

E Non-financial report

E.1	Non-financial aspects of business operations	213
E.1.1	About this report	213
E.1.2	Business model of Bilfinger SE	213
E.1.3	Our sustainability management	213
E.1.4	Determination of materiality	214
E.1.5	Risk reporting	215
E.2	Counteracting corruption and bribery	216
E.2.1	Management approach	216
E.2.2	Performance indicators	217
E.3	Respect for human rights	220
E.3.1	Management approach	220
E.3.2	Performance indicators	221
E.4	Employee matters	222
E.4.1	Management approach	222
E.4.2	Performance indicators	225
E.5	Data security	226
E.5.1	Management approach	226
E.5.2	Performance indicators	227
E.6	Customer satisfaction and quality	228
E.6.1	Management approach	228
E.6.2	Performance indicators	228
E.7	Auditor's report	229

E.1 Non-financial aspects of business operations

E.1.1 About this report

In accordance with Section 315b of the German Commercial Code (HGB), Bilfinger SE is obligated to publish a non-financial Group declaration. We meet this obligation with the publication of a separate non-financial report outside of the Group Management Report (Section 315b Subsection 3 HGB).

This separate non-financial report from Bilfinger Group relates to financial year 2019. It meets the content-related requirements pursuant to Section 315c HGB in conjunction with Section 289c HGB. In the development of the materiality assessment, description of the management approach and definition of the performance indicators, we have oriented ourselves toward the standards of the Global Reporting Initiative (GRI).

The Supervisory Board has reviewed the separate non-financial report in accordance with Section 171 of the German Stock Corporation Act (AktG). To support its review, the Supervisory Board commissioned Ernst & Young Wirtschaftsprüfungsgesellschaft with an audit to achieve limited assurance pursuant to the audit standard ISAE 3000 (revised). The auditor's report from Ernst & Young Wirtschaftsprüfungsgesellschaft is reproduced in Chapter [E.7 Auditor's report](#).

In a number of places in the non-financial report, we refer to additional information, for example in the Annual Report or on our Internet site. This additional information serves to deepen the information presented here, but is not part of the separate non-financial report.

E.1.2 Business model of Bilfinger SE

Bilfinger is an internationally active industrial services provider. Our services help to enhance the efficiency of plants in the processing industry, to secure high availability and to reduce maintenance costs. The portfolio covers the entire value chain from consulting, engineering, manufacturing, construction, maintenance, plant expansion as well as turnarounds and also includes construction and digital networking of components.

Bilfinger delivers its services in the segments Engineering & Maintenance Europe, Engineering & Maintenance International as well as Technologies. Bilfinger is active in the core regions Continental Europe, Northwest Europe, North America and the Middle East. Process industry customers primarily come from the sectors chemicals & petrochem, energy & utilities, oil & gas, pharma & biopharma, metallurgy and cement. At the end of financial year 2019, Bilfinger employed about 34,000 people and generated revenue of €4.3 billion.

E.1.3 Our sustainability management

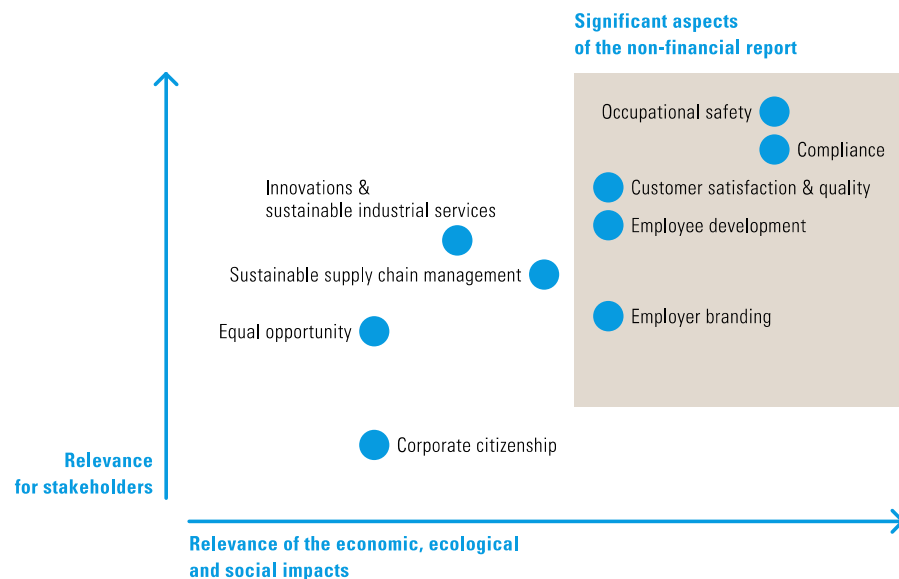
With our services, we have a direct impact on the effectiveness, efficiency, availability and service life of industrial plants and therefore help our customers to meet their sustainability goals.

