action of CompuGroup Medical SE & Co. KGaA that have been identified on the basis of a materiality analysis performed and assigned to the aspects.

The overarching "Supply chain and procurement" topic is not a material aspect within the meaning of HGB. Instead, a separate section provides voluntary disclosures relating to non-financial topics.

Risk management

Responsible handling of entrepreneurial risks is one of the principles of good corporate governance. The Managing Directors of CompuGroup Medical SE & Co. KGaA have group-wide and company-specific reporting and control systems at their disposal which ensure that these risks are recorded, evaluated, and managed. The systems are continuously refined and adapted to the changing framework conditions. The existing Monte Carlo simulation system was replaced with a more efficient application in 2019. This application enables Risk Management to prospectively conduct additional analyses or create and evaluate additional risk indicators. Furthermore, against the background of the new version of IDW PS 340, which is to be applied from 2021, procedural changes were made in order to be able to map the requirements at an early stage.

The Managing Directors regularly inform the Supervisory Board about existing risks and their development. The Audit Committee is primarily concerned with monitoring the accounting process, including reporting, the effectiveness of the internal control system, risk management, compliance, and annual audit.

Details on CompuGroup Medical's risk management are presented in the Combined Management Report under the Risk Report section. In addition, the report on the accounting-related internal control and risk management system required by the German Accounting Law Modernization Act (BilMoG) is included in the Combined Management Report.

COVID-19-pandemic risk

CompuGroup Medical has tracked the developing risks from the COVID-19-pandemic in the quarterly reporting of all business units worldwide and has used the existing reporting channel to the Managing Directors for this purpose.

Following a very short implementation phase, an internal coronavirus committee was established in the early days of the pandemic and firmly integrated at the Managing Director level from the very beginning, ensuring the rapid decision-making authority needed for relocating processes and the associated employees.

The most important goal was to protect employees, which indirectly ensured that customers were also protected. This included providing a safe service for physicians and health care institutions, even in the event of a pandemic, so that neither CGM operations nor provider operations were subsequently jeopardized. CompuGroup Medical has also eased the burden of physician-patient communication by making video consultations available free of charge, enabling contact to take place without the risk of infection.

Now ten months into the direct impact of the pandemic, the flexibility of employees is evident as 90 % of the workforce worked from home as the pandemic peaked, thus enabling business operations to continue. As was the case most recently in December 2020, it can be stated that the pandemic only poses a moderate business risk for CompuGroup Medical.

The macroeconomic view is different if lockdown phases last too long and thus jeopardize the prosperity and safety of society. Such a development can never be completely ruled out. For CompuGroup Medical, the effects in such a scenario would be classified as severe, but this is currently not considered to be very likely.

Supply chain

Unlike manufacturing companies, CompuGroup Medical does not have a management focus on the supply chain, but instead on the quality of the services offered and the functionality of the infrastructure required for this. Notwithstanding this, it is of paramount importance to carefully select business partners and suppliers. The group companies each have their own procurement management unit.

In addition to considering economic aspects such as quality, ability to deliver on time, and price, which are reflected in the supplier evaluation, other criteria could be considered in the procurement process including where the suppliers are based (regionality) and whether they have an environmentally friendly product life cycle.

The supply chain supports software development on the one hand, and enables CompuGroup Medical to guarantee its business processes on the other hand. CompuGroup Medical considers the following areas to be business processes: sales, support, consulting services, marketing and administrative functions such as accounting, HR, fleet or in-house IT.

The group companies work with business partners, service providers and suppliers to produce products and deliver services. We require them to commit to the standards applicable at CompuGroup Medical, although as a rule, compliance with applicable legal standards and laws take precedence as part of the General Terms and Conditions of Business. We expect business partners, service providers, and suppliers in the supply chain to have established or to establish suitable processes that ensure compliance with the standards applicable at CompuGroup Medical.

The code of ethics includes the correct treatment of employees, among other things the observance of human rights, as well as integrity in business transactions, for example the prohibition of corruption and bribery. Violations of these rules by suppliers can result in termination of the business relationship.

Although, as described at the beginning of the section, the management focus of the group as a whole is not placed explicitly on the supply chain, CGM IT Solutions und Services GmbH (ITSS), as a subsidiary of CGM Deutschland AG, demonstrated during the reporting year how we nevertheless set high standards for our actions in areas specializing in logistics. With 40 employees, ITSS is an internal service provider with particular expertise in the areas of logistics, warehousing, purchasing, procurement, and IT hardware product management.

