



SHAPING TRANSFORMATION

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FOREWORD BY THE CEO

Dear readers,

For us, corporate social responsibility means emphasizing the importance of responsible and sustainable activities. Values such as trust and respect, openness and transparency are paramount concerns for us. For many years, these principles have shaped our customer relationships, our technologies, our partnerships, the training we offer our employees¹ and the decisions we make regarding investments in our company – for the benefit of our shareholders and for society as a whole.

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

We would like to draw particular attention to our employees, who are our most important resource and the foundation of our business success. We have a culture of open dialogue, and we discuss issues directly and honestly. To this end, we will conduct a global employee survey in the current year in order to identify further potential for improvement with regard to employee satisfaction and commitment and to derive concrete optimization measures.

In the reporting year, we rolled out the Integrity Line to all employees worldwide. Through this digital reporting system, employees can anonymously report any irregularities, in particular violations of applicable laws or internal guidelines.

In addition, we have adopted a Mobile Work Policy that initially gives our employees at the German locations the opportunity to permanent mobile working. We are currently reviewing the global rollout.

We are implementing all of this in a world that is still being shaped by the global COVID-19 pandemic. Yet despite severe economic and social challenges, we have risen to this challenge successfully. A very large number of our employees still do not work in their offices. 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. Our ability to work remotely due to our business model has proven to be an invaluable competitive advantage.

Sustainability is and will remain a future focus area. Investors mainly invest on the basis of a company's sustainability performance or else require their existing investments to factor in sustainability. For this reason and others, 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.

Please continue to consider this report an invitation to get in touch with us – we are looking forward to receiving your feedback!

Best wishes,

Michael Eberhardt
CEO

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

PRINCIPLES OF THE SEPARATE 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 2021 fiscal year (January 1 to December 31). The SNP Group has a total of 1,335 employees around the world. Germany is the largest location with 554 employees. Accordingly, reporting on the non-financial aspects is mainly carried out with reference to the location in Germany. With economic effect as of October 1, 2021, 51% of the shares in SNP Poland Sp. z o.o. were sold. At that time, 407 employees were employed at the Polish subsidiary. In addition, 74.9% of the shares in EXA AG (125 employees²) were acquired with economic effect as of March 1, 2021, and Datavard AG (180 employees³) was acquired as of August 1, 2021.

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). The report on the aspects deemed material relates in principle to the larg-

est location of the SNP Group, which is Germany. SNP did not use a framework for the report 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). Furthermore, we 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>.

In the reporting period, no significant non-financial performance indicators relevant to business activities were imple-

mented that concerned the key aspects of combating corruption and bribery, employee matters or customer relationships within the meaning of Sections 289c (3) No. 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.

² As of key date December 31, 2021.

³ As of key date December 31, 2021

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 35 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 organizations transform their business models and take advantage of the opportunities arising from digitalization with its own solutions. Its software and services make it easier to implement technical or commercial changes in business applications and allow customers to automate this process.

The unique BLUEFIELD™ approach and the world-leading SNP business transformation platform have laid the foundations for SNP to set an industry standard for automated business transformations. SNP specializes in automatical-

ly analyzing, implementing and tracking changes in IT systems. This approach greatly improves quality while significantly reducing costs, risks and the time required to complete complex transformation projects while observing the highest compliance and security standards.

Headquartered in Heidelberg, SNP generated Group revenues of EUR 167.0 million and an operating result (EBIT) of EUR 6.3 million in the 2021 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 four fiscal years. Further information on the company's key figures 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 various opportunities to provide feedback with the goal of incorporating their ideas and views into the development of new strategies. In addition, we will start a global employee survey in the first quarter of 2022 in order to identify further potential for improvement with regard to employee satisfaction and commitment and to derive concrete optimization measures.

