

2 Non-Financial Statement

General Information

The Nemetschek Group has integrated its non-financial Group statement into the Group's Annual Report. In accordance with Section 317 (2) of the German Commercial Code (Handelsgesetzbuch – HGB), the non-financial Group statement is not subject to the statutory audit. Auditing firm Ernst & Young GmbH subjected the non-financial Group statement of the Nemetschek Group to an audit in order to obtain limited assurance. The Supervisory Board has also examined this statement and reached the conclusion that there are no grounds for reservations.

This section contains the Nemetschek Group's non-financial Group statement based on the CSR Directive Implementation Act (CSR-RUG), which came into effect on January 1, 2017. The requirements set forth by Section 315c in conjunction with 289c to 289e of the HGB prescribe that the company transparently describes in detail its key non-financial activities within the Nemetschek Group, at least in the five areas specified by the directive: respect for human rights, anti-corruption and bribery, employee concerns, environmental concerns and social concerns.

The Nemetschek Group does not use an external framework for the preparation of the non-financial Group statement and instead, as in previous years, uses existing structures for its reporting. The business model of the Nemetschek Group is described in section 1.1.

EU Taxonomy

As of the 2021 financial year, companies with a reporting obligation under the CSR-RUG, like the Nemetschek Group, are required for the first time to comply with the requirements of the EU taxonomy, specifically Regulation (EU) 2020/852. The EU taxonomy is a classification system for economic activities. The purpose of this system is to make companies' sustainability activities easier to compare and to implement the European Green Deal, i.e. the aim of achieving climate neutrality by 2050. The classification is based, among other things, on technical evaluation criteria (Technical Screening Criteria), which are published via delegated acts for six environmental targets. These criteria have already been published for the first two environmental targets (climate protection and adaptation to climate change), for which reports must be submitted this year. For these the focus is on CO₂-intensive sectors in particular. Accordingly, the share of taxonomy-eligible¹ sales revenues, capital expenditure (CapEx) and operating expenditure (OpEx) must be reported in the non-financial report.

To analyze the taxonomy-eligible activities at the holding company level, the Nemetschek Group has formed a working group consisting of specialists and managers from the Group Controlling, Finance, Investor Relations and CSR departments. This working group was supported by an external consulting firm. Tax-

onomy-eligible activities have been identified in activities 8.2. (Data-Driven Solutions for GHG Emissions Reductions) and 9.3. (Professional Services Related to Energy Performance of Buildings) by this working group. Detailed analysis showed that, due to the low sales volume, these taxonomy-eligible activities must be classed as insignificant – the same applies to CapEx and OpEx. Shares of less than 1% have been defined as insignificant in this context.

The Nemetschek Group's business model involves the development and distribution of software for the construction and media industries. These areas are not currently covered by the economic activities included in the taxonomy. In light of the upcoming expansion to include the four other environmental objectives, as well as the potential expansion of the existing environmental objectives to include other activities, it is possible that the Nemetschek Group's business activities may be affected by the EU taxonomy in the future.

2.1 CSR: Corporate Social Responsibility at the Nemetschek Group

CSR Approach

The Nemetschek Group places considerable importance on good corporate governance and social and environmental responsibility. The Group sets itself the goal of increasing efficiency and productivity along the entire value chain of the construction industry through its software solutions. These solutions map the complete workflow in the lifecycle of a construction or infrastructure project – from the first sketch to construction to the operation of the property. Architects, engineers of various disciplines, building contractors, property developers, real estate administrators and building managers can use the Nemetschek Group's software solutions to design, build and manage the property digitally and thus conserve resources over the entire lifecycle.

In order to promote sustainable development beyond software solutions, the Nemetschek Group has defined standards for the way in which it conducts day-to-day business in its Code of Conduct (CoC). The CoC was updated during the year under review and specifically states:

“Each of us contributes to the public image of the Nemetschek Group through our appearance, conduct and actions. We are all responsible for ensuring that we, as the Nemetschek Group, live up to our global legal and social responsibility.”

The CoC states that the Nemetschek Group does not tolerate any form of discrimination or harassment, nor corruption of any kind. Furthermore, each and every employee is required to use all resources sparingly and in an environmentally friendly manner in

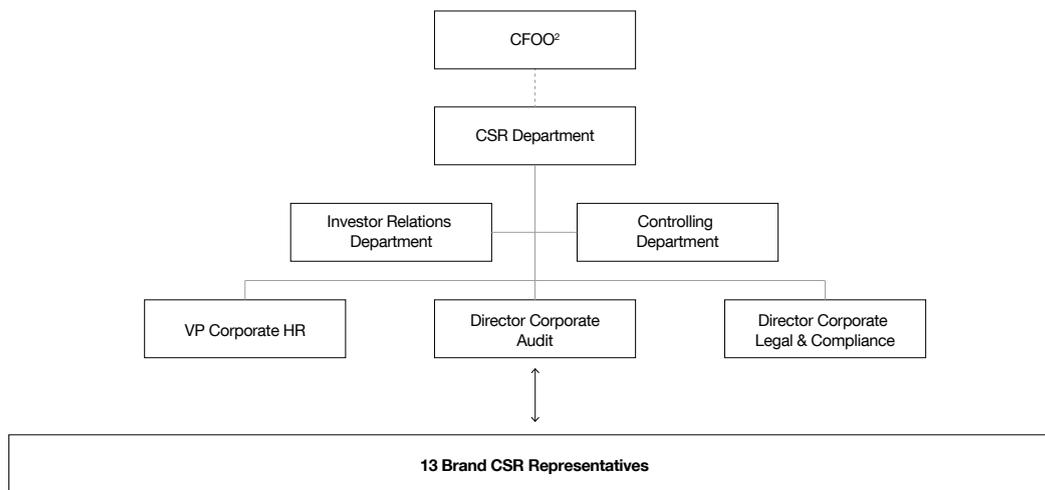
¹ Taxonomy-eligible means that the economic activities fall within the scope of the EU taxonomy. This does not necessarily mean that these economic activities also make a substantial contribution to the achievement of an environmental objective (taxonomy-compliant).

everyday working life. Employee responsibility also plays a significant role. In addition, a Supplier Code of Conduct (SCoC) created and published in the year under review sets out the guidelines that the Nemetschek Group requires its suppliers and business partners to follow. Further information on these two topics is provided in section 2.2. under “Integrity and Compliance.”

