

Separate Non-financial Group Report 2022



DATA. TRANSFORMATION. EXPERIENCE.

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FOREWORD FROM THE CEO

Dear readers,

Sustainability is becoming an increasingly important part of our society and our company. For us, this means acting responsibly and sustainably according to our values. Trust, respect, transparency and openness are extremely important to us. For years now, we have been incorporating these principles into our relationships with all our stakeholders. We are confident that acting sustainably leads to sustainable success.

As a globally active company and one of the world's leading providers of software and IT services, we aim to make our contribution to sustainable development. That is why we consistently integrate our stakeholder groups in our activities and maintain a continuous dialogue with them.

We now want to coordinate our diverse commitment even more effectively and integrate it into our corporate management practices. For this reason, we are developing a sustainability strategy in 2023 that includes specific targets, KPIs and measures. We present the current status of our sustainability activities in this report. This is the basis for defining our sustainability strategy.

We examined the 17 United Nations Sustainable Development Goals (SDGs) to determine which ones our company can contribute to. Based on this analysis, we created five targets and will support their sustainable development by implementing specific measures. In addition, we reviewed and reaffirmed our material sustainability concerns in terms of their business relevance and social and environmental impact.

We are working to continuously improve our sustainability structures in all three areas of Environment, Social and Governance. Last year, we proved that these are not just empty words by linking financial issues with KPIs on sustainability. We added a sustainability component to our existing debt financing arrangement with Commerzbank. In this way, we are also taking account of the increasing importance of sustainability in the capital market.

We would like to draw particular attention to our employees, who are the foundation of our business success. Holding honest and direct discussions, facilitating an open dialogue, and our employees' satisfaction are the cornerstones of our corporate culture. To ensure that this remains the case, we began conducting regular global employee surveys in 2022. The surveys allow us to identify further potential for improvement with regard

to employee satisfaction and commitment and to derive concrete optimization measures. These included, for example, the introduction of a sabbatical policy for employees at our German locations to further improve their work-life balance.

Sustainability is no longer a future issue – it is relevant here and now. In the capital market, many investors examine a company's sustainability performance when making investment decisions or demand a stronger commitment to sustainability in their existing investments. This is one of the reasons why we have again subjected our separate non-financial Group report to a limited assurance engagement. The separate non-financial Group report and the audit certificate are made permanently accessible to the public.

Like last year, please consider this report an invitation to get in touch with us – we are looking forward to receiving your feedback!

Best wishes,

Dr. Jens Amail

CEO

PRINCIPLES OF THE SEPARATE NON-FINANCIAL GROUP REPORT

This separate non-financial Group report of SNP Schneider-Neureither & Partner SE (hereinafter referred to as SNP) provides information on the development of sustainability concerns in the 2022 fiscal year (January 1 to December 31). The SNP Group has a total of 1,311 employees around the world. Germany is the largest location with 524 employees. Accordingly, reporting on the non-financial aspects is mainly carried out with reference to the location in Germany.

This separate non-financial Group report follows the legal requirements of Section 315c and Sections 289c to e of the German Commercial Code (HGB) and covers, among other things, non-financial aspects of the Group which have been deemed essential for the business performance, operating results and position of our company (business relevance), and which have a significant impact on the fight against corruption and bribery as well as on employee issues and customer relationships (impact relevance). SNP did not use a framework for the reporting but rather focused on the requirements set out in the HGB and the specifications set out in the German Accounting Standard No. 20 (DRS 20). By fulfilling the requirements of the HGB and concretizing the German Accounting Standard No. 20 (DRS 20), SNP is able to report comprehensively on non-financial issues. Furthermore, we also voluntarily report on environmental and social concerns, which are not deemed material, as well as on respect for human rights. In addition,

in accordance with Article 8 of Regulation 2020/852 of the European Parliament and of the Council the European Union (EU Taxonomy), SNP discloses the extent to which its activities are related to economic activities that qualify as environmentally sustainable under this Regulation.

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 can be found in the risks and opportunities report in our combined 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, the measures presented relative to the respective issues will be extended to the companies within the scope of consolidation in the future.

The contents of this report have been subjected to a limited assurance engagement, which was carried out by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. 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 part of this separate non-financial Group report and thus were not audited by Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft.

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 building new partner and customer relationships.

In addition to the parent company, SNP is comprised of 31 subsidiaries. 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

SNP helps companies worldwide to unlock the full potential of their data and shape their own tailored journey towards a digital future. SNP's Data Excellence Platform CrystalBridge® and the BLUEFIELD™ approach have set a comprehensive industry standard for restructuring and modernizing SAP systems faster and more securely while harnessing data-driven innovations in the cloud.

Headquartered in Heidelberg, SNP generated Group revenues of EUR 173.4 million and an operating result (EBIT) of EUR 6.8 million in the 2022 fiscal year. It serves multinational companies in all industries. SNP was established in 1994, went public in 2000, and has been listed in the Prime Standard segment of the Frankfurt Stock Exchange since August 2014 (ISIN DE0007203705). Since 2017, the company has been trading as a European company (Societas Europaea/SE).

No dividend has been distributed in the past five fiscal years. Further information on the company's KPIs can be found in the combined management report, which is published as part of our annual report:

<https://www.snpgroup.com/en/financial-publications>

In terms of revenue, the majority of SNP customers can be allocated to the retail, automotive, IT, utilities and mechanical engineering industries.

Further information on the company's business model can be found in the chapter "Our Business Model" in the combined management report, which is published as part of our annual report:

<https://www.snpgroup.com/en/financial-publications>

STRATEGY AND MANAGEMENT

DIALOGUE 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. Regular dialogue with a large number of stakeholder groups allows us to 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 dialogue 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 employees are the key to our success. We greatly value dialogue with our employees. For this reason, we hold regular meetings with our employees and offer them opportunities to provide feedback with the goal of incorporating their ideas and views into the development of new strategies. In addition, we conducted a global employee survey in the second quarter of 2022 in order to identify further potential for improvement with regard to employee satisfaction and commitment and to derive concrete optimization measures. Together with our employees, we have derived specific optimization measures from the results of the survey, some of which we have already implemented.

Customers and Partners

Our relationships with our customers and partner companies often go back many years. We engage in continuous dialogue with our customers and partner companies. Alongside our employees, they are among our most important stakeholders. We strive to always provide our customers with products and services of the highest quality. The forms of dialogue that we pursue with our customers and partner companies include project and customer meetings, events such as Transformation World, Transformation Days, Partner Days, and other trade fairs and industry events.

Transformation Days are held several times a year at our main locations in Europe, Asia and America. At these events, experts provide exclusive insights into innovative transformation approaches and present SNP software through live demonstrations. We also incorporate regular feedback from joint customer and partner meetings into our product development process.

Capital Market

As a publicly listed company, we are highly integrated in the capital market. SNP therefore fulfills its obligation to inform existing and potential investors in a number of different ways and goes beyond this measure by offering additional means of communication such as press releases. 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 (<https://www.snpgroup.com/de/investor-relations>).

Suppliers

Als Unternehmen der IT-Branche bestehen die Waren. Since we are a company operating in the IT industry,

the goods and services that we obtain from external suppliers mainly consist of software and IT services. However, we do purchase a small volume of physical goods. Dialogue with our suppliers mainly takes place in the form of supplier meetings.

MATERIALITY

We updated the materiality analysis in 2022 in order to identify material sustainability concerns for SNP and its stakeholders.¹ This analysis was first conducted in 2020. The goal was to reassess the identified concerns through regular dialogue with the above stakeholder groups. Our key internal stakeholders' expectations were included and the material concerns identified according to 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 (impact relevance under Sections 289c (3) and 315c (2) of the HGB)

The results of the 2022 materiality analysis update were compared with those from the previous year; no significant deviations were found. Consequently, there were

no changes with regard to HGB relevance (see Table 1) compared with the previous year.