A core task of ITSS is to provide market-driven IT shopping carts for CGM direct sales lines in the outpatient sector and in the pharmacy sector. ITSS was able, thanks to the high level of quality achieved and the high volumes, to successfully press ahead with a number of projects relating to the respective products and services.

For our CGM PROFESSIONAL LINE product range, a portfolio of IT client and server systems primarily aimed at medical and dental practices, we were able to establish binding specifications for supply chains, packaging, and equipment design within the scope of a call for tenders. In the future, each device must also meet the requirements for the Blue Angel ecolabel DE-ZU 78 for quiet, safe and ergonomic operation, in addition to the minimum legal requirements for placing on the market and the GS mark. This results in lower energy consumption, durability, and a recyclable design.

Compliance with the "Energy Star 8.0" specifications was also a mandatory requirement in the call for tenders. The company guarantees that only economical and energy-efficient power supplies will be used in the future for the IT client systems of the CGM PROFESSIONAL LINE product range.

Together with our main supplier, we will bring a large share of goods deliveries in line with what is referred to as "end-to-end" concept in 2021. In this context, we will abandon individual packaging of components ex works in Asia or America wherever it is logistically feasible to do so, and we will instead promote bulk packaging all the way to the manufacturer in Germany. This follows the well-known logistics concept of bulk shipments. The fully assembled devices are then shipped from the manufacturer to ITSS in bulk packaging, if possible by further using the transparent protective film already used for dust protection during intercontinental shipping. ITSS expects these measures to result in a relevant and measurable reduction in packaging material. Due to massive international constraints and altered freight capacities on the global market caused by the COVID-19-pandemic, this transition will not be realized until late 2021. ITSS and suppliers are also aiming to completely eliminate use of expanded polystyrene and stretch film for CGM PROFESSIONAL LINE devices as early as 2021.

Supply chain continued

To relieve end customers (medical and dental practices, pharmacies) of packaging waste and disposal costs, ITSS and CGM direct sales lines rely on direct shipping methods using sealed reusable boxes with reusable padding, in which the devices can be professionally delivered safely and without any need for outer packaging. This will result in average savings of up to three cubic meters/kilograms of paper, plastic, and expanded polystyrene per order.

In the event of a defect occurring, the whole device is not simply replaced, something which would result in complete IT systems being sent twice using elaborate outer packaging. Instead, remote support can be used to identify the defective component with pinpoint accuracy, and then have precisely this spare part sent out. The packaging used can then be re-used to return the defective component and also be used again afterwards.

If devices are de-commissioned, they are re-furbished and either used for service purposes or sent for secondary recycling using certified service providers in Germany. If it does not make economic sense to reuse a device, they will be disposed of by a certified recycling company and the reusable materials returned to circulation, as is already the case today.

Employee matters

The key factor behind the success of CompuGroup Medical is its committed team of workers. A fact that becomes all the more apparent in years such as 2020, under the shadow of a global pandemic. An environment that was already dynamic in its own right saw the rise of new challenges and "human resources management at a distance" in the course of the year.

2020 was characterized by the aspects of growth, stability, and productivity.

Growth

In a financial year heavily affected by the COVID-19-pandemic, the number of employees around the world rose by 39 % compared to the level at the end of 2019. From 5,627 as at December 31, 2019 to 7,814 employees as at December 31, 2020. This reflects the organic growth of CompuGroup Medical as well as the acquisition of Cerner in Germany and Spain with 377 employees and eMDS in the US and India with 1,401 employees.

CompuGroup Medical can also look back on a successful financial year 2020 when it comes to junior talent management. 70 new trainees and dual students were recruited in Germany alone, representing a 59 % increase compared to 2019.

In a dynamic environment such as ours, looking to the future means anticipating political and market developments, including labor market trends, realigning the organization accordingly and, in turn, ensuring the effective and efficient hiring and development of the right staff. This is something that is proactively undertaken by CompuGroup Medical in its efforts to create the ideal framework conditions for attracting and promoting all employees.

At the same time, the basic organization for Human Resources remained unchanged. Human Resources continues to be assigned directly to the CEO and is structured in a three-pillar model to maintain proximity to our business activities.

The following are the three pillars of HR organization:

- + HR Service Center: performs standardized administrative tasks efficiently while ensuring uniformly high quality.
- + Center of Expertise (CoE): provides specialized information and performs services to effectively solve specific HR issues.
- + (International) HR Business Partners: supports the line organization in HR planning and implementing strategy in operations.

