



Summarized separate non-financial report CompuGroup Medical SE

Corporate Social Responsibility
for the fiscal year 2018

Synchronizing Healthcare



CompuGroup
Medical

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Explanation

Summarized separate non-financial report (hereinafter the "non-financial Report") of CompuGroup Medical SE for the fiscal year 2018.

Procedure for reporting and general information about the report

Reporting Period

The reporting period is the 2018 calendar year. It corresponds, as long as nothing to the contrary has been noted, to the reporting period of the corporate annual report.

Date of the Current Report

The non-financial report of CompuGroup Medical SE was published on 29. March 2019.

Reporting Cycle

The non-financial report was prepared 2017 for the first time and will be published on a yearly basis.

General Report Information

The non-financial report of the CompuGroup Medical SE and the group of companies, provided nothing to the contrary is stated in the report, refers to the 2018 financial year and was created in accordance with §§ 315b and 315 in conjunction with 289b to 289e of the German Commercial Code (HGB) and published outside the Management Report of the CompuGroup Medical.

The company headquarter of CompuGroup Medical SE's parent company is located in Koblenz, Germany. The operational business is up to the independent subsidiaries, both foreign and domestic. The management of the group companies takes place primarily at the group level which is why the following statements and concept descriptions, unless otherwise noted, apply to CompuGroup Medical SE as well as to the group.

In accordance with § 171 para 1 p. 4 of the German Stock Corporations Act (AktG), the Board of Supervisors must verify the non-financial report. In support of this, the Supervisory Board had a business audit conducted in accordance with ISAE 3000 (revised) in order to gain limited assurance from the accounting firm of PricewaterhouseCoopers GmbH. PricewaterhouseCoopers GmbH accounting firm has conferred an unqualified opinion (see page 19 et seq.).

For each of the five aspects required by commercial law (employee matters, social matters, respect for human rights, Fight against corruption and bribery, as well as environmental matters), the reporting of the non-financial report under discussion here is based on the core issues identified in the course of the materiality analysis. The aspect of respect for human rights was identified as a non-material topic in accordance with HGB. As basis for the creation of the materiality analysis, we have oriented ourselves towards the GRI standard. The non-financial report does not fulfill the "core" requirements of the GRI reporting and furthermore, does not apply a standard framework to pursue a reporting tailored to the company's requirements. References to statements outside of the group management report/ consolidated financial statement are to be seen as secondary information and not as a component of the non-financial report.

After applying the net method, CompuGroup Medical has no risks being subject to report according to § 289c para 3 No. 3 HGB with regard to its own business activity, business relationships, products and services identified which are very likely to have or will have serious negative effects on the material aspect. All further information on opportunities are shown on pages 43 et seq. and regarding risks on pages 36 et seq. in the consolidated management report.

Description of the business model

CompuGroup Medical SE is one of the leading eHealth companies in the world and earned annual revenue of 717 million euro in the 2018 financial year. Its software products in support of all medical and organizational activities in doctors' practices and hospitals, its information services for all participants in healthcare sector and its web-based personal health records help to provide safer and more efficient health care services.

The foundation of CompuGroup Medical's services is the unique customer base worldwide, among them doctors, dentists, pharmacists and other service providers in outpatient and fixed facilities. With locations of its own in 19 countries and products in 56 countries worldwide, CompuGroup Medical is the eHealth company with one of the broadest coverages among service providers. 4,955 highly qualified employees stand for sustainable solutions in the face of constantly growing demands in healthcare.

BUSINESS SEGMENTS

CompuGroup Medical stands for medical information technologies for health markets worldwide. Its business activity encompasses four business units for the development and deployment of intelligent IT solutions:

- + Ambulatory Information Systems (AIS) concentrates on practice management software, connectors, and electronic patient files for resident physician and dental practices, laboratories, medical care centers and physician networks. In addition, internet/intranet solutions (ISP) are offered to service providers in healthcare (doctors, dentists, hospitals and clinics) that serve to exchange information among themselves.
- + Pharmacy Information Systems (PCS) focuses on integrated clinical, administrative and financial software applications for apothecaries and bulk mail apothecaries.
- + Hospital Information Systems (HIS) Hospital information systems, laboratory information systems and nursing information systems for the inpatient sector (clinic software).
- + Health Connectivity Services (HCS) offer the manufacturers of pharmaceuticals and medical devices software solutions with which information can be made available to doctors across interfaces. Alongside, the funding agencies in healthcare (health insurance, caregiving institutions and public sector enterprises) and doctors are offered an information channel on software solutions that supports them during optimization of decision processes.

