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FOREWORD BY THE CEO

Dear readers,

For us, corporate social responsibility means emphasizing the importance of responsible and sustainable activities. Values such as trust and respect, openness and transparency are paramount concerns for us. For many years now, these principles have informed our customer relationships, our technologies, our partnerships, the training which we offer our employees and the decisions which we make regarding investments in our company – for the benefit of our shareholders and for society as a whole.

As a globally active company and one of the world's leading providers of transformation software and services, we aim to make a contribution to fair and sustainable development. We consistently integrate all stakeholder groups in our activities and pursue a continuous dialog with them.

We would like to draw particular attention to our employees¹, who are our most important resource and the foundation of our success. For this reason, we strongly emphasize in-depth training and education as well as a pleasant work environment which is characterized by trust and mutual respect. We support our employees' work-life balance and make significant investments in their health.

This has never been quite so apparent as during the coronavirus pandemic. As of the date of publication of this re-

port, this is not yet over. Despite severe economic and social challenges, we consider ourselves well placed to cope with this crisis. Speed and infrastructure, flexibility and openness are called for, but also reliability and trust – at every level.

A very large number of our employees are currently based outside of their offices. And things are working very well – not least thanks to our remote-compatible business model. This is proving to be a huge competitive advantage in these times of crisis, which are characterized by social-distancing measures and working at home.

To be sure, we should not avoid all interpersonal contact with our customers and colleagues indefinitely. Nonetheless, the coronavirus pandemic has demonstrated that video conferences can work very well. Business trips to visit customers and in-person meetings are often unnecessary or no longer necessary. There are two advantages to fewer trips by airplane and car: The benefits for the climate thanks to the lower volume of carbon emissions, and the travel time saved.

For these and other reasons, SNP will continue to offer its employees mobile working options and will further enhance these work models.

It is not only the coronavirus pandemic which has impressively demonstrated that sustainability is, and is set to remain, a topic which is shaping our future. Many

investors mainly invest on the basis of a company's sustainability performance or else require their existing investments to factor in sustainability. For the first time, we have subjected our separate Group non-financial report to an independent business audit with limited assurance. The separate Group non-financial report and the audit certificate are made permanently accessible to the public.

Please consider this report an invitation to get in touch with us – we will be delighted to receive your feedback!

Best wishes,



Michael Eberhardt
CEO

¹ As individuals of both genders are always referred to equally, the plural form is used for improved readability going forward.

PRINCIPLES OF THE SEPARATE GROUP NON-FINANCIAL REPORT

This Separate Group Non-financial Report of SNP Schneider-Neureither & Partner SE (hereinafter SNP) provides information on the development of sustainability topics in the 2020 fiscal year (January 1 to December 31). The SNP Group has a total of 1,463 employees around the world. With 518 employees, Germany is the largest location. The majority of the shares in SNP Poland Sp. z o.o., which has 407 employees, are expected to be sold by the third quarter of 2021. Correspondingly, reporting on non-financial aspects mainly relates to the German location; this represents approximately 50% of the employees in the entire Group when the impending sale of the shares in SNP Poland Sp. z o.o is taken into consideration. Apart from Germany, Argentina and the USA represent the other main business locations of SNP, with 211 and 56 employees respectively. SNP (or one of its subsidiaries) has several regional offices in each of these areas.

The separate Group non-financial report follows the statutory requirements set out in Sections 315c and 289c to e of the HGB, which SNP is required to publish under the German CSR Directive Implementation Act. Among other things, it covers non-financial aspects of the Group which have been deemed essential for the business performance, operating results and position (business relevance) of our company, and which have a significant impact on the fight against corruption and bribery as well as on employee issues and customer relationships (impact relevance). The report on the aspects deemed material

relates in principle to the main locations of the SNP Group. SNP did not use a framework for the report but rather focused on the requirements set out in the HGB. Furthermore, we voluntarily report on environmental and social issues, which are not deemed material, as well as on the observance of human rights.

We have identified no material risks in connection with our own business activities, business relationships or products and services that have, or would very likely have, a significant negative impact on the non-financial issues cited in Section 289c (2) HGB (including customer relationships). All further information on the risks and opportunities for SNP may be found in the risks and opportunities report in the Group management report, which is part of our annual report: <https://www.snpgroup.com/en/financial-publications>.

No significant non-financial performance indicators relevant to business activities were implemented in the reporting period that concerned the key aspects of combating corruption and bribery, employee matters or customer relationships within the meaning of Sections 289c (3) (5) and 315c (1) of the HGB.

Unless already initiated, in the future the measures presented relative to the respective issues will be extended to the companies within the scope of consolidation.

The contents of this report have been subjected to an independent business audit with limited assurance, which was carried out by BDO AG Wirtschaftsprüfungsgesellschaft. This audit firm has applied the "International Standard on Assurance Engagements 3000 (revised)." This report also includes references to SNP Group websites where further information can be found. These are not a component of this Separate Group Non-financial Report and have thus not been audited by BDO AG Wirtschaftsprüfungsgesellschaft.

SNP SCHNEIDER-NEUREITHER & PARTNER SE

Since 1994, SNP has offered its customers products and services for the transformation of IT systems. We operate globally, with a strong focus on expanding into new markets and forging new partner and customer relationships.

In addition to the parent company, SNP is comprised of several subsidiaries which are currently located in 14 countries. The consolidated financial statements which are published in our annual report provide a full list of the Group's subsidiaries: <https://www.snpgroup.com/en/financial-publications>.

Company Profile

With its own solutions, SNP supports organizations in adapting their business models and seizing the opportunities of digitalization. SNP software and services facilitate the implementation of business or technical modifications to business applications and enable its customers to implement these modifications automatically.

With its unique BLUEFIELD™ approach and its leading business transformation platform, SNP has laid the foundations for an industry standard for automated business transformations. Changes in IT systems are automatically analyzed, implemented and tracked. This offers clear quality advantages and significantly reduces the time, costs and risks involved in complex transformation projects, while adhering to the highest compliance and security standards.

