



CompuGroup Medical

Separate non-financial group report 2022

Synchronizing Healthcare.
Creating the future of e-health.

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EXPLANATION

Separate non-financial group report for the financial year 2022 (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 activity has 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 2022 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) shall be published on March 24, 2023.

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 2022 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 the 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 audit 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 required to be covered by 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 with the exception of respect for human rights as per the German Commercial Code (HGB), which was identified as a non-material topic due to CGM's business model. We used the topics of the Global Reporting Initiative (GRI) standards as a basis for preparing the materiality analysis. The Non-Financial Report initially applies no other standard framework to produce reporting tailored to the company's needs, however, this approach will be reviewed in the course of the Corporate Sustainability Reporting Directive (CSRD). 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 aspects now or in the future. The Risk and Opportunity Report is part of the Combined Management Report and located in section 4.

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 eHealth 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 producers.

The company has a wide and global reach with offices in 20 countries worldwide. More than 9,200 employees support customers with innovative solutions for the steadily growing demands of the healthcare system, generating revenues of mEUR 1,129.7 in financial year 2022.

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):** This operating 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 invoicing. 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 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 the sharing of information, 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 helpful 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 processes 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

“Creating 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. Back in 2021 we took a close look at our values and worded and formalized them. The starting point was a survey of employees which took place in June 2021, focusing in particular on aspects of corporate culture. On this basis, CGM's senior management defined the following corporate values in several workshops 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!

In 2022, we rolled out these values around the world with a communication campaign across the entire group. They also make up a key part of our new performance evaluation process, which was introduced for the 2022 assessment period.

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

Description of the business model

CGM in figures

in kEUR (IFRS) (*)	2022	2021	2020
Consolidated revenues	1,129,739	1,025,322	837,259
EBITDA	216,351	213,390	197,476
EBITDA adjusted	234,004	224,310	214,882
Investments	145,414	163,976	457,116
Research and development	237,804	202,513	152,453
thereof: research and development (own development projects)	106,156	78,941	70,696
Income taxes for the period	32,699	28,842	37,006
Operational performance	525,425	476,169	363,729
thereof: salaries and wages	432,966	389,433	298,957
thereof: social charges	59,548	57,438	42,858
thereof: pension plan	32,911	29,299	21,914
Equity	673,823	612,284	638,937
Total assets	1,944,438	1,790,813	1,565,772

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 section "1. Foundations of the group" and "2. Economic Report" of the Combined Management Report.

(*) The contents of this table are not part of 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 follows in particular from our vision, our values and the responsible contribution we make to healthcare.

We have been involved in shaping the digitized healthcare system since 1987, developing CGM products that help both healthcare professionals and citizens 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 for the first time in 2022.

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

Our CR values are derived in detail 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 action for all employees of CGM. It goes without saying that this includes the management.

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

Determination of materiality

A CR committee was established in the reporting year, with permanent members thereof being in particular managerial staff from Legal and Compliance, Procurement, Corporate Communications, Finance, Investor Relations, Human Resources and Operational Excellence. The committee has been set up to provide a forum to exchange information on the strategic development of CR, to define goals and measures, and to make the corresponding project allocation. A progress report is submitted to the Managing Directors at regular intervals.

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
- Relevance of CGM to engage 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.

Determination of materiality

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 2022.

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 operating internationally, 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 demonstrate the scope for action it sees in 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 aspects and issues 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 and an additional materiality analysis was carried out in the 2020 reporting year.

The main economic, environmental, social, and ethical aspects were outlined on the basis of the GRI standards in order to ensure the most comprehensive view possible of the relevant issues. Each and every aspect was considered and weighted from both an outside-in and an inside-out perspective.

We carried out the materiality analysis again in the 2022 reporting year, with the 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. The key topics were then evaluated independently in a structured round of questioning.

The materiality analysis resulted in a partial revaluation of the previously defined topics. A total of thirteen material sustainability topics were identified; these results form the basis for this report and help refine our CR strategy.

While patient safety, data protection and information security, ethical business conduct, economic performance and growth, contribution to the local economy, and employment and personnel development as well as employee occupational health and safety were already core elements of our day-to-day work in the past, the major topics of employee satisfaction, diversity and equal opportunities, environment and climate protection, which we added in 2021, were confirmed. Fair competition, anti-discrimination and compliance have now also been identified as key issues in the reporting year. During the reevaluation, the topics of energy efficiency and social commitment were no longer classified as material within the meaning of the German Commercial Code (HGB). Energy efficiency was thematically attributed to environment and climate protection and is addressed from this standpoint. We will continue to report on our social engagement, which is anchored in our corporate values with We care and give back! and we make voluntary disclosures in this regard in this report.

The topics of ethical business conduct, fair competition and compliance are dealt with together in one chapter. 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.

