

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

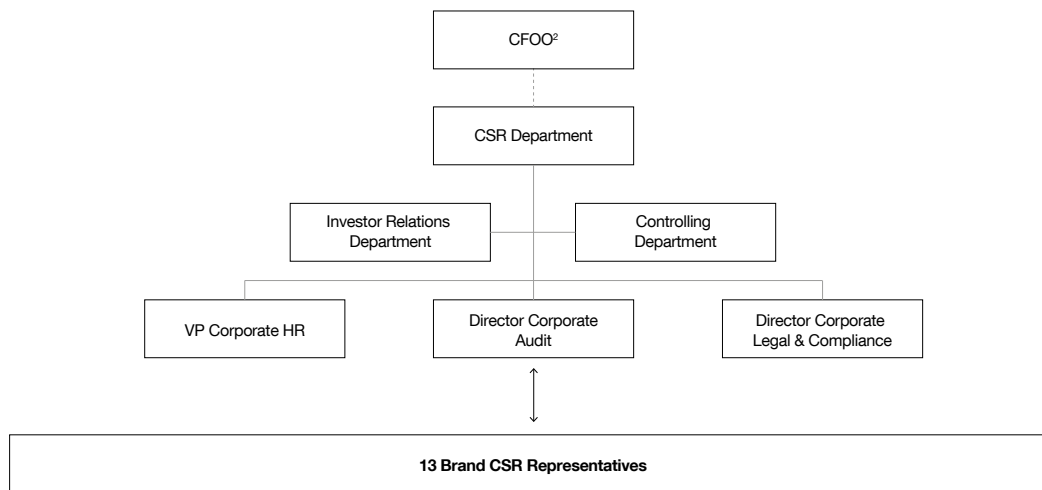
¹ Taxonomy-eligible means that the economic activities fall within the scope of the EU taxonomy. This does not necessarily mean that these economic activities also make a substantial contribution to the achievement of an environmental objective (taxonomy-compliant).

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

been conducted on a quarterly basis since the third quarter of 2021. The event was attended by around 1,000 employees on average. “NEMunplugged” was managed and hosted by the VP Corporate HR.

A task force named “Diversity, Equity, Inclusion and Belonging” was also set up during the year under review. This task force meets every six weeks and comprises representatives from the operational business, HR and corporate communications.

Gaining and Retaining Employees

Attracting and retaining highly qualified and highly motivated employees is one of the keys to success for the entire software industry. A shortage of skilled personnel was and remains the order of the day, including during the Covid-19 pandemic. This also applies to companies such as the Nemetschek Group. The AEC/O market and the Media & Entertainment market are characterised by a high speed of innovation. Additionally, the Nemetschek Group is in competition with large employers in the software industry such as Microsoft, Apple and Google.

Attractive working conditions and a positive working environment help attract the best talent to the Nemetschek Group and retain them in the Group. The Nemetschek Group uses the development of the number of its employees and staff turnover as an indicator of the success of its measures. As part of measures taken to tackle the Covid-19 pandemic, short employee surveys were conducted regularly in order to gauge the mood among employees. Almost all brands reward successful referrals with a bonus.

In order to retain skilled employees and managers in the long term, the Nemetschek Group keeps working on strengthening its attractiveness as an employer. Flexible working time models, which are laid down as a standard in the “People Letter of Commitment,” contribute to this. Some brands have also developed their own, additional rules in this area. On a general basis, all brands support mobile working, for example, and equip their employees appropriately – especially in the pandemic years of 2020 and 2021. The structure of the individual working time models depends on the business model of the respective brand.

Measures to be attractive as an employer include individual training and particular support of talented people as well as sports programs and team events. The Covid-19 pandemic had much less of an impact on measures of this type offered by the brands compared to last year. In particular, the Covid-19 pandemic affected sports programs and team events far less, with only four of the 13 brands citing the pandemic as a major influencing factor in relation to these measures.

In 2021, the number of employees in the Nemetschek Group increased by 106 or 3.4% compared with the previous year. As at December 31, 2021, the Nemetschek Group employed 3,180 people (previous year: 3,074).

