



Sustainability Report 2022



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01 _ Non-Financial Reporting (Document)



1.1 Business Model of Nexus AG

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

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

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

To collect and process expectations, ideas and topics relating to sustainable management, we are in regular contact with the stakeholders of our company – in particular employees, shareholders and customers. This exchange also determines where we must adjust our strategies if necessary. Employees are regularly consulted on their proposals for sustainability in company-wide surveys and the results are presented. The sustainability documentation is reflected in further or derived documents. The business model is explained in detail in the management commentary of NEXUS AG.

Nexus AG's Sustainability Report presents our data in performance for fiscal year 2022 from a social, environmental and corporate governance perspective and can be viewed on the Nexus website. (www.nexus-ag.de under the heading Company / Investor Relations / Corporate Governance)

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

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

For each of the five aspects required by commercial law (workers' issues, social issues, respect for human rights, the fight against corruption and bribery as well as environmental issues), the reporting of this non-financial report is based on the core issues identified in the materiality analysis, with respect for human rights as an aspect.

For the aspects required by commercial law (employees, social issues, respect for human rights, the fight against corruption and environmental issues), the present report is based on the core topics identified in the materiality analysis, whereby the topics of human rights and the fight against corruption have been identified as non-essential topics in accordance with the German Commercial Code (HGB).

After applying the net method, NEXUS AG has not identified any reportable risks that are associated with its own business activities, business relationships, products or services in accordance with §§ 315c in conjunction with § 289c (3) Nos. 3 and 4 of the German Commercial Code (HGB) and that very likely have or will have serious negative effects on the essential aspects.

The non-financial report does not meet the "core" requirement for GRI reporting and does not apply a standard framework. The objective is rather to pursue a reporting system tailored to the needs of the company. (www.nexus-ag.de under the heading Company / Investor Relations / Financial Reports)

1.2 Information and verification

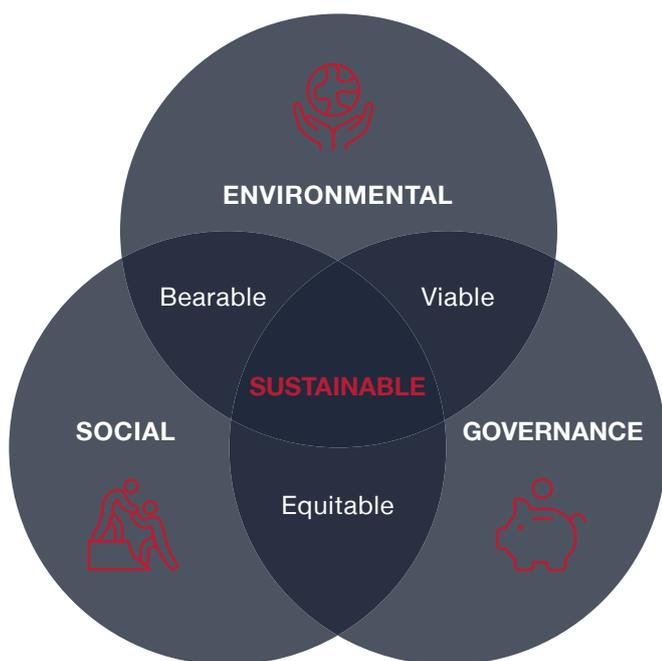
All financial and non-financial indicators and information for the reporting period are documented using software solutions and are provided by the respective divisions. The reporting period is fiscal year 2022. The report covers Nexus AG and the Nexus Group fundamentally. The report is available in German and English.

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

1.3 Non-financial and financial indicators: Close connection

In our strategy and in our daily actions, we assume that companies with a clear social mission have competitive advantages. Meaningful goals and clear social values increase the attractiveness of the company among all stakeholders. We see the following important areas:

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



1.3.1 Establishing the priority topics for our non-financial reporting

Nexus has investigated which environmental, social and governance issues are of central importance to our stakeholders and conducted an internal materiality analysis. The objective was to identify and evaluate the topics that are of particular relevance to our stakeholders, such as our employees, investors and customers.

In identifying the issues that are important to us and their limits, we first examined the areas that are relevant to our processes and our supply chain. Subsequently, we discussed the topics that provide information on how our customers can use our software to contribute to achieving some of the UN Sustainability Goals. As part of the prioritization process, we analyzed the impact of each topic on our value creation, financial performance, workflows, strategies, and our reputation with regard to regulatory compliance. All topics that have been shown to be relevant for several areas were then divided into the following seven categories:

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

We held a discussion with selected stakeholders to validate the identified topics. The results of the materiality analysis were integrated into the sustainability reporting and include the following topics

- + **Climate protection**
- + **Energy management** (cf. the “Environmental issues” section for more information),
- + **Ethical Business Conduct** (cf. the „Social issues, human rights and fight against corruption” section for more information)
- + **Human rights and digital rights** (cf. the “Social affairs, human rights and the fight against corruption” section for more information)
- + **Promotion of human capital and employee retention:** (cf. the “Employee issues and employee retention” section for more information)
- + **Financial aspects of stakeholders:** We create not only financial value for our company and for our investors, but also for a large number of stakeholders, e.g., employees, municipalities and suppliers. Salaries and benefits for our employees, orders to our suppliers and partners, and tax payments in the countries in which we operate are part of the financial aspects of these stakeholders.
- + **Effects on society** Through the use of digital technologies, we contribute to the implementation of the 17 sustainability goals of the United Nations. For example, our solutions help to provide disadvantaged groups with access to healthcare, personalized medicine or access to work equipment. At the same time, our solutions are used to support non-profit organizations in communicating with donors. (cf. the “Opportunities through Clean Technologies” section for more information).

When reviewing the individual categories, we use the underlying value from the 2019 fiscal year and compare it with the current annual value. For orientation purposes, we also include the previous year’s value in the tables.

30 %

less power consumption through consolidation of large data centers



60 %

less paper consumption through digitization in healthcare

40 %

less fuel consumption through use of environmentally friendly engines

1.4. Environmental issues

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

1.4.1 Waste and water

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

1.4.2 Management of electrical waste

Our electronic waste is generated by servers in data centers as well as IT devices such as PCs, peripherals and mobile devices. Our servers and IT equipment are either resold or recycled in an environmentally friendly manner, depending on their condition. In 2019, we decided to integrate a sustainable waste management partner into our value chain. We are currently working with local waste disposal companies for electrical scrap. We also promote the internal reuse of IT devices by sharing devices between locations. In addition, we use servers and general hardware such as laptops, mobile devices, etc. for longer than a period of three years, thus avoiding early disposal.

The objective is to avoid at least 80% of our landfill waste in the long term. For this, it is necessary to change processes and promote the reuse of materials. In addition, we donate older but still functional laptops and accessories to regional initiatives. These are then passed on to needy students to participate in e-learning.

1.4.3 Office paper consumption

Reducing paper consumption is also one of our activities. Our expenditures for paper per employee have decreased from €24.73 in 2019 to €6.00. This corresponds to savings of 75%.

Printer optimization and the expansion of digital processes in logistics, finance and human resources contributed to this. The introduction of digital payroll, the elimination of paper towels in many locations, digital compliance monitoring as well as digital personnel files made it possible to achieve these significant savings.

1.4.4 Plastic avoidance

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

At the delivery of hardware components, we ensure that they are supplied in plastic-reduced packaging. To this end, initial discussions with suppliers took place in 2021. In addition, we take care to use sustainably produced packaging for general orders.

1.4.5 Efficient water consumption

Nexus is not a company with intensive water consumption. Our global water consumption in 2022 was approximately 11,112 m³. Water consumption, calculated on the basis of millions of sales, decreased from 98.89 m³ in 2019 to 54.31 m³ in 2022. This corresponds to savings of 57%. We encourage our employees to use water as efficiently as possible. We are currently examining the extent to which rain and waste water (gray water) can continue to be used for irrigation and toilet flushing at new locations.

1.4.6 Power consumption

Significant environmental influences in the form of greenhouse gas emissions are also caused by power consumption from computer center services at Nexus. For power consumption, we are conceptually focused on reducing power consumption by concentrating our data centers and using efficient cooling systems. We aim to increase our efficiency by 20% until 2024 compared to 2019.

