



Non-Financial (Group) Report

Sustainability Report 2021

Our Highlights in 2021



Significantly lower
CO₂ emissions



CO₂ offsetting: climate
protection project in Panama



New Code of Conduct
for Business Partners



Certified
top employer



Workplace freely selectable
for 50% of hours



Two Diversity
Managers appointed



Further development
of high-potential staff



ESG targets in Management
Board remuneration



Share-based employee
participation plan

**Clear goal: q.beyond will be
climate neutral by 2025.**

q.beyond is the key to successful digitalisation – and thus also to sustainable Cloud, SAP and IoT solutions. Digital technologies make a major contribution to cutting CO₂ emissions. Thanks to green electricity and measures to offset unavoidable residual emissions, operations at our data centres are already climate neutral. By 2025, we aim to make our whole company climate neutral. We will then be the key to successful and climate-neutral digitalisation.





**"Sustainability is
a core element of
our 'beyond 2022'
growth strategy."**

Jürgen Hermann
CEO of q.beyond AG



Dear Reader,

The process of decarbonising Germany's economy is gaining ever greater momentum. After Russia's brutal attack on Ukraine, all signs point more clearly than ever towards fossil energies being phased out as quickly as possible. Sustainability is moving even more closely into the foreground of business activity. In many areas, it was already referred to as a "licence to operate" for the decades ahead. In future, companies like q.beyond that view their transformation as an opportunity will also have a "licence to grow". Economic, ecological and social sustainability are key aspects of our "beyond 2022" growth strategy. Alongside consistent reductions in our CO₂ emissions, core elements of this strategy include our culture of performance and a strong team.

q.beyond's IT services will be climate neutral from 2025

q.beyond aims to be climate neutral by 2025, and thus within three years. This way, we are building a genuine competitive advantage. After all, in the coming years our customers in the German SME sector will deliberately select climate-neutral service providers in order to reduce their own CO₂ footprints. Today, we already operate our data centres with 100% green electricity and are continually working to further enhance their energy efficiency. Among other measures, we are now converting our vehicle pool to electric vehicles. Overall, by 2025 we aim to reduce CO₂ emissions from our main emitters by a further total of at least 40% compared with 2019. We will then offset unavoidable residual emissions with high-quality CO₂ certificates from climate protection projects.

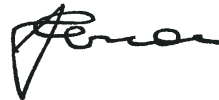
q.beyond's digital services promote sustainability at customers

Today, our digital service portfolio already helps our customers to make their operations more sustainable. Its all-round cybersecurity concept boosts our customers' resilience, extends the lifecycle of machines, enhances building energy efficiency and, thanks to digital workplaces, makes many business trips superfluous. By digitally managing best-before dates and automatically adjusting prices, the "StoreButler" software-as-a-service solution reduces waste at retailers. Our developers are working on further products and services that will, in both senses of the word, sustainably sharpen our competitive edge.

This report informs you about these kinds of innovation; it also shows you how we act responsibly towards society, continually optimise our governance and make the best possible use of our "licence to grow".

I wish you a sustainably enjoyable read.

Cologne, April 2022



Jürgen Hermann
CEO

q.beyond is the key to successful digitalisation

We help our customers find the best digital solutions for their business and then put them into practice. Our strong team of around 1.100 people accompanies SME customers securely and reliably throughout their digital journey – with all-round expertise in Cloud, SAP and IoT. With nationwide locations and our own certified data centres, we are one of Germany's leading IT service providers.

Notes on this report

In the following separate non-financial (group) report, we explain all of the contributions our company makes to sustainable business activity. It includes the topics called for by § 289b et seq., § 315b and § 315c of the German Commercial Code (HGB) and has been reviewed by the Supervisory Board. Its structure has been based on the reporting standards set out in the German Sustainability Code (DNK) with its 20 section headings. This report is thus simultaneously our Declaration of Compliance with the DNK. Furthermore, when compiling this report due account was taken of the guidelines on non-financial reporting issued by the European Commission.



The
SUSTAINABILITY
Code
Signatory 2021



prepared according to
CSR Directive
Implementation Act

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Sustainability is an integral part of our corporate strategy and is factored into our entire value chain. Our sustainability strategy and its objectives are based on a comprehensive materiality analysis.

➤ Strategy

Sustainability: an Investment in the Future



Strategy

Sustainability Strategy

Sustainability is an integral component of our corporate strategy

We make SMEs fit for the future, not least in terms of their sustainability. We are acutely aware that all activities along our value chain impact positively or negatively on the environment and society. This being so, we focus our corporate social responsibility (CSR) activities on those areas of action in which our business model is particularly effective and efficient in creating additional ecological and social benefits. As an IT service provider, we support our customers in meeting their objectives not only for digitalisation, but also with regard to sustainability. Our solutions provide a contemporary response to current economic, ecological and social challenges. Specifically, they include:

- **Digitalisation:** Digital technologies have fundamentally changed customer behaviour and the world of work. Accelerating the digitalisation of business models and business processes is one of the key challenges faced by companies in all sectors. We accompany our customers on this course.

- **Climate change and growing scarcity of resources:**

Digitalisation is a lever that enables companies to make more sparing and effective use of resources in production, reduce consumption and cut CO₂ emissions. Together with our customers, for example, we are working towards digitalised, resource-efficient and CO₂-neutral production or avoiding waste in the retail sector by digitally monitoring best before dates. These digital technologies are also used on an ecologically sustainable basis. At our energy-intensive high-performance data centres, we are virtualising infrastructures and applications, using efficient climate control technology and procuring all of the electricity we use from renewable energies.

- **Cybercrime:** As a digitaliser, we have a particularly great responsibility to ensure data protection. Reliably protecting data with our extensive cybersecurity services and securing the infrastructures and systems we deploy are among our core competencies. These actions form the foundation for building customer relationships based on trust.

In short: We see CSR as an investment in our own future and a means to secure our business resilience. Our sustainability strategy therefore forms an integral component of our corporate strategy, our **⊕ "2020plus" growth strategy** and the core of our brand. In the years ahead, we will uphold this proven strategy under the title of **⊕ "beyond 2022"**.

We are contributing to achievement of the SDGs

The “2030 Agenda for Sustainable Development” adopted by the United Nations in 2015 sees itself as a “pact on the world’s future”. It provides a foundation for structuring global economic progress in harmony with social justice and the earth’s ecological limits. The private sector is also called on to play its part. We acknowledge our responsibility and, within the options available to our company, are contributing towards achievement of the Sustainable Development Goals (SDGs):

The UN’s “2030 Agenda for Sustainable Development” is a pact for the world’s future. Our contribution also counts.



The Sustainable Development Goals of the United Nations

Overview of our contribution to achievement of the SDGs

United Nations goal



SDG 3

Ensure healthy lives and promote well-being for all at all ages.



SDG 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



SDG 5

Achieve gender equality and empower all women and girls.



SDG 7

Ensure access to affordable, reliable, sustainable and modern energy for all.



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



SDG 9

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



SDG 12

Ensure sustainable consumption and production patterns.



SDG 13

Take urgent action to combat climate change and its impacts.



SDG 16

Promote peaceful and inclusive societies for sustainable development.

q.beyond's contribution

As an employer, we feel responsible for the health and well-being of our employees. We create a trusting and healthy working environment for them with appropriate preventative measures to safeguard their health and work safety.

We accord the utmost priority to the professional qualification of our specialists and executives. Our q.beyond-Learning Center offers a range of opportunities for staff to receive specialist and personal training. Vocational training programmes, work-study programmes and special (graduate) entry programmes offer a variety of entry opportunities for the next generation of employees.

We are committed to offering targeted support to women in STEM careers and women in management positions.

We operate proprietary data centres to provide our products and services. These are exclusively powered with electricity from regenerative energy sources.

As the digitaliser to the German SME sector, we make a major contribution to a resource-efficient, sustainable economy. We ensure good working conditions and support our employees in combining their work and private lives.

We support SME companies in digitalising their businesses and moving into the Industry 4.0 age. We develop innovations, often together with customers, and thus promote the advance of digital services.

We ensure that natural resources are put to effective use. Our portfolio of services enables customers to implement sustainable patterns of production.

Since 2018, we have powered our data centres exclusively with electricity from regenerative energy sources and are continually enhancing their energy efficiency. We are also focusing on sustainable mobility, modernising our vehicle pool and offering alternatives to car journeys.

The protection and security of customer data is absolutely essential for our business model and a prerequisite for a peaceful society. By upholding ethical business practices and ensuring rigorous compliance, we are promoting sustainable development.

Materiality

Sustainability makes important contributions to our business resilience. We understand “business resilience” as denoting the ability to withstand external crises and disruptions in social, economic, environmental or political conditions (resistance), adapt to new conditions (adaptability) and thus maintain our stability despite external impacts.

**With a view
to our business
resilience, we
again validated
our materiality
matrix in 2021.**

Materiality matrix

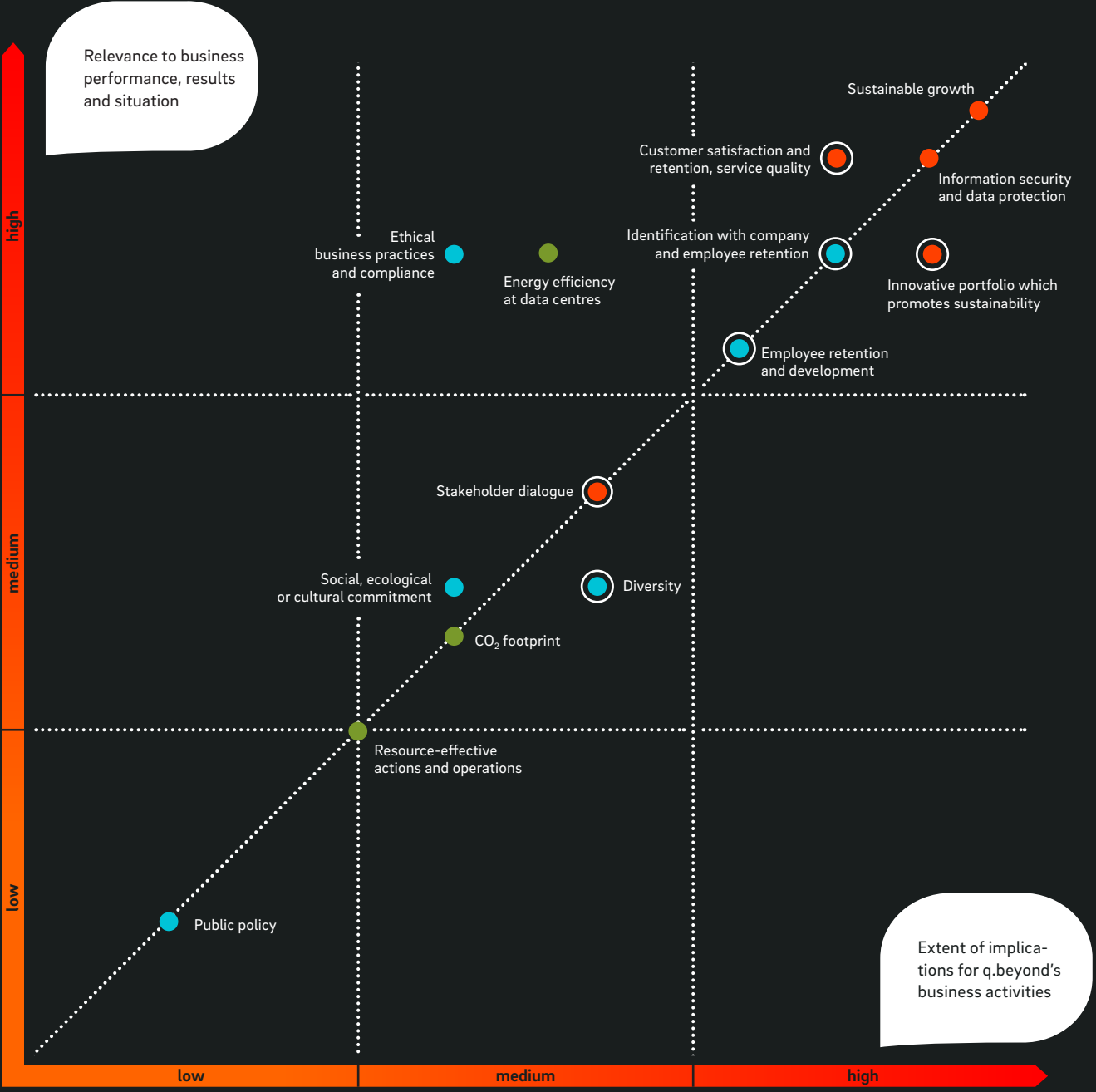
We further refined our materiality matrix in the 2020 financial year already and validated this again in 2021. In comparing our own perspective with the expectations of our customers, shareholders, employees, partners and suppliers we determined which economic, social and ecological sustainability factors are particularly relevant for our business resilience. Here, the following topics are at the forefront:

- Sustainable growth
- Robust core processes – product development, sales, (service) provision, operations
- Satisfied and innovative employees
- Consistent customer focus
- A portfolio that reacts rapidly enough to economic, ecological and social developments

Our companywide CSR workgroup has broken these topics down into relevant areas of action. Topics have been selected by reference to the UN’s Sustainable Development Goals, the catalogue of criteria set out in the German Sustainability Code (DNK) and the materiality analysis performed for the information and communications technology industry by the Global e-Sustainability Initiative (GeSI).

The topics selected were assessed in terms of the extent of their economic, ecological and social impact on our business activities (x-axis) and presented in terms of stakeholder expectations in our sustainability management (y-axis). The results are presented in the following materiality matrix. Accordingly, there are eight areas of action which are of great relevance for our business performance, results and situation:

Enhanced materiality matrix for 2021



● economic ● ecological ● social ○ material areas of action to secure adaptability

Material areas of action to safeguard our resistance

The four following strategic areas of action are of material significance to safeguard our resistance:

Sustainable growth (SDG No. 8)

Our clear position in the growth markets of Cloud, SAP and IoT safeguards our sustainable growth. With our effective go-to-market approach, we focus on those sectors in which we have particularly great expertise and numerous reference customers: retail, manufacturing and energy. Moreover, our business model is crisis-resistant and scalable. As a general rule, we conclude multiyear contracts and more than 77% of our revenues are of a recurring nature. This business model proved its worth during the severe recession triggered by the pandemic in 2020 and 2021. The acceleration in digitalisation triggered by the pandemic also created new opportunities for growth. We are therefore making targeted investments in future growth. For us and our stakeholders, this materiality aspect thus has the greatest overall economic implications.

> 77%

share of recurring revenues
in 2021 financial year

100%

green electricity to supply our
high-performance data centres

Information security and data protection (SDG No. 16)

For us as an IT service provider, one of our core competencies involves ensuring absolutely consistent protection for the personal and business data of our customers, partners, employees, shareholders and suppliers. Furthermore, guaranteeing secure infrastructures and systems to protect against the rising prevalence of cybercrime is a matter of the utmost importance for our customers. This materiality aspect therefore has primarily economic implications for us and our stakeholders, as well as secondary social implications.

Energy efficiency at our data centres (SDG Nos. 7, 12, 13)

Digitalisation is increasing data volumes, with ever more sophisticated applications and algorithms leading to exponential growth in storage and computing capacities. The operation of high-performance data centres involves a high volume of energy consumption. The ecological efforts we are making here focus on reducing consumption factors, and first and foremost the volume of electricity we consume. This aspect therefore also has great economic implications for our company. Since 2018, we have operated our data centres exclusively with electricity from renewable energies and are thus making a significant contribution towards protecting the climate.

Ethical business practices and compliance (SDG Nos. 8, 16)

These are key determinants of how q.beyond is viewed as a company and within society. Our customers and business partners expect us not only to abide by all relevant laws but also to guarantee compliance and act with integrity. The corresponding training we provide to our employees ensures that they are suitably aware of these topics. Respect for human rights in the supply chain also plays an increasingly significant role in this context. Overall, this materiality aspect has great social implications.

Material areas of action to safeguard our adaptability

Four additional areas of action relevant to strategic sustainability are of material significance to safeguard our adaptability.

Innovative portfolio which promotes sustainability (SDG Nos. 8, 9, 12, 13)

By offering digital innovations, we add fresh momentum to our customers' business models and are thus pioneering tomorrow's world. As a "transformation enabler", our portfolio also addresses the sustainability of our customers' businesses. Our solutions offer opportunities to contain climate change and tackle the growing shortage of resources. The adjustments to our portfolio of services arise at innovation workshops held together with our customers. This process is promoted by ideas competitions held within our workforce. This materiality aspect therefore has great economic implications both for us and for our customers.

Customer satisfaction and retention (SDG Nos. 8, 9, 12)

Both of these factors are the product of high service quality and mutual trust. We gain trust by basing our corporate culture on customer focus, reliability, team spirit and pragmatism. Our employees also adopt this mind-set to manage our customer relationships. This materiality aspect therefore has great economic implications.

Company identification, employee retention, talent management and employee development (SDG Nos. 3, 4, 5, 8)

This way, we create the basis for our entrepreneurial success. In the "war for talent", we have to compete with other market players to recruit and retain specialists and executives. These materiality aspects therefore have great economic implications for us as a company. Our employer brand addresses all social aspects that make our company an attractive place to work. Key focuses here include promoting the work-life balance of our employees, protecting their health and offering a trust-based corporate and management culture that provides targeted encouragement to our employees to act on their own initiative.

Sustainability aspects in our opportunity and risk management

We actively factor material sustainability aspects into our opportunity and risk management, which is described in detail in our **2021 Annual Report** (see Pages 50 to 52 "Opportunity management" and Pages 52 to 59 "Risk report"). This ensures that any opportunities and risks newly arising due to the consideration of sustainability topics are detected, recorded and assessed at an early stage.

We are currently not aware of any material ecological or social risks on individual stages of our value chain that could impede our business activities or our sustainability. Should we become aware in future of any risks resulting from our business activities, our business relationships or our products and services, then we will tackle these in a targeted manner and in accordance with our risk management procedures.

