



CompuGroup Medical **Separate non-financial** **Group Report 2023**

We create the future of e-health

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EXPLANATION

Separate non-financial group report for financial year 2023 (hereinafter: "Non-Financial Report") of CompuGroup Medical SE & Co. KGaA.

About this report

Proactively shaping the future of the healthcare industry together with our global customer base and protecting people's health is embedded in our corporate DNA. Our activities in the healthcare sector focus in particular on inter-connecting healthcare data. However, we also see ourselves as an integral part of society and therefore assume responsibilities that transcend the realm of healthcare. In times of growing social and environmental challenges, we are aware of our responsibilities and assume them in an all-encompassing and sustainable manner, always remaining true to our values, in particular: We care and give back!

Our interpretation of Corporate Responsibility (CR) involves recognizing and being accountable for the consequences that our economic activities have on society. This includes each and every course of action taken by the CompuGroup Medical SE & Co. KGaA group (CGM) being designed to maximize the positive effects on society and stakeholders and to mitigate any negative effects.

In doing so, we address all our stakeholders such as customers, employees, business partners, shareholders and capital market participants, political decision-makers, science and academia, media representatives and, ultimately, anyone who is interested in us.

We endeavor to write our reports in a gender-neutral way. However, we would like to point out that to aid readability, we have used the generic masculine or gender-neutral wording instead of the simultaneous use of feminine and masculine forms. All references to persons apply equally to all genders. Figures in the following sections are presented in either millions (mEUR) or thousands of euro (kEUR).

Reporting principles and general report information

Reporting period

The reporting period is the 2023 calendar year. Unless otherwise indicated, this is the same as the reporting period for the Annual Report.

Date of the current report

The Non-Financial Report of the CompuGroup Medical SE & Co. KGaA group (CGM) is to be published on March 28, 2024.

Reporting cycle

The non-financial report was first issued in 2017 and is published annually.

General report information

Unless otherwise indicated, the information in the Non-Financial Report of the CompuGroup Medical SE & Co. KGaA group refers to financial year 2023 and was prepared in accordance with sections 315b and 315c in conjunction with sections 289c to 289e of the German Commercial Code (HGB) and published separately from CGM's Management Report.

The parent company of CompuGroup Medical SE & Co. KGaA is headquartered in Koblenz, Germany. The group's operations are carried out by independent subsidiaries in Germany and abroad. These group companies are managed centrally at group level. For this reason, the following statements and descriptions of concepts apply equally to CompuGroup Medical SE & Co. KGaA and to the group, unless otherwise indicated. This also applies to the companies acquired and integrated in the reporting year.

In accordance with section 171 (1) sentence 4 of the German Stock Corporation Act (AktG), the Supervisory Board is required to review the non-financial report. In compliance with this requirement, the Supervisory Board therefore commissioned the audit firm KPMG AG Wirtschaftsprüfungsgesellschaft to conduct an audit to obtain limited assurance in accordance with ISAE 3000 (Revised).

Reporting principles and general report information

For each of the five non-financial aspects to be covered under the German Commercial Code (employee-related matters, social matters, respect for human rights, anti-corruption and bribery matters, and environmental matters), the reporting in the present non-financial report is based on the material topics identified in the materiality analysis. We used the topics named in the ESRS standards as a basis for preparing the materiality analysis. Apart from the ESRS, the non-financial report initially applies no other standard framework to produce reporting in line with the company's needs. However, this approach will be reviewed when the Corporate Sustainability Reporting Directive (CSRD) becomes applicable. References to disclosures made outside of the Combined Management Report/financial statements constitute supplementary information and are not an integral part of the non-financial report.

Applying the net method, we have not identified any material risks in accordance with section 315c in conjunction with sections 289c (3) no. 3 and 4 of the German Commercial Code (HGB) associated with the company's business activities, business relationships, products or services that are very likely to have a significantly negative impact on the material matters now or in the future. The Risk and Opportunity Report is part of the Combined Management Report and found in section 3.

Description of the business model

CGM group

We develop and sell efficiency and quality-enhancing software plus information technology services for the healthcare sector. The company is one of the leading players in the development of global e-health solutions and is a key provider in Germany, in other key European markets as well as in the US. CGM's software products and related services are designed to assist in all medical and organizational activities in private medical practices, pharmacies, hospitals, medical laboratories, and other healthcare facilities. Its portfolio of products also includes information services for health insurance companies and pharmaceutical companies.

The company has a wide and global reach with offices in 20 countries worldwide. More than 9,000 employees support customers with innovative solutions for the steadily growing demands of the healthcare system, generating revenues of mEUR 1,187.7 in financial year 2023.

Operating segments

The four operating segments outlined below comprise our full portfolio of products, solutions, and services.

- **Ambulatory Information Systems (AIS):** This long-standing operating segment focuses on developing and selling practice management software and electronic medical records for registered physicians, medical care centers and physician networks. For these healthcare providers, products and services are packaged into an end-to-end solution that covers all clinical, administrative, and billing-related functions needed to operate a modern healthcare facility. We also offer supplementary Internet and Intranet solutions to ensure that patient data can be shared between physicians in a secure way.
- **Hospital Information Systems (HIS):** The HIS segment focuses on developing and selling clinical and administrative solutions for the inpatient sector, where healthcare services are provided over an extended time period in highly specialized, primary, and secondary care facilities. Customers include acute care hospitals, rehabilitation centers, welfare institutions, multi-location hospital networks, regional care organizations, medical laboratories, and radiologists. The software solutions and related services facilitate patient administration, resource and personnel management, medical documentation, and billing. As a full-service provider, we pursue an integrated care approach, providing customized software solutions for virtually every aspect of administration, planning and the provision of care in nursing care facilities.

Description of the business model

- **Consumer & Health Management Information Systems (CHS):** The products and services in the Consumer & Health Management Information Systems (CHS) segment target pharmaceutical companies, health insurance companies, other IT companies in the healthcare sector as well as patients and consumers. The portfolio includes IT security services, data-based product offers, software interfaces for data exchange, clinical decision-making support, medication, and treatment databases for healthcare service providers, as well as digital healthcare applications, consumer portals and mobile apps. In addition, the CHS business unit is also responsible for Telematics Infrastructure and for providing security solutions for service providers.
- **Pharmacy Information Systems (PCS):** This operating segment focuses on developing and selling integrated administrative and billing related software applications for pharmacies. The software solutions and related services provide accurate information and valuable decision-making support to manage every aspect of the supply chain for medication from procuring and shipping the medication, managing and controlling inventory efficiently, through to planning, performing and monitoring retail activities. Medication is dispensed to patients in a safe and cost-efficient way by means of advanced medication safety and control functions, and decision-making support tools for using generic substitution and cost optimization strategies.

Our purpose

“Nobody should suffer or die just because at some point medical information was missing.”
Frank Gotthardt – founder and chair of the Administrative Board

We endeavor to make medical information and services available to healthcare providers and patients to ensure the best possible care, irrespective of when and where this is administered. We develop software to optimize the medical and administrative workflows of service providers, setting store by intuitive user guidance, cutting-edge technologies, and uncompromising security for medical data – all with the aim of making healthcare effective and efficient. As described in our purpose, patients and patient safety are the dedicated focus here.

Our ambition

“We are the world’s leading medical software company.”

We aim to be the undisputed partner for medical software for healthcare providers and for their interaction with patients.

Description of the business model

Our mission

“We create the future of e-health.”

We offer our customers a coordinated, technical working environment, and make medical and administrative data available anytime and anywhere. Our large platforms and decades of market experience mean that we are the driving force for increasing collaboration to provide the best possible and most efficient care. The personal electronic health record means that each and every person can actively participate in their own healthcare and treatment. We make patient-centered care possible – in a secure and comprehensive way. We connect people, healthcare providers, healthcare institutions, the pharmaceutical industry and insurance companies to ensure that diagnosis and treatment have the optimum effect. We provide interoperable platforms and pioneering technologies. We use artificial intelligence to communicate between people and machines as well as to develop flexible and learning intelligent network topologies.

Our values

Corporate values serve as a foundation and guiding principle to achieve our vision. CGM's Senior Management defined the following corporate values already back in 2022:

- Act with integrity and respect!
- Deliver great service every day!
- Collaborate and take ownership!
- Take pride in simplicity!
- Stay curious and have fun!
- We care and give back!

Global communication campaigns ensured these were further anchored in the organization in the reporting year. They also make up a key part of our performance evaluation process, which is mandatory for all employees.

The corporate value “We care and give back!” specifically underlines our understanding of corporate responsibility, which we view holistically.

In this context we have supported and implemented various social projects across the globe during 2023 that demonstrate our endeavor not only to achieve economic success, but also to make a positive contribution to society.

Description of the business model

In India, for example, we have established a program that focuses in particular on promoting education for children in socially disadvantaged groups. We not only provided financial resources and donations such as computers, food, and sports equipment, but also emphasized the importance of education by visiting schools. We also invested in improving retirement homes, facilitating access to medical care and physiotherapy, ensuring adequate cooling systems for rooms and providing a reliable supply of daily meals. The commitment continued in South Africa, where we brought joy to 1,000 children in a small village near Cape Town by distributing 2,000 hot dogs on Nelson Mandela Day in collaboration with an organization called RAM (Rescue Among Many). We were also able to support dentists from Belgium who volunteered for medical missions in Madagascar by providing them with our CGM software. This enabled them to offer local people treatment that they would otherwise not have been able to receive.