Headquartered in Heidelberg, SNP generated Group revenue of € 143.8 million and an operating result (EBIT) of € 0.8 million in the 2020 fiscal year. SNP's customers are global corporations from all industries. SNP was founded in 1994 and has been publicly traded since 2000. As of August 2014, the company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (ISIN DE0007203705). Since 2017, the company has operated as a European stock corporation (Societas Europaea/SE). No dividend has been distributed in the past three fiscal years. Further information on the company's key figures can be found in the Group management report which is published as part of our annual report: <https://www.snpgroup.com/en/financial-publications>.

Most of SNP's customers can be categorized in the following industries:

Mechanical engineering	Energy	Insurance
Health care	Government agencies	Banks
Automotive manufacturing	Chemicals	Communications
IT	Retail	Real estate

Table 1: Key industries of SNP customers

Further information on the company's business model can be found in the "Business Model and Organization" chapter of the Group management report, which is published as part of our annual report: <https://www.snpgroup.com/en/financial-publications>.

Transparency

We scrutinize our actions continually and always have an open ear for all types of stakeholder feedback. SNP events, which are held regularly, serve as an important forum for receiving feedback from our stakeholders as well as showcasing the company externally and engaging in dialog with customers and investors.

Our Transformation Days and Transformation World events enable us to interact directly with our customers. Transformation Days are held several times a year at our main sites in Europe, Asia and America. At these events, experts provide exclusive insights into innovative transformation approaches and present SNP software through live demonstrations.

Transformation World 2020 – Seven days a week around the clock

Transformation World is an annual event held in Heidelberg and is now seen as the most important expert-level congress for IT and business transformations in the German-speaking world. Here, IT specialists and decision-makers find out more about new methods, innovative approaches and the right software solutions for upcoming transformation projects. At the heart of the event are keynotes, expert contributions and practical workshops on IT and business transformations as well as the digital transformation process shaping business, administration and society.

This expert-level congress took place for the seventh time in November 2020. Due to the coronavirus pandemic, we even transformed the format of this year's Transformation World – it was held as a purely digital event. Live-streamed events and videos are key features, and we share them with our Transformation World community via social media. We have created special YouTube and LinkedIn channels for this purpose. Moreover, what is perhaps the greatest change of all in relation to this year's Transformation World is the fact that it is not taking place over the space of two or three days, but instead over an entire year, i.e. 365 days.



STRATEGY AND MANAGEMENT

Dialog with Stakeholders

The term “stakeholder” refers to all groups of people who have a significant interest in the activities of the SNP Group and who may influence SNP or be influenced by SNP. Accurate knowledge of these groups and their needs assists us in positioning ourselves in the market as well as enabling us to address the needs of these stakeholders. Only through regular dialog with a large number of stakeholder groups can we take note of individual feedback and expand our relationships with these stakeholders.

Our approach to stakeholder engagement includes information-gathering via the relevant channels, in a purely monitoring capacity, as well as various opportunities for active stakeholder participation, in the form of meetings as well as communication via social platforms and at events hosted by SNP and other organizations. External communication is handled by our communications department.

Although SNP is not able to initiate direct communication with all stakeholder groups, inquiries from individual groups are very welcome and we would be happy to address them. Please contact our CSR department in this regard as well as for any other questions related to this report at investor.relations@snpgroup.com

SNP’s key stakeholder groups and the related forms of dialog are described below.

Employees

Our workforce includes permanent full-time employees of SNP SE and its subsidiaries as well as part-time and temporary employees. SNP’s employees are the key to our success. We greatly value dialog with our employees. For this reason, we hold regular meetings with our employees and offer them various opportunities to provide feedback, e.g. in the form of an Innovate blog, with the goal of incorporating their ideas and views into the development of new strategies.

Customers and Partners

Our relationships with our customers and partners are in some cases of many years’ standing. We maintain a continuous dialog with our customers and partners. Alongside our employees, they are among our most important stakeholders. At all times, we endeavor to offer our customers the highest possible level of product and service quality. The forms of dialog which we pursue with our customers include, on the one hand, project and customer meetings and, on the other, events such as Transformation World, Transformation Days and other trade fairs and industry events. We also incorporate regular feedback from our customers and partners in our product development process.

Capital Market

As a listed company, we are highly integrated in the capital market. SNP therefore fulfills its obligation to inform its shareholders and prospective investors in a number of different ways. We regularly exchange information with investors through capital market and telephone conferences as well as discussions with private and institutional investors.

Objective reporting on our business activities by third parties plays a significant role in building SNP’s reputation. This is especially critical for sustainable valuation and market positioning. Through our external reporting in the form of capital market reports, annual and financial reports and additional publications, we provide the players in the capital market with objective and up-to-date information. Interested parties can get in touch with the relevant contacts directly, via the e-mail addresses and telephone numbers listed on our corporate website.

Suppliers

Since we are a company operating in the IT industry, the goods and services which we obtain from external suppliers mainly consist of software and IT services. However, we do purchase a small volume of physical goods. Dialog with our suppliers mainly takes place in the form of supplier meetings.

Materiality

A materiality analysis was implemented in 2020 in order to identify material sustainability issues for SNP and its stakeholders. The goal was to establish and assess the issues which are particularly material for our stakeholders and for ourselves on the basis of regular dialog with the aforementioned stakeholder groups. Our core stakeholders' expectations were included and the key issues thus identified in terms of the following two dimensions:

- Significance for the understanding of the business performance, the operating results and the company's position (business relevance under Sections 289c (3) and 315c (2) of the HGB)
- Significance of the impact of our business activities (relevance of impacts under Section 289c (3) of the HGB in conjunction with Section 315c (2) of the HGB)

The individual steps in this materiality analysis are outlined below.

As a **first step**, an extensive list of potential sustainability issues was drawn up. Various standards and guidelines were taken into account, e.g. requirements of the German Sustainability Code, the Sustainability Accounting Standards Board (SASB), Sustainable Development Goals (SDGs) and also issues identified in previous materiality analyses and studies covering sustainability challenges for the IT industry. In order to give concrete form to this extensive list, these issues were aggregated with regard to SNP's business activities.

As a **second step**, SNP assessed the material sustainability topics. The assessment covered both the business relevance for SNP as well as the impact relevance in an ascending order of priority, so as to define the significance of economic, ecological and social impacts.