Objectives

We actively live sustainability and are making important contributions to enhance the sustainability of our customers' business activities. In the 2021 financial year, we for the first time set ourselves associated objectives which we aim to reach in the years ahead. Achievement of these ESG objectives is one component of the Management Board remuneration system in place since 1 January 2021. The basis for assessing achievement is provided by key figures on our material sustainability criteria in the Environmental, Social and Governance fields. These in turn are based on the focus topics identified in our materiality analysis (see the [chapter on "Materiality"](#)). Since the 2021 financial year, these key figures have been factored into a target system with specific short-term and long-term qualitative and quantitative ESG targets. This way, we aim to embed sustainability even more effectively within our strategy (see the ["Control" chapter](#)). Our objectives should also contribute to the achievement of the Sustainable Development Goals (SDGs). Further information about the remuneration system can be found in the ["Incentive Systems" chapter](#).

By 2025

climate neutrality as sustainability target

In that follows, we present our material short-term and long-term objectives:

Climate neutrality by 2025

Our core objective is this: q.beyond intends to achieve climate neutrality by 2025. Based on our 2019 CO2 balance sheet, we aim to reduce our emissions from electricity, fuels and business travel by a total of at least 40%, offset the remaining emissions and also offset all material emissions sources along the value chain through to delivery to the customer. Further details can be found in the ["Climate-Relevant Emissions" chapter](#).

ESG objectives now a component of Management Board remuneration for the first time.

New portfolio elements protect our customers from cybercrime.

Increasing customer loyalty

The long-term objective is based on our conviction that ecological sustainability has to go hand in hand with economic sustainability, and that our customers are best placed to judge this. We therefore aim to further increase the loyalty of our customers in the years ahead. By 2024, customer satisfaction as measurable with the net promoter score (NPS) should rise to +20%.

Employee satisfaction

We had set ourselves the goal of implementing a control process in 2021 to determine how willing our employees are to recommend q.beyond as an employer, and that just as systematically as we monitor the loyalty of our customers. We have now established this control process, with monthly measurement of the employee net promoter score (NPS), and have since referred to this as a performance indicator for the measures we take to increase employee satisfaction.

NPS

now established as regular process to measure employee satisfaction

Extending portfolio with digital sustainability solutions

Furthermore, we aimed to include at least two new or additional digital sustainability solutions in our portfolio in 2021 and to test their application at customers. By including the new portfolio elements of "weak point scan" and "permanent cybersecurity monitoring" in the field of cybercrime prevention, we met this objective. Moreover, we added services in the field of hyper automation in order to reduce the resources used. In future, we aim to consistently further increase the share of digital sustainability solutions in our portfolio.

Software as a service accounts for a growing share of total revenues

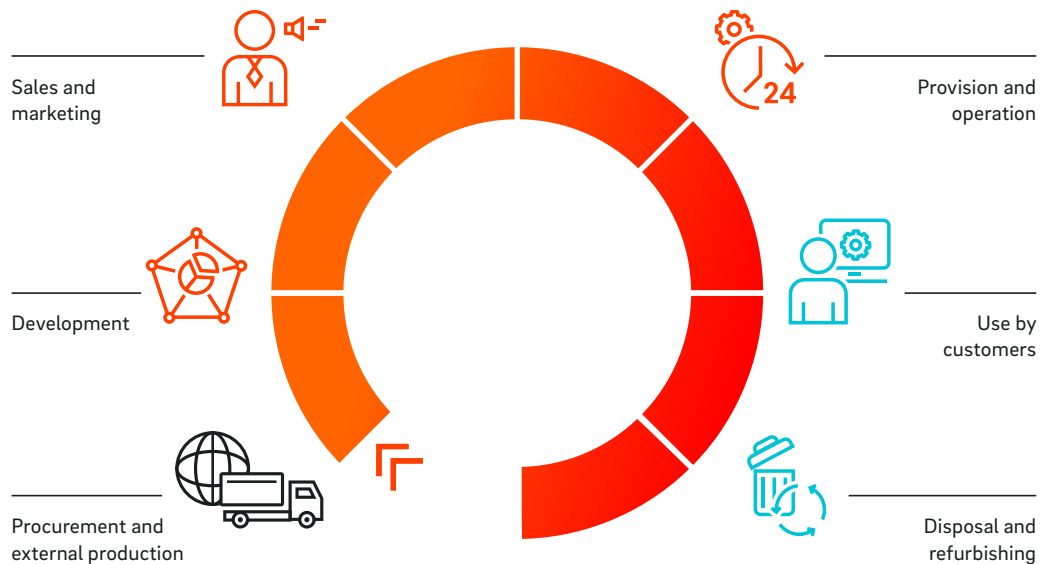
With **+** "beyond 2022", q.beyond's updated and enhanced growth strategy, our expansion of the software-as-a-service (SaaS) business will move even more closely into focus in the current financial year. We expect to see growing demand from market participants for integrated solutions which meet their needs as digitalisation advances. SaaS solutions of this kind create new opportunities for sustainable growth and will therefore primarily contribute to our economic sustainability. Our success in the SaaS business is best measured in terms of our revenues. We have set ourselves the target of generating revenues of at least € 60 million in this forward-looking and sustainable business field by the end of 2025.

We have introduced suitable control processes for our operating sustainability targets. Responsibility for collecting and evaluating the data is incumbent on the specialist departments (see the **“Control” chapter**). This data is consolidated in a sustainability report and regularly presented to the management to ascertain target achievement. For those core sustainability targets that are accounted for in the Management Board remuneration system, achievement is conclusively assessed by the Supervisory Board by reference to the contractually agreed parameters. We report on this in detail in our separate **Remuneration Report** prepared in accordance with the requirements of stock corporation law for the 2021 financial year.

Depth of the Value Chain

Our aim is to contribute to sustainable developments on all stages of our value chain. Consistent with this, we not only consider the impact of our own business activities but also address the impact which our upstream supply chain has on ecological and social aspects. We also account for the downstream impact of our services and solutions on the environment and society.

q.beyond’s value chain



Upstream influences due to procurement process and supplier selection

Our Central Procurement Policy obliges us to take a far-sighted and considerate approach towards the handling of natural resources. We procure the electricity for our data centres exclusively from regenerative energy sources and purchase hardware that meets the latest energy efficiency standards. We pool purchases and chiefly rely on German suppliers to shorten transport routes and reduce packaging. Adherence to national laws provides additional assurance of compliance with social standards.

We also work together, albeit to a minor extent, with select electronics manufacturers from China and Thailand. Our particular focus here is on avoiding any negative implications in respect of social and ecological sustainability aspects (compliance with minimum wages, compliance with core labour standards of the ILO, avoidance of ecological implications in the component manufacturing process and the chemical composition of the components). All components procured outside Europe are subject to certification under the REACH Regulation, the RoHS Directive and the POPs Regulation. Our Asian suppliers already commit to meeting minimum social standards before the business relationship takes effect. No certifications are yet available in this respect. In previous years, compliance with ecological and social standards was checked in sample audits performed on site at our Asian suppliers. Due to the coronavirus pandemic, this was not possible in 2020 and 2021. We plan to take more specific account of the relevant requirements in future contract documents than in the past. To this end, we recently compiled a **Code of Conduct for Business Partners**, which lays down min-

imum standards. We expect all of our business partners, including the suppliers, service providers and consultants who are directly or indirectly involved in the value chains required for us to perform our services, to respect and comply with these requirements. In the current 2022 financial year, we will make these principles of conduct an integral component of our procurement policies.

Own influence on sustainability aspect

In operating our data centres, we enhance energy efficiency by deploying cutting-edge technology and reduce water consumption by working with closed-circuit cooling systems. Virtual infrastructures and applications facilitate higher utilisation rates in physical systems and thus simultaneously save (natural) resources. Furthermore, we rely on a modern company car pool and on avoiding mobility by basing our cooperation on digital options. We are also continually optimising the supply of energy to our buildings.



New Code of Conduct for Business Partners as integral component of procurement policies from 2022

Downstream impact of our solutions in use at customers

Using our products and services makes it easier for customers to precisely manage their resource consumption or, by fully digitalising their value chains, to avoid such consumption entirely. Cloud-based workplaces and the use of collaboration tools enable customers to shorten work-related journeys, reduce the number of business trips and thus also cut their CO2 emissions. We of course ensure that our own IT systems and those of our customers meet the latest energy efficiency standards. Used devices are reprocessed in a certified process and marketed by third parties. This takes place, for example, in cooperation with the AfB Group (which offers work to people with disabilities). Thanks to our partnership with AfB social & green IT, we are making a valuable contribution to protecting resources and promoting the inclusion of people with disabilities. AfB's exceptional business model, which successfully combines ecological and social sustainability, was acknowledged with the Inclusion Prize of the State of North Rhine-Westphalia in 2020 and the German Sustainability Prize in 2021.

Superordinate influences

We pay attention to the following factors along the entire value chain: information security and data protection, service reliability, innovations, service quality and a high degree of compliance and integrity.

Handling social and ecological problems in the value chain

We are currently not aware of any material social and ecological risks arising in individual stages of our value chain. Should we become aware of any material social or ecological problems in connection with our value chain in future, then we will take a risk-based approach to address these.

Our concept for reprocessing devices also involves cooperating with the AfB Group and this way promotes inclusion.

Actually living sustainability in our daily work requires suitable processes, control systems and incentive schemes. Our management system is based on non-financial key figures on our material sustainability topics.

➤ Process Management

We Anchor Sustainability in our Processes



Process Management

Responsibility

Our CEO Jürgen Hermann is responsible for the topic of sustainability and ensures that this is factored into the company's strategic decisions. Since 2020, he has assigned operating responsibility and the coordination of all relevant sustainability topics to the head of corporate social responsibility, Martina Althem, who reports directly to the CEO. She is charged with continually reviewing sustainability topics, assessing these in terms of opportunities and risks, and further developing them. In her activities, she is supported by a CSR workgroup comprising representatives from various company departments. In the 2021 financial year, key focuses of these activities involved further refining our climate strategy, developing a **Code of Conduct for Business Partners**, promoting diversity at the company and extending its reporting to account for the EU Taxonomy Regulation.

Rules and Processes

To be sustainable, business activities require functional management systems. At q.beyond, these include the following:

- Quality management system (pursuant to ISO 9001) and data protection and information management systems (pursuant to ISO 27001)
- Emergency management (based on the principles of Standard 100-4 of the Federal Office for Information Security and ISO Standard 22301:2012) as well as an internal control system to avert damages (pursuant to ISAE 3402)

- Energy efficiency management (pursuant to EDI-G and DIN EN 16247-1), TÜV-audited data centres (high availability level 3 and energy efficiency class A, trusted site infrastructure TSI V4.2 Level 3 [extended])
- In addition compliance, process management, IT service management, risk management and occupational health and safety systems and personnel development

Our management systems ensure that the relevant rules, processes, key figures and standards are accounted for in our day-to-day operations. Thanks to the work performed by our companywide CSR workgroup, sustainability aspects are now increasingly being factored into these systems. Our management systems, which are structured in accordance with internationally recognised norms, are regularly subject to external certification, where this is expedient. The performance and effectiveness of the management systems are reviewed both internally and externally on an annual basis, as is the achievement of their respective objectives. These reviews focus on reliability, comparability and data consistency. An overview of the current certificates can be found here: www.qbeyond.de/auszeichnungen-zertifikate (only available in German).

Continuous improvement of internal processes

Consistent with the requirements of ISO 9001:2015, the required inputs, expected results, performance indicators, responsibilities, authorisations and risks are clearly defined for each business process. Moreover, internal guidelines provide our employees with process reliability and orientation in their daily work.

GRI SRS-102-16

Responsible business activity has to be based on a shared value model. We know that true competitive strength and business success require outstanding products and services, but believe they are also driven by the nature of our cooperation with customers, suppliers, other stakeholders and in our dealings with each other. This being so, we consistently cultivate and live our shared values of customer focus, reliability, team spirit and pragmatism. These values form the foundation of our corporate culture. In 2021, 16 employees were singled out as winners of the q.beyond Award to acknowledge their outstanding abilities and commitment to living the company's values. They will be rewarded with a joint weekend trip to a large European city which will take place as soon as the pandemic permits.

Shared values are the basis for our responsible actions.

Under the title "Strong principles and a fair culture", our **+**Code of Conduct summarises all rules of conduct, guidelines and compliance principles which govern business activities at q.beyond AG. The rules applicable to suppliers and business partners are laid down in the **+**Code of Conduct for Business Partners and in the relevant contract documents.

Our values



Reliability

Reliability means abiding by agreements or, if need be, renegotiating these in good time. Agreements are promises that are accepted by both parties on set terms.



Team spirit

Team spirit means passionately and confidently contributing your own strengths and interests towards the common goal – and that within and beyond the team.



Pragmatism

Pragmatism means taking the shortest and easiest route to reach a given result without creating long-term consequences that are more harmful than helpful.



Customer focus

Customer focus means addressing the needs of our internal and external customers and providing suitable solutions in the interests of customers and q.beyond.

Economic, ecological and social factors interact at the company and impact on achievement of financial targets.

Control

Our management systems have long recorded key non-financial indicators. These enable us to investigate and measure major key figures such as customer satisfaction. Additional operating control parameters are based on the findings of internal and external audits of these management systems, as well as on evaluations of the company's disruption, maintenance, inventory and supplier management and of its service, risk, compliance, work safety, emergency, personnel and stakeholder management. Where necessary, measures to improve the approach taken are introduced and monitored.

Non-financial Control model

We refined our materiality analysis in the 2020 financial year already and recognised how closely the economic, ecological and social aspects of our company's activities interact and their impact on the achievement of our financial targets. To account for this, we extended our control model to include strategic non-financial KPIs for the five material sustainability topics (see the [☒ "Materiality" chapter](#)). In the following section, we show how we measure our progress here:

Sustainable growth: recurring revenues as a good indicator

Our Controlling department measures the progress made with our sustainable growth by reference to three key figures: the share of recurring revenues, the share of Software-as-a-Service revenues and R&D expenses as a share of total revenues. In the past financial year, recurring revenues accounted for a 77% share of total revenues. This underlines the sustainability and resilience of our business model.

Robust core processes: secure, energy-efficient and automated

We measure the progress made with our processes by reference to several key figures. We monitor whether there have been any breaches of information security and data protection, how effectively our data centres use energy ("PUE" figure), the size of our footprint (GHG emissions) and how rapidly processes move from receipt of the order through to receipt of the respective payment.

Satisfied and innovative employees: first-hand information

Based on surveys, our People & Culture department determines how satisfied our employees are and how great their willingness is to recommend our company to others. We measure the latter aspect with the net promoter score (NPS) and thus based on the response to a single question: "How likely is it that you would recommend us as an employer to a friend?" Satisfaction levels are recorded by reference to various aspects including working conditions, further training, identification with the company and culture.

Consistent customer focus: recording actual satisfaction

We have regularly surveyed our customers for years now. Like with our employees, we record both the NPS and a wide range of topics which together provide information about the actual level of satisfaction. Among other areas, the questions refer to the portfolio, its degree of innovation, service quality and the customer experience along all touch points.

Rapid response capacity of portfolio: broad-based assessment

To record our progress in this area we will be referring in future to a wide spectrum of key figures. These will range from the share of revenues attributable to digital sustainability solutions through to customer perceptions of our innovative capacity and the contribution we make to their sustainability.

The key figures referred to above and presented in the table below also provide the catalogue of criteria underpinning our ESG objective system (see the **☑ "Objectives" chapter**). The table also documents the links to the Sustainable Development Goals (SDGs) of the United Nations:

Overview of our key sustainability figures

Resistance

Sustainable growth



Robust core processes



Adaptability

Satisfied and innovative employees



Consistent customer focus



Portfolio which reacts with sufficient speed to economic, ecological and social developments



KPI

Share of recurring revenues/total revenues

Share of SaaS revenues/total revenues

Share of R&D budget/total budget

Number of breaches of information security and data protection identified

PUE (power usage effectiveness) figure

GHG emissions (Scopes 1 to 3) in tonnes of CO₂

Degree of automation (measured as time from order to cash)

Willingness to recommend as employer (NPS)

Employee satisfaction (index: innovation climate, culture, leadership trust, identification, further training, health, working conditions)

Average number of hours for training and development per employee per year

Willingness to recommend by customers (NPS)

Customer satisfaction (index: portfolio, innovative strength, service quality and customer experience at all major customer touch points)

Number of service quality complaints

Share of digital sustainability solution revenues/total revenues

Share of sector-specific solution revenues/total revenues

Share of proprietary IP revenues/total revenues

Percentage of digital sustainability solutions/overall portfolio (solutions for low-CO₂ economy, cybersecurity, sustainable production)

Percentage customer perception of innovative strength

Percentage customer perception of portfolio attractiveness

Percentage customer perception of portfolio as promoting sustainability

Source

Controlling

Controlling

Controlling

Information security and data protection management system

Data centre operations

CO₂ accounting based on Greenhouse Gas Protocol

Order management reporting

Employee satisfaction survey

Employee satisfaction survey

Personnel management reporting

Customer satisfaction study

Customer satisfaction study

Service management reporting

Controlling

Controlling

Controlling

Portfolio and product management reporting

Customer satisfaction study

Customer satisfaction study

Customer satisfaction study

Incentive Schemes

The remuneration system in place at our company until the end of 2020 did not include any sustainability targets. To account for the entry into effect of the German Act on the Transposition of the Second Shareholder Rights Directive (ARUG II) as of 1 January 2020 and the new version of the German Corporate Governance Code (DCGK), in November 2020 the Supervisory Board adopted a new remuneration system for the Management Board. This took effect for the current Management Board and for all future Management Board members as of 1 January 2021 and was approved with a 97.71% majority of the capital represented at the Annual General Meeting in May 2021. The Supervisory Board based the structure of the system on the following principles:

- **Link to strategy:** The system portrays q.beyond's strategy in suitable key figures and thus incentivises achievement of relevant targets, including environmental, social and governance (ESG) objectives.
- **Harmonisation:** The system aligns the interests of the Management Board with those of shareholders and other stakeholders.
- **Pay for performance:** The system ensures appropriate yet ambitious links between performance and remuneration.
- **Consistency:** The system ensures consistency between the remuneration system for the Management Board and that for other executives.
- **Sustainability and long-term orientation:** The system promotes the sustainable and long-term development of q.beyond.
- **Conformity:** The system accounts for current market practice, as well as for legal and regulatory requirements.