CGM in figures

in kEUR (IFRS) (*)	2023	2022	2021
Consolidated revenues	1,187,663	1,129,739	1,025,322
EBITDA	229,760	216,351	213,390
EBITDA adjusted	264,737	234,004	224,310
Investments	124,327	145,414	163,976
Research and development	252,163	237,804	202,513
thereof: research and development (own development projects)	148,524	106,156	78,941
Income taxes for the period	25,800	32,699	28,842
Operational performance	549,747	525,425	476,170
thereof: salaries and wages	453,968	432,966	389,433
thereof: social charges	62,550	59,548	57,438
thereof: pension plan	33,229	32,911	29,299
Equity	669,271	673,823	612,284
Total assets	1,899,943	1,944,438	1,790,813

Additional information on our business activities, our economic performance and growth is provided in the CompuGroup Medical Annual Report, which is available at: https://www.cgm.com/corp_en/company/ir-en.html Please refer in particular to the supplementary information in sections "1. Foundations of the group" and "2. Economic report" of the Combined Management Report.

(*) The contents of this table are not covered by the separate limited assurance engagement in accordance with ISAE 3000 conducted by KPMG AG Wirtschaftsprüfungsgesellschaft.

Determination of materiality

Understanding of CR and management approach

Our group strategy is focused on innovation and sustainable growth. Our understanding of corporate responsibility is based in particular on our vision and our values and the important contribution we responsibly make to healthcare.

We have been involved in shaping the digitized healthcare system since 1987, developing CGM products that help both healthcare professionals and patients alike to improve their work and their lives. As a member of society, we believe we have a duty to take responsibility beyond the healthcare system: We care and give back!

In times of growing social and environmental challenges, we actively identify with this role in a comprehensive and sustainable way and remain committed to our values. We feel a sense of responsibility towards our customers, employees, business partners, shareholders and capital market participants, political decision-makers, science and academia, as well as media representatives, while conducting our business.

We attach great importance to compliance with all legal regulations and to ensuring information security. We also want to set new standards and work tirelessly to improve what we do. We will be focusing even more on the issues of employees, and environmental and climate protection, with our efforts being underpinned by targets and dedicated measures.

In order to cement the importance of corporate responsibility (CR) in the company's philosophy, specific CR objectives were included in the remuneration agreements of CGM's Managing Directors as early as in 2022.

Our CR management approach aims to integrate material sustainability matters into all areas and processes in the company.

Our specific CR values are derived from our Code of Ethics and our Declaration on Corporate Governance as well as our privacy policy, which are publicly available on our website. The standards and principles listed there constitute a binding framework for all our employees' actions.

In operational and strategic terms, corporate responsibility and non-financial reporting are the responsibility of Group Human Resources, which is headed by the CEO Michael Rauch. The Sustainability, Talent and Diversity department manages the work to develop and implement strategies and action plans centrally.

Determination of materiality

Identification and inclusion of key stakeholders

Relationships with customers and employees are the top priority for us. The capital market and its players are also key stakeholder groups. As a company listed in the Prime Standard of the Frankfurt Stock Exchange, we have been listed in the TecDAX index since September 23, 2013. This index is made up of the 30 largest companies in the technology sectors as measured by market capitalization and volume traded in the Prime Standard. After more than two years in the MDAX, the shares have been listed in the SDAX since March 21, 2022.

Identifying the most important stakeholders and their interests is vital for a successful stakeholder dialog. Stakeholders were categorized and prioritized according to the following criteria:

- Stakeholder interests
- Stakeholder influence
- Stakeholder expectations for CGM
- Dependence of stakeholders on CGM
- Degree of relevance for CGM to engage in a dialog with this stakeholder

Given that stakeholders may change due to new technologies, markets, customers, regulations, and societal developments, the list of key stakeholders and their categorization are reviewed and, if necessary, updated regularly.

The following table outlines the dialog conducted by us with our stakeholder groups. In many cases, the exchange with stakeholders listed below as examples took place digitally, virtually or in hybrid formats in 2023.

Determination of materiality

Stakeholder groups	Form of dialog
Capital market	(Virtual) meetings and conferences
	Quarterly reporting
	Annual financial statements and Annual report
	Annual general meeting
	Capital Markets Day
	Ad hoc notifications
	Corporate News
	ESG reporting
Customers	Expert advice
	CompuGroup After Sales
	Product requirements
	Joint development with the customer
	Trade fairs and conferences
Suppliers and Business partners	Evaluation of suppliers
	Purchasing principles
Political Decision-Makers	Guided tour of the company
	Conversations with politicians
Employees	Regular town hall meetings
	Digital exchange platforms (e.g. Yammer)
	Intranet
	Staff meetings
	Internal publications
	Satisfaction surveys
Scientific institutions and universities/colleges	Own program of study "Medical Software Engineering"
	Research projects
	Events
Media Representatives	Interviews
	Press releases
	Expert advice

Particularly in our capacity as a group with international operations, we maintain reciprocal relationships with the various stakeholders based on our research and development activities as well as the sale and servicing of our products. We regularly exchange information through many different types of dialog with key groups: customers, employees, shareholders, suppliers, the government and politicians, the media, scientists, and researchers. The constant liaising between us and our stakeholders is intended to help the company understand their points of view, build trust-based relationships, and reinforce existing collaborations and partnerships. We want to openly discuss expectations and satisfy the interests held by individual stakeholder groups as far as possible. Regular dialog also provides an opportunity for the company to explain what possibilities it has to influence social issues and environmental matters, and what prerequisites or conditions are important for this to happen.

Determination of materiality

Determination of top CR action areas

We have based our selection and sequence of matters and topics to be discussed in this report on the materiality analysis performed.

The most important sustainability issues for CGM were identified and prioritized in the materiality analysis conducted for the first time in November 2017. In prior years, surveys involving representatives of relevant group functions were carried out to determine any changes to material issues.

The main economic, environmental, social, and ethical matters were outlined on the basis of the GRI standards in order to ensure the most comprehensive view possible of the relevant issues.

We carried out the materiality analysis again in the 2023 reporting year. For the first time and in preparation for CSRD reporting, the ESRS standards formed the framework for our 2023 materiality analysis, with the continued participation of the permanent members of the CR committee, who also represent our stakeholder groups. A workshop was held to provide training and discussions on the background and theoretical basics. First, a focus group compiled a shortlist, after which the key topics were then evaluated independently and finalized by means of a structured query. This was followed by a weighted assessment of all topics from the outside-in and inside-out perspective (double materiality). The topics (topics, sub-topics and sub-sub-topics) were allocated to the matters as per section 289c (2) of the German Commercial Code (HGB). In this report, we will address the topics that meet the single materiality criterion as per the requirements of section 289c (3) HGB. This means that they are material for the business performance, the business result, the group's position and their impact on the matters specified in section 289c (3) HGB.

The materiality analysis resulted in a partial revaluation of the previously defined topics. A total of eight material sustainability topics have been identified.

While patient safety, data privacy and information security, ethical business conduct, environment and climate protection, working conditions and personnel development as well as diversity and equal opportunities for our own workforce were already core topics of our daily activities in the past, the topic of digitization was added in this financial year outside the otherwise applied ESRS framework. The topic of energy, which was initially classed as being below the materiality threshold in 2022, has now also been identified as a material topic. As part of the revaluation, the topics of fair competition, economic performance and growth and contribution to local economic development were no longer classified as material as per the German Commercial Code (HGB). Employee satisfaction, employee health and anti-discrimination were assigned to the topic of working conditions of the own workforce as well as diversity and equal opportunities, and are covered by this matter. Compliance is still covered in the scope of ethical business conduct and compliance. In this context, we understand ethical business conduct to mean conscious, organization-wide behavior in compliance with laws, rules and standards, while fair competition represents a commitment to a free market and fair business practices. Further, we define compliance as a systematic compliance management system to ensure conformity with regulations.

Determination of materiality

The non-financial topics for sustainability reporting were prioritized, taking into account the legal requirements for the double materiality perspective as per section 315c (2) of the German Commercial Code (HGB).

Our key topics are attributable to employee matters, social concerns, environmental matters, as well as anti-corruption and bribery matters, and are mentioned accordingly in this report. Human rights is an overarching topic and is therefore dealt with both in the section on ethical business conduct and compliance as well as in the section on employees.

The overarching "Supply chain and procurement" topic does not classify as a material aspect within the meaning of HGB. Instead, a separate section provides voluntary disclosures relating to non-financial topics.

Material topics	Aspects (according to HGB)	Contained in sections	Reference
Data protection and information security	Social concerns	Data protection and information security	P.19
Patient safety	Social concerns	Description of the business model, Supporting the global Sustainable Development Goals	P.7, P.16
Business ethical behaviour and business conduct	Combating corruption and bribery, respect for human rights	Ethical business conduct and compliance	P.21
Working conditions and personnel development	Employee matters	Employment, learning and personnel development, employee satisfaction, employee occupational health	P.24, P.25, P.29, P.31
Diversity and equal opportunities	Employee matters	Diversity and equal opportunities	P.29
Environment and climate protection	Environmental matters	Environment and climate protection	P.34
Energy efficiency	Environmental matters	Environment and climate protection	P.34
Digitalisation	Employee matters, social concerns	Description of the business model, Supporting the global Sustainable Development Goals	P.7, P.16

The table above shows the aspects in accordance with the German Commercial Code (HGB) and the material areas of action of the CompuGroup Medical SE & Co. KGaA group that have been identified on the basis of a materiality analysis performed in 2023 and assigned to the aspects.

