



National 9/11 Memorial

Architects:
PWP Landscape Architecture

The National 9/11 Memorial in New York City is one of the most emotional monuments in the world. It was opened on September 11, 2011, in honor of the people who died in the 2001 terrorist attack.

Realized with: Vectorworks



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Mr. Kaufmann, 2020 was an extraordinary year in many respects. To what extent did the COVID-19 pandemic influence your sustainability activities?

First of all, I would like to thank our employees for the outstanding job they did in this difficult year, including with regard to our activities in the area of sustainability. It helped that we operate in an industry that was able to keep working even during the lockdown. In this context, the increasing popularity of digital solutions has opened up new opportunities for many of those involved in construction. Not only does the use of these digital solutions lead to more efficient construction processes, it also has a positive impact on the efficient use of resources. Which means we were even able to drive our sustainability activities forward with a little more tailwind.

This is the Nemetschek Group's second CSR report. What happened over the last year?

We want to implement and monitor all our measures in a customized manner, which is why we are constantly making our reporting more professional. For example, last year we established a Group-wide reporting on HR figures. We have also taken the first steps to obtaining a valid data basis for climate reporting. We intend to continue along this path in the future so we can gradually achieve reporting for the entire Group.

This step-by-step approach is in line with our special structure of 15 subsidiaries, which we call "brands." Traditionally, non-financial aspects have been managed in a decentralized way at the brand level and we intend to partially maintain this. The individual corporate cultures are a key driver of innovation and the success of our Group, so it is important to preserve them. At the same time, we want to introduce further fundamental standards to increase the Group's sustainability, both in the environmental area and in diversity and inclusion, for example. In addition to these standards, we are also strengthening the exchange of experiences within the Group to enable measures that have already been successfully implemented by one brand to be transferred to other brands as well.

How open are the brands to a Group-wide approach to sustainability?

In the beginning, we had to convince them, but a lot has happened over the past year. Our CSR contacts at the brands have really become ambassadors in their respective companies. They enthusiastically work with us on various topics, and we are very careful to always take a bottom-up approach wherever possible. That's why we start by taking a close look at what activities and measures are already in place at the brands and develop a Group-wide approach from that.



An interview with Dr. Axel Kaufmann,
CFOO and Executive Board Spokesman

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The current report has a new structure with the three overarching topics “Employees & Society,” “Environment & Climate,” and “Integrity & Compliance.” Why this new structure?

We wanted to highlight the areas that are of great importance to us. These are, firstly, people: the colleagues and business partners we work with, as well as the society and our impact on the well-being of many. Secondly, we look at our impact on the environment, and specifically climate change, both from an internal perspective regarding operational resource conservation and through our sustainable solutions, which enable our customers to significantly reduce the negative impact of the construction industry on the environment. The third important sub-area is integrity and compliance. In this, we address fair business practices, data protection and data security, along with respect for human rights, among other things.

The 9/11 Memorial is pictured on the cover of this report. Why?

The National September 11 Memorial and Museum was designed using our software and is an example of the wide range of areas in which our solutions are used – from single-family homes and functional buildings such as hospitals to infrastructure projects such as bridges and tunnels, landscape architecture and memorials.

At the same time, the picture shows the important role the construction industry plays in shaping our world. The construction industry is the most visible industry in the world – in both positive and negative ways. When this industry takes on a pioneering role, it sends a strong signal. We would like to support this with our products, as they offer a wide range of opportunities to plan, build and manage more sustainably. This will allow us to act as a role model, which is our goal. There is still a lot of room for improvement in this area or the industry, and we are working on it.

In specific terms, how can structures be planned, built and managed more sustainably?

With digital solutions, stakeholders all along the construction lifecycle can plan better and prevent reconstruction and errors from occurring. They can better mesh together, thereby providing a more accurate approach, saving raw materials and energy, and minimizing carbon emissions. By using prefabricated components, stakeholders can reduce waste or recycle it directly at the production site. Ideally, more sustainable building materials, such as wood, can be used thanks to digital planning. The final building can also be managed more efficiently. And on the subject of the circular economy, if planning and construction has been done digitally, the materials used can then be reused following an eventual demolition. In short, there is an extremely diverse range of possibilities along the entire construction lifecycle.

In 2020, the Nemetschek Group was recognized as a Sustainability & Climate Leader by the UN. Why?

The 50 Sustainability & Climate Leaders include companies that contribute to making the economy more sustainable. The construction industry is lagging behind many other industries when it comes to productivity and efficiency and it will not manage to achieve the ambitious climate targets in traditional ways. We are making a decisive contribution because our solutions make processes more efficient, thus helping to significantly conserve resources. We want to be an inspiration for providers and users: on the one hand, so they will rely more on open standards to enable interface-free working and, on the other hand, so they will switch to digital solutions. In both cases, the goal is the same: a more sustainable industry.

About this Report & Company Profile

This Sustainability Report is aimed at customers, business partners, employees and investors of the Nemetschek Group as well as interested representatives from the areas of business, science, politics and society. The report presents how the company contributes to sustainable development, which goals it has set for itself, which structures it has created and which measures it has taken. It also addresses the legal obligations to which the company is subject in various areas.

This is the second Sustainability Report published by the Nemetschek Group and relates to the 2020 financial and calendar year. The first CSR report was published on March 31, 2020. This Sustainability Report was prepared with the involvement of all relevant specialist departments and approved by the Executive Board.

Business Model

The Nemetschek Group, founded in 1963 by Prof. Georg Nemetschek and comprising the Nemetschek Group and its operating subsidiaries, offers software solutions to enable an end-to-end workflow across the entire construction lifecycle.

The Nemetschek Group, headquartered in Munich, is a strategic holding company with 15 brands operating in four segments. The term “brands” is understood to mean subsidiaries of the Nemetschek Group, which in most cases are wholly owned. The Nemetschek Group is responsible for the central functions of Corporate Finance & Controlling, Investor Relations & Corporate Communication, Corporate Development & Operations, Mergers & Acquisitions, Human Resources, IT & Business Solutions, Corporate Audit and Corporate Legal & Compliance.

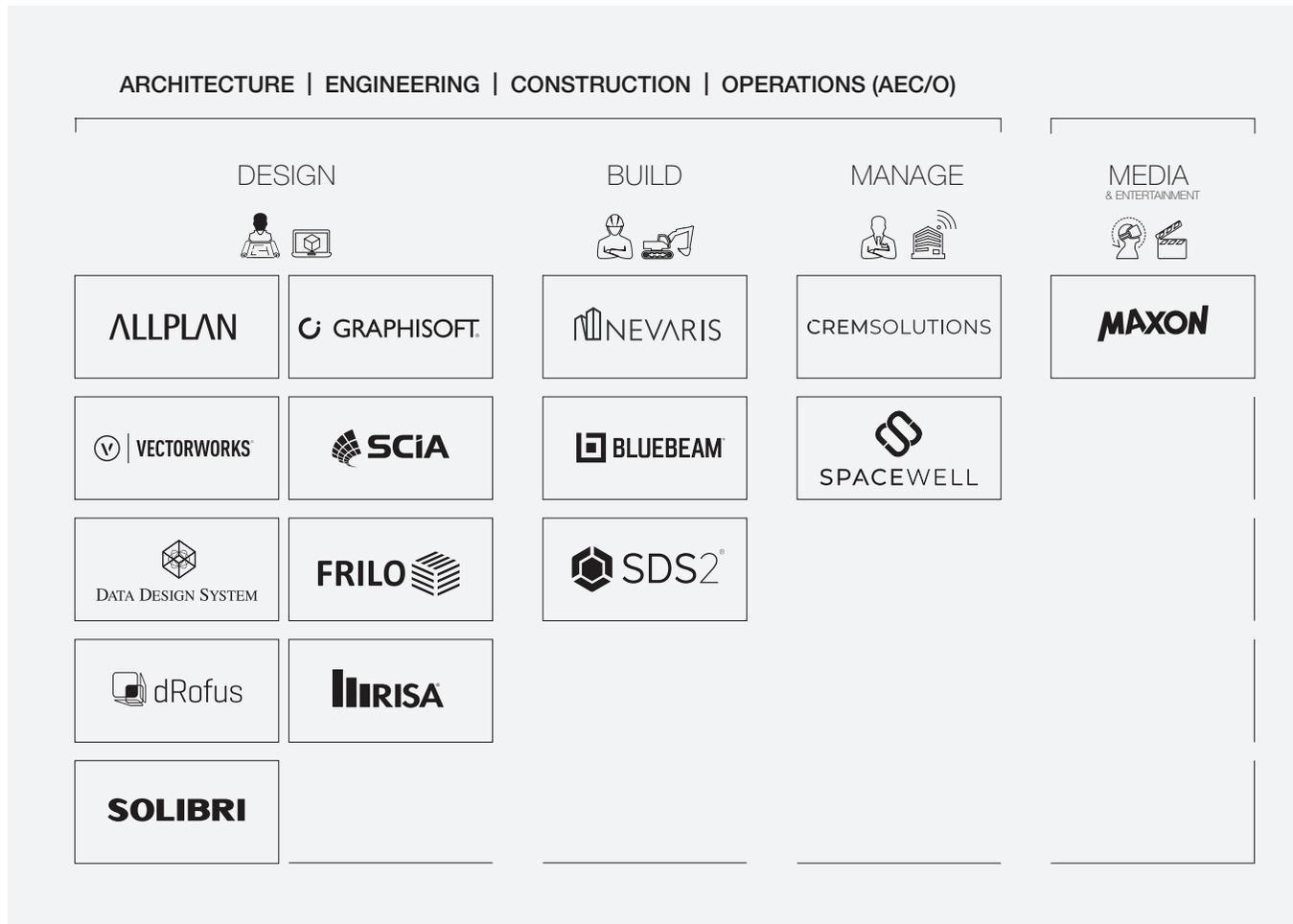
In order to strengthen the focus on the Design, Build, Manage and Media & Entertainment segments, since the beginning of 2019 each of these areas has been assigned an Executive Board member or other directly responsible person who works closely with the individual brands within this framework. This approach reflects the strategic goal of more effectively combining the brand companies’ expertise within the customer-oriented segments, promoting synergies and developing strategies for the respective customer groups or overarching projects.