Education and Training

The Nemetschek Group is committed to ongoing education and training. As a company that uses and promotes digitalization, the Nemetschek Group also offers young people in particular good long-term prospects. At Group level, LinkedIn Learning has been introduced, with all brands able to participate. More than 2,000 employees took advantage of this offer in the year under review and selected the training sessions individually. Themed Learning Challenges are also conducted each month via the intranet with various video content. In December, for example, a Learning Challenge was held on the topic of diversity, equity, inclusion and belonging.

The need for training and corresponding measures is analyzed and addressed within the respective brands. The basis for this at all brands are regular employee development meetings in which employees receive feedback. The minimum requirements for education and training are the subject of the above-mentioned “People Letter of Commitment.” The education and training requirements are defined in the annual development meetings. Individual prospects and specific goals are also discussed in these meetings. These development meetings took place at all brands in 2021, and were even held several times over the year at some subsidiaries.

Employee health

For the Nemetschek Group, it is of the utmost importance that employees are offered a healthy and secure work environment. This includes minimizing the risk of work accidents and work-related illnesses. The company regularly adapts all health-related measures and initiatives to the changing requirements of the working environment. This applies particularly in times of the Covid-19 pandemic. Transparent communication and a rapid reaction to current changes shaped the way employees were treated in 2021 as well. This was especially true in regions that were particularly impacted and where employees had to be protected quickly by closing offices.

In the “People Letter of Commitment,” the Nemetschek Group defined minimum requirements for health management for all brands. The implementation of the measures will continue to be managed decentrally. In the year under review, 9 of the 13 brands offered health-related measures for their employees. Alongside wellness programs, these measures included sports and fitness activities within the company and financial support for programs offered by different external providers, which was available to employees at five brands. Various brands in the Nemetschek Group also offer employees the option of leasing bikes.

In terms of preventive health care, employees benefited to varying degrees – depending on the brand – from telemedicine services, specific examinations (e.g. of eye health) or subsidized insurance policies. In some cases, special office equipment, such as ergonomic office furniture, was provided. Flu vaccinations and

Covid-19 vaccinations, as well as self-tests and Covid-19 antibody tests, were also offered in 2021. In addition, employees were provided with appropriate protective equipment, such as an unlimited number of masks. The relevant hygiene and protection concepts were continued and updated as required.

Diversity and Inclusion

Diversity is part of the corporate culture at the Nemetschek Group. The various cultures and marked individuality are important drivers for the Group's innovative strength and should therefore be promoted in a targeted manner. The newly formed working group DEIB (Diversity, Equity, Inclusion and Belonging) has devised a guiding principle for the Group, which has been agreed with the CFOO. This statement can be found on the Nemetschek Group website and has also been communicated via internal channels:

"We, the Nemetschek Group, are a global organization with employees from 60 nations. For us, diversity, equity, inclusion, and belonging are the keys to unleashing our full potential and driving true innovation.

We can best support our customers in shaping the world through a diverse culture. We aim to treat EVERYONE with respect and appreciation, regardless of differences. Valuing diverse opinions and creating equal opportunities for all is of the utmost importance for us as an organization, and as individuals."

The subsidiaries completed a survey on this subject once again in 2021. The results showed that almost 40% of the brands already use a policy or company statement on diversity and inclusion. The American brands are leading the way with specific activities. The Nemetschek Group is very culturally diverse, which is reflected in the survey results: There are 60 different nations represented in the Group.

New quotas for women on the Supervisory Board and in the first reporting line below the Executive Board in the holding company were also set in the year under review, and are expected to be achieved by the end of 2025: On the Supervisory Board, the aim is for one quarter of members to be women. In the first management level below the Executive Board, a target quota of 28.6% was set. This target quota was met during the year under review and should now be maintained. For the Executive Board it was decided to maintain the target quota of 0% until the end of 2022. The Supervisory Board will be re-elected at the Annual General Meeting on May 12, 2022 and will subsequently re-discuss the topic of the women's quota on the Executive Board.

Overarching Management Approach – Customers and Society

Every company bears social responsibility beyond the purpose of its operating activities. Focusing purely on economic key figures can increase risks in the long term. This was shown to be particularly relevant in 2021, which was a year shaped by the Covid-19 pandemic. Customer contact was adjusted in line with local regulations and recommendations with most of it taking place on a digital basis. To ensure that customers could continue to operate, the brands offered a wide range of tools, including free online training, licenses at no charge and other complimentary services.