Customers and Partners

Our relationships with our customers and partners are in some cases of many years’ standing. We maintain a continuous dialogue with our customers and partners. 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 partners include, on the one hand, project and customer meetings and, on the other, 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 our customers and partners in 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 its shareholders and prospective investors in a number of different ways and goes far beyond this obligation. 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/en/investor-relations#contact-us>)

Suppliers

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

A comprehensive materiality analysis was carried out in 2020 in order to identify material sustainability concerns for SNP and its stakeholders. The goal was to establish and assess the concerns that are particularly important for our stakeholders and for ourselves on the basis of regular dialogue with the aforementioned stakeholder groups. Our core stakeholders' expectations were included and the key concerns identified in terms of the following two dimensions:

- Significance for the understanding of the business performance, the operating results and the company's position (business relevance under Sections 289c (3) and 315c (2) of the HGB)

- Significance of the impact of our business activities (impact relevance under Sections 289c (3) and 315c (2) of the HGB)

In 2021, the CSR team reviewed the results of the materiality analysis from the previous year and found no deviations.

Procedure for the Materiality Analysis in 2020

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

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

In order to validate the concerns identified and their assessment, semi-structured interviews were subsequently conducted. These took the form of questionnaires which were issued to selected key stakeholders with whom SNP has a long-standing business relationship. These stakeholders included a customer in the automotive sector, a customer in the banking sector, a partner company, an analyst representing the capital market, and the SNP Dialog Team – a committee consisting of SNP employees that discusses events and concerns with the managing directors that have a significant impact on the interests of employees. We refrained from including suppliers in the interviews because other stakeholder groups were prioritized as more essential due to their relevance for SNP.

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

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

Validation

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

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. A report on these issues is nevertheless provided on a voluntary basis.

ISSUES	SUSTAINABILITY CONCERN	HGB RELEVANCE
Measures to Combat Corruption and Bribery	Corporate culture	Yes (greater)
	Compliance	Yes (greater)
	Corruption and bribery	Yes (greater)
Employee Matters	Employee Retention and Development	Yes (greater)
	Training and Education	Yes (greater)
	Work-family balance	Yes (greater)
	Diversity, equal opportunity and discrimination	Yes (greater)
	Respect for human rights and employment regulations	No (lower)
	Occupational safety and health protection	No (lower)
Customer Relationships	Customer satisfaction and quality	Yes (greater)
	Information security and data protection	Yes (greater)
Environmental Concerns	Climate protection/energy consumption	No (lower)
	Travel	No (lower)
	Conservation of resources	No (lower)
Social Concerns	Social commitment	No (lower)
Respect for Human Rights	Suppliers and their social responsibility standards	No (lower)

Table 1: Overview of the relevance of the aspects

Group Management Engagement

SNP's managing directors are involved in both the further development of sustainability concepts and in sustainability reporting. A working group consisting of the departments "Investor Relations" and "Legal and Compliance" was established in the reporting year 2020. It falls within the CFO's area of responsibility and engages in regular dialogue 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
- Keep one's word
- Offer prospects

Compliance with applicable laws:

- Business relationships
- Corruption⁴
- 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 Declaration on Company Management that outlines in detail how SNP complies with the commitments set out in the GCGC can be viewed at <https://www.snpgroup.com/en/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 compli-

ance with internal and external requirements. In 2021, the newly elected members of the Board of Directors also formed an audit committee to deal 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. 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. This ensures that the reporting of an incident must not lead to disadvantages for the reporting person.

⁴ Including bribery.

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 worldwide⁵ in the form of an e-learning course in 2020. In 2021, a pass rate target of > 90% was introduced for this globally mandatory training course, which was also achieved.⁶ SNP also implemented a training course on equal opportunity and anti-discrimination for all employees at the German locations in the reporting year.⁷ In 2022, the training course will be extended to all national companies. Please refer to the chapter “Diversity, Equal Opportunity and Discrimination” for further details.

Employees at the German locations⁸ also receive training courses on data protection and information security (see “Customer Relationships” chapter). In 2022, this content will be gradually made available to additional employees via our internal training portal.

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 com-

petition. As a result, there were no legal actions initiated against SNP SE or its subsidiaries pertaining to anticompetitive behavior or antitrust and monopoly practices in 2021. 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.

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 2021, including the topic of corruption.

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

⁶ No Datavard and EXA employees currently count toward the target achievement. They will be integrated as of the next reporting year.