In order to validate these identified issues, semi-structured interviews were subsequently conducted. These took the form of questionnaires which were issued to selected key stakeholders with whom SNP has a long-standing business relationship. The stakeholders consulted included a customer in the automotive sector, a customer in the banking segment, a partner company, an analyst representing the capital market, and SNP's dialog team. This is a body consisting of SNP employees whose task is to discuss events and topics that will have

a significant impact on employees' interests with the company's Managing Directors. We refrained from including suppliers in the interviews because other stakeholder groups were prioritized as more essential due to their relevance for SNP.

In addition, open-ended questions were asked regarding the company's current performance and the significance of key sustainability issues for the company's future business success.

As a **third and final step**, these internal and external assessments were compared with one another, so as to identify the material topics and concerns.

Validation

For validation purposes, the findings of this materiality analysis were reviewed by our CFO, who is the Managing Director with responsibility for sustainability and reporting.

The findings of the materiality analysis are presented in Table 2. The material sustainability areas are considered to be of greater relevance for SNP and its stakeholders. By contrast, issues not seen as material for SNP and its stakeholders are ascribed lower relevance. A report on these issues is nevertheless provided on a voluntary basis.

ISSUES	SUSTAINABILITY AREA	HGB RELEVANCE
Measures to combat corruption and bribery	Corporate culture	Yes (greater)
	Compliance	Yes (greater)
	Corruption and bribery	Yes (greater)
Personnel issues	Employee retention and development	Yes (greater)
	Training and education	Yes (greater)
	Work-family balance	Yes (greater)
	Diversity, equal opportunity and discrimination	Yes (greater)
	Respect for human rights and employment regulations	No (lower)
	Occupational health and safety	No (lower)
Customer relationships	Customer satisfaction and quality	Yes (greater)
	Information security and data protection	Yes (greater)
Environmental issues	Climate protection/energy consumption	No (lower)
	Travel	No (lower)
Social concerns	Conservation of resources	No (lower)
	Social commitment	No (lower)
Respect for human rights	Suppliers and their social responsibility standards	No (lower)

Table 2: Overview of aspect relevance

Group Management Engagement

The Group's management is involved in the further development of sustainability concepts. A working group from the Investor Relations and Legal and Compliance corporate segments was established in the reporting year. It falls within the Chief Financial Officer's area of responsibility and engages in regular dialog with other corporate segments.

MEASURES TO COMBAT CORRUPTION AND BRIBERY

Corporate Culture and Compliance

Due to SNP's strong growth over the past few years, it is particularly important to be able to rely on a common framework of values. Only through this common approach will SNP grow into a global community that deals with its employees, customers, partners and suppliers in a respectful, honest and reliable manner.

All SNP employees are obliged to comply with the company's universally applicable Code of Conduct. Our convictions and corporate guidelines are outlined here, along with a description of our efforts to comply with the rule of law and our standards of ethical conduct. At the same time, the Code of Conduct is the core of our Compliance Management System; this system is continually developed in order to introduce and implement measures that address SNP's risk position and to gauge their effectiveness. Our code of conduct has the following pillars:

Our core values:

- Continuously improving – for our customers and for ourselves
- Universal respect
- A trusting and open working relationship
- Keeping our word
- Providing prospects

Compliance with applicable laws:

- Business relationships
- Corruption²
- Trade controls
- Protection of business and commercial secrets as well as insider regulations
- Protection of people and the environment
- Data protection

In addition to the individual rules of conduct outlined in its code of conduct, SNP also follows the strict guidelines set out in the German Corporate Governance Code (the "Code"). Our Corporate Governance Report is published annually. It outlines in detail how SNP complies with the commitments set out in the Code and can be viewed at <https://www.snpgroup.com/en/corporate-governance>.

SNP's Legal and Compliance department works closely with the company's management and managers, advising and supporting all employees to ensure compliance with internal and external requirements. In addition, a compliance committee was established in 2020 which comprises members of the Board of Directors. It is mainly concerned with compliance-related measures. The management reports on this regularly to the Board of Directors.

An "integrity line" was introduced for all of the employees at the Group's German locations in 2019. Through this digital reporting system, employees can anonymously

report any irregularities, in particular violations of applicable laws or internal guidelines. All reports are processed by the Legal and Compliance department with the involvement of the company's management and case managers. The reports are subject to the dual-control principle and conform to a prescribed procedure. This "integrity line" was also made available in the Group's subsidiaries in Latin America in 2020 and its rollout will gradually continue elsewhere.

Mandatory training is another key element for the avoidance of compliance violations. Integrity training – which is based on our Code of Conduct – was introduced for all of our employees worldwide in 2020 in the form of an e-learning course. Additional training in topics such as equal opportunity and anti-discrimination is planned for 2021. Please see the "Diversity, Equal Opportunity and Discrimination" chapter for further details.

Employees at the Group's German locations also receive data protection and information security training (see "Customer Relationships" chapter). This content is being gradually made available to additional employees via our internal training portal.

² Including bribery.

Corruption and Bribery

A major reason for our long-lasting success is the relationship of trust we have with our customers. To justify this trust, SNP must conduct its activities with fairness and integrity in all aspects of its business. We treat our customers, business partners and competitors with respect and do not engage in any activities that distort or hinder competition. As a result, in 2020, there were no legal actions initiated against SNP or its subsidiaries pertaining to anticompetitive behavior or anti-trust and monopoly practices. In addition, there were no penalties or fines to be paid (e.g. as a result of accounting fraud, workplace discrimination or corruption, including bribery).

We reject any form of dubious market practices, e.g. any form of bribery or corruption. We have established internal training programs in order to raise awareness among employees and support them in recognizing and avoiding compromising situations. In addition, a multiple-phase approval process has been established for our procurement system. This requires the procurement department or a line manager to review and approve a procurement transaction.