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 action areas are assigned to the aspects of employee matters, social concerns, environmental matters, as well as anti-corruption and bribery matters, and are mentioned accordingly in this report. In addition to energy efficiency and social commitment, the topic of human rights was also identified as being not material within the meaning of the German Commercial

Determination of materiality

Code (HGB). We make voluntary disclosures on this in the section on environment and climate protection, ethical business conduct and employees.

The overarching "Supply chain and procurement" topic is also not 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. 20
Patient safety	Social concerns	Description of the business model, Supporting the global Sustainable Development Goals	P. 7, P. 16
Ethical business conduct	Anti-corruption and bribery matters, respect for human rights	Ethical business conduct	P. 23
Fair competition	Anti-corruption and bribery matters, respect for human rights	Ethical business conduct	P. 23
Learning and personnel development	Employee matters	Employment, learning and personnel development	P. 26, P. 27
Diversity and equal opportunities	Employee matters	Diversity and equal opportunities	P. 29
Anti-discrimination	Employee matters, social concerns, respect for human rights	Ethical business conduct, employees	P. 23, P. 29
Economic performance and growth	Employee matters	CGM in figures, Supporting the global Sustainable Development Goals	P. 10, P. 16
Employee occupational health and safety	Employee matters	Employee occupational health and safety	P. 31
Environment and climate protection	Environmental matters	Environment and climate protection	P. 33
Contribution to the local economy		Employees, Supporting the global Sustainable Development Goals	P. 25, P. 16
Compliance	Anti-corruption and bribery matters, respect for human rights	Ethical business conduct	P. 23
Employee satisfaction	Employee matters	Employees, employee satisfaction	P. 25, P. 29

The above description 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 2022 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 and to further increase the proportion 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 processes for healthcare providers. We play an active role in supporting universal healthcare coverage by involving our stakeholders in the patient journey.

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

In 2022, all Managing Directors must for the first time pursue the bonus-relevant goal of promoting women in the company and increasing the share of women in managerial positions as set out in the bonus agreements. Initial measures have been implemented to achieve this goal, such as creating an internal women's network under the stewardship of a Managing Director and entering into a cooperation partnership with an industry network for the promotion of women in managerial positions. We also implemented targeted junior talent initiatives to get girls interested in STEM and IT professions in particular.

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 2022, we significantly increased capital expenditure for further growth as we invested mEUR 35 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 key new 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. Evidence of this can be seen, for example, in a mutual declaration of intent for a collaboration to jointly develop integrated solutions for clinical use based on the Fast Health Interoperability (FHIR) standard.

Risik 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 project to introduce a new risk management information system, which began in November 2021, was completed in 2022, and the new application was put into use as scheduled in the first quarter.

Given that the change to the technical nuts-and-bolts of the risk management system did not lead to a fundamental change in approach itself, only editorial adjustments were made to the existing guidelines. The increased transparency provided by the new user interface was used to establish direct contact with the risk managers, leading to a fundamental increase in data quality.

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.

Pandemic risk

We have tracked the risks from the COVID-19 pandemic in the quarterly reporting of all business units worldwide. The results gained from the reporting were passed on to the Managing Directors through the existing reporting channel.

The corona committee continued to centrally coordinate the measures and regulations at the start of the reporting year. In addition to instructions on occupational safety and working from home, these included the procurement of face masks as well as sufficient testing capacities for employees and the implementation of voluntary vaccinations at selected sites. These measures were reduced as the situation eased and the pandemic-induced state finally ended.

The most important goal remains the protection of employees, which indirectly also protects customers. This included providing a safe service to physicians and health care institutions, even under pandemic conditions, in order to avoid the operations of CGM or of healthcare facilities being subsequently jeopardized.

In terms of the overall economy, the risk assessment shows COVID-19 risks to be declining. This is thanks to higher vaccination rates and the fact that procedures have been adapted to the situation. Measures and rules are in place to ensure that in-person contacts are made safely or even avoided and replaced by virtual meetings.

Nevertheless, it is not possible to rule out another future lockdown entirely. Although this continues to be considered very unlikely, a lockdown would only be considered as serious risk from a corporate perspective if it were to last for a long period of time and thus jeopardize societal prosperity and security. This would go far beyond mere contact restrictions over a limited period of time.

Acquisitions in the reporting year

We were also able to acquire and integrate several companies in the 2022 reporting year, including INSIGHT Health Group. 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 newly acquired companies (in 2022) were already integrated into the Group Human Resources organization during the year under review and the existing processes and standards were adapted. No material risks were identified, also considering new sites.

Data protection and information security

Both customers and effective measures to ensure information security and data protection 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

Data protection was incorporated into Group Legal & Compliance Affairs in December 2020. The data protection team was 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. 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.