In 2016-2019, we were able to close six decentralized data centers by constructing our new data center in Donaueschingen and replaced them with a more energy-efficient, new data center at the company's headquarters. In 2022, we also started consolidating smaller data centers at German locations. This consolidation will in turn be fully completed in the course of 2023. We will then only operate data centers in Donaueschingen and Frankfurt. We have also signed data center contracts with "co-locations" that have been proven to be energy efficient. We have also planned additional measures to support the use of the waste heat from data centers to heat buildings.

We get electricity from renewable energy, natural power sources and district heating at our locations and production sites. In addition, we are currently installing photovoltaic systems at the main site in Donaueschingen and at other locations in Germany, which will cover part of the electricity requirements of the respective site, including the data center.

Total electricity consumption in 2022 at our own facilities was 1,664,127 kWh. Compared to the 2019 figure of 1,614,510 kWh, the electricity consumption in 2019 per million sales was 10,983.06 kWh. In 2022, the value was 8,000.61 kWh per sales million, which corresponds to an efficiency increase of 27.15%. This means that our target range of a total of 20% efficiency increase by 2024 was already reached in 2022.

In 2022, we successfully conducted an energy audit in accordance with DIN EN 16247-1. We have already implemented the resulting measures.

1.4.7 Fuel consumption

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

We are conceptually committed to making mobility and logistics more environmentally friendly in terms of fuel consumption. By using economical service vehicles, bicycle subsidies for employees, telephone and video conferencing instead of business trips and optimized tour planning, we aim to reduce "fuel consumption per sales million" by 20% and "driven kilometer per liter fuel" by 10% compared to 2019.

Fuel consumption per million sales decreased from 3,429 liters in 2019 to 2,103 liters in 2022, which corresponds to savings of 38.65%. The special effect of reduced mobility due to the pandemic must be considered here as an essential factor. In terms of efficiency, 23 km were driven per liter in 2022. It was 24.5 kilometers per liter in 2019. This has resulted in a 6% reduction in efficiency, which is due to a change in driving style.

Additionally, we started to minimize the vehicle fleet and adjust the car policy according to demand in 2022. This means that employees are entitled to a company car if they travel a minimum number of kilometers per year on business and public transport is not suitable for such trips. We have continued to integrate incentives for the use of low-emission vehicles into the company's car policy and have put more emphasis on using railways. In this sense, we covered the costs for the €9 rail ticket for all employees in Germany in 2022.

To promote the use of bicycles, we have an ongoing program in which employees are granted a subsidy when buying a bicycle for commuting to work.

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

Vehicle leasing costs (cars and bicycles) totaled € 2,284,943.31 in 2022 compared to € 1,905,550 in 2019, which corresponds to a total cost increase of 20%. However, in terms of our total operating performance (revenue millions), costs have decreased by 15% compared to 2019: from €12,963 in 2019 to €10,985.

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

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

Nexus aims to work climate-neutral (Scope 1&2 emissions taking into account offsets) by the end of 2028.

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

Nexus is explicitly oriented to the 1.5° C objective of the UN Climate Change Conference in Paris. Nexus is committed to keeping its CO₂ emissions as low as possible. Today, we regularly record our CO₂ emissions in mobility, energy, materials and waste. From 2021, we will record greenhouse gas emissions based on the Greenhouse GAS Protocol (GHG) according to Scope 1 and 2. In doing this, we measure the total CO₂- / CO₂-eq emissions generated by our activities per year. In the 2022/2023 winter season, Nexus launched an initiative to save energy throughout the Group, thereby supporting the European targets for reducing gas & electricity consumption.

This initiative includes, among other things, the more efficient use of office space, the reduction of hot water supply and a reduction in office temperature.

1.5 Corporate Carbon Footprint; CO₂ Footprint 2022



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

In fiscal year 2022, we calculated Scope 1+2, according to GHG protocol. The NEXUS Group emitted a total of 2,415 tons of CO₂ equivalents (**2,415 tons of CO₂ eq**). In terms of our services (sales millions), this means emissions of **11.61 t CO₂ eq/U**.

1.6 Opportunities through clean technologies and green coding

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

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

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

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

In particular, products around telemedicine enable doctors and patients to become CO₂ neutral.

1.6.1 Green Coding

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

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

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

- + Reduction of network traffic by using, for example, client caching mechanisms and compressed data transmission
- + Minimizing resource consumption in databases as well as optimizing data queries and memory usage
- + Flexible allocation and use of existing resources thanks to microservice architectures
- + Reduction of resource expenditure through strict modularization, thus reducing the complexity of development processes in addition to the need-based use of software modules in operation.

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

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

The following table 1 summarizes the most important ecological indicators.

Ecological Key figures of NEXUS AG				per € million in sales			Savings for 2019 in %
	2019	2021	2022	2019	2021	2022	
Paper consumption in €*	17,858.23	8,918.05	10,153.86	121.48	47.44	48.82	59.81%
Water consumption in m ³	13,654.22	8,309.73	11,112.46	92.89	44.21	53.43	42.48%
Electricity consumption in kWh	1,614,510.00	1,621,699.00	1,664,127.00	10,983.06	8,626.06	8,000.61	27.15%
Fuel consumption, (in liters)	504,161.50	399,169.49	437,595.99	3,429.67	2,123.24	2,103.83	38.65%
Leasing costs in €	1,905,550.00	2,198,858.53	2,284,943.31	12,962.93	11,696.06	10,985.30	15.25%

* The value in 2019 for foreign paper consumption was extrapolated relatively based on 2022

1.6.2 Impact of Nexus Software on Society

Through the use of digital technologies, we contribute to the implementation of the 17 sustainability goals of the United Nations. For example, our solutions help to provide disadvantaged groups with access to healthcare, personalized medicine or access to work equipment: (UN goal: health and well-being). Particularly noteworthy are our program features, which enable barrier-free use of our software. Features such as magnifying glasses, speech recognition, voice control, reading aloud function and braille keyboards help impaired people to carry out their work in the healthcare system.

Another area in which our solutions are used is the non-profit sector. We support non-profit organizations in organizing their financing and in communicating with donors.

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

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

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



1.7 Employee issues and retention

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

Key projects related to employee issues at Nexus are:

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

As part of our Employee Issues and Retention Program, we measure the extent to which we manage to retain employees in the company. Our key indicator for "employee retention" therefore takes into account the number of employees who leave Nexus at their own request (fluctuation rate). To achieve more transparent and precise management of the number of employees, the number of employees leaving does not include those leaving the company due to restructuring. The turnover rate (BDA formula) was 12.12% in 2022, 10.23% in 2021 and 9.64% in 2019.

In 2022, we clearly felt the shortage of skilled workers country-overlapping and the greater willingness of employees to make a career change after the pandemic.

We also measure the Lost Time Injury Frequency Rate (LTIFR). This means the number of accidents with downtime per 1,000,000 hours of work in relation to the total number of hours worked. Since there were again no workplace accidents with downtime in 2022, the LTIFR was 0.

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

The mean value on a scale of 1-5, where 1 represents a poor assessment and 5 a good assessment, was 3.55 in January 2021, but 3.47 in December 2022. This means a decrease in satisfaction of 2.25%. We are closely monitoring this development and have initiated measures to increase employee satisfaction.

1.7.1 Equal opportunities

The proportion of women was 32.39% in 2022, 31.55% in 2021 and 32.62% in 2019. Due to the company acquisitions in 2022, the proportion of women in the Group has decreased slightly compared to 2019.

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

Nexus is pursuing a program to increase the female share of our total workforce. At the same time, percentage targets for the Supervisory Board, the Executive Board and the first management level were defined within the framework of the Participation Act. Active measures include, in particular, the promotion of reconciling issues of family, care and work with the possibility of part-time jobs and return opportunities.

1.7.2 Improvement of preventive health care

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

In preventive health care, we implemented many measures in by investing in new, height-adjustable office furniture, health checks for management, noise-reduced offices and a fitness park at our main site. This also includes promoting active health care for our employees, e.g., through financial subsidies for visits to gyms and sports groups. Furthermore, we offered flu vaccinations at all Nexus locations in 2022.