Besides the various day-to-day challenges, as a business partner, the Nemetschek Group attaches particular importance to long-term customer relationships and far-reaching cooperation in the university sector. With this in mind, common goals and thematic focal points are coordinated at the holding level. The individual brands are responsible for the implementation, as they can act in a more targeted and flexible way locally.

Customer relationships

Satisfaction is an important factor for long-term customer relationships. That is why 2/3 of the brands collect data on customer satisfaction and six brands have even set objectives in this area. In order to be able to respond to specific customer needs in a targeted manner, this topic is managed decentrally. Most brands use defined indicators to measure customer satisfaction, such as the churn rate, the Net Promoter Score and the Customer Satisfaction Score. Customer surveys are used to obtain the data. In those surveys, customers evaluate both the functionality of the product and the services provided by the brand. Customer opinions are obtained via online questionnaires, by e-mail, via direct customer contact or by telephone. To achieve high customer satisfaction right from the start, 11 of the 13 brands in the Nemetschek Group involve their customers in product development at an early stage. Measures designed to contribute to product quality and customer satisfaction include joint development projects, customer panels, user groups and communities, as well as product previews, beta testing, and workshops. Some brands regularly have one-on-one interviews with customers and work closely with the customer engineering and product teams. "Wish lists" and broad-based customer surveys are also used.

Partnerships with colleges of technology and universities

The Nemetschek Group has its roots in the university environment. With this in mind, cooperation with educational institutions is particularly important to the Group. The aim is to support all relevant institutions in the core markets that offer architectural and construction training with software solutions. In this context,

talented young people are approached at an early stage in order to be able to plan, construct and manage buildings and infrastructure projects sustainably. Almost all brands engage in networking activities for students and customers, e.g. through specially provided job platforms, various training formats, guest lectures, job fairs at colleges of technology and universities or through cooperation with student associations and academic faculties. Furthermore, the majority of the brands provided licenses for those at school or university – with the total figure close to 30,000 in the year under review. The Covid-19 pandemic impacted the activities planned at more than half of the brands. Competitions, hackathons, work placements, campus visits and on-site presentations did not take place as scheduled. Instead they were either postponed or took place on a virtual basis.

Environment

Sustainable business and intact ecosystems are the basis for healthy living. The construction industry is one of the most resource-intensive sectors of the economy. In addition, the demand for housing is constantly increasing. As a result, the construction industry is facing the challenge of handling raw materials and energy more efficiently in order to plan, build and manage buildings more sustainably in this way. As a partner for the AEC/O industry, the Nemetschek Group is aware of its ecological responsibility and takes it seriously. With software solutions that improve resource efficiency in the construction industry and reduce the energy requirements of buildings, the Group is contributing to climate and environmental protection.

Overarching Management Approach

Environmental protection is enshrined in the Nemetschek Group's Code of Conduct. With this central document, all employees are urged to conserve natural resources in the course of their activities and to consider environmental as well as economic concerns when selecting suppliers, advertising materials or other external services.

The objective of the Nemetschek Group is to help the construction industry to plan, build and manage more efficiently and thus to do business in a more sustainable way. To this end, the management of relevant aspects, such as research and development, is the responsibility of the individual brands. The majority of the brands have already engaged in activities to protect the environment. The Nemetschek Group and the brands in the Design segment consulted on this issue during the year under review and developed an initial collection of sustainable ideas for solutions.

Environmental and Social Effects of Products

According to the Global Status Report 2019 published by the Global Alliance for Building and Construction, buildings are

responsible for 36% of global energy consumption and 39% of energy-related CO₂ emissions. With Nemetschek Group solutions, architects, engineers in all disciplines, building contractors as well as building and real estate managers can plan more proactively, share information more efficiently and collaborate more productively. Working in this way, energy and resource consumption can be reduced throughout the entire construction process as well as in the subsequent use phase.

The environmental and social effects of products in the Nemetschek Group relate to two areas: the specified use during the lifecycle of a building and the consideration of sustainability aspects in software development. For the latter area, the BIM (Building Information Modeling) digital working method and open standards known as Open BIM form the basis of software development. BIM enables buildings to be planned and built more precisely and efficiently, significantly reducing errors and the need for reconstruction. The use during the lifecycle of a building can be demonstrated below using product examples from the Nemetschek Group based on the three segments **Design, Build and Manage**.