Procedure for the Materiality Analysis

As a **first step**, an extensive list of potential sustainability concerns was created. In 2022, the list of material concerns from the previous year's analysis was used for this purpose. 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 concerns identified in previous materiality analyses and studies covering sustainability challenges for the IT industry.

As a **second step**, SNP assessed the material sustainability concerns. The assessment covered both the business relevance for SNP (financial materiality) as well as the impact relevance (impact materiality) in an ascending order of priority in order to define the significance of the business relevance and the environmental and social impact. The assessment is based on short-

¹ In 2020, a comprehensive materiality analysis was conducted; in 2021, the results of the materiality analysis from 2020 were reviewed and no deviations were found.

medium- and long-term views. Therefore, the procedure is based on the principle of double materiality.

In order to validate the concerns identified and their assessment, surveys were conducted. These took the form of questionnaires which were issued to selected key internal stakeholders. In addition, open-ended questions were asked regarding the most significant key sustainability concerns for the company's future business success.

As a **third and final step**, based on the evaluation, these internal assessments were prioritized and the material concerns identified. The materiality threshold was defined as having medium relevance (3.5).

Validation

For validation purposes, the findings of this materiality analysis were reviewed by our CFO, who was the managing director responsible for sustainability and reporting up until March 2023.

The findings of the materiality analysis are presented in Table 1. The material sustainability areas are considered to be of greater relevance for SNP and its stakeholders. By contrast, concerns not seen as material for SNP and

its stakeholders are ascribed lower relevance. Reporting on these issues is nevertheless provided on a voluntary basis. Therefore, the reporting does not currently differentiate between concerns identified as material concerns and immaterial concerns. The materiality analysis conducted in 2022 will serve as the basis for developing a sound sustainability strategy. This will ensure that SNP continues to focus primarily on the material concerns in the future. Figure 1 shows the

matrix of concerns that are material to our reporting in terms of their business relevance and environmental and social impact.

OVERVIEW OF THE RELEVANCE OF THE ASPECTS

ISSUES	SUSTAINABILITY CONCERN	HGB RELEVANCE
Business ethics	Corporate culture	Yes (greater)
	Compliance	Yes (greater)
	Corruption	Yes (greater)
Employees	Employee retention and development	Yes (greater)
	Training and education	Yes (greater)
	Work-life balance	Yes (greater)
	Diversity, equal opportunity and discrimination	Yes (greater)
	Respect for human rights and employment regulations	No (lower)
	Occupational safety and health protection	No (lower)
Customer relationships	Quality and customer satisfaction	Yes (greater)
	Information security and data protection	Yes (greater)
Environment	Climate protection/energy consumption	No (lower)
	Travel	No (lower)
	Conservation of resources	No (lower)
Social	Social commitment	No (lower)
Respect for human rights	(Social standards of) suppliers	No (lower)

Table 1: Overview of the relevance of the aspects

MATERIALITY MATRIX FOR THE REPORTING TOPICS

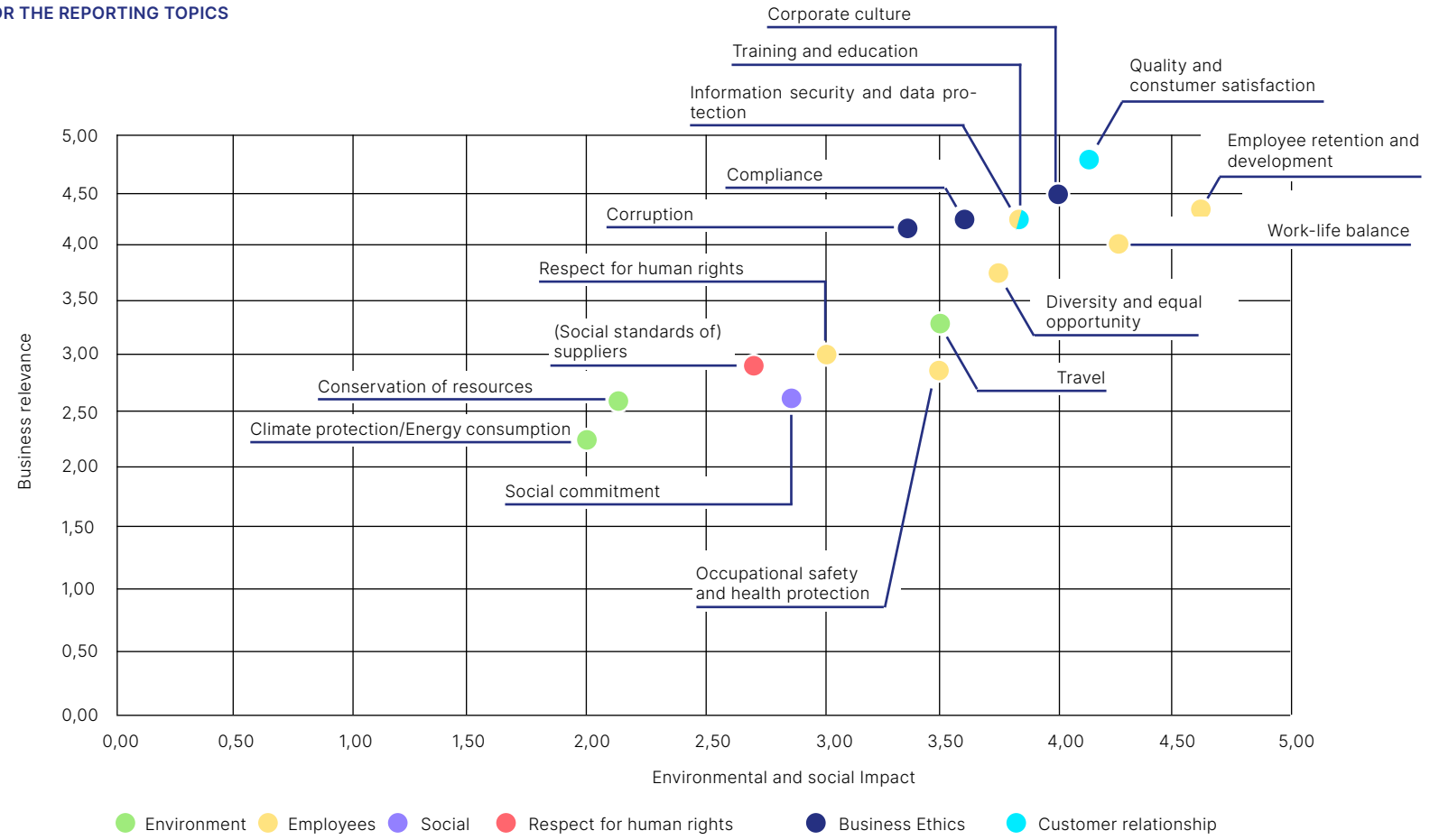


Figure 1: Materiality matrix for the reporting topics

SNP AND THE UN SDGS

The United Nations Sustainable Development Goals (UN SDGs)

As a mid-sized IT company, we are committed to the Sustainable Development Goals (SDGs) of the United Nations, which came into force at the beginning of 2016. The SDGs include 17 concrete targets for policy-makers, civil society and businesses to create fairer and more equal world by 2030.

Our actions have various impacts on the environment and society along our value chain. With our software-based data transformation business, we can contribute to achieving the SDGs – especially the SDGs 4, 5, 8, 10 and 13. We defined a structured process and prioritized five SDGs for the first time in 2022. To this end, the SNP CSR team assessed the 17 SDGs and the associated 169 targets in terms of SNP's contribution to achieving these goals and targets. The team selected an SDG if SNP is implementing or plans to implement measures that serve to achieve at least one target. The managing directors confirmed the selection. The five selected SDGs will be incorporated into the ESG strategy and the associated measures in the future.



SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Target relevant to SNP:

- 4.4: By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.

SDG 5: Achieve gender equality and empower all women and girls

Targets relevant to SNP:

- 5.1: End all forms of discrimination against all women and girls everywhere.
- 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Target relevant to SNP:

- 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

SDG 10: Reduce inequality within and among countries

Targets relevant to SNP:

- 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, gender, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.

SDG 13: Take urgent action to combat climate change and its impacts

Target relevant to SNP:

- 13.2: Integrate climate change measures into national policies, strategies and planning.

In line with the United Nations 2030 Agenda and its 17 Sustainable Development Goals (SDGs), we strive to conduct our business activities in a sustainable way that promotes environmental protection, diversity and human rights.

Group Management Engagement

SNP's managing directors are involved in both the further development of sustainability concepts and in sustainability reporting. In the 2022 reporting year, the "Investor Relations" department, which falls under the CFO's area of responsibility, further developed our sustainability reporting together with other departments.

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 this common approach allows SNP to 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 obligated to comply with the company's Code of Conduct. It outlines our convictions and corporate guidelines 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 forms 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 measure their effectiveness. Our Code of Conduct has the following pillars:

Our core values:

- Continuously improving – for our customers and for ourselves
- Appreciation for all
- A trusting and open working relationship

- Keeping one's word
- Offering prospects

Compliance with applicable laws:

- Business relationships
- Corruption²
- Trade controls
- Protection of business secrets, trade secrets and insider trading regulations
- Protection of people and the environment
- Data protection

After the acquisition of Datavard, during the onboarding process, Datavard employees learnt about our mandatory Code of Conduct described above. EXA currently still has its own Code of Conduct that covers all essential requirements of our Code of Conduct equally.

In addition to the individual rules of conduct outlined in its Code of Conduct, SNP also follows the recommendations set out in the German Corporate Governance Code (GCGC) with a few exceptions. Our annually published corporate governance declaration that outlines in detail how SNP complies with the commitments set out in the GCGC can be viewed at <https://www.snpgroup.com/en-us/corporate-governance>.

The SNP Legal and Compliance department works closely with the company's management board and managers, advising and supporting all employees to ensure compliance with internal and external requirements. Since 2021, our Board of Directors has had an audit committee, which deals in particular with issues relating to accounting, the audit of the financial statements, control systems and the risk management system. The management board and the respective departments report regularly to the audit committee.

In 2019, an "integrity line" was introduced for all employees at the German locations. In 2020, this integrity line was made available to the Latin American national companies and finally to all other global locations in the fourth quarter of 2021. Through this digital reporting system, employees can anonymously report any irregularities, in particular violations of applicable laws or internal guidelines.³ All reports are processed confidentially by the Legal and Compliance department together with the company's management board and case managers. The reports are subject to the dual control principle and conform to a prescribed procedure.

² Including bribery.

³ Except for EXA.

sure. This ensures that the reporting of an incident must not lead to disadvantages for the reporting person.

Mandatory training is another key element for the avoidance of compliance violations. The integrity training, which is based on our Code of Conduct, was introduced for all of our employees worldwide⁴ as an e-learning course in 2020. In the future, employees will be required to actively confirm the Code of Conduct as part of the Learning Journey. SNP also implemented a training course on equal opportunity and anti-discrimination for all employees at the German locations in 2021.⁵ In the reporting year, the training course was extended to include content on business ethics and project risks that is aimed at specific target groups. In 2023, for locations outside Germany, the plan is to expand the training course so that it meets U.S. minimum standards.

Employees at the German locations also receive training courses on data protection and information security (see "Customer Relationships" chapter). In 2022, this content was gradually made available to additional

employees via our internal training portal. EXA employees were trained on both topics via the online tool from IITR provided by the external data protection officer

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 in the previous year, no legal proceedings were initiated against SNP SE or its subsidiaries pertaining to anticompetitive behavior or anti-trust and monopoly practices in 2022. 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 that requires the Procurement department or a manager to review and approve a procurement transaction. Furthermore, a business partner review focusing on conflicts of interest and trade restrictions was introduced in the reporting year.

The risk management system also examines the appropriate representation of compliance aspects. For this purpose, compliance risks were identified and assessed separately for relevant topics in 2022, including the topic of corruption.

⁴ Except for Datavard and EXA employees. They will complete the training course as of the next reporting year; originally, the training measure had been planned for 2022.

⁵ Except for EXA employees. They will complete the training course as of the next reporting year.

EMPLOYEE MATTERS

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. It begins with a fair and transparent recruiting process and continues with regular, constructive communication between employees and their managers. Major business decisions are communicated promptly; however, no specific notification periods have been contractually agreed. The well-being of employees is a very high priority at SNP. This is the only way the company can be successful in the market in the long term.

EMPLOYEE STRUCTURE

On the key date December 31, 2022, SNP had 1,311 employees worldwide (2021: 1,335 employees). 385 (29%) of them were female (2021: 391 or 29%). Table 2 shows the global distribution of employees by country and region.

5.3% of the employees worldwide have fixed-term employment contracts. This also includes working students.

GLOBAL DISTRIBUTION OF EMPLOYEES BY COUNTRY AND REGION

Region	Country	2022			2021		
		Total / country	Total / region	In %	Total / country	Total / region	In %
CEU (Central Europe incl. Slovakia)	Germany	524	712	55%	554	743	56%
	Austria	44			44		
	Switzerland	14			12		
	Slovakia	130			133		
Latin America	Argentina	207	333	25%	214	323	24%
	Chile	86			80		
	Colombia	40			29		
JAPAC (Asia-Pacific Japan)	Singapore	22	173	13%	22	172	13%
	Malaysia	13			14		
	Australia	1			4		
	Japan	10			6		
	China	38			39		
	India	89			87		
USA	USA	56	56	4%	64	64	5%
UK	UK	37	37	3%	33	33	2%
Total		1,311	1,311	100%	1,335	1,335	100%

Table 2: Global distribution of employees by country and region

EMPLOYEE RETENTION AND DEVELOPMENT

Working in a demanding and highly dynamic working 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 throughout the Group the following:

- A working environment with a positive working atmosphere
- Clearly defined goals
- The opportunity to advance personally and further their careers
- Competitive remuneration
- Good prospects for promotion
- Mobile work
- Flexible working hours and a good work-life balance
- The opportunity to assume responsibility at an early stage

In order for employees to carry out their work with consistently high quality, SNP provides very good 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 worldwide a range of fringe benefits:⁶

FRINGE BENEFITS

Fringe benefits	Central Europe	UK	Slovakia	LATAM	USA	JAPAC
Company pension scheme	X	X			X	
(Group) accident insurance	X	X	X	X	X	X
Employee discounts	X		X	X		
Various health protection measures (incl. discounts/subsidies for statutory/private health insurance (also for families), subsidies for health and fitness measures)	X	X		X	X	X
Sabbatical	Since 2023					
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	X	X	X	X	X	X
Granting paid leave due to various occasions (e.g. birth of child, death of parent, relocation)	X	X	X	X		X
Support for employee development, including language training (online, in-person)	X	X	X	X	X	X
Mobile Work Policy	X	X		X		X

Table 3: Fringe benefits

In 2022, SNP recorded a worldwide employee turnover of around 17% (2021: 16%). In 2021, the companies EXA and Datavard and the sale of our Polish subsidiary were

not included to allow for comparability. In 2022, EXA is not included in the calculation of the employee turnover rate.

⁶ For EXA, these benefits have so far included a company pension scheme, (group) accident insurance, discounts for employees, and bonuses for company anniversaries (vouchers) and for helping to recruit new employees.

Employee Participation: Improvement Suggestions and Idea Management

The basis for our success is fair and open interaction between all SNP employees as well as a working environment characterized by mutual trust. We have a culture of open dialogue, and we discuss issues directly and honestly.