Supporting the global Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) are political objectives set by the United Nations (UN) to ensure sustainable development at the economic, social and environmental levels around the world. They were created in 2015, providing a globally accepted and widely used framework for public and private sustainability goals over a defined period of 15 years (until 2030).

We at CGM also want to support the SDGs as part of our efforts to live up to our responsibility in the global society. We continue to believe that within the scope of our core competencies and with our existing product portfolio, we support the achievement of three core goals. These are “Good health and well-being” (SDG 3), “Decent work and economic growth” (SDG 8), and “Industry, innovation and infrastructure” (SDG 9). In addition to the three core objectives outlined above and stemming from our business model, we confirmed our commitment to increase the proportion of women in managerial positions, to strengthen their position in the long term by setting clear internal objectives in the reporting year. Against this background, it is our stated ambition to also help achieve the goal of “gender equality” (SDG 5).

Goal 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

Our diverse product offering means that we provide healthcare professionals and patients with helpful medical information, while also working tirelessly to optimize medical and administrative workflows for healthcare providers. We play an active role in supporting universal healthcare coverage by involving all stakeholders in the patient journey.

Goal 5: ACHIEVING GENDER EQUALITY AND EMPOWERING ALL WOMEN AND GIRLS

As a listed company, the proportion of women on our boards is also determined by legislation, which is explained in our Declaration on Corporate Governance. In order to increase the proportion of women at management level, targeted measures have been introduced and implemented throughout the group in recent years. These include establishing an internal women’s network under the auspices of a Managing Director, a dedicated mentoring program for women and talent conferences to identify female talent.

Supporting the global Sustainable Development Goals

Goal 8: PROMOTE SUSTAINED, INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH, FULL AND PRODUCTIVE EMPLOYMENT AND DECENT WORK FOR ALL

Our strategy is a clear reflection of our growth ambitions; ambitions which enable us to contribute to economic growth while also safeguarding sustainable, productive employment and decent working conditions in our group, all of which dovetailing with our ethical principles. In financial year 2023, we significantly increased capital expenditure for further growth as we invested mEUR 42 more in research and development than the previous year.

Goal 9: BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION AND FOSTER INNOVATION

Throughout the course of our company's history, we have pursued the vision of digitalized healthcare. This means we are relentless in our efforts to develop new key technologies. Each year, we invest considerable resources in work to develop innovations as well as playing a key role in the implementation of national infrastructure projects designed to network the healthcare system. This is also reflected, for example, in our 2023 initiative to increase the use of artificial intelligence (AI) in our products and solutions. The objective is to use AI in areas such as diagnostics and operational workflows in the healthcare sector, thereby creating benefits for physicians, healthcare professionals and patients. The main focus is on intelligent use of data in conjunction with high data protection and data privacy standards.

We are convinced that AI will significantly shape and change the healthcare IT sector in the coming years and we want to play a major role in this development.

Risk management

Responsible handling of entrepreneurial risks is one of the principles of good corporate governance. The Managing Directors of CGM have group-wide and company-specific reporting and control systems at their disposal which ensure that these risks are recorded, evaluated, and managed. The systems are continuously refined and adapted to the changing framework conditions.

The Managing Directors regularly inform the Supervisory Board about existing risks and their development. The Audit Committee is primarily concerned with monitoring the accounting process, including reporting, the effectiveness of the internal control system, risk management, compliance, and annual audit.

Details on CGM's risk management are presented in the Combined Management Report under the Risk Report section. In addition, the report on the accounting-related internal control and risk management system required by the German Accounting Law Modernization Act (BilMoG) is included in the Combined Management Report.

Acquisitions in the reporting year

We were also able to acquire and integrate several companies in the 2023 reporting year, including m.Doc GmbH. In terms of CR and associated risks, interviews were conducted with representatives of all companies using a structured questionnaire.

With particular focus placed on employees, all companies newly acquired in 2023 were already integrated into the Group Human Resources organization during the year under review and the existing workflows and standards were adapted. No material risks were identified, also considering new sites.

Data protection and information security

Customers and effective measures to ensure information security and data privacy have been a top priority for us since day one. We undertake to protect the privacy rights of every individual whose personal data are processed.

Data protection and privacy

Data protection and privacy was incorporated into Group Legal & Compliance Affairs in December 2020. The data protection team was already given additional manpower in the reporting year 2022 and we appointed a central Chief Data Privacy Officer Group Data (CDPOGD). Each European country continues to have a Corporate Data Protection Officer (CDPO) who supports the companies in the respective country. All European CDPOs report regularly to the CDPOGD. The German CDPO of the parent company is also involved here. Germany also has two additional external data protection officers. All CDPOs are supported by data protection coordinators in each business unit. The entire data protection team, including data protection coordinators, is made up of around 100 employees.

In the 2023 reporting year, two new employees – Privacy Governance Managers – joined the central data protection team, who are responsible for improving and scaling the data protection processes. In addition, a new central data protection management tool was purchased, which will be gradually rolled out in 2024. Binding guidelines covering the areas of applicable data protection law apply throughout the group to ensure a high and uniform level of protection in the processes, and to ensure compliance with data protection law. The provisions under both European and national law are taken into account. The guidelines are updated regularly.

Employees receive regular training on the subject of data protection and privacy, and are informed regularly about the corresponding requirements by way of guidelines and instructions and are obliged to follow these strictly. The subject of data protection and privacy have also become part of the monthly onboarding of all new employees. It is mandatory for all employees to participate in a recurring web-based data protection and privacy training.

All employees are required to protect the confidentiality of data in accordance with the EU Data Protection Regulation. Employees in certain countries are also required to comply with country-specific laws, such as for example, confidentiality in Germany as per section 203 of the German Criminal Code (StGB), the German Social Code (SGB) and the German Telecommunications Act (TKG). The process is automated, and new employees are informed about the obligation when they are hired.

The internal reporting channels for data breaches are clearly defined. In case of suspected incidents, both the data protection officer and the responsible general manager are notified without undue delay. In the reporting year, there were no data breaches that were attributable to structural deficits. We take all incidents and reports of suspected incidents very seriously and subject such reports to an extensive internal review.

The workflows that are already in place are adapted, substantiated and improved on an ongoing basis as required. Additional numerous contextual checks and data protection impact assessments were also carried out. In some cases, independent external expert opinions were also requested.

Data privacy and information security

By conducting annual internal data protection audits, we monitor compliance with the regulations adopted. The regular review of processes and measures by means of data protection audits by the formally appointed data protection officer, who is supported in each organizational unit by a data protection coordinator, is part of the overall concept. The data protection officer reports directly to company management about the audit findings and measures to improve the level of protection.

Information security

In order to guarantee the protection of patient and customer information in our care as well as the company's own information, we have implemented an information security management system (ISMS), which is certified to ISO/IEC 27001.

In response to the ever-increasing threats in cyberspace, we again joined the European Cyber Security Month initiative in 2023 and conducted an internal campaign with various weekly awareness activities in October. Among other measures, a phishing simulation was rolled out again this year to show employees the key role they play in detecting and preventing cybercrime. Cyber security awareness month has been very popular.

As in prior years, the group-wide initiative to optimize the security of all our products was continued in the reporting year, and to this end, a common framework following best practices was developed as a benchmark for analyzing the products. Measures were derived to further improve product safety based on the results. CGM also dealt intensively with the requirement of the German "Act to Accelerate the Digitalization of Healthcare (DigiG)", which will come into force in 2024, which states that all cloud services that process personal health data must be certified in accordance with the Cloud Computing C5 criteria catalog of the Federal Office for Information Security (BSI).

The Security Operations Center (SOC) was further expanded in 2023 and equipped with additional modules to ensure the operational security of all CGM systems. For instance, a SOAR system (Security Orchestration, Automation and Response) was implemented to automate the response to security incidents. Furthermore, a system for monitoring containerized environments was introduced to improve the coverage of security incident detection mechanisms. The SOC staff receives continuous training to ensure that the latest attack methods and patterns can be reliably detected, analyzed and effective defense mechanisms implemented.

All the above measures will be systematically continued in 2024 in order to counter both internal and external hazards and to be able to offer our customers safe products and services.

Ethical business conduct and compliance

Ethics and compliance are key issues at CGM – not just for the management, but for each and every employee. In addition to complying with legal requirements and rules, we are also responsible for adhering to ethical principles – irrespective of whether these are required by law.

The Code of Ethics is an explicit commitment to our social responsibility and outlines the specific requirements for business practice and personal conduct. It applies to all our employees as well as to all our business partners and any other third parties working on our behalf.

The obligation to comply with the company's principles described in our Code of Ethics by employees and management is ensured in particular by a central module that is part of the onboarding days at the start of employment.

The Code of Ethics was signed by the management of CGM (Managing Directors) and is published on our CGM website. The Code of Ethics is the subject of regular review. Although none were made in the year under review, changes require approval by the Managing Directors.

Fair competition was no longer identified as a material topic, but we make voluntary disclosures in this respect. We understand fair competition to mean a commitment to a free market and fair business practices, which is why we also take a zero-tolerance approach to antitrust behavior and why we always aim to act responsibly, fairly and in accordance with national and international antitrust regulations, guidelines, and laws. Our policy on antitrust, which was revised this year, stipulates that we expect our employees, as well as our business partners and other market participants to show impeccable conduct in compliance with all antitrust laws and regulations.

