

COMPUGROUP MEDICAL SE

Summarized separate non-financial report
CompuGroup Medical SE
2019



Contents

Explanation	1
About this report	2
Reporting Principles and General Report Information	3
Reporting Period	3
Date of the Current Report	3
Reporting Cycle	3
General Report Information	3
Description of the business model	4
Business Segments	4
Vision	5
Strategy	5
CGM in figures	6
Determination of materiality	7
CSR-Understanding and Management approach	7
Identification and inclusion of key stakeholders	7
Determination of top CSR action areas.....	8
Risk management	10
Supply chain	11
Employee matters	12
Human Resource development	12
Health protection	14
Equality and diversity	15
Balance between work and private life	17
Aspect of social concerns	18
Data protection and information security	18
Aspect of enviromental issues	19
Energy usage	19
Aspect of fight against corruption and bribery	20
Corruption, bribery and trading in influence	20
Aspect of respect for human rights	21
Contact information and framework utilized	22
Independent practitioner's report	23
Imprint	25

Explanation

Summarized separate non-financial report (hereinafter: Non-Financial Report) of CompuGroup Medical SE for the fiscal year 2019.

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 networking health-related information in particular. For CompuGroup Medical, this results in taking a positive approach to corporate social responsibility (CSR), or sustainability, and finding equilibrium between financial, environmental and social requirements in the context of our business activities.

We therefore address this Report to 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.

Reporting Principles and General Report Information

REPORTING PERIOD

The reporting period is the 2019 calendar year. Unless otherwise indicated, this corresponds to the reporting period for the Annual Report.

DATE OF THE CURRENT REPORT

CompuGroup Medical SE's Non-Financial Report was published on March 25, 2020.

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 and the Group refers to the 2019 fiscal year and was prepared in accordance with Sections 315b and 315c in conjunction with Sections 289b to 289e of the German Commercial Code (Handelsgesetzbuch – HGB) and published separately from CompuGroup Medical's Management Report.

CompuGroup Medical SE's parent company is headquartered in Koblenz, Germany. The Group's operations are carried out by independent subsidiaries in Germany and abroad. These companies are managed centrally at Group level. For this reason, the following statements and descriptions of concepts apply equally to CompuGroup Medical SE and to the Group, unless otherwise indicated. An exception to this approach is the companies first acquired in the fourth quarter of 2019, 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 MB Invest SAS, a holding company acquired as at December 31, 2019, and its subsidiary EPSILOG SAS.

In accordance with Section 171 (1) sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG), the Supervisory Board is required to audit the Non-Financial Report. In compliance with this requirement, the Supervisory Board therefore commissioned audit firm KPMG 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 issues, social issues, respect for human rights, fighting corruption and bribery, and environmental issues), 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 in accordance with the German Commercial Code. We followed the GRI standards as a foundation 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 outside of the Combined Management Report/financial statements constitute supplementary information and are not an integral part of the Non-Financial Report.

After application of the net method, CompuGroup Medical has not identified any reportable risks in accordance with Section 289c (3) No. 3 and 4 HGB associated with the Company's business activities, business relationships, products or services that are very likely to have a significant negative impact on the material topics now or in the future. The Opportunity Report starts on p. 52 and the Risk Report starts on p. 44 of the Combined Management Report.

Description of the business model

As one of the world's leading eHealth companies, CompuGroup Medical SE generated annual sales of EUR 746 million in fiscal year 2019. Its software products supporting all medical and organizational activities in doctors' offices and hospitals, its information services supporting all participants in healthcare, 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 doctors, dentists, pharmacies and other service providers in both outpatient and inpatient facilities. With its own offices in 18 countries and products in 56 countries across the globe, CompuGroup Medical is the eHealth company with just about the most extensive reach of any service provider.

