

NON-FINANCIAL GROUP DECLARATION



Sustainability and Non-Financial Reporting: Business Model of Nexus AG

Nexus Group develops, sells and services software solutions for hospitals, rehabilitation institutions, specialist clinics and nursing homes. All software solutions are designed to enable healthcare institutions to manage processes more efficiently and provide the staff with more time for patients. Nexus develops software solutions by combining know-how and ideas of customers and own employees. Nexus can draw on an extensive expertise from different European countries and a number of institutions.

Nexus AG's business model focuses on supporting medical facilities in the organization and treatment of patients using software solutions. The associated responsibility for the processes and treatment success in healthcare facilities is a key part of our business success. This means that social and sustainable work is particularly important for our business model.

For this reason, we strive to act responsibly and sustainably in all processes. In addition to economic issues, we also use the ESG (Environmental, Social and Corporate Governance) criteria to measure and control our performance. The development of controlling measures to gauge the achievement of objectives is an essential focus of our activities.

To collect and process expectations, ideas and topics relating to sustainable management, we are in regular contact with the stakeholders of our company – in particular employees, shareholders and customers. This exchange also determines where we are going to adjust our strategies. Employees are regularly consulted on their proposals for sustainability in company-wide surveys and the results are presented.

The sustainability documentation is reflected in further or derived documentation.

Non-Financial Reporting

Nexus AG's Sustainability Report presents our performance for fiscal year 2021 from a social, environmental and corporate governance perspective and can be viewed on the Nexus website.

(www.nexus-ag.de under the heading **Company / Investor Relations / Corporate Governance**)

Our consolidated financial statements are prepared in accordance with IFRS. The effectiveness of the internal control system for financial reporting has been confirmed by our management. We prepare our non-financial report in accordance with Section 289b and Section 315b of the German Commercial Code (HGB). According to them, we are then obliged to report on social, environmental and other non-financial aspects.

All non-financial information that we are required to disclose pursuant to Section 315c and Section 289c of the German Commercial Code (HGB) and that is necessary to understand the course of business, the results of operations and the situation of the Nexus Group is set out in our non-financial report. (www.nexus-ag.de under the heading **Company / Investor Relations / Corporate Governance / Non-Financial Report**)

The indicators and information about social and environmental performance contained in this "Non-Financial statement" are prepared in accordance with the "Core" report option of the Global Report Initiative (GRI) Standards. With this GRI option, we aim to publish the information necessary to understand the general nature of the organization, its key issues, its implications and its governance. In determining the content of the report, we are guided by the corresponding GRI principles (sustainability context, stakeholder involvement, materiality and completeness).

This report examines the essential aspects of trade law (workers, social issues, respect for human rights, the fight against corruption and environmental issues). To this end, we have based our report on the GRI standard. In 2021, we reviewed the materiality of the environment, social and cultural factors for understanding the course of business, the business results and the situation of the company. We also reviewed whether the depictions are necessary to understand the impact of the activity on these aspects. The audit has shown that there is no reporting obligation due to "dual materiality". Within these aspects, we do not have any significant non-financial performance factors. The following information is therefore voluntary.

We do not pursue any separate concepts for the topics of human rights and the fight against corruption, because they are not essential for our course of business, our business results and the situation of our company. The non-financial report does not meet the "core" requirement for GRI reporting and does not apply a standard framework. The objective is rather to pursue a reporting system tailored to the needs of the company. With regard to corporate risks (Section 289c (3) No. 3), we refer to the risk reporting in the management report. (www.nexus-ag.de under the heading **Company / Investor Relations / Financial Reports**)

1.1. Information and verification

All financial and non-financial indicators and information for the reporting period are documented using software solutions and are provided by the respective divisions. The reporting period is fiscal year 2021. The report covers Nexus AG and, to a large extent, the Nexus Group. The report is available in German and English.

Pursuant to Section 171 (1) sentence 4 of the German Stock Corporation Law (AktG), the Supervisory Board has audited the non-financial report, but it is not part of the audit assignment of the auditor of the Nexus Group.