⁷ Except for Datavard and EXA employees. They will complete the training course as of the next reporting year.

⁸ Except for Datavard 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. These efforts begin with a fair and transparent recruiting process and continue with regular, constructive communication between employees and their managers. Major business decisions are communicated promptly; however, no specific notification periods have been contractually agreed. SNP places a very high priority on the well-being of its employees. This is the only way the company can be successful in the market in the long term. We will start a global employee survey in the first quarter of 2022 in order to identify further potential for improvement with regard to employee satisfaction and commitment and to derive concrete optimization measures.

On the key date December 31, 2021, SNP had 1,335 employees worldwide (2020: 1,463 employees). 391 (29%) of them were female (2020: 433 or 30%). Table 2 shows the international distribution of employees by economic area and country.

Only 2.8% of the employees worldwide have fixed-term employment contracts. This also includes working students.

Economic area (EA)	Country	2021			2020		
		Total / country	Total / EA	In %	Total / country	Total / EA	In %
CEU (Central Europe incl. Slovakia)	Germany	554	743	56%	518	575	40%
	Austria	44			49		
	Switzerland	12			8		
	Slovakia	133			0		
EEMEA (Eastern Europe, Middle East, Africa)	Poland	0	0	0%	407	407	28%
Latin America	Argentina	214	323	24%	211	297	20%
	Chile	80			60		
	Colombia	29			26		
JAPAC (Asia-Pacific Japan)	Singapore	22	172	13%	19	93	6%
	Malaysia	14			14		
	Australia	4			7		
	Japan	6			5		
	China	39			48		
	India	87			0		
USA	USA	64	64	5%	56	56	4%
UK	UK	33	33	2%	35	35	2%
Total		1,335	1,335	100%	1,463	1,463	100%

Table 2: Global distribution of employees by country and economic area

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 Group-wide the following:

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

In order for employees to carry out their work with consistently high quality, SNP provides 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 host of fringe benefits:⁹

Additional benefits	Central Europe	UK	Slowakia	LATAM	USA	JAPAC
Company pension scheme	X	X			X	
(Group) accident insurance	X	X	X	X	X	X
Employee discounts	X		X			
Various health protection measures (incl. discounts/subsidies for statutory/private health insurance (also for families), 401(k) plans, subsidies for health and fitness measures)	X	X		X	X	
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	
Granting paid time off due to various occasions (e.g. birth of child, death of parent, relocation)	X		X	X		
Support for employee development, including language training (online, on-site)	X	X	X	X	X	X

Table 3: Additional company benefits

In 2021, SNP recorded a worldwide employee turnover of around 16% (2020: 12%). This does not include the companies EXA and Datavard and the sale of our Polish subsidiary.

Employee Involvement: 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, the Dialog Team, as well as regular board updates by the management board and regional updates. Data confidentiality is guaranteed in all cases. In addition, a hybrid "One SNP" event was organized for all employees¹⁰ as part of the company acquisition during the year. The focus of this event was not only to get to know the different departments worldwide, but also to provide feedback and ideas. In 2022, the measures will be expanded to include a global employee survey.

⁹ For EXA, these benefits cover the company pension scheme and (group) accident insurance to date.

¹⁰ Except for EXA.

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 multi-faceted training program covers both technical and non-technical subject areas. The contents are taught through a variety of different approaches: In particular, SNP successfully expanded its e-learning courses over the past 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 offering ranges from technical and product training courses (e.g. SAP Learning Hub and Scrum Master Certification) to soft-skill training courses (e.g. resilience training or individual coaching). EXA employees use other e-learning platforms and, in individual cases, the defined Transformation Consultant learning journeys in the SNP eCampus. Together with the glo-

bal HR department, additional development measures such as team feedback training or the Value Selling learning journey for Sales and Marketing were developed for SNP in close cooperation with the specialist departments for Central Europe. After successful completion of the measures, a global rollout is planned. Furthermore, the SNP Group offers its employees¹¹ an extensive range of language courses through an external provider (the scope encompasses German, English, Spanish, French and Italian at various proficiency levels). This now also applies to Datavard employees, who were integrated in the fourth quarter of 2021.