BUSINESS SEGMENTS

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

- + Ambulatory Information Systems (AIS) is focused on practice management software, connectors and electronic medical records for office-based doctors, dentists, laboratories, medical care centers and doctor's networks. Furthermore, Internet/intranet solutions (ISP) are offered to healthcare service providers (doctors, dentists, hospitals and clinics) so that they can exchange information among themselves.
- + Pharmacy Information Systems (PCS) is focused on integrated clinical, administrative and financial software applications for pharmacies and mail order pharmacies.
- + Hospital Information Systems (HIS) develops hospital, laboratory and special care information systems for inpatient settings (clinical software).
- + Consumer & Health Management Information Systems (CHS) consists of the areas consumer, insurance and industry business as well as telematics infrastructure, data & analytics and the software development teams in Romania.

VISION

“No one should suffer – or even die – because medical information was unavailable sometime, somewhere.”

Frank Gotthardt – founder and CEO

CompuGroup Medical’s vision is of health as our most valuable asset. And using intelligent IT solutions, CompuGroup Medical helps to preserve it. We promote dialogue in the healthcare system and ensure that costs can be cut reasonably. All people should benefit from medical progress with the help of IT.

► Taking optimal care of human beings

At CompuGroup Medical, we support medical service providers in optimally and cost-effectively caring for patients. Medical and administrative data is available exactly where it is needed. With our broad customer base and our many years of market experience, we are a driving force for increased cooperation and efficient provision of care.

► Patient involvement

All people should be able to help determine their treatment and enjoy maintaining their own health. They must be informed and encouraged to participate actively. We include patients in the process and securely provide them with all of their personal medical data electronically.

STRATEGY

CompuGroup Medical’s strategy to achieve its business goals and vision can be described as follows: All over the world, medical care is becoming increasingly important. The population is aging, and scientific progress is enabling new treatments. IT plays a critical role in keeping costs low while successfully treating patients. This is why CompuGroup Medical advocates for

► Increased dialogue in the healthcare system.

Several hundreds of thousands of customers trust CompuGroup Medical. We work closely with them to develop effective new solutions. Our large and varied customer base allows us to continually find better ways to collaborate in the interest of our customers.

► Worldwide responsibility

Whether the problem is a lack of personnel or finding ways to treat diabetes: Healthcare systems in major industrialized countries all face comparable challenges. We carry our experience into international markets and improve healthcare to improve patient well-being.

CGM IN FIGURES(*)

in EUR '000 (IFRS)	2019	2018
Consolidated revenue	745,808	717,023
EBITDA	178,126	182,482
Investments	139,444	47,480
thereof: research and development	55,304	44,819
Income taxes for the period	41,594	36,156
Operational performance	327,575	273,653
thereof: salaries and wages	270,868	224,452
thereof: social charges	38,470	31,641
thereof: pension plan	18,237	17,560
Equity	259,916	272,999
Total assets	1,065,862	848,311

Additional information on the Company's business activities is provided in the CompuGroup Medical Annual Report, which is available at: https://www.cgm.com/corp/ueber_uns_1/investor_relations/finanzberichte/geschaeftsberichte/geschaeftsbericht.en.jsp Please refer especially to the supplementary information in The CGM Group and Economic Report sections of the Combined Management Report. "The CGM Group" section begins on p. 22, and the "Economic Report" section begins on p. 31.

(*) The contents of this section 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 balancing 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 declaration on corporate governance as well as our declaration on data protection, 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 management.

In operational and strategic terms, the Group Risk Management and Management Reporting units headed up by CFO Michael Rauch prepare the non-financial reporting. 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. The company is listed on the regulated market of the Frankfurt stock exchange (Prime Standard) and since September 23, 2013, has also been included in the TecDAX index, a sub-index of the leading DAX index comprising the 30 largest German companies from the technology sector by market capitalization and stock exchange turnover. CompuGroup Medical moved up to 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 dialogue. 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 and
- + relevance of CompuGroup Medical conducting a dialogue with the stakeholder.

Because stakeholders can change due to new technologies, markets, customers, regulations and societal expectations, we will regularly review the list of key stakeholders and their categorization and update it as necessary.

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

The dialogue between CompuGroup Medical and its stakeholders is intended to help the Company understand their points of view, build relationships based on trust 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 dialogue with stakeholder groups also provides an opportunity for the Company to demonstrate the room for action it sees in social issues and environmental matters, and the prerequisites or conditions important for taking action.