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

Traffic accidents with personal injuries are also a significant, non-financial performance factor for us. In 2022, we again had no staff injuries due to traffic accidents. Our goal is to stay at 0.

1.7.3 Business Health Culture Index

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

This observation is based on results from our employee survey (People Survey: Bullet Point: 2.8). All employees were invited to take part in this survey in 2022. In this survey, we will also identify various kinds of information concerning employee commitment. They reflect the motivation and loyalty of our employees, their pride in our company and their identification with Nexus. At the same time, psychological risk assessment integrated into the survey, which is provided for in current Occupational Health and Safety Act.

1.8 Social affairs, human rights and the fight against corruption

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

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

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

Site visits include the following factors:

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

The visits are summarized in reports and discussed with the suppliers. Action plans monitor possible deviations from our standards and, if necessary, revise contract award decisions. We did not conduct any audits in 2022.

1.8.1 Ethical standards

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

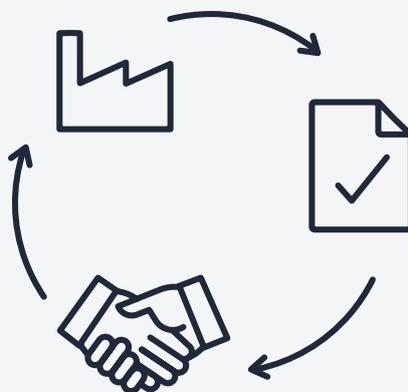
We still see gaps in the review in the relationship between respect for human rights, our artificial intelligence products and responsible business principles. We need to have exchanges of information with our customers to better examine the ethical responsibility of product development in the field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

We also check on a case-by-case basis whether our human rights standards are being followed at our sites. We consider aspects such as working conditions, salaries and working hours, environment, health and safety, management processes and business practices. While we could not detect any problems with labor law issues, we still have shortcomings in global standards for data security. To remedy these shortcomings, we implemented various certification procedures in 2019 to increase our data security.

1 Site visit

The Audit assess suppliers in four key areas:

- + Labor Standards
- + Health and safety
- + Environment
- + Compliance



2 Reports

Following site visits, auditors prepare reports for NEXUS identifying any issues of non-compliance

3 Resolve

We support suppliers in eliminating non-compliance by working together on an agreed plan. Follow-up audits monitor progress. If suppliers fail to meet agreed standards, we will act decisively to remove them from our supply chain and build new partnerships with other suppliers.

1.8.2 Respect for the rights of our employees

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

1.8.3 Compliance with high ethical standards in value creation

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

The following table 2 summarizes the most important social indicators.

Social key figures of NEXUS AG				
	2019	2021	2022	Overall development compared to 2019 in %
Fluctuation rate (BDA formula) in %	9.64%	10.23%	12.12%	25.72%
LTIFR in % (Lost Time Injury Frequency Rate)	0%	0%	0%	0.00%
Employee satisfaction in % *	n/a	3.55%	3.47%	-
Proportion of women in %	32.62%	31.55%	32.39%	-0.71%
Personal injury (number)	0	0	0	0.00
Reportable data protection violations (number)	0	0	0	0.00

* Scale 1-5, where 5 is the highest value.

1.9 EU Taxonomy Compliance

The EU Commission adopted its action plan for financing sustainable growth in 2018. This focuses in particular on the reorientation of capital flows to achieve sustainable and inclusive growth, the embedding of sustainability in risk management and the promotion of transparency and long-term sustainability in financial and economic activities. In March 2021, the ESMA (European Securities and markets Authority) issued guidelines to be applied in determining and presenting key figures. In addition to the quantitative performance indicators, qualitative data and explanations must also be integrated. According to Article 8 (2) of the Taxonomy Regulation, non-financial corporations will henceforth have to publish the following information:

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

The environmentally sustainable share of sales revenues (green sales), capital expenditure (green CAPEX) and operating expenditure (green OPEX) must be made clear. Starting from the 2022 fiscal year onwards, we will have to assess taxonomy compliance in addition to taxonomy capability.

1.9.1 Environmental objectives

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

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

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

1.9.2 Taxonomy compliance and capability

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

Activities are "taxonomy-capable" (Eligibility) when they can be assigned to taxonomy criteria (regardless of whether the criteria are met). Activities are "taxonomy-compliant" (Alignment) if the taxonomy-capable activities also meet the criteria.

We review our economic activities in terms of their taxonomy compliance and capability and relevance to NEXUS. The key figures are derived from the consolidated financial statements as of 31 December 2022, which are prepared in accordance with IFRS.

1.9.3 Nexus Taxonomy Conformity and Taxonomy Capability

Sales

For the sales key figures, all sales revenues were examined according to IFRS to determine whether they were achieved with taxonomy-capable economic activities. Accordingly, we were unable to identify revenue as taxonomy-compliant or taxable. Revenues in the reporting year of KEUR 209,128 form the denominator of the sales key figures and can be found in the income statement.

NEXUS sells almost exclusively software and only a small quantity of computer hardware. In this respect, our economic activity does not lead to a significant impairment of environmental objectives, even if our taxonomy sales figure is 0%. We show the measures taken to achieve our environmental objectives in our ESG report.

Investments (CapEx)

The CapEx indicator is the proportion of capital expenditure (CapEx) associated with either a taxonomy-capable economic activity or a credible plan to expand or achieve an ecologically sustainable economic activity, or the acquisition of products and services from a taxonomy-capable economic activity. We were able to identify taxonomy-capable capital expenditures in relation to passenger cars (fleet) and renovation of buildings. Total capital expenditures in the reporting year amounted to KEUR 9,627 and form the denominator of the CapEx indicator.

Inflows for investments related to passenger car transport amounted to KEUR 1,309. We have spent KEUR 389 for tenant installations with energy saving measures. None of these investments was in contradiction to environmental objectives.

Operating expenses (OpEx)

The OpEx indicator shows the proportion of operating expenditure within the meaning of the EU taxonomy associated with taxonomy compliant or capable economic activities, with a CapEx plan described above or the purchase of products from a taxonomy compliant or capable economic activity. Here, too, we were able to determine taxonomy-enabled operating expenses by transporting cars (fleet) and renovating buildings. To determine the denominator, the accounts were considered that reflect the direct, non-activated costs for research and development expenses, building renovation measures, and short-term leasing.

The main operating costs (OpEx) of NEXUS AG are non-activated development costs and other costs from services. In this respect, they do not stand in the way of environmental targets, even if our taxonomy OpEx indicator is 2.1%. We show the measures taken to achieve our environmental objectives in our ESG report.

	Representation	Content	Scope	Materiality determination
CSR-Directive	Qualitative	Description of the business model Due diligence processes Key sustainability risks	Environmental, social and employees concerns	So far mainly based on outside in perspective Demand for mandatory dual materiality determination Companies' own assessment
	Quantitative	Key non-financial performance indicators		
Taxonomy-Regulation	Quantitative (In the form of financial ratios)	Economic activities that can be classified as ecologically sustainable	Environmental concerns	Based on the inside-out perspective Specification by the EU Commission

Economic activities	Criteria for a significant contribution								DNSH criteria („No significant impairment“)											
	Codes (2)	Absolute sales	Invest. in %	Climate protection	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Environmental pollution (9)	Biodiversity and eco-sys. (10)	Climate protection (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Environmental pollution (15)	Biodiversity/ ecosystems (16)	Minimum protection (17)	Taxonomy-compliant sales share 2022 (18)	Taxonomy-compliant sales share, 2021 (18)	Category „enabling activities“ (20)	Category „transitional activities“ (21)
		in millions of €	%	%	%	%	%	%	%	J/N	J/N	J/N	J/N	J/N	J/N	J/N	%	%	E	T
A. Taxonomy-capable activities		-	0%																	
A.1 Ecologically sustainable activities (taxonomy-compliant)		-	0%																	
-		-	0%																	
-		-	0%																	
Sales of ecologically sustainable activities (taxonomy-compliant) (A. 1)		-	0%																	
A.2 Taxonomy-capable but non-taxonomy-compliant activities		-	0%																	
Transport by car		-	0%																	
Renovations		-	0%																	
Sales of taxonomy-capable but non-taxonomy-compliant activities (non-taxonomy-compliant activities) (A.2)		-	0%																	
Total (A.1 + A.2)		-	0%							-	0	0	0	0	0	0	0%	0%	0	0
B. Non- taxonomy-capable activities																				
OpEx for non-taxonomy-capable activities (B)		209.1	100%																	
Total (A+B)		209.1	100%																	