The brands continue to operate as independently managed companies in their respective segments. At the same time, they operate within a strategic corridor coordinated with the holding company. The holding company and the Segment Managers facilitate exchange between the brands and initiate strategic projects involving multiple brands, some of which are cross-segmental, thereby creating synergies in the portfolio. Regular reporting to the holding and ongoing dialog ensure a high level of management efficiency.

Each of the brands is one of the leading global providers in its discipline. They each know the particular market conditions and the needs of their customers better than their competitors, who often tend to offer comprehensive solutions for diverse tasks and customer requirements. Many of our brands have done pioneering work in their specialist areas using digital building information modeling (BIM). The Nemetschek Group offers a broad portfolio of software solutions for the entire lifecycle of a building.

A total of 3,074 people work for the Group across the 15 subsidiaries and the holding company. The Group operates at 78 locations worldwide. In 2020, revenue amounted to EUR 596.9 million. Group operating EBITDA was EUR 172.3 million in 2020.

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In the 2020 financial year, a change in the organization occurred resulting in the integration of the subsidiary Precast into Allplan. Both brands had already worked closely together in the past and their offerings complement each other. This was the only significant change in the organization and supply chain.

Since its foundation, the Nemetschek Group has been a proponent of uniform industry standards and open data interfaces as a basic prerequisite for fair competition and smooth cooperation between all trades. These values are represented by the Group itself and through the individual brands in a variety of industry associations and institutions such as buildingSMART and the Bundesverband Bausoftware (BVBS). The Bundesverband Bausoftware promotes the exchange of information among all market participants and plays a key role in organizing construction trade fairs for the IT sector. It is also involved in the development of quality standards and their certification, and in the development of data standards and data exchange procedures. The key task of buildingSMART is the further development and standardization of the open, manufacturer-neutral exchange of information. To achieve this, it uses a multi-level work structure of roundtables, wordrooms, specialist and project groups that has proven itself internationally.

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The most important stakeholders of the Nemetschek Group are customers, business partners, universities and educational institutions, investors, the media and society at large. Contact with customers and collaboration with universities and other educational institutions is largely carried out directly via the subsidiaries. Investors are regularly informed via our financial market communication. The objective of the Nemetschek Group is to maintain open and reliable communication with all stakeholders. An ongoing dialog is maintained to increase transparency and reinforce trust in the Nemetschek Group.

Business activities

Our brands offer a diverse portfolio comprising graphical, analytical and commercial solutions that enable an end-to-end workflow in the lifecycle of construction and infrastructure projects. Customers include architectural and design offices of all sizes, structural planners, engineers of all disciplines, planning and service providers, construction companies and their suppliers, process controllers and general administrators as well as property, building and facility managers. The most important markets are the DACH (Germany, Austria and Switzerland) region, the USA and Scandinavia/Northern Europe.

Within the planning, construction and administrative process of buildings, the central working method is building information modeling (BIM), a term synonymous with the digitalization of the construction industry. BIM is used to digitally record and connect all design, quality, timing and business requirements and data. This information is used to create a virtual, three-dimensional, semantic building model. Time and cost are added to the simulation as fourth and fifth dimensions.

BIM enables efficient and transparent collaboration and an improved workflow for all those involved throughout the entire process of planning, building and managing a property or infrastructure project. BIM is first used virtually to identify and correct planning errors even before the actual construction process begins. The extensive data collected in this way forms a very good basis for “digital twins.” A digital twin is an image of a building that is created during the planning phase and continuously enriched with updated information over the entire building lifecycle, e.g., on the building construction, the building physics and energetic behavior and the building use. This enables forecasts to be made regarding changes to the building itself or to its use.

The Nemetschek Group has been following this integrated BIM approach for more than 30 years. The Group’s open standard, OPEN BIM, enables software solutions from the Nemetschek Group to communicate with other software solutions – including those from competitors – via open data and communication interfaces. This allows for the seamless transfer and documentation of all information, data, and digital models relevant to construction throughout the building’s entire creation and operational cycle.

At the same time, OPEN BIM means that the Nemetschek Group can contribute to further establishing this digital method of working as an industry standard. With these open software solutions, Nemetschek enhances the quality of the construction process and improves the workflows and cooperation of those involved, making project work more efficient overall while also achieving a high level of reliability in terms of cost and schedule.



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Growth drivers

The construction industry is shaped by the growing world population, increasing urbanization and the associated rising demand for housing. The rising volume of construction around the world over the past few years and the fact that buildings are responsible for some 36% of annual global energy consumption demonstrate the importance of this industry. Yet, in terms of digitalization, the construction industry is far behind other key sectors such as the automotive industry. Studies show that the construction industry in Europe has a digitalization level of only 7%. Given the growing demands for efficiency, quality and sustainability in the construction industry, there exists a need to catch up and, at the same time, opportunities for further development. For Nemetschek, this represents great market potential. IT expenditure in the construction industry is expected to increase by around 13% over the next few years.

The construction industry also stands to gain a great deal: optimizing the interaction of all processes through systematic digitalization will offer the industry potential savings of more than 20% through greater efficiency in construction times, quality and costs. Large parts of this transformation can already be implemented using existing technologies, thanks to the world's leading BIM method.

Internationalization

As part of the implementation of its growth strategy, Nemetschek is focusing on the three major regions of Europe, North America and Asia. In recent years, Nemetschek has continually expanded its market position outside Germany while at the same time strengthening its position in the target sales markets. In 2020, around 76% of Group revenue was generated outside Germany (previous year: 75%). The USA is the world's largest single market for AEC/O (architecture, engineering, construction and operation) software and also represents a key sales market for the Nemetschek Group. Nemetschek has outperformed this highly competitive and expanding market in recent years and now generates 34% of its revenue there (previous year: 34%). The brands in the USA and Europe mutually support each other in their expansion. The solid market position of the US companies makes it easier for European Nemetschek brands to expand abroad and vice versa.

BIM regulations also play a major role in the strategic focus on the regions and respective countries mentioned above. In some countries, the use of these types of software solutions is already mandatory for state-funded projects, such as in the USA, Singapore, the UK, Scandinavia or Japan. These countries therefore offer excellent general conditions for Nemetschek.



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Approach to Sustainability

Managing our company well and taking responsibility for employees, society and the environment are vitally important to us. As a family business, we pay attention to solutions that are sustainable in the long term. We aim to increase efficiency and productivity along the entire value chain of the construction industry through our software solutions. These solutions map the complete workflow in the lifecycle of a construction or infrastructure project – from the architects' first sketch to construction, building management and operation of the property. Architects, engineers of all disciplines, building contractors, property developers, general administrators and building managers can use the Nemetschek Group's software solutions to plan, build and later manage digitally, thereby conserving resources.

The BIM working standard enables seamless communication and cooperation between all those involved in the construction process. Together, they improve transparency and planning efficiency. Through this form of cooperation, they also limit unforeseen circumstances and errors during the construction phase or later on, when the building becomes operational. In short, our software applications help to cut construction time, enhance building quality and save money and material. We are thereby contributing to the cause of protecting the climate and the environment and, at the same time, to achieving the UN SDGs 11 (Sustainable Cities and Communities) and 13 (Climate Action).

We are currently supporting two initiatives at the Group level to promote sustainability across the construction lifecycle. The "50 Climate Leaders" initiative endorsed by Bloomberg News and the UN showcases companies that are leading the way in the shift toward a more sustainable world and addressing current challenges in a sustainable and environmentally friendly way. We have been invited to participate to show how the construction industry can save resources along the building lifecycle by planning, building and managing buildings and infrastructure projects more efficiently and more sustainably. By demonstrating our approach this way, we can inspire other companies to actively contribute to environmental protection in the construction lifecycle through efficient and sustainable construction.

The innovation competition "Deutschland 4.0" is a nationwide university competition under the patronage of the German Minister of State, Dorothee Bär. Founders and students from various disciplines can develop new concepts and innovations for relevant social challenges in order to advance digitalization in Germany. The Nemetschek Group is supporting this university competition. As part of a use case, we are working with various teams on tools to evaluate and analyze the benefits of digital solutions along the lifecycle of buildings and their measurable impact on the climate and sustainability.

In order to promote sustainable development beyond software solutions, the Nemetschek Group has defined standards for the way it conducts day-to-day business in its [Code of Conduct](#). More specifically, the Code of Conduct states: *"Each of*

us contributes to the public image of the Nemetschek Group through our appearance, conduct and actions. We are all responsible for ensuring that we as a Group live up to our global social responsibility."