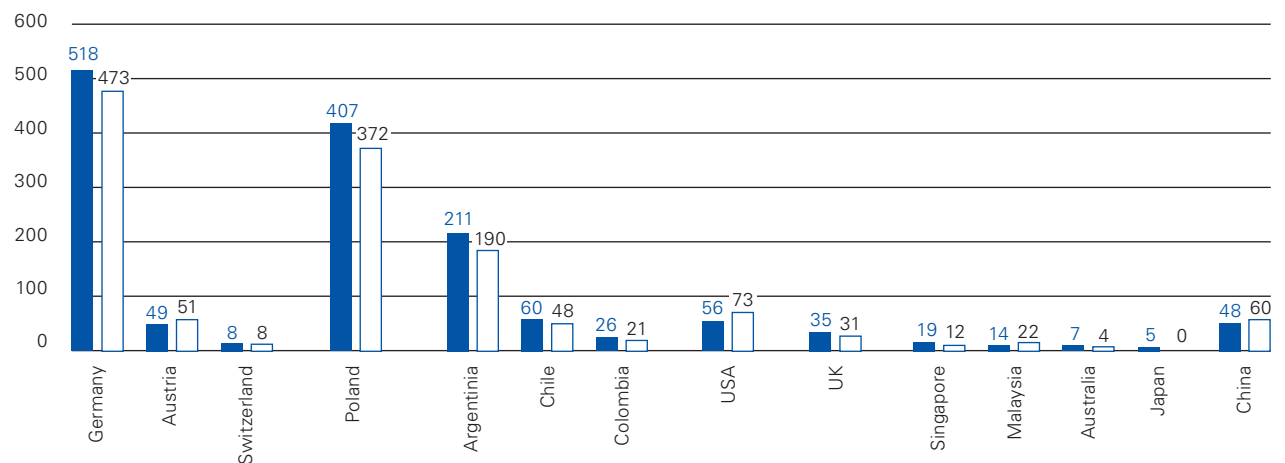
PERSONNEL ISSUES

We work very hard to maintain and improve our reputation as a reliable and fair employer. This encompasses the entire employment life cycle of an employee and is designed to ensure a productive, positive and harmonious working relationship. These efforts begin with a fair and transparent recruiting process and continue with regular, constructive communication between employees and their line managers. Major business decisions are communicated promptly; however, no specific notification periods have been contractually agreed. SNP places the highest priority on the well-being of its employees; this is the only way the company can be successful on the market in the long term.

As of the reporting date December 31, 2020, SNP had 1,463 employees worldwide (2019: 1,365 employees). 433 (30%) of them were female (2019: 411 or 30%). Table 3 and Graphic 1 show the international distribution of the workforce by economic area and country.

	2020		2019	
	absolute	as %	absolute	as %
CEU (Central Europe)	575	40%	532	40%
EEMEA (Eastern Europe, Middle East, Africa)	407	28%	372	27%
Latin America	297	20%	259	19%
JAPAC (Asia-Pacific Japan)	93	6%	98	7%
USA	56	4%	73	5%
UK	35	2%	31	2%
Total	1,463	100%	1,365	100%

Table 3: Global distribution of workforce by economic area



Grafik 1: Global distribution of workforce by country

2020 2019

Employee Retention and Development

Working in a demanding and highly dynamic work environment such as ours naturally requires a high level of commitment from employees. In return, we aim to offer optimal support to ensure that all employees are ideally prepared for their tasks. To this end, we support them in their continuous development and offer employees Group-wide the following:

- A working environment in a positive corporate environment,
- Clearly defined goals,
- The opportunity to advance personally and further their careers,
- Competitive remuneration,
- Decent prospects for promotion,
- Mobile working,
- Flexible working hours and a work-family balance and
- The opportunity to assume responsibility at an early stage.

In order for employees to carry out their work with consistently high quality, SNP provides excellent working conditions. This includes not only a strong team spirit and fair working conditions, but also varied challenges and good prospects for promotion.

SNP also offers its employees a host of fringe benefits. In Germany these include:

- Company pension plan
- (Group) accident insurance
- SNP share plan³
- Employee discounts
- Various health protection measures
- Various allowances: One-time payments are provided in varying amounts and in different forms (such as vouchers) for special occasions such as birthdays, weddings, the birth of a child, retirement, anniversary and the commencement of employment; allowances are also provided for children in day care

In the main U.S. business location, employees have had the opportunity to build up a pension through a 401(k) plan since 2016.

Employee Participation: Suggested Improvements and Ideas Management

The basis for our success is fair and open interaction between all SNP employees as well as a work environment characterized by mutual trust. We have a culture of open dialog, and we discuss issues directly and honestly. Open doors and a regular exchange covering any concerns which SNP employees may have are firmly established at several different levels of cooperation.

Employees can provide feedback through various channels. From the human resources department to the “SNP Innovate” online platform to meetings with the manage-

ment, there are various ways of ensuring the desired level of confidentiality and sustained data handling.

The “SNP Innovate” online platform offers employees worldwide the opportunity to contribute, share and discuss their ideas and suggestions for improvement. In addition to topic-based campaigns which have been underway for some time (such as “Cost Saving,” “Becoming ONE SNP,” “New Product Ideas”), an entire series of new campaigns and topics has been launched. These include “COVID-19 – Making the Best of It,” “Health Management@ SNP,” and “Idea Management for Procurement.” A large number of employees are making use of the opportunity to submit suggestions on how to improve a product, reduce expenditure or promote sustainable working. Overall, around 150 ideas and suggestions have already been submitted, and nearly 40 of them are currently in the implementation phase or have already been implemented. The “SNP Innovate Award” went to an employee who proposed a new product in the software segment.

³The opportunity to participate in the SNP share plan expired at the end of 2020. A share participation plan was launched in September 2019. This enables the entire workforce to participate in the company's development through SNP shares. For an investment of up to EUR 10,000, SNP will reimburse the employee in question 20% of their originally invested capital. However, the employee must have held these shares in their portfolio for at least 18 months. SNP aims to recognize its employees' commitment and to promote their personal investment in the SNP share by subsidizing this investment.

We launched the aforementioned measures as part of the Employer Branding Program. In 2020, SNP registered a worldwide turnover of around 12% (2019: 17%), which is indicative of a successful retention of employees in the long term.

Training and Education

The standards of the software and consulting industry require SNP employees to have a high level of education. This goes far beyond base-level education, especially in the current environment of radical technological change. Furthermore, it is in employees' own interests to be able to optimize their work by expanding their knowledge. Our extensive range of training programs is thus highly popular.