Profiling and boosting awareness of CompuGroup Medical as an employer is the foundation for all measures to attract promising candidates. To this end, the employer branding project "ALL IN!" was launched in 2020 to effectively communicate our employer value proposition inside and outside the company.

Internally, this also involves the further identification of employees with "their CGM," which also positively affects employee retention. The in-house CGM launch of the employer brand means that the foundation has been laid for the external launch in 2021. Having a uniform employer brand across all CGM countries strengthens the company's international positioning on the employer market and, in doing so, has a positive effect on its ability to recruit suitable applicants who can identify with CompuGroup Medical and want to help it grow.

Other factors having a positive effect on CGM's position as an employer and sustainably improving position-specific recruiting, thereby promoting healthy, organic growth, in addition to the launch of the employer branding project, include the significant, technology-supported expansion of the company's work to actively approach candidates via social networks ("active sourcing"), their assignment to talent pools that can be actively approached when filling positions, as well as the established employee recommendation program.

The impact of the measures to strategically and systematically improve CGM's position as an employer is reflected in the employee recommendation rate for 2020 as well as the number of applicants compared to the prior year. For example, in Germany CGM was able to fill 15 % of new positions in 2020 through employee recommendations, evidence of employees identifying with "their" CGM as an employer and thus of employee loyalty. The year-on-year increase in the number of applicants reflects the external impact of the measures.

While there were 9,431 applicants in Germany in 2018, the number increased to 12,042 in 2019 and 17,269 in 2020. The significant increase of 83.1 % from 2018 to 2020 is an indicator of how attractive CGM is as an employer, particularly due to the company's forward-looking business model and very stable economic situation.

Stability

It is the responsibility of CompuGroup Medical, as an employer, to provide its employees with stability and security particularly in times such as these, namely the COVID-19-pandemic. The top priority here is protecting and supporting employees. The coronavirus committee, which was set up specifically for this purpose, analyzes the current coronavirus situation in the CGM countries at regular intervals, evaluates the resulting consequences for CGM, derives CGM-specific measures that follow the country-specific guidelines, and transparently communicates the status and development to employees around the world.

In view of the specific threat posed by the coronavirus, the company's risk management system was rapidly adapted and expanded to ensure that all essential HR processes could have been maintained even under the most difficult conditions.

The introduction of a comprehensive hygiene concept and the possibility to work from home means the risk of infection at CGM's offices is reduced to a minimum and that it is safe for people to work at the company. During the peak period during the year under review, up to 90 % of the workforce were able to work reliably from home, thereby helping to minimize the risk of infection.

In addition to safeguarding health, CompuGroup Medical's coronavirus strategy also includes ensuring the economic security and stability of its employees. A phased plan with cross-border applicability ensures that employees do not have to fear any economic risk even during a hard lockdown and that they are supported in the event of having to take care of a child or other family members. By introducing a specially developed phased plan, CompuGroup Medical has ensured that the use of short-time allowances is avoided as far as possible from the outset.

Widespread remote working and the resulting changes to working conditions require new and creative ways to ensure the stability of company and work-related processes. An important part of this is to ensure the onboarding and integration of new employees in a digital way. In order to keep daily operations running and integrate new employees smoothly and efficiently even at a distance, CGM's existing onboarding processes were promptly digitalized. To ensure that new employees are not socially distanced during the digital onboarding process, the prior face-to-face events held as part of the onboarding process were converted to interactive online events. For example, the starter seminars priorly held in Koblenz now take place digitally in the course of welcome sessions, and the welcome and onboarding events for the new group of trainees were also held digitally.

The ability to increase the accessibility of events across locations by means of a digital format was the trigger for new event concepts, such as a new onboarding event for foreign employees in Germany which was launched. In regular info webinars with experts, foreign employees working in Germany are able to obtain important information and advice on bureaucratic issues and integration in Germany. These info webinars are supplemented by dedicated in-house CGM information websites that provide helpful advice and guidance.

Productivity

Supporting and fostering the development of employees remains critically important to CompuGroup Medical, even in these challenging times of the COVID-19-pandemic. To ensure our employees develop greater personal, professional, methodological and, as the company becomes more international, intercultural skills, it is our mission to provide and secure the ideal framework conditions here. What this means when it comes to the COVID-19-pandemic is moving the continuous professional development program online as far as possible.