VISION

CompuGroup Medical pursues the vision that health is our greatest good. Using intelligent software, CompuGroup Medical helps to preserve it. We support the dialogue in healthcare and see to it that costs are reduced sensibly. Every human being should benefit from medical advances with the help of IT.

- ▶ Taking optimal care of human beings

We, CompuGroup Medical support medical service providers in providing patients with the best possible and cost-conscious care. Medical and administrative data are available where they are needed. With our broad client base and many years of market experience, we are the driving force for more collaboration and efficient care.

- ▶ Patient involvement

Every person should be able to help shape his/her treatment and have fun retaining their own good health. S/he must become informed and actively involved. We involve patients and make their personal medical data electronically available — holistically and safely.

STRATEGY

The strategy that CompuGroup Medical is pursuing in order to reach its business goals can be described as follows: All over the world, medical care is increasingly gaining importance: people are getting older and medical advances make new therapies possible. IT plays a decisive role in holding costs in check and in treating people successfully. For this reason, CompuGroup Medical is counting on:

► More Dialogue in healthcare

Several hundred thousand customers trust CompuGroup Medical. We are developing new effective solutions by working closely with them. Our large and wide-ranging customer base is making it possible for us to find ever better ways to work together for our customers.

► Worldwide responsibility

Whether it's personnel shortages or diabetes care: Health systems in western industrial countries are all facing similar challenges. We carry our experience into international markets and improve treatments for the good of the patient.

CGM IN FIGURES

in EUR '000 (IFRS)	2018	2017
Total revenue	717,023	582,375
EBITDA	182,482	128,444
Investments	47,480	56,107
thereof research and development	44,819	35,219
Income taxes	36,156	33,813
Operational performance	273,653	256,120
thereof salaries and wages	224,452	210,114
thereof social charges	31,641	30,440
thereof old-age pension care	17,560	15,566
Equity	272,999	236,060
Balance sheet total	848,311	825,009

Further information on business activity can be found in CompuGroup Medical's annual report which is available at https://www.cgm.com/corp/ueber_uns_1/investor_relations/finanzberichte/geschaeftsberichte/geschaeftsbericht.de.jsp. We refer here above all to the further information in the chapters "The CGM Group" on pages 15 et seq. and "Report On Economic Position" on pages 21 et seq. in the consolidated management report.

Determination of materiality

CSR-UNDERSTANDING AND MANAGEMENT APPROACH

When it comes to CompuGroup Medical's business operations, Corporate Social Responsibility (CSR) and sustainability mean bringing economic, ecological and societal requirements together in harmony. The key is to integrate significant aspects of sustainability into all of the company's realms and processes.

CompuGroup Medical's corporate understanding of Corporate Social Responsibility (CSR) can be summarized in the following maxims:

- + We are committed to our customers and users.
- + We treat data with absolute confidentiality and communicate professionally.
- + We value the diversity and commitment of our employees and do not tolerate any discrimination.
- + In all our business activities, we always keep an eye on the meaning of corporate responsibility.

These values are laid down in our Code of Ethics and our explanation to top management, both of which are accessible to the public on our website. The standards and principles described therein form a mandatory operational framework for all employees of CompuGroup Medical, including of course, management.

CompuGroup Medical strives to incorporate or better said, institutionalize the subject of sustainability in all its complexity ever more strongly in the company so that sustainability becomes a regular requirement. That includes that we systematically analyze the ecological effects of our future business activity in terms of energy consumption in order to identify the potential for improvement. Here, the experience of recent years shows the effort required to robustly manage sustainability issues. Especially if, in addition to internal resources, this requires the involvement of external service providers.

The non-financial reporting will be edited operationally and strategically by the Group Risk Management and Management Reporting Divisions, which answer to CFO Christian B. Teig. In addition, the divisions responsible for the non-financial reporting will, for strategic decisions, be involved in regular exchanges with senior management of relevant departments such as HR, Legal, Purchasing, Marketing, Product and IT.