SNP Training Academy

Internal education starts with the SNP trainee program, which all new consultants complete in the "SNP Training Academy" at German locations. This is where all trainee consultants become acquainted with the fundamental techniques of enterprise transformation in a program spanning several months. During this time, trainees are released from all other duties so that they are able to devote all their efforts to their education. In the subsequent practical phases, they put what they have learned into practice together with their mentor. Due to the coronavirus pandemic, our new consultants began and will begin their training program mostly virtually. The program did not take place in 2021.

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 addition, a "welcome day" for all new employees takes place at regular intervals and offers them the opportunity to get to know the various departments of the company. In LATAM, for example, new employees spend an entire day with HR and IT. 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.

¹¹ Except for EXA.

All employees¹² in Central Europe receive performance reviews, irrespective of their career level. The aim is to systematically enhance the skill sets of employees by setting individual targets. Training needs are also discussed here and relevant courses initiated. Employees can also suggest improvements and provide feedback. 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 evaluation against defined criteria will be rolled out in 2022. The focus is on the further development of every employee by carrying out an assessment that differentiates between their strengths and development potential.

In the reporting year, a Leadership Enablement Program was established in Central Europe to assist managers with their leadership responsibilities. To this end, training courses provide practical content that is tailored to specific target groups and covers topics such as performance management, employee development, communication and feedback, and change management.

Since the end of 2021 and in close cooperation with the regional HR teams, the Leadership Enablement Program is also being offered to managers in JAPAC, the USA, LATAM and the UK. The aim is to convey the basic principles of SNP leadership practices worldwide while taking into account country-specific and cultural characteristics. The

program covers all companies worldwide including EXA and Datavard. In addition, specialist career models have already been developed and largely implemented for Sales, Services and R&D in Central Europe, and development has begun for Marketing and IT. The models give employees concrete job prospects with regard to their own development and allow them to plan their own development in a more structured and transparent manner. A worldwide rollout of the models has been initiated.

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.

Work-family Balance

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

Consistent and conscious time management is considered a key factor for achieving a balance between work and private life. A variety of options are available to all employees worldwide such as flexible trust-based working hours, part-time working models, clearly communicated expecta-

tions, the legal entitlement to parental leave and avoidance of commuting times by working from home.

In the context of the coronavirus pandemic, SNP was able to 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. Based on the positive experience gained, the first step for the German locations¹³ was to provide the opportunity and general conditions for working remotely for employees in a Mobile Work Policy. Currently, this option is actively used by 428 employees (126 of them in Germany). In addition to JAPAC, which has already implemented the Mobile Work Policy, another global rollout is under review.

In the organization in Germany, all employees have a statutory right to parental leave. In 2021, 31 employees used this option (2020: 27 employees) (female: 13, male: 18). Male employees exclusively took the so-called "paternity months." Of these 31 employees, 8 were still on parental leave on December 31, 2021 and 22 employees had returned to active work. The rate of return to work as of

¹² Except for EXA.

¹³ Except for EXA. Employees at EXA can flexibly work from home during the pandemic in most cases, unless operational issues require them to be on-site at the office.

December 31, 2021 was thus 96%. SNP also provides a childcare allowance for children attending daycare centers. In addition, 13 employees at Datavard's Slovakian companies were on parental leave at the turn of the year (female: 12, male: 1). At EXA's location in Germany, two employees were on parental leave in 2021.

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

Diversity, Equal Opportunity and Discrimination

By promoting diversity in the workforce, SNP benefits from genuine competitive advantage. There are no barriers pertaining to heritage or other personal aspects. For further information on our values, please 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 managing directors 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. This was not achieved when the Board of Directors was reelected in 2021.

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 2024. The target figure achievable within five years is therefore 16.7% with an implementation period of three years."

- introduced a target figure for gender diversity for the managing directors as follows: "The target figure for the proportion of women within the managing directors (= 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."
- set 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, which describes our respect for everyone, 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 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 chapter “Measures to Combat Corruption and Bribery”). Any violations can be reported via the “integrity line.”