For these reasons, SNP invests very strongly in training and education throughout the Group. This training is provided by means of internal and external courses. The multi-faceted training program covers both technical and non-technical subject areas. The contents are taught through a variety of different approaches. In particular, SNP successfully expanded its e-learning courses over the past year in order to offer its employees a highly flexible learning experience. Content drawn from various subject areas is offered to all employees worldwide via SNP's internal e-learning platform "eCampus." The range of courses runs from technical and product training to soft-skill training sessions. Furthermore, SNP offers its employees an extensive range of language courses

through an external provider (the scope encompasses German, English, Spanish, French and Italian at various proficiency levels).

SNP Training Academy

Internal education starts with the SNP trainee program, which all new consultants complete in the SNP Training Academy at German locations. This is where all trainee consultants become acquainted with the fundamental techniques of enterprise transformation in a program spanning several months. During this time, trainees are released from all other duties so that they are able to devote all their efforts to their education. In the subsequent practical phases, they put what they have learned into practice together with their mentor. Due to the coronavirus pandemic, our new consultants began their training program virtually.

Strategic Career Development

On joining the company, all of our employees in Germany receive a welcome call from our human resources department which informs them of all of our key training courses. In the calls, they receive the information they need to get off to a good start in the SNP Group. In addition, a "welcome day" for all new employees takes place at regular intervals and offers them the opportunity to get to know the various areas of the company. During the coronavirus pandemic, SNP has managed to greet all its new employees virtually and to provide them with all important information.

All employees in Central Europe receive performance reviews, irrespective of their career level. The aim is to systematically enhance the skill sets of employees by setting individual targets. Training needs are also discussed here and relevant courses initiated. Employees can also suggest improvements and provide feedback.

In the year under review, a Leadership Enablement Program was established in Germany to assist managers with their leadership responsibilities. The training courses impart practical content that is appropriate for the target group. In addition, career models were established for the areas of Sales, Services and R&D, in order to provide a more structured and transparent approach to the company's development planning and to present employees with a clear outlook for their personal development. The

Leadership Enablement Program is gradually being rolled out around the world.

Though we are currently unable to measure successful participation in our training offer across the Group, we assume that the aforementioned measures have made a positive contribution to the training level of SNP employees. However, data collection will be expanded in the medium term to facilitate a comprehensive assessment.

Work-Family Balance

These days, having a balance between family, private life and work is considered a matter of course. SNP supports this as a fundamental aspect to which every employee is entitled.

Consistent and conscious time management is considered a key factor for achieving a balance between work and private life. A variety of options are available to all employees worldwide such as flexible trust-based working hours, part-time working models, clearly communicated expectations, the legal entitlement to parental leave and avoidance of commuting times by working from home. In the context of the coronavirus pandemic, SNP was able to rapidly and flexibly adapt processes and to establish the necessary Group-wide infrastructure that enabled the company to seamlessly switch its business activities to mobile working from one day to the next. SNP will therefore continue with its mobile work policy to

offer its employees more flexibility regarding their working hours and location.

In the organization in Germany, all employees have a statutory right to parental leave. In 2020, 27 employees (2019: 38 employees) took advantage of parental leave (11 women, 16 men). Of these 27 employees, 7 were still on parental leave on December 31, 2020 and 20 had returned to active work. The rate of return to work as of December 31, 2020 was thus 100%. SNP also provides a childcare allowance for children attending daycare centers.

Although the balance between family and work is considered a material sustainability issue, the existing measures have not yet been consolidated into a holistic, Group-wide concept.

Diversity, Equal Opportunity and Discrimination

By promoting diversity in the workforce, SNP benefits from genuine competitive advantage. There are no barriers pertaining to heritage or other personal aspects. For further information on our values, please see the "Measures to Combat Corruption and Bribery" chapter.

The diversity of the SNP workforce is discernible in the gender ration as well as in Table 3 and Graphic 1 in the "Personnel issues" chapter. The cooperation between employees of different nationalities, both at individual sites and between sites, is also evidence of our diversity.

This represents a fundamental contribution to a culture of equality and tolerance.

In addition, the competence profile for future new appointments to the SNP SE Board of Directors includes a diversity concept. It embraces internationality, different backgrounds and various career paths. In light of this, and in accordance with statutory provisions requiring the equal participation of women and men in management positions, the Board of Directors has set itself a target of at least 20% female members and at least 20% male members. This will be considered when new appointments are made to the Board of Directors of SNP.

Aside from our Code of Conduct, which describes our respect for everyone, our processes are clearly communicated throughout the Group. Our human resources department acts as both a mediator and the contact for all our employees' concerns. This includes immediate internal investigation of suspected cases of discrimination and reports through the "integrity line" regarding discrimination or harassment in the workplace as well as implementation of countermeasures where appropriate.

We intend to introduce a Group-wide equal opportunity and anti-discrimination course in the medium term in order to provide our employees with even more information and guidelines on the subject.

Respect for Human Rights and Employment Regulations

SNP takes its responsibility to society very seriously. Compliance with human rights and fair work conditions are an integral component of our corporate culture. This makes it easier for us to recruit top people and to retain them on a long-term basis, to increase our capacity for innovation and our productivity and to enhance our reputation. All SNP employees are obliged to comply with the company's universal Code of Conduct (see "Measures to Combat Corruption and Bribery" chapter). Any violations can be reported via the "integrity line" and will be sanctioned where appropriate. Employee satisfaction is measured on a regular basis through interactive surveys conducted during employee events. The satisfaction level is predominantly high, which underlines the respect for human rights and employment regulations to be found at SNP.

Occupational Health and Safety

For SNP, safeguarding the occupational health and safety of its employees is more than self-evident. This is most clearly reflected in its voluntary health protection measures.

Occupational Safety

SNP adheres to all relevant requirements in the area of occupational safety. These include, at the key German locations, on-site inspections and monitoring of work-

place ergonomics; an annual eyesight checkup for employees working at PC workstations; and quarterly meetings of the occupational safety committee. SNP has hired an external company, AsA Arbeitsschutz AG, to provide support and carry out these examinations. SNP also offers all of its employees the opportunity to order computer glasses from the optician Fielmann AG. In addition, occupational safety contacts have been designated at all of SNP's locations worldwide.