The following table outlines the dialogue conducted by CompuGroup Medical with its 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 notifications Sustainability reporting
	Expert advice CompuGroup After Sales Product requirements Common development with the customer Fairs and conferences
Suppliers and Business partners	Evaluation of suppliers Purchasing principles
Political Decision-Makers	Guided tour of the company Conversations with politicians
Employees	Intranet Staff meetings Internal publications
Scientific institutions and universities/colleges	Own program of study "Medical Software Engineering" Research projects Events
Media Representatives	Interviews Press releases Business reception

DETERMINATION OF TOP CSR ACTION AREAS

CompuGroup Medical based the selection of aspects and issues for this Report and their sequence on both the materiality analysis conducted based on GRI and the impact of its business activities on the aspects of CSR covered in the 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. This involved surveying selected representatives of relevant Group functions as well as employee representatives. Rounds of feedback were solicited from selected Group representatives during the year, particularly concerning our key action areas of employee issues, social issues (specifically data protection) and environmental issues (specifically energy usage). In addition, as previously described, CompuGroup Medical maintains regular dialogue with its relevant stakeholder groups, enabling an exchange and discussion of views and interests.

The survey of the representatives of relevant Group units conducted annually did not yield any new issues in view of the unchanged business model and list of stakeholder groups, which remained the same. As a result, the material topics from the previous year were carried over.

As described above, CompuGroup Medical analyzed the key economic, environmental, social and ethical aspects with a material impact on the Company from both an internal and external perspective in 2017. We determined the strategically relevant issues based on Global Reporting Initiative (GRI) guidelines and on the HGB criteria in the form of a list of material topics. The possible influencing factors were also listed and evaluated from the viewpoint of the Company and stakeholders. This iterative process culminated in the determination of several material action areas on which the Company focuses its sustainability activities and which are described in this Report. Future dialogs with stakeholders will build on these results.

Aspects (According to HGB)	Issues/Key Activities in accordance with HGB by CompuGroup Medical
Employee matters	Health protection, human resource development, equality and diversity Work-life balance
Social concerns	Data protection and information security
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 aspects according to HGB are presented above along with CompuGroup Medical SE's material action areas identified according to the materiality analysis conducted and assigned to the aspects.

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

Risk management

The responsible handling of entrepreneurial risks is one of the principles of good corporate governance. The Management Board of CompuGroup Medical SE has Group-wide and Company-specific reporting and control systems at its disposal which ensure that these risks are recorded, evaluated and managed. The systems are continuously developed further and adapted to the changing framework conditions. In the reporting year, the system already used for Monte Carlo simulations was replaced with a more efficient application. The new application enables Risk Management to prospectively conduct additional analyses or evaluate additional risk indicators.

The Management Board regularly informs 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 auditing.

Details on CompuGroup Medical's risk management are presented in the Combined Management Report under the Risk Report section (starting on p. 44). 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 (starting on p. 50).

Supply chain

In contrast to manufacturing companies, CompuGroup Medical's management focus is not on the supply chain, but instead on the quality of the services performed and the functionality of the necessary infrastructure. Independently of this factor, the careful selection of business partners and suppliers is critically important. The Group companies each have their own procurement management unit.

In addition to paying attention to business aspects such as quality, the ability to deliver in a timely manner, and price, which are included in a supplier evaluation, the regionality of suppliers and an environmentally friendly product lifecycle are assessment criteria that are considered in the procurement process.

The supply chain supports software development on the one hand and enables CompuGroup Medical to guarantee the Company's business processes on the other hand. CompuGroup Medical counts the following as business processes: sales, support, consulting services, marketing and administrative functions such as accounting, HR, fleet and 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 establish or already have established suitable processes that guarantee compliance with the standards applicable at CompuGroup Medical.

The code of ethics describes proper interaction with employees, including respect for human rights and integrity in the course of business, e.g., a prohibition on corruption and bribery. Violations of these rules by suppliers can result in termination of the business relationship.

Employee matters

The deciding factor in CompuGroup Medical's success is committed employees. In a dynamic environment like ours, looking to the future means anticipating political and market developments, as well as labor market developments in particular, the corresponding alignment of the organization, and the effective and efficient hiring and development of the right staff. CompuGroup Medical addresses these issues proactively to strive for and put in place the ideal conditions for hiring and promoting all employees.