Employees can provide feedback through various channels. These include discussions with the HR department and, in Germany, with the Dialogue Team, as well as regular Board Updates with management and regional updates. Data confidentiality is guaranteed in all cases.

In 2022, the measures were expanded to include the global employee survey⁷ "Listen!". The survey was launched at the beginning of the second quarter of 2022 in order to learn more about the morale, satisfaction and commitment of our employees. The participation rate was 81%. The aim was to identify potential for improvement with regard to employee satisfaction and commitment and to derive concrete optimization measures. The survey results were made transparent for all employees worldwide in more than 90 workshops. As part of these workshops, all employees had the opportunity to contribute their ideas for change in terms of

both team-internal aspects and external aspects. These ideas provided SNP with valuable input for continuous improvement and further development. In the future, employee surveys will be conducted regularly on an annual basis. The next survey will be conducted in the third quarter of 2023.

Inspired by the results of the survey, a new discussion format for employees⁸ was also introduced in the fall of 2022. In quarterly regional "Breakfast Meetings," employees worldwide will have the opportunity to have open and direct discussions with the managing directors in order to share their feedback and ideas with them.

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 therefore very popular.

For these reasons, SNP invests very strongly in training and education throughout the Group, which is provided

by means of internal and external courses. The diverse training program covers both technical (e.g. SAP Learning Hub and Scrum Master Certification) and non-technical topics (e.g. resilience training or individual coaching). The content is taught through a variety of different approaches. In particular, SNP has successfully expanded its e-learning courses over the past few years 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 "SNP eCampus." The various training courses range from specialist Learning Journeys for individual professional groups (e.g. account managers and transformation consultants) and soft skill and leadership content to compliance and integrity training. EXA employees use other e-learning platforms and, in individual cases, the defined Transformation Consultant learning journeys in the SNP eCampus.

⁷ Except for EXA.

⁸ Except for EXA.

Furthermore, the SNP Group offers its employees⁹ an extensive range of language courses through an external provider (the scope encompasses German, English, Spanish, French and Italian at various proficiency levels), which employees can also access via the SNP eCampus.

SNP Trainee Program

Internally, university graduates and career changers receive consulting training as part of a nine-month trainee program. In the four-month theory phase, trainees learn about the theoretical principles and content of their future job. 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. The training program is a concrete measure designed to advance SNP's growth by fostering qualified junior employees. In 2022, the trainee program took place twice with a total of 21 trainees. Compared with previous years, we saw an increase in the diversity of participants in terms of their origin and gender.

Strategic Career Development

When new employees join the SNP Group, local onboarding processes in the individual regions ensure that they are welcomed on their first day and informed about the most important topics and SNP regulations. In Germany, for example, this is ensured by means of a welcome call with the HR department. In this call, new employees receive all the information they need for successful onboarding within the SNP Group and are informed about all the important training courses that must be completed directly. In LATAM, new employees spend an entire day with HR and IT, for example. During the coronavirus pandemic, SNP has managed to greet all its new employees virtually and to provide them with all important information. Following this, the relevant departments are responsible for the further content-related onboarding of the employee in their new role.

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 also have the opportunity to suggest improvements and provide feedback. Performance reviews are also carried out and documented in the other regions. To ensure a

common global understanding of performance and performance management, a standardized process for evaluating employees against defined criteria was rolled out in 2022. The focus is on the further development of every employee by carrying out an assessment that differentiates between their individual strengths and development potential. At EXA, as part of target and feedback discussions, employee performance is evaluated and further training measures for the next year are defined. Another discussion is held after six months to evaluate the employee's development progress and, if necessary, further targets and measures are defined.

To support managers in their leadership roles, we developed training courses that are geared towards specific target groups and practical training. In addition to the existing modules of the Leadership Enablement Program, which were made available to the new managers, the focus in the reporting year was on providing in-depth input during the annual employee appraisals and on how to review the results of the employee survey.

⁹ Except for EXA.

Based on the results of the global employee survey, additional department-specific development programs are planned for 2023, particularly in the areas of Project Management, Services, Sales, and Research and Development. Looking ahead, the aim is to better address and complement the need for further development in these areas.

Though we are currently unable to measure successful participation in all individual training courses across the Group, we assume that the aforementioned measures have made a positive contribution to the training level of SNP employees. Data collection will be expanded in the medium term to provide a comprehensive assessment.

SNP Global Talent Development Program: "Activate!"

In 2022, SNP launched its first global talent development program,¹⁰ "Activate!", which spanned across different locations and hierarchy levels. A total of 21 participants (female: 6, male: 15) attended the first program. The aim is to support the participants in their personal development and help them to establish a cross-hierarchy network within the SNP Group. The attendees were selected in the various regions according to defined criteria as part of the annual performance review process. Over a total of 12 months, the partici-

pants completed various interdisciplinary (usually virtual) training modules (e.g. on personal development, the power of persuasion or change management). In addition, networking events ("lunch & learns" or "fireside chats") are held to give participants the opportunity to exchange views and ideas on relevant topics with experienced senior managers. At the same time, being involved in a strategically important project is a cornerstone of the program. In addition to personal development, the various projects focus on analyzing problems, finding solutions and presenting the results to the Executive Board. The aim is to act on and implement all the results in practice.

WORK-LIFE BALANCE

These days, maintaining a balance between family, work and leisure is a matter of course. SNP considers this balance 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 the avoidance of commuting times by

working from home. An overview of the fringe benefits is available in Table 3 in the "Employee Matters" chapter.

In the context of the coronavirus pandemic, SNP was able to adapt processes rapidly and flexibly 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. The general conditions for mobile working for employees were defined in the Mobile Work Policy. In addition to the German locations,¹¹ this policy has also been implemented in JAPAC, the UK and LATAM. At the moment, 599 employees worldwide (179 of whom work for German companies) are actively making use of the Mobile Work Policy.

In the German organization, all employees have a statutory right to parental leave. In 2022, 34 employees used this option (2021: 31 employees) (female: 16, male: 18).¹² Male employees exclusively took the so-called "paternity months." Of these 34 employees, 13 are still on parental leave as of December 31, 2022, and 21

¹⁰ Except for EXA.

¹¹ Except for EXA; employees at EXA were able to flexibly work from home during the pandemic in most cases, unless operational issues required them to be at the office.

¹² Except for EXA.

employees have returned to active work. SNP also provides a childcare allowance for children attending day-care centers. In addition, 13 employees at SNP's Slovakian companies took parental leave (female: 10, male: 3). 7 employees are still on parental leave and the others have returned to active work. At EXA companies, a total of 8 employees took parental leave (female: 5, male: 3) – 6 of them in India and 2 in Germany.

Although the work-life balance at SNP is considered a material sustainability concern, the existing measures have not yet been consolidated into a holistic, Group-wide concept. However, the introduction of a sabbatical policy at the beginning of 2023 represents another milestone in improving the work-life balance. Depending on how long they have been at SNP, employees at the German companies¹³ will in the future be able to take a career break of up to six months and then return to their position. A global rollout of the sabbatical policy is currently being reviewed by the various regions.

DIVERSITY, EQUAL OPPORTUNITY AND DISCRIMINATION

By promoting diversity in the workforce, SNP benefits from genuine competitive advantage. There are no deliberately imposed barriers pertaining to origin or

other personal aspects. For further information on our values, please refer to the chapter "Measures to Combat Corruption and Bribery."

The diversity of the SNP workforce is discernible in the gender ratio as well as in Table 2 in the "Employee Matters" chapter. The cooperation between employees of different nationalities, both at individual locations and between locations, is also proof 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 Board of Directors and the Executive Board of SNP SE 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.