Against this backdrop, the Management Board remuneration system represents a key control element and is structured in such a way as to promote achievement of the core targets of our corporate strategy. The performance criteria underlying the remuneration system provide incentives for successful and sustainable company growth and link Management Board remuneration to the company's short-term and long-term development.

GRI SRS-102-35a

The separate **+ 2021 Remuneration Report** pursuant to stock corporation law includes a detailed presentation of Management Board remuneration on Pages 3 to 23. The remuneration of the Supervisory Board in accordance with the Articles of Association is also set out on Pages 23 to 25. Furthermore, q.beyond has established a management team that advises the Management Board on company-wide topics and prepares decisions. Alongside the Management Board, the management team includes the heads of business units and of head office departments. In respect of its variable components, the remuneration of these senior executives is based on the remuneration system for the Management Board. This means that all members of the management are aiming to achieve the same annual and multiyear targets.

GRI SRS-102-38

The annual remuneration of the highest-paid employee of q.beyond AG (CEO) in the 2021 year under report amounted to 10.47 times the median annual remuneration of all other employees (including supplementary benefits and variable salary components based on the median).

We account for the different interests of our relevant stakeholders in all key entrepreneurial decisions. Exchanging information with them on an ongoing basis provides us with valuable impulses for our innovation and product management.

➤ Economy

Our Actions are Economically Sustainable



Economy

Stakeholder Engagement

Our success is driven by cooperating with all stakeholders on a basis of trust and meeting their expectations as closely as possible. Within our quality management system, we perform stakeholder analyses once a year and account for the expectations of all relevant stakeholder groups, from shareholders to associations. An overview of the topics of key importance to individual stakeholder groups pursuant to GRI SRS-102-44 is provided below.

GRI SRS-102-44

Customers: their greatest possible satisfaction is a core objective

We attach the utmost importance to maintaining a close dialogue with our customers. Our advisors are in close contact with customers and react flexibly to their needs. It is this proximity and uncomplicated approach that customers appreciate and which, from their perspective, sets our company apart from larger competitors. We communicate via various points of contact, from sales to service management and support through to product management, and draw on numerous channels of communication, such as our website, blogs, mails and social media. These activities are supplemented by customer events and our participation in trade fairs.

Regular customer surveys performed by an independent institute back up these contacts. Here, the institute holds telephone interviews with key customers in all business units. Based on a questionnaire, all stations along the customer journey are addressed. These surveys lead to the identification of required actions. Quality targets are formulated

and implemented in the organisation. These measures all aim at the core objective of our customer management, namely to constantly increase customer satisfaction. It was customer feedback, for example, that motivated us to further refine our value model in a companywide cultural transformation project.

Based on these surveys and our ongoing dialogue we know what motivates our customers. First and foremost, they are interested in high-quality performance of the agreed services. This requires permanent information security and data protection, as well as business resilience. Not only that, our customers expect us to take a solutions-based approach.

In the 2021 financial year, we also used the customer survey for the first time to enquire in a structured manner as to customers' needs in terms of sustainability-related digital solutions. As a digital enabler, we are drawing on the findings of the survey to further develop our portfolio in ways which promote sustainability. Probably triggered by the pandemic, the topics of protecting business from cybercrime, digital workplaces, new work, remote maintenance and digital twins are currently the main focuses of interest among the customers we surveyed. Furthermore, there is a growing need for digital solutions which facilitate a low-carbon economy. Here, our customers particularly need solutions to reduce energy consumption, manage resources and reduce CO₂. Increasing demand is also emerging for digital solutions which enhance supply chain transparency and building efficiency. Further topics include shortening production cycles and waste avoidance, while only a small number of the customers we surveyed identified digital solutions to close resource and material cycles (circular economy) or for water treatment as currently being key focuses.

Employees: their commitment and willingness to perform underpin our success

It is the commitment and willingness to perform of q.beyond’s team that underpins our success. The main expectations employees have in q.beyond are attractive jobs, market-based remuneration and an environment in which they can further develop their skills. Further information about q.beyond in its capacity as employer can be found in the 📄 **“Employment Rights”, “Equality of Opportunity and Work-Life Balance” and “Employee Development and Identification with Company” chapters.** We systematically record the expectations of all our employees in team and department meetings, one-to-one talks with executives, exchanges of information with the People & Culture department, company and employee meetings and employee surveys. To this end, all employees are regularly questioned on an anonymous basis concerning various aspects of working conditions and their sense of affiliation with the company. In the past, the findings of these surveys were factored in to measures such as repositioning our brand as an employer. In response to suggestions made by employees, we have also implemented new room concepts. Since then, innovation rooms, war rooms and quiet rooms have promoted productive cooperation at our company.

Executives / Management Board: focused on the company’s success

The executives and Management Board see themselves as part of q.beyond’s team. They actively live the values of our company and communicate these within the organisation. They are expected to show leadership, make decisions and achieve success. In return, the company offers opportunities to develop their skills further, career options for executives

and attractive remuneration. Numerous real and virtual formats are in place to ensure the ongoing exchange of information between executives and with the whole of the q.beyond team.

Shareholders: ongoing dialogue with the owners

Our shareholders are a very important stakeholder group. In return for the capital they commit, they expect to participate in the company’s success, whether by way of share price growth and/or with dividends. We have our own Investor Relations department, whose main tasks include maintaining an ongoing dialogue with existing and potential shareholders. For this, the department draws on a very wide variety of formats, ranging from one-to-one talks to participation in capital market conferences. The key platform for dialogue is the Annual General Meeting. Further information about the dialogue with shareholders can be found in the **“Share Performance” chapter in the 📄 2021 Annual Report.** ESG criteria are a growing focus of interest, particularly among our institutional investors. We are regularly in contact with these investors and have responded to numerous ESG screening surveys relating to Environmental, Social and Governance topics.




In permanent dialogue with all the company’s stakeholder groups

Suppliers and partners: interaction on a basis of equals

Based on regular exchanges, our purchasers document the interests of our suppliers. For our strategic partners, this task is handled by our partner management function, which further consolidates relationships with these partners at networking and other events, thus laying a firm foundation for the intended acquisition of customers. Here, as with our suppliers, we aim to base our dialogue on a partnership of equals. The Procurement department is increasingly according importance to the supply of sustainable products and services. Talks are now regularly held with the car leasing companies, for example, to discuss CO₂ emissions in the vehicle pool with a view to optimising these.

Associations and society: focus on local surroundings

As a medium-sized company, our company has traditionally focused on activities in its more immediate environment. We are also a member of various associations and thus safeguard our interests in the political arena. Our activities within society take various forms; further information about these can be found in the  "Corporate Citizenship" chapter. Maintaining good relationships with our neighbours is important at all locations, and especially at our data centres, where load tests may lead to noise emissions. In view of this, we inform our neighbours in advance about planned activities on a quarterly basis. We further promote dialogue with our neighbours by inviting them to company parties, especially at our Hamburg location.

Innovation and Product Management

Digitalisation promotes more sustainable business operations

Digitalisation is the key to success in the 21st century and is also helping companies to make their operations more sustainable. Our business units each have their own product management units which deal closely with the digital challenges facing their target markets and sectors; these activities are coordinated and managed by the Portfolio & Strategy department. Furthermore, the New Business Solutions department addresses the development of new and innovative products, services and solutions. Other factors which they always have in mind are current environmental and social issues, such as climate change and cybercrime. Here, we work with formats such as customer round tables, "design, think and innovate workshops" and ideas competitions to devise new solutions together with our customers and staff. Cooperative innovation projects with customers often start as pilot projects.

Our business model protects natural resources

Our digital processes and services often remove the need for goods to be manufactured, transported and consumed. Relevant solutions range from doing without print media to remote maintenance and control through to substituting virtual meetings for business trips. Not only that, our innovations enable our customers to manage their resources in a targeted manner, as is apparent in the following examples:

➔ **EasyEdge:**

Predictive maintenance in Industry 4.0

q.beyond offers solutions which use artificial intelligence and smart IoT sensors enabling companies to monitor the status of electronic devices, machines, plant and vehicles in real time. This makes maintenance and repair measures more predictable and reduces unexpected downtime. At the same time, this forward-looking approach to maintenance helps to save resources. On the one hand, it significantly lengthens the lifetime of tools. On the other hand, it avoids unscheduled machine downtime. Moreover, it enhances the quality of the products manufactured by reducing the volume of defects. Predictive maintenance thus helps to shrink our customers' CO₂ balance sheets.

➔ **EasyEdge:**

Remote service and augmented reality for launching operations with and maintaining industrial machines

To date, maintenance and repair work on machines has generally been performed on site at the customer. The associated business travel impacts negatively on the climate balance sheet of the company involved. By working with smart service and augmented reality applications, technicians can now also perform maintenance and repair work on a remote basis. Together with TeamViewer, q.beyond offers various Industry 4.0 solutions and an **IIoT Starter Kit** enabling SMEs in particular to get started quickly and easily with industrial IoT and Industry 4.0. Thanks to the combined sensor, remote and cloud technologies, companies can reduce their CO₂ footprints.

Our portfolio promotes a low-carbon economy and helps prevent cybercrime.



AI and smart IoT sensors make maintenance and repairs more plannable and reduce downtime.



Performing maintenance and repairs remotely reduces a company's CO₂ footprint.

➔ Edgizer:

Collecting IoT data with edge devices

Sensor data is often transmitted to cloud platforms to enable the information collected to be analysed and visualised. The data volumes and transmission frequency often inflate the cost of cloud services. Rather than being sent to the cloud, the sensor data can be collected directly at the machine using an edge gateway. This way, the data is temporarily stored and pre-processed on site. Using a "digital twin", relevant machine information can be visualised locally and made available on a remote basis and in real time. To enable these edge gateways to be managed, globally networked and supplied with applications, q.beyond has developed Edgizer, an open **+**edge computing platform.



Collecting real-time sensor data directly at the machine – that is handled by the "Edgizer" cloud platform.



Managing building elements at the click of a button – q.beyond's smart building development makes this possible.

➔ q.beyond as a smart building partner:

Building shell control at the click of a button

q.beyond has developed an IoT platform for a building shell specialist. This includes decentralised IP gateways and a smartphone app which enables customers to manage building elements at the click of a button, review the status of windows and doors, open and close these on a remote basis and detect potential damages. The building shell specialist can centrally configure all the sensors with standard components and automatically add software updates. Via the certified BACnet interface on the gateway, it is also networked with BACnet-capable building technology from other manufacturers.

➔ StoreButler:

Electronic price tags to change prices at short notice

Our zero-waste assistant for retailers enables the best before dates of products to be monitored in a targeted manner, with pre-emptive and automatic price adjustments made via electronic price tags. This approach lowers the volume of write-downs due to expired goods while also reducing waste. The zero-waste assistant is just one of numerous digital solutions which q.beyond's **+**StoreButler (only available in German) combines on a smart edge platform. The StoreButler is a turnkey solution which includes all the required hardware and is able to smartly manage store processes. It thus offers a variety of approaches to promoting sustainability in the retail sector.



The zero-waste assistant monitors best before dates and implements automatic price adjustments.

Our business model offers the best possible protection for data and IT systems

A current study by the Bitkom industry association makes for grim reading: cybercrime currently damages the German economy to the tune of € 223 billion a year. The number of cases of extortion and resultant system outages and interruptions to operations has more than quadrupled. One in ten companies sees its survival threatened by cyberattacks such as ransomware. q.beyond's cybersecurity concept enables organisations to benefit from permanent all-round protection for all sensitive areas.

Weak point scan

With its weak point scans and penetration tests, q.beyond provides companies with a comprehensive cybersecurity analysis. This has proven to be a very efficient way of identifying and closing potential security gaps. The insights gained from in-depth analysis form the basis for deriving and subsequently implementing necessary measures.

Vulnerability management – permanent cybersecurity monitoring

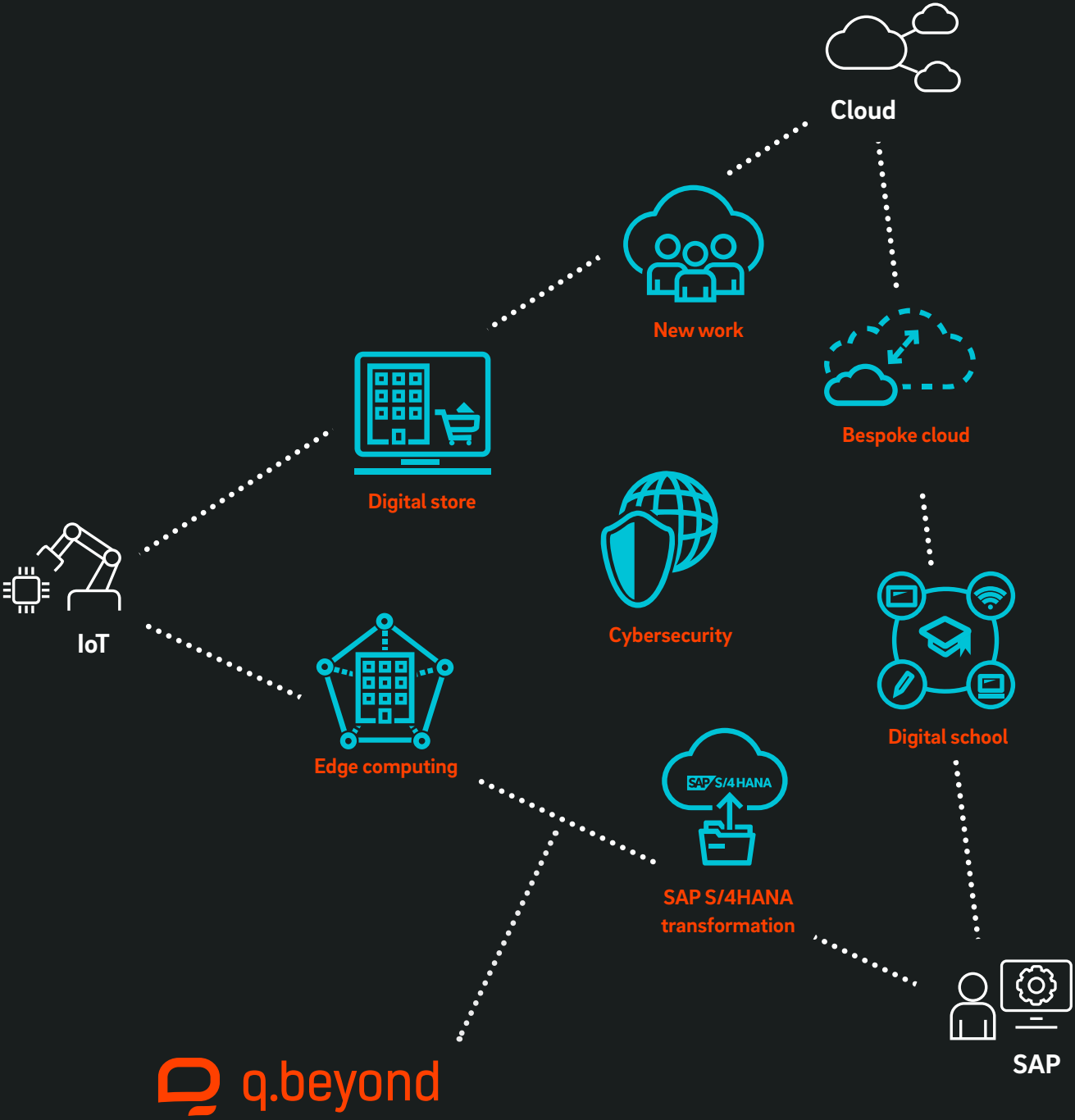
As well as reviewing existing systems and processes, q.beyond offers continuous support to companies in safeguarding their security by performing cyclical scans. Just as cybercriminals are honing their tactics at great pace, the measures to secure IT landscapes also have to be continually improved. With the vulnerability management business model, customers are provided not only with insights into the weak points in their modern IT environments, including their local, remote, cloud, container and virtual infrastructures, but also with a clear overview of how these weak points impact on their business risks. Customers are also informed about those weak points which attackers tend to target which, for example, include IT interfaces with suppliers.

One in ten companies in Germany sees its survival threatened by cyberattacks.



q.beyond provides security: from weak point analysis to permanent monitoring.

Our portfolio promotes sustainability



Digital education and new work

Education beyond digital

Many schools are still lacking Wi-Fi access, digital terminals for teaching staff and pupils, expertise and technical support. During the coronavirus crisis, the government is now making substantial funds available for technical upgrades. School heads, teachers and parent and pupil representatives are expected to seize this opportunity. We help schools to secure these resources and accompany them as they head for digitalisation. q.beyond AG has joined forces with LANCOM Systems and the Society for Digital Education (Gesellschaft für digitale Bildung – GfdB) to make extensive and bespoke solutions available to schools for their digitalisation.

New work – secure workplace solutions

In the digital age, the creativity needed to solve complex tasks often comes from groups. For this, employees require state-of-the-art tools enabling them to network across locations and company boundaries. These have to be easy-to-use, mobile and secure. With our cloud-based workplaces and extensive service portfolio, we are paving the way towards modern working worlds. Our “Digital Workplace” enables employees to work together wherever they are, reduces the number of work-related journeys and helps people better combine their family and work commitments. At the same time, our comprehensive cybersecurity solutions reliably protect sensitive company data against cybercrime, also in home offices. Our digital processes and services with Cloud, SAP and IoT often remove the need for goods to be manufactured, transported and consumed.