Thanks to human resource development programs such as "CGMaster Class," selected interested employees are provided with additional development opportunities at an international level. The first round took place with success in 2018/2019. In 2020, the second round started with a self-nomination and selection process held completely remotely. There was a particular focus on the three major development paths: executive, expert, and project manager. The program is open to all employees with the potential for and an interest in assuming more challenging tasks.

Employee matters continued

In addition to this program for high potentials, we also address different target groups with various customized training programs. Courses available for our executives include:

- + Online training courses on the topic of labor law (online)
- + Leadership talk (online)
- + Team leader course (in person)
- + VP excellence (in person)
- + GM excellence (in person)

The challenges posed by the COVID-19-pandemic and remote working for executives with regard to their leadership tasks were the reason for increasing the range of various topics offered as e-learning courses. These include among others:

- + Remote onboarding and team integration
- + Remote leadership
- + German labor law

The training available to executives was supplemented for the first time in 2020 by courses for specialists, project managers, and project assistants. These allow the greatest possible flexibility for employees in terms of the training period and location.

In the course of the continued internationalization of the company, the language training courses offered were expanded further in 2020. The established in-house English and German language training for non-native speakers continues to be provided as before and was mainly carried out via video conferencing in 2020. The latter is very important to the integration of non-German technical staff into the company. An e-learning portal is now also used for language learning anywhere and anytime, including in international CGM study groups.

In addition to cyclical activities like this, the HR Business Partners are in daily contact with managers and executives in the operating business units and support them with strategic (human resource) development in the business units, among other things.

A key part of employee support and care is the company's occupational health management (OHM). This is defined as the design of company structures and everyday work routines to promote health, and it is becoming increasingly important against the backdrop of demographic change and the growing concentration and complexity of work. Only when people within the company are effectively connected and initiatives tailored to promote health are offered can we counteract work missed due to illness and a lack of motivation as well as their consequences.

The COVID-19-pandemic has abruptly changed the world of work. The digitalization processes required to switch to remote working and the resulting changes in working conditions also entail a new work-life situation. CGM's occupational health management has a key role to play in ensuring that employees remain healthy and productive on a long-term basis.

In addition to training for executives: "Healthy Leadership – Digital", a DIGITAL HEALTH GUIDE health app was made available to CGM employees free of charge, fostering a healthy and balanced everyday life at any time and regardless of the location.

The classic exercise options, such as fitness classes and strength/endurance training in the company's own CGM HEALTH CENTER at the Koblenz site) were made available to all CGM employees worldwide via a live stream. The CGM HEALTH CENTER team also offered digital nutrition consulting and customized video home workout plans.

The annual health day, the FEEL GOOD DAY, also went online and was offered throughout Germany. For an entire week, the focus was squarely on health-related matters. Nutrition advice, live cooking sessions, mindfulness training, step challenge, and salad delivery right to your place of work, either at home or in the office. Measures that made the digital world a little more analog.

The ongoing pandemic presents many people with unfamiliar challenges, some of them very difficult. It is particularly important to strengthen the health and mental well-being in times such as these. Online psychological training called "HelloBetter" was launched for employees at the end of 2020, providing employees with training on how to deal with stressful situations, depression, alcohol use, and sleep disorders. These options are evidence of the all-encompassing approach taken to promoting health.

Employee matters continued

In addition to and in cooperation with the physiotherapy practice at the Koblenz site, digital advice and tips on ergonomics for a healthy workplace at home were published.

Apart from exercise programs, the most important components of the company's health promotion efforts at the Koblenz site are a healthy bistro and an in-house childcare center. These demonstrate our company's sense of responsibility for the health of its employees. The motto "Be healthy. Feel good." underscores this stance and showcases our extraordinary commitment to comprehensive health management, even in times of crises.

Equality and diversity

CompuGroup Medical respects the dignity of each and every individual and actively strives to provide a safe and healthy working environment whose hallmarks are equality and diversity. CompuGroup Medical opposes all types of discrimination. Discrimination is any kind of unequal treatment, rejection or preference based on gender, age, disability, sexual orientation, religion, political stance, nationality or ethnicity, or any other circumstance that results in a violation of the principle of equality. These principles were laid down in a code of ethics and the Corporate Governance Statement binding on everyone at the company, and are freely accessible on the Internet: <https://www.cgm.com/cg-en>.

For this reason, a workforce made up of people from various cultures and a balanced age structure are part of the group's corporate culture in practice.