Integrating data protection into Group Legal & Compliance Affairs has condensed reporting. All European CDPOs regularly report to the CDPOGD, which sends the consolidated content to the head of Legal on a weekly basis. The German CDPO of the parent company is also involved here. The CDPOGD and the CDPO of the parent company also report directly to the Managing Directors.

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.

Employees receive regular training on the subject of data protection and are informed regularly about data protection requirements by way of guidelines and instructions and required to strictly follow these. It is mandatory for all employees to participate in a recurring web-based data protection training. This is offered in several languages, and the invitation process as well as the controls have been automated. Another training course specifically addressing managerial staff has been developed and has been in use since 2020.

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 privacy incidents 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 protection incidents 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. In the 2022 reporting year, we determined that three incidents were reportable. These incidents were not, however, pursued any further by the data protection supervisory authorities.

The processes that are already in place are adapted, substantiated and improved on an ongoing basis as required. A new core process for the launch of new services was introduced at the end of 2021, requiring a review by the information security and data protection teams. Additional numerous contextual checks and data protection impact assessments were also carried out. In some cases, independent external expert opinions were also requested.

By conducting annual internal data protection audits, we monitor compliance with the regulations adopted. The last audit began at the end of 2021 and was completed at the beginning of 2022. The next one audit began in January 2023. The regular review of processes and measures by means of data protection audits in all business units 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. This was successfully recertified in financial year 2022 in order to ensure information risks are identified systematically and are addressed by means of targeted measures within the scope of the ISMS that are constantly further developed.

In response to the ever-increasing threats in cyberspace, we have joined, among others, the European Cyber Security Month initiative and conducted various weekly awareness activities in October 2022 with its internal #thinkb4uclick campaign. The Cyber Security Month proved very popular and will be held again in 2023, along with other training activities.

As in previous years, the group-wide initiative to optimize the security of all our products was continued in the reporting year, focusing, among other issues, on ensuring uniform security measures in the respective CGM products and establishing them across the group. These measures will also continue in 2023.

In the third year of the widespread COVID-19 pandemic, employees are working from home as much as possible, and employees are regularly provided with guidance on working safely from home. The established measures were maintained in 2022 to ensure safe and uninterrupted operations.

At the end of 2021, we registered a ransomware attack on our IT systems. Follow-up measures were derived from this, which were also continuously implemented in 2022. In addition to technical measures such as the group-wide deployment of the Endpoint Detection and Response solution and the establishment of a zero-trust security model, we have also started to build a Security Operations Center (SOC). The SOC sees itself as the central point of contact for all security-related services in our IT environment and the associated organizational units. It protects the IT infrastructure and our data and our customers from internal and external threats.

All the above measures will be systematically continued in 2023 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 directors, 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.

This year's revised Code of Ethics is an explicit commitment to our social responsibility and outlines the specific requirements for business practice and personal conduct. The Code of Ethics 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 informing employees of these when they begin working at the company, with it occupying a central place in our Intranet.

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. Changes require approval by the Managing Directors.

Fair competition was identified as a key issue in the reporting year. We understand this 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 spokesman of the Managing Directors, 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 new whistleblower system. Valid notifications are reported directly to the Managing Directors and the Supervisory Board.

In the reporting year, no reportable incidents were known or reported by individuals within or outside of the company. The effectiveness and design of the whistleblower system are continuously reviewed and adapted to the new legal requirements.

Respect for human rights

We consider respect for human rights to be an integral part of our responsibility as a company with worldwide operations. This is why we are committed not only to strictly adhering 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 employees of the group but also of all suppliers, business partners, consultants or third parties working on behalf of CGM.

Employees

More than 9,200 employees at CGM are behind our innovations and developments. With these 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.

We used a dynamic process to organize Group Human Resources in a way that is even more in line with the needs of the company so as to meet the extensive range of requirements.

Group Human Resources reports directly to the spokesman of the Managing Directors and is divided into the following core areas.

- The segment HR is organized as per 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.
- They are supported by local HR experts (HR Areas). HR Areas ensure harmonized processes and working conditions for employees within their respective region, as well as making sure that processes are performed 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 initiatives and managed by the Global HR Projects Team. Efforts are made within this framework to encourage further digitalization of Group Human Resources in particular. To start with, a new HR management system was introduced 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.

Other aspects of human resources that are global in scope and apt for standardization are designed, implemented and processed in the Sustainability, Talent & Diversity division. The focus here is particularly on managerial development, performance management, learning and HR communication.

Employment

Long-term employment and sustainable human resources development are key matters for CGM. The number of employees around the world rose by 7 % in the reporting year compared to the level at the end of 2021, namely from 8,598 as at December 31, 2021 to 9,229 employees as at December 31, 2022. This is attributable to our organic growth and the acquisition of companies with a total of 226 employees.