HUMAN RESOURCE DEVELOPMENT

We believe human resource development begins when we hire qualified technical staff and executives, and includes effective measures for professional development and retention of employees, ideally reaching all the way to retirement. This process comprises a series of elements which all contribute to the development of our employees personally, professionally, methodologically and, in the course of further internationalization, also interculturally.

Human Resources is 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 management:

- + 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.

Thanks to human resource development programs such as "CGMaster," selected interested employees are provided additional development opportunities at the international level. The first cohort successfully completed the program in March 2019. In 2020, the second cohort is starting with a nomination process with a stronger focus on the three major development paths: executive, expert and project manager. The new process involves self-nomination, which provides easy access to all employees with the potential and interest to assume greater responsibilities. In addition to cyclical activities like this, the HR Business Partners are in daily contact with managers and executives in the operating business areas and support them with strategic (human resource) development in the business units, among other things.

Career management for our time requires continual alignment with the Company's needs, independent participation on the part of employees and regular feedback from executives to employees. CompuGroup Medical supports the development of technical staff and executives in the Company. The focal point here is the annual employee interview, which comprises the following elements:

1. Review and evaluation of goals achieved and tasks accomplished in the past year
2. Identification and evaluation of job-specific requirements
3. Employee's development requests and prospects
4. Implementation and impact of development measures completed
5. Employee feedback for supervisor
6. Discussion and agreement of goals for the coming year

This process was digitized in 2019 for purposes of quality assurance and efficient utilization of the results gained from the process. The insights gained as a result are the foundation for continually improving and boosting the efficiency of this important human resource development tool.

In 2019, CompuGroup Medical invested an average of EUR 353 (previous year: EUR 404) per employee in human resource development and continuing education. Adjusted for the addition of 117 employees of EPSILOG SAS as at December 31, 2019, the investment totals EUR 361 per employee. This corresponds to a decrease of 11 percent per employee.

Since this depends on the implementation of the insights gained in practice, the "ACTIVATE your learning" campaign was launched in 2019 to provide all employees with information and resources for ensuring the transfer of knowledge. The corresponding source in the CGM information portal additionally includes tips on selecting development measures suitable for achieving goals and links to seminar search engines and trusted providers, while at the same time showing employees the appropriate process to follow, from a discussion with their supervisor to pursuing their learning goals.

In the course of the continued internationalization of the Company, the language training courses offered were expanded further in 2019. The established in-house English and German training for non-native speakers continues to be provided as before. 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 the last two years, several strategic, systematic improvements in CGM's position as an employer were initiated in tightening labor markets. This is intended in particular to sustainably improve the starting situation for position-specific recruiting. The measures include the following:

- + establishment of an employee recommendation program; the significant, technology-supported expansion of active sourcing of candidates via social networks;
- + the assignment of candidates to talent pools that can be accessed actively during the hiring process.

This follows the promising trend toward proactively contacting potential applicants, which has become essential for specific target groups, particularly in software development.

The foundation for all measures to attract promising candidates is profiling and boosting awareness of CompuGroup Medical as an employer. To this end, an employer branding project was launched in 2019 to effectively communicate our employer value proposition inside and outside the Company. Inside the Company, this also involves the further identification of employees with "their CGM," which also positively affects employee retention.

Junior talent management is an ideal way to ensure coverage of future technical staff requirements that also provides us with a buffer against mission-critical labor market developments. CompuGroup Medical offers young men and women job prospects not only in dual, or cooperative, courses of study, but equally in various apprenticeships. Cooperative education is offered on the technical side in application development and systems integration, and on the business side as the IT systems professional and office management professional qualifications. In 2019, the training portfolio was expanded to include the warehouse logistics specialist position. Technical and business options are also offered in the form of cooperative education. The software engineering course at Koblenz University of Applied Sciences mostly initiated and supported by CompuGroup Medical is being aligned with the needs of the Company and students with a concentration in healthcare.