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 relevant 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. SNP has hired an external company to provide support and carry out these examinations. Moreover, training courses on occupational safety have been introduced at all German locations¹⁶ in the reporting year. 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, these measures will be summarized in a uniform manner and documentation will be made available centrally in Germany.

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. No accidents at work¹⁷ were reported at SNP in Germany in 2021. 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.

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

¹⁵ 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 equally.

¹⁶ Except for Datavard and EXA employees. They will complete the training course as of the next reporting year.

¹⁷ Definition according to the legal requirements of the respective country.

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 beverages offered to employees in Germany were changed over from glass bottles to water fountains in 2021.

In addition to the allowance provided for fitness activities, e.g. subsidized gym memberships, employees in Germany are offered a variety of options for fitness training directly at the workplace. This includes regular events such as conditioning exercises or fascia training. In Germany,¹⁸ about 16% of the employees take advantage of the subsidized gym memberships. Due to the pandemic, the on-site courses were paused. However, all employees worldwide were offered the virtual sports program "SNP Move" twice a week until mid-2021.

¹⁸ Except for Datavard and 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 details of our certifications. Both management systems are gradually being rolled out in additional countries.

Customer Satisfaction and Quality

The consistently high level of software quality is permanently monitored by our own quality assurance team. A software quality engineer who focuses on 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 feature was developed for SNP's data transformation platform in 2020. The new "Mission Control" feature 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 (<https://www.snpgroup.com/customer-stories>), for example in the form of customer success stories. 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 documentation (an ISO 27001 certificate) covering our measures with regard to the confidentiality, availability and integrity of information and systems.

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

products. The company has appointed an external data protection officer who provides advice to the management board and supports the Legal and Compliance department in all matters related to data protection.

All employees at German locations¹⁹ receive training courses on information security and data protection. In 2022, this content is being gradually made available to additional employees worldwide via our internal eCampus training portal.

No fines were imposed on the SNP Group for non-compliance with laws or regulations with regard to information security and data protection in 2021.

¹⁹ Except for Datavard employees. They will complete the training course as of the next reporting year.

ENVIRONMENTAL CONCERNS²⁰

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 ecological considerations into our daily decisions and seek to reduce our energy consumption to the extent possible. We are also endeavoring to increase the proportion of renewable energy in our energy mix. In the reporting year, an environmental guideline was published in the Central Europe region, which is being rolled out step by step in other national companies. In addition, as part of the revision of the globally mandatory integrity training in 2022, the topic of environmental concerns will be integrated into the training. 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 Heidelberg²¹ has been powered by green electricity. The sourcing of energy that is entirely derived from ecological sources causes approximately 43.1 fewer tons of climate-damaging carbon dioxide to be produced each year 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 currently being established internationally and, in this context, will examine at which locations a change to green electricity is feasible.

Facility Management

The company's main office buildings²² in Germany undergo regular external energy reviews. These reviews enable SNP to identify inefficiencies and, in turn, realize savings potential. All of the buildings we use are consistently at a high level of efficiency. In 2021, our Speyerer Str. headquarters in Heidelberg used a total of around 139,000 kWh of electricity.

	2021	2020
Electricity consumption at our headquarters in Heidelberg	139,000 kWh	246,706 kWh

Table 4: Electricity consumption

In addition, 264,360 kWh of electricity was used at the locations in the USA²³ and 1,823 kWh in Switzerland.²⁴ At all other locations, electricity is included in the rent or meter readings can only be taken during the year.

At the Speyerer Str. headquarters in Heidelberg, SNP also equipped all ceiling lights with energy-saving LED lights by the end of the reporting year. The expected total CO₂ savings over the life cycle of LED lights of approximately 15 years amount to 486,012 kg, which corresponds to annual savings of 32,400.8 kg.

Travel

The coronavirus pandemic meant that travel in Germany and internationally was fraught with difficulty in 2021 too. In view of highly restricted flight schedules, specific entry and quarantine regulations, and the limited number of hotels open, private and business-related travel was greatly limited. As part of these changes, we have added the topic "Sustainability" to our Global Travel Policy.