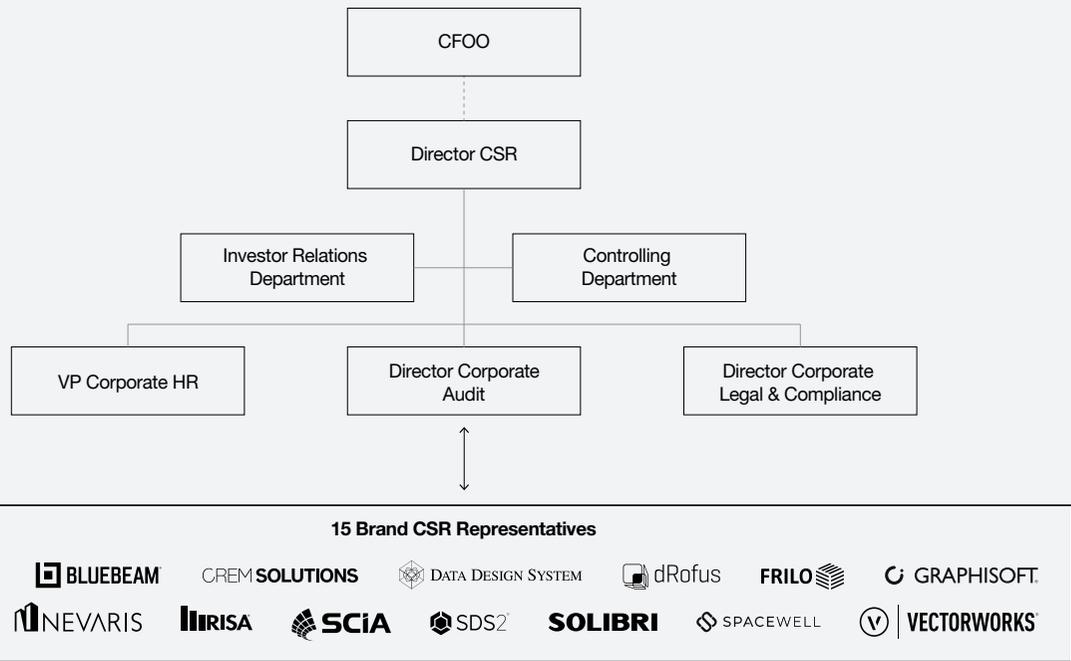
Among the individually specified duties of all employees are the protection of natural resources, provisions for anti-corruption and the obligation to refrain from all forms of discrimination. The treatment of Group employees is also geared toward sustainability. Employee responsibility plays a correspondingly significant role in the Nemetschek Group. The Code of Conduct is to be updated in 2021, and the development of a Code of Conduct for business partners and suppliers is also planned for 2021.

CSR organization

Since 2017, selected basic and Group-wide standards relating to non-financial issues have been introduced as part of CSR activities. These are aimed at making sustainability an integral part of all business practices of the Nemetschek Group. A CSR manager has been appointed at the holding company to implement these goals. Together with the cross-departmental CSR core team, the CSR officer identifies relevant topics and coordinates the implementation of the corresponding measures. The CSR officer is in close contact with the Executive Board. Once every quarter, the CSR officer meets with the Spokesman of the Executive Board to coordinate the CSR measures. The full Executive Board and Supervisory Board are also informed on a quarterly basis in a written report by the CSR manager.

APPROACH TO SUSTAINABILITY

The CSR structure in the group

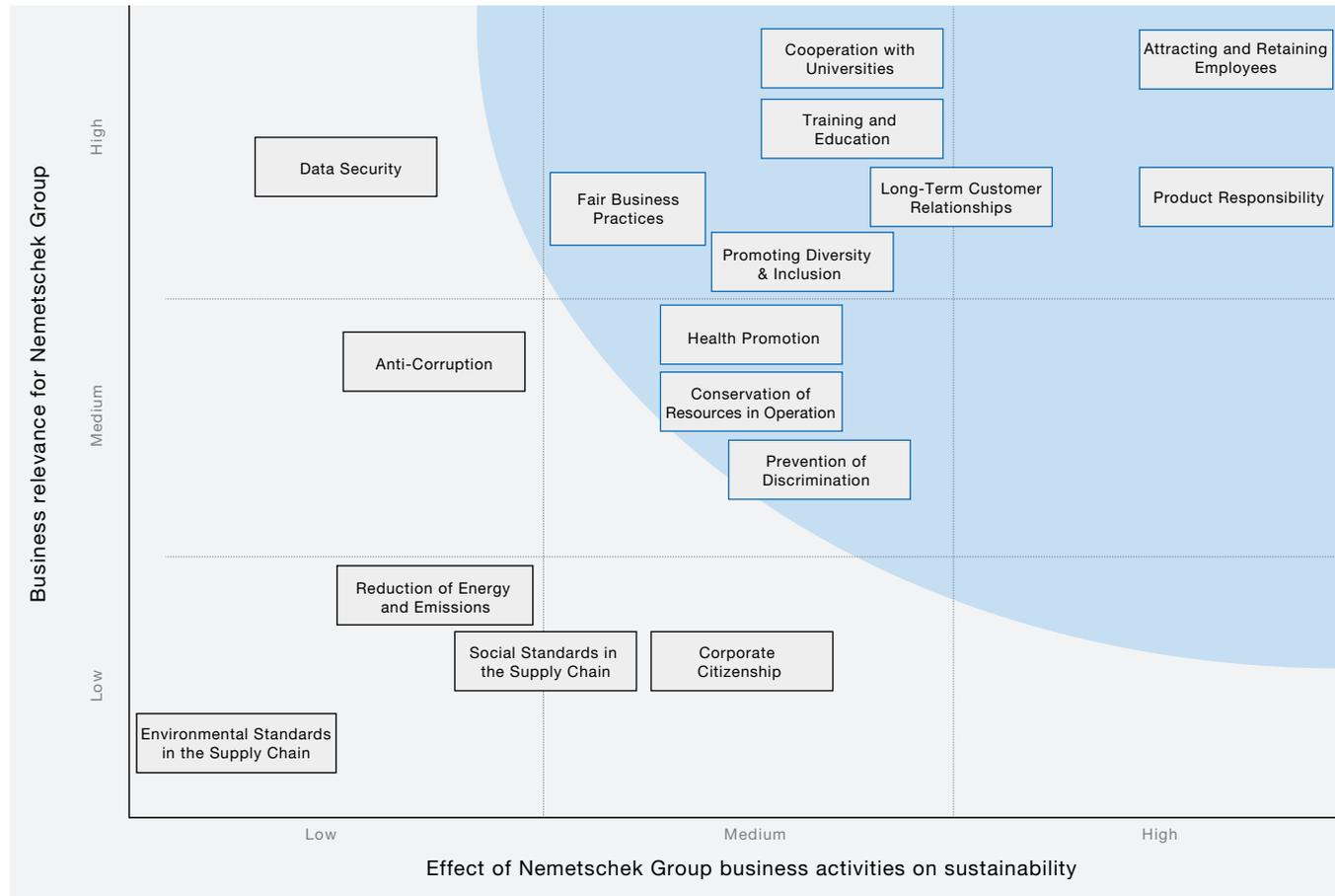


Because the Nemetschek Group consists of 15 largely independent brands, many of the non-financial issues are still managed independently by the individual brands. For this purpose, individual contact persons have been appointed at each brand – the CSR representatives. Their task involves both promoting all topics in connection with corporate social responsibility and taking over the exchange of information in this regard both with the holding company and the employees within their own brand.

Material risks

For the non-financial Group declaration, the Nemetschek Group considers not only the main risks for its business activities, but also risks that could have a significant negative impact on the areas defined for non-financial reporting (Section 315c in conjunction with Section 289c (3) Nos. 3 and 4 of the HGB). This risk assessment involves recording the gross risk values for the amount of loss and probability of occurrence as well as the net risk positions remaining after risk-reducing measures. As in the previous year, no material risks that would very likely have serious effects were identified for 2020 for the topics defined in the non-financial reporting. Consequently, there were no risks for 2020 which, on a net basis, meet the materiality criteria in accordance with Section 289c (3) Nos. 3 and 4 of the HGB.

APPROACH TO SUSTAINABILITY



Material CSR topics

An important basis for sustainable management in the Nemetschek Group is the materiality analysis from 2019. Using various external frameworks, topics were identified and their business relevance and impact on the environment, employees and society were analyzed. The results from 2019 were also fully valid in 2020.

The diagram shows the topics that have been identified as material. The topics within the *blue* shaded area were prioritized as material in terms of business relevance and the impact of business activities on the respective sustainability aspects. In accordance with the criteria of the CSR Directive Implementation Act (CSR-RUG), they are also the subject of the Nemetschek Group's non-financial statement. The topics identified in this report have been assigned to three areas:

Field of Action (relevance in accordance with CSR-RUG)	Material Topics at Nemetschek
Employees and Society (Social issues and employees)	<ul style="list-style-type: none"> » Attracting and retaining employees » Education and training » Promotion of health » Promotion of diversity and inclusion » Long-term customer relationships » Cooperation with universities
Environment and Climate (Environment)	<ul style="list-style-type: none"> » Product responsibility » Conservation of operating resources
Integrity and Compliance (Human rights and anti-corruption)	<ul style="list-style-type: none"> » Fair business practices » Prevention of discrimination

EMPLOYEES & SOCIETY

We have a strong focus on our employees and society. It is our goal to create the best possible environment for our employees, to attract and retain the best talent, to offer equal opportunities and to treat everyone with the utmost respect. However, our social responsibility is not limited to our employees. It also includes how we work with our customers and partners and how we engage with society.