Using software developed by the Nemetschek Group, buildings are optimized as early as in the planning stage. For example, the position of the sun and its angle of incidence can be simulated with the digital solutions, making it possible to plan windows in an optimum fashion. In addition, up to 25% of connecting materials can be saved through better planning and optimized steel connections. Another example from the **Design segment** is Energos from Vectorworks: Using graphics, planners can calculate the energy demand of a project, optimise the design accordingly and thus make important decisions already during the design phase.

Products from the **Build segment** enable savings to be made in the construction phase. For example, the "Planbar" planning tool from Allplan Precast can help minimize material use in production during the prefabrication of concrete construction. In addition, the waste of delivered building materials can be reduced by 30%. On construction sites, the use of Bluebeam Revu can reduce paper consumption by up to 90%. It is also possible to efficiently calculate the carbon footprint during the construction phase. Allplan Precast offers a plugin for this purpose, as well as solutions in cooperation with Built-Heat.

Around 80% of the costs of a building occur during the use phase, with a large share relating to energy consumption. Following the acquisition of DEXMA in 2020, Spacewell in the **Manage segment** now also offers energy management systems supported by artificial intelligence. In addition, integrated workplace management systems enable optimum management of heating, ventilation and lighting. They can also be used to plan and use the

available office space efficiently because they show how much space is actually required, enabling resources to be conserved.

Furthermore, seamless virtual documentation enables simple and targeted changes to the buildings, even years after their construction. At the moment, it is not generally known which materials were used when buildings come to be converted or demolished decades later. The resulting uncertainty costs time, money and resources. With the exact recording, documentation and archiving using Nemetschek Group software products, modernization projects are much simpler to calculate and plan. If the construction materials used are known even before the start of any demolition work, demolition measures can be deployed in a targeted manner to obtain raw materials through recycling.

Integrity and Compliance

The Nemetschek Group is fully committed to fair competition and firmly rejects corruption and bribery. This is based on the conviction that long-term business success can be achieved only by acting in a legally compliant and responsible manner. An open corporate culture and an established and effective compliance management system are key in the fight against corruption and bribery.

Actual or suspected violations of applicable laws, internal regulations or ethical standards could have negative financial consequences. They could also have a negative impact on the reputation of the Nemetschek Group. Accordingly, the Group's primary objective is to avoid any compliance incidents. To this end, the Nemetschek Group takes a preventive, risk-based and tailored compliance approach and fosters a corporate culture in which all employees are sensitized to the issue and receive appropriate training.

Overarching Management Approach

The compliance activities are closely linked to risk management and the internal control system. The Corporate Legal & Compliance department manages compliance activities across the Group, focusing in particular on establishing suitable structures and processes and supporting the efficient implementation of compliance measures. The Corporate Legal & Compliance department is also the point of contact for any individual questions that may arise from within the organization. There is a direct reporting line to the CFOO of the Nemetschek Group.

The Corporate Audit department regularly performs internal audits to assess compliance with internal guidelines and legal requirements. The Executive Board and Supervisory Board are regularly updated on compliance-related issues and the expansion of compliance structures, as well as planned compliance measures.

As an international organization, the Nemetschek Group has a corporate responsibility toward society and the environment. The objective of the Nemetschek Group is to comply with the applicable laws everywhere and at all times, to respect fundamental ethical values and to act in a sustainable manner. This applies not just to employees, but also to suppliers and business partners. No substantial compliance violations were reported during the reporting period.

In light of the above, employees are expected to treat each other within the company and third parties fairly and respectfully. To this end, the existing Group-wide Code of Conduct was revised and expanded in 2021, with the topics covered further refined. The topics addressed include human rights and the environment and climate. The Code of Conduct is available to view at any time, in both German and English, on the intranet and the [Group website](#). It has been publicized throughout the Group and is binding for all employees – regardless of their position. The Nemetschek Group is also active beyond its own corporate boundaries and is committed to combating modern slavery and human trafficking in its supply chains. Among other things, measures relating to this are disclosed in the statement on the [UK Modern Slavery Act](#).

The Nemetschek Group's image is also shaped by its suppliers and business partners. In order to promote trusting and long-term business relationships, the Nemetschek Group focuses on the transparent and lawful processing of all transactions. The Nemetschek Group expects its suppliers and business partners to do the same. To this end, the [Supplier Code of Conduct](#) advocating a risk-based approach was implemented and communicated across the Group in 2021. This Code of Conduct requires suppliers and business partners to take corporate responsibility in relation to issues such as human rights, anti-discrimination and the environment and climate. It also addresses topics such as ensuring transparent business relationships, fair market behavior and data and information protection. Furthermore, suppliers and business partners are expected to comply with the principles of the UN Global Compact and the fundamental principles of the International Labour Organization.