²⁰ 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.

²¹ Except for EXA.

²² Heidelberg (Speyerer Str.), Hamburg, Berlin.

²³ Except for Datavard.

²⁴ Except for Datavard.

The following points must be checked before each trip:

- Whether a business trip is necessary or whether an on-line 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.

Vehicle Fleet, Air and Rail Travel

Our vehicle fleet²⁵ in Germany consists of 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.

The integration of Datavard will add 10 vehicles and the integration of EXA will add 2 vehicles to the German vehicle fleet. These vehicles also comply with the Euro 5 emissions standard. The consumption of these vehicles in 2021 was not calculated retroactively and is therefore not included in the following fuel consumption table.

Our guidelines call for the preferential procurement of environmentally friendly vehicles. Since 2018, this includes hybrid vehicles. All of our vehicles and their consumption are regularly analyzed and assessed. In 2021, a total of²⁶ 283,598 liters of fuel were used and 7,348 kWh of electricity.

	2021	2020
Fuel consumption (German vehicle fleet)	283,598 Liter	301,254 Liter

Table 5: Fuel consumption

In 2021, employees employed at SNP locations²⁷ in Germany traveled a total of 117,503 km by airplane.

	2021	2020
Distance traveled by airplane	117,503 km	600,000 km

Table 6: Flight distance traveled

In 2021, employees employed at SNP locations in the USA²⁸ traveled a total of 160,062 km by airplane, in Switzerland²⁹ 3,631 km, and in Austria³⁰ 5,829 km.

It is only possible to provide proof of the flight distance traveled at locations that use a booking tool or that collaborate with a provider that is responsible for flight and/or train bookings. This is currently only the case at the locations in Central Europe and the USA. The booking processes will be standardized gradually, if possible.

Employees in Germany traveled 22,530 km by rail in 2021.³¹

	2021	2020
Distance traveled by rail	22,530 km	176,916 km

Table 7: Rail distance traveled

²⁵ Except for EXA.

²⁶ Except for Datavard and EXA.

²⁷ Except for Datavard.

²⁸ Except for Datavard.

²⁹ Except for Datavard.

³⁰ Except for Datavard.

³¹ This does not include tickets purchased at the counter or the subsidiaries Innoplexia, ERST and Datavard.

Expanded Mobility Account

In 2021, the existing car policy was replaced by the mobility account for our locations in Germany and Austria.³² This allows employees who are entitled to the mobility account to choose between various mobility options.³³ The mobility account provides employees with a financial framework within which they can select from various mobility options. The account provides the following options:

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

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.
- On the one hand, our software increases the degree of automation and standardization in labor-intensive IT transformation projects. On the other hand, our software makes 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, CrystalBridge® 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 reporting year 2021, we classified revenues in the Service segment by "Remote Working" for the first time. An analysis revealed that 97% of revenues from consulting hours worked were generated remotely.³⁴

Waste

Where possible, waste separation options are used or being implemented at SNP locations, and single-use plastic items are avoided by providing reusable tableware. As described in the "Health Protection" chapter, the beverages offered in Germany were changed over from glass bottles to water fountains in 2021 (where this had not already happened).

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

³² Except for EXA and Datavard. EXA offers its employees a monthly subsidy for the VRN job ticket to support the use of public transportation.

³³ Employees are entitled to the mobility account as soon as the leasing contract according to the car policy expires and the old vehicle is returned to the lessor.

³⁴ Except for Datavard and EXA.

SOCIAL CONCERNS – SOCIAL COMMITMENT³⁵

The economic success of the past 25 years brings with it a responsibility to society. SNP is headquartered in Heidelberg and has deep roots in the region. It is here that it laid the foundation stone of its success as a global software company. Therefore, the company's social commitment is mainly concentrated in the Rhine-Neckar region. In 2021, SNP donated a total amount of EUR 39,000 to charitable causes.

SNP has been promoting sports in the Rhine-Neckar metropolitan region for many years. As part of the Sport Award Rhein-Neckar, SNP presented the top national/international athlete in the reporting year. As a sponsor of the Sport Award Rhein-Neckar, we cooperate with other companies based in the region to promote young people and personalities.