- Employee responsibility
- Overarching management approach
- Attracting and retaining employees
- Education and training
- Promotion of health
- Promotion of diversity and inclusion
- Customers and society
- Long-term customer relationships
- Cooperation with universities
- Corporate citizenship



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Employee responsibility

Attracting and retaining highly qualified and highly motivated employees is one of the keys to success for the entire software industry. A shortage of skilled personnel was and still is omnipresent. This particularly applies to companies such as the Nemetschek Group. The AEC/O market (architecture, engineering, construction and operation) is shaped by a high speed of innovation, which is exacerbated by the fact that all Nemetschek brands compete on the labor market with major software companies. As a financially strong, innovative corporation which invests approximately one quarter of its revenue every year in research and development, the Nemetschek Group is an attractive employer.

Overarching management approach

In order to act in a quick and agile manner in the respective markets and regions, the individual brands manage HR affairs themselves. The Human Resources department of the Nemetschek holding company supports and advises the HR departments of the individual brands in this respect. The Vice President of Human Resources is responsible for the Human Resources department within the holding company and

reports to the CFOO. In addition, she is in regular close contact with the Nemetschek Group HR managers. In addition, the various expert and project committees are convened as required to deal specifically with individual topics. Cooperation across the Group was intensified, especially in the reporting year. For example, since the spring of 2020, the brand HR departments have held global video conferences every four to eight weeks. In 2020, the key topics in the conferences were dealing with the COVID-19 pandemic and e-learning. In addition, there was an increased use of internal communication with employees using the Group intranet.

With the new “Letter of Commitment People” – which has applied in place of the originally planned HR policy since the beginning of 2020 – the Group defines basic standards and minimum requirements on fundamental employee issues as well as on central topics of personnel recruitment, appraisal interviews and approaches to promoting health.

However, other important areas, such as attracting and retaining employees, promoting health as well as education and training will continue to be managed by the brands in a decentralized manner. The brands also remain free to define brand-specific standards and to develop their own HR policies that go beyond the minimum requirements stated in the Letter of Commitment or to regulate other topics.

Attracting and retaining employees

The search for skilled staff and talented people remains a major challenge for the Group. All across the globe, software developers and IT experts in particular are rare. As a medium-sized Group, the Nemetschek Group is in competition with major employers in the software industry such as Microsoft, Apple and Google. Attractive working conditions and a positive working environment are intended to help us attract the best talent and retain them at the company. The Nemetschek Group currently still uses the development of its number of employees as an indicator of the success of its measures. In 2020, HR reporting was introduced in order to better map the targets through the use of key figures such as staff turnover.

To attract employees, the brands offer flexible working models and other benefits. As further measures for employee recruitment, the brands of the Nemetschek Group use social media platforms such as Xing and LinkedIn, as well as contact networks and recommendations from their own employees. Thirteen of the brands currently reward successful recommendations with a bonus.

In order to retain skilled employees in the long term, the Nemetschek Group is continuously working on strengthening its attractiveness as an employer. Flexible working time models, which are laid down as a standard in the Letter of Commitment,

EMPLOYEE RESPONSIBILITY

contribute to this. The brands have also developed their own rules in this regard. However, in general, it can be stated that all brands provide strong support for working from home and equip their employees appropriately – especially in the pandemic year 2020. The structure of the individual working time models depends on the business model of the respective brand.

Attractiveness measures as an employer include individual training and particular support of talented people as well as sports programs and team events. The COVID-19 pandemic impacted this offering across all brands. The brands reacted and offered online sports courses and virtual team events. One brand even organized a drive-thru event, where gifts were distributed for employees on a marked course in the company's parking lot and employees could participate in prize draws – with, of course, applicable hygiene measures being taken into account. For Graphisoft, the move to virtual events resulted in opportunities. For the first time, the global team was able to participate in the same meeting, something that had not been possible before.

In 2020, the number of employees in the Nemetschek Group – including through company acquisitions – increased by 199, or 6.9 %, compared with the previous year. Staff turnover (non-operationally initiated staff departures) was at 7.46 % in 2020, slightly lower than in the previous year (7.79 %). Excluding company acquisitions, the increase in employees amounted to 162 (+ 5.6 %). As of December 31, 2020, the Group employed 3,074 people (previous year: 2,875).

Employees by age group and gender 2020*

in %	Total	under 30 years old	30-50 years old	over 50 years old
Employees		26,5	56,7	16,8
male	67,2	16,5	38,7	12,0
female	32,8	9,9	18,0	4,8
Top-Management		0,7	64,1	35,2
male	76,3	0,3	47,0	28,9
female	23,7	0,3	17,1	6,3

Employees by employment type*

in %	Total	male	female
Gesamt		68,4	31,6
full-time	92,1	64,7	27,4
part-time	7,9	3,6	4,2

* When calculating the relative shares in this table, all employees were taken into account, including those who are currently on parental leave, for example. The absolute number of employees in the text does not include them.

Education and training

The Nemetschek Group is committed to ongoing education and training. As a company that uses and promotes digitalization, the Nemetschek Group also offers young people good long-term prospects. One particular example from the reporting year was a pilot project in the context of LinkedIn Learning, where close to 2,000 employees were able to select their own individual training courses as part of the project. The pilot project is ongoing and is set to run until the middle of 2021. If requested, it will then be operated as an ongoing program for all employees.

The need for training and corresponding measures is addressed within the respective brands. At all brands, the basis for this is regular employee development meetings in which employee feedback is given and individual prospects and specific goals are discussed. In 2020, as a result of the COVID-19 pandemic, some of these meetings were held on a virtual basis. This approach, along with the minimum requirements for education and training, are the subject of the above-mentioned Letter of Commitment. The education and training requirements are defined in the annual development meetings. In 2020, these development meetings took place at all brands, and at some subsidiaries, several times.

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Promotion of health

In order for all employees in the Nemetschek Group to be able to work creatively and efficiently, active health management is important. The company regularly adapts all health-related measures and initiatives to the changing requirements of the working environment. The Nemetschek Group considers it essential to offer employees a healthy and secure work environment. This includes minimizing the risk of work accidents and work-related illnesses. The company regularly adapts all health-related measures and initiatives to the changing requirements of the working environment. This applies particularly in this COVID-19 era. Transparent communication and a rapid reaction to current changes shaped the way employees were treated. This also applied in regions that were particularly impacted and where employees had to be protected quickly by closing offices.

In the Letter of Commitment, the Nemetschek Group also defined minimum requirements for health management for all

brands. The implementation of the measures will continue to be managed in a decentralized manner. In the year under review, 12 of the 15 brands offered health-related measures for their employees. Alongside wellness programs, these measures included sports and fitness activities within the company and financial support for programs offered by external providers.

In terms of preventive health care, employees benefited to varying degrees – depending on the brand – from telemedicine services, specific examinations (e.g., concerning eye health) or subsidized insurance policies. In some cases, special office equipment, such as ergonomic office furniture, was also provided.

Flu vaccinations, COVID-19 tests and COVID-19 antibody tests were also offered in 2020. In the context of the COVID-19 pandemic, it should be mentioned that the holding company and some brands had already prepared suitable hygiene and protection concepts in the spring.

Promotion of diversity and inclusion

The topic of diversity is also a key part of the company's corporate culture. A wide variety of cultures are represented within the Nemetschek Group. This marked individuality is an important driver for the company's innovative strength and is therefore to be promoted in a correspondingly more targeted manner. A baseline survey was conducted in the reporting year. The survey showed that 40% of the brands already use a policy or company statement on diversity and inclusion. The US-American brands are leading the way with specific activities. A detailed diversity analysis will be prepared at the beginning of 2021. Based on this, a concept with corresponding Group-wide measures will also be developed in the same year. In terms of culture, our group of companies is very diverse, as a survey from 2020 shows: 53 different nationalities are represented among the employees of the Nemetschek Group.

Customers & Society

As a business partner and employer, the Nemetschek Group attaches particular importance to long-term customer relationships and far-reaching cooperation in the university sector. At the holding level, common goals and thematic focalpoints are coordinated. The individual brands are responsible for the implementation, as they can act in a more targeted and flexible way. The commitment to our customers does not in any way contradict our social commitment.

Every company bears social responsibility beyond the purpose of its operating activities. A pure orientation toward economic key figures can increase risks in the long term. This was shown to be particularly relevant in 2020, a year shaped by the COVID-19 pandemic. Customer contact was adjusted in line with local regulations and recommendations, with most of it taking place on a digital basis. To ensure that customers could continue to operate, the brands offered a wide range of tools, including free online training, licenses at no charge and other complementary services. Together with partners, the Spacewell brand even established an online platform – www.B2Building.help – as a digital contact point between companies and institutions with system-relevant tasks for connecting service providers and suppliers quickly and in an unbureaucratic fashion. The aim was to provide relief for hospitals and retail chains. The Graphisoft brand provided another example, intro-

ducing free emergency licenses and thus helping users who may have had difficulties working at home to access ARCHICAD licenses located on the company network. In addition, the Nemetschek Group provided impacted customers with free access to its BIMcloud collaboration service for 60 days.