Taxonomy-compliant/-capable revenue share

Economic activities	Codes (2)	Criteria for a significant contribution							DNSH criteria („No significant impairment“)											
		Invest. expenditures in millions of €	Invest. in %	Climate protection	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Environmental pollution (9)	Biodiversity and eco-sys. (10)	Climate protection (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Environmental pollution (15)	Biodiversity/ecosystems (16)	Minimum protection (17)	Taxonomy-compliant investment share 2022 (18)	Taxonomy-compliant sales share, 2021 (18)	Category (enabling activities ten) (20)	Category „(transitional activities)“ (21)
A.. Taxonomy-capable activities		–																		
A.1 Ecologically sustainable activities (taxonomy-compliant)		–																		
–		–																		
Ecologically sustainable activities (taxonomy-compliant) (A.1)		–																		
A.2 Taxonomy-capable but non-taxonomy-compliant activities																				
Transport by car	6.5	1.31	13.6 %																	
Renovations		0.39	4.1 %																	
Investments in taxonomy-capable but non-taxonomy-compliant activities (non-taxonomy-compliant activities) (A.2)		1.70	17.7 %																	
Total (A.1 + A.2)		1.70	17.7 %							–	0	0	0	0	0	0	0 %	0 %	0	0
B. Non- taxonomy-capable activities																				
CapEx for non-taxonomy-capable activities (B)		7.9	82 %																	
Total (A+B)		9.6	100 %																	

Taxonomy-compliant/-capable CapEx component

Economic activities	Codes (2)	Criteria for a significant contribution							DNSH criteria („No significant impairment“)											
		OpEx in millions of €	OpEx in %	Climate protection (5)	Adaptation to climate change (6)	Water/marine resources (7)	Circular economy (8)	Environmental pollution (9)	Biodiversity and eco-sys. (10)	Climate protection (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Environmental pollution (15)	Biodiversity/ecosystems (16)	Minimum protection (17)	Taxonomy-compliant operating expenses share, 2022 (18)	Taxonomy-compliant operating expenses share, 2021 (18)	Category (enabling activities ten) (20)	Category „(transitional activities)“ (21)
		58.1																		
A. Taxonomy-capable activities																				
A.1 Ecologically sustainable activities (taxonomy-compliant)																				
–																				
–																				
Sales of ecologically sustainable activities (taxonomy-compliant)																				
A.2 Taxonomy-capable but non-taxonomy-compliant activities																				
Transport by car	6.5	2.0	3.4 %																	
Renovations	7.2	0.0	0.1 %																	
OpEx for taxonomy-capable but non-taxonomy-compliant activities (non-taxonomy-compliant activities) (A.2)		2.0	3.4 %																	
Total (A.1 + A.2)		2.0	3.4 %							–	0	0	0	0	0	0	0 %	0 %	0	0
B. Non- taxonomy-capable activities																				
OpEx for non-taxonomy-capable activities (B)		56.1	96.6 %																	
Total (A+B)		58.1	100.0 %																	

Taxonomy-compliant/-capable OpEx component

02 __ Corporate Governance Report



Good corporate governance is fundamental for Nexus for responsible corporate management. As an internationally operating company with an international employee structure, we attach particular importance to responsible, transparent management and control of the company, which is geared toward sustainable value creation. We believe that good corporate governance strengthens the trust of our shareholders, business partners and employees as well as the financial markets in our company and have summarized the essential aspects in our Corporate Governance Statement (§ 289a and § 315d of the German Commercial Code [HGB]). (www.nexus-ag.de under the heading Company / Investor Relations / Corporate Governance / Corporate Governance Statement)

2.1 (Group) Corporate Governance Statement (Document)

The (Group) Corporate Governance statement (§ 289a and § 315d of the German Commercial Code (HGB)) contains the compliance statement, information about management practices and the description of the mode of working of the Executive Board and the Supervisory Board.

Among other things, this information includes the current remuneration report and the note of the auditor in accordance with § 162 of the German Stock Corporation Act (Aktengesetz), the applicable remuneration system in accordance with § 87a (1) and (2) sentence 1 of the German Stock Corporation Act (Aktengesetz) and the last remuneration resolution in accordance with § 113 (3), which can be found on the company's website at (www.nexus-ag.de/hv).

The Corporate Governance Report of Nexus AG is written jointly by the Executive Board and the Supervisory Board pursuant to Clause 3.10 of the German Corporate Governance Code. It describes the principles of the management and control structures as well as the essential rights of stockholders of Nexus AG.

We pursue the goal of maintaining the description of Corporate Governance clear and succinct. The structures of company management and monitoring of Nexus AG are as follows:

2.1.1 Stockholders and Annual General Meeting

Our stockholders exercise their rights at our Annual General Meeting. The Annual General Meeting of Nexus takes place during the first six months of the business year. The chairperson of the Supervisory Board chairs the Annual General Meeting. The Annual General Meeting makes all decisions concerning the responsibilities delegated to it by law (among others, election of the Supervisory Board members, changes of the Articles of Association, and corporate actions).

Nexus AG is an internationally oriented company with German roots and is subject to German stock corporation law. As a company listed in Germany, the corporate governance of Nexus AG is governed by the German Corporate Governance Code (DCGK). In its declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of Nexus AG declare annually whether the recommendations of the DCGK have been and will be complied with. Failure to implement recommendations is justified in detail. The compliance statement issued in February 2022 is published on the website of Nexus AG. The compliance statements of previous years are also available there.

In February 2023, the Executive Board of Nexus AG issued the Corporate Governance Statement pursuant to § 315d in conjunction with § 289f of the German Commercial Code (HGB) for the 2022 fiscal year, which is published on the NEXUS AG website. It includes the current compliance statement in accordance with § 161 of the German Stock Corporation Act (AktG), relevant information on management practices, a description of the functioning of the Executive Board and Supervisory Board as well as the composition and functioning of their committees, the target values for the proportion of women on the Executive Board and at management levels below the Executive Board.

2.1.2 Executive Board

The Executive Board of Nexus AG is currently composed of three members. It manages the company at its own responsibility. In exercising its executive power, the Executive Board is committed to the company's interest and to increasing the sustainable value of the company, the interests of employees and other stakeholders. It coordinates the strategic orientation of Nexus AG with the Supervisory Board and ensures Group-wide compliance with statutory provisions as well as effective risk management and an internal control system. The Supervisory Board appoints the members of the Executive Board. Further information on the responsibilities of the members of the Executive Board can be found on the Nexus AG website.

2.1.3 Supervisory Board

The size and composition of the Supervisory Board are determined by the Articles of Incorporation of Nexus AG. You can find the Articles of Incorporation on the Nexus AG website. The Supervisory Board of Nexus AG is composed of six members. It appoints, advises and monitors the Executive Board. The Supervisory Board involves the Executive Board in decisions of fundamental importance for the company. Accordingly, reservations for approval are laid down for transactions of fundamental importance both in the Articles of Incorporation and in a supplementary catalog of the Supervisory Board. The Executive Board informs regularly, promptly and comprehensively the Supervisory Board about all relevant questions relating to strategy, corporate planning, business development, including any deviations in the course of business, the risk situation, risk management and compliance of the company. The working method of the Supervisory Board and its committees is described in the Corporate Governance Statement. Further information on the cooperation between the Executive Board and the Supervisory Board as well as on the concrete work of the Supervisory Board and its committees in the reporting year 2022 can be found in the report of the Supervisory Board in the Annual Report of NEXUS AG (www.nexus-ag.de under the heading Company / Investor Relations / Financial Reports), in the Rules of Procedure of the Supervisory Board (www.nexus-ag.de under the heading Company / Investor Relations / Corporate Governance / Articles of Incorporation of the Supervisory Board) and in the Articles of Incorporation of Nexus AG (www.nexus-ag.de under the heading Company / Investor Relations / Corporate Governance / NEXUS AG Articles of Incorporation).