Questions of sustainability are extremely important for us. We are a member of the UN Global Compact and have anchored the principles of sustainability in our corporate structures. Sustainability is defined as a goal in our Company Mission Statement and is a component of our Code of Conduct, our Code of Conduct for Suppliers as well as of a number of Group policies, particularly those from the HSEQ, Compliance, Procurement and Human Resources departments.

E.1.4 Determination of materiality

We see our main fields of action in the area of sustainability in the topics of "occupational safety", "compliance", "customer satisfaction & quality", "employee development", "employer branding", "sustainable supply chain management", "innovations & sustainable industrial services", "equal opportunities" and "corporate citizenship". We reflect the relevance of these topics for our stakeholders on the one hand, and the significance of the economic, ecological and social effects on the other, in a materiality matrix. To define the contents of our separate non-financial report, we have discussed these areas of action in our internal sustainability network both in terms of their relevance for the business and in terms of their impact on the aspects listed in the CSR Act on Implementing the Corporate Social Responsibility Directive (CSR-RUG). In the process, we specifically explored the costs and risks associated with these topics, the impact they have on our business and our surroundings and the degree to which we are able to influence each aspect.

BILFINGER SE MATERIALITY MATRIX



We identified the topics "occupational safety", "compliance", "customer satisfaction and quality", "employee development" and "employer branding" as reportable. We also believe that the topic of "data security" is reportable because it is a significant component of the topic "compliance". We allocated these topics to the aspects listed in the CSR-RUG as follows:

- Counteracting corruption and bribery ("compliance")
- Respect for human rights ("compliance")
- Employee- matters ("occupational safety", "employer branding", "employee development")
- Additional reported aspects: "customer satisfaction and quality" as well as "data security" ("compliance")
- Environmental and social matters are of no particular relevance for us, neither in terms of business development nor their impact and are therefore not presented in the non-financial report.

E.1.5 Risk reporting

The identification and evaluation of risks from the company's business operations on the reportable aspects is the responsibility of risk management. The focus is on the question of which risks arise from our business activities and relationships or from our products and services that have an impact on these aspects. Significant risks that are likely to have or will have serious negative impacts on them must be disclosed.

see page 90

Our Group-wide risk management system is described in Chapter [B.3.1 Risk management](#) in the management report of the Annual Report. Corporate Controlling & Risk assessed the Group's sustainability risks at the end of financial year 2019. In order to identify and assess these risks, the operating units and the heads of the corporate departments concerned were surveyed about them and they were assessed at the regular meeting of the Bilfinger Risk Committee (see Chapter [B.3.1 Risk management](#) in the management report of the Annual Report). The assessment of risks was based on the probability of occurrence and the possible extent of damage.

see page 90

We have not identified any reportable risks related to the relevant topics.

E.2 Counteracting corruption and bribery

Bilfinger is committed to the fight against corruption and bribery. Corrupt behavior is contrary to our values. We are also convinced that corruption undermines business relationships, distorts competition and exposes companies and individuals to risks.

E.2.1 Management approach

Counteracting corruption and bribery is – in addition to antitrust and data protection – a central component of our compliance system. For this reason, Corporate Compliance is responsible for counteracting corruption and bribery at Bilfinger. Corporate Compliance is headed by the Chief Compliance Officer; he reports directly to the Chairman of the Executive Board and has an additional reporting line to the Supervisory Board and its Audit Committee.

Bilfinger's Compliance System pursues the objective of preventing compliance violations through preventive measures, recognizing early any type of misconduct and, in the case of confirmed violations, reacting quickly and consistently punishing misconduct. The respective compliance program covers all business areas.

Our compliance program is expressed in, among other places, our Code of Conduct, which is binding for all employees worldwide. Through the Code of Conduct, we prohibit bribery and corruption among our employees. They may not promise or grant our customers, suppliers or other business partners money or anything of value, either directly or indirectly, to influence their decisions or to gain any improper advantage. This principle also applies in reverse: No one acting for or on behalf of Bilfinger can allow themselves to be corrupted or bribed through the acceptance of unfair economic advantages from business partners. We also regard small payments to secure or accelerate routine official acts ("acceleration payments") as bribery. Our employees are prohibited from making such payments.

In our Code of Conduct, we also describe constellations that are often associated with a risk of corruption in business life. These include donations, sponsoring activities, gifts, hospitality and entertainment, dealing with public officials and proper accounting. Our Group Policy on donations and sponsoring prohibits all Group companies from making donations to political organizations, parties or individual politicians.