1.2. Non-financial and financial indicators: Close connection

In our strategy and in our daily actions, we assume that companies with a clear social mission have competitive advantages. Meaningful goals and clear social values increase the attractiveness of the company among all stakeholders. The relationship between non-financial data and financial success is evident in many examples. The factors of a company's social, environmental and economic performance are mutually influential, and each sector has a significant impact on the others. This idea forms the basis of the sustainability report. We see a direct impact on our profitability in the following areas:

- + Benefits from business opportunities created by clean technology
- + Accepting emission reduction as a financial and social challenge
- + Understanding employee development and equal opportunities as a motivating factor
- + Including social concerns in daily decisions
- + Understanding corporate governance as a transparent framework for decisions by investors, employees and other stakeholders
- + Understanding data protection and data security as a corporate task

1.3. Establishing the priority topics for our non-financial reporting

Nexus has investigated which environmental, social and governance issues are of central importance to our stakeholders and conducted an internal materiality analysis. The objective was to identify and evaluate the topics that are of particular relevance to our stakeholders, such as our employees, investors and customers. Our materiality analysis process took into account the G4 guidelines of the Global Reporting Initiative (GRI) for Sustainability Reports. In identifying the issues that are important to us and their limits, we first examined the areas that are relevant to our processes and our supply chain. Subsequently, we discussed the topics that provide information on how our customers can use our software to contribute to achieving the UN Sustainability Goals. As part of the prioritization process, we analyzed the impact of each topic on our value creation, financial performance, operations, strategy, and our reputation for regulatory compliance. All topics that have been shown to be relevant for several areas were then divided into the following six categories:

- + Climate protection
- + Energy management
- + Ethical business conduct
- + Human rights and digital rights
- + Human capital and employee retention
- + Financial aspects of stakeholders
- + Effects on society

We held a discussion with selected stakeholders to validate the identified topics. The results of the materiality analysis were integrated into the sustainability reporting. The following sustainability issues were identified as crucial to the business success of Nexus AG:

- + **Climate protection**
- + **Energy management** (cf. the “Environmental issues” section),
- + **Ethical Business Conduct** (cf. the “Social issues, human rights and anti-corruption” section),
- + **Human rights and digital rights** (cf. the “Social affairs, human rights and the fight against corruption” section),
- + **Promotion of human capital and employee retention:** (cf. the “Employee issues and employee retention” section),
- + **Financial aspects of stakeholders:** We create not only financial value for Nexus and for our investors, but also for a large number of stakeholders. These include salaries

and benefits for our employees, orders to our suppliers and partners, and tax payments in the countries in which we operate.

- + **Effects on society** Through the use of digital technologies, we contribute to the implementation of the 17 sustainability goals of the United Nations. For example, our solutions help to provide disadvantaged groups with access to healthcare, personalized medicine or access to work equipment. At the same time, our solutions are used to support non-profit organizations in communicating with donors. (For more information, see the “Opportunities through Clean Technologies” section).

1.4.Environmental issues

We measure our activities to meet our environmental objectives under the term “environmental issues”. In this context, we define key indicators: total energy consumption, fuel consumption, waste disposal and water consumption. All data for our environmental indicators are collected and published annually. The data are collected internally and are not audited.

1.4.1. Waste and water

We aim to minimize the environmental impact of Nexus through concrete measures. Local initiatives require us to dispose of less waste and use less water. At the same time, we are contributing to increasing our business performance through recycling measures and more economical water consumption. The initiatives also aim to reduce operating costs and raise employee awareness at our Nexus locations.

1.4.1.1. Management of electrical waste

Our electronic waste is generated by servers in data centers as well as IT devices such as PCs, peripherals and mobile devices. Our servers and IT equipment are either resold or recycled in an environmentally friendly manner, depending on their condition. In 2019, we decided to integrate a sustainable waste management partner into our value chain. We are currently working with local waste disposal companies for electrical scrap. We also promote the internal reuse of IT devices by promoting the exchange of devices between locations. The objective is to avoid at least 80% of our landfill waste in the long term. For this, it is necessary to change processes and promote the reuse of materials. In addition, we donate older but still functional laptops and accessories to regional initiatives. These are then passed on to needy students to participate in e-learning.