Work at SNP is mainly conducted sitting in an office; in this environment, there is not a high risk of occupational disease. There are therefore no formal joint management-worker committees that monitor occupational health and safety programs. Two work accidents were reported at SNP in Germany in 2020. To improve its first-aid treatment, SNP is working with the Björn Steiger Foundation. All of the company's key locations in Germany are equipped with defibrillators, so that our trained first-aiders are able to provide rapid and competent assistance in case of sudden cardiac arrest.

Health Protection

SNP promotes a healthy diet. Free drinks and snacks or fruit are available to all employees at the company's German locations. For health and environmental reasons, in 2021 the beverages offered in Germany will be changed over from glass bottles to water fountains, where this has not already happened.

In September 2019, a "long table" initiative was established in Heidelberg: once a week, SNP invites all employees to have lunch together. As well as a balanced and varied meal, this initiative aims above all to encourage dialog and to foster the company's culture. This initiative has currently been paused due to the coronavirus pandemic, but we aim to resume it. We also responded to the request put forward by many employees and offered virtual nutritional counseling in Central Europe.

In addition to the allowance provided for fitness activities, e.g. subsidized gym memberships, employees in Germany are offered a variety of options for fitness training directly at the workplace. This includes regular events such as conditioning exercises or fascia training. These courses were expanded in the year under review. Due to the pandemic, all of our employees worldwide are offered the opportunity to participate in our virtual sport program "SNP Move" twice a week. SNP has also fulfilled the request of employees in Central Europe and is offering a weekly yoga course – once again, virtually. These virtual offers were met with great interest by the employees. Furthermore, about 20% of the employees in Germany take advantage of the subsidized gym memberships.

CUSTOMER RELATIONSHIPS

The quality and reliability of our products is essential to the continued success of SNP in the market for corporate transformations. Our customers can rest assured that they have found the right partner in SNP with our software and services to handle their sensitive company data.

Users of SNP products can expect a high level of quality and information security. The quality management system of SNP SE is certified to ISO 9001; the information security management system of SNP SE and SNP Deutschland GmbH are certified to ISO 27001. SNP SE has also completed a TISAX* (Trusted Information Security Assessment Exchange) assessment. This is an information security standard specifically developed by the German automotive industry association. Please see our website for further details of our certifications. Both management systems are gradually being rolled out in additional countries.

Customer Satisfaction and Quality

The consistently high level of software quality is permanently monitored by our own quality assurance team. A software quality engineer who focuses on the tests during the sprints and also on the subsequent tests in the delivery stage is an integral component of our Scrum team. In order to coordinate all the software tests, all software quality engineers from the individual Scrum teams are also members of the Agile Testing Focus Team. Their professional and process-oriented approach ensures that the sources of error can be quickly identified in the event

of an error as well as through preventative action. In addition, automated tests are implemented in order to catch common errors early on. In addition, a new functionality was developed in SNP's transformation platform in the reporting year. The new "Mission Control" functionality is a quality test integrated into the software in the form of an automated process for the continuous control and protection of transformation projects.

SNP's support portal is available to all SNP customers with corresponding contracts worldwide, and service level agreements guarantee the availability of support. In addition, the level of customer satisfaction is frequently monitored and published on the company's website, such as in the form of customer success stories. We also regularly identify areas with the potential for improvement together with our customers and partners. Furthermore, there were no customer queries left unprocessed in our SNP Support Portal in the reporting year.

Information Security and Data Protection

Safeguarding information security is a prime concern in our business activities. In 2020, the information security management system of SNP SE and SNP Deutschland GmbH was subjected to an independent review. As a result of this review, we are able to offer our stakeholders globally recognized documentation (an ISO 27001 certificate) covering our measures with regard to the confidentiality, availability and integrity of information and systems.

The General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG) are the key pieces of legislation which prescribe common rules for data protection. SNP complies with the relevant requirements. The necessary technical and organizational measures to protect data have been implemented Group-wide, and we are continuously optimizing them. SNP processes personal data, in particular the data of its customers, employees, job applicants and business partners, e.g. in fulfillment of its contractual obligations and as required by law. SNP ensures data protection in all of its processes and products. The company has appointed an external data protection officer who provides advice to the management and supports the Legal and Compliance department in all matters related to data protection.

All employees at German locations receive information security and data protection training. This content is being gradually made available to additional employees worldwide via our internal eCampus training portal.

No fines were imposed on the SNP Group in 2020 for non-compliance with laws or regulations with regard to information security and data protection.

ENVIRONMENTAL ISSUES ⁴

Since SNP is not a manufacturing company, its key areas of focus with regard to environmental issues are energy consumption in buildings and during travel (by car, airplane or train).

We factor ecological considerations into our daily decisions and seek to reduce our energy consumption to the extent possible; we are also endeavoring to increase the proportion of renewable energy in our energy mix. However, we have not established a general system covering prevention and protection of the environment. To date, the SNP Group has not had to pay any fines or sanctions for violations of environmental laws or regulations.

Climate Protection/Energy Consumption

100% Green Electricity

Since 2018, SNP's head office in Heidelberg has been powered by green electricity. The sourcing of energy, which is entirely derived from ecological sources, prevents around 86.84 tons of attributable carbon emissions each year.

Building Management

The company's office buildings in Germany undergo regular external energy reviews. These reviews enable SNP to identify inefficiencies and, in turn, realize savings potential. All of the buildings we use are consistently

operated at a high level of efficiency. In 2020, our Heidelberg head office used a total of around 246,706 kWh of electricity.

	2020	2019
Electricity consumption at our Heidelberg head office	246,706 kWh	252,301 kWh

Table 4: Electricity consumption

Travel

The coronavirus pandemic meant that travel in Germany and internationally was fraught with difficulty in 2020. In view of highly restricted flight schedules, specific entry and quarantine regulations and the limited number of hotels open, private and business-related travel was greatly limited. As a result, consumption related to travel activities in 2020 (kilometers traveled) strongly deviated from the level seen in the previous year.

Vehicle Fleet and Air and Rail Travel

Our vehicle fleet in Germany consists of 244 vehicles that meet at least the Euro 5 emission standard. The number of vehicles used by employees at other company sites is low and therefore regarded as insignificant. Our guidelines call for the preferential procurement of environmentally friendly vehicles. Since 2018, this includes hybrid vehicles and, since 2019, an electric car. All of our vehicles and their consumption are regularly analyzed and

assessed. In 2020, a total of 301,254 liters of fuel were used.