CompuGroup Medical's apprentices have been recognized many times for their outstanding accomplishments, whether as the top students in their class by the Chamber of Industry and Commerce (IHK) or for other great achievements. Recently, CGM apprentices received the Carl Benz Award for developing a dynamic timetable information system, which is now being implemented in practice. Furthermore, offering young people job prospects after they successfully complete their apprenticeships is important to the Company. CompuGroup Medical trains apprentices to meet its own needs and normally offers every apprentice a permanent position after successful completion of their final exam. Most of these apprentices and students in the cooperative education program ultimately joined the Company in 2019. A scholarship program has been set up for particularly high-achieving apprentices and cooperative education students. From 2020 onward, scholarships for study abroad and continuing education will be awarded through this program.

An internship program was established to expand and make the portfolio of junior talent more flexible by simplifying and promoting the recruitment and future deployment of interns. Junior talent management also requires making contact with future applicants at an early stage and specifically tailoring marketing to applicants.

HEALTH PROTECTION

Protecting health is not just a major concern for CompuGroup Medical on the customer side. Protecting the health of employees is an equal priority for the Company. For this reason, the measures actively implemented and proven to be effective in past years were continued in 2019. These include the issues outlined below, including health management and occupational safety, voluntary immunizations and advising on ergonomics.

Occupational health management (OHM), defined as the design of company structures and everyday work routines to promote health, 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 networked 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 comprehensive nature of our health promotion activities is underscored not only by our classic exercise options such as prevention courses and strength/endurance training in the Company's own CGM Health Center at the Koblenz site, but also by our ongoing cooperation with a physical therapy practice in the CGM Health Center space. In addition, various workplace-centered measures are conducted at our largest sites in Germany, such as advising on ergonomics, exercise breaks, prevention courses and seminars on topics like time and stress management.

Apart from exercise programs, the most important components of the Company's health promotion efforts at the Koblenz site are a healthy bistro, nutrition consulting and an in-house daycare center. These are evidence of our Company's sense of responsibility for employee health. The motto "Be healthy. Feel good." underscores this stance and showcases our extraordinary commitment to comprehensive health management.

Moreover, the Company's management promotes occupational health management, for example, in Germany by organizing the "Gotthardt Turnier" sports tournament and participating in the Münz corporate run at Deutsches Eck in Koblenz, in addition to the Company's own events and facilities. In addition to the physical challenge, participants are awarded prizes for their effort, and CompuGroup Medical also makes a donation per runner to a local charity project.

These measures apply to the German companies. This issue is handled locally by the Group companies in order to address local requirements.

In cooperation with regional service providers and insurance companies, the Corporate Health Network launched the "Gesunde Belegschaft" ("Healthy Workforce") initiative to better promote occupational health promotion in the Company and recognize already engaged companies. CompuGroup Medical again participated successfully in this initiative in 2019. During a qualification process, CompuGroup Medical was compared against a benchmark and achieved a very good result for an extraordinary commitment to employee interests.

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. We also oppose all types of discrimination without exception. 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 binding on everyone at the Company.

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 2019 are listed separately to provide separate reporting of HR changes in the scope of consolidation. The following table presents the changes broken down by gender and age group as at the reporting date (December 31, 2019). Additional information on our employees is provided in the Annual Report on p. 40.

Diversity category	Group, not including additions as at December 31, 2019	Additions in 2019					Share of salaried employees (in %)	
		Gotthardt Informationssysteme GmbH	CoSi medical IT GmbH	EPSILOG SAS	Fablab S.r.l.	Qualizorg B.V.		
Total headcount	5,201	241	31	117	16	21	5,627	100 %
By gender								
Female	1,951	62	18	43	7	7	2,088	37 %
Male	3,250	179	13	74	9	14	3,539	63 %
By age group								
<30 years old	1,076	89	4	8	6	2	1,185	21 %
30 - 50 years old	3,059	121	18	95	9	17	3,319	59 %
>50 years old	1,066	31	9	14	1	2	1,123	20 %

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 for the protection of 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. Because CompuGroup Medical recruits staff not only regionally, but worldwide, the Company believes that offering equal opportunities to all applicants is very important.