The pandemic poses particularly difficult challenges for many social and charitable organizations. Since 1998, the Vesperkirche has been an important point of contact for people in need in Mannheim. There, they receive hot meals, social assistance and medical care over a period of four weeks. SNP supported the organization with a donation so that the Vesperkirche could continue to work under strict hygiene requirements despite the pandemic.

This year, we have also drawn attention to a topic that is very close to our hearts: Every 12 minutes, a person in Germany is diagnosed with leukemia. Then a race against time often begins, because many patients cannot survive without a life-saving stem cell donation. Such a diagnosis also affected the family of an SNP employee. SNP took this as an opportunity to launch a company campaign for stem cell typing together with DKMS, a non-profit organization dedicated to the fight against leukemia.

In addition, parts of Germany were hit by a severe flood disaster in the reporting year. The flood disaster following the devastating storms claimed more than 170 lives, leaving behind inconceivable destruction. SNP helps and supports those affected by providing financial support for fundraising activities.

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

SNP Sports Sponsorship

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

For quite some time, SNP has appeared on the shirtsleeves of Bundesliga soccer team TSG Hoffenheim.

Through its partnership with MLP Academics USC Heidelberg, SNP also supports a sport that requires a high level of skill, dynamism and team spirit. MLP Academics perfectly embodies these disciplines and thus makes an excellent match for SNP's corporate culture.

In 2019, SNP entered into a partnership as the main sponsor and namesake of the women's basketball team SNP BasCats at USC Heidelberg sports club.

³⁵ Given that social concerns are 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.

In addition, SNP became the namesake and partner of a new sports venue in Heidelberg in January 2020, thereby continuing to expand its cultural and sports commitment. The new sports venue bears the name "SNP dome" and offers space for around 5,000 spectators. It is an important venue for sport and culture in the region. Among other purposes, many sports clubs from Heidelberg and the local region use the "SNP dome" for training purposes and matches. These include the MLP Academics basketball team and the Rhine-Neckar Löwen handball team. The venue also serves as a venue for school, club and grass-roots sports.

RESPECT FOR HUMAN RIGHTS – SUPPLIERS AND THEIR SOCIAL RESPONSIBILITY STANDARDS³⁶

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 a key priority for us. The general terms and conditions of purchase were also supplemented by a binding Supplier Code at the end of 2021.

Through the integration of Datavard, its employees are adopting the Group processes. For locations where it is not possible to merge into an existing SNP company, the purchasing processes will be implemented in accordance with the Group standard in 2022.

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 company³⁷ 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.

³⁶ 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.

³⁷ Except for EXA and Datavard.

EU TAXONOMY

The introduction of the EU Taxonomy as a key measure in the EU Sustainable Finance Action Plan and the associated expanded reporting requirements are intended to further develop corporate reporting significantly by linking financial and non-financial disclosures. We consider the creation of a common classification system for sustainable economic activities to be of strategic importance. 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 analyzed the economic activities in terms of revenues, capital expenditures and operating expenses as follows.

Taxonomy Eligibility of Revenues

To determine the Taxonomy eligibility of revenues,³⁸ we have classified our economic activities. For this purpose, Annexes I and II to the Delegated Act on climate targets³⁹ were analyzed and assigned to NACE codes.⁴⁰ Based on this analysis, we were unable to identify any Taxonomy-eligible revenues. As part of the analysis, the relevance of the activity “8.2 Computer programming, consultancy and related activities”⁴¹ in particular was assessed with regard

to the climate target “climate change adaptation.” According to our understanding of the EU Regulation, in this context, i.e. with regard to the relevance of activity 8.2, only activities that are classified as “enabling” can be included in the key revenue figure. “Enabling” economic activities are those that help other economic activities in order to make a significant contribution to one or more climate targets. Because the economic activity according to 8.2 above was not classified as “enabling” at SNP within the meaning of the EU Taxonomy, we cannot allocate any Taxonomy-eligible revenues to this activity.