At the beginning of 2022, the Board of Directors revised the diversity concept that was previously only applicable to the Board of Directors and extended it to include the managing directors. As part of this process, the Board of Directors also

- adjusted the target figure for gender diversity on the Board of Directors as follows: "The target figure for the proportion of women on the Board of Directors is 20%. However, because all current members of the Board of Directors are male and have been appointed until mid-2027, this target figure can only be achieved within a period of five years if members of the Board of Directors were to step down unexpectedly before the end of their term, assuming that the size of the Board of Directors remains unchanged. However, the Board of Directors is currently considering expanding the Board of Directors by one seat to six seats no later than in 2024. The target figure achievable within five years is therefore 16.7% with an implementation period of three years." This target definition was still based on the Board of Directors size of five members at that time. At the current Board of Directors size of four members, the target figure is 25%; if expanded to five members, the target figure is 20%.

¹³ Except for EXA.

- introduced a target figure for gender diversity within the Executive Board as follows: "The target figure for the proportion of women within the Executive Board (= first management level below the Board of Directors) is set at 33.3% based on the current size of the body. The Board of Directors aims to achieve this target value by December 31, 2026."
- defined the target figure for gender diversity at the management level directly below the managing directors as follows: "In consultation with the managing directors, 20% has been set as the target figure for the proportion of women at the management level directly below the managing directors (= second management level below the Board of Directors). The Board of Directors and the managing directors aim to achieve this target value by December 31, 2026."

Aside from our Code of Conduct, our processes are clearly communicated throughout the Group. Our HR 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.

In order to provide our employees with even more information and guidelines on this subject, a training course on equal opportunity and anti-discrimination was introduced for all employees at German locations¹⁴ in 2021 and will be rolled out worldwide in 2023. This measure was originally planned for 2022.

RESPECT FOR HUMAN RIGHTS AND EMPLOYMENT REGULATIONS

SNP takes its responsibility to society very seriously. Compliance with human rights and fair working 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 SNP¹⁵ employees are obligated to comply with the company's universal Code of Conduct (see the chapter "Measures to Combat Corruption and Bribery"). Any violations can be reported via the "integrity line," which is available throughout the Group.

OCCUPATIONAL SAFETY AND HEALTH PROTECTION

For SNP, safeguarding occupational safety and protecting the health 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 legal requirements in the area of occupational safety. These include, at the main German locations, on-site inspections, monitoring of workplace ergonomics and quarterly meetings of the occupational safety committee.¹⁶ SNP has hired an external company to provide support and carry out these examinations. In 2022, EXA was included in this contract; training,

¹⁴ Except for EXA employees. They will complete the training course as of the next reporting year.

¹⁵ EXA currently still has its own Code of Conduct that covers all essential requirements equally.

¹⁶ Except for EXA.

on-site inspections and participation in the occupational safety committee will start in 2023. In the reporting year, an occupational safety training course was rolled out globally for the first time. Furthermore, SNP offers employees in Germany and Austria the opportunity to order computer glasses at zero cost and covers the cost of the lenses.

In addition, occupational safety contacts have been designated at all SNP locations worldwide. Each country has different legal requirements. Compliance with these requirements is monitored by these contacts. In 2022, SNP began planning a concept for global occupational safety together with the same external company.

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 safety and health protection programs. To improve its first-aid treatment, SNP is working with the Björn Steiger Foundation. All of the company's main 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. In 2023, a defibrillator will also be installed at the EXA location in Heidelberg.

Health Protection

SNP promotes a healthy diet. Free drinks, snacks and fruit are available to all employees at the company's locations in Germany. For health and environmental reasons, the water provided to employees in Germany was changed from glass bottles to water fountains in 2021. This measure has since been very well received.

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 online. These videos are located on SNP Share-Point and can be viewed by employees at any time. Courses that were held regularly before the pandemic, such as conditioning exercises or fascia training, are planned to be offered again in a live online format in the future. In Germany,¹⁷ 88 employees take advantage of the subsidized gym memberships. In addition, 82 peo-

ple across Germany took part in the digitale Firmenstaffel, an intercompany running competition, for 10 weeks and ran a total of 12,352 km.

¹⁷ Except for EXA employees.

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 in SNP, with our software and services, they have found a partner 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 and SNP Deutschland GmbH is certified according to ISO 9001 (location in Heidelberg), and the information security management system of SNP SE, SNP Deutschland GmbH and EXA AG is certified according to ISO 27001 (location in Heidelberg). 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 (<https://www.snpgroup.com/en/about>) for further information about our certifications. Both management systems are gradually being rolled out in additional countries

QUALITY AND CUSTOMER SATISFACTION

The consistently high level of software quality is permanently monitored by our own quality assurance team. A software quality engineer who focuses on testing

during the sprints and also on subsequent testing 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 testing is implemented in order to catch common errors early on.

In addition, a new solution was developed for SNP's data transformation platform in 2020. The new "Mission Control" solution is a quality check integrated into the software in the form of an automated process, providing continuous control and quality assurance during transformation projects.

The SNP 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, for example in the form of customer success stories (<https://www.snpgroup.com/customer-stories>).

In 2023, a customer satisfaction survey will be conducted via e-mail to optimize the customer journey and improve customer loyalty.

We also regularly identify areas with potential for improvement together with our customers and partners. Furthermore, there were no customer requests left unprocessed in our SNP Support Portal in the reporting year.

INFORMATION SECURITY AND DATA PROTECTION

Safeguarding information security is a major concern in our business activities. The information security management system of SNP SE, SNP Deutschland GmbH and EXA AG is subject to an annual independent review. As a result of this review, we are able to offer our stakeholders globally recognized verification (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 require-

ments. 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, to fulfill its contractual obligations or for purposes required by law, for example. 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 board and supports the Legal and Compliance department in all matters related to data protection.

All employees at German locations receive training courses on information security and data protection. In 2023, this content is gradually being made available to additional employees worldwide via our internal eCampus training portal.

No fines were imposed on the SNP Group for non-compliance with laws or regulations with regard to information security and data protection in 2022.

ENVIRONMENTAL CONCERNS¹⁸

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

We factor environmental 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. An environmental guideline was already rolled out in the Central Europe region in 2021. As part of a revision of the globally mandatory integrity training, the topic of environmental concerns was integrated into the training in 2022. 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 AND ENERGY CONSUMPTION

Green Electricity

Since 2018, SNP's headquarters in Heidelberg¹⁹ has been powered by green electricity. By sourcing energy entirely from green energy sources, we produce less climate-damaging carbon dioxide compared with the national average for carbon dioxide generation. In most national and international locations, it is not always possible to change the electricity provider because the

office space is rented and electricity is already integrated into the utility costs and managed exclusively by the landlord. Our Facility Management department is assessing the locations at which a change to green electricity is feasible.

Facility Management

The company's main office building²⁰ in Germany undergo external energy reviews every five years. These reviews enable SNP to identify inefficiencies and, in turn, realize savings potential. The next review will take place in 2024. All of the buildings we use are consistently at a high level of efficiency.

ELECTRICITY CONSUMPTION

Year	Electricity consumption at the Heidelberg location
2021	241,000 kWh ²¹
2022	285,200 kWh

TRAVEL

Thanks to decreasing coronavirus restrictions, both domestic and international travel were much easier in 2022. Flight schedules were expanded again, hotels were opened, and special entry and quarantine requirements were eliminated. Business-related travel there-

fore saw an increase once again. In accordance with the Global Travel Policy, which was updated in 2021, the Sustainability section must be observed during all travel.

The following points must be checked before each trip:

- Whether a business trip is necessary or whether an online meeting via a digital platform is sufficient.
- Which means of transport is the most sustainable and whether it can be used for the business trip.
- Whether rail and/or flight tickets must be available in printed form or whether an online/e-ticket is sufficient.

In addition, when traveling, care must be taken to ensure that as little waste as possible is produced and that it is disposed of separately if possible.