Managers have a special role to play in the implementation of our Code of Conduct and the compliance policies: they must act as role models. The annual performance evaluation of managers therefore includes an individual integrity assessment that then forms part of the annual dialogue on career development. In addition, variable remuneration for managers at management levels 1 and 2 includes an individual integrity factor. This factor is determined and taken into consideration annually with regard to the extent a manager implements the topics of integrity and compliance into his daily actions and how much he actively supports and promotes them in his environment.

The Compliance Review Board (CRB) manages and monitors the organization and implementation of our compliance system and helps to anchor compliance as a management task in all areas of the business. It is comprised of the full Executive Board as well as selected heads of the corporate departments and meets quarterly under the chairmanship of the Chief Compliance Officer. The CRB is supported by divisional compliance review boards, which manage and monitor the implementation of the compliance program in the divisions.

Our subsidiaries are supported by Compliance Managers. In addition, each divisional management, each executive management and each department head at Bilfinger assumes responsibility for the Internal Control System (ICS) in their respective area of responsibility.

Our international network of Compliance Representatives shall ensure that employees in the business units have a local compliance contact person. The Compliance Representatives are specially trained employees who, in addition to their primary functions in the company, support their colleagues with compliance and integrity questions and thus strengthen the presence and visibility of the topic of compliance at their locations. The Compliance Representatives maintain a regular exchange of information with Corporate Compliance and contribute experience and challenges of the individual locations to the further development of the compliance program.

E.2.2 Performance indicators

The goal of our compliance program is, above all else, to prevent future misconduct. To this end, we rely on guidelines, information on the intranet, direct communication with employees, mandatory online and on-site training, supportive compliance IT tools and specific, practical compliance support and advice for our employees from Corporate Compliance and the Compliance Help Desk.

Our compliance training modules include both on-site training and e-learning programs in which knowledge is conveyed and case studies are discussed.

NUMBER OF PERSONS TRAINED IN COMPLIANCE-RELATED QUESTIONS	Total number of persons in target group		Number of trained persons (absolute)		Share of trained employees (relative)	
	2019	2018	2019	2018	2019	2018
E-learning module 'Anti-corruption & bribery' ¹	2,845	13,782	2,620	12,938	92%	94%
E-learning module 'Code of Conduct'	2,605	3,666	2,343	3,125	90%	85%
E-learning module 'Code of Conduct refresher'	10,697	10,062	10,508	9,528	98%	95%
On-site training module 'Anti-corruption & bribery'	4,044	4,362	3,942	3,804	92%	87%
On-site training module 'Third-party due diligence' ²	239	2,003 ³	224	1,938 ³	94%	97%

Learnings obligatory for employees with a PC workstation and/or Bilfinger e-mail address. Participation in on-site training obligatory for relevant employees

¹ 2018: Obligatory for core workforce and new employees. 2019: Obligatory for new employees.

² 2018: Obligatory for employees that use the tool for the review of third parties.

³ 2019: Obligatory for employees with direct contact with high-risk business partners.

³ This information relates to financial years 2017 and 2018.

All employees also have access to a central Compliance Help Desk that offers support in all compliance-related questions.

NUMBER OF INQUIRIES TO THE COMPLIANCE HELP DESK	Number		Share	
	2019	2018	2019	2018
Tool – gifts, entertainment and hospitality (e.g. reporting on gifts, entertainment and hospitality, tool administration)	372	409	45%	37%
Tool – third-party due diligence (e.g. integrity hits, re-opening scope check and risk assessment, tool administration)	260	427	32%	39%
Group policies and internal standards (e.g. Code of Conduct, compliance review in hiring and promotion process, delegation trips, third-party due diligence, gifts, entertainment and hospitality, conflicts of interest, donations for charitable purposes and sponsoring)	91	84	11%	8%
Compliance trainings	29	42	4%	4%
AMO allegations (e.g. bullying, discrimination, harassment, conflicts of interest, fraud, breach of trust, theft, embezzlement, money laundering, illegal employment, personnel issues)	19	16	2%	2%
Inquiries related to other compliance topics	46	113	6%	10%
Total	817	1,091	100%	100%

In order to deliver our services, we are dependent on cooperation with numerous business partners. Because the compliant behavior of our business partners is an indispensable prerequisite for us, we use a risk-based process to review our potential business partners before entering into a business relationship (so-called third-party due diligence). When carrying out such integrity audits, the business units of Bilfinger are supported by the Compliance department in the risk evaluation. The entire process and its documentation are carried out with the help of a central, access-protected IT tool. Screenings against applicable sanctions lists are carried out on an ongoing basis.