We are also opposed to corruption and bribery of any kind and support efforts to combat such practices in all their forms. This means that our employees are strictly forbidden from making any offer or promise or granting benefits of any kind to induce action favorable to CGM (active corruption). By the same token, we do not accept any offers, promises or other benefits if this could give the impression that such acts influence our business decisions (passive corruption). This principle was reinforced this year with the introduction of a new company-wide anti-corruption policy.

Checks are carried out through both internal and external audits. A group-wide Legal Affairs and Compliance unit has been established, reporting to the CEO, to reinforce our clear position both in-house and to the wider world. We also work tirelessly to improve its group-wide compliance management system.

Ethical business conduct and compliance

We strive for compliance with the company's principles described in the Code of Ethics concerning relationships with external business partners in the contractual agreements, partnerships and collaborations entered into. We achieve this through diligently reviewing agreements entered into prior to the signing of contracts and through careful selection of external business partners.

At CGM, a whistleblower system is in place which provides our employees, business partners, customers and other third parties with the opportunity to report suspicious incidents relating to unethical, illegal, fraudulent or undesirable conduct in activities of the CGM group. The CGM Ethics Line launched at the end of 2021 is a digital solution enabling users to follow up on indications of corresponding violations in an appropriate and prompt way without the whistleblower having to fear negative consequences. Overall, about 30 % of the reports were received via the whistleblower system. Valid notifications are reported directly to the Managing Directors and the Supervisory Board.

In the year under review, neither internal nor external reports were received of reportable incidents. The effectiveness and design of the whistleblower system are continuously reviewed and adapted to the new legal requirements.

Respect for human rights

We acknowledge respect for human rights to be an integral part of our responsibility as a company with worldwide operations. This is why we undertake not only to strictly adhere to all applicable statutory provisions but also to the staunch defense of human rights in our sphere of influence. This claim is explicitly stated in our Code of Ethics.

In this, we have made an explicit commitment on responsibility to society. Compliance with these standards is required not only of all group employees but also of all suppliers, business partners, consultants or third parties working on behalf of CGM.

Employees

Almost 9,200 employees at CGM are behind our innovations and developments. With our products and services, our employees have a significant impact on the lives of millions of people in Europe, the USA, and South Africa. This is something we are aware of, which is why we see it as our obligation to provide a safe and healthy working environment where people can give their very best.

We want the focus to be on people, their talents and their ideas. Our People Strategy is aimed at building and developing skills, capabilities and competences, particularly within our own organization. We want to use our purpose, business environment and corporate culture to retain our employees as well as attract suitable talent from elsewhere.

It is critical here to ensure that our employees are satisfied, that we regularly and actively collect feedback, make use of the findings gained in this process and that we place a special focus on equal opportunities.

The activities for implementing our People Strategy are managed and supervised by Group Human Resources.

Group Human Resources reported in 2023 directly to the CEO and CFO and is divided into the following core areas.

- The segment HR is organized in line with the CGM business units and is on hand to support CGM managers along the entire employment cycle of their employees. They are the first point of contact for managerial staff in the area of leadership, management, and organization. By simultaneously translating business requirements into relevant HR activities, they shape and establish leadership, talent management, organizational development, and change and people management.
- The HR segment is supported by means of local HR experts in the individual countries (HR Areas). HR Areas ensure harmonized processes and working conditions for employees within their respective region, as well as making sure that workflows are carried out efficiently, consistently and with high quality. Their regional expertise, together with Segment HR, guarantees internationally standardized collaboration.

The requirements laid down by Senior Management and HR are initiated through HR campaigns and managed by the Global HR team. This promotes, in particular, further global digitization of the HR landscape. Following the introduction of a new HR management system in December 2022, which maps the relevant HR core processes of the employment cycle with the help of key figures and constitutes a platform of supported interaction for employees and managerial staff, the management system was further developed in the reporting year and new functions were added. Other human resources matters that are global in scope and apt for standardization are designed, implemented and processed in the Sustainability, Talent & Diversity department. Particular attention is placed on managerial development, performance management, remuneration strategies, learning and HR communication.

Employment

Long-term employment and sustainable human resources development are key matters for CGM. In the reporting year, we recorded a stable employee structure, with a slight reduction in the number of employees from 9,229 as at December 31, 2022 to 9,199 employees as at December 31, 2023.

Recruiting

In times where there is a shortage of skilled workers, our growth ambitions pose special challenges for global recruiting. We want to deliver the right jobs and an optimal candidate experience to applicants and at the same time recommend the best candidates to our business units in an appropriate period of time.

In addition to further improving the candidate experience by integrating the processes into our HR management system, we also want to promote the internal professional resources. The "CGM First" program serves this purpose as it encourages employees to proactively plan their next career step and continuously develop their skills.

Work-life balance

We strive to balance the business interests of the company with the private and family needs of our employees. We also remained true to our policy on mobile working in the reporting year, which represents a key milestone in efforts to regulate digital collaboration and make it available for everyone.

We are also convinced, however, that having personal and direct contact is essential for our innovative strength and for important informal social interactions. This is why having established and strong workplace networks is an important part of our internal approach to cooperation. We therefore pursue a hybrid work culture and consult with the teams to enable flexible working hours and a flexible place of work. This makes it easier to take individual circumstances into account. Further details are set out in the Mobile Work Policy.

We have set up a childcare center at the company's headquarters in Koblenz to make work-life balance easier for young families. Children of company employees are given priority. The center is open ten hours a day, which is convenient even for employees on flextime schedules.

Learning and personnel development

To ensure our employees can develop greater personal, professional, methodological and, as the company becomes more international, intercultural skills, it is our mission to provide and secure the ideal framework conditions here. One of our most important measures to promote continuous professional development for individuals is the annual performance and development reviews that must be held for all employees, as stipulated by internal CGM guidelines. This is a dialog between employees and their managers, which is supported digitally. The goal of the dialog is to identify development potential, define goals, and identify and initiate appropriate training and qualification. Additionally, the training and qualification measures that were offered are documented in the scope of the annual training plan.

In the course of introducing the new HR management system, the performance management process was also relaunched. At the beginning of the financial year, a holistic, system-supported process was used to both assess 2022 and to plan 2023. Furthermore, the so-called Growth Perspective was introduced, which is an additional process-related interaction to verify or adjust the set targets as well as to enable development opportunities to be discussed. The annual assessment has a two-pronged approach: considering the extent to which targets have been achieved and determining the extent to which individual conduct is in line with CGM's values and a defined set of competencies, which is stored in the system. It includes criteria such as an efficient and systematic approach, accountability and reliability or teamplayer skills. Managerial staff are measured on the basis of additional criteria, such as entrepreneurial acting, growth orientation or employee development. Another essential new component of the workflow is that employees have the ability to initiate the individual steps themselves, giving them more control and opportunities to advance their personal development.

On average, we invested over EUR 265 per employee in personnel development and training in the reporting year, and also increasingly shifted to virtual training opportunities. We already rolled out the company-wide online learning platform in 2019; it includes wide-ranging mandatory training courses such as data protection, anti-discrimination, equal opportunities or occupational safety, as well as specially tailored offerings in the areas of product training or market knowledge, etc. The platform has 300 training opportunities, which were used by a total of 75.2 % of the employees.

We also worked on the onboarding training for new colleagues and launched our so-called CGM Onboarding Days as a pilot project in Germany in April 2023. The global roll-out took place in August 2023. This mandatory event consists of three global modules and a fourth country-specific module. Every month, all new colleagues worldwide are invited to attend. In addition, we also provide accompanying documents for the onboarding phase.

Due to the global rollout of the new HR management system, many training courses in the reporting year dealt with this new system. We have carried out a large number of target group-oriented global go-live training courses and also created comprehensive training materials. Furthermore, we established a process for quality assurance and further training requirements and offered further training as required.

Employees

In addition to the internal courses available, we also offer further online education and training opportunities for specialists and project managers. These allow the greatest possible flexibility for employees in terms of the training period and location.

Our established language learning program consisting of international CGM study groups was again offered in 2023 with the aim of facilitating communication between employees as well as with customers and partners. For English and German it continues to be provided by an external service provider, exclusively in remote format. Anyone who needs to brush up on their English skills or acquire a more in-depth knowledge of this language, or for whom such training is helpful for their job, can participate in English training courses. Employees whose first language is not German are supported in their integration into the company and into their daily life in Germany. German lessons are provided, which have proven popular with a high number of employees.

In our efforts to provide our employees with possibilities for further development, we placed a particular focus on leadership training in the reporting year. To this end, we have developed a new, holistic and global approach to leadership development at CGM, which serves as the basic framework for all current and planned leadership development programs. This approach helps us to support our managers in their role, empower them and promote their continuous development. In addition to measures aimed at all managers, we also offer specific programs for target groups that vary in content and format depending on the manager's level of experience and the specific needs of the target group. Overall we have three target groups: managerial staff who are new to their role, those with previous management experience and those who are faced with special strategic management tasks.

Providing our managerial staff with solid basic management knowledge and with training for essential leadership skills is important to us. Therefore, the priority in this reporting year was to develop initiatives and programs that enable and support our managerial staff in knowing and carrying out their tasks as CGM managers. A newly structured overview has been created specifically for this purpose, which is accessible online and summarizes the important information and guidelines for CGM managers. In addition to a comprehensive e-learning program, we also offer internal training on CGM-specific management topics. Examples include training on conducting appraisal and development interviews, training on the methodology and analysis of employee surveys as well as training on internal organizational workflows. This gives all managerial staff the opportunity to acquire (CGM) basic management knowledge and to be trained in essential management skills.