SIGNIFICANT STAKEHOLDERS AND THEIR INVOLVEMENT

For CompuGroup Medical, its relationship to customers and employees is of the highest priority. As a listed company in the Prime Standard segment of the Frankfurt Stock Exchange where it is included as a member of the TecDAX index, which includes the 30 largest companies in market capitalization and number of shares traded in the tech industry under the key DAX index. Here, the capital market and its participants are significant interest groups. The identification of the most important stakeholders as well as of their interests is decisive for successful stakeholder dialogues. The categorization and prioritization of the stakeholders is made in accordance with the following criteria:

- + Interests of the Stakeholder,
- + Influence of the Stakeholder,
- + Expectations of the Stakeholder from CompuGroup Medical,
- + Dependence of the Stakeholder on CompuGroup Medical, and
- + Relevance for CompuGroup Medical to carry on a dialogue with this stakeholder.

Since stakeholders can change as a result of new technologies, markets, customers and regulations as well as social developments, the determination of the most important stakeholders and their categorization will be checked regularly in the future and brought up-to-date, as needed.

Especially because it is a group of companies that is active internationally, CompuGroup Medical maintains reciprocal relationships to the environment and its various stakeholders through its research and development as well as through the service and distribution of its products.

CompuGroup Medical conducts the most varied forms of dialogue in regular exchanges with its most important stakeholders: customers, employees, stockholders, suppliers, public officials, politicians, and media representatives as well as scientists and researchers. The dialogue between CompuGroup Medical and its stakeholders should, in addition, contribute to an understanding of their points of view, achieving trusting relationships and securing existing cooperation and partnership. This will help CompuGroup Medical to recognize which expectations need to be managed actively, and to determine which measures are possible and necessary to do justice to the

interests of the stakeholder groups. Regular dialogue with stakeholder groups offers, in addition, a possibility of showing which scopes for action can be seen in social concerns and environmental questions and which requirements or boundary conditions are important for that.

The following table provides information of the exchange that CompuGroup Medical leads with the stakeholder groups:

Stakeholder groups	Form of dialogue
Capital market	Roadshows and conferences
	Quarterly reporting
	Annual financial statements and annual report
	Annual general meeting
	Ad hoc announcements
Customer	Sustainability report
	Support from experts
	CompuGroup After Sales
	Product requirements
Suppliers and Business partners	Common development with the customer
	Fairs and conferences
Political Decision-Makers	Evaluation of suppliers
	Purchasing principles
Employee	Guided tour of the company
	Conversations with politicians
	Intranet
Science and College/University	Staff meetings
	Internal publications
	Own program of study "Medical Software Engineering"
	Research projects
Media Representatives	Events
	Interviews
	Press reports
	Business reception

DEDUCED KEY CSR ACTIVITIES

CompuGroup Medical is oriented towards the aspects examined in this report. It is guided in the selection and ranking of these aspects and issues by the materiality analysis it has carried out with reference to the Global Reporting Initiative (GRI) as well as by the effects on their business activity.

In the materiality analysis carried out for the first time in November 2017, the sustainability issues important to CompuGroup Medical were identified and prioritized. Selected representatives of relevant Group functions and labor representatives were surveyed in connection with this. A separate survey of stakeholder groups relevant to CompuGroup Medical on report topics was not undertaken for the non-financial report. The initially intended separate and special surveys of relevant stakeholder groups for 2018 did not take place. Nevertheless, CompuGroup Medical, as presented above, stands in regular dialogue with its relevant stakeholder groups which makes it possible to exchange and discuss views and interests.

The re-examination of the materiality analysis revealed no new facts due to the unchanged business model and stable stakeholder groups, according to which the material issues from the previous year are continued.

In 2017 as described above, CompuGroup Medical analyzed the significant economic, ecological, social and ethical aspects that have a significant impact on the company from internal and external points-of-view. The determination of the strategically relevant topics took place on the basis of the guidelines in the Global Reporting Initiative (GRI) as well as by means of the criteria from HGB in the form of a list of significant issues. In addition, possible influencing factors were named and evaluated from the point-of-view of the company and the stakeholders. This iterative process led to the determination of several significant key activities upon which the company in its orientation towards sustainability issues will be focusing on and elaborating in this report. Future dialogues with stakeholders will, as foreseen, build on these results.

Aspects (According to CSR-RUG)	Issues/Key CSR Activities by CompuGroup Medical
Employee matters	Health protection; personnel development and advanced education, equality and diversity, balance between work and private life
Social concerns	Data protection and information security
Environmental issues	Energy consumption
Fight against corruption and bribery	Fight against corruption and bribery
Respect for human rights	Respect for human rights (not material in the meaning of HGB)

The presentation above shows the aspects according to CSR-RUG as well as the significant areas of activity of CompuGroup Medical SE that were identified on the basis of a materiality analysis that was carried out and to which the aspects have been assigned.