In addition to prevention, the early detection of potential misconduct is a significant objective of the Bilfinger Compliance Program. There is a whistleblower system in place for the receipt, documentation and processing of suspicious cases in connection with possible violations of our Code of Conduct: Our employees and external parties can, on a confidential basis and if desired also anonymously, provide information on potential misconduct on the part of Bilfinger employees. Information from the corporate departments Internal Audit & Controls, Compliance and Human Resources as well as data from Bilfinger's due diligence processes also serve to identify suspected cases.

NUMBER OF NOTICES OF COMPLIANCE VIOLATIONS*

	2019	2018
Indications of compliance violations ¹	57	88
thereof: indications of corruption and bribery	3	8
Investigations initiated ²	35	69
Disciplinary measures as a result of investigations ³	20	32

* Including notices of violations of human rights

¹ Notices categorized as relevant in the period from January 1 to December 31 of a respective year

² Includes investigations as a result of notices from the financial year and prior years

³ Includes disciplinary measures as a result of investigations from the financial year and prior years

The Allegation Management Office deals with all notifications related to suspicious cases from internal and external sources and, in cooperation with the compliance organization, conducts a preliminary review of the notifications received. If the suspicions of a violation are confirmed, an internal investigation is initiated. Particularly serious allegations are forwarded to the Independent Allegation Management Committee for assessment and for a decision on further action. The Independent Allegation Management Committee is a committee of experts from Corporate Legal, Compliance, Internal Audit, Tax and Human Resources.

If misconduct on the part of a business partner is identified, the Independent Allegation Management Committee decides on necessary measures. These measures can include, among other things, termination of the business relationship, assertion of civil claims or the filing of an official complaint. If misconduct on the part of an employee is proven, the Disciplinary Committee led by the Head of Corporate Human Resources, decides on the disciplinary measures and sanctions that are to be taken. These range from informal warnings through to immediate termination including negative financial consequences.

E.3 Respect for human rights

We are committed to the United Nations Universal Declaration of Human Rights and the UN Global Compact initiative. We want to be fully committed to respect for human rights wherever we operate. This applies with a view to

- our own employees
- the employees of our direct and indirect suppliers as well as those of our business partners
- our customers and
- other regional stakeholders

Due to the nature of our business model, we see the greatest potential risks in terms of respect for human rights in our supply chain. The measures in relation to our supply chain are described in the section “Adherence to human rights in our supply chain”.

E.3.1 Management approach

Respect for human rights within the Group

The basis of all our activities with regard to respect for human rights is our Code of Conduct. This also represents our fundamental declaration on respect for human rights. The Code of Conduct was approved by company management and is publicly available on our website in both German and English. 16 different language versions are available for internal Group-wide use. The Code of Conduct defines the principles of acting with integrity toward both other employees as well as toward external persons and organizations and is aimed throughout the Group at all of our managers and employees – regardless of where they work and what job they do.

Our managers and employees are obligated to adhere to the principles formulated in the Code of Conduct and to confirm in writing that they have received and familiarized themselves with it. In addition, the contents of the Code of Conduct are refreshed and expanded within the scope of e-learning and various integrity events (see also Chapter *E.2 Counteracting corruption and bribery*). We do not tolerate violations of our Code of Conduct.

In addition to direct reporting to the compliance organization, a proprietary whistleblower system is used to receive suspected cases of possible violations of our Code of Conduct, including the principle of respect for human rights principles that it contains: Both our employees and external parties can, on a confidential basis and, if desired, also anonymously provide information on potential misconduct in the environment of our business activities. The whistleblower system can be accessed through our website and is available in 26 languages. Information can also be given by mail, telephone or directly. Availability of the whistleblower system is ensured through an external service provider. Our objective is to process suspected cases confidentially, objectively and independently. In the case of a confirmed violation, disciplinary and corrective measures are initiated, ranging from informal warnings through to termination without notice.

Adherence to human rights in our supply chain

We depend on suppliers and subcontractors for the delivery of our services. Through our *Supplier Code of Conduct*, available to the public on our website, we formulate the clear expectations that we have of them to respect human rights. Our guidelines require that this is a fundamental component of our

supplier contracts. Through this Code of Conduct, we also require our suppliers to demand that their suppliers and subcontractors also comply with internationally accepted principles and standards on human rights.

We pursue a Group-wide supplier management system (HANDLE Procurement Suppliers), with Corporate Procurement maintaining responsibility for its definition, organization, development and monitoring. This is described in detail in our procurement guidelines and Standard Operation Procedures (SOP) and is binding for all our subsidiaries. One of the objectives of this Group-wide regulation is to ensure that compliance rules – including respect for human rights – are observed.