In addition to the individual initiatives, measures and training courses, we also implemented a targeted management development program in the reporting year called "CGM Leadership Essentials Training Week". In addition to imparting knowledge and developing skills in the core areas of communication, feedback and change management, the international program focuses on the participating managers discussing and exchanging experiences and thus promoting and building an internal network for managerial staff.

Employees

Besides the company-wide measures and programs, management training courses for specific business areas were also held in the reporting year to support managerial staff with individual challenges in their specific areas.

As part of our ongoing efforts, we will also initiate further programs and measures in the coming year to further develop leadership skills in our company. These programs will all be based on a holistic approach and geared towards new challenges arising from changing corporate cultures and structures.

In addition to the dedicated leadership programs, we also held a talent conference in 2023 focusing on female talent. It enabled us to identify and promote specific female talent in our company. This conference was an important step towards strengthening diversity and establishing more female managers on a sustained basis.

We also organized a general talent conference with an international reach to identify potential future managerial staff. This conference provided a platform for recognizing promising talents and supporting them on their career path through the various management levels. The talents were nominated by the managerial staff in the individual segments and then presented to the Management Board at a conference headed by Group Human Resources.

Following both talent conferences, individual development paths were agreed with the talents, which also include measures such as mentoring or dedicated training content to ensure their talents are continuously developed and promoted.

In view of the constantly increasing shortage of IT specialists, it is fundamentally important for us to invest sustainably in the training and development of young talent. Moreover, taking into account individual needs and skills, this increases early talent retention and helps strengthen expertise in our industry. We hired 52 new trainees and dual-program students in the area of junior talent management in Germany alone, employing 163 trainees and dual-program students as at the end of the reporting year.

In financial year 2023, we continued to show our commitment to career guidance by increasing our presence in schools through strengthened cooperation with educational institutions in the 56+ region, which enabled us to inform pupils even more specifically about our apprenticeship models and further education opportunities. The R56+ initiative unites companies from the postal code region 56 to actively promote and further develop the location as an economic and educational hotspot and to highlight the region's quality of living.

We have also participated in various (education) fairs, where we not only presented our offerings, but also gave presentations on job candidate training as part of our search for apprentices. This helped us to reach a larger target group and raise our profile. We focused on providing personal and individual advice to interested parties to help them choose their vocational training or further education. We are proud of our commitment to career guidance in financial year 2023 and will continue our efforts to give young people the best possible start to their careers.

In November 2023, two to three months after the new 2023 apprentice year started, we held a series of virtual workshops for apprentices in Germany on the topics of corporate vision, mission, values, mindset and processes relevant to the apprenticeship, while providing an insight into the CGM product world. This gave them detailed insights into our corporate culture, values and goals, as well as giving them the opportunity to virtually meet persons at other sites. Thus, the apprentices were able to establish a connection and identify better with the company from the outset. This virtual exchange was therefore a valuable contribution, providing apprentices with an excellent additional platform besides their site-specific onboarding.

The fact that we were able to take on 49 out of 65, i.e., 75 % of all graduates in Germany after they completed their studies in 2023, the majority of them in IT occupations, is very encouraging.

The high quality of our apprenticeships was also confirmed in the excellent examination results achieved by our apprentices. These excellent results were also recognized by the Chamber of Industry and Commerce, which provided us with the “Beste Azubis – Bei uns ausgebildet” award in the 2023 reporting year. On the occasion of the Koblenz Chamber of Industry and Commerce’s award ceremony for the best apprentice with excellent examination results, we were proud to congratulate our award-winning apprentice graduate.

In addition to continuously developing and promoting our apprentices and dual students, financial year 2023 also saw us investing in further training of our training officers. The goal was to increase the quality of training by qualifying our training staff, for example by offering an in-house “Train the trainers” course (as per the Ordinance on Aptitude of Instructors (AEVO)), including taking an exam at the relevant Chamber of Industry and Commerce. The classroom training was held on the company’s own premises, during which CGM employees were taught the following key aspects:

- How to verify apprenticeship requirements and plan the courses
- How to prepare the apprenticeship and assist with the recruitment of apprentices
- How to accompany the apprenticeship
- How to complete the apprenticeship

Employees

After a first run with 10 participants in July 2023, a second run was fully booked and took place in November/December 2023 with 12 participants. This qualification measure will also be an integral part of the training catalog for the subsequent financial year.

Employee satisfaction

The satisfaction of our employees is crucial for the success of our company as their strong commitment is reflected in the quality of our products and strengthens our reputation with customers. In our CGM Employee Voice program, employees are regularly asked four times a year to provide their opinion highlighting a wide range of factors affecting satisfaction and commitment. Participants can comment on individual aspects, which are analyzed according to several attributes.

Four surveys were conducted during the period under review. The participation rate here averaged 70 % and more than 58,000 comments were submitted, which are available to the respective managers. Employee satisfaction has increased in the 2023 reporting year. Managers and employees discuss the individual results at local level. Group Human Resources has provided central support materials for this purpose and is on hand to accompany discussions on these topics as required.

Diversity and equal opportunities

We respect the dignity of each and every individual and actively strive to provide a safe and healthy working environment whose hallmarks are equal treatment and diversity. We oppose all types of discrimination. This means any kind of unequal treatment, rejection or preference based on gender, age, disability, sexual orientation, religion, political stance, nationality or ethnicity, or any other circumstance that could result in a violation of the principle of equality. These principles have been set out in the Code of Ethics, which is binding for all, and in the Declaration on Corporate Governance, and are freely available online.

A workforce made up of people from various cultures and a balanced age structure are part of the corporate culture we live.

Employees

Diversity category (number of employees)	Total after additions	Share of salaried employees (in %)
Total headcount	9,199	
By gender		
Female	3,397	37%
Male	5,797	63%
By age group		
<30 years old	1,928	21%
30 - 50 years old	5,159	56%
>50 years old	2,111	23%

The table above presents the number of employees broken down by gender and age group as at the reporting date of December 31, 2023 including all acquisitions. Additional information on our employees is provided in the Annual Report.

All employees shall receive the same appreciation, respect and access to equal opportunities. The company aims to adhere strictly to national statutory guidelines on protecting employee rights. National statutory regulations, in-house agreements, and mandatory statutory notification periods are also binding for CGM when drafting employment contracts. We operate in a rapidly changing economic environment and compete for highly qualified technical and managerial staff in fields such as information technology and business administration. As we recruit staff not only regionally, but worldwide, offering equal opportunities to all applicants is a matter of course for us.

Our gender ratio is in line with the industry benchmark, but we recognize that as a company we also have a responsibility to promote women, notwithstanding our claim to ensure a non-discriminatory working environment.

This is especially true for the management levels, which is why we had made it our goal to increase the share of women at the two management levels below the Managing Directors to 30 % by December 31, 2023. We succeeded in meeting this goal in the group company. Unfortunately, we missed the target slightly at overall group level, but were still able to increase it by 3.2 percentage points to 26.4 %. The fundamental increase in the proportion of women at management level in recent years is also a result of the measures that have been introduced and implemented throughout the group. These include establishing an internal women's network under the auspices of a Managing Director, a dedicated mentoring program for women, talent conferences to identify female talent as well as incorporating these targets into the STI-relevant target agreements of the Managing Directors. Despite this, the slight shortfall in the target figure is due in particular to the challenge of recruiting female managers for the technological areas of the company, as these areas continue to be dominated by male staff.

In 2023, we had employees from 77 different countries at 154 sites. For us, this diversity represents added value for the company, for instance in terms of reinforcing our innovativeness or our competitiveness by, for example, allowing us to better understand our customers' needs or developing solutions from various perspectives.

At CGM, employees are selected on the basis of the job profile as per their professional and personal qualifications as well as their professional experience. As a general rule, we offer open-ended employment contracts. Exceptions are based on special operational requirements, such as temporary additional needs for project work or replacement arrangements in the case of temporary absence of other employees. In both cases, after the expiration of the fixed term, it will be reviewed whether the person affected can be employed elsewhere within the group.

In cases of discrimination that occur despite our clear policy to the contrary, direct supervisors, business area managers and, of course, the HR Business Partners are available to provide a sympathetic ear. Employees can also use the CGM Ethics Line to report incidents, anonymously if they wish.

Employee occupational health and safety

Providing employees with stability, security and support in the workplace remains one of CGM's key responsibilities as an employer.

While the previous claim was "BE HEALTHY. FEEL GOOD." and stood for the holistic concept of occupational health management, the company's new communication strategy since 2023 has focused more on the topics of SPORTS & HEALTH – however, the content remains the same with the familiar offers aimed at promoting and protecting health, as well as offering a platform where participants can liaise. Activities and events spread throughout the year offer suggestions for healthy behavior and deliver useful information about various health-related topics.

In addition to our on-site offerings at our largest sites, digital health management, which grew significantly as a result of the pandemic, also plays a vital role – it is a fundamental component of our offering allowing us to provide sustainable support to all employees throughout Germany with regard to their health and performance. In line with the company-specific WHM (workplace health management) guidelines, we include all traditional sports and exercise offerings under SPORTS in line with the motto "BE ACTIVE. FEEL GOOD." The offering includes a large digital area with the primary aim of attracting the attention of all employees at every workplace – whether in a CGM office, at home or in a mobile office. The workforce has a wide range of digital tools at its disposal, which can be accessed as on-demand solutions via the intranet.