1.4.1.2. Office paper consumption

Reducing paper consumption is also an activity point. Between 2017 and 2019, our paper consumption per employee decreased by 50.42%. Printer optimization and the expansion of digital processes in logistics, finance and human resources contributed to this. The introduction of a digital payroll at most locations already reduced paper consumption by 6%. The elimination of paper towels at many locations enabled a further 3% reduction. In 2020, a

number of measures resulted in a further reduction of 4% compared to 2019. This includes digital compliance monitoring and the digital personnel file. According to the current situation, paper consumption has decreased by a total of 54% compared to 2017.

The cost of paper, calculated on millions of sales, fell from €121.48 in 2019 to €57.92 per employee. This corresponds to savings of 52.33%.

1.4.1.3. Plastic avoidance

Nexus does not use plastic for any products. In this way, we also support the goals for sustainable development of the United Nations. We also promote employees' ideas on plastic avoidance. These include the introduction of reusable cups, the dispensation of plastic tableware and the use of reusable bottles. In 2020, we switched most of the locations to water dispensing systems and glass bottles.

At the delivery of hardware components, we ensure that they are supplied in plastic-reduced packaging. To this end, initial discussions with suppliers took place in 2021.

1.4.1.4. Efficient water consumption

Nexus is not a company with intensive water consumption. Our global water consumption in 2021 was approximately 10,210 m³. Compared to 2020, this corresponds to a saving of 22%. Water consumption, calculated on the basis of millions of sales, fell from 98.89 m³ in 2019 to 54.31 m³ in 2021. This corresponds to savings of 41.53%. However, we encourage our employees to use water as efficiently as possible. We are currently examining the extent to which rain and waste water (gray water) can continue to be used for irrigation and toilet flushing at new locations.

1.4.2. Power consumption

Significant environmental influences in the form of greenhouse gas emissions are also caused by power consumption from computer center services at Nexus AG. For power consumption, we are conceptually focused on reducing power consumption by concentrating our data centers and using efficient cooling systems. We aim to increase our efficiency by 20% compared to 2015.

In 2016-2019, we were able to close six decentralized data centers by constructing our new data center in Donaueschingen and replaced them with a more energy-efficient, new data center at the company's headquarters. We have also signed data center contracts with "co-locations" that have been proven to be energy efficient. We have also planned measures that include the use of the waste heat from data centers to heat the building.

We have estimated the savings for the past few years. These cannot be clearly quantified at this point in time, because we have significantly increased the number of servers operated.

We get as much electricity as possible from renewable energy sources and district at our locations and production sites. In addition, we are currently planning to equip the main site in Donaueschingen with a photovoltaic system that will cover the entire power requirements of the site, including the data center. Total electricity consumption in 2021 at our own facilities was 1,490,020 kWh. Compared to the value in 2019 in the amount of 1,614,510, there was a total decrease of 9% and 20% per employee.

Electricity consumption, calculated on the basis of millions of sales, decreased from 10,983.06 kWh to 7,925.64 kWh in 2021. This corresponds to savings of 27.84%

In our view, risks arising from our business activities that are very likely to occur and that are harmful for the environment or the company do not exist. Electricity-intensive processes are

too low for this with respect to our overall power output. We do not keep track of risks arising from our business relationships, e.g., caused by suppliers. Power consumption is a significant, non-financial factor for us. We report on its development in the management report annually. Acquisition costs for new data centers totaled €258,725 in 2016, 2017 and 2019. In 2018, we successfully conducted an energy audit in accordance with DIN EN 16247-1. We did not make any significant investments in data centers in 2020.

1.4.3. Fuel consumption

Significant environmental influences in the form of greenhouse gas emissions are also caused by fuel consumption at Nexus AG.