2.1.4 Composition of the Supervisory Board

The members of the Supervisory Board of Nexus AG have the necessary knowledge, skills and professional experience for the proper performance of the tasks of the Supervisory Board in our internationally operating IT company.

At least one independent member has expertise in accounting and auditing. In addition, the Supervisory Board set the following concrete objectives for its future composition at its meeting of 18/12/2019: The members of the Supervisory Board should normally not be older than 75 years and the term of membership of the Supervisory Board should normally not exceed an uninterrupted period of 12 years. In the current transitional phase, three members of the Supervisory Board exceed the period of membership specified above. This is especially to ensure maintaining valuable experience gained in the work of the Supervisory Board at Nexus AG.

After the end of the 2022 fiscal year, the period of membership is only to be exceeded in justified individual cases. In addition to these objectives, the Supervisory Board has adopted a competence profile that applies to the overall Supervisory Board and contains both the personal requirements applicable to each Supervisory Board member and the company-specific and technical requirements to be met by the entire Board. Each individual member of the Supervisory Board does not have to combine all the company-specific and technical competencies mentioned in the competence profile. Instead, it is sufficient if the sum of all individual knowledge, skills and experiences of the individual Supervisory Board members covers the company-specific and technical requirements contained in the competence profile.

The proposals of the Supervisory Board to the Annual General Meeting for the election of shareholders' representatives to the Supervisory Board should aim to fill the competence profile. The competence profile of the Supervisory Board is published on the Nexus AG website. It contains the following selection criteria:

- + Industry knowledge: At least two members should have industry knowledge. Currently, Dr. Hans-Joachim König, Florian Herger, Dr. Dietmar Kubis and Jürgen Rottler have specific industry knowledge.
- + International experience: At least two members should have international experience. Currently, all members have international experience.
- + Executive Board experience in a listed company: At least one member should have executive board experience in a listed company. Currently, Dr. Dietmar Kubis has this experience.
- + Independence: At least three members should be independent according to the definition below. Currently, at least three members are independent. Currently, at least the following Supervisory Board members are independent: Prof. Dr. Rosenthal, Juergen Rottler, and Dr. Dietmar Kubis.
- + Time required: All members of the Supervisory Board should be able to devote the time required for the work. This is the case for all members.

The Supervisory Board is convinced that the current composition of the Supervisory Board meets all of the aforementioned objectives and the requirements contained in the competence profile. The members of the Supervisory Board, its committees and their composition are listed on the Nexus AG website.

The Supervisory Board has formed two separate committees. The Audit Committee of the Supervisory Board is headed by Prof. Dr. Ulrich Krystek and includes the Supervisory Board members Florian Herger and Dr. Dietmar Kubis.

The Human Resources Committee is headed by Dr. Hans-Joachim König and includes the members Juergen Rottler and Prof. Dr. Felicia Rosenthal.

2.1.5 Independence of the Supervisory Board

The Supervisory Board is of the opinion that the requirements set out in the first sentence above are met. The Supervisory Board believes in conjunction with the consideration pursuant to C.7 of the German Corporate Governance Code (DCGK) that the duration of membership on the Supervisory Board does not exclude the classification of the member concerned as independent.

Nexus AG considers the sufficient independence of its members of the Supervisory Board as an important basis for effective control and advice of the company's management. To this end, the Supervisory Board has set a minimum number of four independent members as the appointment goal.

The Chairman of the Audit Committee of the Supervisory Board, Prof. Dr. Ulrich Krystek, qualifies as experts in into the area of financial expert within the meaning of § D.4 of the German Corporate Governance Code (DCGK) and § 100 (5) of the German Stock Corporation Law (AktG) due to his many years of activity as responsible for finances in industrial companies and as a professor of business administration and controlling.

The member of the Audit Committee of the Supervisory Board, Florian Herger, qualifies as a committee member on the Audit Committee on the basis of his many years of experience in international industrial companies and associated companies as an expert in the field of accounting within the meaning of § D.4 of the German Corporate Governance Code (DCGK) and § 100 (5) of the German Stock Corporation Law (AktG).

2.1.6 Remuneration of Supervisory Board Members

At the Annual General Meeting on 30/04/2020, a remuneration regulation for the Supervisory Board members was included as Clause 13a, which corresponds to the recommendation and suggestion of the Corporate Governance Code 2020 G 17 and G 18, to remunerate Supervisory Boards by fixed remuneration and to take into account their time expenditure.

2.1.7 Diversity in Our Company

In line with the Law on Equal Participation of Women and Men in Management Positions (German Federal Participation Act), Nexus AG issued a target at the beginning of 2016 for the Supervisory Board to achieve a gender ratio of 17% by 30 June 2022. One woman is currently a member of the Supervisory Board and consequently the quota of 17% has been reached as of 31/12/2022.

The Executive Board of Nexus AG currently consists of three male members. On the basis of the German Federal Participation Act, the Supervisory Board does not foresee the participation of women on the Executive Board under the current general conditions for Nexus AG. In the event of an expansion of the Executive Board, the Supervisory Board provides for the statutory quota of 30% of women as the target figure by 01/01/2024. The management level below the executive board of Nexus AG uses the title "Department Head" for persons holding this position. This level reports directly to the Executive Board. The proportion of women is currently 67%, which is why the target (50% by 30/06/2022) was already met on 31/12/2021. There is no second management level at Nexus AG.

The Supervisory Board has adopted a diversity concept for the Executive Board and Supervisory Board in accordance with the provisions of § 289f (2) no. 6 of the German Commercial Code (HGB). This as well as information on the targets for the share of women on the Executive Board and in the management level below the Executive Board are contained in the Corporate

Governance Statement published on the Nexus AG website. The Executive Board generally follows the recommendation of German Corporate Governance Code (DCGK) to pay general attention to diversity in filling management positions in the company, in particular with the appropriate consideration of women. There is also a project of Executive Board to promote diversity in the filling of leadership positions. This project involves activities to increase the proportion of female executives and to promote candidates for board positions in the long term from a diversity perspective. Of course, qualification will continue to be the top selection criterion for any position at Nexus AG.

The target figure for the female quota defined in 2015 for the 1st Management Level and the Supervisory Board was achieved by the company as of 31/12/2021. These targets will continue unchanged until 01/01/2024. The proportion of women on the Executive Board has been fulfilled with a target of 0 for the existing period up to 31/12/2023 and due to the fact that only three members of the Executive Board are appointed. The statutory quota of 30% set by the Supervisory Board is aimed at if the Executive Board is enlarged.