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. With all this in mind, the assessment of recruitment processes made up an important part of our internal HR audit in October 2022.

In addition to the resulting focus on the candidate experience, we also want to place emphasis on the professional resources that are already represented internally. And so CGM First was conceived. Based on this approach, we want to encourage our employees to take initiative and venture on the next step of the career ladder, aided by continuously developing their skills and expertise. Once again, implementing the HR management system provides us and our employees with significant support, as it greatly simplifies the process of creating a profile. 2022 also demonstrated that, by participating in recruitment fairs, we have increased our visibility in the external candidate market.

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 transparent for everyone. By mobile work, we mean working away from the premises of CGM, while fulfilling operational needs and adhering to legal regulations. Established mobile working offers employees modern, contemporary and secure ways of working together. At the same time, it also raises our level of attractiveness on the labor market because it also addresses the interests expressed here.

What we also noticed during the years of the pandemic, however, is 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. For this reason, we endeavor to foster a balanced hybrid working culture which is also capable of reflecting individual circumstances.

In order to meet the demands for modern working in the office as well, modernization work was carried out and new concepts were implemented at several sites in the reporting year.

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 in all companies, 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 education. We also simplified the annual training plan process in the reporting year and filed it centrally in order to document the measures carried out.

In the course of introducing the new HR management system, we also relaunched our performance management process. Since January 2, 2023, a holistic, system-supported process will be used to both assess 2022 and to plan 2023. There are also plans to have quarterly interactions to verify or adjust the set goals as well as to exchange on development opportunities. The annual assessment has a two-pronged approach: considering the extent to which targets has been achieved and determining the extent to which individual conduct is in line with CGM's values. An essential new component of the process is also 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 280 per employee in personnel development and training in the reporting year, and also increasingly shifted to virtual training opportunities in the reporting year. 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 96 training opportunities, which were used by a total of 67 % of the employees.

Targeted personnel development programs, such as the “CGMaster Class”, provide support for interested employees at an international level. The program is open to all employees with the potential for and an interest in assuming more challenging tasks. After the program had started in the two previous years with an entirely virtual self-nomination and selection process and subsequent implementation of measures, it was possible in the reporting year to conclude the program with a live, multi-day event. A total of 51 participants from ten countries had participated in virtual networking meetings, project work, coaching and workshops from June 2021 to April 2022 to promote cross-functional and cross-hierarchical collaboration. Since the program began, 37 % of the participants have already taken up a new position in the company.

In addition to the internal courses available, we also offer further online education and training opportunities for managerial staff, 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 2022 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 skills or acquire a more in-depth knowledge of the target language, or for whom such training is helpful for their job participates in English training courses. Employees whose first language is a foreign language are supported in their integration into the company and into their daily life in Germany. For this reason, German lessons are offered in the group, which has proven popular with a high number of employees.

In view of the steadily growing shortage of IT specialists, it is important for us to actively counteract this shortage in addition to external recruiting. Therefore, we are investing sustainably in the training and promotion of junior talent. Moreover, taking into account individual needs and skills, this increases early talent retention and helps strengthen expertise in our industry. We hired 60 new trainees and dual-program students in the area of junior talent management in Germany alone, employing 185 trainees and dual-program students as at the end of the reporting year.

The overriding objective here is to ensure all our trainees and dual-program students have a pleasant and successful start in the company and in their professional life. To this end, all training sites have guides, information material and practical examples of efficient onboarding at their disposal which can be adapted to fit their local needs. In Koblenz, for example, 32 trainees and dual-program students were welcomed in a one-week onboarding phase, which started with an information event, familiarization program, training sessions and an introduction to the training departments accompanied by junior talent management. The success of our onboarding process for junior staff was apparent, scoring 4.6 stars out of a possible 5 stars in feedback collected in written form after a four-week induction phase.

The fact that we were able to take on 79 % of all graduates in Germany after they completed their studies in 2022, the majority of them in IT occupations, is very encouraging. The stated objective here is to significantly increase the share of female trainees in IT occupations, which was at 18 % as at December 31, 2022, six percentage points above the prior year's level. To achieve this, we continue to engage in training and study orientation activities for young women in STEM professions. An example of this is that we took part for the first time in the study and training guidance day at the Schönstätter Marienschule in Vallendar (a girls' school) and again organized introductory training in STEM professions for female school-leavers as part of our cooperation with the AdA-Lovelace project at the University of Koblenz. These events were successfully designed with the aid of and accompanied by female apprentices, graduates as well as managerial staff.

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 2022 reporting year. We had the pleasure of attending this awards ceremony with two of our excellent graduates and congratulating them on their fantastic results. The event was hosted by the Chamber of Industry and Commerce in Koblenz and only the two best graduates per occupational profile in the chamber district were invited.