G4-FS11

q.beyond makes financial investments in connection with the direct insurance policy for the company pension scheme and with time accounts enabling its employees to save for fully paid sabbaticals. Here, q.beyond relies on the global players Allianz and R+V, both of which report on their ESG criteria.

Our digital processes and services with Cloud, SAP and IoT often remove the need for goods to be manufactured, transported and consumed.

We are making every effort to optimise our utilisation of natural resources, manage their use as efficiently as possible and limit our climate-relevant emissions.

➤ Ecology

Our Actions are Ecologically Sustainable



Ecology

Usage of Natural Resources

Focus on electricity consumption

The obligation to make as sparing use as possible of all natural resources is laid down in our **Code of Conduct** and our Central Procurement Policy. In what follows, we report on material natural resources that play a role in our business activities:

Electricity: As an IT service provider and operator of proprietary data centres with the highest possible availability levels, the main resource we use is electricity. Around 95% of our total electricity needs relate to server operations and to cooling our data centres. We therefore focus on ensuring efficient energy management at these data centres and continually enhancing their energy efficiency. Since 2018, the electricity supplying our data centres has been procured exclusively from regenerative sources. Since 2021, we have also used green electricity at nearly all our office locations. Permanent monitoring of the operating status of systems used for data centre operations and regular maintenance generally lead to correspondingly longer lifecycles. The same applies to workplace equipment for employees. When systems and existing plant no longer conform to the relevant energy efficiency and environmental standards, they are consistently replaced.

Natural gas: Our office buildings are heated using natural gas.

Fuels: The use of fossil fuels (heating oil, diesel and petrol) is mainly limited to test operations with emergency power generators at data centres and to the vehicle pool.

Water: Data centres do also require water, but our locations have closed circuits for this purpose. The climate control technology used makes it possible to use free cooling with no additional resource input, particularly in cooler winter months and at night. At all other times, the centres are cooled with compressor cooling, which requires very low volumes of water. In its business operations, q.beyond draws exclusively on drinking water from the municipal water supply. Within its resource management activities, q.beyond continually reviews its water consumption to identify any potential savings.

Coolants: Thanks to the use of closed circuits, the coolants at our data centres also remain in the system on a permanent basis. Only when the systems are maintained is it sometimes necessary to top up the coolants. In 2021, we had to add 95 kilograms of coolant for this reason.

Paper: Our internal processes are now handled on a largely paperless basis. We have electronic filing systems, while customers mostly receive digital invoices. q.beyond implemented digital personnel records for its staff in the 2020 financial year already. This way, remuneration statements, social security notifications, payroll tax statements, employment contracts, supplements to contracts, personnel datasheets and timesheets for our staff are provided exclusively in digital format. We have thus done away with all postal consignments. We have also converted our sales and procurement processes to using digital signatures via DocuSign. This enabled us to save around 72,000 sheets of paper in 2021 alone. We now only use a small volume of paper for print media and print orders. "Follow me printing", which was introduced at all company locations in 2018 already, involves all print orders being centrally stored, with the printing process only initiated at the printer itself. This has

substantially reduced the volumes of paper and toner we use. Printouts forgotten at the printer are a thing of the past.

Packaging: For client rollouts, we deliver hardware components to customers in the packaging already provided by the hardware supplier. Apart from this, we do not use any packaging materials.

Waste: It goes without saying that we separate waste into paper, metals, electrical waste, plastics, organic waste and non-recyclable waste at all of our major locations. The waste is then disposed of as appropriate by regional waste disposal specialists. Particularly when it comes to disposing of storage media, due account is taken of data security aspects to make sure the data cannot be retrieved. In cooperation with the AfB Group (a not-for-profit company employing people with disabilities), hardware components from our own holdings or from customer contracts have their data deleted in a certified process and are then refurbished and subsequently remarketed.

GRI SRS-301-1

As we are not a manufacturing company, we do not use any materials for manufacturing and packaging that could be classified as material in terms of their quantities. By virtualising infrastructures and applications and offering cloud-based workplaces, we are nevertheless promoting the sparing use of natural resources both in our internal operations and in the range of solutions we offer to our customers. After all, virtualisation in many cases removes the need for hardware components containing materials such as rare earths and lithium.

GRI SRS-302-1

The following overview presents the consumption figures for the energy resources used by our company.

- Electricity consumption figures have been calculated on the basis of annual invoices or by reference to data gained from energy audits.
- Heating energy consumption figures have been based on invoices from the respective suppliers or on the energy audit reports.
- Heating oil consumption for test operations with our emergency power generators has been based on estimates of the litre consumption figures per machine and projected as annual consumption figures based on test plans.
- Fuel consumption for leased vehicles and car allowances has been calculated on the basis of fuel card invoices. These figures were then converted into MWh using the conversion factors set out in the Information Sheet on CO₂ Factors issued by the Federal Office for Economic Affairs and Export Control (BAFA) in its version dated 1 November 2021.
- We do not procure steam from any steam grid. We also do not procure any cooling energy, which is rather generated internally using electricity-powered cooling energy machines.
- We also do not sell any energy.

Energy resources consumed

In MWh	Consumption 2021	Consumption 2020	Consumption 2019
Energy resource			
Electricity (from fossil fuels)	140.27	430.65 ¹	415.49
Electricity (from regenerative sources)	4,436.11	52,056.42	53,828.63
Heating energy (natural gas)	2,584.19	3,226.99	3,533.43
Fuel (heating oil) for emergency electricity	168.98	176.01	344.74
Fuel (diesel) for leased vehicles, car allowances	1,217.08	1,156.84	1,880.24
Fuel (petrol) for leased vehicles, car allowances	639.68	284.68 ¹	399.98
Fuel (autogas – liquefied petroleum gas)	6.78 ²	6.71 ²	16.15 ²
Energy consumption (total)	49,193.09	57,338.29¹	60,418.66²

Overview of all material Group figures. The subsidiaries IP Colocation GmbH, Incloud Engineering GmbH, datac Kommunikations-systeme GmbH and q.beyond logineer GmbH have been included on a time-apportioned basis until their disposal or from their acquisition as applicable. Due to the immateriality of its energy consumption, the subsidiary scanplus GmbH, which was only acquired in December 2021, has not yet been included.

¹ Variances in individual figures to those stated in the 2020 Sustainability Report are due to the replacement of estimates with actual consumption figures based on the invoices since received for the 2020 financial year. The electricity, natural gas and petrol consumption figures for the subsidiary Incloud Engineering GmbH have also been added.

² Variances in the figures for the 2019 and 2020 financial years to those stated in the 2020 Sustainability Report are due to the correction in the "Litres to MWh" conversion factor.

GRI SRS-303-3

Overall, water plays a subordinate role in q.beyond's business operations. Fresh water withdrawals are restricted to their use in the closed-circuit cooling systems in data centre operations, sanitary rooms, kitchens and for cleaning purposes. Given the immaterial volumes involved, water consumption has not been recorded.

GRI SRS-306-2

As we are not a manufacturing company, the topic of waste plays a subordinate role in our business operations. Waste is disposed of as appropriate by regional waste disposal specialists. We currently do not record our waste volumes.

Resource Management

In all measures we take to increase our ecological sustainability, we pay due attention to the materiality principle and focus on those topics with the greatest potential impact. In terms of resource management, that means that our focus is clearly on reducing electricity consumption at our data centres. This sustainability objective is accounted for in particular detail in the budgets compiled by the management for investments and the allocation of financial resources. Apart from this, the consumption of other natural resources is classified as non-material (see the ["Usage of Natural Resources" chapter](#)).

Although the data centres have an average usage effectiveness (PUE) ratio of <1.5, which already puts them among the most energy efficient of their kind in Germany, our experts nevertheless see potential for further optimising their electricity consumption. They also aim to optimise our facility management. Systematic analysis of energy use and consumption as called for in the German Act on Energy Services and Other Energy Efficiency Measures (EDL-G) is regularly performed in effective maintenance management and energy audits pursuant to DIN EN 16247-1.

Based on these audits and continuous resource consumption monitoring, in its regular reviews the management derives targets and measures aimed at increasing resource efficiency and simultaneously reviews their effectiveness. We provide a detailed description of the quantitative targets, measures to achieve these and the current implementation status for the measures in the following section: GRI SRS-302-4: Reduction of energy consumption.

It goes without saying that we also include energy and resource management in the group-wide risk management system which we use to identify our material risks. This is described in detail in our **2021 Annual Report** (see Pages 48 to 59: "Outlook, Opportunity and Risk Report"). Given the continuous optimisation of energy management, especially at our data centres, we do not see any material risks that could impact negatively on environmental concerns. The same applies to emergency operations. Looking ahead, however, climate change will lead to higher outdoor temperatures during the summer months in particular. Medium to long-term temperature forecasts give reason to expect that increased cooling capacity will be required of the climate control technology we use. To avoid controlled and

uncontrolled downtime in IT systems, we have to ensure that heat is reliably extracted from our data centres even when they are operating at peak load. We are accounting for this increase in cooling capacity requirements, particularly in the investments we make to renew and maintain our climate control technology. In terms of risk prevention, after the warm season each year we assess the cooling capacity of the technology currently in use based on outdoor temperature statistics. To date, the climate control technology has not approached critical capacity levels. Should this change in future, we will take measures to enhance the technology.

GRI SRS-302-4

As confirmed by the current energy audit report, we have already managed to reduce our energy consumption by implementing numerous measures in recent years. q.beyond relies, for example, on blade systems and server virtualisation and the operation of shared hardware, i.e. hardware used by several users. The company has also implemented numerous further measures to reduce its energy consumption. These include: energy-saving smart server power supply units with high efficiency levels, energy-efficient climate control concepts at the data centres, such as cold aisle/hot aisle and rack isolation, investigating and avoiding cooling short circuits, free cooling and electricity supply systems with high efficiency levels (particularly UPS systems). Moreover, for its energy-saving measures the Hamburg location is working together with local environmental authorities. The following measures to assist us in reaching the energy consumption savings targets we have set ourselves have already been successfully concluded or are currently being implemented:

Reducing the electrical energy used to cool the data centres by 60% (completed in 2019)

Data centres 5/7, Hamburg, Grasweg. Given the heat behaviour of IT components, we have to ensure that our data centres are efficiently cooled, which in turn requires large volumes of electricity. To account for this, we most recently implemented conversion measures to reduce the electrical energy used to cool the data centres and also modernised the corresponding systems. Thanks to so-called cold aisle production with speed-controlled ventilation, it is now ensured that the intake air temperature for IT hardware amounts to a maximum of 28 °C. The required cooling performance can then be generated with a significantly lower input of electrical energy. This enables us to save 7 MWh a month. This measure, which was decided on in QIV/2018, was completed on schedule by the end of 2019. The effectiveness of the measures was confirmed to us with a certificate issued by the environmental authorities in Hamburg.

Data centre 4, Hamburg, Notkestrasse. To ensure smart climate control, we replaced the existing cooling appliances with more efficient speed-controlled recooling units. These have a higher overall cooling performance than their predecessors (120 kW compared with 100 kW). Based on the same level of cooling performance, annual electricity consumption now only amounts to 258 MWh, as against 336 MWh previously. Estimates show that this corresponds to an annual saving of around 77 MWh. Moreover, the ventilator speed has also been reduced, leading to further savings. This measure, which was decided in 2019, has now been implemented.

Modernising the heating system (completed in 2020)

Office location, Hamburg, Grasweg. To enhance efficiency and reduce heating energy consumption at the office location at Hamburg, Grasweg, the complete heating system, including all thermostatic heads in the offices, was replaced in 2020. Based on 1,800 operating hours, this is expected to reduce the volume of gas consumed by between 290 MWh and 360 MWh a year. This target was adopted in 2019 and implemented on schedule in 2020. Due to lower office heating energy requirements at present on account of the pandemic, it will only be possible to quantify the actual heating energy consumption savings more exactly at a future point in time.

Enhancing the energy efficiency of the plants used to ensure an interruption-free supply of electricity (completed in 2021)

Data centre location, Hamburg Grasweg. A total of 14 existing UPS systems have been replaced with more energy-efficient models. This measure is intended to safeguard a reliable supply of electricity for the IT capacity at the Hamburg Grasweg data centre while significantly enhancing energy efficiency, with savings estimated to amount to 870 MWh a year. Implementation of this measure, which was resolved in QII/2019, was successfully completed in the period from QIII/2020 to QI/2021. The substantial annual energy saving is due to the higher efficiency of the new systems (98% compared with 89% previously) and, according to **⊕ the confirmation received from the Federal Ministry for Economic Affairs and Climate Action** (only available in German), will lead to annual savings of 842 MWh. This corresponds to annual CO₂ savings of around 452 tonnes.



Energy efficiency at our company's data centres enhanced by modernisation measures.

Data centre location, Hamburg Notkestrasse.

Also with the aim of enhancing energy efficiency, two existing UPS systems at our data centre location in Hamburg Notkestrasse have been replaced with more energy-efficient models. In this case, the energy efficiency enhancement is estimated at 198 MWh a year and is attributable here too to the higher energy efficiency of the new systems (98% compared with 85% previously). Implementation of this measure was successfully completed in the period from QIV/2020 to QIV/2021. The annual energy saving will take effect from 2022 and is expected to produce annual CO₂ savings of around 106 tonnes.

Reduction in energy used for lighting (completed in 2021)

Office location in Cologne. To reduce electricity consumption, the conventional lighting concept at the head office location in Cologne is being converted to LED. Estimates show that this measure will save 118,180 kWh/year of the energy used for lighting. This target, which was adopted in 2019, was completed on schedule at the end of 2021. Here too, the actual impact of the measure is obscured by reduced lighting requirements due to the pandemic.

Despite pandemic-related factors, initial tendencies are already apparent: our energy consumption is decreasing. We therefore do not currently see any need to adjust our approach:

Reduction in energy consumption

In MWh	Consumption 2021	Consumption 2020	Consumption 2019	Saving from 2019 – 2021
Resource				
Green electricity	44,436.11	52,056.42	53,828.63	9,392.52
Heating (natural gas)	2,584.19	3,226.99 ¹	3,533.43	949.24

Overview of all material Group figures. The subsidiaries IP Colocation GmbH, Incloud Engineering GmbH, datac Kommunikationssysteme GmbH and q.beyond logineer GmbH have been included on a time-apportioned basis until their disposal or from their acquisition as applicable. Due to the immateriality of its energy consumption, the subsidiary scanplus GmbH, which was only acquired in December 2021, has not yet been included.

¹ The variance in the 2020 figure to that stated in the 2020 Sustainability Report is due to the replacement of the estimate with the actual consumption figure based on the invoice since received for the 2020 financial year. The consumption at the subsidiary Incloud Engineering GmbH has also been added.

Climate-Relevant Emissions

CO₂ emissions virtually halved during pandemic in 2020 and 2021

We are making efforts to continually reduce the climate-relevant emissions resulting from our business activities. In 2020, we managed to cut our emissions as measured in CO₂ equivalents by almost half. Our total emissions showed a further reduction of around 10% in 2021, and that although we also included our three subsidiaries Incloud Engineering GmbH, datac Kommunikationssysteme GmbH and q.beyond logineer GmbH in our climate accounting for the first time with a combined total of 104.3 tonnes of CO₂ emissions. This success was

By 2025, we aim to gradually reduce our CO₂ emissions by a total of 40%.

partly due to numerous initiatives taken to reduce the CO₂ intensity of our normal operations, which are outlined in greater detail below. Alongside these, the coronavirus pandemic and the associated lockdowns and restrictions on contact led to a drastic reduction in mobility-related emissions in particular.

As already outlined in the [📌 “Objectives” chapter](#), we aim to achieve climate neutrality by 2025. In 2021, we backed up our climate strategy with specific measures to gradually reduce CO₂ emissions from the electricity we use, our business travel and the fuel consumed by company cars/car allowances by a total of 40%. We will track achievement of these targets using CO₂ accounting based on the Greenhouse Gas Protocol, which we explain in greater detail below. Furthermore, to reach climate neutrality we intend to offset all major emissions sources along the value chain through to the supply of our products and services to customers. We plan to include further major sources of Scope 3 emissions in our climate accounting in the years ahead (such as emissions due to employee mobility and IT equipment).

Offsetting CO₂ is climate action – CO₂OL TROPICAL MIX reforestation project in Panama

Our climate strategy aims first and foremost to avoid or minimise emissions. Despite all the measures implemented to reduce them, however, emissions cannot be eliminated entirely from our business operations. The second pillar of our climate strategy is therefore to offset CO₂ emissions by purchasing high-quality CO₂ certificates for climate protection projects. To achieve climate neutrality by 2025, we will first offset those CO₂ emissions at our material



**CO₂ offsetting:
q.beyond supports
project in Panama.**



emitters that we caused in the 2021 financial year. These involve unavoidable emissions for green electricity (Scope 3), coolants and heating oil for emergency electricity generators (Scope 1), emissions from fossil-based electricity (Scope 2) and emissions from fuel use and business travel (Scope 1 and Scope 3).

To offset these emissions, since the current 2022 financial year we have supported the **+** **CO₂OL TROPICAL MIX** reforestation project in Panama. This combines active CO₂ storage by way of reforestation with improvements to the economic and social situation on location. The reforestation and protection offered to numerous types of tree in the biodiversity hotspot help to safeguard the natural habitat for 15 endangered species of animal on the IUCN's Red List, including brown-throated three-toed sloths and anteaters. Furthermore, the project provides long-term and fair employment to the local population and secures sustainable sources of income from the sale of certified tropical timber, cocoa and seeds. It is one of the first land use and forestry projects to be successfully certified under the prestigious **+** **Gold Standard for the Global Goals** scheme. The forestry management in the project conforms to the guidelines of the FSC (Forest Stewardship Council), while the cocoa production is additionally certified under the UTZ and EU organic schemes.