The general topic „Supply Chain and Procurement“ is no material aspect in the meaning of HGB, but treats all reportable statements in relation to the non-financial subject areas in a separate chapter.

The scope of the Provider reach as a non-financial performance indicator is described in the consolidated management report on page 20. There is no further reporting of the Provider reach in the context of the non-financial report, since there is no direct connection to the main non-financial aspects.

Risk management

Responsible handling of corporate risk is one of the doctrines of good Corporate Governance. The management of CompuGroup Medical SE has at its disposal group-wide and company-specific reporting and control systems that assure the capture, evaluation and control of these risks. The systems are continually being developed further and adapted to changing boundary conditions. Management informs the Supervisory Board regularly about ongoing risks and their development. The audit committee deals primarily with the monitoring of the accounting process, including the reporting, the effectiveness of the internal control system, risk management, compliance as well as the final audit.

Details about the risk management of CompuGroup Medical will be shown in the consolidated management report under the Risk Report (pages 36 et seq.). In addition, the report required by the Accounting Law Modernization Act (BilMoG) on the accounting-related internal control and risk management system is included in the consolidated management report (pages 42 et seq.).

Supply chain

In contrast to manufacturing companies, CompuGroup Medical's management does not focus so much on a supply chain but on the quality of the services being offered and the functionality of the infrastructure that it requires. Independent of this, the careful choice of business partners and suppliers is of considerable importance. The group companies each have at their disposal their own supply management.

Besides paying attention to economic aspects such as quality, ability to deliver on time and price, which enter into supplier evaluation, the regionality of the suppliers and an environmentally friendly product life cycle are, for CompuGroup Medical, significant criteria for procurement.

The supply chain supports, on the one hand, software development and on the other hand, makes it possible to assure the business operations of CompuGroup Medical. In its business operations, CompuGroup Medical includes, for example, distribution, support, advisory services, marketing and such administrative functions as accounting, personnel, vehicle fleet and internal IT.

For the manufacture of products and delivery of services, the group companies work together with business partners, service providers and suppliers. We obligate them to meet the same standards that apply to CompuGroup Medical, whereby as a rule, the maintenance of applicable standards and laws in connection with the general terms and conditions (AGB) stand in the foreground. We expect our business partners, service providers and suppliers in the supply chain to have established or to establish suitable processes to assure that the standards applicable to CompuGroup Medical are met.

In the Code of Ethics, the correct way to deal with employees, among others the respect for human rights as well as integrity in business transactions such as, for example, the prohibition of corruption and bribery, are covered. Violations by suppliers against these can lead to termination of the business relationship.

Employee matters

The decisive success factor for CompuGroup Medical is its employees. In a dynamic environment like ours, looking to the future means the anticipation of political and market development, the adjustment of the organization and just as important, the development of the personnel. CompuGroup Medical is approaching this proactively, in order to aspire to and to safeguard the ideal framework for the advancement of all employees.

Personnel development and continuing education

In our opinion, personnel development already begins with the recruitment of qualified professional and executive talent and includes effective measures of staff retention that extend ideally all the way to retirement. This process happens out of a series of elements, which all contribute to the development of our employees personally, professionally, interpersonally and inter-culturally.

That is why personnel development includes, among other things, a targeted recruitment strategy, creating a coordinated training and continuing education offering, future-oriented demographic management as well as — and this is especially important — the demonstration of individual career possibilities.

Human Resource Management, a division reporting directly to the CEO, has been set up in a three-pillar model to maintain the significantly reduced distance to the business.

The three pillars of the HR Management are:

- + The HR Service Center: Execution of standardized administrative work that is carried out efficiently and with equally high quality.
- + The Center of Expertise (CoE): The availability of specialized knowledge and of services that serve as effective solutions to specific HR tasks.
- + The HR Business Partner: Support of the line organization with personnel planning and strategy implementation in the operational business.

CoE programs like the CGMaster Club has started along a path whereby selected interested employees are further encouraged. The first CGMaster Club Event took place in September 2018 in Koblenz, to which participants from all over the world traveled. In addition to such one-time activities, the HR Business Partners are in daily contact with the managers and senior executives of the operating divisions and support them, among other ways, in the strategic (personnel) development within the business units.