In 2021, the Covid-19 pandemic continued to have an impact on the implementation of planned projects in the area of compliance. This applies, for example, to the implementation of the Group-wide compliance risk analysis. In particular, the relevant site visits and training measures were possible only to a limited extent. Despite restrictions, all key internal processes and requirements were adhered to during the pandemic.

The compliance management system forms the basis of the preventive compliance approach. The practical implementation of this system in the subsidiaries is carried out by the local compli-

ance officers of the individual brands of the Nemetschek Group and by the Group-wide compliance network. Regular video conferences were held in 2021 in this area, and provided the opportunity for participants to discuss and receive training on key compliance issues – in some cases on an ad-hoc basis. Reports on any compliance incidents are also prepared four times a year. The results are consolidated by the Corporate Legal & Compliance department for the Group, reviewed and reported directly to the CFOO of the Nemetschek Group. Ad-hoc compliance reports are also prepared as part of an applied due diligence process as required. The Supervisory Board and the Executive Board are regularly informed about issues relevant to compliance.

The basis of the preventive compliance approach also includes Group-wide regulations in the form of policies on various topics. A Group policy on the subject of information security was developed and rolled out across the Group in 2021. A Group policy on antitrust law was also developed and subsequently approved by the Executive Board in the year under review, and officially published on a Group-wide basis at the start of 2022. There are also Group policies on anti-money laundering and terrorist financing, data protection, risk management and internal control. These Group policies are supplemented on a day-to-day basis by the communication of up-to-date compliance communication papers via the compliance network on various issues such as anti-corruption, antitrust law, cybercrime, anti-money laundering and terrorist financing, whistleblowing, dawn raids and data protection.

In order to keep employees aware of the respective current compliance rules, regular employee information is required. Training courses and individual refresher courses on compliance topics ensure that the relevant rules are an integral part of everyday working life. Electronic refresher courses continued to be held in 2021, as well as initial training for new employees at almost all brands. Any in-person training held was always conducted in accordance with the Covid-19 regulations. During the year under review, the training plan was defined and the training measures concerning the new Code of Conduct were planned for the following year.

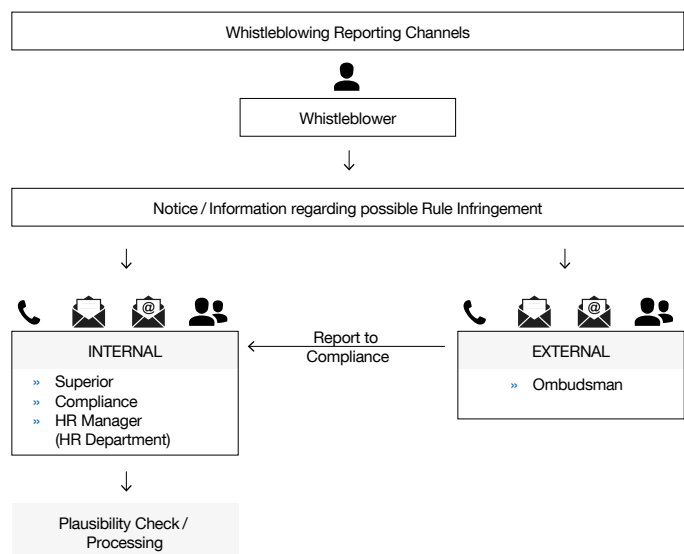
The Nemetschek Group is aware of its overall responsibility in relation to the brands. Due to the heterogeneous nature of the individual brands, they are required to take responsibility for individually rolling out Group policies and conducting in-house training on compliance topics. This individual, risk-based compliance approach enables Group guidelines to be adapted to local requirements. Accordingly, there are uniform, binding Group guidelines that are supplemented on an individual basis to create structures and processes that function locally in the relevant organizations.

The Nemetschek Group requires and promotes an open “speak-up” culture. It encourages its employees to report behavior that may violate the CoC. To do so, they can contact their superiors,

the responsible HR manager, or the Compliance department directly via a dedicated e-mail account specifically set up for that purpose, either in German or English.