CO₂ balance sheet

In 2021, we drew for the second time already on professional support to determine our CO₂ emissions in accordance with the internationally recognised Greenhouse Gas Protocol. To enhance comparability of the figures, the CO₂ accounting extends

to the past financial years including 2019. The multistage process used to determine emissions comprises three scopes (1 to 3):

- Scope 1 includes those direct CO₂ emissions that we as a company generate due to our own production systems, offices and work-related mobility.
- Scope 2 involves indirect CO₂ emissions at the energy producers from which we procure electricity to supply our data centres and our office buildings.
- Scope 3 comprises all other indirect CO₂ emissions arising along the value chain, i.e. at suppliers, due to transport, during the service life of products or from disposal.


The table on **Page 51** provides a rough overview:

Scope 1: e-mobility decreases vehicle pool emissions

Direct GHG emissions (Scope 1) chiefly arise in connection with heating energy needed at office buildings and with work-related mobility via the vehicle pool (pool vehicles, leased vehicles and car allowance). They are also attributable, albeit to a significantly lesser extent, to monthly test runs with the emergency power generators used to supply our data centres, as well as to coolants used at the data centres. No other air contaminants in the sense of particulate matter or similar contaminants are directly generated in connection with our business activities. To reduce GHG emissions, the company plans to gradually convert its vehicle pool to e-mobility by 2025.

Scope 2 and Scope 3: data centres work on climate-neutral basis

Indirect GHG emissions (Scope 2) are primarily due to the electricity consumed by our data centres. Since 2018, all electricity supplied to the data centres has come from regenerative energy sources and is thus CO₂ neutral. The supplier is Stadtwerke Neumünster, which provides electricity that is 100% attributable to carbon dioxide-free and environmentally-friendly hydroelectricity, as well as to combined heat and power plants working exclusively with biogenic fuels. In purely arithmetic terms, this saves a total of around 20,000 tonnes of CO₂ equivalents a year.

Furthermore, the reduced volume of energy consumed by our data centres following successful implementation of the energy efficiency measures already described in the  **"Resource Management"** chapter is expected to lead to annual savings of 1,200 MWh of electricity. This will also improve our customers' energy footprints and save a further 125 tonnes of CO₂ in Scope 3. In the 2021 financial year, we also converted the rest of our electricity supply to green electricity at almost all our office locations. We offset unavoidable emissions. As a result, operations at our data centres are already climate neutral.

Scope 3: modern communication systems limit emissions

Indirect GHG emissions (Scope 3) result above all from the upstream processes involved in producing the energy-based resources we deploy. Work-related mobility plays a particularly significant role

in this respect. We are endeavouring to limit this by deploying modern communication media. The measures we are taking include using video conference systems and generous home office provisions. Company bicycles, job tickets and car sharing offers also make it easier for employees to avoid using their own cars. In the past, company bicycles were on hand to enable our employees to commute between company locations in Hamburg and thus avoid short taxi or car journeys. Given the low use made of these bicycles during the pandemic, we donated them in 2021 to a charitable organisation. When necessary, our employees have since used rental bicycles offered by StadtRAD Hamburg.

It goes without saying that it will not be possible to avoid all business travel, such as customer visits, analysts' conferences, sector events and larger-scale team meetings. In view of our climate neutrality target, we will therefore prioritise climate-friendly travel options, such as rail travel.

CO₂ footprint

determined in accordance with the Greenhouse Gas Protocol.

GRI SRS-305-5

Procuring green electricity to supply our data centre locations since 2018 is the greatest lever we have already used to reduce our greenhouse gas emissions. This produced a purely arithmetic saving of around 22,000 tonnes of CO₂ equivalents for 2021 in Scope 2. The ongoing optimisation of energy efficiency at our data centres is also helping us to generate further savings in our electricity consumption. Under GRI SRS-302-4: Reduction of Energy Consumption, we have set out the measures we are currently implementing for this purpose. These are expected to produce annual savings of 1,200 MWh of electricity and thus reduce the CO₂ footprint by an additional 125 tonnes in Scope 3.

Starting in 2021, we have generated additional savings of almost 56 tonnes of Scope 2 CO₂ emissions by converting to green electricity at almost all our office locations. This step has enabled us to

reduce our indirect Scope 2 emissions virtually in full. The conversion of the electricity supply at further office locations is set to follow in 2022.

Measures enabling us to save further CO₂ equivalents include our cooperation with AfB gGmbH for the sustainable processing of out-of-date and obsolete IT hardware. In 2021, this enabled 65 IT components from a total of 168 devices transferred (corresponding to 39%) to be refurbished and subsequently marketed. This saved a total of 6.9 tonnes of CO₂ equivalents.

As already mentioned, we were able to reduce our GHG emissions by almost half in the period from 2019 to 2021 (1,560.2 tonnes of CO₂ equivalents in 2021, 3,028.5 tonnes of CO₂ equivalents in 2019; see [☞ "Climate-Relevant Emissions" chapter](#)). This success is based on the initiatives already implemented to reduce the CO₂ load in our ongoing operations and the additional impact of the coronavirus pandemic, which led in particular to a drastic reduction in mobility-related emissions. Work-related car use increased once again 2021 and led fuel-related emissions (Scope 1) to rise by around 27%.

However, this was more than offset by the widespread avoidance of flights due to the pandemic. The emissions caused by business travel (Scope 3) fell by around 56% in 2021. Due above all to employees mainly working from home, energy consumption for electricity and heating at the offices fell significantly short of the previous year's figure, as did the resultant emissions. Moreover, the modernisation of the heating system at the Grasweg location in Hamburg had its first positive impact on the climate balance sheet.

**Our data centres
have been fully
powered with
green electricity
since 2018.**

2021 CO₂ balance sheet compared with 2019 and 2020

In tonnes	2021	2021 in %	2020	2020 in %	2019	2019 in %
CO₂ equivalents						
Scope 1 – total direct emissions	1,068.1	68.5	1,017.1 ¹	58.7 ¹	1,530.9	50.5
Scope 2 – total indirect emissions for electricity	41.5	2.7	137.9 ¹	8.0 ¹	133.9	4.4
Scope 3 – total indirect emissions	450.6	28.9	577.5 ¹	33.3 ¹	1,363.7	45.0
CO₂ equivalents (total)	1,560.2	100.0	1,732.5¹	100.0	3,028.5	100.0

GHG emissions have been calculated in accordance with the internationally recognised Greenhouse Gas Protocol for the Group as a whole.

Notes to 2021 financial year:

In the 2021 financial year, our subsidiaries datac Kommunikationssysteme GmbH and q.beyond logineer GmbH were included for the first time in Scopes 1 and 2, as well as in upstream Scope 3 emissions. Due to its immateriality, business travel at these subsidiaries has not been included. Due to its immateriality, the subsidiary scanplus GmbH, which was only acquired in December 2021, was not yet included in the 2021 CO₂ balance sheet. In addition, the focus on material emissions in Scope 3 was further sharpened in the 2021 financial year. Due to their immateriality, emissions resulting from paper consumption and emissions due to business travel by rail, taxi and public transport are no longer included in the climate balance sheet. Following the conversion to the business rate offered by Deutsche Bahn, rail travel has been climate neutral since 2021. The business rate already includes CCO₂ offsetting.

Notes to 2020 financial year:

¹ Variances in the figures for the 2020 financial year to those stated in the 2020 Sustainability Report are due to corrections in the underlying consumption data, as well as to the inclusion of our subsidiary Incloud Engineering GmbH in Scopes 1 and 2, as well as in upstream Scope 3 emissions. To enhance comparability with 2021, the 2020 climate balance sheet has also been adjusted to exclude emissions resulting from paper and business travel by rail, taxi and public transport.

GRI SRS-305-1

Direct GHG emissions (Scope 1)

In tonnes	2021	2021 in %	2020	2020 in %	2019	2019 in %
CO₂ equivalents Scope 1						
Petrol for leased vehicles, car allowance	155.6	10.0	68.4 ¹	3.9 ¹	98.0	3.2
Diesel for leased vehicles, car allowance	307.0	19.7	295.7	17.1 ¹	489.7	16.2
LPG for leased vehicles, car allowance	1.5	0.1	1.5	0.1	3.4	0.1
Heating oil for emergency power	54.0	3.5	56.4	3.3 ¹	110.3	3.6
Coolants	76.8	4.9	1.8	0.1	179.9	5.9
Natural gas for heating	473.3	30.3	593.3 ¹	34.2 ¹	649.6	21.5
Scope 1 (total)	1,068.1	68.5	1,017.1¹	58.7¹	1,530.9	50.5

GRI SRS-305-2

Indirect GHG emissions (Scope 2)

In tonnes	2021	2021 in %	2020	2020 in %	2019	2019 in %
CO₂ equivalents Scope 2						
Electricity (conventional)	41.5	2.7	137.9 ²	8.0 ²	133.9	4.4
Scope 2 (total)	41.5	2.7	137.9²	8.0²	133.9	4.4

GHG emissions have been calculated in accordance with the internationally recognised Greenhouse Gas Protocol for the Group as a whole. The percentages show the share of the total CO₂ footprint (Scopes 1 to 3).

Notes to 2021 financial year:

In the 2021 financial year, our subsidiaries datac Kommunikationssysteme GmbH and q.beyond logineer GmbH were included for the first time in Scope 1 and Scope 2. Due to its immateriality, the subsidiary scanplus GmbH, which was only acquired in December 2021, was not yet included in the 2021 CO₂ balance sheet.

Notes to 2020 financial year:

¹ Variances in the figures for the 2020 financial year to those stated in the 2020 Sustainability Report are due to corrections in the underlying consumption data, as well as to the inclusion of our subsidiary Incloud Engineering GmbH in Scope 1.

² Variances in the figures for the 2020 financial year to those stated in the 2020 Sustainability Report are due to corrections in the underlying consumption data, as well as to the inclusion of our subsidiary Incloud Engineering GmbH in Scope 2.

GRI SRS-305-3

Indirect GHG emissions (Scope 3)

In tonnes	2021	2021 in %	2020	2020 in %	2019	2019 in %
CO₂ equivalents Scope 3						
Upstream fuels (mobility)	118.2	7.6	89.3	5.2 ¹	143.5	4.7
Upstream heating oil for emergency power generators	11.9	0.8	10.7	0.6	20.9	0.7
Upstream heating	81.0	5.2	77.2 ¹	4.5 ¹	84.5	2.8
Upstream electricity	147.0	9.4	189.7 ¹	10.9 ¹	374.5	12.4
Upstream emissions (total)	358.0	22.9	366.8¹	21.2¹	623.4	20.6
Business travel – flights	21.5	1.4	102.5	5.9	391.2	12.9
Business travel – hire cars	30.8	2.0	38.4	2.2	96.7	3.2
Business travel – private cars	22.8	1.5	27.7	1.6	37.5	1.2
Hotel accommodation	17.6	1.1	42.0	2.4	107.2	3.5
Business travel – total	92.6	5.9	210.7¹	12.2¹	718.2	23.7
Scope 3 (total)	450.6	28.9	577.5¹	33.3¹	1,363.7	45.0

GHG emissions have been calculated in accordance with the internationally recognised Greenhouse Gas Protocol for the Group as a whole. The percentages show the share of the total CO₂ footprint (Scopes 1 to 3). To date, other indirect GHG emissions (Scope 3) have only been accounted for in the categories presented here. We plan to extend our climate accounting to further Scope 3 categories in future.

Notes to 2021 financial year:

In the 2021 financial year, our subsidiaries datac Kommunikationssysteme GmbH and q.beyond logineer GmbH were included for the first time in upstream Scope 3 emissions. Due to its immateriality, the subsidiary scanplus GmbH, which was only acquired in December 2021, was not yet included in the 2021 CO₂ balance sheet. In addition, the focus on material emissions in Scope 3 was further sharpened in the 2021 financial year. Due to their immateriality, emissions resulting from paper consumption and emissions due to business travel by rail, taxi and public transport are no longer included in the climate balance sheet. Following the conversion to the business rate offered by Deutsche Bahn, rail travel has been climate neutral since 2021. The business rate already includes CO₂ offsetting.

Notes to 2020 financial year:

¹ Variances in the figures for the 2020 financial year to those stated in the 2020 Sustainability Report are due to corrections in the underlying consumption data, as well as to the inclusion of our subsidiary Incloud Engineering GmbH in upstream Scopes 3 emissions. To enhance comparability with 2021, the 2020 climate balance sheet has also been adjusted to exclude emissions resulting from paper and business travel by rail, taxi and public transport.

EU Taxonomy

Channelling capital into climate action

With the European Green Deal, the community of states is pursuing the ambitious target of turning Europe into the world's first climate-neutral continent by 2050. This will require far-reaching economic transformation towards sustainability and will be accompanied by great pressure to innovate and invest in climate protection across all areas of the economy. Capital flows therefore have to be channelled in a targeted manner into environmentally sustainable economic activities.

As part of the "Action Plan on Financing Sustainable Growth", the EU Taxonomy provides a basis for assessing the sustainability of economic activities in 13 different industries and economic sectors. These were selected on account of their high emissions (e.g. agriculture, energy, manufacturing) or because they may be able to facilitate substantial reductions in emissions in other sectors (e.g. information technology). The EU Taxonomy is based on six environmental objectives to which a contribution may be made: climate change mitigation, climate change adaptation, protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

According to the requirements of the EU Taxonomy, economic activities are "environmentally sustainable" if they:

- **Make a substantial contribution** to at least one of the six EU environmental objectives.
- **Do no significant harm** to any of the five other EU environmental objectives.
- **Comply with minimum safeguards** for work safety and human rights.
- **Comply with technical screening criteria** specified both for the substantial contribution of the economic activities to the environmental objectives and to ensure that the respective activity does no significant harm to the other environmental objectives. These criteria are laid down in delegated acts to the EU Taxonomy Regulation.

Listed companies with more than 500 employees, such as q.beyond, are required to disclose with immediate effect whether and, if so, the extent to which their economic activities are covered by the EU Taxonomy and thus taxonomy-eligible. Initially, however, this requirement only applies in respect of the two EU climate change objectives. From the 2022 year under report, it will then already be necessary to provide disclosures on the EU Taxonomy conformity of turnover (revenues), capital expenditure, and operating expenditure in respect of all six of the EU's environmental objectives.

- **Economic activities are "taxonomy-eligible"** if they can be allocated to the taxonomy criteria (irrespective of whether the criteria are met).
- **Economic activities are "taxonomy-aligned"** if the taxonomy-eligible activities also meet the criteria defined by the taxonomy and thus make a contribution to transforming the economy along sustainable lines.

Functionality of the EU Taxonomy



Our team analysed the taxonomy eligibility with regard to the EU requirements of "Climate Change Mitigation" and "Climate Change Adaptation".

Process used to identify taxonomy-eligible economic activities

In the 2021 financial year, our companywide project team addressed the taxonomy requirements in respect of the EU's environmental objectives of "climate change mitigation" and "climate change adaptation". The project team included experts from the fields of corporate social responsibility, controlling, accounting, portfolio management, data centre operations and investor relations. The team began by analysing which of the four economic activities within the scope of the "Information and Communication" sector defined by the EU Taxonomy also form part of q.beyond's economic activities.

- Accordingly, all economic activities at q.beyond and its affiliated companies fall under the sub-headings of **"Data processing, hosting and related activities"** and **"Computer programming, consultancy and related activities"**.
- The other economic activities listed by the EU Taxonomy in the "Information and Communication" sector, namely **"Programming and broadcasting activities"** and **"Data-driven solutions for GHG emissions reductions"** do not form part of q.beyond's economic activities. Although q.beyond offers solutions which deploy decentralised technologies (i.e. distributed ledger technologies), the Internet of Things (IoT) and artificial intelligence, these are not primarily intended to provide data and analyses which facilitate GHG emissions reductions. We rather allocate these solutions to the economic activity of **"Data processing, hosting and related activities"**.

Based on this analysis, the team then calculated the respective shares of turnover, capital expenditure (CapEx) and operating expenditure (OpEx) attributable to taxonomy-eligible economic activities. To better assess the evidence required for taxonomy alignment, the project team performed a rough preliminary review of the technical screening criteria for these economic activities and thus evaluated whether they make substantial contributions or do significant harm to the EU's environmental objectives. In the current financial year, we will examine compliance with these technical criteria in great detail in order to derive the respective shares of taxonomy-aligned turnover and capital expenditure on this basis.

Economic activity: "Data processing, hosting and related activities"

This economic activity comprises the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing. We see this economic activity as including all solutions and services that are directly linked to our data centres.

We view all revenues in our "Cloud & IoT" reporting segment as taxonomy-eligible turnover. The same applies for all renewal and maintenance investments we make in energy efficiency enhancements and climate control measures at our data centres. We view maintenance expenses as taxonomy-eligible operating expenditure.

- **Contribution to climate change mitigation:** According to the Taxonomy, the economic activity may make a substantial contribution to EU Environmental Objective 1 "Climate change mitigation" if all relevant practices in the European Code of Conduct on Data Centre Energy Efficiency have been implemented or excluded with due substantiation. In both cases, this has to be verified and confirmed by an independent third party. Furthermore, the global warming potential (GWP) of refrigerants used in the data centre cooling system may not exceed 675.
- **Contribution to climate change adaptation:** According to the Taxonomy, the economic activity may also make a substantial contribution to climate change adaptation if it has implemented physical and non-physical solutions ("adaptation solutions") that substantially reduce the most important physical climate risks that are material to that activity. This requires a climate risk and vulnerability assessment to be performed for the activity. As already outlined under "Resource management", we have identified a relevant risk in terms of the climate control measures used at our data centres and are implementing preventive climate-technical measures.
- **Do no significant harm to other EU environmental objectives:** The economic activity may not impede on either of the two EU climate action objectives. Furthermore, it may not have any negative impact on the objectives of "Protection of water" and "Transition to a circular economy". Based on our advance review, the economic activity "Data processing, hosting and related activities" does not involve any significant negative impact on these objectives.