We are conceptually committed to making mobility and logistics more environmentally friendly in terms of fuel consumption. By using economical service vehicles, electric cars, leasing bicycles for employees, telephone and video conferencing instead of business trips and optimized tour planning, we aim to reduce fuel consumption per employee by 15% per employee by 2021 compared to 2015. We differentiated the target further in 2020. In the future, we will focus on the indicators “Fuel consumption per million sales (savings)” and “KM driven per liter of fuel (efficiency)”. The goal is now to achieve 20% savings and 15% efficiency gains compared to 2015. In 2020, we reduced fuel consumption per million sales by 60% compared to 2017 and increased efficiency by 11%.

Fuel consumption per million sales fell from 3429 liters (2019) to 2120 liters in 2021, which corresponds to savings of 38.19%. The special effect of reduced mobility due to the pandemic must be taken into account here as an essential factor. In terms of efficiency, 23 km were driven per liter in 2021. It was only 24.5 kilometers per liter in 2019. This resulted in an increase in efficiency of 6%.

In 2020, we changed a program for employee from leased bicycles to direct subsidies. We have continued to integrate incentives for low-emission vehicles into the company's car policy and have put more emphasis on using railways.

In addition, we have organized a ridesharing service for our employees, which gives everyone the opportunity to organize carpooling decentralized starting from March 2021.

In our view, risks arising from our business activities that are very likely to occur and that are harmful for the environment or the company do not exist. We do not keep track of risks arising from our business relationships, e.g., caused by suppliers.

Fuel consumption is a significant, non-financial performance factor for us. We report on its development in the management commentary annually.

Vehicle leasing costs (cars and bicycles) totaled € 2,189,082.34 in 2021 compared to € 1,905,550 in 2019 (-4%). Leasing costs, calculated on the basis of millions of sales, decreased from €12,963 in 2019 to €11,644 in 2021. This corresponds to savings of 10%.

1.5.CO² footprint, climate protection, and 1.5° C compliant science-based climate targets

The responsibility for sustainable management and the implementation of climate measures are part of NEXUS AG's self-image and corporate responsibility. With our products, we want to help customers reduce their greenhouse gas emissions and are committed to making our own workflows and processes more sustainable.

We see a significant market opportunity in the product range of greenhouse gas emission-reducing technologies. Hospitals and other healthcare facilities will focus more on climate-neutral operations in the future. Nexus already has a product portfolio that meets these requirements and contributes to significant emission reductions. This includes all telemedicine applications, but also optimization solutions in diagnostics.

NEXUS is explicitly oriented to the 1.5° C objective of the UN Climate Change Conference in Paris. Nexus is committed to keeping its CO₂ emissions as low as possible. Today, we regularly record our CO₂ emissions in mobility, energy, materials and waste. From 2021, we will record greenhouse gas emissions based on the Greenhouse GAS Protocol (GHG) according to Scope 1 and 2. In collecting the data, we measure the total CO₂/ CO₂-eq emissions generated by our activities per year.

1.6. Corporate Carbon Footprint; CO₂ footprint 2021

Minimizing our own ecological footprint is very important to us. As a software provider, our impact is focused on energy consumption in offices and employees commuting to work as well as servers and infrastructure.

Fiscal year 2021, scope 1+2, according to GHG protocol:

1.856 t CO₂e* Total, calculated on millions of sales, 9.87 t CO₂e*.

1.7. Opportunities through clean technologies and green coding

Nexus also aims to increase efficiency, improve performance and increase productivity while reducing emissions and [resource conservation](#) through the use of innovative processes, products and services. To reconcile the increasing need for medical services with the finite supply of natural resources and the need for climate protection, ecological and economic aspects must also be combined in sustainable economic management in the development of software.

In our product development, we differentiate between the direct increase in efficiency through the use of medical software (direct resource conservation) and the derived effects that arise through the avoidance of medical interventions and the acceleration of diagnoses (consumption avoidance).

Nexus software products enable direct resource conservation through, for example, the use of archiving software (paper), electronic requirements and workflows (transport).