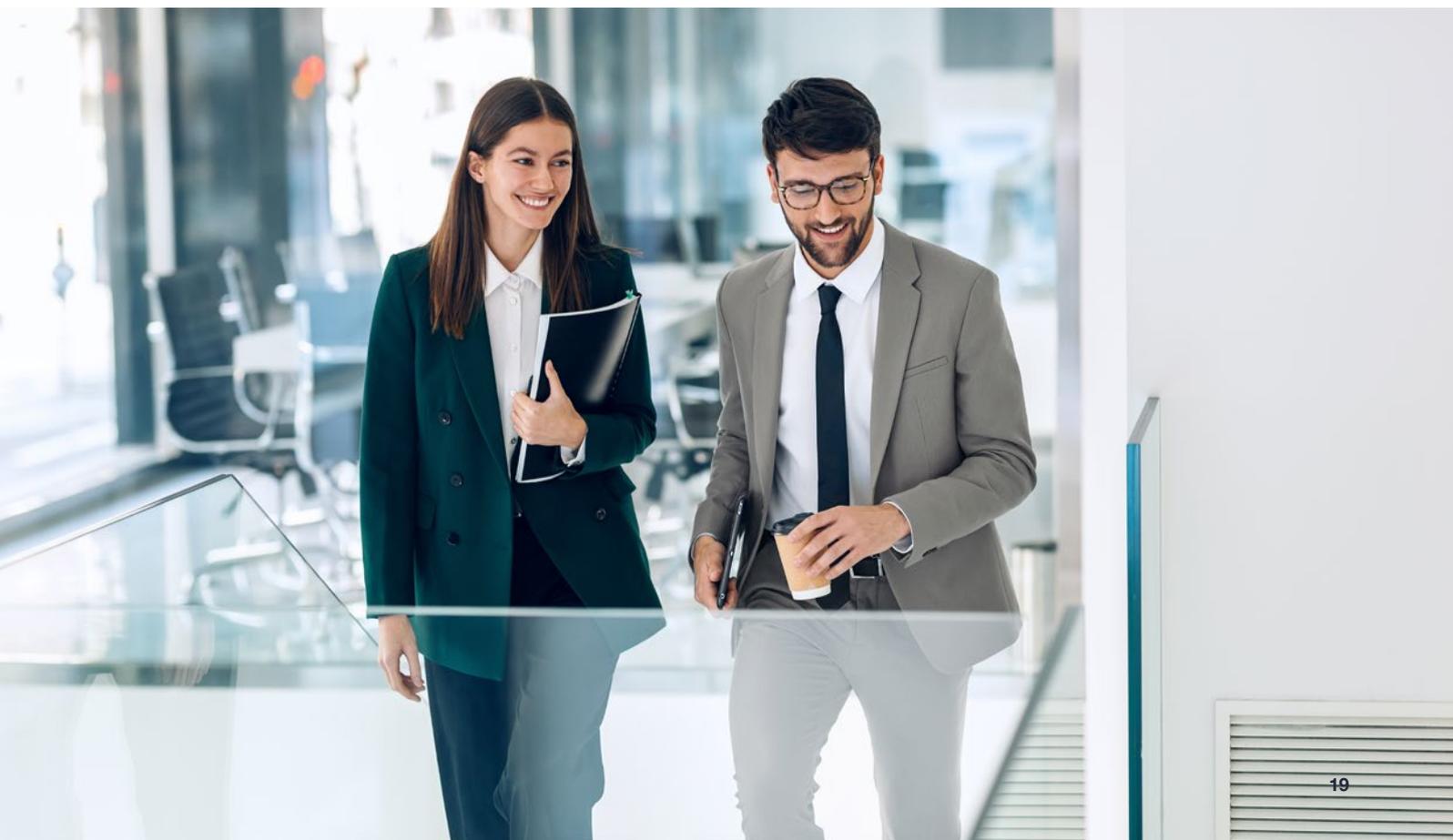
Equal participation of women and men in management positions

The filling of bodies and management positions at Nexus AG is as follows:

2.1.8 Annual General Meeting and shareholder transparency

The shareholders of Nexus AG exercise their rights, in particular their right to information and vote, at the Annual General Meeting. Our shareholders may exercise their voting rights themselves, by a proxy of their choice or by an instructed representative appointed by the company. The details are explained in the invitation to the Annual General Meeting. The entire documentation for the Annual General Meeting is available in good time for each shareholder on the Nexus AG website. Among other things, Nexus AG regularly publishes the annual reports, essential information about the company's organs, its corporate governance documentation, ad-hoc information, press releases and reportable own transactions of executives.

Management level	Description	Current proportion of women (in %)	Defined target size by 01/01/2024 (in %)
Executive Board	The Supervisory Board supports the appropriate participation of women on the Executive Board. Contracts with the current Executive Board members are valid until 31/12/2023. The statutory quota of 30% is aimed at if the Executive Board is enlarged.	0	0 / 30
Supervisory Board	The Supervisory Board supports the appropriate participation of women on the Supervisory Board.	17	17
1. Management Level	Nexus AG has defined the department heads as the 1st management level. This level reports directly to the Executive Board.	67	50
2. Management Level	There is no second management level at Nexus AG.	-	-





2.1.9 Accounting, Risk Management and Internal Control System

The annual financial statements of Nexus AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the consolidated financial statements of the Nexus Group are prepared in accordance with International Financial Reporting Standards (IFRS).

In addition, we prepare a separate non-financial report for Nexus AG according to the requirements of the German Commercial Code (HGB). Rendering of accounts is the responsibility of the Executive Board. The annual and consolidated financial statements as well as the separate non-financial report are approved by the Supervisory Board. The EbnerStolz Wirtschaftsprüfungsgesellschaft audits the annual financial statements of Nexus AG and the consolidated financial statements as the auditor appointed by the Annual General Meeting of Nexus AG. In addition to these financial statements for the full year, we also prepare quarterly financial statements for all four quarters in accordance with the Stock Exchange Regulations of the Frankfurt Stock Exchange and, as of 30 June, a semi-annual financial report in accordance with the provisions of the Securities Trading Act. The quarterly reports and the semi-annual financial report are discussed with the Supervisory Board prior to their publication. Nexus is subject to specific corporate risk management requirements in accordance with the relevant provisions of the Stock and Trading Law. Therefore, our risk management ranges from risk planning to risk determination, analysis and processing and all the way to risk minimization. In addition, we document the Nexus internal control mechanisms, in particular those affecting financial reporting. In accordance with the reporting requirements pursuant to § 289 (4) and § 315 (4) of the German Commercial Code (HGB), we provide comprehensive information on the essential features of the internal control and risk management system with regard to the accounting process and the consolidated accounting process of Nexus in the Group Management Report.

2.1.10 Investment Holdings of Executive Board and Supervisory Board

Members of the Executive Board and Supervisory Board have investment holdings in Nexus AG. An overview can be found in the respective annual reports (www.nexus-ag.de under the heading Company / Investor Relations / Financial Reports) and share purchases and sales under the link "Directors Dealing" (www.nexus-ag.de under the heading Company / Investor Relations / Announcements / Voting Rights Announcements and Director's Dealing) on the Nexus AG website.

2.1.11 Transparency

Provision of uniform, comprehensive and prompt information is considered extremely important at Nexus AG. The business situation and the results of Nexus AG are reported in the annual report, analyst and telephone conferences, the quarterly reports and the semiannual report.

In addition, information is published via press releases and ad-hoc announcements. All reports, presentations and announcements can be viewed in the Internet under Investor Relations/News.

Nexus AG has drawn up the prescribed insider directory pursuant to § 15 b of the Securities Trade Law (WpHG). The persons concerned were informed about the legal obligations and sanctions.

2.2 Declaration of conformity (document)

In February 2023, the Executive Board of Nexus AG issued the Corporate Governance Statement pursuant to § 315d in conjunction with § 289f of the German Commercial Code (HGB) for the 2022 fiscal year, which is published on the Nexus AG website. It includes the current compliance statement in accordance with § 161 of the German Stock Corporation Act (AktG), relevant information on management practices, a description of the functioning of the Executive Board and Supervisory Board as well as the composition and functioning of their committees, the target values for the proportion of women on the Executive Board and at management levels below the Executive Board.

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

March 2023

The Executive Board and Supervisory Board of NEXUS AG declare pursuant to § 161 of the German Stock Corporation Law (AktG)

The Executive Board and Supervisory Board hereby declare that Nexus AG has complied with the recommendations of the government commission of the German Corporate Governance Code in the version of 28/04/2022 in accordance with the following Compliance Statement of 20/12/2022 and – with the exceptions cited there – and will comply with them in the future as shown below.

A. Management and monitoring

The target recommendation A.5 of the German Corporate Governance Code for the execution of the internal control system in the management report is omitted. Rather, the management report reports extensively on the risk management system of Nexus AG.

B. Composition of the Executive Board

An age limit in accordance with B.5 of the German Corporate Governance Code for the members of the Executive Board has not yet been set with regard to the age of the current Executive Board members and the duration of the respective appointment of usually three years. However, there are plans to do this in the current fiscal year.

In its current period, the Supervisory Board has not adopted a formal competence profile for the entire body in accordance with C.1 of the German Corporate Governance Code. The Supervisory Board decides on such a decision before or with the nomination of the Supervisory Board candidates for the next election to the Supervisory Board.