Long-term customer relationships

Satisfaction is an important factor for long-term customer relationships. In order to be able to respond to specific customer needs in a targeted manner, this issue is managed in a decentralized manner. Most brands use defined indicators to measure customer satisfaction, such as the churn rate, the Net Promoter Score and the Customer Satisfaction Score (CSAT). Customer surveys are used to obtain the data. Customers evaluate both the functionality of the product and the services provided by the brand. Customer opinions are obtained via online surveys, by e-mail, direct customer contact or by telephone. To achieve high customer satisfaction right from the start, the Nemetschek Group involves its customers in product development at an early stage. Measures designed to contribute to product quality and customer satisfaction include joint development projects, customer panels, user groups and communities, as well as product previews, beta testing, and workshops. Some brands regularly have one-on-one interviews with customers and work closely with the customer engineering and product teams. “Wish lists” and broad-based customer surveys are also used.

Customers evaluate both the functionality of the product and the quality of the services. Online surveys, e-mails, telephone calls and face-to-face meetings are used to gather these findings. In 2020, in the context of the COVID-19 pandemic, the Nemetschek Group reacted quickly, making customer service even more digital accordingly.

Collaboration with universities

The Nemetschek Group has its roots in the university environment. With this in mind, collaboration with educational institutions is particularly important to the Group. For all relevant institutions in the core markets offering architectural and construction training, the aim is to provide support through software solutions. In this context, talented people are approached at an early stage in order to be able to plan, build and manage buildings and infrastructure projects sustainably. The brands engage in networking activities for students and customers, for example through specially provided job platforms, various training formats such as the Bluebeam Apprentice Day, guest lectures, at job fairs at universities or through collaborations with student associations and academic faculties. Furthermore, nearly all brands provided licenses for those at school or university, with the total figure exceeding 330,000 in the reporting year. At twelve brands, the COVID-19 pandemic impacted the activities that had been planned. Competitions, hackathons, work placements, campus visits and on-site presentations did not take place as scheduled. Instead, they were either postponed or held virtually.

CUSTOMERS & SOCIETY

Corporate citizenship

Social commitment is very important to our 15 brands. Owing to the different cultures at our brands, social activities are carried out locally at the brand level rather than being subject to central management. Numerous brands in the Nemetschek Group make regular donations to various non-profit organizations, are involved in charity runs and grant additional paid vacation to their employees to allow them to engage in volunteer work. The activities involved are as diverse as our product range. Our US-headquartered brands are often pioneers in this regard. We are currently working on an internal best practices series with which the brands can inspire each other and develop ideas together.

Four Examples from Many

Second Harvest Food Bank

Employees of our subsidiary RISA volunteered at the Second Harvest Food Bank in Orange County, California, assisting with food distribution, among other things. The food bank feeds 250,000 people every month.

German Electrical Trade Championships

The Bundesleistungswettbewerb (BLW) of the Zentralverband der Deutschen Elektro- und Informationstechnischen Handwerke (Central Association of German Electrical and Information Technology Trades) is the German championship for the electrical trades. The best young tradespeople from all the German states determine their national winners in seven disciplines – based on the associated apprenticeship occupations. Data Design System has been committed to the BLW and the promotion of young talent for years and is a competent partner for CAD training for many educational institutions.

Engineers without Borders

ALLPLAN supports the development aid projects of Engineers Without Borders with a donation. The organization has set itself the goal of sustainably improving the living conditions of people in need. Donations benefit development projects in more than 30 countries. In Tanzania, for example, direct access to clean water has been created for over 5,000 people through the construction of cisterns. With the “Basic supply for schools – Water. Sanitation. Electricity.” program, the organization is committed to improving learning conditions for children worldwide.

Bluebeam Builds

The Bluebeam Builds program enables Bluebeam employees to engage with their local communities. Working with local organizations creates a higher quality of life in neighborhoods and promotes social change. The program involves assistance activities in the areas of housing and construction as well as digitalization and education, such as repurposing old laptops for the education of disadvantaged young people.

ENVIRONMENT & CLIMATE

We contribute to the protection of the climate and the environment through our software solutions, which improve efficiency in the construction industry and enable the use of resources to be spared.

Office building in Vancouver, Canada - stacked cubes with green spaces

- Overarching management approach
- Product responsibility
- Conservation of operating resources



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Sustainable management and intact ecosystems form the basis for healthy living. The construction industry is one of the most resource-intensive sectors and the demand for housing is constantly increasing. The construction industry is therefore challenged to handle raw materials and energy more efficiently in order to build and manage in a more sustainable way. As a partner for architects, engineers, building managers and the construction industry, the Nemetschek Group is aware of its ecological responsibility and takes it seriously. With software solutions that improve resource efficiency in the construction industry, use resources sparingly and reduce the energy requirements of buildings, the Group contributes to climate and environmental protection.

Overarching management approach

Active environmental protection is enshrined in the Nemetschek Group's [Code of Conduct](#). With this central document, all employees are urged to conserve natural resources in the course of their activities and to consider both environmental and economic concerns when selecting suppliers, advertising materials or other external services.

The objective of the Nemetschek Group is for the use of its products to help the construction industry to plan, build and manage more efficiently and thus to do business in a more sustainable way. To this end, the management of relevant aspects, such as research and development, is the responsibility of the individual brands. As such, the Nemetschek Group participates in the Deutschland 4.0 innovation competition, in which students and start-ups demonstrate specific sustainable benefits and resource-saving potential through the use of digital solutions.

Product responsibility

At the Nemetschek Group, sustainable product responsibility is based on two areas. Sustainability aspects are important both when developing software and in respect to their use in the lifecycle of a building.

The cornerstones of the Nemetschek Group's software development are the digital working methods BIM and Open BIM. The Nemetschek Group is characterized by its focus on the AEC/O industry and its ability to map all processes in the lifecycle of a construction or infrastructure project.

According to the 2019 Global Status Report published by the Global Alliance for Building and Construction, buildings are responsible for 36% of global energy consumption and 39% of energy-related carbon emissions. Moreover, the construction industry is slow to follow other sectors when it comes to

exploiting efficiency potential. With Nemetschek Group solutions, architects, engineers in all disciplines, building contractors as well as building and real estate managers can plan more proactively, share information more efficiently and collaborate more productively. Working in this way, energy and resource consumption (raw materials such as concrete, steel and sand) can be saved throughout the entire construction process as well as in the subsequent use phase. In this context, the benefits of digital solutions can be considered in the various phases of the building lifecycle.

Planning and design

According to the PricewaterhouseCoopers BIM Benefits Measurement Methodology, digital modeling and improved collaboration among people involved prevents resource-intensive planning errors and conflicts and improves time management.

As early as in the planning phase, specific sustainability analyses can be carried out using solutions provided by Solibri, a Nemetschek brand. Costs and emission factors are presented in the model to generate a very informative 3D heatmap. Planners and developers obtain an exact image of which aspects, from a sustainability perspective of the design, need to be revised. As the solution is integrated into the planning software, it can therefore be used earlier and more often in the architectural planning process than in a conventional workflow where the energy analysis is only carried out once or twice in the implementation planning.

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Based on precise planning, the buildings to be constructed can even be optimized in the planning stage. For example, digital solutions from the Nemetschek Group can simulate the position of the sun and its angle of incidence, thereby enabling the optimal placement of windows.

Hamilton + Aitken Architects (H+AA) was commissioned to design a new building for Burlingame Intermediate School, located south of San Francisco. The design of this structure needed to take advantage of as much natural daylight as possible, while preventing solar glare and solar heat gain. *“For us, a lot of the design process begins with thinking about light,”* says Chad Hamilton, Principal Architect at H+AA. *“Light is an incredible motivator for learning spaces. It has been demonstrated that students learn better and faster in spaces with natural daylighting. So, we like to bring in as much natural daylighting as possible.”*

The school was therefore built with windows and skylights to let in plenty of northern light, while deep overhangs and fixed sunshades screen classrooms from direct light. The building has a sawtooth roof with transparent story windows that let in light. Classrooms on the north side have large north-facing windows. They also have a series of skylights as a second source of light.

The shape of the building’s roof seems somewhat unusual, but it is designed to maximize the amount of light that enters

Optimal Use of Natural Light for Sustainable School Design



Burlingame Intermediate School

- » Building structure designed for minimal use of electric lighting
- » Software enables simulation of sun position during planning
- » Studies show students learn better in spaces with natural daylight

all the rooms. On a sunny day, the rooms can be used entirely without electric lighting. *“With Vectorworks, we can study the daylighting impact on our classrooms, and we can orient windows and shading so that classrooms get plenty of light without glare,”* continues Hamilton.

The Heliodon tool in Vectorworks Architect allows architects to simulate the position of the sun for studying light and shade. With this tool, the H+AA team was able to visualize and quantify how the sun affects the building at different times of the year, how much glass is appropriate for a particular orientation, how to mitigate heat gain depending on climate, and so forth.

Architects can view solar animations using the Renderworks module integrated in the Vectorworks software. Roof overhangs and window placements can be tested, refined and validated to minimize heat gain in summer and maximize passive heating potential in winter – for a perfectly designed and shaped building that makes the most of the natural resource that is the sun.