CompuGroup Medical supports the development of professionals and executives in the company. One of the foundations for this is the annually occurring employee conversation in which qualification needs for current and future assignments are identified.

In 2018, CompuGroup Medical again invested, on average, over 404 EUR per employee in personnel development and continuing education. Despite the continuous increase in the number of employees, the investment in education has grown along with it, and thus the average for the previous year has remained unchanged. Of course, the employees manage their own development, but they are gladly supported by CompuGroup Medical's personnel development.

Modern career management requires continuous alignment with company needs, responsible help shaping it on the part of the employee and regular feedback from senior executives to the employees with regard to performances and strengths. Therefore, in 2018 a completely digitized performance management tool was rolled out, which will be used for the first time in 2019 at the annual orientation talks between supervisor and employee. This means that both employees and managers can make their assessments on the computer and that no more paper forms must be completed. In addition to reciprocal feedback, senior executives and employees can decide how collaboration can be improved and how the strengths of the employee can be showcased. One additional important building block of the conversation with the employee is the agreement on development goals.

CompuGroup Medical is offering young men and women perspectives, not just in cooperative courses of study but also in different training professions — from trainee software development and IT, trainee service and support to trainee administration. Again and again, apprentices from CompuGroup Medical have been recognized for their outstanding performance by the Koblenz Chamber of Commerce. In addition, it is important to the company to offer young persons a perspective after their successful apprenticeship. For that reason, most apprentices and cooperative students who wanted to stay in the company were accepted..

Health protection

Health protection is not only of vital interest to CompuGroup Medical on the customer side. The protection of employees' health also remains a high priority in the company. Therefore, the good practices already in place in 2017 have also been continued in 2018.

Corporate health management (BGM), in other words the health-promoting organization of operational structures and processes in the daily work routine, becomes ever more important against the background of demographic change and the ever stronger concentration and complexity of work itself. Only with an effective networking of in-house players and targeted offerings for promoting health can illness-caused absences, the lack of motivation and their consequences be countered.

Not only do the classic athletic offerings like fitness courses and strength and endurance training in the company's own health center (CGM HEALTH CENTER at the Koblenz location) show the holistic orientation of the promotion of health but also the establishment of a physiotherapy practice. In addition, various workplace-centered measures such as ergonomics counseling, moving break / prevention courses or Mobee Fit (flexibility test of the neck and shoulder region) are carried out at our largest locations in Germany.

Alongside the mobility offerings at the Koblenz location, a "healthy" bistro, nutritional counseling, and a company sponsored child daycare center are the most important building blocks of corporate support for good health. They proof the sense of responsibility of our company for the health of our employees. The motto: "Be healthy; feel good" underlines this attitude and makes clear the special motivation for a holistically oriented health management.

The company management promotes occupational health management, for example in Germany, in addition to the company's own events and facilities, by organizing the sports tournament „Gotthardt Turnier“, for which the participants are rewarded with prizes for their commitment as well as the sporting challenge.

These measures apply to the German companies. The topic is organized decentral in the group companies in order to meet local requirements.

The Corporate Health Network has in cooperation with regional service providers and insurance companies started the "Healthy Workforce" initiative in order to strengthen corporate health promotion and to honor companies who are already engaged in it. CompuGroup Medical has successfully participated in this initiative: within a qualification process, we were distinguished with an outstanding result for special commitment according to the employees.

Equality and diversity

CompuGroup Medical respects the dignity of every individual and actively strives toward a safe and healthy work environment characterized by equality and diversity. CompuGroup Medical rejects every kind of discrimination, rejection or preference on the basis of race, gender, age, disability, sexual orientation, religious preference, political opinion, national or ethnic origin and all other circumstances that lead to a violation of the principle of equality. These principles are formalized in the Code of Ethics which is obligatory for all.

For the company, a workforce composed of various cultures, a reasonable balance of genders and a balanced age structure has produced a corporate culture that is alive and well.

Composition of workforce by gender and age as at 31.12.2018:

Diversity category	Number employed	Percentage of employed (in %)
Total work force	4,955	100%
By gender		
female	1,873	38%
male	3,082	62%
By age group		
<30 years-of-age	1,050	21%
30 - 50 years-of-age	2,918	59%
>50 years-of-age	987	20%

All employees experience the same high regard, the same respect and the same opportunities. The company strictly adheres to national legal requirements for the protection of worker rights. In the contractual arrangement of working relationships, national statutory regulations, in-house agreements and prescribed legal notification periods are also binding.