¹⁸ Given that environmental concerns 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.

¹⁹ Except for EXA.

²⁰ Heidelberg (Speyerer Str.), Hamburg, Berlin.

²¹ Previous year's figure adjusted as it is based on different data.

Vehicle Fleet, Air and Rail Travel

At the end of 2022, our German vehicle fleet²² consisted of 260 vehicles (end of 2021: 233 vehicles) that meet at least the Euro 5 emissions standard. The number of vehicles used by employees at other company locations is low and therefore regarded as insignificant.

Our guidelines call for the preferential procurement of environmentally friendly vehicles, including electric vehicles. All of our vehicles and their consumption are regularly analyzed and assessed. In 2022, a total of²³ 348,751 liters of fuel and 4,096 kWh of electricity were used. The significant increase compared with the previous year results in particular from the coronavirus-related restrictions in 2021. However, the fuel consumption in 2022 is significantly lower than the consumption was in 2019.²⁴

FUEL CONSUMPTION

Year	Fuel consumption (German vehicle fleet)
2021	283,598 liters
2022	348,751 liters

Table 5: Fuel consumption

In 2022, employees working at SNP locations in Germany traveled a total of 1,623,777 km by airplane. This represents a significant increase compared with the previous year, when the coronavirus was even more prevalent. However, the number of kilometers traveled is significantly lower than the corresponding consumption figure was in 2019 – the last fiscal year before the coronavirus pandemic.²⁵

FLIGHT DISTANCE TRAVELED

Year	Distance traveled by airplane
2021	117,503 km
2022	1,623,777 km

In 2022, employees employed at SNP locations in the USA traveled a total of 442,342 km by airplane, in Switzerland 25,626 km, and in Austria 26,631 km.

Currently, a booking tool is used to manage and analyze the flight distance traveled only at the locations in Central Europe and the USA. Data on the flight routes booked at the other locations was collected and evaluated via Google Maps. The booking processes will be standardized gradually wherever possible.

Employees in Germany traveled 152,912 km by rail in 2022²⁶. The sharp increase compared with the previous year is mainly due to the elimination of the coronavirus travel restrictions. The number of kilometers traveled in 2022 is also significantly lower than the consumption figure was in 2019.²⁷

RAIL DISTANCE TRAVELED

Year	Distance traveled by rail
2021	152,12 km
2022	22,530 km

Expanded Mobility Account

The Mobility Account is available to eligible employees in Germany and Austria.²⁸ Employees are provided with a financial framework that allows them to choose from various mobility options. The following options are available:

²² Except for EXA.

²³ Except for EXA.

²⁴ See "Separate Non-financial Group Report 2020."

²⁵ See "Separate Non-financial Group Report 2020."

²⁶ This does not include tickets purchased at the counter.

²⁷ See "Separate Non-financial Group Report 2020."

²⁸ Except for EXA; EXA offers its employees a monthly subsidy for the VRN job ticket to support the use of public transportation.

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

RESOURCE-EFFICIENT PLANNING AND USAGE OF PRODUCTS AND SERVICES

SNP Software

SNP is aware of its responsibility for climate protection. We consider modern technologies to be beneficial and an effective means of reducing carbon emissions. Our software has the following environmentally friendly features:

- We do not distribute our software via physical data carriers. In this way, we reduce transport costs and waste. All products can be obtained via a download portal.
- After completing a project, our software products can be almost completely uninstalled, allowing all resources that had been in use to be released.

- Our software increases the degree of automation and standardization in labor-intensive IT transformation projects while also making it possible to combine multiple transformation projects in a single go-live.
- Our software is usually installed on the customer's existing SAP landscape. As a result, there is no need to set up additional infrastructure to support the project that would increase the carbon footprint. For example, the Transformation Cockpit and Mission Control are usually imported into the existing SAP Solution Manager environment.

Remote Working

Wherever possible – and at the customer's request – we provide our consulting services remotely. This approach saves resources by reducing travel 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. In the Service segment, 96% of revenues from consultant hours worked were generated via remote working in the 2022 reporting year (2021: 97%).²⁹

Waste

Where possible, waste separation options are used or being implemented at SNP locations. In addition, single-use plastic items are avoided by providing reusable tableware. As described in the "Health Protection" chapter, the water provided in Germany was changed from glass bottles to water fountains in 2021.

In addition, extending the life cycle of IT equipment is a high priority at SNP. After an average of three years, devices associated with a maintenance agreement are exchanged and kept as replacement devices.

²⁹ Except for EXA.

SOCIAL CONCERNS – SOCIAL COMMITMENT

Since SNP was founded in 1994, we have been actively involved – as donors, supporters and sponsors and in a variety of ways – in social causes, in the arts or in sports. Our roots are in Heidelberg and the Rhine-Neckar Region. That is why social issues in our home region are particularly close to our hearts. In 2022, we gave charities a helping hand by voluntarily donating around EUR 48,000. The three largest projects were as follows:

- The Forest Pirates Camp of the German Childhood Cancer Foundation is a unique aftercare facility in the German-speaking world. It offers children and young people who have cancer the opportunity to recover after therapy through carefree activities outdoors, to process the illness in a positive way, and to regain their courage and strength. We find it extremely important to support the valuable work of the camp, which is financed almost exclusively by donations. In February 2022, Gregor Stöckler (COO) made a donation of EUR 10,000 while visiting the camp.
- We were all deeply shocked by the escalation of the Ukraine war on February 24, 2022. We released employees from work who wanted to and were able to provide local support. A team of 14 SNP employees went to the border to help the refugees there and give in-kind donations. At the beginning of April 2022, we

also donated EUR 10,000 to the German-Ukrainian Society Rhine-Neckar. In this way, we made a small contribution by supporting the people in Ukraine who need it most.

- The Deutschlandstipendium supports talented, capable students who also demonstrate active social commitment. In 2022, SNP sponsored scholarship holder Imke Lübben from Rhineland who attends the SRH University of Applied Sciences Heidelberg. Alongside her studies, she is therefore able to continue her voluntary work, which includes acting as chair of the student council at the School of Information, Media and Design and as a student member of the faculty council. In September 2022, SNP manager Thilo Nagler presented the certificate for the Deutschlandstipendium to Imke Lübben.

EXA AG also supports the Mannheim Business School with an annual donation.

SNP Restructures Sports Sponsorship

In recent years, SNP was one of the largest sports sponsors in the Rhine-Neckar Metropolitan Region. Promoting sports was strongly influenced by the personal interest of our late founder Dr. Andreas Schnei-

der-Neureither. In 2022, we completely restructured our sports sponsorship and now predominantly support social initiatives and charitable projects at our headquarters in Heidelberg.

Since January 2020, we have been the namesake of the new sports venue in Heidelberg: The SNP dome opened its doors in 2021 and has also been available to the people of Heidelberg since then. Several schools use the multipurpose venue in the morning for school sports, while Heidelberg-based clubs can use the venue in the afternoon as a training facility for amateur sports. The SNP dome also hosts regular social events. Among other events, the city of Heidelberg held the 10th Heidelberger Bürgerfest there for around 10,000 visitors in March 2022 as well as the presentation of candidates for the Heidelberg mayoral election in October 2022. In addition, professional teams from the Rhine-Neckar Metropolitan Region play games in the new sports venue. The MLP Academics Heidelberg basketball club plays all its home games in the Basketball Bundesliga there, and the Rhein-Neckar Löwen handball team plays all its international games – in the EHF Champions League or the EHF European League – in the SNP dome too.

RESPECT FOR HUMAN RIGHTS – SUPPLIERS AND THEIR SOCIAL STANDARDS³⁰

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, and IT infrastructure are considered to be the primary areas adding value. SNP works in partnership with a few selected companies in these areas.