Additions to the CGM group in 2020 are listed separately to provide separate reporting of HR changes in the consolidation group. The following table presents the changes in the number of employees broken down by gender and age group as at the reporting date (December 31, 2020). Additional information on our employees is provided in the Annual Report.

Diversity category (number of employees)	Additions in 2020					Total after additions	Share of salaries employees (in %)
	Group, not including additions as at reporting date	H&S Qualità nel Software S.p.A.	CGM Clinical Europe GmbH und CGM Clínica España, S.L. (Cerner)	eMDs, Inc. und MD Everywhere India Pvt. Ltd (eMDs)	Schuyler House Inc.		
Total headcount	5,982	31	377	1,401	23	7,814	100 %
By gender							
Female	2,179	10	134	419	8	2,750	35 %
Male	3,803	21	243	982	15	5,064	65 %
By age group							
<30 years old	1,221	8	22	610	1	1,862	24 %
30 - 50 years old	3,549	19	203	677	12	4,460	57 %
>50 years old	1,212	4	152	114	10	1,492	19 %

We hold all employees in the same esteem, and they enjoy the same respect and access to equal opportunities. The company adheres strictly to national statutory guidelines on protecting employee rights. National statutory regulations, in-house agreements, and mandatory statutory notification periods are also binding for CompuGroup Medical when drafting employment contracts. CompuGroup Medical operates in a rapidly changing economic environment and competes for highly qualified technical staff and executives in fields such as information technology and business administration. As CompuGroup Medical recruits staff not only regionally, but worldwide, the company believes that offering equal opportunities to all applicants is very important.

In 2020, CompuGroup Medical had 1,467 employees from 31 countries at the Koblenz sites. For us, this diversity represents added value for the company, whether in terms of reinforcing our innovativeness or our competitiveness by, for example, allowing us to better understand our customers' needs or developing solutions from various perspectives. In order to integrate them not only into the company but into daily life in Germany, we offer in-house German lessons especially tailored to employees who speak other languages. These courses are very popular.

In the year under review, CompuGroup Medical selects employees based on the requirement profile for the job according to their personal and professional qualifications, and their experience. We ideally recruit local employees and executives, and generally offer them permanent employment contracts.

In cases of discrimination that occur despite CompuGroup Medical's clear policy to the contrary, direct supervisors, business area managers and, of course, the HR Business Partners are available to provide a sympathetic ear. Moreover, the Works Council of CompuGroup Medical SE & Co. KGaA is also an independent contact.

Unless otherwise indicated, these measures apply to the German companies. This issue is handled locally by the group companies in order to address local requirements.

Work-life balance

Networks are increasingly connecting people, which not only means that information is available in real time, but that people must react to changes more and more quickly. Everyone is available everywhere, all the time. This means that employers expect greater flexibility from their employees, while employees in turn demand more flexibility with their own working hours.

CompuGroup Medical aims to find a balance between the business interests of the company and the personal and family needs of its employees.

A major component of this effort is the flexible work schedules we offer to provide CompuGroup Medical's employees the freedom to use time accounts to largely determine when they will perform their jobs. Time accounts allow employees to tailor their working hours to their individual requirements to the greatest degree possible.

CompuGroup Medical has set up a childcare center at the company's headquarters in Koblenz to make work-life balance easier for young families. The nursery caters to a total of 35 children, 27 of whom are under three years old. In individual cases, children over three can be cared for until they can switch to another facility, usually close to their homes. Most of the spots are taken by children of company employees. The center is open ten hours a day, which is convenient even for employees on flextime schedules.

Whereas the quality of employee work is documented in development and performance reviews, working times can be verified using the available time accounts.

In addition to simply comparing target and actual working times, the sickness ratio based on weekdays missed is becoming established as an internal performance indicator. The sickness ratio is an important factor for work performance as a whole and is indirectly linked to employee satisfaction. Workdays missed because of illness affect productivity as they cause additional costs to be incurred and likely result in inexperienced temporary employees replacing skilled staff. A certain level of absences caused by illness are unavoidable and are not within the sphere of management's control. There are also many factors in the working environment that have an impact on how mild health issues affect working times. In addition, a particularly unfavorable work environment (poor organization, stress, insufficient support, low-quality products, lack of customer satisfaction, etc.) can make employees sick. An important sign of the quality of management of the entire business is when the sickness ratio is kept low when compared to national and international standards.

This KPI can be accessed and used by any responsible business unit head for the purpose of managing their business unit. In other words, this is a decentralized performance indicator.

These examples apply to the German companies given that this issue is organized locally in order to satisfy local requirements.