A Supervisory Board member is older than 75 years of age in violation of the age limit established in accordance with C.2 of the German Corporate Governance Code, whereby the Supervisory Board member will resign from the Supervisory Board at the end of the Annual General Meeting 2023.

One member of the Supervisory Board has been a member of the Supervisory Board for more than 12 years, contrary to Recommendation C.7 of the German Corporate Governance Code. In spite of the longer membership, the Supervisory Board considers the member to be independent of the company and the Executive Board due to his professional and personal circumstances.

The Compliance Statement is published in the internet at www.nexus-ag.de/unternehmen/investor-relation.

Donauessingen, March 2023

For the Supervisory Board
Dr. Hans-Joachim König

For the Executive Board
Dr. Ingo Behrendt



2.3 Corporate Compliance Organization Policy (Document)

In the Code of Conduct, we have formulated our claim to the value-oriented actions of our employees. The operationalization of the Code of Business Conduct is a critical factor in sustainably living our value orientation across all locations, levels and functional areas. That's why the present "Corporate Compliance Organization Policy" defines how NEXUS ensures that our corporate values are actively lived and that employees are empowered to act in accordance with the law and regulations. In this way, we maintain the integrity of our organization as well as trust within the group of companies.

Against this background, the NEXUS Group has introduced a multi-level Compliance Management (CM) system that is based on the requirements of ISO 37301.

We have adopted the established ISO principle of Plan-Do-Check-Act (PDCA). In this way, we support management and executives in the maintenance of corporate values, compliance with NEXUS regulations and guidelines as well as various documentation and information obligations.

PLAN



Scope and structure of compliance management at NEXUS

The NEXUS Compliance Management System encompasses all NEXUS companies and supports all employees in acting with integrity and in the spirit of our corporate values. The Code of Conduct forms our central set of values.

NEXUS Compliance Management also covers relevant topics such as data protection, occupational safety, environmental protection and IT security. The central system is supplemented by the individual quality management systems of the respective business areas.

Roles and responsibilities

The NEXUS Compliance Management System distinguishes between topic representatives and compliance officers, because valid legal norms and the associated necessary training as well as documentation obligations change continuously, so that the representatives and officers for the various topic areas monitor the content development and prepare innovations or changes in the legislation for the affected employee group. Together with the respective management, the topic representatives identify compliance obligations and risks. This includes the content preparation, the selection of the information and proof format as well as its creation. The compliance officers, who are the system administrators of the NEXUS Compliance Management System, are then responsible for publishing and assigning the content to the relevant groups of people.

DO



The monitoring of compliance processes is accompanied by the need to centrally store, evaluate and make employee data available in the event of an audit. Therefore, the NEXUS Compliance Management System, called the NEXIANER Portal, is embedded in the central NEXUS personnel archive and ensures data protection-compliant management of individual instruction progress.

Every new employee is given access to the NEXIANER portal during the first few days of his or her employment and informed by automated email about the training and instruction available for him or her in the NEXIANER portal. If new training sessions or instructions are offered or published, all employees who belong to the target group of this measure will receive an automated information email in which they are informed of the available content.

Within the context of onboarding, all employees are informed of the requirements of compliance management and familiarized with the NEXIANER Portal.

CHECK



Evaluations

All managing directors as well as the HR department have access to the training protocols to ensure targeted control and monitoring of compliance management. The reporting tool of the NEXIANER Portal enables reports to be created in various dimensions, so that the measures can be evaluated according to topic, training object, employee group or individual employees. This enables targeted evaluation and control of compliance management measures by the disciplinary managers.

Compliance with all compliance requirements is an ongoing process that must be monitored continuously in a structured and targeted manner. Multidimensional controlling supports this.

Reports

In the spirit of a multi-level compliance system, the NEXUS Compliance Management System also provides for suspected violations of rights, rules or corporate values to be reported to the Compliance Officer.

The report of a possible violation can be perceived on different reporting channels. The email address set up for this purpose provides whistleblowers with the opportunity to make a report to the compliance officer by name or anonymously. There is also the possibility of a personal entry of a report, because the Compliance Officer is listed in particular with contact details on the intranet, so that all employees can contact the officer at any time.

ACT



Checking reports

NEXUS takes reporting compliance violations very seriously, because any action that is not in line with our values poses a risk to our organization. In accordance with ISO 37301, we have established a test procedure for reports of any compliance violations:

1. The Compliance Officer on the Supervisory Board is informed about the notification of a potential compliance violation.
2. A thorough investigation of the allegations or suspected cases of misconduct is begun without undue delay.
3. A fair and independent investigation of the allegations is ensured.
4. Written and complete documentation is created for all reactions to the notification or the compliance violation,
5. Corrective measures and possible disciplinary follow-up activities are initiated.

Regular reporting to the Executive Board

Since the integrity of the organization and its representatives is the key to gaining and maintaining the trust of our stakeholders, the Executive Board is regularly informed by the Compliance Officer about the current measures. (www.nexus-ag.de under the heading Unternehmen / Investor Relations / Finanzberichte Corporate Governance)



2.4 Code of Business Conduct (Document)

2.4.1 Preamble

Nexus can only succeed in the long term with ethical and impeccable dealings and integrity.

Within the Nexus Group, we value fair and respectful dealings with each other, because we believe that ethical conduct and integrity transactions should be core values in our organization. Contact with our customers and business partners should also meet this standard, because our public image is shaped by the appearance, actions and behavior of each of us. We are all responsible for ensuring that Nexus fulfills its commitment to entrepreneurial and social responsibility. Ethical and legally sound standards are guidelines for our dealings.

2.4.2 Scope of Validity

Employees and business partners

The Code of Business Conduct applies to all employees of the Nexus Group, regardless of their position in the Group. It is designed to help solve ethical and legal challenges in our daily work as well as shape our dealings with our business partners, employees, shareholders and the public. Each superior must ensure that his or her area complies with the requirements of the Code of Conduct. Business partners/third parties as well as their business partners in the supply chain are expected to comply with the legal and ethical standards of this Code of Business Conduct throughout the duration of collaboration.

Countries & Regions

The Code of Business Conduct applies to all countries in which Nexus operates. Where local directives provide for a stricter interpretation than the provisions governed here, the stricter rules shall apply in each case.

2.4.3 Guidelines for Our Actions Ethical guidelines

Behavior and respect in dealing with each other

We value fair and respectful interaction with each other employee and with others

Each employee represents Nexus and acts friendly, professionally and fair within and outside the Group. We commit ourselves to act with integrity, dignity, respect, competence, care and ethical integrity toward customers, potential customers, third parties, colleagues and the public.

Discrimination or harassment

We value diversity, and objectivity shapes our working together

NEXUS does not tolerate any form of discrimination, bullying or harassment. A person's individual work is judged only by objective criteria based on his or her performance and behavior. This applies regardless of individual factors such as age, disability, gender, sexual orientation, race or ethnic origin, political or religious views. For this reason, we do not tolerate defamation, intimidation or finger pointing. We foster a culture that values and encourages open communication, fault tolerance, and collaboration among all stakeholders.

Selection processes and recruitment decisions are based exclusively on objective criteria, such as qualification, performance, experience and professional aptitude. These processes are characterized by equal treatment and fairness.

2.4.4 Guidelines for our actions: Legal guidelines

We adhere to the applicable rules

All employees must understand and comply with all applicable laws, rules and regulations in their respective area of activity. In the event of a conflict between different legal requirements, the more each time stringent provision shall apply each time. It is prohibited to knowingly participate in or support any violation of such laws, rules or regulations. All external and internal business activities must be fully and flawlessly documented in accordance with statutory and, in addition, Nexus regulations. Moreover:

Trade and Business Secrets

We protect confidential information

In-house information and business secrets must be treated confidentially; this also applies to other information in the confidentiality of which Nexus, its contractual partners and customers have or could have an interest. Such information may not be disclosed to unauthorized persons without permission and must also be adequately protected from third parties and employees becoming aware of it who are not involved. If there is any uncertainty about the confidentiality of the information, employees must consult their managers about the evaluation of in-house information.