Against the backdrop of the IT industry not being a preferred career path for young women, we have supported initiatives in Germany to attract additional female applicants for our Company. These measures include CompuGroup Medical's attendance at local events and trade fairs in which female students are given the opportunity to personally learn about careers at CGM as well as ongoing participation in the Ada Lovelace Project by the University of Koblenz, which aims to raise awareness of typically male professions specifically among young women.

In 2019, CompuGroup Medical had 1,359 employees from 31 countries at the Koblenz site. 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 specially tailored to employees who speak other languages. These courses are very popular.

CompuGroup Medical selects employees based on the requirement profile for the job according to their personal and professional qualifications and their experience. Ideally we recruit local employees and executives and generally offer them permanent employment contracts.

In cases of discrimination that occur despite CompuGroup Medical's clear policy against this, direct supervisors, business area managers and, of course, the HR Business Partners are available to provide a sympathetic ear. Moreover, CompuGroup Medical SE's Works Council 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.

BALANCE BETWEEN WORK AND PRIVATE LIFE

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

CompuGroup Medical aims to find 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 the time period in which 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 daycare center at the Company's headquarters in Koblenz to make work-life balance easier for young families. The daycare center provides spots for a total of 35 children, 27 of whom are up to 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 used by children of Company employees. The center is open 10 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.

Besides a pure comparison of 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 relates indirectly to employee satisfaction. Workdays missed because of illness affect productivity, because 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 out of management's control. Moreover, there are 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 (bad organization, stress, insufficient support, poor-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 compared to national and international standards.

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

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

Aspect of social concerns

DATA PROTECTION AND INFORMATION SECURITY

The responsible handling of customer data and effective measures for guaranteeing 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 is processed.

Extensive measures were introduced throughout the EU in a major project to implement the EU's General Data Protection Regulation applicable as at May 25, 2018.

CompuGroup Medical introduced mandatory guidelines covering all aspects of applicable data protection law in order to guarantee a uniform, high level of protection in all processes and ensure adherence to data protection law. The provisions of the European law and well as national laws are taken into account.

All employees are trained annually and informed about data protection requirements by way of guidelines and instructions and required to consistently follow these. In order to guarantee conformity with the rules applied, web-based training is repeated annually for all employees and was confirmed again in 2019 by regularly performed audits.

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 measures to improve the level of protection.

Clear guidelines stipulate the internal reporting channels to be used in the case of data protection violations. In the reporting year, there were no data protection incidents that were attributable to structural deficits. All incidents and reports of suspected incidents are taken very seriously by CompuGroup Medical, which subjects all reports to an extensive in-house review. In the 2019 reporting year, CompuGroup Medical determined two incidents to be reportable. These were notified to the responsible data protection regulators. The associated investigations were completed in 2019 and did not lead to any fines being imposed.

A careful review of the matters led internally to adjustments and refinement of already existing guidelines and the affected processes. Additional context-related audits were also performed. The further streamlining of procedures improved the security of the processes and further raised awareness among employees.

In order to guarantee the security of data, CompuGroup Medical has implemented suitable technical and organizational measures that also ensure the protection of personal data against unauthorized access, unlawful processing, unlawful distribution, and inadvertent loss or destruction. In 2019, CompuGroup Medical voluntarily certified its information security management system to ISO/IEC 27001, the internationally recognized standard for information security management systems, in the interest of having established guidelines and processes audited by an independent third party. In this context, online training was developed which will be mandatory for employees in the future; this training was initially run in selected business areas in 2019.

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, an uninterrupted energy supply at the major sites, particularly the data centers, is the primary goal. This is important across industries in an increasingly digitized society. Along with the rising demand for electricity, climate and environmental protection is one of the major global challenges of our time, and protecting the natural foundations for life for future generations is part of our corporate responsibility.

For this reason, CompuGroup Medical strives to further decrease the energy required by its sites in Germany and abroad.

The possibilities for improving energy efficiency resulting from the last energy audit in 2016 continued to be implemented in 2019, while considering profitability, but did not lead to any new projects in this regard. This means that old lighting continues to be replaced when a building is renovated, and energy-saving notebooks are used in particular when new workplace computers are required. We continued to record monthly energy usage data at the Koblenz site, while collecting information regarding all applicable energy usage figures continues to be problematic there, because CompuGroup Medical as a tenant is waiting for more detailed utility bills.