Aspect of social concerns

Data protection and information security

Handling personal employee, customer and patient/client data responsibly and taking effective measures to guarantee information security and data protection have been a top priority for CompuGroup Medical for years now. CompuGroup Medical undertakes to protect the privacy rights of every individual whose personal data are processed.

Data protection

Binding guidelines covering all areas of applicable data protection law apply throughout the group to ensure a high and uniform level of protection in all processes and to ensure compliance with data protection law. The provisions under both European and national law are taken into account.

Employees receive regular training on the subject of data protection and are informed regularly about data protection requirements by way of guidelines and instructions and required to strictly follow these. A completely new web-based data protection training has been introduced and attendance is obligatory for all employees. The training course is offered in several languages, the invitation process as well as the control have been automated. Another training course specifically addressing managers has been developed and implementation begun in 2020. This training will be rolled out across the board in the first half of 2021.

All employees are bound to data privacy as per GDPR. Employees in Germany are also bound to country-specific laws, such as confidentiality pursuant to Section 203 of the German Criminal Code (StGB). The process has been automated, and new employees are informed about the obligation when they are hired.

The internal reporting channels for data privacy incidents are clearly defined. In any suspicious case, both the data protection officer and the responsible general manager, who can be reached at all times, are notified immediately. In the reporting year, there were no data protection incidents that were attributable to structural deficits. CompuGroup Medical takes all incidents and reports of suspected incidents very seriously and subjects all such reports to an extensive internal review. In the reporting year 2020, CompuGroup Medical did not determine any incidents to be reportable.

Even though CompuGroup Medical can look back on a year without any reportable incidents, existing processes will be adapted or specified in more detail if necessary. For example, the involvement of data protection officers in the planning phase for new developments in the AIS area has been firmly integrated into the quality management processes. This ensures higher security for the processes and raises the awareness of the employees. Additional contextual checks and data protection impact assessments were also carried out. In some cases, independent external expert opinions were also requested.

By conducting annual internal data protection audits CompuGroup Medical monitors compliance with the regulations adopted. The regular review of processes and measures by means of data protection audits in all business units by the formally appointed data protection officer, who is supported in each organizational unit by a data protection coordinator, is part of the overall concept. The data protection officer reports directly to company management about the audit findings and measures to improve the level of protection.

Information security

In order to guarantee the protection of patient and customer information in their care as well as the company's own information, CompuGroup Medical has implemented an information security management system (ISMS), which it certified to ISO/IEC 27001. A high level of security is to be ensured by consistently monitoring the system, systematically identifying information risks and using targeted measures to deal with them within the scope of the ISMS.

The information security controls of the ISMS were expanded to include the standards ISO/IEC 27017 (cloud security) and ISO/IEC 27018 (data protection standard for cloud services) in order to keep up with the rapid pace of digitization in the healthcare sector. This places high security requirements on both the CompuGroup Medical's "Medical Cloud" and any other cloud platform that is used.

In order to adequately counter the increasing threats, a group-wide initiative was launched in 2020 to optimize the security of all CompuGroup Medical products. Complementing this, CompuGroup Medical is making a joint call for more IT security in the German healthcare sector with the #fightcybercrime initiative. Under the keyword #fightcybercrime, CompuGroup Medical supports registered physicians and dentists with a comprehensive range of information and solutions to protect the IT used in surgeries and practices that are individually tailored to everyday needs in a surgery.

The coronavirus pandemic was countered with established business continuity management measures. The majority of employees at CompuGroup are working from home and they receive regular advice on how to work securely from home.

Free video consultation solution during the coronavirus pandemic

The COVID-19 outbreak reached Europe in early 2020 and was declared a pandemic by the World Health Organization in March. After some dramatic scenes in countries such as Italy, the number of infections soon rose sharply in other European countries as well, with awareness of the problem and fear of infection growing among the population, including healthcare professionals, at the same time.

In this time of global uncertainty, CompuGroup Medical decided to make CLICKDOC VIDEOSPRECHSTUNDE, a platform for medical consultations, available free of charge – initially to all practices in Germany and their patients – until further notice. The goal of this measure was to avoid people having physical contact at the medical practice while at the same time ensuring the patients continue to receive medical care. CLICKDOC VIDEOSPRECHSTUNDE therefore makes an important contribution to efforts to contain and manage the spread of infections.