These include specially produced live courses, home workouts and ideas for active breaks as well as exercises to enhance daily working life. Employees can also access the company's own health app, suggestions on healthy eating, mental health solutions and much more. We have added the topic of eSPORTS as a new offering. The highlights include SimRacing and taking part in a regional company event. eSPORTS refers to a computer game sporting competition. SimRacing describes the simulation of a race where the player takes the role of a competitive driver who aims to win the race by steering a highly realistically simulated vehicle towards the finishing line.

At our main site in Koblenz, our employees have access to our company's own health center with a modern training area, fitness equipment and a classroom, where a comprehensive program of events, such as fitness courses as well as strength and endurance training, take place under professional guidance and with highly qualified staff. Individual training plans can be drawn up at the CGM HEALTH CENTER in Koblenz. The offer is rounded off by nutrition consultations, personal training sessions and the measurement of various aspects of physical performance. The services include bio-impedance analyses, a cardio scan, a video-supported treadmill analysis, as well as screenings on the topics of agility and coordination. A physiotherapy service is also temporarily available to the office staff at headquarters. The new "Event & Congress Packages" created in 2023 focusing on sports and health will provide employees with advance packages for in-house meetings and team events, which can be booked as digital or on-site services. Another important part of health and safety in Germany is captured annually under the premise "TAKE CARE. FEEL GOOD." In this context, our employees were also able to take advantage of occupational health offers such as the G37 eye examination, flu vaccinations and first-aid training at various sites in 2023.

The challenge of maintaining a healthy back was also addressed. A seminar called "Ergonomics at your desk" was held in April to empower employees to adjust their – often changing – workstations themselves in line with recommended parameters. This seminar was offered in both German and English to all employees in Germany, Austria, and Switzerland.

As nutrition also plays a vital role in maintaining good health, Lent was used to dispel problems, prejudices and myths about sugar and unhealthy snacks. In an interactive online workshop for the DACH region, the link between high sugar consumption and the widespread disease of pre-diabetes was analyzed. Employees received tips and tricks for analyzing and optimizing their own eating habits. In addition, special topics could be discussed in an individual nutritional consultation.

At the Koblenz site, the campaign was rounded off with a tasting stand in the campus bistro. In addition to brain food sampling, information was provided about sugar and snack alternatives to energize a high-performance working day. With access to the "HelloBetter" online platform, we once again had an offer for employees in 2023 who were interested in focusing on mental health. The online psychological training courses offered via this platform provide help in dealing with stressful situations, depression, alcohol consumption and sleep disorders. In addition, all employees receive regular information on other health-related topics. These are made available via the intranet and social media as monthly FEEL GOOD tips.

Given that CGM's occupational health management lives from the participation of employees, annual health days are organized under the motto "TAKE PART. FEEL GOOD".

The health days was the largest event in this context. In 2023, CGM FEEL GOOD DAYS hosted a "health campus" with a wide variety of information stands. In addition to a body fat analysis, employees were able to pedal hard on the smoothie bike and for charity cycling and also had the opportunity to test-ride a potential lease bicycle. The two-day event was rounded off with Hatha Yoga and a seminar on the topic of "Snacking is not a sport". At the CGM FEEL GOOD DAYS, the possibility to lease a bicycle was introduced for all companies in Germany. This gives employees the opportunity to obtain new bicycles via an attractive lease model and corresponding tax benefits, and thus to organize their commutes to work and leisure activities in an environmentally friendly and healthy way.

To strengthen team spirit after two years of the pandemic, our employees had the opportunity to get active together for the first time in Germany in 2023 and register for a company run in their region. More than seven CGM teams competed and ran together in various cities.

Environment and climate protection

Environment and climate protection are of fundamental global significance and were again identified as a key topic for CGM in 2023. We recognize our responsibility and want to do our bit to help slow the climate change process and protect the environment.

In the prior year, we set ourselves the goal of developing a concept that sets out our path to climate neutrality. In this context, we have identified some fields of action. The degree of influence, though, that is needed to determine the actual objectives requires additional findings which we will work on more intensely as we prepare for CSRD.

Energy, particularly the use of electrical energy, is vital for CGM as a communications and data service provider, and therefore essential for the continued operation of our business. For CGM, having an uninterrupted energy supply at the major sites, particularly the data centers, is a primary goal. As producing energy is a major contributor to climate change, we see it as our duty to further improve our energy efficiency with a view to protecting our living environment for future generations.

Our constant commitment to environment and climate protection at CGM has led to considerable progress in 2023. We are aware of our responsibility and work to proactively meet the challenges of climate change.

One of our key initiatives was to expand our environmentally friendly heating infrastructure at the Koblenz site. By connecting five more buildings to the existing heat pump, we were able to further extend our climate-neutral heating system. This success builds on our previous investment to develop an innovative energy concept based on the resources of the local wells. The energy centers, which were completed in 2020, now supply a total of eight buildings at the Koblenz site with emission-neutral heating and cooling, including our server center, the waste heat of which feeds into the heating and cooling system. With the opening of the new building, which houses the CGM Conference Center and Bistro and was built according to the KfW 55 standard for energy efficiency, we are also setting new standards in structural development.

We also carried out a comprehensive refurbishment of our largest building at the Koblenz site. By installing a new heating system and converting to LED lighting, we have taken another major step towards energy efficiency and sustainability. This modernized building will provide space for more than 600 employees at our Group headquarters and is a prime example of our commitment to energy efficiency.

ITSS – our hardware business in Germany – has taken another important step by achieving ISO environmental certification. During this process, the logistics of the IT hardware and software we use for Group procurement and with regard to services rendered to organisations in the healthcare sector was evaluated in terms of environmental impact and energy management.

In Munich, we have consolidated our locations while also keeping an eye on energy efficiency. By merging two sites, we were able to pool resources and create synergies. The introduction of the Mobile Work Policy and the resulting flexibility regarding the place of work, in particular, led to underutilization of office capacity. The merger of the two sites increases the utilization of the remaining site while reducing expenses for maintenance and administration.

Environment and climate protection

The planned parking lot roofing with photovoltaic panels at our site in Oberessendorf is to be realized in financial year 2024 and we are optimistic that this contribute further to our commitment of reaching carbon-neutral electricity supply.

These initiatives are part of our holistic approach to minimizing the impact of our business activities on the environment and making a positive contribution to global climate protection.

EU taxonomy

EU taxonomy regulation

The EU taxonomy is part of the „Action plan for financing sustainable growth“ presented in March 2018 and serves as a uniform and binding classification instrument for disclosing economic activities in the EU in terms of their sustainability. One element of the action plan developed as a result is Regulation (EU) 2020/852 (“EU taxonomy regulation”), which acts as a classification system for environmentally sustainable economic activities and aims to direct the flow of capital towards sustainable investments. The EU Commission has defined criteria with precise parameters, based on which the business activities are to be evaluated.

Under the EU taxonomy regulation, the company is required to provide information on turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with “environmentally sustainable” economic activities. According to article 3 of the EU taxonomy regulation, economic activities are considered “environmentally sustainable” or taxonomy-aligned if they contribute substantially to one or more environmental objectives, do not significantly harm other environmental objectives, and comply with the minimum safeguards. In addition to the delegated acts on the technical screening criteria, there are further delegated act on disclosure obligations. The following delegated acts have been adopted to date:

- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (“EU Taxonomy Regulation”),
- Commission Delegated Regulation (EU) 2021/2139 as amended on 21 November 2023 on the technical screening criteria for climate-related environmental objectives (includes Complementary CDA and Amended CDA),
- Commission Delegated Regulation (EU) 2021/2178 as amended on 21 November 2023 on the content and presentation of information of EU taxonomy pursuant to Art. 8 of the EU Taxonomy Regulation and
- Commission Delegated Regulation (EU) 2023/2486 (as published in the Official Journal of the EU on 21 November 2023) on the technical screening criteria for non-climate-related environmental objectives (Environmental Delegated Act).

Environment and climate protection

In total, the following six environmental objectives have been defined in accordance with article 9 of the (EU) taxonomy regulation:

- **Climate change mitigation:** This environmental objective covers approximately 100 economic activities from the energy supply, manufacturing, construction, transport, information and communication, water management, waste management, agriculture, forestry, fisheries and aquaculture, tourism, and financial services sectors. The economic activities must either have a low greenhouse gas intensity, enable a transition to a low-emission economy or provide support for low-emission technologies.
- **Climate change adaptation:** This environmental objective covers approximately 100 economic activities from the same sectors as the first environmental objective. The economic activities must take into account adaptation to expected changes in climatic conditions and the associated physical risks and apply appropriate adaptation solutions to increase climate resilience.
- **Sustainable use and protection of water and marine resources:** This environmental objective covers 6 economic activities from the sectors of water supply, wastewater disposal, waste management, agriculture, forestry and fisheries and aquaculture. The economic activities must make a significant contribution to improving water quality, water quantity, water management, marine health, marine resources, or coastal ecosystems.
- **Transition to a circular economy:** This environmental objective covers 21 economic activities from the manufacturing, construction, transport, information and communication, water supply, waste management, agriculture, forestry, and tourism sectors. The economic activities must make a significant contribution to reducing waste generation, increasing resource efficiency, promoting the reuse, repair, refurbishment and recycling of products and materials or preventing food waste.
- **Pollution prevention and control:** This environmental objective covers 6 economic activities from the energy supply, manufacturing, construction, transport, water supply and waste management sectors. The economic activities must make a significant contribution to reducing or preventing emissions of pollutants into the air, water or soil or to reducing noise pollution.
- **Protection and restoration of biodiversity and ecosystems:** This environmental objective covers 2 economic activities from the agriculture and forestry sectors. The economic activities must make a significant contribution to protecting, conserving or restoring biodiversity, ecosystems or ecosystem services.