CSR Structure

The CSR activities for non-financial issues are based on standards that apply across the Group. Sustainability is thus cemented as an integral part of all business practices of the Nemetschek Group. The CSR department and the cross-departmental CSR core team identify sustainable topics and coordinate the implementation of the corresponding measures. The CSR department is in close contact with the Executive Board in this regard. Once a quarter, the department met with the CFOO² to coordinate CSR measures. The full Executive Board and Supervisory Board are also informed every six months in a written report by the CSR department.

THE CSR STRUCTURE IN THE GROUP



Because the Nemetschek Group consists of 13 individual brands, many of the non-financial issues are still managed by the brands themselves. Since the year under review, the CSR representatives from all the brands hold a meeting twice a year to discuss matters such as best practices, the further development of the CSR strategy and non-financial risk management. The CSR representatives’ task within their own brand involves both promoting all topics in connection with corporate social responsibility and assuming responsibility for the exchange of information with the holding company and the employees within their brand.

Material Risks

The Nemetschek Group considers not only the main risks for its business activities but also risks that could have a significant negative impact on the areas defined for non-financial reporting (Section 315c in conjunction with Section 289c (3) Nos. 3 and 4 of the HGB). The risk assessment involves recording the gross risk values for the amount of loss and probability of occurrence as far as possible, as well as the net risk positions remaining after risk-reducing measures.

² The CFOO was substituted by the CEO as the person responsible for CSR as of 1 March 2022.

As in the previous year, no material risks that would very likely have serious effects were identified for 2021 for the topics defined in the non-financial reporting. Consequently, there were no risks for 2021 which, on a net basis, meet the materiality criteria in accordance with Section 289c (3) Nos. 3 and 4 of the HGB. This risk assessment was coordinated with the CSR representatives for the brands in the year under review.

Materiality Analysis

An important basis for sustainable action in the Nemetschek Group is the materiality analysis, which was carried out again in the year under review. Using various external frameworks and in consultation with the managing directors, CSR representatives of the brands and other stakeholders (brand employees), topics were identified and their business relevance and impact on the environment, employees and society were assessed. The following table shows the topics that were identified as material and their assignment to the three overarching fields of action and the relevant area in accordance with the CSR-RUG:

FIELDS OF ACTION AND MATERIAL TOPICS

Field of action (relevance in accordance with CSR-RUG)	Material topics at Nemetschek Group
Employees and society (social issues and employees)	<ul style="list-style-type: none"> » Attracting and retaining employees » Training and education » Employee health » Diversity and inclusion » Customer relationships » Partnerships with colleges of technology and universities
Environment and climate (environment)	<ul style="list-style-type: none"> » Environmental and social effects of products
Integrity and compliance (human rights and anti-corruption)	<ul style="list-style-type: none"> » Fair business practices and anti-corruption » Anti-discrimination » Data protection and information security

2.2 Key Non-Financial Issues

Employees and Society

At the Nemetschek Group, the focus is on the employees. Content, successful and healthy employees are crucial to sustainable business development. The Group's management maintains an open dialog with all employees at all levels and has set clear focus areas and objectives. The goal is to create the best possible environment, to attract and retain the best talent, to offer equal opportunities and to treat everyone with the utmost respect. However, this social responsibility is not limited to employees at the Group: It also applies to customers, partners and society as a whole. The Nemetschek Group Code of Conduct states the importance of acting responsibly in relation to all our stakeholders.

Overarching Management Approach – Employee Responsibility

In the Nemetschek Group, the "People Letter of Commitment" defines basic standards and minimum requirements in relation to important employee issues, such as central personnel recruitment tools, appraisal interviews and approaches to promoting health. This document was updated in the year under review and now has an even greater focus on diversity and employee well-being.

In order to act quickly and agilely in the respective markets and regions, the individual brands manage their HR affairs individually. As a result, important areas such as gaining and retaining employees, employee health, education and training, and diversity and inclusion are managed decentrally by the brands. Owing to market-specific differences, the brands are also free to define brand-specific standards and to develop their own HR guidelines that go beyond the minimum requirements stated in the "People Letter of Commitment" or regulate other topics.

The Human Resources department of Nemetschek Holding supports and advises the HR departments of the individual brands in this respect. The VP Corporate HR is responsible for the Human Resources department within the holding company and reported to the CFOO. The VP Corporate HR is also the point of contact for HR managers in the Nemetschek Group and is in regular, close contact with them. In addition, various expert and project committees are convened as required to deal with specific topics. The HR departments across the Group are also in close contact with one another: A HR Community Call is held once a fortnight and gives participants the opportunity to discuss current and future issues. Every participant has the opportunity to suggest or introduce topics.

In addition, in 2021, the first Group-wide, global, virtual "NEM-unplugged" employee event was held. The entire Executive Board shared facts, figures and data from the Group and its divisions. All employees had the opportunity to submit questions prior to the event via an online tool, and these questions were then answered live at the event. A short survey was sent out at the end of "NEM-unplugged." Since there was so much interest in the event, it has