Taxonomy Eligibility of Operating Expenses

To determine the Taxonomy eligibility of operating expenses within the meaning of the EU Regulation, we analyzed the following expense items: training or HR-related adaptation costs, research and development expenses, expenses from measures to refurbish buildings, leasing expenses, expenses from maintenance and repairs, and other expenses in connection with the daily maintenance of property, plant and equipment.

Because the analyzed operating expenses do not relate to assets or processes associated with Taxonomy-aligned economic activities, nor are they a part of a CapEx plan, nor

does the purchase of output relate to Taxonomy-aligned economic activities, the result was that no significant Taxonomy-eligible operating expenses could be identified.

Taxonomy Eligibility of Capital Expenditures

To determine the Taxonomy eligibility of capital expenditures within the meaning of the EU Regulation, we analyzed additions to property, plant and equipment and to intangible assets as well as additions from business combinations.

Because the analyzed capital expenses do not relate to assets or processes associated with Taxonomy-aligned economic activities, nor are they a part of a CapEx plan, nor does the purchase of output relate to Taxonomy-aligned economic activities, the result was that no significant Taxonomy-eligible capital expenditures could be identified here either.

³⁸ See annual report: Consolidated income statement.

³⁹ Annex I and II of Commission Delegated Regulation (EU) C(2021) 2800 from June 4, 2021.

⁴⁰ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

⁴¹ Annex II of Commission Delegated Regulation (EU) C(2021) 2800 from June 4, 2021.

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON THE NON-FINANCIAL GROUP REPORTING⁴²

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 "parent company"), for the period from January 1 to December 31, 2021.

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

Responsibility of the Executive Directors

The executive directors of the parent company are responsible for the preparation of the non-financial Group report in accordance with §§ 315c in conjunction with 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] 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 adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as presented in the "EU Taxonomy" section of the non-financial Group report.

This responsibility of the executive directors of the parent company includes selecting and applying appropriate non-financial reporting methods as well as making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider 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 statement) or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. For this reason, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in the "EU Taxonomy" section of the non-financial Group report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

⁴² We have performed a limited assurance engagement on the German version of the separate non-financial group report and issued an Independent Practitioner's Report in German language, which is authoritative. The following text is a translation of the original German Independent Practitioner's Report.

Independence and Quality Assurance of the Assurance Practitioner's Firm

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

Our audit firm applies the national legal requirements and professional pronouncements – in particular the By-laws Regulating the Rights and Duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their Profession as well as the IDW Quality Assurance Standard issues by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards, and relevant statutory and other legal requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the non-financial Group report based on our assurance engagement.

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 IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any 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 §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder, as well as the interpretation by the executive directors disclosed in the “EU Taxonomy” section of the non-financial Group report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

Within the scope of our assurance engagement, most of which was conducted in the period from January to March

2022, we performed amongst others the following assurance procedures and further activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Inquiries of personnel at the Group level involved in the preparation of the separate non-financial Group report about the preparation process, about the internal control system related to this process, and about selected disclosures in the separate non-financial Group report
- Identification of the likely risks of material misstatement in the non-financial Group report
- Analytical procedures on selected quantitative disclosures in the non-financial Group report
- Reconciliation of selected disclosures with corresponding data in the consolidated financial statements and in the Group management report 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 Taxonomy-eligible economic activities and the corresponding disclosures in the non-financial Group report

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance Opinion

Based on our assurance procedures performed and the 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 to December 31, 2021, is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder, as well as the interpretation by the executive directors as disclosed in the “EU Taxonomy” section of the non-financial Group report.

Our assurance opinion does not extend to the Company’s websites that are referred to in the non-financial Group report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for purposes of the Company and that the report is solely intended to inform the Company about the results of the assurance engagement. As a result, the report may not be suitable for any purpose other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance opinion 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 of 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.

Nürnberg, March 25, 2022

Rödl & Partner GmbH
Wirtschaftsprüfungsgesellschaft

Steuerberatungsgesellschaft

Landgraf

Wirtschaftsprüfer
(German Public Auditor)

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