In the area of resource avoidance, we are active in the areas of “diagnostic support through software”, telemedicine applications (promotion) and clinical data repository (avoidance of double examinations). We are currently working to quantify these effects for ourselves and for our customers within the framework of key indicators and to publish them in regular reports.

Our digitization products were also in demand in 2020 due to the reduced travel options. In particular, telemedicine products have enabled doctors and patients to get in touch without violating hygiene rules.

	Total (in €)		pro M€ Umsatz		Einsparung (in %)
	2019	2021	2019	2021	
CO2 Fussabdruck in t CO2e*	nicht berechnet	1.856	nicht berechnet	9,87	
Papierverbrauch in €	17.858,23	10.888,18	121,48	57,92	52,33 %
Wasserverbrauch in m3	13.654,22	10.210,12	92,89	54,31	41,53 %
Stromverbrauch kWh	1.614.510,00	1.490.020,00	10.983,06	7.925,64	27,84 %
Kraftstoffverbrauch in Liter	504.161,50	398.539,49	3.429,67	2.119,89	38,19 %
Leasingkosten in €	1.905.550,00	2.189.082,34	12.962,93	11.644,06	10,17 %

1.7.1. Green Coding

NEXUS pursues the approach of aligning the development process and the resulting software with the goals of sustainability, energy efficiency and associated CO² reduction in accordance with the Green Coding Principle. The software development process, the resulting products and their operation are optimized with regard to load avoidance and efficient use of resources.

In the software development process, the widespread use of online collaboration tools and video conferencing results in a drastic reduction in on-site meetings and the associated travel activity. Agile methodologies reduce development and coordination costs and at the same time increase delivery efficiency. The use of reusable codes through a uniform platform strategy significantly reduces the number of necessary development steps for each individual software product.

The software itself is optimized with regard to the following features, among others:

- + Reduction of network traffic by using, for example, client caching mechanisms and compressed data transmission
- + Minimizing resource consumption in databases as well as optimizing data queries and memory usage
- + Flexible allocation and use of existing resources thanks to microservice architectures

The operation of the software can be made energy-efficient by a number of measures:

- + Shift load-intensive processes into periods of low utilization and low energy costs
- + Increasing the efficiency of the use of existing computer resources through automatic load distribution
- + By supporting virtualization technologies, resources can be made available on demand at any time and energy-efficient disabled when not needed.

1.7.2. Impact of Nexus Software on Society

Through the use of digital technologies, we contribute to the implementation of the 17 sustainability goals of the United Nations. For example, our solutions help to provide

disadvantaged groups with access to healthcare, personalized medicine or access to work equipment (UN goal: health and well-being). At the same time, our solutions are used to support non-profit organizations in communicating with donors.



NEXUS products, for example, in women's health care, help doctors to identify the risks during pregnancy in the early stages and to take appropriate measures for the health of the mother and the fetus. We market this software worldwide together with scientific institutions in England (Prof. Nicolaidis, FMF). NEXUS has set itself the goal of enabling physicians to access the software and the risk algorithms, regardless of their financial capabilities (accessibility).

NEXUS products are also used intensively in the healthcare sector to ensure health care through specialist know-how (availability). One example is our telemedical software TKmed, which is used in emergency departments in hospitals. The software ensures that a patient can be diagnosed even if no specialist expertise is available in the hospital where the patient is admitted. For example, if special expertise is required to diagnose the patient, our software transmits all the necessary information to the responsible physician (availability).

The patient and the acceptance of health services are increasingly becoming the focus of health care (acceptability). Treating patients with dignity, trust and equality is becoming increasingly important. NEXUS products are used to enable patients to get treatment in the health care system in an equal and informed manner (patient empowerment). Through the use of portals, we ensure that patients are informed at all times about the status, the course and the documents of their state of health (acceptability).

1.8. Employee issues and retention

Nexus regularly implements measures to ensure gender equality, equal working conditions, implementation of the ILO's basic conventions, respect for workers' rights and health and safety at work.