	2020	2019
Fuel consumption (German vehicle fleet)	301,254 liters	444,428 liters

Table 5: Fuel consumption

In 2020, the employees based at SNP's German locations traveled a total of 0.6 million km by airplane.

	2020	2019
Distance traveled by airplane	0.6 mn km	2.5 mn km

Table 6: Flight distance traveled

They traveled 176,916 km by rail in Germany in 2020⁵.

	2020	2019
Distance traveled by rail	176,916 km	685,110 km

Table 7: Rail distance traveled

⁴ Given that environmental issues are not regarded as material withing the meaning of Sections 289c (3) HGB and 315c (2) HGB, there is no central, Group-wide concept in force at the present time.

⁵ This does not include tickets purchased at the counter or the subsidiaries Innoplexia GmbH and ERST European Retail Systems Technology GmbH.

Expanded Mobility Account

In 2021, our mobility account program will replace our existing car policy for our locations in Germany and Austria. This will offer employees who are entitled to a mobility account a choice of various mobility options. The mobility account provides employees with a financial framework within which they can select from various mobility options.

The account provides the following options:

- Company car
- Car allowance
- “Bahncard” discount pass for German rail travel
- Monthly or annual ticket for local public transport
- “Job bike” program

Conservation of Resources Used in Products and Services

We continuously review and optimize the impact of our operations on the environment. For example, by optimizing runtimes early on, in the concept phase, our products are designed so that their use consumes as little energy and storage space as possible. We do not distribute our software using physical media and thus save on transport costs and waste; all products can be downloaded via a portal. At the end of their use, our software products can be almost completely uninstalled, allowing all resources that had been in use to be released.

Wherever possible – and at the customer’s request – we provide our consulting services remotely. This approach saves resources and makes a positive contribution to environmental protection. It has been particularly effective during the coronavirus pandemic and will be used more extensively in the future and established throughout the company.

SOCIAL ISSUES – SOCIAL COMMITMENT⁶

The economic success of the past 25 years brings with it a responsibility to society. SNP is headquartered in Heidelberg and has deep roots in the region. It is here that it laid the foundation stone of its success as a global software company. With the exception of the Bryson DeChambeau Foundation, the company's social commitment is mainly concentrated in the Rhine-Neckar region. We support organizations and projects in the areas of art, culture, sustainability, charity and sport. In 2020, SNP donated a total amount of € 106,500.

The BLUE HAT DAY is particularly worthy of mention. The BLUE HAT DAY is a charitable event which took place on February 15, 2020 for the first time, during the football game in Germany's Bundesliga between TSG Hoffenheim and VfL Wolfsburg at the PreZero Arena in Sinsheim. SNP was the "Sponsor of the Day" for the game and used the opportunity to raise donations for a good cause. For every fan in the stadium who wore blue headgear, SNP made a donation to the Heidelberg Children's Cancer Center (KiTZ). In addition, each selfie posted by participants wearing a blue hat, cap or wig on Instagram with the hashtag #bluehatday triggered a further donation. That raised awareness and the profile of the issue. As a regional sponsor, SNP continued this charitable event the following day, February 16, in Mannheim at SV Waldhof's game against Carl Zeiss Jena, where it collected further donations through the sale of blue hats. SNP employees were also able to purchase blue hats by making a donation. Employees were offered the opportunity of being photo-

graphed with their hats. They were able to publish their photos on social media with the hashtag #bluehatday. SNP made an additional donation for each photo uploaded.

In addition to BLUE HAT DAY, in the 2020 reporting year SNP had once again planned to support the "Rowing Against Cancer" event in Heidelberg. SNP employees participate every year with their own boats at this rowing regatta, which is organized by the National Center for Tumor Diseases (NCT), the Leben mit Krebs (Living With Cancer) foundation and Heidelberg Rowing Club (RGH). This event could not take place due to the coronavirus pandemic. However, SNP supported the NCT with a donation.

Since social commitment in the region was particularly important to SNP's founder, who died suddenly in 2020, SNP decided to make a major donation to one of his favorite projects, the "Bewegung und Krebs" (Exercise and Cancer) patient program at the National Center for Tumor Diseases in Heidelberg. SNP has also long sponsored the charity golf tournament "Handicap for the Handicapped" in St. Leon-Rot under the patronage of Dietmar and Anneliese Hopp, in support of disability organization Lebenshilfe Heidelberg.

Support for people and nature is also particularly important to SNP. For this reason, SNP has adopted a Barbary lion in order to support Heidelberg Zoo. This lion species is endangered and is already extinct in the wild.

SNP's Sports Sponsorship

SNP is also a dedicated sponsor of sports. The various initiatives it supports mainly draw on its strong local roots in the Rhine-Neckar region. Support for innovative approaches and active youth work are particularly important to us.

For quite some time, SNP has appeared on the shirt-sleeves of Bundesliga soccer team TSG Hoffenheim. This Bundesliga team pursued the digitalization of its club early on and has pioneered the use of applied technology in professional football. With TSG Hoffenheim, we have found a perfect partner which is as innovative and as forward-looking as we are, while also taking its responsibility to society very seriously.

SV Waldhof Mannheim is a cult club with a sense of tradition. It is known not only for its passionate fans but also for its particularly strong dedication to promoting talented players. SNP has supported this traditional Mannheim club for many years as a co-sponsor.

Through its partnership with MLP Academics USC Heidelberg, SNP supports a sport that requires a high level of skill, dynamism and team spirit. MLP Academics perfectly embodies these disciplines and thus makes an excellent match for SNP's corporate culture. Moreover, USC Heidelberg is a team with a long history in the region which also stands out for its commitment to developing young players.

In 2019, SNP entered into a partnership as the main sponsor and namesake of the women's basketball team SNP BasCats at USC Heidelberg sports club. The team is known for determination, self-assertiveness and a unique team spirit. Shortly after signing its partnership agreement with SNP, it was promoted to the top division of Germany's national basketball league.