Taxonomy-eligible and taxonomy-aligned economic activities

In addition, for the first two environmental objectives, a distinction must be made between taxonomy-eligible and taxonomy-aligned economic activities. In addition to so-called taxonomy eligibility, taxonomy alignment must also be demonstrated to receive the corresponding classification. What this specifically means is that the specified technical screening criteria of the described economic activity, the Do-no-significant-harm (DNSH) requirements and the minimum safeguard requirements must be met. In financial year 2023, the environmental objectives 3 to 6 only need to be reviewed for taxonomy eligibility.

Environment and climate protection

Reporting companies shall, where applicable, disclose the proportion of their turnover, capital expenditure (CapEx) and operating expenditure (OpEx) associated with economic activities that positively impact at least one of the environmental objectives. The other objectives may not be harmed significantly in the process ("DNHS"). Capital expenditure means additions to property, plant and equipment and intangible assets as well as right-of-use assets under IFRS 16 before depreciation and any remeasurement for the financial year. Operating expenditure, on the other hand, refers to direct, non-capitalized costs for research and development, building renovation measures, short-term leases, maintenance and repair, and all other direct expenses for the ongoing maintenance of property, plant and equipment.

We have studied the EU taxonomy in detail and reviewed all described economic activities with regard to their taxonomy eligibility, taxonomy alignment and relevance for CGM. All subsidiaries were included in this process and a de minimis limit was also defined for individual matters. Compared to the prior year, there has been only one change in the group of economic activities included in the impact analysis: economic activity "5.5 Product-as-a-service and other circular use- and result-oriented service models" from the "Circular economy" environmental objective was added. The taxonomy eligibility of a low single-digit percentage of individual economic activities was confirmed here. We were unable to confirm with absolute certainty that the proportionately larger items met the conditions of taxonomy alignment in the corresponding review. When considered individually, the remaining items proved not to be material and a more in-depth review in terms of resources invested and presumed outcome would have been disproportionate. For this reason, we have decided to classify our economic activities as non-taxonomy-aligned at all levels of consideration. In this respect, we would like to point out that we as a company are pursuing the goal of conserving resources and respective environmental objectives in our business activities, but that our product portfolio is not currently reflected in the economic activities described.

The KPIs are derived from the consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS). In the case of interpretation uncertainties with regard to the wording and terms contained in the EU taxonomy regulation and in the delegated acts, the additional publications by the EU Commission in the form of FAQs and also the "Questions and Answers" published by IDW were used as far as possible.

For the **turnover key performance indicator (KPI)**, revenues under IFRS were examined to determine whether they were generated from taxonomy-eligible economic activities. Accordingly, we were able to identify certain recurring revenues from "8.1 Data processing, hosting, and related activities" as taxonomy-eligible. The criteria for taxonomy alignment of activity 8.1 were not met in financial year 2023. For example, according to the EU taxonomy regulation, coolants used in data centers must not exceed a certain global warming potential. CGM currently still uses coolants that do not meet these threshold values.

In addition, the group also generates revenues from economic activities 8.2 "Computer programming, consultancy and related activities" of the climate goal "climate change adaptation". In principle, this activity in particular reflects the core business of CGM, i.e. development and maintenance of software solutions. Nevertheless, the original intention of CGM's activities was not aimed at adapting to climate change and thus does not classify as an "enabling" activity. According to the definition of the turnover KPI in (EU) 2021/2178, these revenues are not to be taken into account when determining the turnover KPI.

Environment and climate protection

In addition, turnover from “5.5 Product-as-a-service and other circular use- and result-oriented service models” was identified in reporting year 2023 from the “Circular economy” environmental objective which had to be included in the disclosures for the first time in 2023. CGM’s business model includes a lease model as well as the provision of result-oriented services. This activity therefore includes turnover that is reported separately and which is generated through the lease or renting of hardware products such as laptops, card readers, etc. In addition, this activity also includes turnover generated by result-oriented services for the provision of TI connections for customers in the form of “TI as a Service”. In total, this turnover amounts to kEUR 10,798. It is not necessary to review taxonomy alignment in the 2023 reporting year.

In addition, we examined whether capital and operating expenditure were incurred in connection with the acquisition and lease of vehicles that fall under the activity “3.3 Manufacture of low carbon technologies for transport”. In the reporting year, CGM incurred an amount of kEUR 13,789 in connection with the acquisition and lease of vehicles that we have classified as taxonomy-eligible. The operating expenditure in this context amounted to kEUR 3,223. However, as we have not received the required confirmation from our suppliers, we could not prove that these activities are taxonomy-aligned.

In addition, we examined whether capital and operating expenditure relating to the activity “7.2 Renovation of existing buildings” are taxonomy-eligible or -aligned. At the Koblenz site in particular, CGM maintains a large number of buildings that require regular renovation work. In the reporting year, capital expenditure of kEUR 2,781 was identified in connection with renovation work, which is in principle considered taxonomy-eligible. However, these renovations are not classified as taxonomy-aligned because the individual measures are immaterial in themselves and a detailed investigation of compliance with the evaluation criteria would result in a disproportionate expense. Overall, operating expenditure in connection with renovation costs were incurred in the total amount of kEUR 1,833, which are also not considered taxonomy-aligned.

To avoid figures being counted twice, plausibility checks were carried out when recording the CapEx and OpEx KPIs.

Turnover KPI

Revenues in the reporting year of mEUR 1,187.7 form the denominator of the turnover KPI and are reflected in the consolidated income statement. In the reporting year, 4 % of the revenues (prior year: 2 %) of CGM is to be classified as taxonomy-eligible and 0% as taxonomy-aligned (prior year: 0 %). Cf. also Appendix 1: Turnover.

CapEx KPI

The CapEx KPI indicates the proportion of capital expenditure (CapEx) that is either associated with a taxonomy-eligible economic activity or a credible plan to expand or achieve an environmentally sustainable economic activity or relates to the purchase of products and services from a taxonomy-eligible economic activity. We were able to identify taxonomy-eligible capital expenditure in relation to the purchase of products from "3.3 Manufacture of low carbon technologies for transport", "5.5 Product-as-a-service and other circular use- and result-oriented service models" and "7.2 Renovation of existing buildings". Total capital expenditure in the reporting year consists, among other items, of additions to property, plant and equipment and intangible assets as well as right-of-use assets under IFRS 16 before depreciation and any remeasurements for the financial year. This amounts to mEUR 128.1 and forms the denominator of the CapEx KPI.

In financial year 2022, the company reports 18 % taxonomy-eligible CapEx (prior year: 11 %) and 0 % taxonomy-aligned CapEx (prior year: 0 %). Cf. also Appendix 2: Capital expenditure.

OpEx KPI

The OpEx KPI indicates the proportion of operating expenditure within the meaning of the EU taxonomy that is associated with taxonomy-eligible economic activities, with a CapEx plan described above, or with the acquisition of products from a taxonomy-eligible economic activity. Once again, we were able to identify taxonomy-eligible operating expenditure associated with the acquisition of products from "3.3 Manufacture of low carbon technologies for transport" and "7.2 Renovation of existing buildings". To determine the denominator, we considered the accounts reflecting direct, non-capitalized costs for research and development expenses, building renovation, short-term leases, maintenance, and repair expenses. The relevant, total operating expenditure amounts to mEUR 257.5 in the reporting year.

In financial year 2022, the company reports 2 % taxonomy-eligible OpEx (prior year: 2 %) and 0 % taxonomy-aligned OpEx (prior year: 0 %). Cf. also Appendix 3: Operating expenditure.

Template Nuclear and fossil gas related activities

CGM has no economic activity in fossil gas and nuclear energy related activities. Due to the scope of templates 1 to 5 of the Delegated Regulation (EU) 2022/1214, this information was not presented in tabular form, as the templates would have had to be completed with "No" or zero amounts.

Supply Chain

As an organization within the scope of the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG), CGM carried out a risk analysis in 2023 to identify human rights risks in the supply chain. This was based on instruments and indices for human rights and environmental protection developed by international organizations and independent think tanks. Each supplier was then assigned to a specific country risk level and a specific category risk level in the supplier base, resulting in a combined LkSG overall risk assessment. This enabled Group Procurement to identify a pool of high-risk suppliers that we want to focus on in particular. A code of conduct for suppliers was drawn up and approved by the management board in 2023 as an initial step towards due diligence and in line with LkSG. This document sets out the basic and minimum standards regarding human rights, environmental protection and responsible business practices expected of suppliers. The supplier code of conduct was then sent to a selected pool of high-risk suppliers identified in the aforementioned risk analysis. In addition, training on LkSG and code of conduct for suppliers was provided to Group Procurement as well as to local country buyers and internal business partners who manage high-risk suppliers. In 2024, the first report will be submitted to the Federal Office for Economic Affairs and Export Control (BAFA) and further due diligence reviews in accordance with LkSG are expected to be carried out.