In addition to the standardized assessment as part of our supplier management system, we review the integrity, which also includes respect for human rights, of business partners who exceed a defined value limit and all sales intermediaries with the help of an IT supported due diligence tool (see also Chapter *E.2 Counteracting corruption and bribery*). We have also commissioned an independent agency to obtain a self-disclosure from selected suppliers, among other things as relates to respect for human rights. The selection of these suppliers is carried out on the basis of a risk-based approach. In 2019, Bilfinger commissioned the agency with about 100 self-assessments from suppliers.

If a supplier violates the Bilfinger Code of Conduct for Suppliers, that supplier is barred. This applies equally in cases where authorities initiate investigative proceedings against the supplier or if an integrity audit results in a negative result. If such an incident should occur or become known, all employees are obligated to report it.

A Group Policy defines the process of barring suppliers and thus ensures a uniform Group-wide policy. Incoming reports of a possible lack of supplier integrity are first reviewed, for example, by the purchasing department of the company concerned or by the responsible purchasing management, in each case involving the Compliance Officer of the division, or by Corporate Procurement with the involvement of the Chief Compliance Officer. These persons make the final decision on the type of barring. A Group-wide "black list" informs all companies of the Bilfinger Group at least once a month or ad hoc about barred suppliers.

E.3.2 Performance indicators

NUMBER OF INDICATIONS OF VIOLATIONS OF HUMAN RIGHTS	2019		
	2019	2018	Δ in %
Indications of violations	15	17	-11.8%
Investigations initiated	6	12	-50.0%
Disciplinary measures as a result of investigations	1	7	-85.7%

see page 216

E.4 Employee matters

Services represent the largest portion of our portfolio by far. In order to be able to deliver these services in the quality expected by our customers while complying with the highest occupational safety regulations, we require highly motivated, well-trained and diligent employees. We therefore regard "employer branding", "employee development" and "occupational safety" as key non-financial issues that have a significant impact on our economic success.

E.4.1 Management approach

Human resources management

Group-wide personnel processes and initiatives are developed by our Corporate Human Resources (HR). Corporate HR also defines the HR minimum standards, e.g. for HR reporting, for remuneration systems, for employer branding, for talent management and for international assignments. In financial year 2019, Corporate HR reported to member of the Executive Board Michael Bernhardt, who also served as Labor Director.

The Business Partners in the Group companies are responsible for the implementation of minimum standards. They serve as contact persons for management and for employees of the individual companies. Regional HR Heads appointed for each division act as links between Corporate Human Resources and the Group companies.

Our HR standards and their application are described in our Group Policies. There are also Knowledge Cards that provide information on the most important regulations and procedures contained in the Policies.

To make key performance indicators available consistently throughout the Group in the future, an integrated IT solution was implemented throughout the Group as part of the HRcules project. The standardization of HR processes and systems throughout the company was a major step toward greater efficiency, transparency and integration of the operating units.

Employer branding

In order to retain our employees and attract qualified new employees, we work on the attractiveness of our employer brand. To ensure that we are perceived as a strong employer brand, we want to position ourselves as an employer that creates a working environment in which our employees can contribute and develop their skills and where they receive the level of support necessary to perform with passion and with an orientation toward results.

In view of the increasing shortage of skilled workers, particularly in the commercial sector, an employer branding campaign was launched in March 2019 in order to increase the perceived attractiveness of Bilfinger as an employer and attract more qualified candidates for commercial professions by addressing the target group as closely as possible. Responsibility for the process and content of the campaign lies with Corporate HR. Close cooperation with the operating units plays a key role in ensuring that the instruments, measures and content are tailored as closely as possible to the requirements of the target groups.

The campaign focuses on six professional function groups:

- 1) IT and digitalization
- 2) Electronics
- 3) Engineering and consulting
- 4) Insulation, scaffolding, painting, industrial climbers
- 5) Management / administration
- 6) Mechanics

Since October 2019, the materials developed have been available on the intranet for addressing applicants according to their needs (e.g. flyers, banners, roll-ups) and can be used by the decentralized units when recruiting new employees. By the end of the second quarter of 2020, all the materials developed will be completed.

In order to meet our demand for qualified employees, we train them ourselves. Since July, the Training and Further Training Committee, with representatives from the operating units, central and regional human resources departments and the Works Council, has been working on the development of a framework concept for quality standards in vocational training at Bilfinger in the German legal area. A central goal here is to attract motivated trainees to Bilfinger following completion of their vocational training and thus cover our need for qualified specialists in the future.