In March and April, CGM was able to cope with the increase in demand for the video consultation solution, and also expand the option to other countries and other target groups such as hospitals, pharmacies, and midwives. In the very first month alone, some 45,000 new customers registered for CLICKDOC VIDEOSPRECHSTUNDE and, by June, this figure had risen to around 90,000.

Various studies reveal that awareness of the benefits of video consultation rose sharply during this period: According to a sample survey conducted by the industry association bitkom, two-thirds of respondents already thought at the end of March that physicians should also offer online consultations – twice as many as one year earlier. Then, by July, the percentage of patients having since participated in a video consultation had also increased significantly.

A similar trend can be observed among physicians: In a survey of physicians working in outpatient care conducted by Stiftung Gesundheit and health innovation hub, more than half of the respondents said they were already using video consultations, with another 10 % saying they plan to do so in the near term. In a similar survey in 2017, only 1.8 % of respondents had used video consultations, and 2.7 % had planned to do so in the near term.

The study results suggest that patients and healthcare professionals have already had multiple experiences with video consultations as a result of the pandemic. CGM has played its role in this development due to the large number of users it has in all healthcare sectors.

Aspect of environmental issues

Energy usage

Energy, particularly the use of electrical energy, is vital for CompuGroup Medical as a communications and data service provider, and therefore essential for the continued operation of our business. For CompuGroup Medical, having an uninterrupted energy supply at the major sites, particularly the data centers, is a primary goal. This is important across industries in an increasingly digitalized society. As demand for electrical energy continues to rise, protecting the climate and the environment has become one of the major global challenges of our time. It is part of our corporate obligation to protect natural resources for future generations.

Pursuing these goals proved challenging in a year dominated by COVID-19. For example, the energy audit completed in 2019 was not finalized in 2020 as expected due to staff shortages being experienced by the provider, meaning that no results were available at the time this Report was published.

But even without the external energy audit, efforts were made to control energy consumption at the largest sites in Germany independently of the lessors' accounting of service charges. To this end, existing electricity supply contracts are being successively brought into a framework contract with one supplier. This will now enable us to visualize our electricity consumption for a significant number of our sites in Germany from January 2020 and to introduce targeted measures to reduce energy consumption in the future.

A new energy concept was also introduced for the acquired commercial premises of the adjacent Mittelrhein publishing house at the company's headquarters in Koblenz, taking advantage of the well located on the premises to provide heating and cooling for the adjacent buildings using efficient heat pumps. The adjacent buildings also include the planned and approved new bistro building, which will be constructed in line with the KfW 55 energy standard.

The bistro at the CGM site in Koblenz, Germany, saw a sharp rise in meals-to-go driven by the COVID-19-pandemic. The introduction of reusable containers with a deposit system helped to lower the amount of waste produced and reduce the amount of packaging material needed. Care is also taken to use BPA-free and recyclable packaging material.

Since 2018, CompuGroup Medical continues to be connected to 14 companies in and around Koblenz in an energy efficiency network operated by Energieversorgung Mittelrhein AG in order to share experiences with the network to generate synergies for additional energy savings potential and to enable the use of innovative, new energies.

Aspect of fight against corruption and bribery

Corruption, bribery and trading in influence

CompuGroup Medical is against all forms of corruption, bribery and trading in influence, and actively strives to avoid such conduct in the group's business activities.

In its publicly available code of ethics applicable to all participants in the supply chain, CompuGroup Medical prohibits offering, distributing or accepting bribes or kickbacks of any kind along with the use of other ways and channels for granting an unjustified advantage to customers, representatives, contractors, suppliers and their employees, or government officials.

CompuGroup Medical also prohibits its employees from giving bribes or kickbacks to customers, representatives, contractors, suppliers and their employees, or government officials, or accepting such bribes or kickbacks from these individuals in order to create an advantage for themselves or their families, friends, partners or acquaintances.

The prohibition against bribery and trading in influence applies both to the party that grants or offers an unjustified advantage and to the party that requests, receives or accepts such an advantage. Even simply requesting or offering an unjustified advantage is impermissible in this context.

CompuGroup Medical understands kickbacks (payments for which the recipient leverages the authority of their official position and in which the consequences of non-payment can be completely disproportionate to the small size of the payment) as a form of bribery that falls under the aforementioned rules.

The controls instituted by CompuGroup Medical comprise regular self-assessments as part of monthly reporting for executives. Additional controls are exercised by way of internal and external audits, for example, as part of fraud and management override of control reporting. A group-wide Legal Affairs and Compliance unit was established in December 2020, reporting to the CEO, to reinforce CompuGroup Medical's clear position both in-house and to the wider world.