In addition, up to the end of 2021, violations could be anonymously reported to an international law firm acting as an ombudsman. All reports were first checked for plausibility internally with the utmost confidentiality. Where necessary, further investigations and steps were initiated. If necessary, in individual cases, other divisions or external consultants were called in. The Corporate Legal & Compliance department regularly reviewed the whistleblowing process in terms of its effectiveness and amended it as necessary.

WHISTLEBLOWING PROCESS



At the end of December 2021, the ombudsman system was replaced by a Group-wide, digital, anonymous whistleblowing system. The new digital system is used across all Group companies and focuses primarily on the key issues of whistleblower protection, anonymity and data security. The implementation of this new system marks a significant development and a higher level of professionalism in the area of whistleblowing. In this system, whistleblowing reports can be made digitally via the whistleblowing tool or via telephone in German or English to the provider “Legaltegrity.”

Fair Business Practices and Anti-Corruption

Various aspects of fair business practices are comprehensively taken into account in the new Code of Conduct. For example, the Code of Conduct clearly states that corruption, bribery and other forms of illegally granting and accepting benefits – including in relation to officials and elected representatives – are not tolerated in the Nemetschek Group. In its Code of Conduct, the Nemetschek Group is also fully committed to competition by fair means and strict compliance with antitrust and export control law. All employees of the Group must act in accordance with the applicable competition law. In addition, the Code of Conduct defines the rules on the separation of private and Group interests and the handling of company and business secrets.

Anti-discrimination

On the subject of discrimination, the Code of Conduct clearly states:

“The Nemetschek Group will not tolerate any form of discrimination or harassment within the Group, whether based on origin, gender, disability, religion, age, sexual orientation, political views or trade union activities.”

Any employees who are subjected to or observe any form of discrimination or inappropriate behavior are encouraged to report this through the reporting channels described. All incidents of possible discrimination that were reported or otherwise became known were reviewed accordingly during the reporting period. As a result, there were no incidents that would have necessitated steps of a disciplinary or legal nature. Further information on this subject is provided in the section “Employees and Society,” and in particular under “Diversity and Inclusion” in that section.

Data Protection and Information Security

The Nemetschek Group is at the vanguard of the digital transformation of the AEC/O industry (architecture, engineering, construction and operations) and covers the entire lifecycles of construction and infrastructure projects. The software products offered by the Nemetschek Group are mainly installed in customers’ IT systems; the risks in terms of data protection are therefore considered to be moderate.

Maintaining data protection and information security is an objective shared by all employees at the Nemetschek Group. To that end, all departments have made sure that their teams are familiar with the Code of Conduct. A largely decentralized approach is followed. This allows for central guidelines, monitoring processes and assistance but primarily allocates responsibility to the Group companies. A comprehensive, Group-wide set of regulations forms the basis of this approach. These regulations comprise the adoption of a comprehensive Group Data Protection Guideline, as well as the provision of numerous templates, which are available in German and English on the Group intranet and are updated as and when required.

Adherence to the data protection requirements and processes is regularly checked by various parties, including the Corporate Audit department as part of audits in cooperation with Corporate Legal & Compliance and Corporate IT. Data protection officers – both internal and external – are appointed at the companies where required by law. All employees have the option of reporting any violations of data protection regulations or internal company policies. Any indication of possible violations of data protection regulations is taken seriously and resolved as quickly as possible.

In addition, employees are trained, and communication measures are implemented. New employees are notified of confidentiality requirements relating to the handling of sensitive and personal data and are required by their contracts to maintain secrecy. In addition, all employees – not just those in Europe – are required to take part in data protection training and to provide documented proof of this. An e-learning course set up specifically to deal with the issue of data protection is offered in both German and English.

Data security is ensured in the Nemetschek Group by means of appropriate organizational and technical measures at Group level and at the level of the 13 brands. The overarching security standards and measures are specified and monitored by the Corporate Information Security Officer – in line with an information security management system that meets the internationally recognized information security standards of ISO 27001. These requirements are described in the Group-wide information protection policy. Centrally managed awareness campaigns such as e-mail phishing simulations are also implemented, as well as other security projects, in order to increase the level of security in the Nemetschek Group. To further safeguard against risks, the Nemetschek Group has a Group-wide cybersecurity insurance policy that covers all Group companies.