Key projects related to employee issues at Nexus are:

- + Employee retention
- + Increasing equal opportunities for women workers
- + Improving preventive health care

As part of our Employee Issues and Retention Program, we measure the extent to which we manage to retain employees in the company. Our key indicator for “employee retention” therefore takes into account the number of employees who leave Nexus at their own request (fluctuation rate). To achieve more transparent and precise management of the number of employees, the number of employees leaving does not include those leaving the company due to restructuring. The turnover rate (BDA formula) was 10.23% in 2021, 8.74% in 2020 and 9.64% in 2019.

In 2021, we had a special situation in the service sector, which is responsible for a one-time effect and an increase in the fluctuation rate from 8.74% to 10.23%. Without this one-time effect, the fluctuation rate would have been 7.9%.

We also measure the Lost Time Injury Frequency Rate (LTIFR). This means the number of accidents with downtime per 1,000,000 hours of work in relation to the total number of hours worked. Since there were again no workplace accidents with downtime in 2021, the LTIFR was 0.

In addition, we examine employee satisfaction once a year and survey the workforce about what potential for improvement they see at Nexus in terms of workplace situation, work-life balance, development opportunities and fault tolerance. The last survey was conducted January 2022.

The mean value on a scale of 1-5, where 1 represents a poor assessment and 5 a good assessment, was 3.35 in January 2021, but already 3.55 in January 2022. This means an increase in satisfaction of 5.97%.

1.8.1. Equal opportunities

To increase equal opportunities further, we aim to increase the proportion of women in the company as a whole and, in particular, at management levels. We want to increase the proportion of women in the company by means of targeted promotion and personally addressing them to increase the low proportion of women in our industry.

In 2016/2017, we launched a program to increase the female share of the total workforce and defined percentage targets for the supervisory board, executive board and first management level under the German Federal Participation Act. Active measures include, in particular, the promotion of reconciling issues of family, care and work with the possibility of part-time jobs and return opportunities. The proportion of women is currently 31.55%; it was 34.20% in 2020 and 32.62% in 2019. Due to the company acquisitions in 2021, the proportion of women in the Group has decreased slightly. In the coming years, it will be necessary to roll out the NEXUS Group's promotion programs to the new companies.

The share of women in our company is a significant, non-financial performance factor for us. We report on its development in the management commentary annually.

In our view, risks arising from our business activities that are very likely to occur and that are harmful for the company do not exist.

1.8.2. Improvement of preventive health care

Health and safety at work are essential factors in our human resources work. In addition to the diverse legal requirements for occupational health and safety, we provide further measures and programs to improve the health of our employees.

In preventive health care, we implemented many measures in by investing in new, height-adjustable office furniture, health checks for management, noise-reduced offices and a fitness park at our main site. This also includes promoting active health care for our employees, e.g., through financial subsidies for visits to gyms and sports groups.

Furthermore, we offered flu and coronavirus vaccinations as well as coronavirus tests at all Nexus locations in 2021.

Nexus focuses specifically on the safety of its employees, particularly in road traffic. We take care to evaluate the vehicle selection according to safety criteria, offer driving safety training to employees and conduct regular online training courses. We aim to ensure that our rate of injury in road accidents remains at zero.

Traffic accidents with personal injuries are a significant, non-financial performance factor for us. In 2021, we again had no staff injuries due to traffic accidents. Our goal: remain at 0.

1.8.3. Business Health Culture Index

A Business Health Culture Index (BHCI) provides insight into the prevailing corporate culture to enable employees to stay healthy and feel that they have a balanced life style. The index provides information on how employees assess their personal well-being, working conditions and the company's management culture. We observe at regular intervals the extent to which Nexus can provide its employees with a work environment that promotes employee health, ensures their long-term employability and motivates them to engage actively in the implementation of our ambitious corporate goals

This observation is based on results from our employee survey (People Survey: Bullet Point: 2.8). All employees were invited to take part in this survey in 2021. In this survey, we will also identify various kinds of information concerning employee commitment. They reflect the motivation and loyalty of our employees, their pride in our company and their identification with Nexus. At the same time, we will integrate psychological risk assessment into the survey, which is provided for in current occupational health and safety laws.