Economic activity: "Computer programming, consultancy and related activities"

This economic activity involves providing expertise in the field of information technologies. Pursuant to the Taxonomy, these include writing, modifying, testing and supporting software. It also includes planning and designing computer systems that integrate computer hardware, software and communication technologies, as well as on-site management and operation of clients' computer systems or data processing facilities.

We see our consulting, implementation and customising activities for standard and individual software, which are pooled in our "SAP" reporting segment, as being attributable to this economic activity. However, the EU Taxonomy only includes "enabling activities" in the calculation of the turnover key performance indicator; these are activities that enable other activities to make a significant contribution to climate change adaptation. According to the EU Taxonomy, the economic activity of "Computer programming, consultancy and related activities" does not count as an enabling activity. We therefore classify the turnover (revenues) in our "SAP" reporting segment as taxonomy-non-eligible. Moreover, within this economic activity we were also unable to identify any taxonomy-eligible capital expenditure or taxonomy-eligible operating expenditure that makes a substantial contribution to climate change adaptation.

- **Contribution to climate change adaptation:** According to the Taxonomy, the economic activity may make a substantial contribution to climate change adaptation if it has implemented physical and non-physical solutions ("adaptation solutions") that substantially reduce the most important physical climate risks that are material to that activity. This requires a climate risk and vulnerability assessment to be performed for the activity.
- **Do no significant harm to other EU environmental objectives:** No criteria for the avoidance of significant harm to other EU environmental objectives have been defined for this economic activity in Annex II to the EU's Taxonomy Regulation.

In 2022, we will review whether the technical criteria for taxonomy conformity have been met.

Minimum safeguards

We are pursuing a group-wide approach to ensure compliance with the minimum safeguards. We have laid down corresponding obligations in our **+** Code of Conduct and our **+** Code of Conduct for Business Partners.

Shares of taxonomy-eligible economic activities in the 2021 financial year

	€ million	%
Turnover (revenues)	155.2	
of which environmentally sustainable (taxonomy-eligible) ¹	113.7	73,3%
Operating expenditure (OpEx)²	124.9	
of which environmentally sustainable (taxonomy-eligible) ³	4.3	3,4%
Capital expenditure (CapEx)	8.1	
of which environmentally sustainable (taxonomy-eligible) ⁴	0.9	11,1%

Overall view for Group.

¹ Revenues in "Cloud & IoT" reporting segment.

² Operating expenditure incurred for revenues excluding depreciation amortisation.

³ Maintenance expenses for data centres.

⁴ Investments to enhance energy efficiency and climate control at data centres.

Our success is driven by the commitment and willingness to perform of all employees. That is why we offer an attractive working environment, one in which employees' rights are respected and where all employees enjoy equal opportunities, can maintain a good work-life balance and have the chance to develop their skills.

➤ Employees

We are an Attractive Employer



Employees

Employment Rights

Employee rights are clearly regulated in Germany and we naturally respect these. The same applies to the four fundamental principles of the International Labour Organization (ILO): the freedom of association and the right of collective bargaining, the elimination of forced or compulsory labour, the abolition of child labour and the elimination of discrimination in respect of employment and occupation. These four norms are clearly regulated by law in Germany and our **+** Code of Conduct also refers to them. Apart from our locations in Germany, we only have one location in the EU, namely in Latvia. This is naturally governed by the standards, regulations and laws applicable in that country. Where possible, we align working conditions. Our employees in Riga also receive allowances for on-call service and bonus payments. Unless countered by specific national requirements, the Group's internal policies and regulations also apply unrestrictedly in Latvia.

Our Works Council is involved at an early stage in all personnel-related topics

Since the beginning of the 2018 term, our company has had a 13-member Works Council, which it involves at an early stage of discussions on any personnel and welfare topics. Over and above legal requirements and in-house agreements, we also make efforts to promote the health and well-being of our staff. In this, we regularly share and agree ideas with the Works Council. Cooperating on a basis of partnership, we then jointly formulate in-house agreements touching on employee concerns. Works Council members are also involved at an early stage both in any organisational changes under consideration and in one-off projects. Representatives of young employees, trainees and severely disabled

employees ensure that the interests of all employees are adequately accounted for, as does the presence of employee representatives in the Supervisory Board. In liaison with the Works Council, our company regularly involves the workforce in strategic projects. Regularly sharing ideas with the Works Council on a basis of confidence and trust ensures that any areas in which adjustments are needed can be recognised at an early stage. In the period under report there was no reason to depart from this approach, which has proven its worth.

We support our employees in acting at their own responsibility and sustainably

We are a highly innovative company. As such, we encourage our employees to develop their own ideas with regard to sustainability as well and, having checked the feasibility of these ideas, actually implement them. We also rely on unconventional formats to foster employees' own sense of initiative at the company. Consistent with this approach, staff members will be able to market their ideas themselves in future and convince other colleagues to help with their implementation. We promote sustainable action with actions such as health days, yoga, resilience and mindfulness training, pedometer campaigns, job tickets for local public transport and the opportunity to lease e-bikes on favourable terms. These measures are intended to foster a sustainable lifestyle among the workforce.

No material risks with negative implications for employment rights

We currently do not see any material risks with negative implications for employment rights that could result from our business activities, our business relationships or our products and services. We facilitate a very high degree of employee code-

termination and participation at the company and comply with all national and international standards on employment rights. We have set ourselves the target of upholding compliance with these standards in future as well. We safeguard this on an ongoing basis by obtaining legal advice as appropriate. Should any risks be identified in connection with employee concerns, then these have to be systematically recognised in the group-wide risk management system and accompanied with risk prevention measures. Apart from this, we have so far not pursued any specific management concept on the topic of employees' rights and have also not set any quantitative targets with respective timeframes. Should we hire employees at locations outside Europe in future, we will review the need to compile a concept of this kind.

Equality of Opportunities and Work-Life Balance

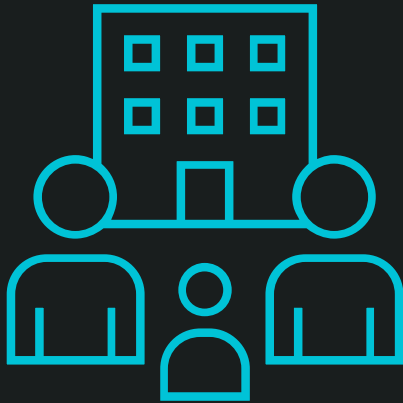
We actively live diversity. Our **Code of Conduct** is clear: "We do not tolerate any discrimination." We respect the dignity of every employee at all times and ensure that all employees can work in an environment that is free of physical barriers and sexual, psychological or verbal harassment. Workplace bullying and intimidation are not tolerated.

We are convinced that diversity also harbours economic benefits for our organisation. Consistent with this belief, we signed the Diversity Charter in September 2020 and joined Germany's largest diversity network which promotes the recognition, appreciation and inclusion of diversity in the working world. By sharing experiences and learning in the network, we are consistently developing our diversity strategy further.

We signed the Diversity Charter in 2020.

The diversity of our workforce speaks for itself. While only around 9% of our total of 1,309 employees (including Management Board, trainees, work-study programme students, stand-ins, re-trainees and temporary staff) have foreign passports, the share of employees with international roots is far higher. We promote the language skills of employees originating from other countries by organising German courses, taking due account of their individual needs. Intercultural competence is an increasingly important factor for our Group. Our branch in Riga (Latvia) and our subsidiary q.beyond logineer GmbH mean that we operate in an international environment. Accordingly, we are increasingly aligning our recruitment activities to the international labour market. This way, we are addressing the enormous shortage of specialists in the IT sector while simultaneously enriching our work culture and results by assembling more diverse teams. Since 2021, our relocation package has assisted new employees joining us from abroad in applying for their visas and with all the necessary registrations, as well as with targeted mentoring.

Actively lived diversity also involves inclusion. Around 2.4% of our workforce counts as severely disabled according to the legal definition. We therefore do not meet the 5% quota called for by law. This is due in part to the necessary job profiles and lack of suitably qualified applications. On the other hand, it also reflects the fact that employees do not always officially notify the company of any disability they may have.



Family and work are highly compatible at q.beyond.

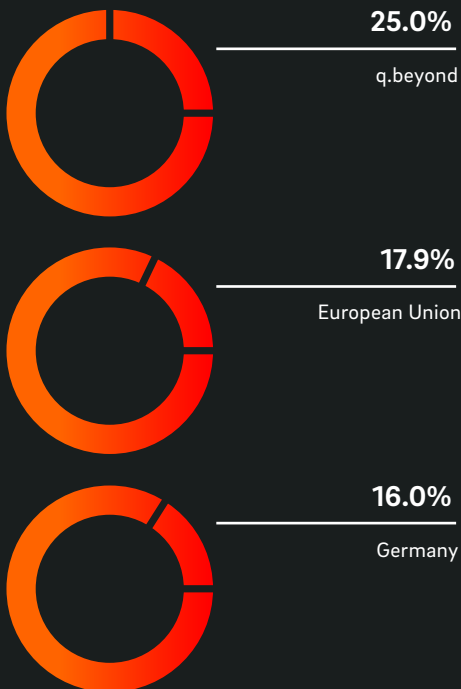
13%

share of employees working part time in 2021



up to 3 months off thanks to sabbatical account

Share of women in IT sector in 2021



We aim to inspire even more women to take up a technical career. Since 2021, we have been a partner in "MINTvernetz".

A high share of women employees by industry standards

q.beyond is inspiring increasing numbers of women to take up a career in IT. At 23.9%, women (including Management Board, trainees, work-study programme students, stand-ins, re-trainees and temporary staff) or 25% (excluding Management Board, trainees, work-study programme students, stand-ins, re-trainees and temporary staff) make up a comparatively high share of our workforce by industry standards. On average, women account for only 16% of people working in IT in Germany. At 17.9% (as per eco and Eurostat), the corresponding figure for the European Union as a whole is scarcely higher. In 2021, 25.4% of q.beyond's new staff hires were women. We have participated in numerous measures aimed at raising women's interest in technical careers for many years now. Since 2021, q.beyond has been an official partner in **MINTvernetz** (only available in German). This networking centre for STEM careers ("MINT" being the German acronym for STEM), serves as the umbrella organisation for extracurricular STEM training in Germany and is supported by the Federal Ministry of Education and Research (BMBWF). Its attractive range of cliché-free STEM training opportunities is targeted at girls, young women and other previously disadvantaged groups and is intended to motivate these to seize the great opportunities presented by STEM careers.

Further implementation of our diversity strategy

One way in which we identify focus topics to further increase diversity is by referring directly to our diversity key figures. Employees aged over 50 account for 28% of all employees and are thus the second-largest age group at the Group. In view of this, we conducted an employee survey on the "age" aspect of diversity in 2021. Based on the findings,

we were able to identify the need for semi-retirement options. A corresponding company agreement was negotiated between the Works Council and the People & Culture department and takes effect as of 1 April 2022.

Share of women in management positions to be raised in coming years

Pursuant to § 76 (4) AktG, the Management Board is required to set percentage targets for the share of women in the two management tiers below the Management Board. To account for the company's core focus on IT and technology, the targets set in this respect for q.beyond AG (excluding affiliated companies) amount to 15% in each case and are to be reached in the period between 1 July 2017 and 30 June 2022. We have not defined any targets for the overall Group including affiliated companies.

In terms of the overall Group (q.beyond AG including affiliated companies) women made up 22% of the first management tier below the Management Board at the reporting date on 31 December 2021. The female share of the second management tier below the Management Board stood at 9%. The first management tier below the Management Board comprises all managers who report directly to the Management Board and are responsible for their own personnel. The managing directors of those subsidiaries in which q.beyond holds a majority stake are also included in the first management tier below the Management Board if they do not have an employment contract with q.beyond as the shareholder. By analogy, the second management tier below the Management Board comprises all employees who report directly to the first management tier and are responsible for their own personnel. Although women make up 25%, and thus a comparatively high share of the Group's overall workforce, q.beyond can so far only report a low number of women among its other managers.

To address this, our companywide female project team "She goes beyond" devised an employee survey which we conducted in 2021 to identify the main reasons for the low share of women in management positions at the Group: Alongside the fact that our sector as a whole tends to be dominated by men, there is above all a lack of female role models and mentors. Not only that: women find it difficult to integrate into male-dominated networks and are less likely to act on career ambitions. At the same time, however, women do not feel sufficiently encouraged to assume management responsibility. The survey findings also showed that men and women often had widely differing assessments of the individual reasons.

Based on the insights gained, we will be placing greater focus on mentoring for our female staff in the years ahead while also working to overcome unconscious bias. Furthermore, the current target agreement for q.beyond (excluding affiliated companies) for the period from 1 January 2022 to 31 December 2026 provides for achieving a 20% share of women managers on both the first and the second management tiers below the Management Board. In the current year (2022), we also plan to set a quantitative target for the share of women among other managers.

Diversity

Continually promoting diversity at q.beyond

Diversity comes to life when we all play our part – Diversity Committee and q.beyond youngsters are active

Since 2021, the targeted range of activities to promote diversity and increase visibility at q.beyond have been initiated in particular by our Diversity Committee. This companywide workgroup organises numerous campaigns spread through the year on seven dimensions of diversity: ethnic background & nationality, gender & gender identity, age, physical and mental ability, religion and worldview, sexual orientation and social background. In 2021, the team also selected two of its members to act as our Diversity Managers. Since then, these two women have coordinated the activities of the team and are the first point of contact for all staff when it comes to diversity issues. The on-boarding events for new employees also include a presentation held by our Diversity Managers on our diversity strategy. One highlight was the Diversity Action Day organized by the Diversity Committee, which involved q.beyond participating on 18 May 2021 in the 9th German Diversity Day held at the initiative of the Diversity Charter (Charta der Vielfalt e. V.). In interactive online workshops, our employees had the opportunity to learn about sign language and how to deal professionally with cases of discrimination. At the joint online dinner, they also had the chance to dip into the diversity of the workforce on a culinary level as well. With a colourful social media presence and company logo, q.beyond also stood up for openness and tolerance in the Pride Month in June 2021.

Alongside the Diversity Committee, our trainees and work-study program students, the q.beyond youngsters, are also committed to promoting diversity.

They took part in the Diversity Challenge organized by the Diversity Charter in 2021 and their project even made it to the top 10 of all teams participating in the "Shaping diversity" category. The Diversity Challenge focused on developing sustainable campaigns on the topic of diversity and thus making the whole diversity of society visible at the workplace. The youngsters developed a companywide communications platform for diversity; as well as providing information, this also acts as a community space where relevant topics and experiences can be shared on an ongoing basis. An intercultural diversity calendar has since kept employees informed each day about religious festivals from all the main faiths. In the context of the Challenge, the youngsters also produced a video addressing diversity at q.beyond.

We ensure a good work-life balance

As a responsible employer, we respect the personal situation of all our employees and account for their wishes within the options available to us as a medium-sized company. To the extent permitted by our operations, we support our employees in balancing their professional and private lives, and in particular in ensuring that their family and work commitments are compatible. Our company does not stipulate any core working times. Following suitable agreement, employees are free to perform part of their work from home. Generous home office provisions were well used even before the onset of the coronavirus pandemic. At the beginning of 2020, and thus before the first lockdown, around 13% of employees, and here young parents in particular, mainly worked from home offices. Since 17 March 2020, the pandemic means that all employees apart from site security have worked from home. No end this exceptional measure was foreseeable at the editorial deadline for this report.

Mobile work virtually from anywhere

The positive aspects of the ways in which we had to work during the pandemic have convinced us to refine the regulations generally applicable to mobile work from home on a more permanent basis. The company agreement "Mobile Work" came into effect in May 2021. Since then, our employees have been free to select their workplace for up to 50% of their contractually agreed working hours. By offering our workforce greater flexibility to choose where they work, we have aligned the achievement of the company's targets as closely as possible to the individual needs of our employees. The company agreement applies to all group employees in temporary or permanent employment, including trainees.

**Agreement
in place since
May 2021:
staff are free
to choose their
workplace for up
to 50% of their
working hours.**

Good ways to combine family and work commitments

But q.beyond does even more for its employees. We welcome every new-born child with a one-off gross allowance of € 1,000 and a q.beyond Bobby Car. The Fürstenberg Institut advises parents on childcare-related matters. Should there be a problem with regular childcare for children aged between four months and six years, for example, the experts can organise emergency care. It is even possible to organise ad-hoc care for a sick child at home. Furthermore, six nursery school places are available for children at the Hamburg location. We have also found a solution for our employees when they encounter unexpected problems with childcare due, for example, to school or kindergarten closures. In 2021, we set up a co-working space called "Flitzpiepen" at our Hamburg location. As well as regular workplaces for our employees, this room is also equipped with a desk for school-aged children, a painting table, a crawling blanket and a nappy-changing table. Toys and children's books are also available.

Part-time work options assist employees in balancing their family and work commitments. In 2021, 143 of our total workforce of 1,098 employees worked on a part-time basis. Part-time management is also possible, with this option currently being drawn on by ten employees (one woman and nine men). Moreover, employees are able to move flexibly between part-time and full-time employment. Not only that, they also have the option of setting up a sabbatical account and "saving up" additional fully paid free time (up to 3 months) to spend with their families or traveling.

Fair remuneration

Employees with permanent contracts accounted for 96% of the workforce in 2021 (excluding trainees, work-study programme students, stand-ins, re-trainees and temporary staff). Where contracts with employees and executives are limited, these relate solely to temporary customer projects. In cooperation with the Works Council, our company creates an attractive working environment and competitive remuneration system at its own initiative.

Our company is not bound by any collective wage agreements. The remuneration system is rather geared to individual and company-specific needs, as well as to market standards. Alongside their fixed salaries, all staff also receive variable remuneration based on the achievement of corporate targets. The share of total salaries attributable to variable remuneration rises with increasing responsibility. Furthermore, all employees can participate in a company pension scheme that is supported by q.beyond with an annual sum. q.beyond also offers supplementary insurance for medical services requiring additional payments by the patient.