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 Concerns” 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 terms and conditions of purchase. 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 of great importance to us. The general terms and conditions of purchase were also supplemented by a binding Supplier Code at the end of 2021.

EXA AG operates as an independent subsidiary and is not integrated into the Group’s processes. However, SNP’s general terms and conditions of purchase were adapted by EXA in mid-2021, as was the Supplier Code.

Selection and Assessment of Suppliers

We select our suppliers and framework contract partners carefully and pay particular attention to quality, information security, delivery reliability and price. For instance, we avoid placing orders with online retailers if the source of the goods in question is not entirely clear.

Our general terms and conditions of purchase were updated in 2019 and came into force throughout the company³¹ in 2020 with the global rollout of our procurement process.

To manage our supplier relationships, we continuously monitor supplier quality as part of our supplier assessment 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.

³⁰ Given that the topic of respect for human rights is not regarded as material within the meaning of Sections 289c (3) and 315c (2) of the HGB, there is no central or Group-wide concept in force at the present time.

³¹ Except for EXA.

EU TAXONOMY

SNP – EU TAXONOMY SPECIFICATION

SNP – EU Taxonomy Specification

A key objective of the EU Action Plan on Sustainable Finance is to redirect capital flows towards sustainable investments. In this context, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereinafter Taxonomy Regulation) has entered into force. It is a consistent and legally binding classification system that establishes which economic activities are classified as “environmentally sustainable.” The results of the classification will be disclosed by the company on an annual basis.

Article 9 of the Taxonomy Regulation specifies the following six environmental objectives:

- a) Climate change mitigation
- b) Climate change adaptation
- c) The sustainable use and protection of water and marine resources
- d) The transition to a circular economy
- e) Pollution prevention and control
- f) The protection and restoration of biodiversity and ecosystems

At the current time, the specifications on sustainable economic activities for two environmental objectives (climate change mitigation and climate change adaptation) have been published within the meaning of the EU taxonomy.

With regard to the classification of an economic activity as “environmentally sustainable” within the meaning of the EU taxonomy, it is necessary to differentiate between Taxonomy eligibility and Taxonomy alignment. The first step is to check whether an economic activity is described in the delegated act and is therefore taxonomy-eligible. Only economic activities that are taxonomy-eligible can be regarded as “environmentally sustainable,” provided that they meet certain criteria. Accordingly, the second step is to evaluate whether the economic activity makes a substantial contribution to an environmental objective, does no significant harm another environmental objective, and ensures compliance with the minimum safeguards. In order to comply with the minimum safeguards, Art. 18 of the Taxonomy Regulation specifies the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, the fundamental conventions set out in the ILO, and the International Bill of Human Rights as relevant frameworks. Provided that these criteria are collectively met, the economic activity can be classified as Taxonomy-aligned.

For fiscal year 2022, the proportions of Taxonomy-eligible and Taxonomy-non-eligible as well as Taxonomy-aligned and Taxonomy-non-aligned economic activities with regard to revenue, capital expenditure (CapEx) and operating expenditure (OpEx) must be disclosed.

The amounts used to calculate the revenue, CapEx and OpEx KPIs are accordingly based on the figures reported in the consolidated financial statements. In principle, all fully consolidated and proportionately consolidated Group companies are included in this analysis.

Due to Section 289b (1) in conjunction with Section 315b HGB and Article 8 of the Taxonomy Regulation, SNP is obligated to apply the principles set out in the Taxonomy Regulation. Pursuant to Section 315e (1) HGB, SNP’s consolidated financial statements for the year ended December 31, 2021 have been prepared in accordance with the IFRS. The IFRS consolidated financial statements therefore serve as the basis for determining the following figures.

Based on the descriptions of the economic activities in the delegated acts of the Taxonomy Regulation, the activities of SNP were analyzed to determine whether and to what extent the economic activities are taxono-

my-eligible with regard to the environmental objectives of climate change mitigation and climate change adaptation. As in the previous year, no activities were identified in the environmental objectives of climate change mitigation and climate change adaptation.

Revenue KPI

The revenue KPI is the ratio of revenues from taxonomy-eligible business activities in a fiscal year to total revenues in that fiscal year.

Total revenues of EUR 173,423 thousand in fiscal year 2022 comprise the denominator of the revenue KPI and can be found in the consolidated profit and loss statement.

SNP's revenues as reported in the consolidated profit and loss statement (see remark X in the notes to the consolidated financial statements) are analyzed across all Group companies to determine whether they were generated with taxonomy-eligible economic activities in accordance with Annex I (Substantial Contribution to Climate Change Mitigation) and Annex II (Substantial Contribution to Climate Change Adaptation) of Delegated Regulation 2021/2139 of the Taxonomy Regulation.

For fiscal year 2022, there are no Taxonomy-eligible revenues and, accordingly, no Taxonomy-aligned revenues.

CapEx KPI

In accordance with the content and presentation of subsection 1.1.2.2 of Annex I to Delegated Regulation (EU) 2021/2178, the CapEx KPIs are equal to the proportion of the capital expenditure that is

- a) related to assets or processes that are associated with Taxonomy-aligned economic activities;
- b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ("CapEx plan") under the conditions specified in the second subparagraph of this point 1.1.2.2;
- c) related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2),

Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Capital expenditure is based on additions to tangible and intangible assets as well as rights of use in accordance with IFRS 16 before depreciation, amortization and any re-measurements for the relevant fiscal year and excluding fair value changes. The total capital expenditure in accordance with the Taxonomy Regulation Art. 8 Annex I 1.1.2.1 amounts to EUR 5,118 thousand.

Based on project descriptions, among other criteria, the total additions were analyzed to determine whether they were related to a Taxonomy-eligible or Taxonomy-aligned economic activity (CapEx a)), or were part of a plan to expand or achieve an environmentally sustainable economic activity (CapEx b)), or were related to the acquisition of products from a Taxonomy-eligible or Taxonomy-aligned economic activity and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions (CapEx c)). The sum of additions that reflect a Taxonomy-eligible investment forms the numerator of the CapEx KPI in the amount of EUR 3,345 thousand con-

cerning the acquisition of Taxonomy-eligible products in the areas of “7.7. Acquisition and ownership of buildings” and “6.5. Transport by motorbikes, passenger cars and commercial vehicles.” This results in a Taxonomy-eligible CapEx KPI in the amount of 65%. An analysis of the Taxonomy-eligible investments in terms of substantial contributions has shown that the relevant criteria are not met, as the business partners are unable to provide the required evidence. Accordingly, the Taxonomy-aligned CapEx is 0%.

For fiscal year 2021, SNP had reported a CapEx KPI for Taxonomy eligibility of 0%. However, this KPI referred to Taxonomy alignment because subsection 1.1.2.2 of Annex I to Delegated Regulation (EU) 2021/2178 requires a proportion to be related to Taxonomy-aligned economic activities. In terms of Taxonomy eligibility, this resulted in a proportion of 14% for fiscal year 2021.

OpEx KPI

In accordance with the content and presentation of subsection 1.1.3.2 of Annex I to Delegated Regulation, the CapEx KPIs are equal to the proportion of the operating expenditure that is

- a. related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development;
- b. part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of this point 1.1.3.2;
- c. related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

The basis for determining the KPI is the sum of direct non-capitalized costs that relate to research and development, building renovation measures, short-term lease, and maintenance and repair. The total operating

expenditure in accordance with the Taxonomy Regulation Art. 8 Annex I 1.1.3.1 amounts to EUR 19,676 thousand.

The operating expenditure pursuant to the delegated act on Article 8 of the EU Taxonomy Regulation is immaterial for SNP’s business model, as the service activity is not asset-intensive. Accordingly, the Group is exempt from the determination of Taxonomy-eligible operating expenditure. Consequently, this results in a Taxonomy-eligible OpEx of EUR 0 and therefore an OpEx KPI of 0% for Taxonomy eligibility as well as Taxonomy alignment.