1.9.Social affairs, human rights and the fight against corruption

Nexus supports dialog at local and regional levels at its locations in Germany and abroad and individually promotes the protection and development of local communities as well as supports voluntary charitable activities of its employees. This also includes our active participation in the Federal Association of IT Health (bvitg e. V.) for the topics of interoperability and medical standards.

At the level of employee benefits, we offer various cooperations with providers of employee programs. We also take care of the care of the children of our employees in the form of childcare subsidies.

In the fight against corruption and bribery, we have high transparency requirements as well as strict gift guidelines both with regard to customers and suppliers. In the area of responsible sourcing, we carry out supplier audits on a case-by-case basis.

Site visits include the following factors:

- + Labor standards
- + Safety and health
- + Environment
- + Compliance

The visits are summarized in reports and discussed with the suppliers. Action plans monitor possible deviations from our standards and, if necessary, revise contract award decisions. We did not conduct any audits in 2020.



1.9.1. Ethical standards

We are committed to respecting human rights both within Nexus solutions and in our extended supply chain as well as in terms of the impact of our solutions. We are committed to high ethical standards and to fairness, diversity and inclusion throughout the company. Today, this is a prerequisite for attracting and retaining talented employees as well as strengthening our innovation potential and reputation. Respect for human rights is integrated into our business activities. In doing so, we are also guided by the basic principles of the Universal Declaration of Human Rights and the OECD Guidelines for Multinational Enterprises. To implement these commitments, we have taken measures that will have an impact, particularly in the areas of health, occupational safety and data protection policies. We reviewed our risks and human rights activities and measures in the areas of human rights in 2019. Within an internal team, we investigated whether our business practices and policies are in line with generally accepted human rights initiatives and frameworks and have made the necessary adjustments (see graphic above).

We still see gaps in the review in the relationship between respect for human rights, our artificial intelligence products and responsible business principles. We still need to communicate with our customers to better examine the ethical responsibility of product development in the field of artificial intelligent.

We also check on a case-by-case basis whether our human rights standards are being followed at our sites. Aspects such as working conditions, salaries and working hours, environment, health and safety, management processes and business practices are considered. While we have not seen any problems with labor law issues, we still have

shortcomings in global standards for data security. To remedy these shortcomings, we implemented various certification procedures in 2019 to increase our data security.

1.9.2. Respect for the rights of our employees

Any form of discrimination in dealing with all our employees is prohibited at Nexus. We also offer tutorials and training on the relevant topics of occupational safety, driving safety, data protection and anti-discrimination. All employees, including groups of vulnerable persons, such as temporary, external employees who feel discriminated against or harassed, are required to report this. You can contact your superiors, Human Resources or colleagues in confidence.

1.9.3. Compliance with high ethical standards in value creation

We expect all our business partners to respect human rights and not to be involved in their violation. We also address the ethical and social implications of technological progress, such as artificial intelligence (AI). That is why we also support the measures of the Federal Ministry of Justice and Consumer Protection to develop principles and concepts for Corporate Digital Responsibility (CDR). When designing a solution, our development teams ensure that the product meets human rights standards. For example, accessibility is a key topic in our software development. To ensure that our customers can protect digital rights with our products, we adhere to strict data protection and security standards. We have included these in our global product development guidelines, our quality and product standards, and our privacy policies.

	2019	2020	2021	Gesamtentwicklung gegenüber 2019 in %
Fluktuationsrate (BDA Formel) in %	9,64	8,74	10,23	-6,10%
LTIFR	0,00	0,00	0,00	0,00
Mitarbeiterzufriedenheit in %	n/a	3,35	3,55	5,97%
Frauenanteil in %	32,62	34,2	31,55	-3,29%
Personenschäden	0,00	0,00	0,00	0,00
meldepflichtige Datenschutzverstöße	0,00	0,00	0,00	0,00