Employee development

The training and qualification of our employees is a key competitive factor. We can only maintain and expand our market position as an industrial services provider by regularly training our employees, qualifying them on an ongoing basis and developing them. We therefore offer them various opportunities for further training and development. To set targets and define further training and qualification measures, we hold annual employee appraisals with them, which are oriented toward a uniform Group-wide standard.

We have bundled our internal training and development programs, under the virtual umbrella of the Bilfinger Academy. Here, all voluntary and obligatory internal training measures for the development of professional and personal skills can be found. In 2019, the most important topics included qualification modules on project management, training courses on the Bilfinger Maintenance Concept (a modularly designed concept for the maintenance of industrial plants) and our Talent Program for managers. All further training courses offered by our Bilfinger Academy are continuously evaluated. The feedback regularly obtained from participants and the involvement of the operating units lead to the ongoing optimization and adjustment of all offerings by the responsible HR and specialist departments.

In addition to our internal training programs, our employees can also participate in external training measures and programs. In 2019, the focus was on topics that included leadership, innovation, collaboration, efficiency, profitability and languages. We also offer special programs and development opportunities for certain groups of people (including graduates, especially qualified employees, managers). A particular focus is on establishing the broadest possible base of young talent to whom we offer things such as dual study programs, a global trainee program and more advanced talent development programs at talent centers in all regional operating units. Our managers undergo an annual talent review on the basis of which management development and succession planning measures are derived.

Occupational safety

The health of our employees is the number one priority for Bilfinger. This means that the aspects of occupational safety are of key importance to whatever activities we pursue. In addition, safe work processes, the execution of occupational safety campaigns and key figures on occupational safety are important criteria that, with increasing frequency, are being surveyed by our customers prior to the awarding of orders.

The topic of occupational safety at Bilfinger was coordinated by Corporate HSEQ in the reporting year. Because it is a central governance function, Corporate HSEQ creates the prerequisites for a Group-wide implementation of HSEQ management.

The occupational health and safety measures drawn up by Corporate HSEQ are reflected in uniform Group-wide guidelines. In order to take special consideration of the respective working conditions, the local unit managers are responsible for adherence to local laws and occupational safety standards.

Corporate HSEQ and local HSEQ specialists support the operating units in complying with and fine-tuning the programs and measures. To this end, supplementary provisions and systems have been put in place in many locations that are based on the Group principles and guidelines concerning HSEQ.

To be able to record, process and communicate HSEQ incidents worldwide in accordance with uniform standards, we use a management software (Synergi Life, referred to at Bilfinger as "ACTIVE"). Accident risks, near-accidents, and incidents can be captured by executives and employees using an app, allowing them to be promptly recorded on site.

Workplace safety is the subject of the HSEQ quarterly report that is submitted to the Executive Board. The report includes all Group companies and takes into consideration all Bilfinger operations. The Executive Board is immediately informed in the case of especially severe accidents as well as on their analysis and the corrective measures taken. Occupational safety committees are in place in the independent organizational units of the national companies in accordance with the legal provisions.

The objective pursued by all the measures we take is to further increase occupational safety. Our "Road to Zero" concept helps us to consistently reduce the number of work-related illnesses and accidents.

To achieve this objective, we pursue a twofold approach: we take the technical and organizational measures this requires, and we address occupational safety again and again in a variety of communications channels in order to raise awareness for this topic. We draw the attention of all employees to general occupational safety issues in the form of monthly "Safety Moment Memos", for example. In 2019, these included, for example, topics like "stairs", "development of the safety culture", "working with angle grinders", "young employees", "brother's/sister's keeper" and "working in extreme heat".

In this context, the involvement, obligation and commitment of all executives, right up to the members of the Executive Board, play an important role. For example, it is the responsibility of managers throughout the Group to regularly carry out a number of safety walks, depending on their area of responsibility, to address risks and hazards, to make employees aware of occupational safety issues and to document their inspections. The results of these safety walks may be recorded "on the go", as the walks are progressing, and will then be directly input into our central HSEQ software.

An important measure for raising awareness regarding topics of occupational safety is our safety program "Safety Works!" and the information campaign that was developed in this context. In 2019, we conducted a safety campaign on the topic of "dealing with permits to work" under the motto "We Make Permits Work". The aim of the campaign was to inform and qualify our employees with regard to the importance, the necessary contents and the quality of work permits. They should be in a position to critically question work permits, to assess their design and – in case of insufficient information – to reject them.

Our annual Safety Award recognizes both outstanding safety initiatives and innovative ideas for the continuous improvement of safety performance. The Group-wide award is intended to commend all employees and managers who have contributed to this result while also encouraging them to work toward safe working conditions and the protection of all employees' health.