Employees can participate in a company pension scheme that is supported by q.beyond

“3+1 formula” – share-based employee participation plan highly popular in first round already

In spring 2021, q.beyond decided to introduce a share-based participation plan for its employees. This innovative approach provides all of the Group’s employees with the opportunity to sustainably participate in the company’s success. Any employee who buys three q.beyond shares at market price on their own account and in their own name and then holds them without interruption for the whole 18-month term then receives a free extra share, known as a matching share. The plan deliberately does not stipulate any holding periods after the end of the term, meaning that employees are free to sell all their shares immediately. As a general rule, the gains will also be exempt from taxes and social security contributions. That is because, when determining the scope of the eight share packages available for selection, which range from 120 to 2,100 shares, and when considering the potential price gains, q.beyond took account of the significantly higher tax threshold of € 1,440 applicable since 1 July 2021. It was not just full-time and part-time employees who were eligible to buy shares.



The “3+1 formula” share matching plan enables employees to participate in the company’s success

The group of participants also included trainees, employees in marginal or temporary employment, those whose employment relationship is inactive (e.g. due to parental leave, care leave, unpaid special leave), those on long-term sick leave following the expiry of continued pay and those entitled to part-time retirement. One quarter of all employees already participated in this first share-matching plan. q.beyond aims to turn even more of its employees into shareholders in the years ahead and plans to initiate a new round of the programme.

My digital package

Since 2021, q.beyond employees have been able to obtain the latest smartphones, 2-in-1 notebooks, all-in-one systems, ultrabooks, tablets and selected accessories with discounts of up to 52%, and that twice a year and for themselves and their families. The “D21 Initiative”, which forms part of the measures taken by the government to promote digitalisation in Germany, makes it possible for employees to lease devices on a tax-exempt basis via their employers, make unlimited private use of these and purchase them in return for a low residual price at the end of the term. The employees pay the instalments by allowing the amounts to be withheld from their gross monthly salaries.

GRI SRS-405-1

We have published separate information about the diversity concepts for the Management and Supervisory Boards in the **Corporate Governance Statement**, which is available online.

Women make up 33% of the members of the Supervisory Board.

Structure of Supervisory Board by gender and age

Share in %	Male	Female	< 30 years	30 – 50 years	> 50 years
Supervisory Board	67	33	0	17	83

Total number of employees

	31.12.2021	31.12.2020
Headcount per financial year ¹	1,297	1,004

Share of limited-term employment relationships at 31.12.2021

	Total	Limited term	Limited term in %
Headcount by employee structure²			
Executives	13	0	0
Employees	1,085	39	4
Headcount by employee structure (total)²	1,098	39	4

¹ Overview of all Group employees, including Management Board, trainees, work-study programme students, stand-ins.

² Overall view for Group, excluding Management Board, trainees, work-study programme students, stand-ins, re-trainees and temporary staff.

Workforce structure by gender, scope of working hours and management responsibility at 31.12.2021

	Male	Male in %	Female	Female in %
Headcount by work profile¹				
Full-time without management responsibility	667	81	160	19
Full-time with management responsibility	110	86	18	14
Part-time without management responsibility	38	29	95	71
Part-time with management responsibility	9	90	1	10
Headcount by work profile (total)¹	824	75	274	25

Workforce structure by gender and job level at 31.12.2021

	Male	Male in %	Female	Female in %
Headcount by job level¹				
1 st management tier	7	78	2	22
2 nd management tier	32	91	3	9
Other managers	80	86	13	14
Employees	705	73	256	27
Headcount by job level (total)¹	824	75	274	25

Age structure of workforce at 31.12.2021

	< 30 years	< 30 years in %	30–50 years	30–50 years in %	> 50 years	> 50 years in %
Headcount by job level¹						
1 st management tier	0	0	5	56	4	44
2 nd management tier	2	6	22	63	11	31
Other managers	2	2	63	68	28	30
Employees	192	20	501	52	268	28
Headcount by job level (total)¹	196	18	591	54	311	28

¹ Overall view for Group, excluding Management Board, trainees, work-study programme students, stand-ins, re-trainees and temporary staff.

Workforce structure with regard to inclusion and migration at 31.12.2021

	People with a disability	People with a disability in %	People with foreign nationality	People with foreign nationality in %
Headcount by job level				
1 st management tier	0	0	0	0
2 nd management tier	0	0	3	9
Other managers	0	0	1	1
Employees	30	3	100	10
Headcount by job level (total)	30	3	104	20

Overall view for Group, excluding Management Board, trainees, work-study programme students, stand-ins, re-trainees and temporary staff.

GRI SRS-406-1

There were no incidents of discrimination in 2021.

Talent Management and Identification with Company

Our personnel strategy aims to retain and further develop existing experts and executives and to recruit sufficient numbers of next-generation staff and specialists. This strategy aims to meet the two priorities, which are not always congruent, of satisfying ever new requirements on the part of our customers and of addressing these challenges chiefly by qualifying our own employees.

Continuous further training is the only way for employees to fully develop their potential. We therefore provide a wide range of training opportunities,

with the q.beyond Learning Center acting as the centrepiece. This offers high-quality learning solutions for developing the specialist, methodological and social skills of each employee. A mix of on-site events, webinars and online training units takes due account of the different potential and preferences of individual employees. The total of around 16,400 training hours held in the past year was supplemented by numerous further on-the-job training sessions, mandatory training sessions and regular exchanges of information between our experts and third parties at events, congresses and fairs. Given the pandemic, most of these were held on a virtual basis. Furthermore, we also promote and subsidise employees who study and train alongside their work, whether in bachelors' and masters' degree courses or in obtaining Chamber of Industry and Commerce qualifications as business administrators.

Vocational training, work-study programmes and junior programmes provide entry opportunities

A clear commitment to vocational training is a key aspect of the sustainable approach we take in our personnel activities. Supporting young people at the outset of their careers also helps q.beyond to secure its own next generation of employees. Our company offers two ways to enter the world of work: On the one hand, we provide vocational training for budding IT specialists majoring in system integration and application development, for electronics technicians specialising in building and infrastructure systems and for office management specialists. On the other hand, we enable young people to participate in work-study programmes in applied IT, business IT or business administration. Here, we cooperate with Nordakademie in Elmshorn and the FOM University of Economics & Management in Cologne and Hamburg. We also offer integrated in-company placements for students training to become IT specialists in combination with a work-study programme in IT. In this case, we cooperate with the Vocational Training College in Hamburg (BHH).

We actively market the opportunities involved in vocational training. Opportunities for making contact at an early stage include pupil internships, school partnerships and participation in nationwide career days ("Girls' Day" and "Boys' Day"). Due to the pandemic, it was not possible to implement these formats in 2020 and 2021. Not only that, people retraining for new careers have the opportunity to perform the practical part of their retraining at our company. Since 2021, our alternative training programme "q.beyond Cloud Bootcamp" has deliberately targeted college dropouts, lateral entrants and those on the lookout for a new career who have a great affinity with technology and a good basic knowledge of IT and offer them a new career start. This compact training programme, which covers public and hybrid clouds and includes three Microsoft certifications

that are widely recognised in the world of IT, enables successful candidates to qualify as Junior Azure Consultants. This way, they can get started directly in cloud administration or cloud architecture or launch a career as a cloud consultant.

Our in-company SAP junior programme also offers ideal conditions for starting a career. Over the two-year training programme, members acquire practical experience in customer projects and challenging application support assignments. At the same time, internal and external training sessions provide them with the SAP-specific expertise they will need for their day-to-day work as an SAP consultant at q.beyond AG.

q.beyond youngsters committed to supporting trainees and students at the company

With "q.beyond youngsters", our trainees and work-study programme students acted at their own initiative to establish their own format for actively participating in and helping to shape developments at the company. Working in close cooperation with the People & Culture and Marketing departments, this cross-location team organises fairs and workshops and implements its own project ideas. q.beyond youngsters organise and host the annual "Girls' Day" and "Talent Day", as well as the welcome days for new trainees and work-study programme students. They also see to planning the mentoring scheme for trainees. Not only that: on various social media channels, they act as contact partners to potentially interested parties for all questions relating to training and work-study programmes and organise events such as the company run. One key focus of the work performed by q.beyond youngsters in 2021 was producing a **👤 trainee video** (only available in German). The film is intended to offer authentic, first-hand support in convincing young people about q.beyond as training company and thus support the company's recruitment efforts.

Recruiting external talent

In-house vocational training and work-study programmes cover only part of q.beyond's need for specialist staff. In view of this, our company additionally recruits university graduates and experienced specialists and executives. In the competition for the best candidates, we benefit from our nationwide presence at attractive locations, as well as from cooperations with universities and other organisations, such as retraining providers and job centres.

There is however the risk of being unable to fill new positions or replace existing employees on schedule at a time when there is a severe shortage of specialists. In 2019 we revised and repositioned our brand as an employer and, thanks not least to that, are now raising awareness of q.beyond among applicants. We also rely on recommendations made by employees and reward this commitment with a bonus system.

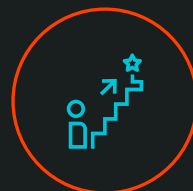
Promoting cooperation and boosting identification with the company

Anyone wishing to attract and retain good employees has to promote their sense of belonging to the team. Experts newly joining our company are accompanied by mentors from the respective specialist departments. We also hold regular on-boarding events to facilitate networking. After this, numerous collaboration formats help to boost the team spirit. These range from team-building measures to breakfasts with the CEO to a summer party. Moreover, we offer all employees positions with good future prospects characterised by a pleasant working environment, flat hierarchies and modern and flexible working conditions. Kununu, the leading employer assessment portal, for example, lists q.beyond as an "open company" and a "top company". In January 2022, q.beyond was singled out for the second year running as one

The management melody



As an **#Encourager**, you leave your own comfort zone by taking decisions, arousing curiosity and this way encouraging your team to try out new approaches.



As a **#Valuegenerator**, you pursue the company's vision and empower each member of your team to make their own valuable contribution towards the overall goal.

of Germany's top employers by the independent Top Employers Institute. This certification was based on an overall rating that even showed further significant improvements compared with the previous year. q.beyond achieved above-average results in the areas of work climate, on-boarding, employee recruitment, employer branding and sustainability. The institute certified that we had made especially great progress compared with the previous year in the areas of training, diversity and inclusion. Overall, the certification process has motivated us to reflect even more closely on the strengths and weakness of our HR activities.

Management manifesto

Our corporate culture is based on the values of customer focus, reliability, team spirit and pragmatism (see [GRI SRS-102-16](#)). Consistent with the values

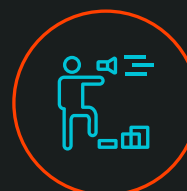
we share, all employees should be able to further develop their skills, both professional and personal, to the greatest possible extent. This enables us to exploit our full potential. To achieve this goal, we need management staff who are profoundly aware of the impact which management culture and conduct have on the working atmosphere, productivity and the company's sustainable performance. At the same time, they must be able to build genuine relationships of trust with their employees. Only this way can they support and accompany the further development of their teams along targeted lines. In 2020, our managers and staff formulated the nucleus of shared values in a new management manifesto intended to guide the actions of all our managers. For us, modern leadership involves both disciplinary management and lateral management such as that applied in agile roles. Our "q.beyond Management Melody" makes a distinction between the following management roles:



As a **#Motivator**, you radiate positive energy and motivate your team to reach your common goals. This way, you inspire passion in your team.



As a **#Coach**, you embody self-empowerment and promote the flow among your team members. You do this by recognising their strengths, promoting these and regularly giving constructive feedback.



As an **#Influencer**, you change the mind-set of your team members and visibly act as a role model. You reflect on feedback and factor this into your behaviour.

Accompanying management development measures, such as walks & talks, profile dynamics motivation analyses and workshops on management roles, therefore aim to promote a close dialogue between employees and their managers, one that is based on mutual appreciation and fosters development. At the same time, the formats on offer lead to even closer links between managers and thus promote the sharing of ideas and advice between colleagues. Since 2021, the "method toolbox" has enriched the range of instruments available to q.beyond's managers and staff. This is a digital collection of skills and methods for modern leadership and covers topics relating to self-management, team development and organisational development. Training on these "future skills" is regularly offered in small groups and can be drawn on wherever needed.

Development dialogue based on a partnership of equals

Since 2020, we have practised our new employee review format, known as the "development dialogue". In this dialogue, we have deliberately moved on from a more strictly defined performance review. Held twice a year, the development dialogue now enables employees and managers to meet as equals. The dialogue guidelines devised for this purpose motivate employee and manager alike to reflect on themselves, input their own strengths in a more targeted manner and thus develop both their personal and their specialist skills in the interests of the corporate culture and the company's business performance. The first dialogue each year concludes with the joint agreement of targets for personal development, customer relationships, the company's values and own initiative with regard to the employee's further development. Between meetings, the manager acts as a coach to employees and supports them in

achieving the jointly agreed targets, where possible at their own initiative. In the second meeting, the manager and employee reflect together on the progress made. The employee also provides the manager with feedback on his or her management conduct, particularly with regard to the management roles set out in the "q.beyond Management Melody". The results of these employee reviews are evaluated by the Culture & Development team and used as a basis to derive targeted development measures.

Top performer programme launched in 2021 financial year

"We revolutionise business at our customers": that is our vision at q.beyond. Putting this into practice requires us to have a large pool of ideally trained and highly motivated employees. Alongside the traditional talent acquisition channel already in place, since the beginning of 2021 we have implemented an additional internal talent management scheme. The top performer programme serves to provide employees with targeted development for key roles to be created or due to become vacant at the Group in future. Employees are nominated as top performers by the heads of the business units



Top Performer Programme offers targeted development and support for employees with high potential.

and departments on the basis of a fixed catalogue of criteria. Accordingly, top performers stand out on account of their above-average performance and have great potential for further development, but are not yet known throughout the company for their outstanding results. Over a period of 1.5 years, programme participants benefit from individual training, development opportunities, coaching, cross-mentoring by the management and networking events. These provide them with targeted support in preparing for the desired development target in terms of a specific position or task and increase their visibility in the company. In 2021, 16 of our employees started out in the first round of the new programme.

Advice on professional, personal and health-related topics

We have offered support to our employees for years now in solving any professional, personal and health-related issues they may have. The advice ranges from matters of childcare, caring for relatives through to debt counselling and health issues. To this end, our company cooperates with the Fürstenberg Institut. The advice provided by the specialists to q.beyond employees in person or by telephone is free of charge. The institute is obliged to maintain absolute confidentiality. Managers and employees can also approach the Fürstenberg Institut for personal coaching.

The advice provided by the Fürstenberg Institut is just one component of the measures taken to promote employees' health. Together with external partners, we regularly hold "health days". Offerings which are popular here include free influenza vaccinations and eye tests. Since 2021, our company doctors have also performed coronavirus vaccina-

tions for our employees. In cooperation with a large optician's chain, we support our employees in acquiring glasses suitable for screen work. Joint sports activities also play a major role. Running events are regularly held at all of q.beyond's locations and large numbers of employees take part in regional company runs and relay races. Not only that, employees are able to join gyms and fitness clubs on preferential terms. Finally, our company supports its employees with occupational integration management (OIM) and assists them in restoring and maintaining their ability to work. Since 2020, upon concluding a relevant insurance contract q.beyond employees also receive a grant for individual health services ("IGeL" services). To this end, we have concluded a group insurance contract with R+V Krankenversicherung AG (R+V). This provides all employees, and family members as well if they wish, with the opportunity to draw on enhanced and individual medical services over and above the statutory minimum benefits.

Ensuring that our employees are safe at work is a matter of course. This goes beyond measures to avert potential dangers or eliminate safety risks and also includes prophylactic steps to help employees stay healthy and enjoy a people-friendly working environment. Occupational health and safety also has to account for the permanent process of change in working conditions and the work environment. Faster processes, new tasks and technologies and ever greater time pressure are just some of the indications in this respect. In particular, the pandemic, which has made home offices the regular place of work for our employees, has presented us with new challenges. With a variety of online offerings, we are supporting our employees in continuing to exercise regularly and to maintain their psychological resilience.

Targets and handling of risks relating to talent management

Our talent management meets all requirements. As a medium-sized company, we have therefore foregone restricting our flexibility by committing ourselves to specific quantitative targets. We know that the widespread shortage of specialists represents a risk for our company. In the risk report section of our **2021 Annual Report**, we comment on and describe the measures we have taken to counter this risk. Apart from this, we currently do not see any material risks which result from our activities and could impact negatively on our employees' skills.

GRI SRS-404-1

Training

At the end of 2021, we employed 104 trainees and 53 work-study programme students. In the past financial year, we offered positions to 29 out of 47 young people (3 work-study programme students and 26 vocational trainees) upon the completion of their studies or training and plan to hire 57 new career starters in 2022 (of which 27 work-study programme students and 30 vocational trainees).

Development

The following table provides an overview of the average number of hours spent by our employees on training and further development measures in 2021. The figures are broken down by gender of the participant. It has not been possible to break down the figures by employee category for the period under report. As well as the training and development measures recorded in the official figures presented here, our employees and managers also train at their own initiative by drawing on freely available training options (such as webinars, specialist presentations, communities, SAP Learning Hub, TechTime and symposia). In particular, the pandemic gave rise to numerous online formats, most of which free of charge, which our employees have drawn on intensively. It would nevertheless not be feasible for us to centrally record these training units.