1.10. EU Taxonomy Compliance

The EU Commission adopted its action plan for financing sustainable growth in 2018. This focuses in particular on the reorientation of capital flows to achieve sustainable and inclusive growth, the embedding of sustainability in risk management and the promotion of transparency and long-term sustainability in financial and economic activities. In March 2021, the ESMA (European Securities and markets Authority) issued guidelines to be applied in determining and presenting key figures. In addition to the quantitative performance indicators, qualitative data and explanations must also be integrated. As of 2022, the information for the 2021 fiscal year should be included in the Non-Financial Report. NEXUS has adapted its “Non-Financial Reports” in line with the EU taxonomy. According to Article 8

(2) of the Taxonomy Regulation, non-financial corporations will henceforth have to publish the following information:

1. The share of their revenue generated by products or services associated with economic activities that are classified as environmentally sustainable
2. The share of their capital expenditure and, where applicable, the share of operating expenditure related to assets or processes associated with economic activities that are considered environmentally sustainable

The environmentally sustainable share of sales revenues (**green sales**), capital expenditure (**green CAPEX**) and operating expenditure (**green OPEX**) must be made clear.

1.10.2. Environmental objectives

Article 9 of the Taxonomy Regulation sets out the following environmental objectives:

1. Climate protection
2. Adaptation to climate change
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protecting and restoring biodiversity and ecosystems.

In particular, NEXUS has put the environmental objectives of "climate protection" and "prevention and control" of environmental pollution in concrete terms and is committed to all objectives.

1.10.3. Taxonomy Compliance

In its Article 3, the Taxonomy Regulation classifies an economic activity as environmentally sustainable if it makes a significant contribution to the achievement of one or more of the relevant environmental objectives, does not result in a significant impairment of one or more environmental objectives, is exercised in compliance with the minimum protection and continues to meet the technical assessment criteria.

1.10.4. Nexus Taxonomy Compliance

Sales

100% of the revenues of the NEXUS Group are classified as "taxonomy compliant". NEXUS sells almost exclusively software and a small quantity of computer hardware. We show the measures taken to achieve our environmental objectives in our ESG report. Our economic activity does not result in significant impairment of environmental objectives. We guarantee the minimum level of protection (Article 18) through procedures that ensure respect for human rights and workers' rights. We measure our achievement of our goals through technical evaluation criteria.

Investments

100% of the investments of the NEXUS Group are classified as "taxonomy compliant"

The share of capital expenditure classified as ecologically sustainable (green CAPEX) mainly relates to investments in more climate-friendly office buildings and data centers. In 2021, we

made total investments of KEUR 2,121 (excluding investments in intangible assets), of which approximately KEUR 380 (18%) was for the acquisition of a property. Approx. KEUR 603 (28%) were invested in the modernization of the data centers and for "energy-efficient servers" as well as the conversion of the cooling systems in our data centers. These investments can be directly attributed to the climate protection objective. Further investments (54%) were made in software and equipment. None of these investments was in contradiction to environmental objectives.

Reporting

In the future, the taxonomy conformity of our sales and investments will be integrated into the annual sustainability report. The distinction between the ESG/ CSR representations and the Taxonomy Regulation is to be distinguished as follows (WPSF_PolicyBrief4-2021):

	Darstellung	Inhalt	Umfang	Wesentlichkeitsbestimmung
CSR- Richtlinie	Qualitativ	Beschreibung des Geschäftsmodells Due-Diligence-Prozesse Wesentliche Nachhaltigkeitsrisiken	Umwelt-, Sozial-, und Arbeitnehmerbelange	Bislang überwiegend auf Basis der Outside-In-Perspektive Forderung nach verpflichtender doppelter Wesentlichkeitsbestimmung
	Quantitativ	Wichtigste nicht-finanzielle Leistungsindikatoren		Eigene Einschätzung der Unternehmen
Taxonomie-Verordnung	Quantitativ (in Form von Finanzkennzahlen)	Wirtschaftstätigkeiten, die als ökologisch nachhaltig einzustufen sind	Umweltbelange	Auf Basis der Inside-Out-Perspektive Vorgabe durch die EU Kommission

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