[Vectorworks Architect is an award-winning BIM software solution that enables projects of any size to be sketched, modeled and documented from concept to completion. The Heliodon tool is georeferenced and generates precise shade for each project based on its location.](#)

ENVIRONMENT & CLIMATE

Building and construction

If the execution, detail and construction planning is carried out with digital models, resources and materials can be saved. This starts with the use of digital solutions for structural engineering. For example, by designing more accurately and improving steel joints in the project, planners can save large quantities of connection material. Prefabricated concrete structures can minimize material use in production, thereby reducing waste. The latter can also be recycled directly at the production site. Digital solutions for model-based planning of prefabricated concrete elements minimize possible planning errors by up to 60% in some cases. At the construction sites themselves, the use of digital solutions can result in paper savings of up to 90%.

Wood has become one of the most versatile building materials in the world. It has a smaller environmental footprint than concrete or steel, is recyclable and insulates naturally. Its visual and acoustic properties are also ideal for living and working environments. The Finnish construction company SRV is taking advantage of these benefits with Wood City, a new district of Helsinki.

Part of the newly developed Jätkäsaari district, which will house 17,000 residents and create 6,000 jobs, Wood City combines prefabricated timber construction with sustainable

Timber Construction at its Best**Wood City in Helsinki**

- » Built almost entirely from wood
- » The building material is renewable, recyclable and natural
- » Digital model testing ensures maximum accuracy in design and prefabrication

design. Each of the main buildings spans eight floors. Concrete is used only for the two inner cores of the office building and up to the second floor of the residential blocks.

The wooden elements for the new district are all prefabricated off-site under factory conditions before being transported to Wood City for assembly. To ensure the highest level of accuracy, the project team at Anttinen Oiva Architects relied on digital technologies. They worked in a BIM environment and built the district virtually before beginning actual construction. The undulating plywood ceiling in the lobby of the office building was particularly complex. Incorrectly cut wood could have seriously jeopardized the construction progress.

To prevent mistakes and minimize the use of materials and energy, the team therefore checked all virtual models with Solibri. The software allowed them to combine and coordinate their virtual designs, thereby eliminating all errors before the woodcutting began. With Solibri Office, the designers were able to layer and compare their models, discuss problems and maintain the flow of design information to the factory. Solibri Anywhere allowed all parties involved in the project to access the data they needed, no matter where they were. The software was used in almost every one of the designers' meetings and was an important element of their workflow.

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Although construction is still in progress, Wood City has already become a prominent feature in a city known for its diverse architecture. Along with other wooden landmarks across the country – such as the Helsinki Central Library and the Joensuu Lighthouse – this impressive project shows that timber construction is on the rise again in Finland.

Solibri Office is a complete solution for coordination and communication among all project participants, model checking, information evaluation as well as classification and the comprehensible presentation of results.

Operation and management

Eighty percent of the costs of a building occur during the use phase, with a large share relating to energy consumption. Integrated workplace management systems enable the optimal management of heating, ventilation and lighting. In this way, they can be used to better quantify office space requirements. This ensures that only the space that is actually needed is designed, creating a further lever for sustainability.

A smart building improves comfort, space, utilities and resource utilization, and supports users in real time. This sounds great – in theory. But how practical is it for complex office structures such as governments which have multiple requirements? The Flemish government is proving that smart buildings can become a reality at the same time as they support sustainability.

“For us, a smart building is an intelligent building. It uses data to act and react, and intelligently integrates the many systems in place,” says Frank Geets, Administrator General at Het Facilitair Bedrijf, the Flemish government’s facility management agency. For him, “intelligent integration” means, for example, that the meeting room that has been booked automatically reacts to the number of people in the room with the right temperature and ventilation.

A Clear Vision for Sustainability – Empowered by Software



Flemish Government

- » A role model for sustainability
- » Integrated software solutions throughout the entire building lifecycle
- » Facility management agency saves 50% of energy compared with 2016

ENVIRONMENT & CLIMATE

The smart building trend is on the rise as systems and tools become more affordable and more integrated. There is also an increasing interest in working in an environment that can be individually controlled. Het Facilitair Bedrijf has therefore implemented Spacewell's Integrated Workplace Management Software to work more efficiently at a number of sites. KPI reporting provides insight into service performance and improvement potential. Reservation software and sensor-based occupancy monitoring provide real-time support to on-site staff. Spacewell's ticketing software allows facility managers to process 10,000 tickets per year. This ranges from a ticket for a door not closing to ordering sandwiches or booking a rental car.

But for Frank Geets, "smart" isn't just about improving efficiency, it's also about creating sustainable buildings. "We consider sustainability in everything we do," Geets explains. In 2016, the agency decided to switch to energy-neutral buildings. After just five years, they have managed to reduce their energy consumption by more than 50% – for the same floor area and number of people. For example, the Flemish government operates a "circular" coffee bar, where everything is either recycled or "circular" (i.e., reusable) material. One of the new buildings will be a zero-waste building, where most of the furniture will be refurbished. In every framework agreement and contract,

Het Facilitair Bedrijf looks at what can be optimized in terms of sustainability. For Geets, it's up to owners and landlords to demand sustainability or circularity from the somewhat conservative construction industry. "If you're in real estate, you know that every decision you make today will have an impact for the next 20 years," he says.

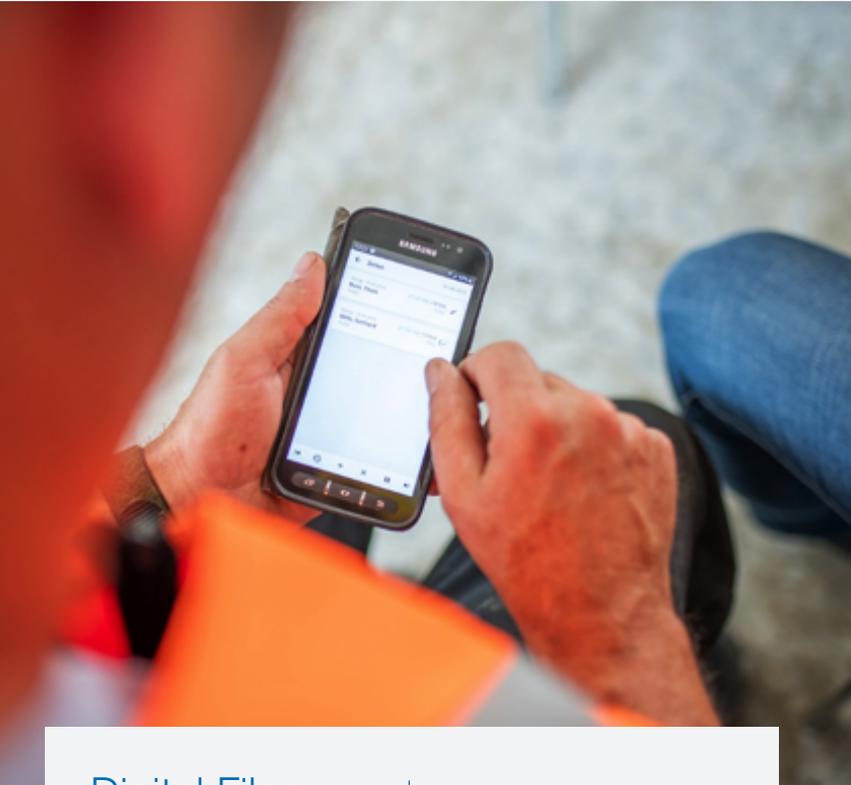
Het Facilitair Bedrijf has set clear targets for even greater sustainability and is well on its way to exceeding them. Software, like Spacewell's, is an enabler. But it comes with a condition: the software must be integrated, or capable of integrating various systems. This is why Het Facilitair Bedrijf uses BIM to plan and manage its buildings. Everyone works on the same plan and model, and they can also use the generated data during the operational phase of a building. "If we act in a sustainably aware manner, this will empower the other units of the Flemish government to do the same. And it will hopefully inspire others to follow our lead," says Geets.

Spacewell offers a unique level of technology that combines the IWMS software, Building Information Modeling (BIM) and the Internet of things (IoT). It brings buildings to life and makes them smart.

Renovation and demolition

Seamless virtual documentation enables simple and targeted changes to be made to buildings or infrastructure, even years after their construction. It is still common practice for houses to be converted or demolished decades later with no knowledge of the materials that were used. The resulting uncertainty costs time, money and resources. Nemetschek Group software solutions enable exact recording, documentation and archiving so that modernization projects are much simpler to calculate and plan. Since the construction materials used are known even before any demolition work begins, demolition measures can be deployed in a targeted manner to even obtain raw materials through recycling.