At about 80 percent of our operating units, our occupational safety systems are certified in accordance with the standards OHSAS18001, ISO 45001 and SCC/SCP (Safety Certificate Contractor). We conduct regular internal audits in all of our subsidiaries. In addition to these internal audits, there are also external audits conducted by certifiers, public authorities or customers.

E.4.2 Performance indicators

To be able to measure our progress in the fields of "employer branding" and "employee development", we are currently developing meaningful performance indicators. For the topic of "occupational safety", we use the indicators LTIF, fatalities and number of HSEQ FTE per 100 employees (FTE). The LTIF figure decreased by 62% as compared to the previous year – from 0.66 to 0.25. We see the direct involvement of Bilfinger leaders in promoting the importance of occupational safety as a key factor for this development.

OCCUPATIONAL SAFETY INDICATORS			
	2019	2018	Δ in %
LTIF ¹	0.25	0.66	-62%
Fatalities ²	0	7	-100%
Number of HSEQ FTE per 100 employees (FTE)	1.43	1.56	-8%

¹ The indicator used by Bilfinger "LTIF" (Lost Time Injury Frequency – accidents per 1,000,000 working hours performed) includes Group-wide all accidents with at least one lost day from employees and temporary workers.

² Work-related accidents of employees and temporary workers resulting in death.

E.5 Data security

To be able to provide our services, we collect, store and process a range of data. On the one hand, this relates to personal data of our employees, but also data about plants, processes and people at our customers' sites, because we are providing an increasing number of services for the digitalization of our customers' systems. Data leaks or issues related to accessing data can have a serious impact on the relationship with our employees or business partners. For this reason, our processes and activities for data security are important prerequisites for the acceptance of our business model by our stakeholders.

E.5.1 Management approach

Our employees, customers and other stakeholders must be able to rely on the fact that the data entrusted to us is protected against abuse. We have therefore adopted various regulations with regard to information security and data protection and have taken appropriate organizational measures.

The fundamental regulations for the secure and legally compliant handling and processing of data are summarized in our "Group Policy on Information Security". It is binding for all Group employees and for all those working on our behalf. It describes the components that include information security, principles for handling and processing data and the obligations of managers, IT specialists, employees and external parties. Violations of the provisions of this Group Policy and its annexes or of existing laws may result in disciplinary, contractual or criminal consequences.

In addition to the "Group Policy for Data Security", various Standard Operating Procedures (SOP) have been created with the goal of implementing the Group Policies on information security in all Group companies. These include, for example, SOPs on the topics "Information Management Standard", "Physical Protection of Data", "Emergency Security" and "IT Audit".

Technical responsibility for information security lies with the manager responsible for Information Security at Bilfinger Global IT GmbH. The Head of Information Security checks to ensure that IT services that are planned or in operation are compliant with the "Group Information Security Policy" as well as regulatory requirements. In addition, each organizational unit must appoint a person responsible for data protection who works together with the manager responsible for Information Security as a coordinator.

Every employee or person working on behalf of the Bilfinger Group is obligated to report any possible or actual threat to the information available in the Group as a security incident in a timely manner. In addition, each business unit is obligated to establish and maintain a comprehensive and effective emergency management system in accordance with its business area and area of responsibility. Should there be a security incident, the Allegation Management Office from Corporate Compliance is commissioned with an investigation into the violation.

In order to create a uniform standard for managing personal data in our Group in accordance with the European General Data Protection Regulation, the "Group Policy on Data Protection" took effect in 2018. It describes the tasks and responsibilities of the Group Privacy Officer, the Data Privacy Officer and the Data Privacy Coordinator. The "Group Policy on Data Protection" also outlines the data protection principles, specifications for data transmission and commissioned data processing, the rights of data subjects and the responsibilities of Group companies.

The guidelines are also binding for all Group companies and apply in particular in those countries that do not have their own legal data protection regulations. They are based on the provisions of the European General Data Protection Regulation and on globally accepted basic data protection princi-

ples for the processing of the personal data of employees, customers, suppliers and other business partners.

If data protection violations occur or are suspected, the “Group Policy for Data Protection” lays out a procedure for the reporting of data protection violations. These reports flow for further processing and for the purposes of evaluation into a database in which the (suspected) data protection violation is described.

The Executive Board is informed about data security and the structure of data protection at least once a year. The Executive Board is immediately informed of any serious incidents at work.