Business spend management software will be implemented for Group Procurement at the end of the reporting year and is about to go live. The objective is to improve efficiency in the various procurement processes throughout the company.

In 2023, we conducted various training courses for employees of the purchasing department, particularly on LkSG, to introduce them to the new group purchasing organization and improve their performance, efficiency, commitment, and communication skills.

Building on the initial efforts from the prior year, we consolidated the Group Procurement organization in 2023. The final organizational structure is part of the Group Finance division and reports directly to CEO Michael Rauch in the reporting year and to CFO Daniela Hommel from February 1, 2024.

Contact information

Chief Executive Officer

Michael Rauch

Chief Human Resource Officer

Philip Heßen

Corporate Vice President Talent and Sustainability

Tina Kreitmayr

Corporateresponsibility.de@cgm.com

Appendix 1 – Turnover

Economic activities	Codes	Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm")								Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of turnover 2022	Category (enabling activity)	Category (transitional activity)
		absolute turnover	Proportion of turnover, Year N	climate change mitigation	climate change adaptation	Water	Pollution	circular economy	Bio-diversity	climate change mitigation	climate change adaptation	water	Pollution	circular economy	Bio-diversity						
		kEUR	(%)	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(%)				
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which enabling activities																					
of which transitional activities																					
A.2 Taxonomy-aligned but not environmentally sustainable activities (non-taxonomy-aligned activities)																					
8.1 Data processing and hosting and related activities	J63.11	33,075	3%	EL	N/EL	N/EL	N/EL	EL	N/EL										2%		
5.5 Product as a service and other cycle- and result-oriented service models	N77.33	10,798	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		43,873	4%																	2%	
A. Turnover of taxonomy-aligned activities (A.1. + A.2)		43,873	4%																	2%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Turnover of Taxonomy-non-eligible activities		1,143,790	96%																		
Total		1,187,663	100%																		

Appendix 2 – Capital expenditure

Economic activities	Codes	Substantial contribution criteria								DNSH criteria ("Does Not Significantly Harm")								Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of CapEx 2022	Category (enabling activity)	Category (transitional activity)
		absolute CapEx	Pro-portion CapEx , Year N	climate change mitigation	climate change adaptation	water	Pollution	circular economy	Bio-diversity	climate change mitigation	climate change adaptation	water	Pollution	circular economy	Bio-diversity						
		kEUR	(%)	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(%)				
A. TAXONOMY ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which enabling activities																					
of which transitional activities																					
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
CapEx related to the purchase of products from "3.3 Production of low-carbon transport technologies"	C29.1	13,789	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										10%		
CapEx related to building renovation from 7.2 Renovation of existing buildings	F41.2	2,781	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											1%	
CapEx in connection with services and leasing from 5.5 Product as a service and other cycle- and result-oriented service models	N77.33	6,199	5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		22,769	18%																	11%	
A. CapEx of taxonomy-eligible activities (A.1. + A.2)		22,769	18%																	11%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities		105,373	82%																		

Economic activities	Substantial contribution criteria									DNSH criteria ("Does Not Significantly Harm")										
	Codes	absolute CapEx	Pro-portion CapEx , Year N	climate change miti-gation	climate change adapta-tion	water	Pollu-tion	circular eco-nomy	Bio-diversity	climate change miti-gation	climate change adapta-tion	water	Pollu-tion	circular eco-nomy	Bio-diversity	Mini-mum safe-guards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of CapEx 2022	Category (en-abling activity)	Category (transi-tional activity)	
		kEUR	(%)	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(%)	E	T
Total		128,142	100%																	

Appendix 3 – Operating expenditure

Economic activities	Codes	OpEx	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")							Minimum safeguards	Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) proportion of OpEx 2022	Category (enabling activity)	Category (transitional activity)
			Pro-portion OpEx , Year N	climate change mitigation	climate change adaptation	water	Pollution	circular economy	Bio-diversity	climate change mitigation	climate change adaptation	water	Pollution	circular economy	Bio-diversity					
			(%)	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	J;N; N/EL	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)				
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonom-aligned) (A.1.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
of which enabling activities																				
of which transitional activities																				
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
OpEx related to the purchase of products from "3.3 Production of low-carbon transport technologies"	C29.1	3,223	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										1%	
OpEx related to the renovation of buildings "7.2 Renovation of existing buildings"	F41.2	1,833	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL											1%
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonom-aligned activities) (A.2.)		5,056	2%																	2%
A. OpEx of taxonomy-enabled activities (A.1. + A.2)		5,056	2%																	2%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		252,445	98%																	
Total		257,501	100%																	

Appendix 4 - Table as per footnote (c) of appendix V EDA

	Proportion of Turnover		Proportion of CapEx		Proportion of OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation	0 %	3 %	0 %	13 %	0 %	2 %
Climate change adaptation	0 %	0 %	0 %	0 %	0 %	0 %
Sustainable use and protection of water and marine resources	0 %	0 %	0 %	0 %	0 %	0 %
Transition to a circular economy	0 %	0 %	0 %	0 %	0 %	0 %
Pollution prevention and control	0 %	1 %	0 %	5 %	0 %	0 %
Protection and restoration of biodiversity and ecosystems	0 %	0 %	0 %	0 %	0 %	0 %

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT*

To CompuGroup Medical SE & Co. KGaA, Koblenz

We have performed a limited assurance engagement on the separate non-financial group report of CompuGroup Medical SE & Co. KGaA (further "Company" or "CompuGroup") for the period from January 1 to December 31, 2023.

Responsibilities of Management

The legal representatives of the CompuGroup Medical SE & Co. KGaA are responsible for the preparation of the separate non-financial group report for the period from January 1 to December 31, 2023 in accordance with §§ 315c in conjunction with 289c to 289e HGB and with 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 (further "EU Taxonomy Regulation") and the supplementing Delegated Acts as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the Company as disclosed in Section "EU taxonomy" of the separate non-financial group report.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the non-financial reporting and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of the separate non-financial group report that is free from material misstatements, whether due to fraud (manipulation of the combined separate non-financial report) or error.

The EU Taxonomy Regulation and the supplementing Delegated Acts contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the legal representatives have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in Section "EU taxonomy" of the separate 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.

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT

Independence and Quality Assurance on the Part of the Auditing Firm

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibility of the Assurance Practitioner

It is our responsibility to express a conclusion on the separate non-financial group report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited 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", published by IAASB. Accordingly, we have to 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 separate non-financial group report of the Company for the period from January 1 to December 31, 2023 has not been prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and with the EU Taxonomy Regulation and the supplementing Delegated Acts as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and in the supplementing Delegated Acts by the legal representatives as disclosed in Section "EU taxonomy" of the separate 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 judgment of the assurance practitioner

Within the scope of our engagement we performed, amongst others, the following procedures:

- Inquiries of group-level personnel who are responsible for the materiality analysis in order to understand the processes for determining material topics and respective reporting boundaries for CompuGroup;
- A risk analysis, including media research, to identify relevant information on CompuGroup's sustainability performance in the reporting period;
- Evaluation of the design and the implementation of systems and processes for the collection, processing and monitoring of disclosures on environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including data consolidation;

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT

- Inquiries of group-level personnel who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures;
- Inspection of selected internal and external documents;
- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at group level by all sites;
- Assessment of local data collection, validation and reporting processes and the reliability of reported data on selected individual samples;
- Inquiries of responsible group-level personnel to gain an understanding of the procedure for identifying relevant economic activities according to the EU Taxonomy;
- Assessment of the design and implementation of systems, processes and measures for the determination, processing and monitoring of information on sales, capital expenditures and operating expenses for the taxonomy-eligible/-compliant economic activities;
- Assessment of the overall presentation of the disclosures.

The legal representatives have to interpret vague legal concepts in order to be able to compile the relevant disclosures according to Article 8 of the EU Taxonomy Regulation. Due to the innate risk of diverging interpretations of vague legal concepts, the legal conformity of these interpretations and, correspondingly, our assurance thereof are subject to uncertainties.

Assurance Opinion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the separate non-financial group report of CompuGroup Medical SE & Co. KGaA for the period from January 1 to December 31, 2023 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 supplementing Delegated Acts as well as the interpretation disclosed by the legal representatives in Section "EU taxonomy" of the separate non-financial group report.

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT

Restriction of Use/General Engagement Terms

This assurance report is solely addressed to CompuGroup Medical SE & Co. KGaA, Koblenz, and intended exclusively for them.

Our assignment for CompuGroup Medical SE & Co. KGaA, Koblenz, and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Frankfurt am Main, March 22, 2024

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Götz

Brandt

Wirtschaftsprüfer

Wirtschaftsprüfer

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Published by:

CompuGroup Medical SE & Co. KGaA

Maria Trost 21

56070 Koblenz

Telephone +49 261 8000-0

www.cgm.com

Managing Directors:

Michael Rauch (CEO), Daniela Hommel (CFO), Emanuele Mugnani, Hannes Reichl, Dr. Ulrich Thomé

Chairman of the Supervisory Board:

Philipp von Ilberg

Registered office:

Koblenz, commercial register number HRB 27430

VAT ID:

DE 114 134699

Contact Corporate Responsibility:

E-Mail: corporateresponsibility.de@cgm.com



CompuGroup Medical SE & Co. KGaA

Maria Trost 21
56070 Koblenz
Germany

www.cgm.com