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. After a survey was conducted last year with positive feedback, we launched the CGM Employee Voice in the reporting year, where employees are asked to provide their opinion highlighting a wide range of factors affecting satisfaction and commitment four times a year. Participants can comment on individual aspects, which are analyzed according to several attributes. To this end, an HR feedback tool was piloted at the end of 2021 and subsequently launched to support managerial staff in further strengthening the constant dialog on job satisfaction and corporate culture at team, business unit and company level and in deriving the corresponding measures.

Four surveys were conducted during the period under review. The participation rate here averaged 62 % and a total of over 90,000 comments were submitted, which are available to the respective managers. The results are consistently good. Managers and employees reflect on the individual results at the 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 equality 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.

Employees

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

Diversity category (number of employees)	Group, not including additions as at reporting date 2022	Additions in 2022	Total after additions	Share of salaried employees (in %)
Total headcount	9,003	226	9,229	
By gender				
Female	3,272	134	3,406	37%
Male	5,729	92	5,821	63%
By age group				
<30 years old	2,437	44	2,481	27%
30 - 50 years old	4,752	112	4,864	53%
>50 years old	1,814	70	1,884	20%

Additions to the CGM group in 2022 are listed separately to provide separate reporting of HR changes in the consolidation group. The table above presents the changes in the number of employees broken down by gender and age group as at the reporting date of December 31, 2022. Additional information on our employees is provided in the Annual Report.

In principle, all employees should 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 have 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. As at December 31, 2022, the share was 23.2 %.

In 2021, we had employees from 79 different countries at 156 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 another employment option at CGM is feasible.

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. Part of our response to the ongoing COVID-19 pandemic, namely our comprehensive hygiene concept and continued protective measures, has also helped minimize the risk of being infected with the coronavirus and protect our employees in the workplace in 2022.

Another essential component of our efforts to care for our employees is the occupational health management (BGM) program known at CGM as FEEL GOOD MANAGEMENT. The claim "BE HEALTHY. FEEL GOOD." stands for a holistic concept. It is designed to reduce the number of sickness-related absences and a lack of motivation with targeted offers to improve health, look after one's health and encourage the internal networking of relevant persons. Activities and events spread throughout the year offer suggestions for healthy behavior and deliver useful information about various health-related topics.

While activities at the beginning of 2022 were still exclusively virtual, a growing number of events and campaigns were held on site as the year progressed. This meant that the BGM program in 2022 consisted of a mix of digital and face-to-face offerings.

Nevertheless, digital occupational health management has played an important role since the pandemic began – in order to provide consistent health and performance-related support to employees at each and every site, making it now an indispensable part of our concept.

In line with the company-specific guidelines of the BGM, we pool all classic sport and exercise offers under the "BE ACTIVE. FEEL GOOD." banner. The range includes various courses, active breaks, workouts and much more. While the number of digital offerings has been expanded during the two years of the COVID-19 pandemic, they continue to be available as on-demand solutions for all CGM employees. The easing of the pandemic, accompanied by the relaxation of measures to prevent the spread of the virus, has also allowed sporting activities to be offered on site again since spring 2022.

Employees at the main site in Koblenz have access to the company's own health center with a modern training and weights area, as well as a course room, where there is a comprehensive program of events such as fitness courses as well as strength and endurance training under professional guidance and with highly qualified staff. One of the core services at the CGM HEALTH CENTER in Koblenz is that individual training plans can be drawn up. The offer is rounded off by nutrition consultations, personal training sessions and the measurement of various aspects of physical performance. A physiotherapy service is also available to staff at the head office for a period of time.

In addition to promoting health, another important part of health and safety in Germany is captured annually under the premise "TAKE CARE. FEEL GOOD." Our employees were therefore 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 2022. Employees at the Koblenz site also had the opportunity to refresh their COVID-19 vaccination at the beginning of the year.

As part of our efforts to ensure our employees have a greater level of protection against COVID-19, we have been offering free rapid testing to all employees around the world since June 2021.

Employees also had access to the online psychological training course "HelloBetter" in 2022, the focus of which being on how to deal with stressful situations, depression, alcohol consumption, and sleeping disorders. Employees also regularly receive information on health-related topics, which are available through various channels, such as the Intranet and social media, the monthly FEEL GOOD advice or in the form of a digital consultation hour, otherwise known as health dating. 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 aim of the CGM FEEL GOOD DAYS in 2022 was to bring employees closer together again after two years of pandemic, true to the motto "CONNECT. FEEL GOOD." Focusing on the topics of "exercise", "nutrition in everyday office life" and "back health" emphasized the importance of having a healthy work-life balance as well as encouraging persons to adopt healthier behavior patterns into their everyday (working) lives. The content was partly implemented digitally in German and English and partly face-to-face at several sites in Germany.