CompuGroup Medical operates in a rapidly changing economic environment and competes for highly qualified professional and executive talent in, for example, informatics as well as business administration. Since CompuGroup Medical recruits not just regionally but worldwide, the company places great value on equality of opportunity for all applicants.

In 2018, 1,257 employees from 27 countries were employed by CompuGroup Medical at the Koblenz location. In this diversity, we see a value-add/gain for the company, whether it is in its powers of innovation or in the strengthening of its competitive ability in which, for example, customer needs are better understood or solution approaches are developed from different perspectives. For the integration not only in the company, but in the daily life in Germany, we internally offer German classes especially for foreign-language employees, which is being used extensively.

The selection of employees at CompuGroup Medical takes place on the basis of the job specifications and depends on professional and personal qualifications as well as experience. Ideally, we recruit local employees and executives and offer them, as a rule, unlimited employment contracts.

To the extent that cases of discrimination do occur, contrary to CompuGroup Medical's concept of itself as described above, the line manager and naturally also the corresponding General Manager of the business unit will have a sympathetic ear. In addition, CompuGroup Medical's supervisory board is an independent point of contact.

Unless otherwise stated in the text, these measures apply to the German companies. The topic is organized decentral in the group companies in order to meet local requirements.

Balance between work and private life

The advancing interconnectedness of people with one another does not only mean that information is available in real time but that people have to react to changes ever more quickly. Everyone is reachable always and everywhere. As a result, employers expect increased flexibility from their employees while in a countermove, the employee demands more flexibility in handling his own working hours.

CompuGroup Medical is ambitious to bring the economic interests of the company to balance with the private and family requirements of its employees.

As an essential component, we offer flexible working hours in order to give CompuGroup Medical employees, based on their time sheets, the freedom to determine for themselves to a large extent the hours they will be present at the company. By means of time sheets, the employees can configure their working times individually to correspond with their needs.

In order to simplify for young families the alignment of work and private life, CompuGroup Medical has set up a day care center on company grounds at corporate headquarters in Koblenz. After some renovation measurements, it offers 27 places for children under 3 years and 15 places for children from 3 to 4 years. Most places were used by the children of company employees. The opening hours of 10 per day also provide comfort for employees working floating hours.

While the quality of the work is maintained in the development and evaluation conversations, the working hours can be checked by means of the available time sheets.

Alongside the pure comparison of target time with actual, a sickness ratio can be established, based on missed workdays. This sickness ratio is an important factor in the overall work development and is related indirectly to employee satisfaction. Workdays lost to sickness have an effect on productivity since additional costs are incurred when experienced and trained personnel have to be replaced by what are likely to be inexperienced helpers. Even though a certain level of absence attributed to sickness cannot be avoided and lies outside the control of management, there are many factors in the work environment that affect how minor health complaints impact working time. In addition, an especially bad work environment (poor organization, stress, poor support, poor products, poor customer satisfaction, etc.) causes employees to get sick. An important positive sign for the quality of the entire business administration is a sickness ratio that, when compared with national and international standards, is low.

Consequently, this indicator can be reviewed and used by the corresponding responsible General Manager of a business unit to control his unit. This means that it can be seen as a decentralized key performance indicator.

These measures apply to the German companies, the topic is organized decentral in the group companies in order to meet local requirements.

Aspect of social concerns

Data protection and information security

Responsible handling of customer data and effective measures to ensure information security and data protection have been a top priority at CompuGroup Medical for many years. CompuGroup Medical is committed to protecting the personal rights of anyone whose personal information is being processed.

In a major project to implement the EU General Data Protection Regulation applicable on 25 May 2018, extensive measures have been introduced across the EU.

CompuGroup Medical has implemented binding policies covering all areas of applicable data protection law to ensure a high and consistent level of protection in all processes and to ensure compliance with data protection law. Both the regulations of European and national law are taken into account.

Employees are trained and informed by the guidelines and instructions on data protection requirements and obliged to follow them consistently.

The internal reporting procedures for data protection incidents are clearly regulated. Incidents with reporting obligation did not occur in 2018.

To ensure data security, appropriate technical and organizational measures have been implemented which also ensure the protection of personal data against unauthorized access, unlawful processing, unlawful disclosure and accidental loss or destruction. They relate to both electronic processing and processing in paper form. These measures are continuously adjusted to the technical and organizational developments.