Further examples for more sustainability



Digital Files – a Step Towards the Future

Customer/project: Matthäi Group

Category: Construction companies, focus on road construction

Segment: Build & Construct

Location: Headquartered in Verden, a total of 40 locations in Germany

Description:

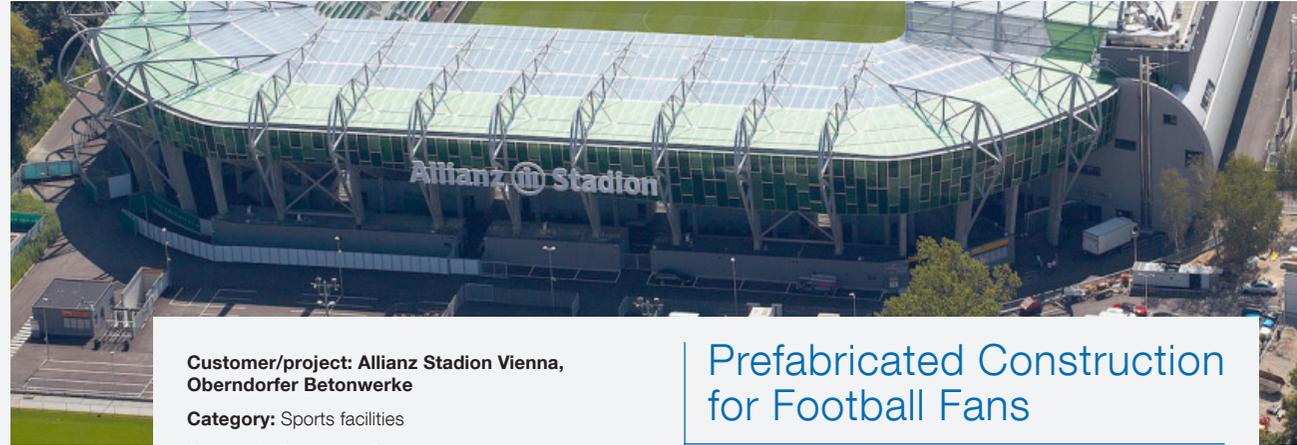
With 123erfasst.de, Matthäi introduced digital time recording, digital management of construction equipment and a digital construction diary. Handwritten records are a thing of the past. The results are significant paper savings, faster access to information and the optimization of processes on the construction site.

Target groups:

Foremen, construction plant operators, site managers, clerks

Realized with:

Nevaris, 123erfasst, www.nevaris.com



Customer/project: Allianz Stadion Vienna, Oberndorfer Betonwerke

Category: Sports facilities

Segment: Planning & Design

Location: Vienna, Austria

Description:

The Allianz Stadion in Vienna is a marvel of industrial construction. All grandstand elements, staircases and external supports were planned, prefabricated and assembled on site within only eight months using a highly efficient and precise prefabricated concrete construction method. Furthermore, a digital twin ensures efficient maintenance work in the future. The benefits of prefabricated construction are

Prefabricated Construction for Football Fans

a shorter construction time, increased safety and a more environmentally friendly construction process thanks to 60% less energy consumption and up to 90% less waste due to more accurate planning and better waste recycling.

Target groups:

Architects, CAD designers/managers, BIM managers

Realized with: the prefabricated construction CAD software ALLPLAN PLANBAR. Work preparation with ALLPLAN TIM|WORK, <https://www.allplan.com/de/>

Precise Heating Load Calculation for Geothermal Energy

Customer/project: Layer Center for Security Technology

Category: Commercial construction, office buildings

Segment: Planning & Design

Location: Tettngang, Germany

Description:

The energy supply of a new office building is provided by geothermal energy instead of fossil fuels. A very precise heating load calculation is required

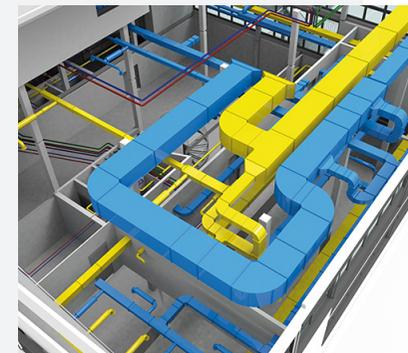
for the demand-oriented use of geothermal energy. Thanks to DDS-CAD, these complex calculations were carried out in a very short time, resulting in an energy-efficient and environmentally friendly new building. The building envelope and technology were already mapped out in a digital twin during the planning phase.

Target groups:

Building services planners

Realized with:

Data Design System, DDS-CAD, www.dds-cad.de



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Conservation of operating resources

In the context of a materiality analysis, conserving operating resources was determined as material and also enshrined in the Nemetschek Group Code of Conduct. As key figures have not yet been recorded or managed centrally, the Nemetschek Group is currently implementing the necessary measures to do so. An initial Group-wide inventory of the extensive and comprehensive data situation was carried out in 2020.

For the 2021 financial year, further optimization for data recording is planned to achieve a valid data basis across all locations. In addition, together with an external partner, a pilot project for the automated calculation of the company's internal carbon footprint has been initiated for one brand of the Nemetschek Group. Starting in 2020, the Nemetschek Group thus created the conditions for its own climate journey, with individual targets and relevant measures. Competitor activities and targets were analyzed and assessed for this purpose.

The brands are at various stages of development in terms of resource conservation. Current measures of individual brands

include various digitalization projects such as electronic invoicing, waste separation and the replacement of disposable cups and plastic bottles with reusable glasses and glass bottles. Vectorworks also established an internal focus group on the topic of recycling and the environment. In 2020, the US-based subsidiary received the Business Recycling and Waste Reduction Award for this. The award was presented by the Bureau of Environmental Services of the Howard County Department of Public Works in conjunction with Earth Day 2020 for recycling and waste reduction efforts. Vectorworks was given the award for its comprehensive environmental project called "Greenworks," which involved employees from various departments and focused on approaches for creating a sustainable work environment. The project included the implementation of known recycling techniques and an innovative system to recycle plastic bags and film packaging to produce Trex flooring.

Other Nemetschek Group brands also inspire their employees to behave sustainably. As part of the city cycling campaign, Frilo and Data Design System motivated their employees to prevent carbon emissions. A Germany-wide campaign

organized by Klimabündnis provided the framework: for three weeks, participants were to cycle as much as possible instead of using a car. Frilo and Data Design System employees covered considerable distances in 2020 and now count a few more enthusiastic cyclists among their ranks.

In 2019, an energy audit was carried out at the holding company and at the brands based in Germany; this was still valid in 2020. It showed that the Nemetschek Group is already very well positioned and relatively economical in its use of resources with regard to energy usage and power consumption. The audit analyzed Maxon Computer GmbH in Friedrichsdorf, NEVARIS Bausoftware GmbH in Bremen, Data Design System GmbH in Ascheberg and GRAPHISOFT Deutschland GmbH in Munich. Across all locations, the facilities that consumed the most power were servers and their infrastructure, accounting for 52% on average. This area also offers the greatest energy-saving potential. It will be examined in a targeted manner in 2021. Possible operational environmental policies will also be analyzed in 2021 and their implementation audited.

INTEGRITY & COMPLIANCE

We pursue a preventive compliance approach and have a corporate culture in which all employees are made aware of the topic and receive appropriate training.

- Overarching management approach
- Compliance
- Fair business practices
- Prevention of discrimination
- Human rights
- Data protection and data security



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Nemetschek is committed to human rights, strict avoidance of corruption and bribery, fair competitive behavior, prevention of discrimination and responsible handling of data protection and data security. This is based on the conviction that long-term business success can only be achieved by acting in a legally compliant and responsible manner. An open corporate culture and an established and effective compliance management system are key in the fight against corruption and bribery.

Actual or suspected violations of applicable laws, internal regulations or ethical standards could have negative financial consequences. They could also have a negative impact on the reputation of the Nemetschek Group. Accordingly, the first objective is to prevent compliance incidents as a matter of principle. To this end, the Nemetschek Group takes a preventive compliance approach and fosters a corporate culture in which all employees are sensitized to the issue and receive appropriate training.

Overarching management approach

In order to promote trusting and long-term business relationships, the Nemetschek Group focuses on the transparent and lawful processing of all transactions. In addition, employees are expected to treat each other and third parties fairly and respectfully. To this end, the most important principles and regulations have been summarized in the Nemetschek Group's Code of Conduct and made available on the company website in German and English. It has been publicized throughout the company and is binding for all employees – regardless of their position. The Nemetschek Group is also active beyond its own corporate boundaries and is committed to combating modern slavery and human trafficking in its supply chains. Among other things, measures relating to this are disclosed in the Group's statement on the UK Modern Slavery Act.

In 2020, the COVID-19 pandemic also impacted the implementation of planned projects in the area of compliance. This applied, for example, to the implementation of the Group-wide compliance risk analysis. Despite restrictions, all key internal processes and requirements were adhered to as best as possible during the pandemic.

Compliance

The compliance management system forms the basis of the preventive compliance approach. The practical implementation of this compliance management system in the subsidiaries

is carried out by the compliance officers (coordinators) of the individual brands of the Nemetschek Group as well as by the Group-wide compliance network implemented in 2020. Quarterly surveys of all brands are consolidated and reviewed by the Corporate Legal & Compliance department and reported directly to the Chief Financial and Operating Officer (CFOO) of the Nemetschek Group. Ad-hoc compliance reports are also prepared, as required, as part of an applied due diligence process. The Supervisory Board and the Executive Board are regularly informed about issues relevant to compliance.

The basis of the preventive compliance approach also includes Group-wide regulations in the form of Group policies on various topics. In 2020, an anti-money laundering policy was developed and rolled out for the Nemetschek Group. Group policies on data protection, risk management and internal control also exist. These Group policies are supplemented on a day-to-day basis by up-to-date compliance communication papers (via the compliance network) on various issues such as anti-corruption, cybercrime, anti-money laundering and terrorist financing, whistleblowing, dawn raids and data protection.