CompuGroup Medical strives for compliance with the company's principles described in the code of ethics concerning relationships with external business partners in the contractual agreements, partnerships and collaborations entered into. The company achieves this through diligently reviewing the agreements, partnerships and collaborations entered into prior to the signing of contracts and by careful selection of external business partners.

Compliance with the company's principles described in CompuGroup Medical's code of ethics by employees and management is ensured in particular by informing employees of these when they begin working at the company. Employees are also obligated to comply with material principles as part of their employment contracts.

The code of ethics is signed by the management of CompuGroup Medical (Managing Directors) and is published on the CompuGroup Medical website. The code of ethics is reviewed once a year. Changes require approval by the Managing Directors.

In 2018, a whistleblower system was implemented which provides employees with the opportunity to report suspicious incidents relating to unethical, illegal, fraudulent or undesirable conduct in CGM activities. The whistleblower system guarantees confidentiality so that individuals who make a report can do so without fear or intimidation, disadvantage or retribution. Information on the whistleblower system and contacts is available to all employees in the intranet.

Valid notifications are reported directly to the Managing Directors and the Supervisory Board.

In the reporting year, no reportable incidents were known or reported by individuals within or outside of the company.

Aspect of respect for human rights

CompuGroup Medical considers respect for human rights to be an integral part of its responsibility as a company with worldwide operations. This is why we are committed not only to strictly adhering to all applicable statutory provisions but also to the staunch defense of human rights in our sphere of influence.

Given the industry in which we operate, CompuGroup Medical hires or has hired highly qualified IT employees. Human rights issues are categorized as immaterial, because this constitutes a minimal operational risk.

In order to underscore this issue, CompuGroup Medical has made an explicit commitment on responsibility to society in its generally applicable code of ethics. Compliance with these standards is required not only of all employees of CompuGroup Medical but also of all suppliers, business partners, consultants or third parties working on behalf of CompuGroup Medical.

Contact information and framework utilized

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Standards applied

Selected GRI standards, or parts thereof, were applied during preparation of this Report to report on specific information. The Report does not fulfill the "Core" requirements for GRI reporting.

Independent auditor's report

Limited Assurance Report of the Independent Auditor regarding the combined separate non-financial report¹

To the Supervisory Board of CompuGroup Medical SE & Co. KGaA, Koblenz

We have performed an independent limited assurance engagement on the non-financial consolidated statement of CompuGroup Medical SE & Co. KGaA (further "Company") according to § 315b of the German Commercial Code (HGB), that is combined with the non-financial statement of the parent company in accordance with § 289b HGB, (further "combined separate non-financial report") for the period from January 1 to December 31, 2020.

It was not part of our engagement to review product and service-related information, references to external websites and information sources, as well as future-related statements in the combined separate non-financial report.

Management's Responsibility

The legal representatives of the Company are responsible for the preparation of the combined separate non-financial report in accordance with §§ 315b, 315c in conjunction with 289b to 289e HGB.

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

Practitioner's Responsibility

It is our responsibility to express a conclusion on the combined separate non-financial report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published by IAASB. Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the combined separate non-financial report of the Company for the period from January 1 to December 31, 2020 has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgement.

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

- + Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for CompuGroup Medical SE & Co. KGaA
- + A risk analysis, including media research, to identify relevant information on CompuGroup Medical SE & Co. KGaA's sustainability performance in the reporting period
- + Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures, including data consolidation, on environmental, employee and social matters, respect for human rights, and combating corruption and bribery
- + Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures

¹) Our engagement applied to the German version of the combined separate non-financial report 2020. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

Independent auditor's report continued

- + Inspection of selected internal and external documents
- + Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites
- + Assessment of the overall presentation of the disclosures

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the combined separate non-financial report of CompuGroup Medical SE & Co. KGaA for the period from January 1 to December 31, 2020 has not been prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB.

Restriction of Use/General Engagement Terms

This assurance report is issued for purposes of the Supervisory Board of CompuGroup Medical SE & Co. KGaA, Koblenz only. We assume no responsibility with regard to any third parties.

Our assignment for the Supervisory Board of CompuGroup Medical SE & Co. KGaA, Koblenz, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms notice of the provisions contained therein including the limitation of our liability as stipulated in No. 9 and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, March 16, 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Glöckner
Wirtschaftsprüfer
[German public auditor]

Brokof
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