Part of the overall concept is the regular review of the processes and measures by 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. The data protection officer reports on measures to improve the level of protection directly to the management.

Aspect of environmental issues

Energy consumption

Energy and in particular, the consumption of electrical energy is indispensable to CompuGroup Medical as communications and data service provider and therefore its conservation is unavoidable if its business operations are to continue. For CompuGroup Medical, the uninterrupted availability of energy at its main locations, especially the data centers, is a primary goal. We are in an expanding digitalized business of cross-industry importance. With the further increasing need for electrical energy, the protection of climate and environment becomes one of the significant global challenges of our time. It is part of our entrepreneurial obligation to protect the natural foundations of life for the generations to come.

That is why CompuGroup Medical is constantly striving to further reduce its use of energy at its domestic and foreign locations in order to lower costs and, for the most part at the same time, the CO₂ emissions.

The opportunities for improving energy efficiency resulting from the last energy audit were continued in 2018, taking into account the economic viability. It is not yet possible to present first trends or results due to a lack of comparison values. Here, CompuGroup Medical as a tenant of some properties continues to rely on more detailed service charges. The adversities in collecting all utility bills show that the interest in sustainable energy use has not yet arrived in all parts of society.

The efforts of CompuGroup Medical to include the early billing of incidentals as part of the rental contract have already had an effect, at least at new locations, and have significantly increased the information situation there.

In order to build on the recent energy audit and get updated energy consumption and savings potential, CompuGroup Medical contracted its energy provider in 2018 to conduct a follow-up audit. The first results are expected in the middle of the year 2019.

The renewed energy audit is also significant in regards of the upcoming construction of a new office building on the Koblenz company campus. It includes a combined heat and power plant that will supply both electrical energy for data centers and thermal energy for the connected buildings on campus.

In addition, CompuGroup Medical joined forces with 14 companies from Koblenz and the surrounding area in 2018 to create an energy efficiency network for Energieversorgung Mittelrhein AG. Through the mutual exchange of experience in the network, synergies are expected regarding further potential savings but also in the use of innovative, new energies.

CompuGroup Medical Netherlands is also relying on new energies and commissioned a first photovoltaic system in the spring-time of 2018. Against the background of sustainability, a solar module was used that is certified as being particularly efficient and durable. The entire system has a maximum output of 55.4 kW. The self-consumption rate was predicted to be 85%, while the surplus produced is fed into the public grid. A second location with 57 kWp is scheduled for 2019.

Aspect of fight against corruption and bribery

Corruption, bribery and trading in influence

CompuGroup Medical is opposed to all forms of corruption, bribery and "trading in influence" (business deals through misuse of influence) and seeks actively to avoid dealings of this type in the group's business dealings.

In its publicly accessible Code of Ethics which applies to all in its supply chain, CompuGroup Medical forbids the offer, distribution and acceptance of the means of bribery and kickbacks of all kinds as well as the use of alternative paths and channels in order to provide improper advantage to customers, representatives, contractors, suppliers and their employees and government officials.

In addition, CompuGroup Medical forbids its employees to make available the means of bribery or kickbacks to customers, representatives, contractors, suppliers and their employees or government officials or to accept such from these persons in order to provide an advantage for themselves or their family, their friends, partners or acquaintances.

The ban against bribery and "trading in influence" applies as well to the party that grants or offers unfair advantage, as also to the party that demands, receives and accepts such an advantage. The mere demand or offer of an unfair advantage is already impermissible.

CompuGroup Medical understands kickbacks (payments for which the recipient uses the authority of his/her official position where the consequences of non-payment can be completely out of proportion to the small payment) as a form of bribery that is thereby governed by the rules cited above.

As a control measure, CompuGroup Medical regularly conducts self-assessments as part of its monthly reporting to senior executives. Furthermore, controls are carried out by internal and external audits (for example in the context of Fraud and Management Override of Control Reporting).

CompuGroup Medical seeks to comply with CompuGroup Medical's corporate policies as described in the Code of Ethics in its relationship with external business partners in its contractual agreements, partnerships and relationships. CompuGroup Medical achieves this by carefully examining the agreements entered into, partnerships and cooperation agreements prior to conclusion of the contracts, and carefully selecting its external business partner.

Compliance with the corporate principles described in the Code of Ethics of CompuGroup Medical by employees and management takes place especially through information handed out at the start of work. In addition, employees are required to adhere to fundamental principles as part of their employment agreement.