GRI SRS-403-4

We operate a management system for occupational health and safety. q.beyond ensures that its employees have ergonomically designed workplaces, provides regular instructions to all staff on occupational health and safety and performs psychological risk assessments based on systematic analysis of the risks involved in various workplaces and different activities. Together, these

Group training structure by gender and type at 31.12.2021

	Total	Male	Male in %	Female	Female in %
Headcount					
Trainees	104	89	86	15	14
Work-study programme students	53	41	77	12	23
Headcount (total)	157	130	83	27	17

measures act as a key tool at the company when it comes to preventing accidents and avoiding work-related ill health. We have our own in-house work safety specialist and a fire protection officer. Furthermore, all our locations have the required number of first aiders and fire protection assistants. We ensure that our employees are suitably supported by company medical officers and occupational medical

experts. The Work Safety Committee meets four times a year and covers all our locations. It discusses matters of safety at work and accident prevention.

GRI SRS-403-9 (a+b), GRI SRS-403-10 (a+b)

There were no work-related injuries in the past financial year.

Average hours of training and development by gender in 2021

In hours	Total	Male	Male in %	Female	Female in %
Type of training					
Technical training	4,891.00	4,216.00	86	675.00	14
Tech-Time Incloud Engineering GmbH ¹	2,381.47	1,874.36	79	507.11	21
Specialist training (including user and product training)	1,644.75	1,179.50	72	465.25	28
Language training	848.50	492.50	58	356.00	42
Soft skills training	5,826.75	4,016.75	69	1,810.00	31
Management skills training	650.50	544.50	84	106.00	16
Mandatory training ²	229.50	177.75	77	51.75	23
Hours of training (total)	16,472.47	12,501.36	76	3,971.11	24

Overall view for Group excluding Management Board, trainees and stand-ins. Figures do not include training held at the subsidiaries q.beyond logineer GmbH and Scanplus GmbH acquired in 2021, as neither company has yet collected training data.

¹ Possibility of training five days per quarter; employees at Incloud Engineering GmbH take decisions on training topics at their own initiative.

² Data protection, security, information security, quality management, occupational safety.

Work-related injuries and ill health

	2021	2020	2019
Number in financial year under report			
Work-related injuries requiring report	0	0	1
Work-related ill health	0	0	0
Work-related fatalities	0	0	0

Overall view for Group.

Information security, data protection and compliance are already components of our business model. In our social initiatives, we traditionally focus on our more local surroundings.

➤ Society

We Contribute to Society



Society

Human Rights

We are absolutely committed to the principles set out in the internationally recognised frameworks and standards for human rights as formulated by the United Nations and the Organisation for Economic Co-operation and Development (OECD). The obligation to respect human rights is also anchored in our principles of conduct. We make every effort necessary to avoid any breaches of human rights. These efforts relate above all to our suppliers. Our business partners are predominantly based in the EU. This means that the strict national requirements and laws already in place basically protect against any breaches of these fundamental rights. When it comes to our suppliers outside Europe, we also accord priority to compliance with all key human rights-related standards. This valuation aspect is factored into our half-yearly supplier assessments, which are based on a fixed catalogue of assessment criteria. For major suppliers, especially in China, we regularly form our own impression of working conditions at meetings on site (see the ["Depth of the Value Chain" chapter](#)). We terminate business relationships without delay if we receive any plausible indications of any breaches of these standards.

We have not yet established any process to identify potentially negative implications of our business activities for human rights. That is mainly because our company operates almost exclusively in the German market, where there has so far been no reason to fear any threat to human rights. We have

a small number of foreign suppliers that are currently of subordinate significance for our business activities. Here, we regularly perform sample audits on location. To date, we have not received any reliable indications that our suppliers breach human rights. For this reason, we have also not yet set any quantitative targets with corresponding follow-up measures to promote compliance with human rights.

GRI SRS-412-3

q.beyond AG has so far not included any explicit human rights clauses in its investment agreements and contracts, as the overwhelming majority of its procurement processes take place within Germany and the EU. Here, strict European requirements and laws basically protect against any breaches of

Fair play in our supply chain as well: our new Code of Conduct for Business Partners sets out the rules.

human rights. We have this year summarised our requirements relating to human rights in a **+** **Code of Conduct for Business Partners**. This is addressed to all business partners, suppliers, service providers and consultants who are directly or indirectly involved in the value chain enabling us to perform our services. In the current 2022 financial year, we will make these principles of conduct an integral component of our general procurement terms.

GRI SRS-412-1

The business locations of q.beyond AG are exclusively situated in Germany and Latvia. It has therefore not performed any human rights reviews or impact assessments.

GRI SRS-414-1

To date, q.beyond has not screened new suppliers using social criteria. We are nevertheless currently evaluating software solutions that could supply historic and real-time information in terms of ESG risks in the supply chain for our main suppliers and sub-suppliers. We plan to introduce a corresponding due diligence process in future.

GRI SRS-414-2

q.beyond AG is not aware of any negative social impacts in the supply chain. Accordingly, it has not taken any actions in this respect. Should q.beyond receive any reliable indications of any breaches of human rights in future, then it will terminate the respective business relationship without delay.

Corporate Citizenship

In our group-wide risk management, we have not identified any material risks with negative impacts on social concerns that result from our activities as an IT service provider, our products and services or our business relationships. Our social commitment therefore focuses on promoting children and young people on location. This way, we provide young people with access to additional opportunities.

One focus of our commitment to society is our partnership with the "Hamburger Weg" project. The foundation of Hamburger Sportverein (HSV) provides targeted support to existing and upcoming talent in the city of Hamburg, with key focuses on education, welfare and sports projects. In 2021, we also participated in the IT community's "CIO Charity Run & Bike". The donations received for the kilometres run benefit the two organisations "Rock Your Life" and "ReDI School", which focus above all on supporting disadvantaged youngsters. Staff at our Incloud subsidiary also dedicated their sporting prowess to a good cause in 2021. During the ten-week "Incloud Summer Challenge", company employees swam, ran or cycled a total of 10,000 kilometres to fill the donation basket. The funds raised then benefited three organisations: Médecins Sans Frontières (MSF), a charity for children living with cancer "Stiftung Deutsche Kinderkrebshilfe" and a charity supporting educational projects to help people to escape poverty "Procedi – Mit Bildung gegen Armut".

We also support culture by making an attractive offering to our employees: using the season tickets we provide to them, they can visit the "Ludwig" and "Wallraf-Richartz" museums in Cologne free of charge and as often as they wish.

Ice sports and ball game arena in Hamburg park named "q.beyond Arena" since 2020

On 28 October 2020, the Alexander Otto Sport Foundation already presented our company as the new name sponsor for its ice sports and ball game arena in the Volkspark in Hamburg-Altona. Via the foundation, this commitment, which underlines our role as a sponsor of sports in Hamburg, will also benefit sports projects at clubs and schools in Hamburg. As a member of the Board of Trustees, our CEO Jürgen Hermann contributes to the work of the foundation.

Donation: company bicycles for WESTWIND Hamburg e. V.

In the past, company-owned bicycles were on hand to enable employees to commute between the locations in Hamburg and avoid short taxi or car journeys. The increased number of employees working from home and higher volume of mobile work during the pandemic meant that our eight company bicycles at the Hamburg location were hardly used any more. In the 2021 financial year, we decided to donate them to WESTWIND Hamburg e. V. This association was founded in 2015, when many people were obliged to flee from their home countries due to war, terror and violence. The accommodation assigned to these people was often slightly remote. The association seized on the idea of providing people with bicycles, and that quickly, uncomplicatedly and free of charge. To date, the association has made more the 2,000 donated bicycles safe to use and handed them over to people, both migrants and non-migrants, who were in need of them.

Meadow sponsorship: bee pasture project at Stiftung Unternehmen Wald

For each interview we held in our 2021 customer satisfaction study, we made a donation to the bee pasture project at Stiftung Unternehmen Wald. This Hamburg-based charity is committed to promoting conservation, environmental education and forest research. With our donation, we have assumed a one-year sponsorship to create and look after a 200 square metre meadow in the Hamburg region. This way, we are helping to protect insects.

Green Kayak: Paddle and collect rubbish

With support from the environmental authorities in Hamburg, the Danish initiative Green has brought its green kayaks to Hamburg as well. The underlying idea, which combines recreational fun with environmental commitment, also inspired our employees. In their joint rubbish collection by kayak in 2021, they had a great deal of fun and helped to keep Hamburg's water clean. The kayaks were available free of charge.

At q.beyond, social commitment is often initiated spontaneously by employees and helps to strengthen the team spirit. As a medium-sized company, we have chosen not to compile catalogues of targets, concepts and action points and thus not to place any constraints on the creativity and commitment shown by our employees when it comes to addressing social concerns in their local environments.

Green Kayak: q.beyond teams hunt for rubbish on Hamburg's waters



GRI SRS-201-1

The measures and campaigns presented in the **"Corporate Citizenship" chapter** do not generate any direct economic value. They rather document our commitment to social aspects.

Economic value generated and distributed

€ 000s	2021	2020
Employee wages and benefits	82,897	77,985 ¹
Tax payments	3,553	406
Payments to providers of capital	-	3,725
Capital expenditure	7,292	5,582

Overall view for Group.

¹ Corrected.

Political Influence

Within our business model, legislative processes relating to security, data security, personal rights and privacy are particularly relevant. Our company nevertheless does not exercise any direct political influence or make any political donations. For the same reason, we currently do not have any detailed sustainability concept, or accompanying risk assessment, for the ways in which we exercise political influence and do not plan to compile any such concept in future. Furthermore, q.beyond is not registered in any lobbying lists. Our political activities are limited to our involvement in sector associations. These include Germany's digital association Bitkom, the German-Speaking SAP User Group (DSAG), the

EHI Retail Institute, the Energy Informatics Foundation (Stiftung Energieinformatik), the German Engineering Federation (VDMA), the Association for Germany's Electro and Digital Industry (ZVEI), the Association of Sponsors of the Seminar for Media and Technology Management at the University of Cologne (MTM-Verein), RIPE NCC, the German Investor Relations Association (DIRK e.V.) and the Association of Telecommunications and Value-Added Service Providers (VATM).

GRI SRS-415-1

Neither q.beyond AG nor its affiliated companies make any donations to political parties.

Information Security, Data Protection and Compliance

The advance of digitalisation is accompanied by new threats, such as hacker attacks on sensitive data. People will only actually use new IT solutions if they have faith in the security of their personal data. We therefore see compliance with all legal requirements concerning data protection and data security as an absolute prerequisite for our sustainable business success. q.beyond's location in itself shows the absolute priority accorded to data protection. As a German company, it is subject to European data protection requirements, which are probably the strictest in the world.

Manifold measures to protect data

Our Data Protection Policy sets out applicable regulations for collecting, processing and using the personal data of natural persons. These particularly apply for the data of customers, shareholders and other third parties, as well as of contractual and business partners, especially with regard to the statutory requirements of the General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG) and the German Telecommunications and Telemedia Data Protection Act (TTDSG). The processing of personal data in systems which enable the conduct or performance of company employees to be monitored or which record, store, process or use personal data of employees is governed by the "Framework Agreement for the Introduction and Operation of Information and Com-

We meet what are probably the world's strictest data protection requirements.

munications Systems". A separate "IT and Data Protection" body, which also comprises members of the Works Council, regularly discusses topics relating to data protection.

All personal data is protected against the threat of unauthorised access. To this end, we have implemented technical, organisational and employee-related measures which also ensure that personal data is protected against unauthorised access, unlawful processing or dissemination and against accidental loss, unintended amendment and destruction. These measures address the security of that data requiring protection both when it is processed electronically and also in paper form.

ISO 27001

Our information security management system
is audited and certified each year.

They form part of an integrated information security management system pursuant to ISO 27001 and are continually updated to account for the latest technical advances and organisational changes. Our information security management system is annually reviewed by an independent certifier.

Risks involving information security, data protection and compliance are factored into our risk management. Within the **2021 Annual Report**, the risk report provides extensive information about our risk management system and risk classification, and explains high risks and the measures taken to combat these. In the past financial year, these did not include any material risk involving information security, data protection or compliance with negative probable implications in terms of combating corruption and bribery.

Group officer responsible for data protection

The external data protection officer appointed by the Management Board monitors compliance with data protection requirements. The officer exercises his powers independently of instruction. He coordinates cooperation and agreement processes for all key data protection matters and is supported by data protection coordinators at the group companies. The data protection coordinators and Group Data Protection Officer are involved at an early stage in the development of new products and services to ensure that these conform to the principles of data protection law. This advance review enables virtually all complex subsequent amendments to be avoided.

Compliance with the Data Protection Policy and applicable data protection legislation is reviewed

in regular data protection audits. Customers also perform regular audits to check compliance with the high standard of data protection at q.beyond. Furthermore, external data protection audits are conducted at regular intervals, for example by the German Federal Officer for Data Protection and Freedom of Information (BfDI).

All employees receive basic training on the requirements of data protection law when they join the company and are required to take part in refresher training at least once a year. Furthermore, employees are regularly informed about specific data protection topics relating to customer and employee data. All employees are also obliged to comply with the regulations governing the secrecy of telecommunications and social data, as well as with business secrecy requirements.

Business success is built on integrity, ethics and personal responsibility

For listed companies such as q.beyond AG, the German Act on Strengthening Financial Market Integrity (FISG), which entered effect in mid-2021, has provided a legal basis within the German Stock Corporation Act (AktG) for companies to establish an appropriate and effective internal control system (IKS) and a corresponding risk management system (RMS). The Group previously already met the recommendations made by Principle 5 of the German Corporate Governance Code (DCGK) in respect of establishing a compliance organisation. The DCGK recommendation states that the Management should ensure that all provisions of law and internal policies are complied with and that it should endeavour to achieve their compliance by the company. The compliance management system (CMS) at q.beyond is intended to detect any breaches of

duty at an early stage, to evaluate these and enable appropriate measures to be taken in response and, by implementing prophylactic measures, to avoid the materialisation of breaches of duty, damages and liability. Based on the assessment of the Management and Supervisory Boards, the CMS in place at q.beyond AG currently satisfies all requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code.

Responsibility for the CMS is incumbent on the Management Board. The head of the Internal Audit and Compliance department acts as the Compliance Officer and is responsible for structuring, further developing and implementing the CMS across the Group. He reports not only to the Management Board and management team but, following agreement with the Management Board, also regularly reports to the Supervisory Board and its Audit Committee. In the event of material compliance problems in which the Management Board is directly involved, the Compliance Officer is entitled and obliged to inform the Supervisory Board Chairman or the Audit Committee Chairman directly. The Compliance Officer liaises regularly with the heads of the Legal, People & Culture and IT Security departments.

All company employees are obliged to uphold ethical business practices. q.beyond strictly ensures that all its employees and corporate bodies always comply with applicable laws and the company's own internal guidelines and codes of conduct. Compliance defines the conduct shown by all employees towards customers, other employees and colleagues, investors, executives and the social environment in which q.beyond operates. The company prohibits all actions, whenever and wherever they may occur, which breach applicable laws or its own internal guidelines and codes of conduct.

CMS at q.beyond AG meets all legal requirements of the German Stock Corpora- tion Act and the German Corporate Gov- ernance Code.

This approach naturally also includes measures taken to combat bribery and corruption. As compliance aims to prevent any unlawful or inappropriate business decisions, suitable considerations are integrated into the relevant business processes in advance. This reduces the company's liability risks and enhances its standing as a reliable partner, particularly with small and medium-sized customers.

As well as fostering a culture of compliance and promoting communications appropriate to the respective addressees, the Compliance Officer is also responsible for regularly reviewing the effectiveness of the CMS, monitoring compliance targets and continually improving the CMS. After all, the CMS is a management system that has to be permanently adapted in line with changes in the legal, social and economic framework. The alignment of the system is therefore regularly checked by q.beyond's management and its Supervisory Board, with adjustments being made where necessary. In the 2021 financial year, for example, a **+** **Code of Conduct for Business Partners** was developed on the basis of the general principles formulated in our **+** **Code of Conduct**. In the current 2022 financial year, we will make these requirements an integral component of our procurement policies.

The risks which could prevent the company from achieving its compliance targets are identified and assessed at least once a year. This risk inventory also assists the company in prioritising suitable measures intended to prevent unlawful actions. The compliance programme includes requirements and recommended actions in the form of policies, work instructions and process descriptions that are applicable either on a uniform basis throughout the company or to specific business units and departments. The **+** **Code of Conduct** provides a superordinate summary of all compliance principles, rules of conduct and guidelines for business activities.

The Compliance Officer regularly provides information on the intranet about relevant topics and explains reporting duties and the channels to be used to report compliance-related matters. If necessary, separate information mails are also sent to all employees. These communications are backed up by a training programme which raises awareness for the topic among all of the company's employees.

Zero tolerance for infringements

Despite all preventative measures, the possibility of legal infringements and severe breaches of duty arising at the company cannot be excluded completely. All infringements detected must be reported by the manager of the employee in question and the



The Compliance Officer is responsible for structuring, further developing and implementing the CMS.



Code of Conduct summarises all compliance principles, rules and guidelines underpinning our business activity.

head of department, generally to the head of People & Culture, as well as to the head of the respective business unit in the case of severe infringements. Material compliance-related infringements are additionally reported to the Compliance Officer, who is also kept regularly informed, for example, about the scope of and reason for any disciplinary measures taken by the People & Culture department in this regard. No fines or nonmonetary sanctions were imposed due to non-compliance with laws and/or regulations in the past financial year.

In accordance with the recommendations made in the German Corporate Governance Code, q.beyond has implemented an electronic whistleblowing system. This way, our company enables all external parties, as well as its own employees, to provide tip-offs of any suspected unlawful conduct. Confidentiality is guaranteed and tip-offs may also be submitted anonymously. Specially trained individuals who are obliged to maintain confidentiality thoroughly investigate every tip-off received that is legitimate and sufficiently specific.

GRI SRS-205-1

q.beyond only has locations in Germany and Latvia. These are regularly monitored to identify cases of corruption and breaches of compliance requirements.

GRI SRS-205-3

There were no indications of any material breaches of compliance in 2021.

GRI SRS-419-1

No fines or non-monetary sanctions were imposed due to non-compliance with laws and/or regulations in the past financial year.

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