Environment and climate protection

Environment and climate protection are of fundamental global significance and were again identified as a key issue for CGM in 2022. We recognize our responsibility and want to do our bit to help slow the climate change process and protect the environment.

For the reporting year 2022, we have set ourselves the goal of developing a concept that sets out our path to climate neutrality. As a starting point for taking appropriate action here, we thus retrospectively surveyed our 2021 corporate carbon footprint (CCF) for the first time, which we plan to do regularly in the future. The emissions were calculated in relation to the scopes in accordance with the Greenhouse Gas (GHG) Protocol system. It is the most widely used standard for greenhouse gas accounting in the world and forms the basis for many other frameworks, such as the Science-based Targets Initiative (SBTi) for setting climate targets. An external partner helped us with the calculations here.

The GHG Protocol splits the greenhouse gas emissions of companies into different areas (so-called scopes), which were determined at CGM for 2021. As these are values that do not relate to the reporting year, they are not part of the audit scope and we make voluntary disclosures below.

Direct emissions (Scope 1) are greenhouse gas emissions that result directly from the company's business activities. A total of 6,820 t CO₂e (*) of direct emissions were identified across the group for financial year 2021. Emissions from stationary and mobile combustion were taken into account.

Indirect emissions (Scope 2) are those resulting from the generation of purchased electricity and district heating occurring physically at the respective plants. CGM-wide, we identified a total of 4,253 t CO₂e (*) of indirect emissions for 2021. Emissions from purchased electricity, steam and heat were taken into account.

We have derived and will continue to derive further measures with concrete goals from the findings of the initial survey, the ultimate aim of which being to reduce emissions in the medium term and achieve climate neutrality for CGM in the long term.

These include reformulating the CGM fleet policy, which now explicitly includes e-vehicles and only allows hybrid vehicles provided that electronic use of the vehicle can be guaranteed to an extent of 75 %. Vehicles can be recharged at various CGM sites, at publicly accessible charging stations as well as at calibrated, private wall-mounted boxes using a corresponding fuel card.

(*) The emission values are not part of the separate limited assurance engagement in accordance with ISAE 3000 conducted by KPMG AG Wirtschaftsprüfungsgesellschaft.

In addition, further measures have been initiated to holistically reduce our environmental impact. For example, customer communication is increasingly moving to the digital world, with the process of converting from paper billing to e-billing being continued in the reporting year. In order to save more paper and avoid letters from being forwarded, a separate project was also initiated to digitize incoming mail. The aim of the CGM goes Paperless drive is to implement a tool to digitize the mailroom in Koblenz. Providing supporting for the software to process incoming mail can save time and mail can be distributed as efficiently as possible. Once the documents have been digitized, they can be forwarded electronically to individual recipients in real time, and there is no need for them to be physically sent on. The project is in the planning phase and its implementation is planned for 2023.

We have further expanded our commitment to reusable approaches at our Koblenz site, joining Germany's largest reusable system for cups and food containers. This will enable us to can save 1,000 disposable cups for each reusable cup and 500 disposable food containers for each reusable one. All packaging is made of 100 % recyclable polypropylene, food-safe, BPA-free and resistant to breakage. We no longer offer additional disposable containers. We have also reworked the food concept in our newly opened bistro and increased its sustainability. It now includes at least one vegetarian or vegan plant-based dish daily, as well as an extensive salad bar. We pay particularly attention when sourcing products to ensure that are both regional and seasonal.

Our commitment to climate protection is also plain to see at sites other than Koblenz with initiatives such as ISO 14001 certification of one of our business units in Spain for the first time and specific efforts to reduce plastic waste in a business unit in Italy.

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

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

For the 2022 reporting year, only the first two environmental objectives are examined again, as the other screening criteria are not yet available in a delegated legal act.

Taxonomy-eligible and taxonomy-aligned economic activities

In addition, a distinction must be made between taxonomy-eligible and taxonomy-aligned economic activities. The simplified provisions, which still applied for the 2021 reporting year, are no longer applicable for the period under review. This means that in addition to so-called taxonomy eligibility, taxonomy alignment must also be demonstrated. What this specifically means is that the specified technical screening criteria of the described economic activity and the minimum safeguard requirements must be met.

Reporting companies shall, where applicable, disclose the proportion of their turnover, capital expenditure and operating expenditure 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. 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 have been no changes in the group of economic activities included in the impact analysis. The taxonomy eligibility of a 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 assess 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, 2022, 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. These taxonomy-eligible economic activities for 2022 were assigned to the environmental objective "climate change mitigation". In addition, the group also generates revenue from economic activities 8.2 "Computer programming, consultancy and related activities" of the climate goal "climate change adaptation". However, according to the definition of the turnover KPI in (EU) 2021/2178, these revenues are not to be included in the turnover KPI, as the economic activity is not classified as an "enabling" activity. The criteria for taxonomy alignment of activity 8.1 were not met in financial year 2022. 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, 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 13,004 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 2,877. However, as we have not received the required confirmation from our suppliers, we could not assess these activities as 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 2,343 was identified in connection with renovation work, which is in principle considered taxonomy-eligible. However, these renovations are not considered 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 2,434, which are also not considered taxonomy-aligned.