To determine the abovementioned KPIs, various check steps ensured that no economic activities were counted twice. These steps included documenting the data generation and ensuring that the data could be reconciled with other financial information.

REVENUE

Economic activities	Codes	Absolute revenue (TEUR)	Revenue share (%)	Criteria for a substantial contribution					
				Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)
A. Taxonomy-eligible Activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
Revenue from environmentally sustainable activities (Taxonomy-aligned)		0	0	0	0	0	0	0	0
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities that are not Taxonomy-aligned)									
Revenue from Taxonomy-eligible but not environmentally sustainable activities (activities that are not Taxonomy-aligned) (A.2.)		0	0						
Total (A.1. + A.2.)		0	0						
B. Activities that are not taxonomy-eligible									
Revenue from activities that are not Taxonomy-eligible (B)		173,423	100						
Total (a + B)		173,423	100						

CAPEX

Economic activities	Codes	Absolute CapEx (TEUR)	CapEx share (%)	Criteria for a substantial contribution					
				Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)
A. Taxonomy-eligible Activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
CapEx from environmentally sustainable activities (Taxonomy-aligned)		0	0	0	0	0	0	0	0
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities that are not Taxonomy-aligned)									
Transport by motorbikes, passenger cars and commercial vehicles		6,5	1,264	24.7					
Acquisition and ownership of buildings		7,7	2,081	40.7					
CapEx from activities that are not Taxonomy-eligible (B)		3,345	65.4						
Total (A.1. + A.2.)		3,345	65.4						
B. Activities that are not taxonomy-eligible									
CapEx from activities that are not Taxonomy-eligible (B)		1,772	34.6						
Total (A + B)		5,117	100						

OPEX

Economic activities	Codes	Absolute OpEx (TEUR)	OpEx share (%)	Criteria for a substantial contribution					
				Climate change mitigation (%)	Climate change adaptation (%)	Water and marine resources (%)	Circular economy (%)	Pollution (%)	Biodiversity and ecosystems (%)
A. Taxonomy-eligible Activities									
A.1. Environmentally sustainable activities (Taxonomy-aligned)									
OpEx from environmentally sustainable activities (Taxonomy-aligned)		0	0	0	0	0	0	0	0
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities that are not Taxonomy-aligned)									
OpEx from Taxonomy-eligible but not environmentally sustainable activities (activities that are not Taxonomy-aligned) (A.2.)									
Total (A.1. + A.2.)									
B. Activities that are not taxonomy-eligible									
OpEx from activities that are not Taxonomy-eligible (B)		19,676	100						
Total (A + B)		19,676	100						

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON THE NON-FINANCIAL REPORTING OF A GROUP

to SNP Schneider-Neureither & Partner SE, Heidelberg

We have performed a limited assurance engagement on the separate non-financial Group report (hereinafter referred to as the "non-financial Group report") of SNP Schneider-Neureither & Partner SE, Heidelberg (hereinafter referred to as the "Company"), for the period from January 1, 2022, to December 31, 2022.

An examination of the content of the Company's websites or other sources that are referred to in the non-financial Group report was not the subject of our audit.

Responsibility of the Officers

The officers of the Company are responsible for the preparation of the non-financial Group report in accordance with Sections 315c and 289c to 289e of the German Commercial Code (HGB) and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable

investment, and amending Regulation (EU) 2019/2088 (hereinafter referred to as the "EU Taxonomy Regulation") and the delegated acts issued in this regard, as well as with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts issued in this regard, as presented in the "EU Taxonomy" section of the non-financial Group report.

This responsibility of the officers of the Company includes selecting and applying appropriate non-financial reporting methods as well as making assumptions and estimates related to individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the officers are responsible for the internal controls that they deem necessary to enable the preparation of a non-financial Group report that is free from material misstatement, whether due to fraud (manipulation of the non-financial Group report) or error.

The EU Taxonomy Regulation and the delegated acts issued in this regard contain wording and terms that are

still subject to considerable uncertainties in terms of their interpretation and for which clarifications have not yet been published in every case. For this reason, the officers have set out their interpretation of the EU Taxonomy Regulation and the delegated acts issued in this regard in the "EU Taxonomy" section of the non-financial Group report. They are responsible for being able to justify this interpretation. Due to the inherent risk that undefined legal terms can be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Practitioner's Declaration Relating to Independence and Quality

We have complied with German professional regulations on independence and other professional conduct requirements.

Our audit firm applies the national legal requirements and the profession's pronouncements, the by-laws regulating the rights and duties of auditors and chartered accountants in the exercise of their profession (Berufs-

satzung für Wirtschaftsprüfer und vereidigte Buchprüfer BS WP/vBP) as well as the IDW Standard on Quality Control: Requirements for Quality Control in Audit Firms (IDW Qualitätssicherungsstandards: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis IDW QS 1) and accordingly maintains a comprehensive quality control system that includes documented regulations and measures relating to compliance with professional conduct requirements, professional standards, and applicable statutory and other legal requirements.

Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the non-financial Group 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 allow us to conclude with limited assurance that no matters have come to our attention that cause us to believe that the non-financial Group report

of the Company has not been prepared, in all material respects, in accordance with Sections 315c and 289c to 289e of the HGB and the EU Taxonomy Regulation and the delegated acts issued in this regard, as well as the interpretation by the officers as presented in the "EU Taxonomy" section of the non-financial Group report.

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, most of which was conducted during the period January to March 2023, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the Group's sustainability organization and of the stakeholder engagement
- Inquiries of personnel at the Group level involved in the preparation of the non-financial Group report regarding the preparation process, the internal control system relating to this process, and disclosures in the separate non-financial Group report

- Identification of the likely risks of material misstatement in the non-financial Group report
- Analytical evaluation of selected quantitative disclosures in the non-financial Group report
- Comparison of selected disclosures with corresponding data in the consolidated financial statements and in the Group management report
- Evaluation of selected internal and external documents
- Evaluation of the presentation of selected disclosures in the non-financial Group report
- Evaluation of the process for identifying the Taxonomy-aligned economic activities and the corresponding disclosures in the non-financial Group report

The officers must interpret undefined legal terms when determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation. Due to the inherent risk that undefined legal terms can be interpreted differently, the legal conformity of the interpretation and, accordingly, our audit in this regard are subject to uncertainties.

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 Group report of the Company for the period from January 1, 2022, to December 31, 2022, has not been prepared, in all material respects, in accordance with Sections 315c and 289c to 289e of the HGB and the EU Taxonomy Regulation and the delegated acts issued in this regard, as well as the interpretation by the officers as presented in the "EU Taxonomy" section of the non-financial Group report.

Our assurance conclusion does not extend to the Company's websites or other sources that are referred to in the non-financial Group report.

Intended Use of the Assurance Report

We draw attention to the fact that the assurance engagement has been performed for purposes of the Company and the report is solely intended to inform the Company as to the results of the assurance engagement. As a result, the report may not be suitable for any purpose other than the aforementioned purpose. Thus,

the report is not intended to provide third parties with support in making (financial) decisions. Our responsibility lies solely toward the Company. We do not assume any responsibility toward third parties. Our assurance conclusion is not modified in this respect.

Liability

The engagement was based on the General Engagement Terms for German Public Auditors and Public Audit Firms (Allgemeinen Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated January 1, 2017 of the Institute for Public Auditors in Germany, Incorporated Association (Institut der Wirtschaftsprüfer in Deutschland e.V.). By taking note of and using the information contained in this report, each recipient confirms that they have taken note of the provisions set out therein (including the liability provision under No. 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Nuremberg, March 23, 2023

Rödl & Partner GmbH
Audit firm
Tax consulting company

Selk
German Public Auditor

Dr. Maier
German Public Auditor

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