Conflicts of Interest, Separation of Private and Group Interests

We protect the interests of Nexus

NEXUS expects its employees to be loyal to the Group. Employees must separate their private interests from those of Nexus. In the case of internal decisions or business relationships with third parties, only objective criteria count. Secondary activities, professional consultancy activities or significant financial interests in a competitor, customer or supplier are subject to a reservation of approval and must not adversely affect the interests of Nexus.

Bribery and Corruption

We insist on honesty

Nexus takes a zero-tolerance approach to bribery and corruption and commits to act professionally, fairly and integrally in all business relationships wherever we operate.

Money Laundering

Our actions are always in line with applicable laws

Nexus supports all necessary measures to prevent money laundering within its sphere of influence and does everything to avoid being misused for other illegal purposes in this respect.

Competition and antitrust law

We value fair competition

Nexus only acts in accordance with global antitrust and trade laws as well as laws on competition, pricing and consumer protection. We will not attempt to work with competitors to distort trade or abuse a large market share position. We do not tolerate illegal agreements with competitors or other violations of competition law.

Transparency and Care

We act with the utmost care and always transparently

Business relationships between the public/state and private sectors carry a certain risk in terms of stricter sanctions and higher penalties in the event of legal violations. Therefore, any business relationship with public officials must be transparent and handled with the utmost care.

Acceptance and Granting of Gifts and Other Benefits

We do not provide any opportunity for third parties to influence our decisions

No employee may accept or grant benefits, in any form, including, but not limited to, personal gifts of inappropriate value, which, if viewed reasonably, must be assumed to influence business decisions or transactions. Invitations must be kept within the limits of normal business hospitality. The acceptance and granting of money are generally prohibited.

Insider Rules

We follow the rules on insider trading

All employees are obliged to comply with the insider rules applicable to securities trading, for example the insider trading ban. In particular, employees are prohibited from using information that is not publicly known (insider information) for share purchases or sales or making it available to third parties.

Data Protection and IT Security

We treat data entrusted to us with the utmost care and in accordance with the applicable guidelines

The informational right of self-determination of employees and business partners must be respected; all employees are obliged to comply with all data protection regulations and specifications.

Implementation of compliance rules

We always act in accordance with the Code of Business Conduct of the Nexus Group

No employee may suffer a disadvantage in the company as a result of adherence to the above principles. In doing so, we act in accordance with the EU directive "on the protection of whistleblowers".

The Code of Business Conduct of Nexus is provided to each employee at the beginning of employment or at a later date. Each employee is obliged to inform him/herself of the existing internal and external regulations to ensure that he/she acts in accordance with them. If there are any doubts as to whether an event or action is in accordance with Nexus regulations, employees can always contact their superior or the Compliance Office in confidence.

2.4.5 Operationalization of the Code of Business Conduct

The operationalization of the Code of Business Conducts is a critical factor in sustainably living our value orientation across all locations, levels and functional areas. That's why the "Corporate Compliance Organization Policy" defines how NEXUS ensures that our corporate values are actively lived and that employees are empowered to act in accordance with the law and regulations. In this way, we maintain the integrity of our organization as well as trust within and outside the group of companies.

2.4.6 Violations of the Guidelines

Every employee is aware of the responsibility to report violations of the Code of Conduct immediately. This can be done to an employee's superior or compliance@nexus.com. Entries can be made by name, or – if desired – anonymously, as provided for in the Sarbanes Oxley Act. For this purpose, a Whistleblower Reporting Tool is available via the Nexus intranet. Any follow-up to an issue raised via the Whistleblower Reporting Tool is coordinated with the Compliance Officer in the Supervisory Board.

If necessary, an objective investigation is carried out to ensure appropriate remedial action. Employees are expected to participate fully in the Group's investigations. The Group's investigations may be conducted by the Compliance Officer or other persons with appropriate training in the area of investigations.

Disadvantages for the employee due to reporting concerns or participating in an investigation are strictly prohibited. However, dishonest, malicious or otherwise abusive reporting (such as false personal attacks directed against certain individuals) is prohibited and can result in disciplinary action.

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

03 __ Data Protection and Security



Many hospitals trust Nexus with their data, in on-premise environments, in the cloud, on mobile devices and in our data centers. We must ensure for these customers that their data are secure with us and that we process them in compliance with local laws and protect them against misuse. IT security and data protection are therefore of pivotal importance for Nexus. With a bundle of measures, we ensure the protection of the fundamental rights of all customers, prospects, employees and partners whose data are processed by Nexus systems. In addition, we ensure compliance with all relevant data protection laws. Our IT Security Officer and Data Protection Officer report to the Development Board. They ensure that all activities in these areas meet the relevant requirements. We have also defined a formal security control concept. Relevant security issues are discussed at executive board level several times a year in steering committee meetings attended by one or more executive board members. Our development board and data protection officer meet for at least every fourteen days to ensure reliable compliance with data protection regulations throughout the company. Our Supervisory Board also deals in its meetings with whether Nexus complies with all data protection regulations.

3.1 IT Security as a Challenge

Due to the increasing amount of data and the large number of sources now available outside the company on numerous end devices, attacks on IT are becoming increasingly dangerous. We see an increasing "industry" of hacker attacks and new Advanced Persistent Threats (complex, targeted attacks on critical IT infrastructures and sensitive data) that are able to bypass many of the traditional security mechanisms.

3.2 The Security Strategy of Nexus

In addition to regulatory compliance, Nexus is proactively working to improve security practices continually in the company, products and services. The measures include regular training of employees on IT security and data protection, including the handling of confidential information as well as ensuring controlled and restrictive access to customer information. These measures are also specified in "Nexus Compliance Management". We have centralized the responsibility for the security strategy of our system operations (NEXUS / CLOUD IT) and work with integrated IT security strategies in all product areas. Our product lines face a particular challenge, because hospitals use Nexus applications to process protected patient data and transaction data critical for business. Consequently, cyber attackers have special risk significance. The goal of our product safety strategy is to minimize the risk of security breaches by integrating security features into our applications.

Our product development department integrates security functions and mechanisms into all lifecycle planning. The relevant software is reviewed and evaluated for these aspects prior to release. We follow the recommendations of the ISO/IEC 27034 standard for application security and our ISO 9001-certified process framework for the development of standard software.

3.3 Operational Security for Applications and Systems

We have established a comprehensive security framework for IT operations that covers the key risks. These include "system and data access", "system security configuration", "security patch management" and "proactive control of security incidents" as well as "cyber attack defense" and "security incident response". Key security safeguards also include physical access controls and the early detection of deviations from the standards defined in our security framework. We have ensured the implementation of safe operation through certifications. These include the various certifications of the International Organization for Standardization (ISO), of which we have implemented ISO 27001, ISO 9001 (e.g., for IT operations) and ISO 13485 for product safety. In addition, there are local certifications for products and data centers.

3.4 Product portfolio for data protection and data security

Nexus offers a large portfolio of security products and services that help our customers establish security and data protection measures in their hospitals. Our portfolio includes systems for GDPR management, solutions for governance, risk and compliance as well as software and hardware security solutions.

3.5 Security and Data Protection Compliance with Legal Requirements

The processing of personal data of employees, applicants, customers, suppliers and partners takes place at Nexus in accordance with data protection and the necessary security of this data. Our data protection policies ensure that we comply with the relevant data protection laws. This includes, among other things, the General Data Protection Regulation of the European Union (EU GDPR). Our guidelines specify the Group-wide minimum standards for the handling of personal data in compliance with legal security and data protection regulations. They also describe the requirements for all operational processes relating the processing of or access to personal data. At the same time, the responsibilities and organizational structures are also defined. We actively follow changes to the relevant laws and regulations to be able to adapt our standards continuously. With a wide range of measures, we protect the data controlled by us and our customers from access and processing by unauthorized persons and against accidental loss or destruction. By further developing and adapting our products, we also support our customers in complying with data protection regulations such as the EU GDPR. In 2022, there were no breaches of data protection under EU GDPR or other locally applicable data protection laws.



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