With reference to the climate change objective "climate change adaptation", we have examined whether the activity "8.2 Computer programming, consultancy and related activities" has relevant capital and operating expenditure that is taxonomy-eligible or taxonomy-aligned as, other than the turnover, this would have to be considered in the KPIs. In our analysis, we were unable to identify any material measures in the reporting year that we could attribute to this economic activity.

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 1,129.7 form the denominator of the turnover KPI and are reflected in the consolidated income statement. In the reporting year, 2 % of the revenues (prior year: 1 %) of CGM is to be classified as taxonomy-eligible and 0 % to be taxonomy-aligned. Cf. also Appendix 1: Turnover.

CapEx KPI

The so-called 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" 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 135.9 and forms the denominator of the CapEx KPI.

In financial year 2022, the company reports 11 % taxonomy-eligible CapEx (prior year: 4 %) and 0 % taxonomy-aligned CapEx. 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". 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 243.1 in the reporting year.

In financial year 2022, the company reports 2 % taxonomy-eligible OpEx (prior year: 2 %) and 0 % taxonomy-aligned OpEx. 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.

Energy efficiency

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.

We have started by focusing particularly on the buildings in Koblenz that we own, as these allow us to immediately implement the planned measures.

It was already possible to adopt a new energy concept for the adjacent commercial premises acquired at the head office in Koblenz in 2020 thanks to the wells located there. The necessary well and energy centers were completed in the reporting year. Eight buildings at the Koblenz site will be successively connected by the end of 2023, enabling them to be heated and cooled by the efficient heat pumps with zero emissions. This also applies to the on-site server room, which itself is an integral part of the local heating and cooling system due to the waste heat it produces.

We also opened the newbuild with the CGM Conference Center and Bistro in the reporting year, which was built in line with the KfW-55 standard and therefore with particular emphasis having been placed on energy efficiency.

We are also implementing measures at other sites that aim to increase energy efficiency and contribute to climate protection. For example, we have installed more charging stations in Belgium, and the share of vehicles in the company's fleet that are powered solely by electricity is rising.

Social engagement

As a company, we are committed to our sites and feel a sense of affinity to local communities. Interaction is important to us and, as part of the wider society, we are committed to helping those who need it: We care and give back!

We again demonstrated our social engagement in the reporting year, being involved in more than 30 projects worldwide. The initiatives range from donations in cash and kind to IT support programs for children and young people in Poland and putting together school supplies for young patients in South Africa.

Our social engagement also involves us supporting patient health and safety in particular, in keeping with our underlying corporate philosophy. For example, 2022 saw the group again take part in the VOR-TOUR der Hoffnung, a charity cycling event in Germany, which for many years has collected donations for children with cancer and in need.

In addition to our sporting involvement in cycling events, we also continue to sponsor Esports Koblenz, providing support in this financial year such as jerseys for the next 24 months.

By the same token, we are once again a sponsor of the 56+ eRACING CUP, in which two employees and one trainee also participated as a team in the virtual racing event.

Such local support initiatives are the centerpiece of our social engagement, but we do not ignore global political trouble spots either. CGM may not have its own branch in Ukraine, but we do have long-standing business partnerships in the region. The outbreak of war in Ukraine at the beginning of the reporting year quickly prompted the management and our employees to organize support. The group company has donated twice to institutions supporting local healthcare facilities. Local business units, such as those in Poland, have sent further aid packages, while another business unit is providing shelter for refugees.

Supply chain

Unlike manufacturing companies, we do not have a management focus on the supply chain, but instead on the quality of the services offered and the functionality of the infrastructure required for this. Notwithstanding this, it is of paramount importance to carefully select business partners and suppliers. To this end, we are currently in the process of establishing a central purchasing department that operates across the group and is to ensure the best possible supply for CGM through global purchasing strategies. The best-in-class risk management for suppliers and commodity groups will ensure that the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains, which comes into force in 2023, will be adhered to. Development and implementation of the processes, tools and organizational structures required for a global group-wide purchasing department began in 2022; these will be further expanded in 2023.

In addition to considering economic aspects such as quality, ability to deliver on time, and price, which are reflected in the supplier evaluation, other criteria considered in the procurement process include where the suppliers are based (regionality) and whether they have an environmentally friendly product life cycle.