E.5.2 Performance indicators

NUMBER OF DATA PROTECTION VIOLATIONS	2019	2018	Δ in %
	Data protection violations	12	10

E.6 Customer satisfaction and quality

The satisfaction of our customers is directly associated with the quality of the services that we deliver. Our orders received, the continuation or intensifying of the cooperation and thus also our economic success depend, to a very great extent, on these two factors. We therefore believe that the topic of "customer satisfaction and quality" is a significant non-financial matter that has a considerable impact on the organization of our business model.

E.6.1 Management approach

We deliver most of our services directly at the location of the customer. We thus experience our customers' satisfaction directly. Furthermore, both within the scope of our ongoing services business and after the conclusion of a project, we survey the service recipients in personal discussions regarding their satisfaction. Many operating companies also conduct customer satisfaction surveys once or twice a year.

A software program was introduced in financial year 2018 to document the results of these customer satisfaction surveys. In the future, it will also help to combine the results Group-wide so that customer satisfaction can be measured on this basis. The customer surveys are an important foundation for us to continuously optimize the quality of our services as part of long-term service contracts. Often they are also the starting point for discussions about follow-up orders in the project business.

In order to be able to provide the quality required by our customers, we have established an extensive quality and process management system. It starts with the operating units, which are responsible for the quality of their products and services and for their monitoring. They are supported by the quality management of the divisions as well as by Corporate HSEQ. System requirements, internal audits as well as training and education measures for quality assurance are intended to ensure that our standards of quality are maintained at all times and continuously developed.

E.6.2 Performance indicators

NUMBER OF OPERATING COMPANIES WITH CERTIFIED QMS IN ACCORDANCE WITH DIN EN ISO 9001	Number	
	2019	2018
Operating companies with certified QMS	60	65

In addition, Bilfinger has had a cross-divisional matrix certificate since 2015 which helps ensure uniform quality standards in the Group and which, by the end of 2019, had already included 43 legal entities. Our objective is to expand the matrix certificate by 2020 to all relevant operating companies in Europe and the Middle East that already have their own ISO-9001 certificate. Our HSEQ processes and operating units are audited and certified by external companies.

E.7 Auditor's report

Independent Auditor's

Limited Assurance Report

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Group non-financial report 2019 of Bilfinger SE. The following text is a translation of the original German Independent Assurance Report.

To Bilfinger SE, Mannheim

We have performed a limited assurance engagement on the separate Group non-financial report of Bilfinger SE according to § 315b HGB ("Handelsgesetzbuch": German Commercial Code for the reporting period from 1 January 2019 to 31 December 2019 (hereafter non-financial report). Our engagement did not include other references to information outside the non-financial report as well as disclosures for prior years.

Management's responsibility

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

This responsibility includes the selection and application of appropriate methods to prepare the non-financial report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the legal representatives are responsible for such internal controls that 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.

Auditor's declaration relating to independence and quality control

We are independent from the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other professional responsibilities in accordance with these requirements.

Our audit firm applies the national statutory regulations and professional pronouncements for quality control, in particular the by-laws regulating the rights and duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their profession [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in audit firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)].

Auditor's responsibility

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

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 International Auditing and Assurance Standards Board (IAASB). This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the non-financial report of the Company has been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c 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 auditor's professional judgment.

Within the scope of our assurance engagement, which has been conducted between December 2019 and March 2020, we performed amongst others the following assurance and other procedures:

- Inquiries of employees regarding the selection of topics for the non-financial report, the risk assessment and the concepts of Bilfinger SE for the topics that have been identified as material,
- Inquiries of employees responsible for data capture and consolidation as well as the preparation of the non-financial report, to evaluate the reporting processes, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the non-financial report,
- Identification of likely risks of material misstatement in the non-financial report,
- Inspection of relevant documentation of the systems and processes for compiling, aggregating and validating data in the relevant areas in the reporting period and testing such documentation on a sample basis,
- Analytical evaluation of disclosures in the non-financial report,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data and disclosures,
- Evaluation of the presentation of disclosures in the non-financial report.

Assurance Conclusion

Based on our assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the non-financial report of Bilfinger SE for the period from 1 January 2019 to 31 December 2019 has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB.

Intended use of the assurance report

We issue this report on the basis of the engagement agreed with Bilfinger SE. The assurance engagement has been performed for the purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement and must not be used for purposes other than those intended. The report is not intended to provide third parties with support in making (financial) decisions.

Engagement terms and liability

The "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungs-gesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We assume no responsibil-

ity, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we do not update the assurance report to reflect events or circumstances arising after it was issued unless required to do so by law. It is the sole responsibility of anyone taking note of the result of our assurance engagement summarized in this assurance report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 6 March 2020

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Nicole Richter
Wirtschaftsprüferin
[German Public Auditor]

Annette Johne
Wirtschaftsprüferin
[German Public Auditor]