CompuGroup Medical's efforts to include early billing of utility costs in the contract has already improved the information situation. Despite this, complete usage data could not be collected for the reporting year. However, the ongoing energy audit was completed in 2019. Results were not yet available at the time this Report was published.

This new energy audit is very important for presenting the actual situation, because in 2019 a fundamental change occurred in building planning at headquarters on the campus in Koblenz. The construction of a new office building planned up to mid-year was abandoned in favor of acquiring commercial space from neighboring Mittelrhein-Verlag publishing house. This partly comprises an office building as well as factory space formerly used by the print shop. The goal is a modern campus that meets the conditions required for today's world of work. To this end, an idea competition was held for local architectural firms.

Since 2018, CompuGroup Medical has been connected to 14 companies in Koblenz and environs 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 additionally 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.

CompuGroup Medical strives for compliance with the Company's principles described in the code of ethics in relationships with external business partners in the contractual agreements, partnerships and collaborations entered into. This is achieved by careful review of 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. In addition, employees are obligated to comply with material principles as part of their employment contracts.

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

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 Management Board 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.

Because of 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 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

Chief Financial Officer
Michael Rauch
E-Mail: investor@cgm.com

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 practitioner's report

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

To the Supervisory Board of CompuGroup Medical SE, Koblenz

We have performed an independent limited assurance engagement on the non-financial consolidated statement of CompuGroup Medical SE (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, 2019.

Management's Responsibility

The legal representatives of CompuGroup Medical SE are responsible for the preparation of the 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, this responsibility includes designing, implementing and maintaining systems and processes relevant for the preparation of the combined separate non-financial report in a way that is free of – intended or unintended – material misstatements.

Independence and Quality Assurance on the Part of the Auditing Firm

We are independent from the company in accordance with the requirements of independence and quality assurance set out in legal provisions and professional pronouncements and have fulfilled our additional professional obligations in accordance with these requirements.

Our audit firm applies the legal provisions and professional pronouncements for 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).

Practitioner's Responsibility

Our responsibility is 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 accordance with the International Standard on Assurance En-gagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" published by IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance whether any matters have come to our attention that cause us to believe that the Report for the period from January 1 to December 31, 2019, 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. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. The choice of audit procedures is subject to the auditor's own judgement.

1) Our engagement applied to the German version of the combined separate non-financial report 2019. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

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

- + Inquiries of personnel on group level who are responsible for the materiality analysis in order to gain an understanding of the processes for determining material sustainability topics and respective reporting boundaries for CompuGroup Medical SE
- + A risk analysis, including a media research, to identify relevant information on CompuGroup Medical SE sustainability performance in the reporting period
- + Evaluation of the design and implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including data consolidation
- + Inquiries of personnel on group level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, the conduction of internal controls and consolidation of the disclosures
- + Evaluation of selected internal and external documents
- + Analytical evaluation of data and trends of quantitative disclosures which are reported by all sites on group level
- + Assessment of the overall presentation of the disclosures

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 for the period from January 1 to December 31, 2019 is not prepared, in all material respects, in accordance with §§ 315b and 315c in conjunction with 289b to 289e HGB.

Restriction of Use/Clause on General Engagement Terms

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

Our assignment for the Supervisory Board of CompuGroup Medical SE, Koblenz, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and 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 provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the General Engagement Terms with respect to us.

Frankfurt am Main, March 16, 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Glöckner
Wirtschaftsprüfer
[German public auditor]

Brokof
Wirtschaftsprüfer
[German public auditor]

Imprint

Published by

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

Management Board:

Frank Gotthardt (CEO), Frank Brecher, Dr. Ralph Körfgen, Hannes Reichl, Michael Rauch, Dr. Eckart Pech

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
Claudia Thomé
Maria Trost 21
56070 Koblenz
Germany

T: 49 (0) 261 8000-7030

F: 49 (0) 261 8000-3200

investor@cgm.com

Your contact person

Chief Financial Officer
Michael Rauch

CompuGroup Medical SE
Maria Trost 21
56070 Koblenz
Germany

Synchronizing Healthcare



**CompuGroup
Medical**