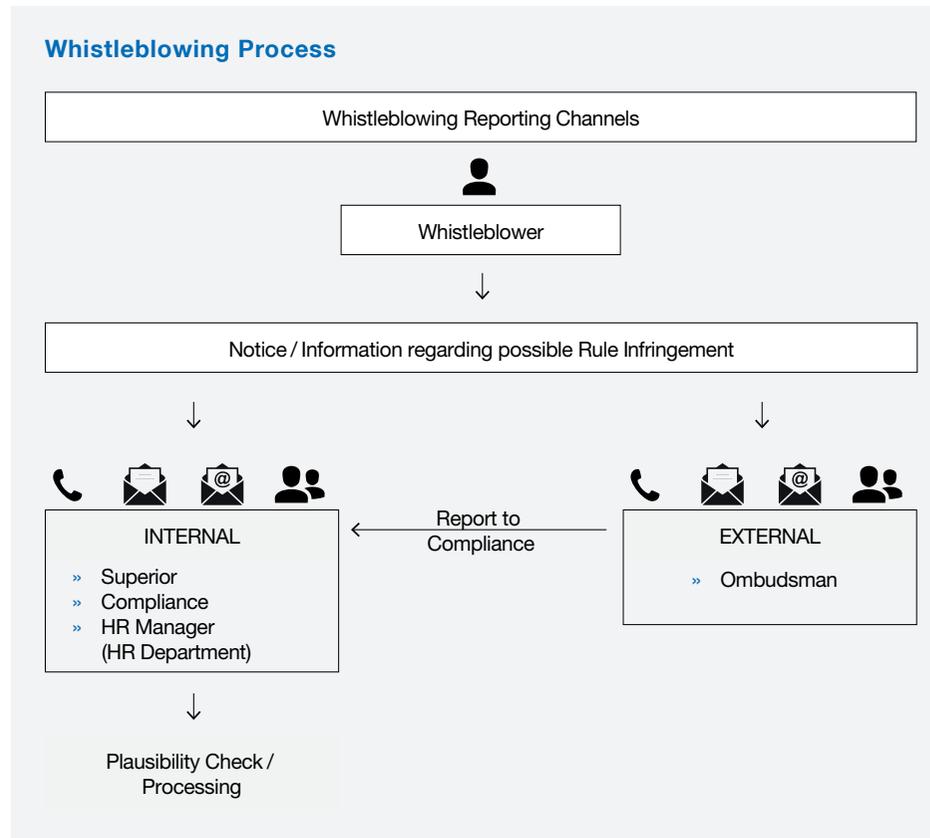
In order to keep employees aware of the respective compliance rules current in effect, regular employee information is required. Training courses and individual refresher courses on compliance topics ensure that the relevant rules are an integral part of everyday working life.

INTEGRITY & COMPLIANCE

In 2020, all staff in the holding company took part in corresponding measures. To this end, a training process was developed that will provide for regular refresher courses in the future. In 2020, for the first time, comprehensive classroom training courses took place on the areas of anti-money laundering and terrorist financing as well as dawn raids – while always taking into account the current COVID-19 regulations. The classroom training plan also includes other important topics such as anti-corruption, conflicts of interest and liability.

Just as in 2019, individual brands were required to take responsibility for passing on information, individually rolling out Group policies and conducting in-house training on compliance topics. Every new employee must complete an initial training course on compliance.

The Nemetschek Group encourages its employees to report behavior that may violate the Code of Conduct. To do so, they can contact their superiors, the responsible HR manager or the Compliance department directly, either in German or English. In addition, violations may be anonymously reported to a commissioned international law firm outside the company that acts as an ombudsman. All reports are first checked for plausibility internally with the utmost confidentiality. Further investigations and steps are then initiated as appropriate. If necessary in individual cases, other divisions or external consultants are called in. The Corporate Legal & Compliance department regularly reviews the whistleblowing process in terms of its effectiveness and amends it as necessary.



INTEGRITY & COMPLIANCE

No substantial compliance violations were reported during the reporting period. In the case of individual reported incidents, the review revealed no need for action. Accordingly, no legal action was taken.

Fair business practices

Various aspects of fair business practices are taken into account in the Code of Conduct. The [Code of Conduct](#) clearly states that corruption, bribery and other forms of granting illegal benefits are not tolerated in the Nemetschek Group. In its Code of Conduct, the Nemetschek Group is also fully committed to competition by fair means and strict compliance with antitrust law. All employees of the Group must act in accordance with the applicable competition law. For example, the Code of Conduct explains what the Nemetschek Group expects from the separation of private and Group interests or from the handling of company and business secrets.

Prevention of discrimination

On the subject of discrimination, the Code of Conduct clearly states: *“All forms of discrimination are to be avoided. Above all, Nemetschek will not tolerate any form of discrimination or harassment within the Group, whether based on origin, gender, disability, religion, age, sexual orientation, political views or trade union activities.”*

Any employees who are subjected to, or who observe, any form of discrimination or inappropriate behavior are encouraged to report this through the reporting channels described.

All reported incidents of possible discrimination were reviewed during the reporting period. As a result, there were no incidents that would have necessitated steps of a disciplinary or legal nature.

Human rights

Section 54 of the UK Modern Slavery Act 2015 requires certain global companies to disclose their efforts to combat modern slavery and human trafficking in their supply chains. The Nemetschek Group has therefore published a [declaration](#) that is intended to create transparency for stakeholders about the Nemetschek Group's supply chain and its respective business partners. This declaration applies to the supply chains of Allplan GmbH, Bluebeam, Inc., Graphisoft SE, Maxon Computer GmbH and Vectorworks, Inc. The declaration sets out the steps taken in 2020 to prevent modern slavery and human trafficking in business and supply chains.

Data protection and data security

The Nemetschek Group is at the vanguard of the digital transformation of the AEC industry and covers the entire lifecycles of construction and infrastructure projects. We use smart software tools to help our customers move into the future of digitalization.

In our capacity as a software provider to the AEC industry, we manage very little customer and personal data ourselves. For the most part, our software products are installed and run on our customers' IT systems. The actual data protection and security risk is therefore generally rather moderate.

Nevertheless, we take responsibility and undertake to handle the data of our employees, customers and partners with due care across the entire Group. They may rest assured that their data will be secure at the Nemetschek Group and processed in compliance with the relevant legislation. Ensuring the confidentiality, availability and integrity of data and preventing it from being lost are very important to the Nemetschek Group.

In this respect, we follow a largely decentralized approach, in line with our organizational structure. This allows for central monitoring processes and assistance but primarily allocates responsibility to the brand companies.

Maintaining data protection and security is an objective shared by all employees at the Nemetschek Group. To that end, all departments have made sure that their teams are familiar with the Group-wide Code of Conduct. Adherence to the data protection requirements and processes is regularly checked by external service providers or the Corporate Audit department as part of general (and this year, virtual) audits of business processes, in cooperation with Corporate Legal & Compliance and Corporate IT.

Data protection

As a software company, data protection plays a major role for the Nemetschek Group. To ensure data protection, comprehensive and Group-wide regulations were created in 2018. These must be observed and implemented by all Group companies that fall within the scope of the GDPR. These regula-

INTEGRITY & COMPLIANCE

tions comprise the adoption of a comprehensive Group Data Protection Guideline, as well as the provision of numerous templates, which are available in German and English in the Group intranet.

Data protection officers – both internal and external – are appointed at the companies where required by law. Processes for ensuring compliance with statutory reporting requirements and deadlines have also been put in place. All employees have the option of reporting any violations of data protection regulations or internal company policies via the existing whistleblower system. Any indication of possible violations of data protection regulations is taken seriously and resolved as quickly as possible. In addition, employees are trained and communication measures are implemented.

New employees are notified of confidentiality requirements relating to the handling of sensitive and personal data and are required by their contracts to maintain secrecy. In addition, all employees – not only those in Europe – are required to take part in data protection training and to provide documented proof of this. An e-learning course set up specifically to deal with the issue of data protection is offered in both German and English. Classroom training on data protection was carried out in key departments such as Management, Human Resources and Marketing in 2018. In the reporting year, almost the entire holding company attended training courses

(online), and the compliance network was regularly informed and made aware of risks with regard to data protection and data security or cybercrime (e.g., new developments concerning the EU–US Privacy Shield, etc.).

Personal data is handled on a need-to-know basis. This means that information is passed on only to persons who are of immediate relevance to the project. This includes appropriate internal and external access and authorization policies.

Data security

Data security is ensured individually by the 15 independent brands. In this respect, our subsidiaries take technical and organizational action to ensure data security that is in line with the state of the art and their individual levels of risk exposure. They continuously review this action and develop it further as required. This includes the use of anti-virus scanners, firewalls, backups, testing and various other technical control mechanisms.

Measures implemented at the Group level include providing points of contact at headquarters, defining reporting channels and ensuring that the brand companies and the parent company regularly exchange information on security-related matters. As a further strengthening and professionalization measure, the decision was also made to create the position of Corporate Information Security Officer at the Group level.

A cybersecurity insurance policy covering all Group companies was taken out in 2017 to guard against risk.

The parent company regularly initiates awareness campaigns and training courses on the subject of cybersecurity to keep employees informed and aware of current threats.

Product-related data security

Our products are developed in line with the latest state of the art, and that applies to security aspects as well. In a subscription model, software tools are both installed on the local IT systems of our customers and offered as cloud applications. Hosting cloud software, which accounts for only a small part of the Nemetschek Group's overall product range, is a service provided predominantly at external data centers.

To ensure an appropriate level of protection, we cooperate exclusively with data center providers whose reputations are excellent. Customer data is separated strictly by client.



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