In early 2020, SNP signed a partnership agreement with the U.S. golf professional Bryson DeChambeau. This seven-time PGA Tour winner and 2020 U.S. Open winner is a SNP brand ambassador. SNP's main reasons for sponsoring him were his enormous social commitment and impressive track record together with his analytical and innovative approach to golf. Furthermore, part of the sponsorship goes to the Bryson DeChambeau Foundation. In January 2020, SNP became the namesake and partner of a new sports center in Heidelberg, thereby continuing to expand its cultural and sports commitment. This new sports center bears the name "SNP dome" and offers space for around 5,000 spectators. It will be an important venue for sport and culture in the region. Among other purposes, many sports clubs from Heidelberg and the local region will use the "SNP dome" for training and matches. These include the MLP Academics basketball team and the Rhine-Neckar Lions handball team. The center will also serve as a venue for school, club and grassroots sports.

⁶ Given that that social issues are not regarded as material within the meaning of Sections 289c (3) HGB and 315c (2) HGB, there is no central or Group-wide concept in force at the present time.

RESPECT FOR HUMAN RIGHTS – SUPPLIERS AND THEIR SOCIAL RESPONSIBILITY STANDARDS⁷

As a software and services provider, SNP also purchases software and services itself. This accounts for a significant part of our supply chain. Hardware and software, consulting and cloud services, as well as IT infrastructure are considered to be the primary areas adding value. SNP works in partnership with a few select companies in these areas. Given the numerous advantages obtained when suppliers and customers are in close proximity to one another, regional suppliers are used where possible if this is economically viable.

To maintain our office operations, we purchase a range of secondary consumer goods and capital equipment. In addition to office supplies, this primarily includes furniture and food items, but also services related to the upkeep of office premises.

Travel, and travel planning – such as vehicles/vehicle rental, air travel and accommodation – also play a major role in procurement. Please see the “Environmental Issues” chapter for further details.

When selecting our suppliers, we aim to comply with the rules for fair and healthy competition in the supplier market. The principles outlining these rules are laid out in our procurement guidelines and are valid Group-wide.

Sustainable Procurement

Moreover, all new SNP suppliers Group-wide undertake to comply with our general purchasing terms and conditions in order to ensure sustainable procurement. These terms and conditions ensure that applicable legal and social standards are adhered to and that activities are carried out in the most environmentally friendly way possible. Respect for and observance of human rights is a key priority for us.

Supplier Selection and Assessment

We exercise a great deal of care in selecting our suppliers. We endeavor to avoid potential negative impacts, especially in relation to the working conditions at suppliers’ sites and their social commitment. In our selection of suppliers and framework agreement partners, as well as quality, information security, reliable delivery and price, we also emphasize sustainability and a regional focus. For instance, we avoid placing orders with online retailers if the source of the goods in question is not entirely clear.

Our general procurement terms and conditions, which were updated in 2019, came into force throughout the company in 2020 with the global rollout of our procurement process⁸.

To manage our supplier relationships, we continuously monitor supplier quality as part of our supplier assess-

ment process. Suppliers in Central Europe are assessed according to the aspects of information security, quality, price development, delivery reliability/adherence to delivery dates and service/consulting. Following the global rollout of the procurement process, suppliers will be assessed on a Group-wide basis in the future.

⁷ Given that the topic of respect for human rights is not regarded as material within the meaning of Sections 289c (3) HGB and 315c (2) HGB, there is no central or Group-wide concept in force at the present time.

⁸ With the exception of SNP subsidiary SNP Poland Sp. z o.o. due to the planned sale of shares.

Independent Practitioner's Report on a Limited Assurance Engagement on Separate Non-Financial Group Report⁹

To SNP Schneider Neureither & Partner SE, Heidelberg

We have performed a limited assurance engagement on the separate non-financial group report in accordance with § 315b HGB („Handelsgesetzbuch“; „German Commercial Code“) of SNP Schneider-Neureither & Partner SE, Heidelberg, for the period from January 1, 2020 to December 31, 2020.

Managing Directors' Responsibility

The managing directors of the Company are responsible for the preparation of the separate non-financial group 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 separate non-financial group report as well as making assumptions and estimates related to individual disclosures, which are reasonable in the circumstances. Furthermore, the managing directors are responsible for such internal controls that they have considered necessary to enable the preparation of the separate non-financial group report that is free from material misstatements, whether due to fraud or error.

Practitioner's Responsibility

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

We are independent from the entity 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, in particular the Professional Code for German Public Auditors and German Chartered Accountants („Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP“) as well as the Standard on Quality Control issued by the Institute of Public Auditors in Germany, Incorporated Association, („Institut der Wirtschaftsprüfer in Deutschland e.V.“; „IDW“) Requirements for quality control in audit firms („IDW Qualitätssicherungsstandard: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis“; „IDW QS 1“).

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. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether the separate non-financial group 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 practitioner's professional judgement.

Within the scope of our assurance engagement, which substantially has been conducted in February until April 2021, we performed amongst others the following assurance and other procedures:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel involved in the preparation of the separate non-financial group report regarding the preparation process, the systems of internal controls relating to this process and regarding disclosures in the separate non-financial group report
- Identification of likely risks of material misstatements in the separate non-financial group report
- Analytical evaluations of quantitative disclosures
- Evaluation of selected internal and external documents
- Evaluation of the presentation of the disclosures

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 separate non-financial group report of SNP Schneider-Neureither & Partner SE, Heidelberg, for the period from January 1, 2020 to December 31, 2020, 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 SNP Schneider-Neureither & Partner SE, Heidelberg. The assurance engagement has been performed for purposes of the Company and the report is solely intended to inform SNP Schneider-Neureither & Partner SE, Heidelberg, 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.

Our responsibility lies solely towards SNP Schneider-Neureither & Partner SE, Heidelberg, and this is limited in accordance with the Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft as of January 1, 2020 and the General Engagement Terms issued by the IDW as of January 1, 2017 (www.bdo.de) as agreed with the Company. We refer to the provisions contained there. We do not assume any responsibility or liability towards third parties.

Hamburg, April 19, 2021
BDO AG Wirtschaftsprüfungsgesellschaft

Ellen Simon-Heckroth	Nils Borcharding
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

⁹ We have performed a limited assurance engagement on the German version of the separate non-financial group report and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.

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