The Code of Ethics is signed by the management of CompuGroup Medical (Management Board) and published on the CompuGroup Medical website. The Code of Ethics is reviewed once a year. Changes must be approved by the Executive Board.

In the reporting year, no reportable incidents are known or have been reported, either internally or externally.

Aspect of respect for human rights

The respect for human rights is seen by CompuGroup Medical as an inalienable part of its responsibility as a company that is active worldwide. Therefore, we are committed not only to strict compliance with all applicable legal requirements, but also to the resolute upholding of human rights in our sphere of influence.

Since CompuGroup Medical hires or has hired highly qualified employees in the IT-sector and due to the industry conditions, human rights issues are not classified as material because there is a low operative risk.

In order to emphasize this, CompuGroup Medical has in its generally applicable Code of Ethics, provided explicit recognition of socially responsible behavior. The respect for these standards does not only apply to all employees of CompuGroup Medical but equally to all suppliers, business partners, advisors and third parties under contract to CompuGroup Medical.

Contact information and framework utilized

Chief Financial Officer
Christian B. Teig
E-Mail: investor@cgm.com

Framework utilized

This report was created by using selected GRI standards or parts thereof in order to report on specific information. It does not fulfill the "core" requirements of GRI reporting.

Independent practitioner's report

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting¹

To CompuGroup Medical SE, Koblenz

We have performed a limited assurance engagement on the combined separate non-financial report pursuant to §§ (Articles) 289b Abs. (paragraph) 3 and 315b Abs. 3 HGB ("Handelsgesetzbuch": "German Commercial Code") of CompuGroup Medical SE, Koblenz, (hereinafter the "Company") for the period from 1 January to 31 December 2018 (hereinafter the "Non-financial Report").

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Non-financial Report in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB.

This responsibility of Company's executive directors includes the selection and application of appropriate methods of non-financial reporting as well as making assumptions and estimates related to individual non-financial disclosures which are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they have considered necessary to enable the preparation of a Non-financial Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Non-financial Report based on the assurance engagement we have performed.

Within the scope of our engagement we did not perform an audit on external sources of information or expert opinions, referred to in the Non-financial Report.

We conducted our 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, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to allow us to conclude with limited assurance that nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from 1 January to 31 December 2018 has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB.

In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement, and therefore a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner's judgment.

Within the scope of our assurance engagement, we performed amongst others the following assurance procedures and further activities:

¹PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the separate non-financial report and issued an independent assurance report in German language, which is authoritative. The following text is a translation of the independent assurance report.

- + Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- + Inquiries of personnel involved in the preparation of the Non-financial Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Non-financial Report
- + Identification of the likely risks of material misstatement of the Non-financial Report
- + Analytical evaluation of selected disclosures in the Non-financial Report
- + Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the group management report
- + Evaluation of the presentation of the non-financial information

Assurance Conclusion

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the Company's Non-financial Report for the period from 1 January to 31 December 2018 has not been prepared, in all material aspects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB.

Intended Use of the Assurance Report

We issue this report on the basis of the engagement agreed with the Company. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company about the results of the limited assurance engagement.

The report is not intended for any third parties to base any (financial) decision thereon. Our responsibility lies only with the Company. We do not assume any responsibility towards third parties.

Frankfurt am Main, 18. March 2019

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

ppa. Nicolette Behncke
Wirtschaftsprüfer
[German public auditor]

ppa. Axel Faupel

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CompuGroup Medical SE
Maria Trost 21
56070 Koblenz
T:+49 (0) 261 8000 0

Management Board:

Frank Gotthardt (Vorsitzender), Frank Brecher, Uwe Eibich, Dr. Ralph Körfgen, Hannes Reichl, Christian B. Teig

Chairman of the Supervisory Board:

Dr. Klaus Esser

Registered office:

Koblenz, commercial register number HRB 24981

VAT identification number:

DE114134699

Contact Investor Relations
CompuGroup Medical SE
Investor Relations
Maria Trost 21
56070 Koblenz
Germany

T: 49 (0) 261 8000-6200
F: 49 (0) 261 8000-3200
investor@cgm.com

Your contact person

Chief Financial Officer
Christian B. Teig

Synchronizing Healthcare



CompuGroup
Medical

CompuGroup Medical SE
Maria Trost 21
56070 Koblenz
Germany