The supply chain supports software development on the one hand, and enables us to guarantee our business processes on the other hand. These include, e.g., sales, support, consulting services, marketing and administrative functions such as accounting, HR, fleet and in-house IT.

The group companies work with business partners, service providers and suppliers to manufacture products and deliver services. We require them to commit to the standards applicable at CGM, although as a rule, compliance with applicable legal standards and laws take precedence as part of the General Terms and Conditions of Business. We expect business partners, service providers, and suppliers in the supply chain to have established or to establish suitable processes that ensure compliance with the standards applicable at CGM.

The Code of Ethics includes the correct treatment of employees, among other things the observance of human rights, as well as integrity in business transactions, for example the prohibition of corruption and bribery. Violations of these rules by suppliers can result in termination of the business relationship.

Taking the subsidiary CGM IT Solutions und Services GmbH (ITSS) as an example, we emphasize that we have high standards for what we do in logistics. ITSS is an internal service provider with particular expertise in the areas of logistics, warehousing, supply chain, and IT hardware product management.

A core task of ITSS is to provide market-driven IT shopping carts for CGM's direct sales lines in the outpatient sector and in the pharmacy sector. It was even possible to manage the difficult supply situation in 2022 without any major problems thanks to forward-looking planning measures and close cooperation within the group.

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Appendix 1 – Turnover

in kEUR, unless otherwise stated

	Codes	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")										Category (enabling activity or)	Category (transitional activity)
		absolute turnover	Pro-portion of turn-over	climate change miti-gation	climate change adaptati-on	water and marine resource s	circular econom-y	Pollutio-n	Biodiver-sity and ecosyste-ms	climate change miti-gation	climate change adaptati-on	water and marine resource s	circular econom-y	Pollutio-n	Biodiver-sity and ecosyste-ms	Minimus safeguard s	Taxono-my-aligned proporti-on of turnover year N	Taxono-my-aligned proporti-on of turnover year N - 1		
Economic activities		(currency)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(%)	(%)	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
8.1 Data processing and hosting and related activities	J63.11	21,257	2%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		21,257	2%																	
Total (A.1. + A.2)		21,257	2%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		1,108,482	98%																	
Total (A+B)		1,129,739	100%																	

Appendix 2 – Capital expenditures

in kEUR, unless otherwise stated

	Substantial contribution criteria										DNSH criteria ("Does Not Significantly Harm")									
	Codes	absolute CapEx	Proportion CapEx	climate change mitigation	climate change adaptation	water and marine resources	circular economy	Pollution	Biodiversity and ecosystems	climate change mitigation	climate change adaptation	water and marine resources	circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover year N	Taxonomy-aligned proportion of turnover year N - 1	Category (enabling activity or)	Category (transitional activity)
Economic activities		(currency)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(%)	(%)	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	13,004	10%																	
CapEx related to building renovation from 7.2 Renovation of existing buildings	F41.2	2,343	2%																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2.)		15,347	11%																	
Total (A.1. + A.2)		15,347	11%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		120,509	89%																	
Total (A+B)		135,856	100%																	

Appendix 3 – Operating expenditures

in kEUR, unless otherwise stated

Economic activities	Codes	Substantial contribution criteria							DNSH criteria ("Does Not Significantly Harm")										Category (enabling activity or)	Category (transitional activity)
		absolute OpEx	Pro- portion OpEx	climate change miti- gation	climate change adaptati on	water and marine resource s	circular econom y	Pollutio n	Biodiver sity and ecosyste ms	climate change miti- gation	climate change adaptati on	water and marine resource s	circular econom y	Pollutio n	Biodiver sity and ecosyste ms	Minimus safeguar ds	Taxono my- aligned proporti on of turnover year N	Taxono my- aligned proporti on of turnover year N - 1		
		(currency)	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(J/N)	(%)	(%)	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonom-aligned) (A.1.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	2,877	1%																	
OpEx related to the renovation of buildings "7.2 Renovation of existing buildings"	F41.2	2,434	1%																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonom-aligned activities) (A.2.)		5,311	2%																	
Total (A.1. + A.2)		5,311	2%																	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		237,804	98%																	
Total (A+B)		243,115	100%																	

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, 2022.

Responsibilities of Management

The legal representatives of the Company are responsible for the preparation of the separate non-financial group report for the period from January 1 to December 31, 2022 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.

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 quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

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, 2022 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;
- 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;

INDEPENDENT ASSURANCE PRACTITIONER'S REPORT

- Assessment of local data collection, validation and reporting processes and the reliability of reported data;
- Inquiries of responsible group-level personnel who are responsible for determining the information on taxonomy-eligible/-compliant economic activities, performing internal control actions and consolidating the information 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, 2022 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 20, 2023

KPMG AG

Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Götz

Wirtschaftsprüfer

[German Public Auditor]

Brandt

Wirtschaftsprüfer

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